

People. Partnerships. Possibilities.



Marking 25 Years of Our Purpose.

*-Team work  
-Integrity  
-Excellence  
-Passion*



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At Jubilee Life, we believe long-term success is the result of relationships built on a foundation of trust because people get more value from those they trust. And that is why people across Pakistan have been trusting us for over 25 years to deliver insurance solutions that help them build securer futures for themselves and their loved ones. Moreover, as a company, we believe that creating a strong business by evolving and adapting to meet the needs of our ever-changing communities is essential to this sustained leadership.

Today, we continue what we started 25 years ago – the pursuit of both excellence in enterprise and a constant commitment to our customers.

# LEADERSHIP LEADERSHIP LEADERSHIP LEADERSHIP

Being the largest private insurer in Pakistan with over 8 million lives insured and the largest Takaful operator nationwide are just some of the ways we define leadership. Others include our innovative and customer-centric approach, offering an array of insurance solutions for various financial protection needs, making us the highest premium writer in the country. Our business acumen and expertise has also made us the nation's fastest growing financial funds.



# About The Report

The annual report of the Jubilee Life Insurance Company Limited is a comprehensive document designed to provide a holistic view to our valued stakeholders and readers about the Company's operations, financial performance, corporate governance, and business strategies. The report including financial statements complies with all applicable statutory and regulatory requirements articulated in the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017, the Takaful Rules, 2012 and International Integrated Reporting Council (IIRC) Integrated Reporting (IR) Framework.

The report covers the reporting period from January 1, 2021 to December 31, 2021 including subsequent events till its issuance to shareholders.

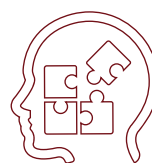
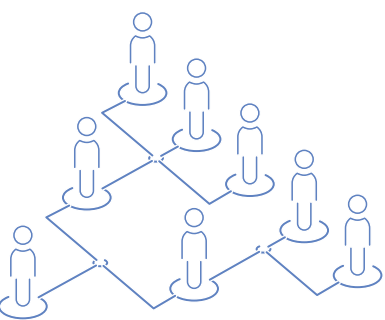
The report contains information that stakeholders of the Company would reasonably require to make an informed assessment of the operations of the Company reported on, the financial performance, business strategies, key performance indicators, value chain, business model, competitive analysis and its prospects for the future.

The report delineates the respective roles and responsibilities of the Company towards implementing Integrated Reporting (IR) framework to enhance accountability, transparency and credibility and established business strategies for maintaining market leadership.

We identified the emergence of corporate social responsibility by adopting 9 goals from 17 United Nation's Sustainability Development Goals (SDGs) 2030 and have been successfully embedded sustainability at the core of our business operations over the year. We believe this disclosure would create more awareness among our stakeholders related to environment, sustainability and well-beingness.

This annual report contains following elements for the stakeholders of the Company:

- Organizational Overview and External Environment
- Strategy and Resource Allocation
- Risks and Opportunities
- Governance
- Performance and Position
- Stakeholders Relationship and Engagement
- Sustainability and Corporate Social Responsibility
- Outlook



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# COMMITMENT COMMITMENT COMMITMENT COMMITMENT COMMITMENT

Through our robust insurance solutions and subsequent commitment to timely payment of claims and benefits, we have instilled a sense of confidence and trust in our customers and stakeholders. Over the years, we have paid more than 120 billion rupees in insurance benefits to millions of families and businesses across Pakistan.



# Organizational Overview & External Environment

# INNOVATION INNOVATION INNOVATION INNOVATION INNOVATION

At Jubilee Life, a key ingredient of our success is our ability to innovate – so we can do more and better for our customers. Some of our recent innovations include: the first ever Cancer Insurance Product in Pakistan by the name of Cancer Protection Plan in 2019; first ever bancassurance business in Pakistan launched by Jubilee Life in 2003; first ever 24/7 Approval Center for Health Insurance Customers in 2014; first ever Digital Employee Centric Cloud Based HRMS in 2020.



## Company Profile

The Company was incorporated in Pakistan, as a public limited Company on June 29, 1995 as Commercial Union Life Assurance Company (Pakistan) Limited under the Companies Ordinance, 1984. In 2003, the Company was acquired by Aga Khan Fund for Economic Development, SA, Switzerland and had been renamed as New Jubilee Life Insurance Company Limited. Further in 2011, "Jubilee Insurance" brand was globally synergized across Pakistan, Kenya, Uganda, Tanzania, Mauritius & Burundi, accordingly the Company was renamed as Jubilee Life Insurance Company Limited. Later in 2015, Jubilee Life commenced Window Takaful Operations to provide Shariah-compliant Takaful products.

The Company is engaged in life insurance, carrying on non-participating business. The Company has seven operating segments in respect of class of its life insurance business namely;

- Individual Life Unit Linked
- Conventional Business
- Accident & Health
- Overseas Group Life and Health Business
- Individual Family Takaful
- Group Family Takaful
- Accident & Health Family Takaful

Over the years, Jubilee Life has grown by leaps and bounds and marks its 25th anniversary in the insurance landscape of the Country. We are a leading private life insurance company in the life insurance industry. The word "Jubilee" is associated with "Happiness," which very much relates to our business. We give confidence to our customers to dream and to make those dreams come true with a secured future financial plan. Jubilee Life operates across Pakistan and has been continuously widening its presence nationwide. The Company has been receiving overwhelming responses from the market for its products, including individual life saving and protection plans, group life and health products. We are consistently launching new products to abreast our policyholders with our innovative and unprecedented products in the life insurance industry.

During the year, we launched a new product under conventional business statutory fund named Jubilee Noor Plan which is a traditional non-participating product with guaranteed surrender values, death benefit, maturity benefit and a free of cost additional accidental death rider. In addition to this, the Company in collaboration with digital partner, introduced an Ozoned digital platform which is a customized and efficient end-to-end solution and contains an interactive web portal accompanied by mobile apps to digitally enable agent force to serve the policyholders and provide them unmatched convenience for managing their insurance needs digitally.

We deal in a long-term commitment business and believe that investing in customer satisfaction is the key to long-term business success and have been following the best practices prescribed by SECP. We manage extensive multi-channel distribution, namely Bancassurance, Direct Sales Force (DSF), Corporates Sales and through digital and online platforms for better reach to deliver quality services and to provide essential knowledge and seamless experience on our insurance products to our customers. We have number of branches to facilitate customers across Pakistan.

We have insured more than 8 million lives through more than 700,000 and 4,000 individual and corporate clients respectively. We are the largest health insurance provider with the largest panel network of more than 500+ healthcare centers to facilitate our policyholders. We keep our commitments while adhering to the highest ethical standards, integrity, and transparency in all spheres of our business operations. We focus on building a good corporate relationship with business partners as it mutually benefits both to function better, grow faster, and be more successful.

We have consistently delivered our best to share reliable, accurate, and timely financial information to our shareholders and investors, complying with international financial reporting standards and following the code of corporate governance, including corporate governance for insurers. We have been a good steward satisfying various requirements of our stakeholders.

We have a strong footprint in the life insurance industry with the highest rating of AA+ (Double A Plus) with Stable Outlook by VIS (formerly JCR VIS) rating agency which indicates our strong financial strength to meet contractual obligations of policyholders, management stability, financial leverage, and overall Company's financial performance consistently over the years.

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# Vision

Enabling people to overcome uncertainty.

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# Mission

To provide solutions that protect the future of our customers.

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# Core Values

- Teamwork
- Integrity
- Excellence
- Passion



# RESILIENCE RESILIENCE RESILIENCE RESILIENCE

As a Company, we have the ability to weather the storms and through our products and services provide a safe harbour in times of uncertainty. This past year has undoubtedly tested our organisation's resilience as we battled to maintain business stability and operational continuity in the face of lockdowns and disruptions. We adapted and continued to deliver operational resilience and serve our customers.



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## Overall Corporate Strategy

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

# Journey of Jubilee Life over 25 years

**1996**

- The Company commenced business in group life insurance on June 20, 1996 from its offices in Islamabad and Karachi
- Within six months, covering over 12,000 lives through 61 insurance policies

**1997**

- Launched Individual Life business operations from January 1, 1997
- Branch network expanded to main cities including Karachi, Lahore, and Islamabad

**1998**

- Launched health insurance coverage
- Expansion of branch network throughout Pakistan including Azad Jammu & Kashmir (AJK)

**1999**

- Became the first ISO 9002 certified foreign life insurance company in Pakistan
- Offered the First Credit Shield

**2000**

- The Government promulgated the new Insurance Ordinance, 2000, envisaging higher requirements for solvency margins

**2001**

- The Company strengthened its authorized share capital base from Rs. 500 million to Rs. 1 billion
- The Company had its first rights shares issue

**2002**

- Individual life new business recorded 26% growth, whilst renewal premium recorded 47% growth
- Signed up the first ever Bancassurance agreement in Pakistan

**2003**

- Became a subsidiary of the Aga Khan Fund for Economic Development, SA, Switzerland
- Rebranding as "New Jubilee Life Insurance Company Limited"
- Launched Micro Life Insurance for benefiting the low-income sector of the society
- Issuance of 2nd rights shares increasing its paid-up capital to Rs. 627 million

**2004**

- Expansion of branch network to Quetta, Jacobabad, Ghotki, Mirpurkhas, Gujrat, Gujranwala, Sargodha and Kotli (AJK)

**2005**

- Net written premium crossed the Rs. 1 billion mark and was recorded at Rs. 1.2 billion

**2006**

- All lines of business recorded steady growth, with Individual Life new business recording 135% growth, Group Life 39% growth, and Accident & Health 29% growth

**2007**

- Launched Micro Health Insurance
- Signed up bancassurance agreements with two more banking partners

**2008**

- Issuance of new policies on decentralized basis from Lahore & Rawalpindi was commenced, with real time connectivity with the Head Office

**2009**

- An internationally recognized Actuarial Software Program was implemented
- The number of banking partners selling bancassurance products increased to nine

**2010**

- Achieved the position of the largest provider of Employee Benefit Services in Pakistan.
- Network of branches throughout Pakistan increased to 75
- The Company took cognizance of Corporate Social Responsibilities through donations and time spent of the employees

**2011**

- Achieved the position of the largest Bancassurance provider in Pakistan
- "Jubilee Insurance" brand was globally synergized across Pakistan, Kenya, Uganda, Tanzania, Mauritius & Burundi
- The Company was renamed as Jubilee Life Insurance Company Limited
- Awarded the "Best Insurance Company" in World Finance Insurance Awards Ceremony

**2012**

- Awarded the "1st FPCCI Achievement Award" from the Federation of Pakistan Chambers of Commerce & Industry
- Received the "HR Leadership Award" in the Asian Leadership Awards Ceremony hosted by the Asian Confederation of Businesses

**2013**

- Awarded the "2nd FPCCI Achievement Award" from the Federation of the Pakistan Chamber of Commerce & Industry
- Achieved an Insurer Financial Strength (IFS) rating of AA (Double A), with "Stable" outlook, from JCR-VIS
- Received the "HR Leadership Award" in the Asian Leadership Award ceremony hosted by the Asian Confederation of Businesses
- Awarded the "Putting the Consumers First" Award
- Awarded the Life Office Management Association, USA (LOMA) Excellence in Education Award, 2013

**2014**

- Launched first SMS based interactive service for insurance customers
- Launched Pakistan's first 24-hour Health Approval Center
- Awarded the "3rd FPCCI Achievement Award" by the Federation of Pakistan Chambers of Commerce and Industry (FPCCI)
- Became the largest life insurance company in the private sector, having its footprints in every corner of the country

**2015**

- Jubilee Life became first life insurance company in the private sector to be assigned an Insurer Financial Strength (IFS) rating of AA+ (Double A Plus), with a "Stable" outlook, by JCR-VIS
- Launched Window Takaful Operations by introducing Individual Family Takaful, Group Family Takaful and Accident & Health Family Takaful products
- Received the "Training Leader of the Year Award" from the Asian Confederation of Business, during Asian Training and Leadership Awards Ceremony
- Became the Largest Health Insurer in Pakistan
- Insured 2.7 million lives for Micro insurance benefits

**2016**

- Awarded the prestigious "PSX Top 25 Companies Award" for 2014
- Insured over 5 million lives through different channels
- Awarded LOMA Excellence in Education Award, 2016
- Awarded the "Brands of the Year Award" for 2015-16
- Achieved the fastest Rs. 1 billion new contributions in Window Takaful operations and became the largest distributor of Family Takaful products in terms of new contribution
- Premium Written of more than Rs. 4 billion through Corporate Distribution channel, another first for any private sector insurer
- Largest Panel Hospital network of around 400 hospitals serving customers across Pakistan

**2017**

- Awarded the prestigious "PSX Top 25 Companies Award" for 2016
- Received the 6th FPCCI Achievement Award
- Awarded with the ACCA Approved Employer Training Development Gold
- Enterprise Challenge Pakistan in partnership with Prince's International Trust, UK as part of CSR initiative

**2018**

- Received the 33rd MAP Corporate Excellence Award

**2019**

- Achieved PKR 50 billion in underwritten premium (Highest ever by a private life insurance provider)
- 1st ever Cancer Insurance Product launched in Pakistan named 'Cancer Protection Plan'
- Received the 34th MAP Corporate Excellence Award
- Received the 5th Environment, Health & Safety Award in the Responsibility for Health & Safety
- Received the 8th Corporate Social Responsibility Award in Public Health & Safety
- Pakistan Digital Awards for Best short form Video (Web)

**2020**

- Received the 35th MAP Corporate Excellence Award
- Pakistan Digital Awards for Best Social Media Campaign (Facebook)
- Silver Effie Award in the category of Insurance
- Became largest player in private sector Takaful business
- First ever highest surplus distributed in a year by any Family Takaful operator in the country

**2021**

- Celebrating 25th Anniversary of the Company
- 2nd consecutive surplus distribution to the participants
- 36th MAP Corporate Excellence Award in the Insurance category
- Bronze Award in the Large National Category for promoting UN Sustainable Development Goal of economic growth and decent work at the 8th Employer of the Year Award 2020
- 'Certificate of Merit' in Best Corporate Report Award 2020 by ICAP and ICMAP
- Pakistan Digital Awards for Best Small Budget Digital Campaign of the Year
- Largest Network of 500+ Panel Hospitals Nationwide
- Sehat Kahani Initiative for employees and all customers to provide them with free of cost unlimited OPD consultation services
- Highest number of branches / premises (300+) in the private life insurance sector
- Largest player of bancassurance business in private life insurance industry of Pakistan

**2013**

- Awarded the "2nd FPCCI Achievement Award" from the Federation of the Pakistan Chamber of Commerce & Industry
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- Highest number of branches / premises (300+) in the private life insurance sector
- Largest player of bancassurance business in private life insurance industry of Pakistan



# RELIABILITY RELIABILITY RELIABILITY RELIABILITY

People matter to us and their well-being lies at the heart of our business. Whether it is cancer protection or COVID-19; education plans or retirement plans; saving for a rainy day or a child's big wedding day, we have it all covered. With Jubilee Life, families across Pakistan have the peace of mind that they can get the support they need – when and where they need it.



## Rating of the Company

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# Insurer Financial Strength (IFS) Ratings



Long Term Rating  
**Stable** Outlook  
By VIS  
March 01, 2022







# Key Financial Highlights

# Key Financial Highlights





## Awards and Accolades

## Awards and Accolades

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



Ms. Tazeen Shahid, Group Head Human Resource Management and Development receiving Bronze Award in the Large National Category for promoting UN Sustainable Development Goal of economic growth and Decent Work at the 8th Employer of the Year Award 2020 on behalf of Jubilee Life.



Mr. Omer Farooq, Chief Financial Officer receiving the Top Trophy in Insurance Sector Category on behalf of Jubilee Life in the 36th Corporate Excellence Award ceremony of the Management Association of Pakistan.



# Awards and Accolades

Pakistan Digital Awards



Best Digital Marketing Campaigns  
2019, 2020 & 2021

MAP Corporate Excellence Awards



33<sup>rd</sup>, 34<sup>th</sup>, 35<sup>th</sup> & 36<sup>th</sup> MAP Corporate Excellence Awards  
2018, 2019, 2020 & 2021

Best Corporate Report Award



'Certificate of Merit' - Insurance category for Best Corporate Report Award  
2020

Silver Effie Award



Silver Effie Award in the category of insurance  
2020

International Environment Health & Safety Shield & Award



5<sup>th</sup> Environment, Health & Safety Shield & Award in the category of Responsibility for Health & Safety  
2019

8<sup>th</sup> Corporate Social Responsibility Shield & Award



8<sup>th</sup> Corporate Social Responsibility Shield & Award in Public Health & Safety  
2019

# Awards and Accolades



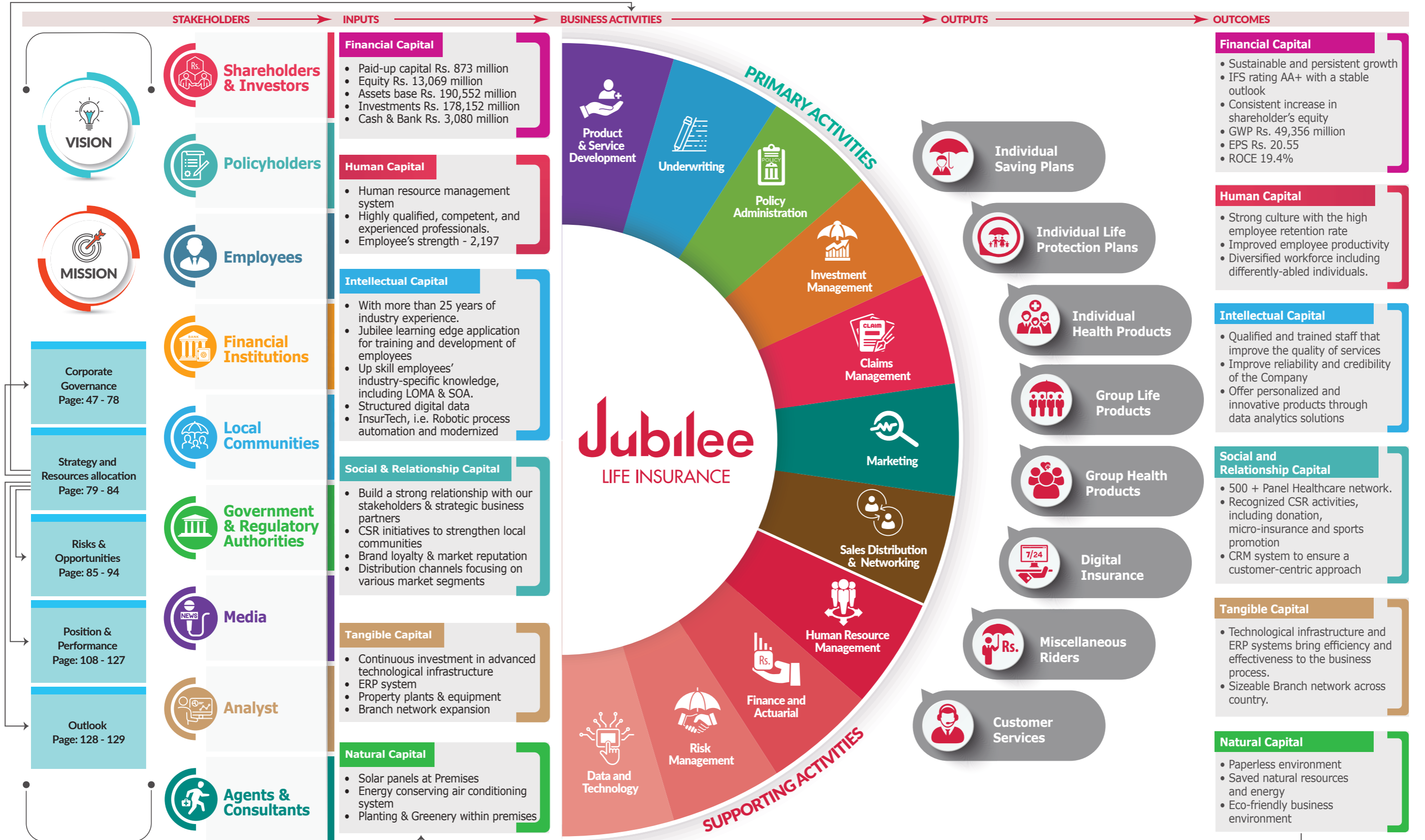


# EXPERTISE EXPERTISE EXPERTISE EXPERTISE

At the cornerstone of our business lies innovation backed by our deep insurance expertise in delivering market leading insurance solutions for a wide range of needs from health to education. Our expertise takes the form of our carefully designed products that can be tailored to meet specific needs, our team of insurance-trained experts who speak the language of our clients and can guide customers towards their desired outcomes, and goals.

# Business Model

The business model of Jubilee Life Insurance provides a comprehensive picture of the combination, interdependence, and dependencies between the factors that influence an organization's ability to create value over time and help stakeholders to understand the business operation and make investment decisions accordingly. We have described our value creation process over the short, medium, and long term. This value chain process provides us with a holistic vision and insight of all corporate activities to utilize our capitals, including human, financial, social & relationship, intellectual, tangible, natural. Furthermore, we effectively manage our operations through identifying the risk, availing opportunities, establishing strategies, and ensuring governance. Every organization receives multiple inputs and different opportunities to convert these into valuable outputs to get optimized benefits in terms of output for its stakeholders, governing bodies, and management.





# Key Products and Customer Services



### Individual Saving Plans\*

- Retirement Plans
- Marriage Plans
- Child Education Plans
- Plans For Medical Colleges
- Joint Life Plans
- Wealth Accumulation Plans
- Single Premium Plans
- Traditional Endowment Plan



### Individual Protection Plans\*

- Death due to any Cause
- Accidental Death
- Death due to Dread Disease
- Comprehensive Cancer Coverage
- Level Term Assurance
- Decreasing Term Assurance
- Critical Illness
- Family Income Benefit Plans
- School Fee Protection



### Miscellaneous Riders\*

- Cancer Protection Rider
- Medical Second Opinion
- Accidental Death Rider
- Accidental Death or Dismemberment Rider
- Family Income Benefit
- Hospitalization Cash Rider
- Critical Illness
- Permanent Total Disability
- Inpatient Hospitalization Rider



### Individual Health Products\*

- Cancer Protection
- Inpatient Hospitalization
- Emergency Hospitalization Cover
- Micro Health Insurance



### Digital Products\*

- Accidental Death and Disability
- Inpatient/Accidental
- Hospitalization



### Group Life Products\*

- Credit Life Plans
- Fee Continuation Plans
- Pay Continuation Plans
- Hospital Cash Benefit Plans
- Microinsurance Plans
- Mortgage Life Plans



### Group Health Products\*

- Comprehensive Hospitalization Benefits
- Comprehensive Dread Diseases Cover
- Out Patient Benefit
- Maternity Benefit
- Micro Health

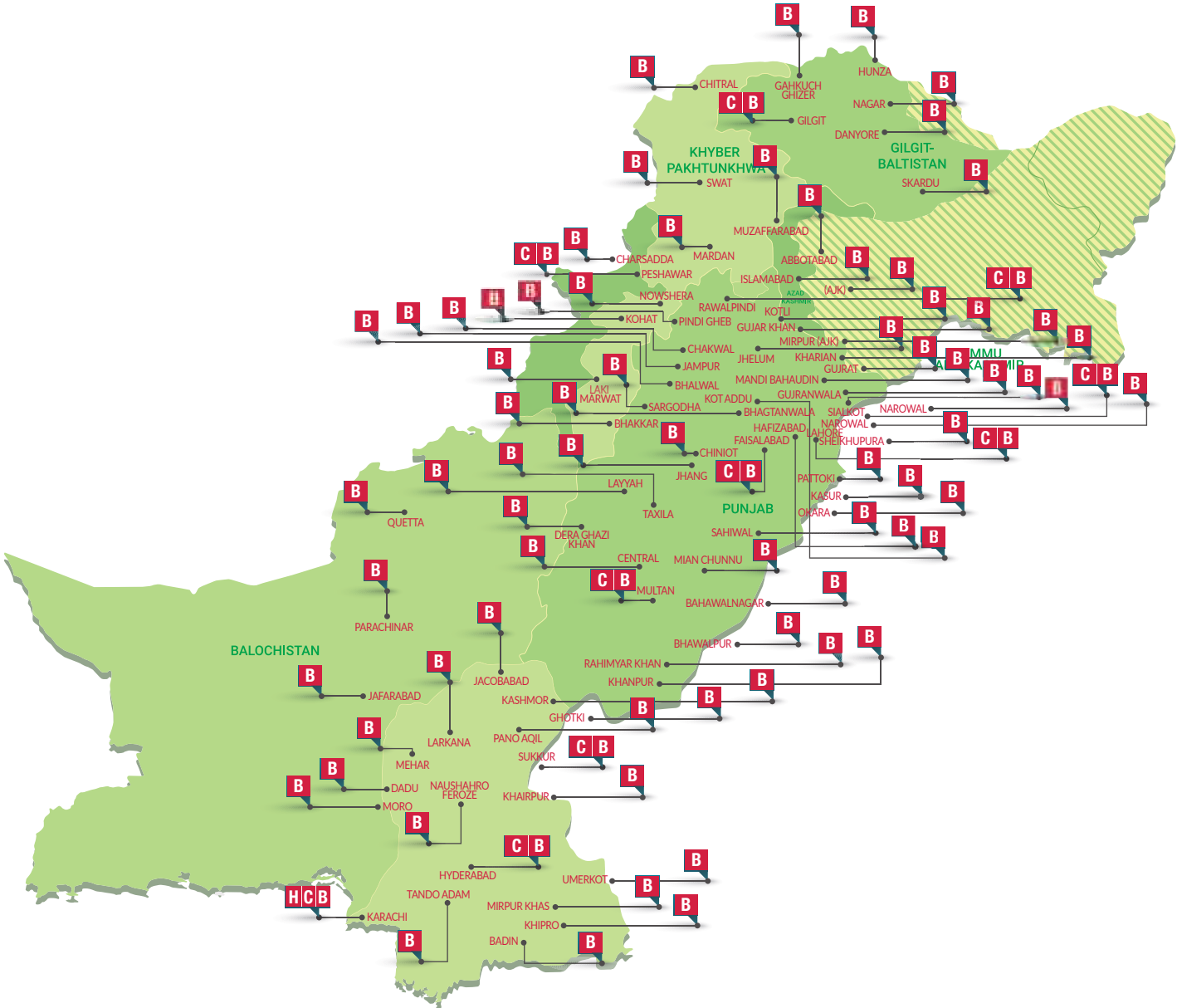


### Customer Services\*

- Customer Web Portal
- Mobile App
- Interactive Voice Response (IVR)
- 24/7 Approval Center
- Call Center
- SMS Services (8554)

\* This includes products offered through the Window Takaful Operations.

# Geographical Presence



- H** — Head Office
- C** — Corporate Office
- B** — Branches

TOTAL NO. OF EMPLOYEES  
 **2,197**  
 (31<sup>st</sup> December 2021)

# Company Information

## BOARD OF DIRECTORS

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

**Sultan Ali Allana**  
Non-Independent  
Non-Executive Director

**Amyr Currimbhoy**  
Independent  
Non-Executive Director

**John Joseph Metcalf**  
Non-Independent  
Non-Executive Director

**Shahid Ghaffar**  
Independent  
Non-Executive Director

**R. Zakir Mahmood**  
Non-Independent  
Non-Executive Director

**Sagheer Mufti**  
Non-Independent  
Non-Executive Director

**Yasmin Ajani**  
Independent  
Non-Executive Director

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

## BOARD COMMITTEES

### Audit Committee

<b>Amyr Currimbhoy</b>	Chairman
<b>John Joseph Metcalf</b>	Member
<b>Shahid Ghaffar</b>	Member
<b>Yasmin Ajani</b>	Member
<b>Adeel Ahmed Khan</b>	Head of Internal Audit & Secretary

### Risk Management Committee

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

### Finance & Investment Committee

<b>Shahid Ghaffar</b>	Chairman
<b>John Joseph Metcalf</b>	Member
<b>R. Zakir Mahmood</b>	Member
<b>Javed Ahmed</b>	Member
<b>Shan Rabbani</b>	Member
<b>Omer Farooq</b>	Member & Secretary

### Technical Committee

<b>John Joseph Metcalf</b>	Chairman
<b>Shahid Ghaffar</b>	Member
<b>Javed Ahmed</b>	Member
<b>Sagheer Mufti</b>	Member
<b>Shan Rabbani</b>	Member & Secretary

### Human Resource & Remuneration, Ethics & Nomination Committee

<b>Kamal A. Chinoy</b>	Chairman
<b>John Joseph Metcalf</b>	Member
<b>R. Zakir Mahmood</b>	Member
<b>Javed Ahmed</b>	Member
<b>Tazeen Shahid</b>	Member & Secretary

### Construction Advisory Committee

<b>Kamal A. Chinoy</b>	Chairman
<b>R. Zakir Mahmood</b>	Member
<b>Javed Ahmed</b>	Member & Secretary

# Company Information

## MANAGEMENT

### Javed Ahmed

Managing Director &  
Chief Executive Officer

### Farhan Akhtar Faridi

Group Head Retail Operations,  
Admin & Marketing

### Muhammad Kashif Naqvi

Group Head Technology &  
Project Management

### Muhammad Munawar Khalil

Group Head Direct Sales &  
Alternative Distribution

### Muhammad Sohail Fakhar

Group Head Corporate  
Business & Bancassurance

### Omer Farooq

Chief Financial Officer  
Group Head Finance & Accounts

### Shan Rabbani

Group Head Digitalization,  
Actuarial & Strategy

### Tazeen Shahid

Group Head Human Resource  
Management & Development

### Zahid Barki

Group Head Risk Management,  
Compliance & Quality Assurance

### Asif Mobin

Head of Investments

### Faiz ul Hassan

Head of Corporate Business  
Distribution

### Faisal Qasim

Head of Information Security &  
Quality Assurance

### Khurram Murtaza

Head of Window Takaful Operations

### Muhammad Aamir

Head of Corporate Business  
Operations

### Muhammad Faizan Farooque

Head of Actuarial Services & Products

### Muhammad Junaid Ahmed

Head of Sales Compliance,  
Investigation & Litigation

### Nadym Chandna

Head of Training & Development

### Najam ul Hassan Janjua

Company Secretary &  
Head of Legal Department

### Syed Rizwan Azeiz

Head of Bancassurance

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## CHIEF FINANCIAL OFFICER

Omer Farooq

## COMPANY SECRETARY

Najam ul Hassan Janjua

## COMPLIANCE OFFICER

Zahid Barki

## COMPLIANCE OFFICER - WINDOW TAKAFUL OPERATIONS

Khurram Murtaza

## HEAD OF INTERNAL AUDIT

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Adeel Ahmed Khan

# Company Information

## Management Committee

Javed Ahmed	Chairman
Farhan Akhtar Faridi	Member
Muhammad Munawar Khalil	Member
Muhammad Sohail Fakhar	Member
Muhammad Kashif Naqvi	Member
Omer Farooq	Member
Shan Rabbani	Member
Zahid Barki	Member
Tazeen Shahid	Member & Secretary

## Underwriting Committee

Javed Ahmed	Chairman
Farhan Akhtar Faridi	Member
Muhammad Munawar Khalil	Member
Shan Rabbani	Member
Raja Naveed	Member & Secretary

## Reinsurance Committee

Javed Ahmed	Chairman
Muhammad Sohail Fakhar	Member
Shan Rabbani	Member
Muhammad Aamir	Member
Shouzab Ali	Member & Secretary

## Investment Management Committee

Javed Ahmed	Chairman
Omer Farooq	Member
Shan Rabbani	Member
Farhan Akhtar Faridi	Member
Zahid Barki	Member
Asif Mobin	Member
Dileep Kumar	Member & Secretary

## Marketing Committee

Javed Ahmed	Chairman
Farhan Akhtar Faridi	Member
Shan Rabbani	Member
Muhammad Sohail Fakhar	Member
Usman Qaiser	Member & Secretary

## Claims Committee

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

## Risk Management & Compliance Committee

Javed Ahmed	Chairman
Zahid Barki	Member
Shan Rabbani	Member
Omer Farooq	Member
Faisal Qasim	Member
Najam ul Hassan Janjua	Member & Secretary

## IT Steering Committee

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

## Disaster Steering Committee

Javed Ahmed	Chairman
Zahid Barki	Member
Farhan Akhtar Faridi	Member
Muhammad Kashif Naqvi	Member
Omer Farooq	Member
Faisal Qasim	Member & Secretary

The above information is updated as of March 09, 2022.

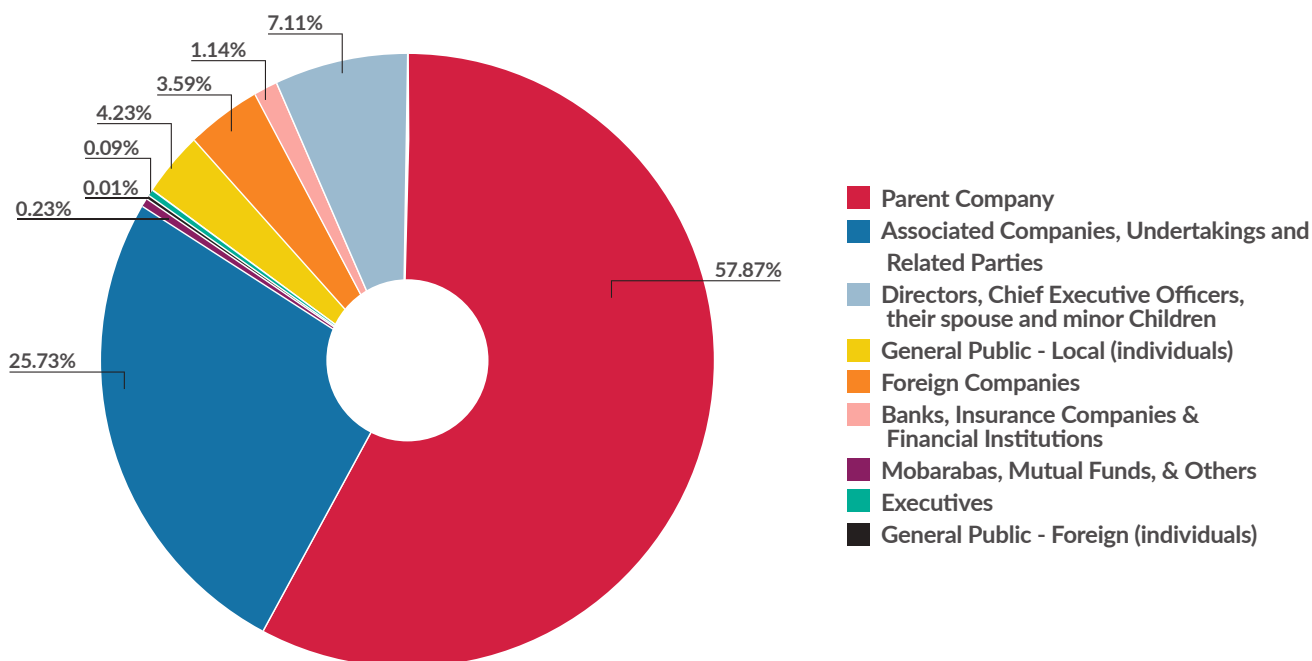
# Company Information

<b>REGISTERED OFFICE</b>	26-D, 3rd Floor, Kashmir Plaza, Jinnah Avenue, Blue Area, Islamabad, Pakistan. Tel: +92 (51) 2206930-6, +92 (51) 2821903 Web: www.jubileelife.com E-mail: info@jubileelife.com
<b>HEAD OFFICE</b>	74/1-A, Lalazar, M. T. Khan Road, Karachi-74000, Pakistan. Tel: +92 (21) 35205094, +92 (21) 32120201 Web: www.jubileelife.com E-mail: info@jubileelife.com
<b>APPOINTED ACTUARY</b>	<b>Nauman Associates</b> 249-CCA, Sector FF, Phase IV, DHA, Lahore, Pakistan. Tel: +92 (42) 35741827-29
<b>AUDITORS</b>	<b>A.F. Ferguson &amp; Co., Chartered Accountants</b> Engagement Partner: Farrukh Rehman State Life Building, 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan. Tel: +92 (21) 32426682-6 Fax: +92 (21) 32415007 Web: www.pwc.com.pk
<b>BANKERS</b>	Habib Bank Limited (Conventional & Islamic Window) Standard Chartered Bank (Pakistan) Limited (Conventional & Islamic Window)
<b>LEGAL ADVISORS</b>	<b>Kabraji &amp; Talibuddin</b> Advocates & Legal Counsellors, 406-407, 4th Floor, The Plaza at Do Talwar, Block 9, Clifton, Karachi-75600, Pakistan. Tel: +92 (21) 35838871-6 Fax: +92 (21) 35838879
<b>REGISTRAR &amp; SHARE TRANSFER OFFICE</b>	<b>CDC Share Registrar Services Limited</b> CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400, Pakistan. Tel: +92 (21) 111-111-500
<b>SHARIAH ADVISOR</b>	Mufti Zeeshan Abdul Aziz

# Ownership Structure

Categories of Shareholders	Shares Held	Percentage
Parent Company *	50,500,864	57.87%
Associated Companies, Undertakings and Related Parties		
- Habib Bank Limited - Treasury Division	16,158,703	18.52%
- Jubilee General Insurance Company Limited	5,611,592	6.43%
- The Aga Khan University Foundation	685,091	0.78%
Directors, Chief Executive Officers, their spouse and minor Children	198,941	0.23%
Executives	80,948	0.09%
Foreign Companies	3,690,793	4.23%
Banks, Insurance Companies & Financial Institutions	3,129,765	3.59%
Mobarabas, Mutual Funds, & Others	996,764	1.14%
General Public - Local (individuals)	6,203,387	7.11%
General Public - Foreign (individuals)	6,900	0.01%
<b>TOTAL</b>	<b>87,263,748</b>	<b>100.00%</b>

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



The detailed Pattern of shareholdings is covered on pages 278 to 280 of the Annual Report.

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# Operating Structure

The Board of Directors exercises its powers to delegate authority to the management to manage daily routine business operations and ancillary matters. The role of management is to develop, implement and make operational decisions and also design corporate strategic plans as per the objectives approved by the Board of Directors. To review the company's performance and to plan for the future, board meetings are held quarterly and as when required during the year. In these meetings, the management keeps the Board informed about business activities, seeks their valuable input for further value enhancement.

The various Board Committees are also integral part of the governance process in the Company and are constituted to ensure transparent reporting processes with a stated authority scope. Accordingly, these Board Committee sets policies and procedures for their respective areas under their oversight. The leadership ensures that all departments are led by competent, qualified, and experienced professionals which further ensures transformation of highly committed attitudes and skills to their subordinates for the prosperity and growth of the Company.

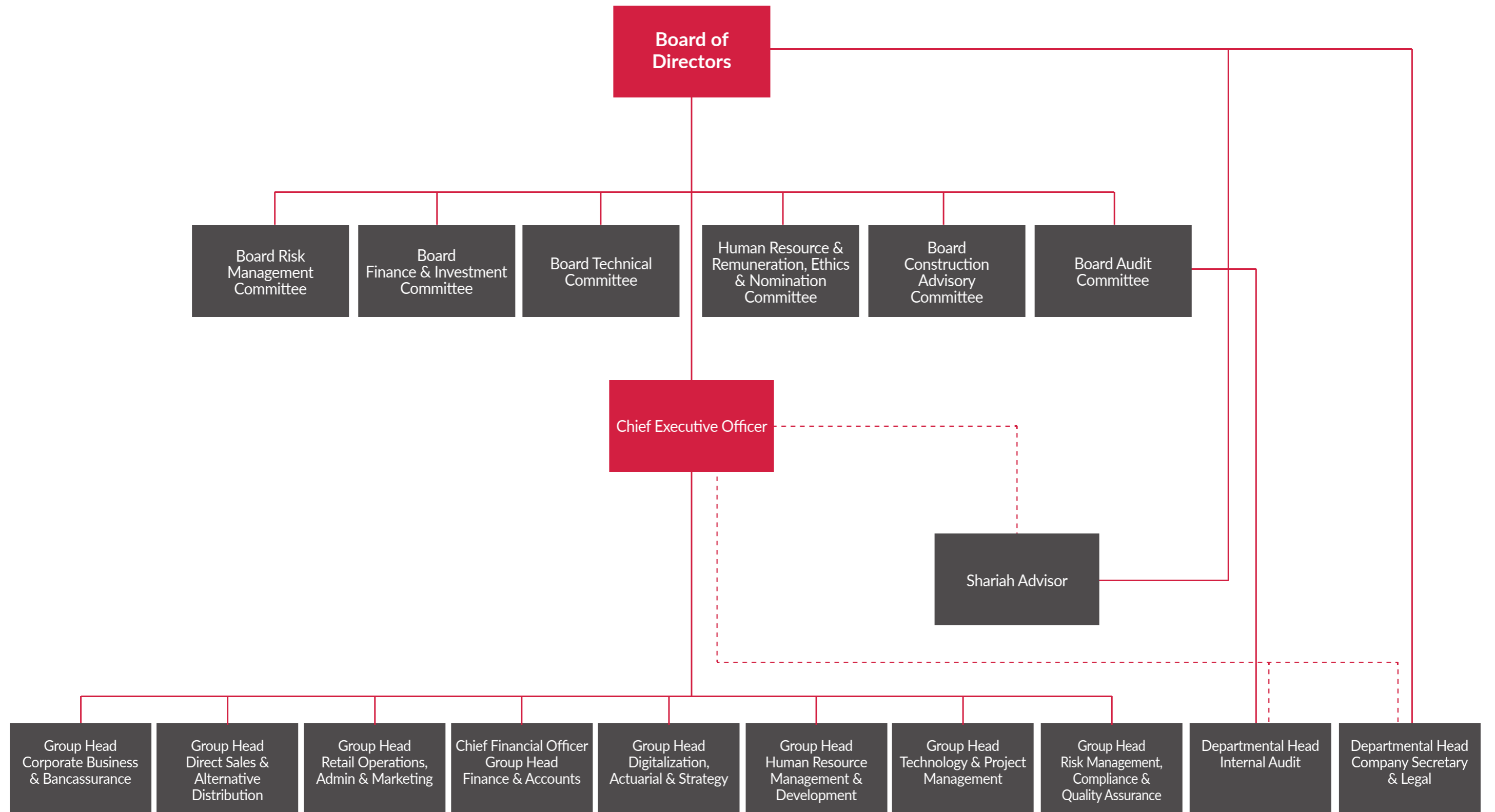
Detailed standard operating policies and procedures are designed, formulated, and explained to all levels of management as to operations. Furthermore, all SOPs are readily available at Jubilee Life's internal portal for the employees. Company's organizational structure is presented on page 30 of the Annual Report.





# Organogram

Functional Reporting ———  
 Administrative Reporting - - - - -



# Calendar of Major Events - 2021

## Financial

### Financial Results

First quarter ended 31 March 2021	Announcement date	28 April 2021
Half year ended 30 June 2021	Announcement date	25 August 2021
Third quarter ended 30 September 2021	Announcement date	28 October 2021
Year ended 31 December 2021	Announcement date	01 March 2022

### Dividends

Final 2021 (Cash Dividend: 115%)	Announcement date	01 March 2022
	Entitlement date	30 March 2022
	Statutory limit up to which payable	19 April 2022
Interim 2021 (Cash dividend: 30%)	Announcement date	25 August 2021
	Payment date	16 September 2021
Final 2020 (Cash Dividend: 135%)	Announcement date	24 February 2021
	Payment date	13 April 2021

### Other Corporate Events

Issuance of Annual Report 2021	16 March 2022
Annual General Meeting	06 April 2022
Corporate Briefing Session	09 December 2021

## Operational

### New Products

Product Name	Launch Month
Joint Life Takaful Plan	February 2021
Jubilee Noor Plan	July 2021
Amanat Plan	October 2021
Taqdeer Plan	November 2021

### New Takaful Unit-Linked Funds

Fund Name	Launch Month
Takaful Income Fund	August 2021
Takaful Balanced Fund	August 2021

# Code of Conduct

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

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

The Company has developed a proper code of conduct which requires to be followed by each employee. The employees abide by the Code of Conduct to keep his/her integrity intact while dealing with colleagues, potential customers, policyholders, suppliers and peer group. The Company will always strive to maintain high standards of Business Anti-corruption measures. The Company follows "Zero Tolerance Policy" for any reported corruption incidence.

# Business Ethics & Culture

## Business Ethics

Our purpose reflects our attitude towards integrity and high ethical values that covers a broad spectrum of activities in improving our customer experience both internally and externally, the environment, human rights, and creating a diverse and inclusive. The Company also ensures compliance with the code of conduct principles and standards within the organization; it creates values and binds all management, employees, and leadership to put integrity and transparency in place during business dealing, operations and activities.

## Culture

Our cultural values promote and celebrate our diversity of background, life experiences, and ideas. We care for our valuable people by providing them safe, healthy, and sustainable environment. We believe in an efficiency-driven culture to promote innovation, customer satisfaction, and transparency of business activities.

## Significant changes from the previous year

There were no significant changes from the prior year with respect to the principal business activities, business model, organizational and ownership structure.



**HR Excellence**

# HR Excellence

## Learning Management System

With a vision to have a learning culture where the employee can choose to engage in learning activities anywhere and anytime at his convenience and prepare a more digitally savvy workforce. The Learning Management System 'Jubilee Edge' was launched in April 2021 and was made available on the web and mobile application platforms. This is giving our employees an easy to use and intuitive learning application with convenience to our learners. We consider this as a best-in-class learning content on the go.



## Talent Acquisition and University Collaborations

Our Talent Acquisition team collaborated with ACCA via a virtual career program titled 'The Business of Insurance'. The program focused on counselling ACCA finalists and affiliates in leveraging their ACCA credentials towards career prospects at Jubilee Life. Similar campaigns have been held virtually and on-premises throughout the year while collaborating with various Universities/Institutes like ACCA, IBA, SZABIST, IQRA, to name a few.



## Human Capital Management System

A Cloud-based Human Capital Management System was successfully implemented to empower our people and enhance employee experience through Employee and Manager self-service mobile applications. The new System has provided the flexibility, efficiency, and tools needed to deliver our employees' personalized and seamless experience. The HR team continues to implement more unique modules for improving services efficiencies and employee experiences.



## Employee Engagement

### Your Voice

To increase camaraderie, sense of belonging and cohesion levels of our high performing teams, several initiatives were taken in 2021. Your Voice is one such initiative where our people use it to get their opinions, feedback and voices heard.

### Internal Customer Satisfaction Survey

An internal service survey was launched to gauge service levels of our internal functions, as well as to seek input from our employees on topics related to employee well-being, engagement, company culture etc.



### Best Place in Work Survey

We participated in the Best Place to Work survey organized by a renowned HR Consultancy. The survey provided employees with the opportunity to participate and provide their candid feedback in helping our organization to gauge the levels of our employee engagement, our organization's culture and working environment.

As we navigate through another year of COVID -19, our people strategy has continued to be our employee well-being, reengineering processes and improving our people experiences, backed by digitalization and building a more diverse and inclusive organization.



### Virtual Town Hall

Our employees joined our Leadership team in a Virtual Town Hall. The theme of the program was around 'Attitude for Gratitude'. We received an overwhelming response to this activity, and employees recognized and truly appreciated each other.

### Celebrations of International Women's Day

At Jubilee Life, we celebrated International Women's Day on 8th March 2021. To celebrate the occasion, female employees were invited to a virtual session where we acknowledged the valuable contributions of our women associates and the pivotal role they play in our offices and at their homes. The celebrations were followed by a program, 'Overcoming the 4 Clouds of Life'.



### Breast Cancer Awareness

We have taken proactive measures towards the well-being of our female employees through frequent online sessions on breast cancer to build awareness and help them live healthier lives.



# Health and Safety at Jubilee Life

We value our employees and provide a safe and productive work environment. We have a robust Occupational Health and Safety (OHS) policy which ensures strict compliance with all OHS standards and regulations within the organization.

The OHS policy is based on ISO 45001:2018 standard requirement which provides a framework to minimize (EH&S) risks while complying with all applicable EH&S laws and regulations in the country. The policy is reviewed and communicated periodically to ensure it remains relevant and ensure that our workforce actively participates in all elements of EH&S initiatives and programs.

The OHS risk assessment is a most important part of our OHS management system. The OHS Risk assessment process follows the PDCA Cycle (Plan, Do, Check, Act). The OHS Risk register is maintained by OHS manager and regularly updated as and when there is any change in process or operation, legal obligations, competence and infrastructure.

## Salient Feature of OHS Policy

The health and safety policy is established with an aim:

- To ensure & maintain healthy & safe working environment which can help to prevent employees, suppliers, sub-contractors, visitors, etc. from OHS injuries, occupational diseases & ill health at the workplaces.
- To improve general health & well-being of the workers including effective handling / management of any pandemic situation.
- To comply with applicable OHS legal & other requirement.
- To identify workplace hazards for effective management and take action to reduce risks levels.
- To manage workplace OHS for continual improvement by establishing, planning, monitoring, reviewing OHS objectives.
- To ensure the consultation & participation of workers by developing & implementing mechanism to achieve the same.

The company has conducted following activities during the year 2021.

## Fire and Safety Training

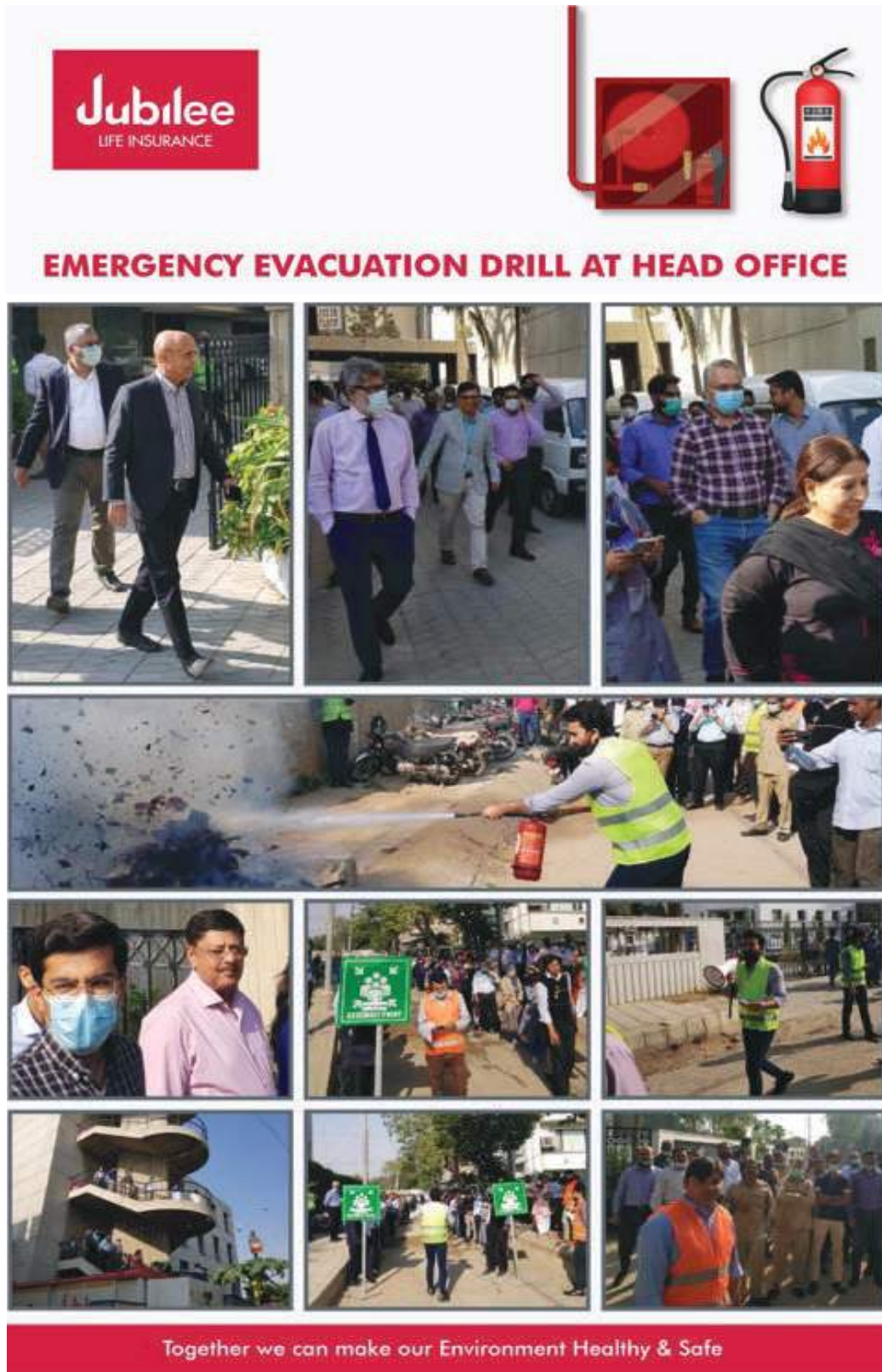
To build a positive safety culture and emergency preparedness, the Company has nominated talented Safety Captains from different departments and trained them to improve their fire and safety technical skills and contribution toward building a positive safety culture in Jubilee life.





**Emergency evacuation Drill:**

The Company has also carried out emergency evacuation drill to ensure all employee are well-trained and aware of emergency evacuation procedures.



### COVID Awareness

The Company has also taken proactive measures of safety concerning the virus by coaching employees to boost their immunity through various online programs on COVID-19 safety awareness, nutrition, and physical fitness by market professionals in understanding the complexities, myths and facts about the virus and information related to the vaccines.

### COVID Helpline

Our employee's health and safety are at the heart of all our interventions. Since the onset of the pandemic, our team of HR professionals and our in-house medical doctors continued to facilitate employees and their family members with a 24-hour, seven days a week COVID-19 Helpline, in dealing with any medical emergencies and to provide instant online medical consultation, wherever required.

### COVID Vaccination Drives

An inoculation drives was organized to facilitate and encourage all employees and their family member in getting vaccinated through which we were successful in vaccinating 94% of our employees.



# Macro Environment 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.

## POLITICAL



- Stability & Attitude of the Government
- Tax Policy
- Support for Legislation & Implementation

## ECONOMICAL



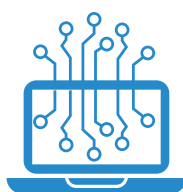
- Growth of Economy
- Unemployment
- Other factors affecting Economy

## SOCIAL



- Demographic variables
- Cultural & ethical aspects
- Impact of Media

## TECHNOLOGICAL



- Use of Internet
- Analytics and other tools

## ENVIRONMENT



- Management and operation
- Claim settlement

## LEGAL



- Regulatory Bodies
- Supporting Institutions

# Macro Environment Analysis



## POLITICAL

Government regulations and appropriate policies are fundamental constituents in making the political system robust as the political instability or upheaval causes an adverse impact on every business sector. At Jubilee Life, we analyze the political conditions in the country and the geopolitical ties to closely assess our implemented corporate strategies with an aim to adapt to changing regulatory requirements. We appreciate the Government's initiatives to implement a series of initiatives for ease of doing business; however, while the country struggles to exit from the FATF's grey list, specific stringent and enhanced measures in the financial and insurance sector are offsetting the ease of doing business as available to other sectors.



## ECONOMICAL

The economic environment of the country strongly influences the insurance business. The health of the economy and business opportunities are some of the basic factors that accelerate business growth. By and large, if the country's economic condition is in good shape, the insurance industry will also reap a good return from its investments. As the world witnessed significant shocks in economic barometers due to the outbreak of COVID-19 a year back, Pakistan's economy, not being an exception, was also affected by the pandemic. Pakistan's economy entered the new fiscal year with various economic measures announced by the Government of Pakistan, keeping in view economic stability, fiscal and monetary discipline requirements. As the Pak Rupees depreciated significantly during the last three years against the US Dollar, this devaluation fueled inflationary pressure increasing the inflation rate in Pakistan to 9% approximately. However, the State Bank of Pakistan continued to rebalance the inflation and economic outlook through certain measures, including a cumulative 275 basis point increase in the policy rate. Given the positive relationship between the development of life insurance and economic growth per capita, the change in business volumes for life insurance remained subdued during 2021.



## SOCIAL

Social factors have a significant influence on the life insurance business as well. It helps to understand the environment with respect to society and its parameters like demographics, culture, etc. This pandemic's impact on COVID-19 demonstrated that society needs to plan for unforeseen events. Our business is linked or associated with individuals' sentiments and emotions for themselves and their loved ones while also creating financial awareness for availing investment and protection bundled together. We design our products to offer secure future subject to various risks, safety, and peace of mind. In Pakistan, the masses are also reluctant to spend income on life insurance products due to religious beliefs. Demand for shariah-compliant protection products is being addressed through offering a large variety of Shariah-compliant Takaful products. At Jubilee Life Insurance, we have determined to educate the public about the benefits of purchasing insurance policies. We also run successful campaigns to maximise the reach, including free medical camps in underprivileged areas to contribute to social welfare and community support. We also actively participate in CSR activities and extend donations while sponsoring various sports tournaments, including the partnership with PCB for HBL PSL.



## TECHNOLOGICAL

We firmly believe that innovation and technological advancement play a significant role in developing and automating systems or infrastructure. Our long-term strategy is focused on our operational excellence while blending advanced technologies. Innovation through new technologies is a crucial driver of change in the financial sector, and this has led to immeasurable efficiency gains. Advancement in technology also gives an edge to the insurers over its competitors by reaching out to the customers' demand in real-time, acting as a catalyst in terms of growth. Investment in Artificial Intelligence in the underwriting process; with the data-centred approach is also being looked upon. In this era, policyholders also prefer to purchase products online after comparing with other available insurance products in the market. To cater for this, the Company already has a fully integrated digital platform that enables our customers to buy and renew policies.



## ENVIRONMENT

Pakistan ranks amongst the top nations where the vulnerability index due to climate changes is very high. Natural catastrophe, pandemic, pollution and greenhouse emitted gases could result in a higher number of claims. Further, as a result of the recent pandemic, we also took remarkable measures to combat the COVID-19 pandemic by complying with all Government SOPs.

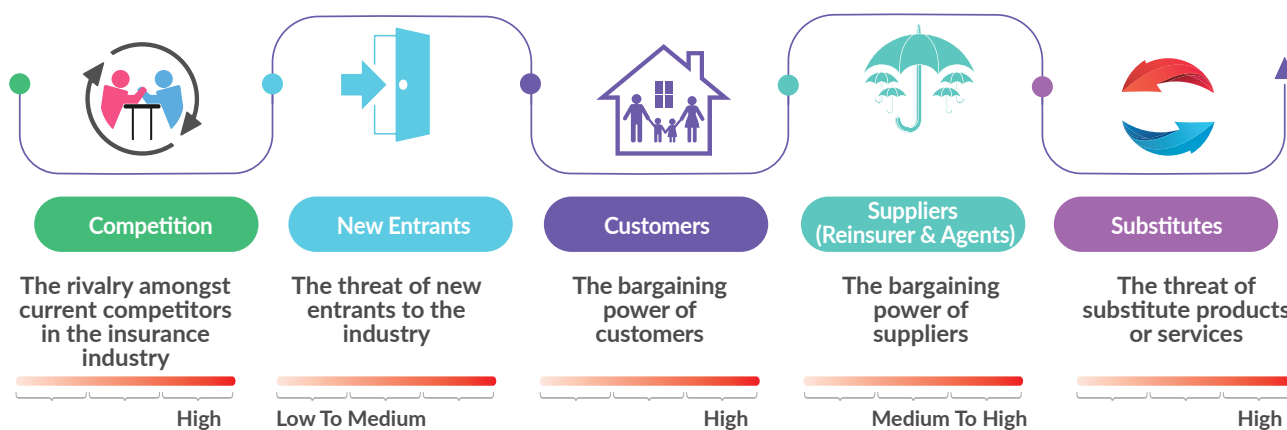


## LEGAL

Government measures and introduction of stringent laws such as compliance with the requirements of FATF, AML, KYC resultingly enhanced regulatory affairs in the insurance industry and its clients which could lead to the snowball effect on the insurance industry. Like in all other businesses, legal factors are quite indispensable with many unruly elements. All policy innovations are to be understood properly and examined from time to time. Insurance in general is a contract between the insured and the insurer. Also, the gestation period for this business is high hence, the legal obligations with respect to regulator, government and other supporting institutions are critical.

# Competitive Landscape & Market Positioning

Porter's five forces is a robust tool to analyze the competitive environment within the industry and help in the development of business strategies. However, these forces demonstrate the potential harm to the business profitability as well while giving an opportunity to fine-tune existing strategies of the Company for its future prospects.



Increasing competition and growing strength of other insurers can have an ultimate impact on the business and is a core influencer in the marketing strategies of products and services. There is very little product differentiation, as product creation is primarily driven by external risks. The price of insurance products is also regulated with the capping on maximum management expenses the insurer can factor in its product prices. Hence, the most opportune way for insurers is to differentiate themselves by the quality of services provided to policyholder.

While investment returns from protection cum investment products also plays a key role, however at times, exogenous factors play an important role in influencing investment returns. Moreover, insurers distinctiveness would win competition if distribution channels were efficient and digitally rich, including mobile application with chatbots and services automation which help to build customer loyalty.

New entrants in the life insurance industry is challenging for small and medium sized investors due to the strict and increasing capital requirements by the regulator. Rigorous Regulatory compliance, technical operations and lack of skilled HR serves as barrier to entry. Moreover, customer retention and effective distribution channels of the existing companies makes it difficult for the new entrants to compete with such high standards.

Customers force in this tool is crucial due to the wide availability of coverage in Conventional and Takaful business at competitive lower prices. Customer influence can be a force to be reckoned with in insurer industry due to availability of multiple alternatives for procuring products and services. In such insurance market, customers have the power and can demand lower prices or higher product quality from insurers, with online aggregators and the emergence of social media, today's individual policyholders are a force.

With instantaneous awareness of coverages, pricing, and services, modern buyers demand more personalized attention and care for the premiums paid. To meet these expectations, insurers need to build user-friendly workflows for customer-facing processes, including underwriting, policy administration, and claims to increase customer retention.

Agents and brokers have historically leveraged the ability to influence policyholder choices into placing business with specific insurers. However, with insurers increasingly leveraging front-end tools to reach potential customers directly, the bargaining power of distributors is diminishing.

Reinsurers also play a big role in supporting insurance organizations for distributing risk and reducing capital constraints. An abundance of capacity in the reinsurance market can increase competition and lower rates, ultimately creating profitability pressure on the insurance market.

Substitute products and services place competitive pressure on the insurer. Threat of substitution is high due to lack of product differentiation.

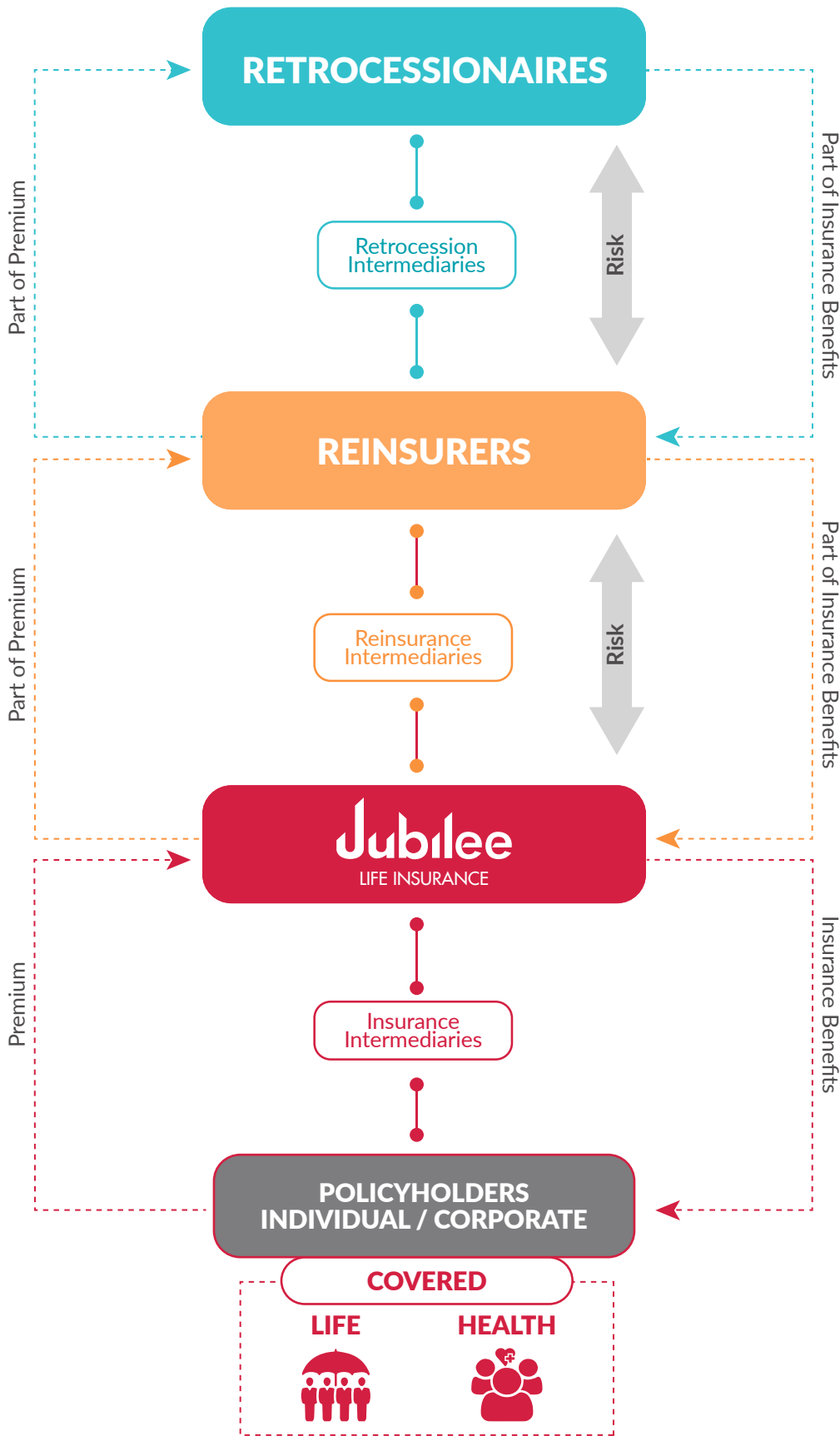
# Company's SWOT Analysis

SWOT analysis is an enhanced framework that enables an organization to witness and forecast its strategies in the form of SWOT (Strengths, Weaknesses, Opportunities and Threats). This framework portrays internal and external factors that affect the organization seemingly to mitigate risks, enhance their strengths, addressing limitations and finding possible ways to grow in terms of opportunities.

Following is the brief SWOT analysis of the Company.



# External Value Chain



# Internal Value Chain Analysis







# Corporate Governance

# Board of Directors



**KAMAL A. CHINOY**  
CHAIRMAN  
INDEPENDENT DIRECTOR

Mr. Kamal A. Chinoy is the Chairman on the Board of Directors of Jubilee Life Insurance Limited. He is also an Advisor and Executive Director of Pakistan Cables Limited. He graduated from the Wharton School, University of Pennsylvania, USA.

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

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

He is also a Certified Director and is currently serving on the Boards of the following entities in addition to Jubilee Life Insurance Company Limited:

- International Industries Limited
- International Steels Limited
- Pakistan Cables Limited
- IIL Australia Pty Limited
- IIL Americas Inc.
- IIL Construction Solutions (Private) Limited

Mr. Sultan Ali Allana is a Director of the Aga Khan Fund for Economic Development (AKFED) and has the oversight responsibilities for AKFED's investments in Banking, Insurance and Aviation. Mr. Allana is a career banking professional with over 37 years of experience in retail, corporate and investment banking. Mr. Allana is also the Chairman of Habib Bank Limited, which is the largest bank in Pakistan with over 1,600 branches and with presence in 15 countries around the world.

Since 1997, Mr. Allana has also been serving as a Director of the Tourism Promotion Services Pakistan Limited, the owners and the operators of the Serena Hotels in Pakistan.

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

He is currently serving on the Boards of the following entities in addition to Jubilee Life Insurance Company Limited:

- Aga Khan Fund for Economic Development S.A. Switzerland
- Alisarda S.p.A. of Italy
- Habib Bank Limited (Chairman)
- Jubilee Holdings Limited of Kenya
- Industrial Promotion Services (Pakistan) Limited
- Tourism Promotion Services (Pakistan) Limited



**SULTAN ALI ALLANA**  
DIRECTOR

## Board of Directors



**AMYN CURRIMBHOY**  
INDEPENDENT DIRECTOR

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

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

He is currently serving as a Director on Jubilee General Insurance Company Limited's Board of Directors.

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

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

Since 2006 he has been Head of Insurance with responsibility for the insurance business of AKFED, including management oversight of all AKFED investments in the insurance sector comprised of 12 insurance operations in 7 countries in Africa, Pakistan and Kyrgyzstan.

He is currently serving on the Boards of the following entities in addition to Jubilee Life Insurance Company Limited:

- Jubilee General Insurance Company Limited
- Jubilee Investments Company Limited of Uganda
- Jubilee Kyrgyzstan Insurance Company
- Jubilee Life Insurance Company of Uganda Limited
- Jubilee Life Insurance Company of Tanzania Limited
- Jubilee Holdings Limited of Kenya
- Jubilee Medical Insurance Company Limited-Kenya
- Jubilee Life Insurance Company of Kenya Limited
- Jubilee Insurance Company of Tanzania Limited
- Jubilee Insurance Company of Burundi S.A
- Jubilee Life Insurance Company of Burundi S.A
- Jubilee Insurance Company of Mauritius Limited



**JOHN JOSEPH METCALF**  
DIRECTOR

# Board of Directors



**SHAHID GHAFFAR**  
INDEPENDENT DIRECTOR

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

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

Mr. Ghaffar is presently Member, Audit Oversight Board, Pakistan and an External Member of VIS Rating Committee of VIS Credit Rating Company Limited.

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

He is certified director from Pakistan Institute of Corporate Governance (PICG) and is currently serving as Independent Director on the Boards of following entities in addition to Jubilee life Insurance Company Limited:

- Karandaaz Pakistan
- Archroma Pakistan Limited
- HBL Asset Management Limited
- Awwal Modaraba Management Limited
- Habib Insurance Company Limited

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

Mr. Zakir Mahmood holds Master degree in Engineering and an M.B.A. majoring in Finance both from University of California at Los Angeles (UCLA). He has over 34 years of working experience with international and local banks in various parts of the world including Europe, Middle East and Pakistan.

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

He is currently serving on the Boards of the following entities in addition to Jubilee Life Insurance Company Limited:

- Jubilee General Insurance Company Limited (Chairman)
- Aga Khan University Hospital (Chairman)
- First Micro Finance Bank, Tajikistan
- Kyrgyz Investment and Credit Bank
- Aga Khan Agency for Microfinance



**RAFIUDDIN ZAKIR MAHMOOD**  
DIRECTOR

## Board of Directors



**SAGHEER MUFTI**

DIRECTOR

Sagheer is the Chief Operating Officer, HBL. He is responsible for building a corporate culture based on operational excellence and technological capabilities, for the fulfillment of client services to over 27 million HBL customers in 15 countries. He oversees the Bank's operations, shared services, and control functions including Cyber Security, Business Continuity, Legal, Marketing and also leads HBL's Digital Transformation agenda.

He served as the COO for ADIB based in Abu Dhabi, prior to his current role, and worked 34 years at Citi in different management and leadership roles where he led various enterprise transformation programs and business redesign responsibilities regionally and globally. In his last role at Citi he served as the Global Head of Anti Money Laundering Operations.

Sagheer has done his Master's in Business Administration from The George Washington University. He has more than 40 years of experience within the financial services industry.

He is currently serving on the Boards of the following entities in addition to Jubilee Life Insurance Company Limited:

HBL Foundation Trust  
HBL Bank UK Limited  
Diamond Trust Bank Kenya Limited  
Finja

Ms. Yasmin Ajani earned a Bachelor of Commerce Degree from the University of Karachi and then Professional Degree of Chartered Accountant from The Institute of Chartered Accountants of Pakistan.

Ms. Yasmin Ajani is engaged in Professional Practice as a Chartered Accountant for over 31-years as a Corporate Consultant, Income Tax and Sales Tax Consultant to Multinational/Public Listed/Unlisted Public/Private Companies, Partnership Firms and Individuals, initially as a Partner of M/s. Akbar G. Merchant & Co. Chartered Accountants Partnership Firm for over 20-years and now continuing as independent professional practice of the same firm for last over 11-years. She also represents clients before various Taxation Authorities and Appellate Forums - the Commissioner (Appeals) and Appellate Tribunal Inland Revenue.

She had been a Member of Governing Board of Aga Khan Hospital & Medical College Foundation from April 2006 to April, 2014 (8-years).



**YASMIN AJANI**

INDEPENDENT DIRECTOR

## Board of Directors



**JAVED AHMED**  
MANAGING DIRECTOR & CEO

Mr. Javed Ahmed is the Managing Director and Chief Executive Officer of Jubilee Life Insurance Company Limited.

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

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

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

He is currently serving on the Boards of the following entities as Non-Executive Director:

Jubilee Kyrgyzstan Insurance Company  
Jubilee Life Insurance Company Limited, Kenya

# Chairman's Review

I am pleased to present the review relating to the Company's performance for the year ended December 31, 2021. As we are all aware the last two years have been challenging times for everyone, particularly those who have struggled with their health or economic well-being due to the outbreak of COVID-19. On behalf of the Board of Directors and the management of the Company, I convey my sympathies to those families who have been affected by this pandemic and offer my heartfelt condolences to those who have lost their loved ones.

The year under review was characterized by economic conditions which remained challenging across the world and in Pakistan for much of the year. On an overall basis I am pleased to state that the Company was able to turn around the one-off decline of 6.5% in its top line this year compared to same period last year to post a growth of 6.1% in FY 2021. The Gross Written Premium amounted to Rs. 49,356 million compared to Rs. 46,507 million in FY 2020. However, increase in policy related payments due to the pandemic and lower investment income eroded the surplus available for distribution and accordingly the Company recorded the Profit after tax (PAT) of Rs. 1,793 million compared to Rs. 2,884 million same period last year. Despite the lower profit after tax and without compromising on its regulatory solvency and adequacy requirements, the Board recommends a distribution Rs.11.50 per share as final dividend to its shareholders in addition to Rs.3.00 per share interim dividend for the year 2021 making a total payout of Rs.14.50 per share compared to Rs. 16.50 same period last year.

Further, I am also pleased to state that the Company has made its second consecutive surplus distribution of Rs. 318 million out of earning for the year 2020 to the participants of Individual Family Takaful Funds. This is in addition to the surplus distribution of Rs. 394 million made last year which were out of the earnings for the years 2017 through 2019.

During 2021, the Company continued to maintain its tradition of winning awards in numerous fields. Some of the notable awards include securing the Corporate Excellence Award in the Insurance Category hosted by the Management Association of Pakistan for the fourth consecutive time, Bronze Award in the large National category for promoting United Nations Sustainable Development for the 8th Employer of the Year Award 2020. Moreover, the Company's effort for portraying excellence in corporate reporting, promoting accountability, transparency and corporate governance was recognized by ICAP and ICMAP by awarding it the 'Certificate of Merit' in the insurance category in Best Corporate Report Award for 2020.

## Board of Directors

During the year 2021, a casual vacancy on the Board was filled by the appointment of Ms. Yasmin Ajani as an independent non-executive director in place of the outgoing director Ms. Saba Kamal. On behalf of the Board, I welcome Ms. Yasmin Ajani, a thorough professional, and look forward to her contribution. The Board wishes to thank Ms. Saba Kamal for her valuable advice and encouragement during her tenure.

## Overall Performance of Board of Directors

As required under Listed Companies (Code of Corporate Governance) Regulations, 2019, the Code of Corporate Governance for Insurers, 2016 and requirement set out in the Companies Act, 2017, a comprehensive mechanism is in place for evaluation of the performance of the Board of Directors and its committees.

The Board reviews its performance annually based on relevant criteria such as leadership, strategy formulation, planning, effectiveness, and accountability. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. Based on the last evaluation of the Board Performance, I conclude that each director has performed well and contributed actively in his / her respective area of expertise; and that Board and its committees operated effectively throughout the year.

## Outlook

I am optimistic that with the recovery and normalization of economic activities and through measures of Federal and Provincial Governments, State Bank of Pakistan, and stability of the geopolitical environment in 2022 for the country, the Company should remain on its growth trajectory which it has experienced over the previous years.

Being the largest private sector life insurance company in Pakistan the Company's core value and approach remains to serve its policyholders in a timely manner while continuing to best serve its stakeholders' interests.

## Acknowledgement

On behalf of the Board, I would like to thank our shareholders, valued policyholders, Window Takaful participants, business partners including our bankers, suppliers and other stakeholders for their confidence and support throughout the 25 years of Company's journey. I would also like to acknowledge the support of the Government as well as the Securities & Exchange Commission of Pakistan for their positive role in bringing reforms in the life insurance business. I would also like to acknowledge the contribution of our employees towards the success of the Company, without whom, this level of continuous success would not have been possible.



**Kamal A. Chinoy**  
Chairman

Karachi, March 01, 2022



# Directors' Report to the Shareholders

The Directors take pleasure in presenting their Annual Report together with the Audited Financial Statements of the Company for the year ended December 31, 2021.

## Market Review

Pakistan's economy showed indication of recovery during 2021, depicting GDP growth of 5.37% with major macro-economic indicators such as large-scale manufacturing industry, service sector, other sectors including the fast moving consumer goods, automobiles, construction, and related allied sectors continued to show reemergence of the positive economic trend amid the outbreak of pandemic in 2020. While the impact of reemergence of COVID related variants continued to pose challenges across the globe including Pakistan, to a significant extent, the mass vaccination drive and the unprecedented fiscal incentives and various measures by the Federal, Provincial Governments and the regulators continued to combat the potential negative economic impacts.

The equity market remained ranged bound during the year 2021 with KSE 100 index closing the year at 44,596 points, up by a meager 1.92%. However, due to both high global prices and domestic economic growth and economic activities fueling inflation, the State Bank of Pakistan (SBP) continued to rebalance the inflation and economic outlook through certain measures including a cumulative 275 basis point increase in the policy rate, higher bank cash reserve requirements, regulatory tightening of consumer finance, and curtailment of non-essential imports during the year.

## Performance Review

Despite the challenging and dynamic environment, your Company having a strong foothold in the industry was successfully able to register the following achievements:

- Gross Written Premium (GWP) registered a growth of 6% and closed at Rs. 49,356 million compared to Rs. 46,507 million in 2020.
- Corporate business, both Conventional and Window Takaful recorded a business of Rs. 10,999 million as compared to Rs. 8,736 million in 2020, registering a phenomenal growth of 26% compared to last year. This robust growth is attributed to our consistent higher standards of timely customer services, and trust in our brand name leading to customers' confidence for which we are thankful to them.
- The Company made its second consecutive surplus distribution to the participants of Individual Family Takaful in the form of bonus units amounting to Rs. 318 million out of the earnings for the year 2020, in addition to the surplus distribution of Rs. 394 million made last year out of the cumulative earnings for the years 2017 through 2019.

## Business Performance and Operating Results

The overall operating results of main lines are summarized below:

- While insurance penetration being also correlated with the economic growth and disposable income which remained hard hit due to inflationary pressures and economic challenges since last year due to COVID, our business partners and efficient direct sales force continued to maintain their reach to the potential customers helping them overcome their uncertainties accordingly the Company's Net Written Premium of Individual Life Unit Linked fund exceeded the Rs. 25,000 million benchmark which contributed Rs. 26,664 million in the aggregate Net Written Premium of Rs. 47,580 million.

- Conventional Business, which comprises mainly of Group Life Insurance, recorded commendable increase of 37% in Net Written Premium (NWP) of Rs. 2,252 million as against Rs. 1,638 million in 2020. However, the increase in NWP was offset by increase in claims by 54% resulting net underwriting outflows of Rs. 182 million in 2021 as compared to surplus of Rs. 262 million in 2020.
- Accident and Health business recorded NWP of Rs. 6,167 million compared to Rs. 5,072 million in 2020, an increase of 22%. Despite a significant increase in policy payments, the business line was able to generate surplus of Rs. 399 million.
- Window Takaful Operations continued to receive overwhelming response consistent with previous year, and in aggregate, all three lines of business, i.e. Individual Family Takaful, Group Family Takaful and Accident & Health Takaful were able to post growth of 12% by recording Net Written Contribution (NWC) of Rs. 12,511 million compared to Rs. 11,172 million last year.
- Outgo in respect of insurance benefits including claims, surrenders and maturities was Rs. 41,634 million as compared to Rs. 30,662 million last year which again demonstrates our continuous supports and excellent claim processing services to our policyholders. The increase in insurance benefits was mainly due to higher COVID related claims and surrenders while with each passing year of Company's successful operation, maturity claims under Individual Life Unit Linked business policies continue to grow and have reached to Rs. 5,765 million as compared to Rs. 3,856 million last year.
- With the unprecedented significant increase in policy payments, your Company was still able to generate a surplus of Rs. 2,523 million in the statutory funds. Hence a surplus transfer of Rs. 2,380 million has been made from the Revenue Account to the Shareholders' Fund, based upon the recommendation and approval of the Appointed Actuary. This is stated in note 44.1 to the financial statements under the Segmental Information of Revenue Account by Statutory Funds.
- Shareholders' equity and reserves, including the retained balance in Statutory Funds (Ledger Account D balances) was Rs. 13,069 million as compared to Rs. 12,872 million in 2020.
- The Company being cognizant of the rapidly changing environment and the claims pattern, continued to maintain its prudent policies and practices in maintaining the required solvency margin in consultation with the Appointed Actuary.

## Investment Performance

The Company follows prudent investment policies and practices to actively monitor the market conditions to protect its policyholders. During the year under review, the equity market remained ranged bound however a sudden cumulative increase of 275 bps in policy rate near the end of the year, posted volatility in returns, which with active portfolio and asset allocation, was contained to generate an aggregate investment and other income of Rs. 4,208 million.

The Company offers both Conventional and Shariah Compliant unit-linked funds, which have varying risk exposure hence the returns. Unit-linked fund-wise performance is summarized as follows:

S.No	Name of Fund	Launch Date	CY'21	3 Year return	5 Year return	10 Year return	Return since inception
Individual Life Unit Linked Fund (Conventional)							
1	Managed Fund	December 31, 1996	1.49%	24.26%	14.96%	128.28%	1235.06%
2	Capital Growth Fund	July 28, 2004	-5.79%	-1.90%	-24.83%	231.12%	680.35%
3	Meesaq Fund	March 27, 2008	0.74%	14.74%	6.04%	104.66%	140.04%
4	Yaqeen Growth Fund	June 1, 2009	5.64%	38.17%	44.62%	137.60%	204.71%
Individual Family Takaful Fund							
5	Managed Takaful Fund	July 7, 2015	3.33%	18.70%	18.13%	N/A	43.98%
6	Capital Growth Takaful Fund	July 7, 2015	-3.98%	6.49%	-1.91%	N/A	30.98%
7	Takaful Income Fund	August 01, 2021	N/A	N/A	N/A	N/A	2.35%
8	Takaful Balanced Fund	August 01, 2021	N/A	N/A	N/A	N/A	1.03%

## Profit & Loss Account

The Profit and Loss Account shows a pre-tax profit of Rs. 2,540 million for the year, against Rs. 4,070 million earned last year whereas the Profit after tax (PAT) is Rs. 1,793 million compared to Rs. 2,884 million last year both being lower on account of higher policy payments and lower investment income compared to previous year.

The Company is one of the significant taxpayers to the national exchequer. During 2021, the Company contributed Rs. 1,726 million as direct and indirect taxes to the government treasury.

## Earnings per Share

The basic and diluted earnings per share for the year 2021 was Rs. 20.55 as compared to Rs. 33.05 in 2020.

## Dividends to Shareholders

The Board of Directors has recommended a final cash dividend of Rs. 11.50 per share, i.e. 115%, [2020: Rs. 13.50 per share (135%)]. This is in addition to the interim cash dividend paid by the Company of Rs. 3.00 per share (30%), [2020: Rs. 3.00 per share (30%)], thereby making a total cash dividend of Rs. 14.50 per share, i.e. 145% for the year 2021, subject to the approval of the shareholders at the Annual General Meeting of the Company to be held on April 06, 2022.

## Insurer Financial Strength Rating (IFS rating)

The Company's IFS rating review process is conducted on annual basis by VIS Credit Rating Company Limited (formerly JCR VIS Credit Rating Company Limited). The latest annual review was concluded on March 01, 2022, wherein the Company's IFS rating was reaffirmed at AA+ (Double A Plus), with a "Stable" Outlook. The rating considers the very high capacity of the Company to meet policyholder and contractual obligations. In its rating report, the VIS acknowledged that the Company's business under both, the Conventional and the Window Takaful Operations depicted growth trends and premium base which compared favourably to peers.

## Human Capital

We firmly believe that our human resource is also our biggest strength and one of the reason behind Company's success, hence the Company heavily invests in its human resource and their well-being. Though the world of work has been rapidly changing due to sudden increase in remote working requirements as the situation arises, shifting roles and a hyper-focus on workplace's health and safety remained one of the priorities which has been catered through quick realignment of skills and processes.

- **People First**

Our culture is rooted in putting people first with a focus on building and developing our talent and fostering an inclusive and performance driven environment based on diversity of our people, ideas, and transparency.

- **Building Cohesive Teams**

The well-being of our employees and families continue to remain our top priority and to ensure that they remain safe and COVID free, the Company arranged and organized numerous vaccinations drives for its employees and their families being equally important to us. To address apprehensions and queries around COVID vaccination, the Company's human resource department organized awareness sessions with medical experts resulting commendable vaccination compliance.

- **Inclusion & Diversity**

Jubilee Life has talented and diverse teams. We believe in meritocracy and our workspaces offer a safe and engaging work culture to people from diverse backgrounds, skillsets, and capabilities. Jubilee Life continues to collaborate with various accredited and leading NGOs to successfully employ differently abled colleagues. Our women colleagues continue to be a critical part of our employee strength. We are proud to state that over 60% of our front-line sales staff are women.

- **Learning**

With a vision to have a learning culture where employee has a choice to engage in learning activities anywhere and anytime at his own convenience, Jubilee Life launched its cloud-based web and app enabled learning platform - JLI Edge. Learning is a mindset and a lifestyle and for Jubilee Life it's a key differentiator and JLI Edge enables our people to take ownership of their learning and development. Developing our people is the core of our HR strategy and we believe in providing best in class learning opportunities to our talent. In addition to self-paced eLearning, our Learning Academy also provides classroom trainings by inhouse experts to further enhance the learning experience.

- **Employee Engagement**

Our highly engaged teams are our competitive strength. We believe in seeking feedback and input from our people to continuously improve our offerings and interventions. Our people candidly provide their feedback through our internal feedback / survey mechanism - Your Voice. HR also hosts frequent Connect Sessions with an objective to understand and resolve employee pain points and improve overall employee experience.

## Information Technology and Operational Efficiencies

With a forward-looking approach, Company strives to implement modern technological solutions to further improve its business offerings and levels of service to its customers.

During 2021, Company upgraded its servers and storage infrastructure to state-of-the-art composable, and software defined infrastructure to power the idea of economy bridging from traditional operating environments to the new style of business. The new Tier-0 all-flash enterprise storage solution delivers extreme resiliency and superior performance for next generation of applications. This infrastructure is maintained in Company's state-of-the-art data center facility.

To cater to the needs of business leaders in the information age, Company leverages on its Data warehouse to provide insights through strong Business Intelligence and Advanced Analytics tools. The Company has also deployed Robotic Process Automation in several functional areas to improve efficiency in traditional workflows and deployed a new SMS solution which is fully integrated with Company's Omnichannel Contact Center and CRM solutions to enhance customer service experience.

Further, the Company implemented a new technology platform to boost its online product offerings. The new platform seamlessly integrates Company's web portals and mobile applications with a robust backend configuration engine enabling customers to manage their online products through self-service options. Further to assist the policyholders, the Company also launched secured e-premium payment options with licensed payment gateway provider in addition to the e-banking solutions offered by the commercial and branchless banks through their networks across the country.

In accordance with its Disaster Recovery Plan, the Company maintains its Disaster Recovery site and conducts Disaster Recovery drills on quarterly basis. During these drills, all mission-critical systems are accessed by staff to continue normal business operations. Company also maintains off-site cold backups of all customers data and applications. Restoration and recovery are regularly tested to ensure availability of data in case of a disaster.

Company continuously endeavours to improve its already robust Cyber Security Posture. Company routinely conducts vulnerability assessments using best-in-class tools to find and address any new vulnerabilities. Company also utilizes modern solution to update security patches on all operating systems, applications, and databases.

## Awards and Accolades

As in the previous years, the Company continued to add more feathers to its cap during the year 2021:

- Bronze Award in the large National category for prompting UN sustainable development and decent work at the 8th Employer of the Year Award 2020.
- MAP 36th Corporate Excellence Award in the Insurance category.
- 'Certificate of Merit' for Best Corporate Report Award 2020.

## Code of Conduct & Business Ethics

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

The Code, which is mentioned on page 33 of the Annual Report and also placed on the Company's website, defines the obligations and responsibilities of all – the Board members, the employees, and the Company towards its various stakeholders, towards each other, and towards the society as a whole. Necessary steps have been taken to disseminate the same throughout the Company.

## Corporate Social Responsibility

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

Some highlights of our CSR activities are presented below:

- **Donations**

In line with the approved CSR and Donations Policy, the Company continuously contribute to the support of health care, education, rural and social development, and cultural heritage. The Company's total donations including charities during the year 2021 aggregated to Rs. 32.8 million (2020: Rs. 42.4 million).

- **Micro Insurance**

With an aim of improving quality of life of the low-income sector of the society and to provide sustainable life and health micro-insurance solutions at affordable cost, the Company extended its micro-insurance facilities to over 3.7 million individuals in 2021.

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

The Social Health Protection Initiative in Gilgit Baltistan is basically an Aga Khan Foundation led Aga Khan Development Network consortium that includes Aga Khan Rural Support Program and the Company, who all signed a micro health insurance project with the Government of Gilgit-Baltistan. During 2021, over 35,667 lives spread over 5,340 households were covered by the Company.

## Engagement with the society

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

- **Quality Education - Enterprise Challenge Pakistan**

The Company's collaboration with SEED Ventures for the Enterprise Challenge Pakistan, a program affiliated with Prince's Trust International - UK, continues since 2017. Enterprise Challenge Pakistan (ECP) is a Pan-Pakistan, inter-school competition that encourages secondary school students in the age bracket of 13-16 years to explore entrepreneurship as a career path.

- **Sports Promotion**

During 2021, as in the previous year, the Company partnered with the Pakistan Cricket Board as the Gold sponsor for the 6th season of the Pakistan Super League (PSL 6), thereby providing the people of the country an opportunity for witnessing world class cricket. Whereas subsequent to the year end, the Company was again offered to be part of the 7th session which was proudly accepted by the Company to demonstrate its commitment to promote cricket and image of the nation.

Besides passion for cricket, the Company also make its efforts toward the promotion of other sports, these includes golf, polo, table tennis and volleyball through sponsorship of various tournaments.

## Board Evaluation Mechanism

The Board of Directors of the Company has an approved mechanism for the annual evaluation of the Board's performance as well as of its committees, as required by the Code of Corporate Governance Regulations. The Board of Directors and the Board Committees carry out such evaluation exercises on an annual basis.

## Remuneration Directors

Through the Articles of the Company, the Board of Directors is authorized to fix remuneration of Non-Executive, Independent Directors and Managing Director & Chief Executive Officer from time to time. The Board of Directors has approved a 'Board Remuneration Policy'. The Company does not pay any remuneration to its non-executive directors except meeting fee for attending the Board and its Committee meetings strictly as per the policy. The remuneration, including the fee for attending Board or Board Committee Meetings, paid to the Directors and Managing Director & Chief Executive Officer have been duly disclosed in note 41 of the financial statements.

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

Being a listed life insurance company, the Company complies with the requirements of the specific Code of Corporate Governance for Insurers, 2016, as well as the Listed Companies (Code of Corporate Governance) 2019, and the PSX Rule Book. In respect of these requirements, the Statement of Compliance with the best corporate practices is annexed on page 133 of the Annual Report.

The Directors are pleased to confirm the following:

- The Financial Statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements, and the accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards, International Financial Reporting Standards, or any other regulation or law (including but not limited to the Shariah guideline / principles) as applicable in Pakistan, the Insurance Ordinance, 2000, the Insurance Accounting Regulations, 2017 the Insurance Rules, 2017, the directives issued under the Companies Act, 2017, and the Takaful Rules, 2012 have been followed in the preparation of financial statements and any departure there from has been adequately disclosed;
- The system of internal control is sound and adequate in design and has been effectively implemented and monitored;
- There are no significant doubts upon the Company's ability to continue as a going concern;
- There has been no material departure from the best practices of corporate governance;
- Information regarding taxes is given in note 28 to the audited financial statements;
- The pattern of shareholding and the information regarding trading in the shares of the Company by Directors, CEO, CFO, Company Secretary, Appointed Actuary, Executives and their spouses and minor children is given on page 280 of the Annual Report.

## Board of Directors

The Board of Directors of the Company comprises of one executive and eight non-executive directors including one female director, of which four are independent, non-executive directors.

The Board of Directors, in accordance with the required gender diversity, comprises of the following:

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

\*Ms. Yasmin Ajani was appointed as a director on March 25, 2021 to fill the casual vacancy created by the resignation of Ms. Saba Kamal on February 08, 2021.

Directors' Participation / Attendance in various meetings including Board, its Committees and Annual General Meeting (AGM) held during 2021 is presented in below table:

	Board Meeting	BAC	BHREH	BFIC	BTC	BRMC	AGM	
<b>No. of Meeting held During 2021</b>	<b>6</b>	<b>4</b>	<b>3</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>P</b>	
<b>Directors</b>	Mr. Kamal A. Chinoy		-		-	-		
	Mr. Aryn Currimbhoy			-	-	-		
	Mr. Shahid Ghaffar			-				
	Mr. John Joseph Metcalf							
	Mr. Sultan Ali Allana		-	-	-	-	-	
	Mr. Zakir Mahmood		-			-		
	Mr. Sagheer Mufti		-	-	-			
	Ms. Yasmin Ajani*		-	-	-	-	-	-
	Mr. Javed Ahmed		-					
<b>Management Executives</b>	Mr. Adeel Ahmed	-		-	-	-	-	
	Ms. Tazeen Shahid	-	-		-	-	-	
	Mr. Omer Farooq	-	-	-		-	-	
	Mr. Shan Rabbani	-	-	-				
	Mr. Zahid Barki	-	-	-	-	-		

\*Ms. Yasmin Ajani was appointed as the member of the Board Audit Committee on October 27, 2021.

<b>BAC</b>	Board Audit Committee
<b>BHREH</b>	Board Human Resource & Remuneration, Ethics & Nominations Committee
<b>BFIC</b>	Board Finance & Investment Committee
<b>BTC</b>	Board Technical Committee
<b>BRMC</b>	Board Risk Management Committee

	Chairman of the Board / Committee
	Member of the Board / Committee
	Management Executives

The terms of reference of the various Board Committees have been determined by the Board in accordance with the guidelines provided in the Code / the Regulations and covered on pages 66 to 68 of the Annual Report.



## Management Committee

The governance of day-to-day operations in all functional areas, is carried out by the Company's Management Committee, chaired by the Managing Director and Chief Executive Officer of the Company, and meets on regular basis. Members of the Management Committee are stated on page 26 of the Annual Report.

Other committees include the Investment Management Committee (IMC), the IT Steering Committee, Disaster Steering Committee, and the Marketing Committee, all of which are chaired by the Managing Director & Chief Executive Officer of the Company. The members of these committees are stated on page 26 of the Annual Report.

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

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

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

Members of these committees are mentioned on page 26 of the Annual Report.

## Internal Audit Function

The Company has an Internal Audit Department, whose scope and authority is defined in the duly approved Internal Audit Charter. The Internal Audit Department has adopted a risk-based approach to conduct internal audits, and monitors and evaluates the efficacy and adequacy of internal controls, consistency in application of policies and procedures and compliance with laws and regulations. Based on the report of the internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. To maintain its objectivity and independence, the Internal Audit Department reports functionally to the Board Audit Committee (BAC) and administratively to the Managing Director & Chief Executive Officer. The report of the BAC is covered on pages 69 to 71 of the Annual Report.

## Risk and Opportunity

The company has established a robust and well-structured risk management framework. The Board of Directors remained vigilant in identifying and mitigating the risk by carrying out thorough assessment of internal and external risk faced by the Company to ensure smoothness of its operation as well as to seize the business opportunities that are compatible with our long-term strategies and vision.

Our risk management framework, including key risks and the opportunities are detailed on pages 86 to 94 of the Annual Report.

## Key Operating and Financial Information

A summary of the Key operating and financial information of the last six years is covered on page 108 to 127 of the Annual Report.

## Retirement Benefits

The fair value of investments made by the staff retirement funds, operated by the Company, as per their respective financial statements as at December 31, 2021, the audits of which are in progress, are as follows:

Provident Fund	Rs. 654.13 million
Gratuity Fund	Rs. 695.66 million

## Material Changes

There have been no material changes since December 31, 2021 to the date of this report.

## Statutory Auditors

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

In line with the requirement of the Code and the Regulations, the Board Audit Committee has recommended the appointment of M/s. A. F. Ferguson & Co., Chartered Accountants, Karachi, as the Auditors of the Company, including as Shariah Compliance Auditors, for the year 2022, and the Board endorses this recommendation.

## Holding Company

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

## Outlook

With the expected recovery of economic activities and the mitigating measures by the Federal and Provincial Governments and State Bank of Pakistan, to contain uncertainty in business and economic environment on account of various internal and external challenges faced by the country, the insurance industry expects a gradual improvement in insurance penetration. Moreover, the devastating impact of the outbreak of COVID resulting increase in death rate and medical cost for the individuals as well as the corporate entities, the level of awareness to seek more protection and savings products through insurers is expected to provide more opportunities for the existing as well new insurance players to look for. Further, the Federal Government's initiatives to rollout Sehat Sehat Cards for free medical and health coverage upto a certain limit, although which presently is being offered only through a state-owned insurance company, if also partnered with other insurance providers, will positively contribute towards growth of the insurance industry and accordingly various related businesses and services.

On the fiscal side, 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 (SRB) and the Punjab Revenue Authority (PRA), respectively. Further Khyber Pakhtunkhwa Revenue Authority also withdrew the exemption of sales tax on services on life and health insurance in Khyber Pakhtunkhwa (KPK) province, with effect from July 01, 2021 through the Khyber Pakhtunkhwa Finance Act, 2021. The matters are explained in note 28.1.2 of the financial statements.

The Company expects that financial year 2022 will also be a challenging year due to post pandemic effects on overall businesses and economic environment not only for Pakistan but globally as well. Nevertheless, with our customer centric approach and investment in people and emerging technologies, the Company will not only be able to maintain its strong footprint in the industry but will also be able to help people and business to financially mitigate their uncertainties. The Company also envisages to participate and support government's initiatives to improve healthcare treatment in the country if allowed being the largest private sector insurer.

With the continued support of all stakeholders, the Company believes it has performed relatively well over the past years, in the era of an unprecedented global crises, and it will continue to outpace the healthy growth in its industry while meeting the emerging regulatory and ethical compliance requirements which though are challenging and stringent for the insurance sector however are appreciated to be protective for the policyholders hence necessary for the future growth of the industry and trustworthy for the policyholders.

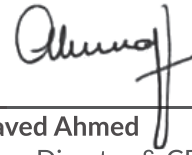
## Acknowledgement

While your Company marks its 25th anniversary in the insurance landscape of the Country and also being the largest private sector insurance company, we would like to express our gratitude to the various government authorities, SECP and State Bank of Pakistan for their continuous support. The Company would also like to heartily acknowledge our valued policyholders, Takaful participants and business partners for their trust and encouragement throughout this glorious journey, which is still considered just a beginning. We would also like to celebrate the occasion by thanking our employees and their families for advocating the trust and confidence in the Company throughout these years.

On behalf of the Board of Directors



Kamal A. Chinoy  
Chairman



Javed Ahmed  
Managing Director & CEO

Karachi: March 01, 2022

# Board Committees' Term of Reference (TOR)

## Composition and attendance of the Board Committees

Members of the Board Committees are nominated through the recommendation of Board, whereas any further vacancy is filled by Board Human Resource, Ethics & Nomination Committee based on the relevant criteria and profile of the Director. The composition of the Board Committees is covered on page 24 of the Annual Report.

## Salient Features of Board Committees' TORs

The Board of Directors provides adequate resources and authority to enable the Committee to carry out its responsibilities effectively. Terms of reference (ToRs) of Board Committees have been developed in accordance with the requirements as enshrined in the Code of Corporate Governance, 2019 and Code of Corporate Governance for Insurers, 2016. The salient feature of the ToRs of respective committee are as under:

### Board Technical Committee

- To ascertain that the Company develops and documents significant policies in strategic and operational areas such as underwriting, claims management, reinsurance, information technology, product development, reserving etc.
- To review significant policies pertinent to strategic and operational areas and ensuring their relevance with the Company's strategic vision and goals.
- To review various qualitative / quantitative analyses pertaining to integral experience factors such as mortality, morbidity, investment return and expenses, etc.
- To review reports analyzing the foreseeable profitability and solvency of the Company.
- To review and approve the Company's IT strategy and guide the management to achieve strategic and operational objectives.
- To review and monitor integral aspects of IT Operations of the Company, including but not limited to confidentiality, integrity and availability of data, technical support, disaster recovery, access control, cyber security, and physical security.

### Board Audit Committee

- Determination of appropriate measures to safeguard the Company's assets.
- Review of quarterly, half-yearly and annual financial statements of the company, prior to their approval by the Board of Directors, focusing on:
  - major judgemental areas.
  - significant adjustments resulting from the audit.
  - the going concern assumption.
  - any changes in accounting policies and practices.
  - compliance with applicable accounting standards.
  - compliance with listing regulations and other statutory and regulatory requirements; and.
  - all related party transactions.
- Review of preliminary announcements of results prior to external communication and publication.
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary).

- Facilitating coordination between the internal and external auditors of the Company.
- Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and appropriately placed within the Company.
- Ascertaining that the internal control and risk management systems (including financial and operational controls), accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective.
- Determination of compliance with relevant statutory requirements.
- Monitoring compliance with Code of Corporate Governance applicable for listed and insurance companies and identification of significant violations thereof.

### **Board Finance and Investment Committee**

- Draw up the Investment Policy and amendments therein, keeping in view the interests of the policyholders and the shareholders of the Company.
- Oversight on the implementation of the Investment Policy as to the investment activities.
- Ensure proper internal control of investment functions, by appropriate segregation of all key activities.
- Recommend good investment practices as described under the applicable laws, rules and regulations and identifying risks to which the funds may be exposed to and specifying mitigation processes of identified risks as applicable.

### **Board Human Resource, Ethics & Nomination Committee**

- Recommendation to the Board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management).
- Undertaking a formal process of evaluation of performance of the Board as a whole and its committees.
- Recommending human resource management policies to the Board.
- Recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of Chief Executive Officer, Chief Financial Officer, Company Secretary, Compliance Officer and Head of Internal Audit.
- Consideration and approval on recommendations of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer.
- Advise and assist in developing and implementing policies and procedures aimed at enhancing integrity and ethical behaviour throughout the Company and monitoring compliance thereof.
- Review and monitor the Company's policies and procedures for the identification, assessment, management and reporting of ethical risk.
- Ascertain that the Board individually and collectively continues to maintain target skill levels and independence.
- Make recommendations to the Board regarding nomination for appointment or reappointment of members of the Board consistent with appropriate criteria established in their profiles and any succession plans.
- Establish a mechanism for the formal assessment of the effectiveness of the Board as a whole, as well as the contributions of individual Board members.
- Make recommendations to the Board on nominations of members of Board Committees and the Chairmanship of the Board Committees.

## **Risk Management and Compliance Committee**

- Monitoring and review of all material controls (financial, operational, compliance).
- Reviewing risk mitigation measures are robust and integrity of financial information is ensured.
- To review that the risks, to which the Company is exposed, are identified, assessed, classified, quantified, monitored and controlled adequately and efficiently at all levels all the time.
- Reviewing the effective operation of the Risk Management System and its full integration into the organization's structure, decision making process and corporate culture.
- Review of the internal model and contingency and business continuity plans prepared by the Risk Management Function for risks to which Company is or may be exposed.



# Report of Audit Committee

Audit Committee comprises of four members, all of whom are non-executive directors and three are independent directors including the Chairman of the Committee. Composition of Committee was done following the recommendation of Board based on the relevant criteria and profile of the Director. The members of the Audit Committee are competent and possess necessary skills, relevant qualification and required experience to fulfil their responsibilities. The composition of audit committee and attendance of respective members of committee is mentioned on page 62 of the Annual Report. The Head of Internal Audit, who is also a Secretary of the Committee, attends Audit Committee meetings. The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) attends Audit Committee meetings by invitation.

The role and responsibilities of the Audit Committee are set out in terms of reference (TORs), as mentioned on page 66 of the Annual Report. These are duly reviewed by the Committee and are in line with the Code of Corporate Governance, 2019 and the Code of Corporate Governance for Insurers, 2016. The role of the Committee in the context of the Board's broader governance framework is to oversee:

- a. The integrity, accuracy and reliability of Company's financial statements;
- b. Risk management and internal controls arrangements and effectiveness;
- c. Compliance with applicable laws and regulatory requirements;
- d. The qualification, independence and performance of Internal Audit function;
- e. The appointment, qualification, independence and performance of External Auditors;
- f. Appropriate measures taken up by the management to safeguard the Company's assets.

## Role of the committee in discharging its responsibilities for significant issues in relation to the financial statements

- The Committee reviews the annual and interim financial statements of the Company, prior to the approval of Board. In their review, the Committee focuses on various aspects including the following:
  - major judgemental areas;
  - significant adjustments resulting from the audit;
  - the going concern assumption;
  - any changes in accounting policies and practices;
  - compliance with applicable accounting standards;
  - compliance with listing regulations and other statutory and regulatory requirements; and
  - all related party transactions.
- The Committee reviews preliminary announcements of results prior to external communication and publication.
- The Committee keeps an independent oversight of the external audit process and hold discussions with external auditors of major observations arising from interim review and annual audit and any matter that the auditors may wish to highlight (in the absence of management, where necessary).
- The Committee reviews management letter issued by external auditors and management's response thereto. The Committee also reviews the implementation status of the observations previously highlighted by the external auditors.

## Committee's overall approach to risk management and internal control

The Company has a Board Risk Management Committee (BRMC) as required under the Code of Corporate Governance for Insurers, 2016. The Board Risk Management Committee (BRMC) comprises of five directors including CEO and two management representatives. In addition, the Company also has a Risk Management

Committee (RMC) comprising of senior management personnel headed by the Managing Director & CEO as per the approved terms of reference from the BRMC. The RMC periodically reports to the BRMC and also informs to Board Audit Committee for any high-level compliance issues.

The Company's approach towards risk management has been disclosed in the risk assessment portion of the Annual Report. The types and details of risks along-with mitigating measures are disclosed therein.

#### **Role of Internal Audit to risk management and internal control**

The Board has established in-house Internal Audit Department (IAD) and the roles and responsibilities of the department are defined by the Committee and are given under Internal Audit Charter. The responsibilities of IAD include:

- i. Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.
- ii. Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the company.
- iii. Evaluating means of safeguarding assets and, as appropriate, verifying existence of such assets.
- iv. Evaluating the effectiveness and efficiency with which resources are employed.
- v. Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- vi. Monitoring and evaluating governance processes.
- vii. Monitoring and evaluating the effectiveness of the organization's risk management processes.

#### **Internal Auditor's direct access to Audit Committee and evaluation of Internal Auditor's performance**

The Internal Auditor (IAD) is authorized full, free, and unrestricted access to all Company's records, physical properties, business systems, and personnel pertinent to carrying out any internal audit engagement in a transparent and effective manner. IAD has also a free and unrestricted access to Board Audit Committee and to the Board of Directors, if required and recommend by the Board Audit Committee.

The Committee reviews and approves the periodic internal audit plans and the internal audit summary reports along with management's response. The Committee carries out an evaluation of the performance of the IAD. The Committee also facilitates the coordination between the external and internal auditors.

#### **Arrangements for staff and management to report to Audit Committee about actual or potential improprieties in financial and other matters**

The Company is committed to the highest standards of honesty, openness, and accountability. The Board has approved Company's Whistle Blowing Policy which encourages to report any matters including relating to financial malpractice, conflict of interest situations, fraud, unethical behavior, suspected criminal activity and discrimination of any kind to the Chairman of the Board Audit Committee among other channels for reporting. All reports and actions taken are reported to the Committee on a quarterly basis.

#### **Effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, and provision of non-audit services**

- The statutory auditors of the Company, A. F. Ferguson & Co., Chartered Accountants, have completed their audit assignment of the Company's financial statements, the statement of compliance with the Code of Corporate Governance and the Statement of Compliance with the Shariah Principles for the year ended December 31, 2021.
- The Committee has reviewed and discussed audit observations with the external auditors. A meeting was also held with the external auditors in the absence of the management.



- The external auditors have direct access to the Committee and Internal Audit Department, hereby ensuring the effectiveness, independence and objectivity of the audit process.
- A.F Ferguson & Co., Chartered Accountants also provides taxation and other non-audit services to the Company. The objectivity and independence of the auditor is safeguarded through separate engagement partners for the non-audit services and the firm's internal process to ensure independence, as confirmed by them through their engagement letter. The firm has no financial or other relationship of any kind with the Company except that of External Auditor, Taxation Consultant, and other services as disclosed in the financial statements.
- The Committee has assessed the effectiveness of the external audit process by evaluation of the technical expertise, relevant experience, independence, adherence to timelines and satisfactory rating assigned by the Institute of Chartered Accountants of Pakistan to the audit firm.
- The Committee is satisfied with the performance of the External Auditors. The engagement partner on the audit was Mr. Farrukh Rehman. Being eligible for reappointment under the Code of Corporate Governance, the Committee has recommended to the Board the reappointment A.F. Ferguson and Co., Chartered Accountants for the year 2022. A resolution to this effect has been proposed at the 27th Annual General Meeting.

#### **Self-evaluation of the Audit Committee of its own performance**

The Board of Directors periodically evaluates progress and performance of the Board Audit Committee and found the performance of the Board Audit Committee as satisfactory.

## Roles and Responsibilities of Chairman & Chief Executive Officer

Whilst the Chairman and Chief Executive are collectively responsible for the Leadership of the Company and for promoting the highest standards of Integrity and Probity, there is a clear and effective division of accountability and responsibility between the Chairman and the Chief Executive and each plays a distinctive role as well as complement each other to ensure that there is a balance of Power and Authority.

### Key Roles of Chairman

- Provides Leadership and Governance of the Board to create the conditions for overall Board and individual director's effectiveness and ensures that all key and appropriate issues are discussed by the Board in a timely manner.
- Promotes effective relationships and open communication and creates an environment that allows constructive debates and challenges, both inside and outside the Boardroom, between Non-executive Directors and the Management.
- Ensures that the Board plays a full and constructive part in the development and determination of the Company strategies and policies, and that the decisions taken by the Board are in the Company's best interests and fairly reflect Board's consensus.
- Ensures that the strategies and policies agreed by the Board are effectively implemented by the Chief Executive and the Management.
- Ensures that the Board is properly briefed on issues arising at Board meetings and timely receives, adequate information which is accurate, clear, complete and reliable to fulfill its duties, such as reports on the Company performance, the issues, challenges and opportunities facing the Company, and matters reserved for it to make decision.
- Ensures that there is an effective communication with shareholders and that each Director develops and maintains an understanding of the stakeholders' view.
- Establishes good Corporate Governance Practices and Procedures and promotes the highest standards of integrity, probity, and Corporate Governance throughout the Company, particularly at Board level.

### Key Roles of Managing Director & Chief Executive Officer (CEO)

- Leads the management in day-to-day running of the Company's business in accordance with the business plan and within the budgets approved by the Board.
- Leads the management to ensure effective working relationships with the Chairman and the Board by meeting or communicating with the Chairman on a regular basis to review key developments, issues, opportunities, and concerns.
- Develops and proposes the Company's Strategies and Policies for the Board's consideration.
- Implements with the support of the management, Strategies and Policies as approved by the Board and its committees in pursuit of the Company's Objectives.
- Maintains regular dialogue with the Chairman on important and Strategic issues facing the Company and ensures bringing these issues to the Board's attention.
- Ensures that the Management gives appropriate priority to provide reports to the Board which contain relevant, accurate, timely and clear information necessary for the Board to fulfill its duties.
- Ensures that the Board, especially the Chairman, is alerted to forthcoming complex, contentious or sensitive issues affecting the Company.
- Leads the communication program with stakeholders including shareholders.
- Conducts the affairs of the Company in accordance with the practices and procedures adopted by the Board and promotes the highest standards of integrity, probity and Corporate Governance within the Company.

## Annual Evaluation of Board and its Committees

As required under Listed Companies (Code of Corporate Governance) Regulations, 2019, a comprehensive mechanism is put in place for undertaking an evaluation of the performance of the Board of Directors, its committees and directors as individual. The Board has completed its annual self-evaluation for which a report by the Chairman on Board's overall Performance u/s 192 of the Companies Act 2017 is mentioned on page 53 of the Annual Report.

## Formal Orientation and Training Program

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. All directors of the Company have successfully completed Director Training Program Certification from SECP approved institution.

## Matters delegated by Board to the Management

The responsibility of implementing the strategies approved by the Board of Directors have been entrusted to the Managing Director & Chief Executive (MD & CEO) of the Company. The MD & CEO and his management team has the primary responsibility for running of the routine business operations of the Company in an effective and ethical manner in accordance with strategies and goals set by Board. The management is also responsible to keep the Board informed about key risks and opportunities and changes in operating environment.

## Details of any Board Meetings held abroad

During the year 2021, all Board meetings were held in Pakistan.

## Presence of Chairman of Audit Committee at AGM

The 26th Annual General Meeting (AGM) of Jubilee Life was held on March 30, 2021, which was attended by all directors including Chairman Board Audit Committee as mentioned on page 62 of the Annual Report.

## Policy for security clearance of foreign Director

In context, one of our directors qualify as a foreign director, whereby, all regulatory requirements are fulfilled and relevant documents are submitted to SECP within the prescribed time. Appointment of the foreign director to the Board was made in line with the prevailing provisions of security clearance from the Regulatory bodies.

## Use of external search consultancy in the appointment of Independent Director

During the year 2021, the Company has used database of Pakistan Institute of Corporate Governance ('PICG') for selection of Independent Directors in accordance with the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

## Policy for safety record of Company

Jubilee Life has prudently implemented Record Retention Policy ensuring the safety of Company records. We firmly believe that documentation and safety of records is directly correlated to product excellence and consumer adoption. Ensured records portray actual picture of the operations and the business, imperative for future decision making.

The objectives of Company for maintaining safety records are as under:

- Defining tasks and responsibilities of all designated department for maintaining data on designated servers digitally, archiving of data, surveillance followed by the technical IT team.
- Determining storage of ERP and business data including critical hard copy at classified locations digitally and physically for the protection against external viruses, natural, fire and physical deterioration.
- Availability of appropriate alternate site for backing up Company's confidential data through information system and determining procedures for imitating applications on the interchangeable sites based on industry's best practices.

## Policy for Transactions with Related Parties

The Board has approved a policy for transactions with related parties which is in line with applicable Laws and Standards. The policy is intended to ensure timely approval, disclosure and reporting of related parties' transactions. All transaction with related parties during the year were placed before the Board Audit Committee and the Board of Directors for their review and approval. During the year all related parties' transactions were carried out on an arm's length basis, the details of which are disclosed in note 43 of Financial Statements.

### Related Parties for the Purpose of Financial Reporting

The below list of related parties has been prepared in accordance with the definition of related party as per IAS 24 "Related Party Disclosures", for the purpose of disclosure of related party transactions in the financial statements, in line with the explanation in the 4th Schedule to the Companies Act, 2017.

Name of Related Party	Nature of Relationship
Aga Khan Fund for Economic Development (AKFED) S.A. Switzerland	Parent Company
Habib Bank Limited	Subsidiary of AKFED
Jubilee General Insurance Company Limited	Subsidiary of AKFED
Aga Khan University Hospital	Member of the same Group
Jubilee Kyrgyzstan Insurance Company (CJSC)	The Company having 19.50% shareholding and the CEO and Director of the company is the Director of foreign investee company.
HBL Asset Management Limited	Subsidiary of HBL
Tourism Promotion Services (Pakistan) Ltd	Subsidiary of AKFED
Aga Khan Agency for Micro Finance	Member of the same Group
HBL Currency Exchange (Pvt) Limited	Subsidiary of HBL
HBL Micro Finance Bank Limited	Subsidiary of HBL
Telecom Development Company Afghanistan Limited	Subsidiary of AKFED
Aga Khan Rural Support Program	Member of the same Group
Aga Khan Cultural Services Pakistan	Member of the same Group
Aga Khan Health Services Pakistan	Member of the same Group
Aga Khan University Foundation	Member of the same Group
Aga Khan Education Services Pakistan	Member of the same Group
Aga Khan Foundation, Pakistan	Member of the same Group
Aga Khan Planning and Building Services, Pakistan	Member of the same Group
Focus Humanitarian Assistance Pakistan	Member of the same Group
The Aga Khan Hospital & Medical College	Member of the same Group
Staff Provident Fund	Defined Contribution Plan for the Company's Employees
Employees Gratuity Fund	Defined Benefit Plan for the Company's Employees

## Whistle Blowing Policy

Jubilee Life Insurance Company Limited is committed to the highest standards of honesty, openness, and accountability. Our aims are to ensure that we operate in a responsible manner, taking into account ethical business standards set out by the Board of Directors. It recognizes that individual members of staff have an important role in helping to achieve this aim.

The Company's Whistle Blowing Policy is a comprehensive document which defines the scope, procedures, investigation mechanism and safeguards the handling of reports. The members of staff are often first to know, if someone in the Company or connected with it is acting improperly. Jubilee Life encouraged the staff and concerned individuals who have knowledge, or reasonable suspicion of wrongdoing to come forward and report the same without fear of reprisal to designated persons within the organization. All complaints are thoroughly investigated within a timeline and kept confidential.

### Scope of the Whistle Blowing Policy and Procedure

This Policy extends protection to any Whistle-blower who may be an employee, service provider, supplier, contractor or intermediary. The policy and procedures are concerned with alleged malpractice, impropriety or wrongdoing might include one or more of the below actions:

- i. Financial malpractice or impropriety;
- ii. Conflict of Interest situations;
- iii. Fraud;
- iv. Improper conduct or unethical behaviour including any offence of Bribery;
- v. Failure to comply with a legal obligation;
- vi. Failure to comply with the Code of Conduct and any rules and regulations that may be prescribed by the Company from time to time;
- vii. Suspected criminal activity;
- viii. Sexual harassment and/or misconduct;
- ix. Discrimination of any kind;
- x. Attempts to conceal any of the above.

## IT Governance Policy

Jubilee Life considers Information Technology as a critical part of the overall Corporate and IT Governance. The Company has aligned itself for efficient use of the information technology resources in achieving its operational and strategic objectives while increasing shareholders' value. IT Governance places high emphasis on providing efficient and secure IT systems, meeting our policyholder's expectation in most innovative and convenient manner. The Company maintains very high standards of Cyber Security and upgraded its perimeter firewalls on both "Primary and Disaster Recovery" sites to best-in-class Next Generation Firewalls. The Company also deployed state-of-the-art Security Information and Event Management (SIEM) solution on its IT Infrastructure.

### IT Governance Policy aim to achieve the following objectives:

- **Strategic Direction:** Strategic direction of IT align with the business objectives with respect to innovative products and services and verifying strategic compliance, i.e., achievement of organizational objectives through strategic IT objectives.
- **Value Delivery:** Ensuring that IT delivers the promised benefits against the strategy, concentrating on optimizing costs and proving the intrinsic value of IT.
- **IT Risk Management:** Ensuring that processes are in place and effective to assess and manage the associated risks in IT investments, developments and operations.
- **Optimal Resource Management:** Ensuring that there is an adequate IT capability and infrastructure to support current and expected future business requirements.
- **Protection of Data:** Ensuring that 'data' which is one of the most valuable assets of the Company are protected from unauthorized access, use, disclosure, disruption, modification, or destruction by Implementing information security / cyber security system.

- **Information Security Incident Management:** Ensuring to effectively manage unanticipated disruptive events with the objective of minimizing impacts and maintaining or restoring normal operations within defined time limits.
- **Adequate IT Policy Framework:** Ensure that the appropriate policy controls are in place and the processes are standardized and documented.

### Issues raised in last Annual General Meeting (AGM)

The 26th AGM of the Company was held on March 30, 2021, attended by members of Board and Management. Queries and clarification related to Financial Statements were raised by the shareholders, which were answered to their satisfaction. Apart from queries and clarification, no issues or concerns were raised by any shareholder.

### Shares held by Sponsors, Directors and Executives

Details of shares held and trading in shares by directors, their spouse and executives are disclosed in Pattern of Shareholding which is annexed on pages from 279 to 280 of the Annual Report.

### Chairman's significant commitments and any changes thereto

Mr. Kamal A. Chinoy is serving Jubilee Life Insurance Company Limited as the Chairman of the Board. With his long-dedicated career and vast experience, he leads the Board with utmost dedication and commitment. The details of his other engagements are mentioned in his profile.

### Avoiding actual and perceived Conflict of Interest

A formal code of conduct is in place that promotes ethical culture in the Company and prevents conflict of interest in capacity as member of the board. At the time of appointment, Directors are required to disclose the directorships or memberships they hold in other corporate bodies which are updated on quarterly basis. The Directors' of the Company recuses themselves from the meetings when the matters under discussion involve a conflict or potential conflict of interest with the activities of any undertaking in which they may hold a real or beneficial interest.

### Human Resource Management Policy and Succession Planning

Jubilee Life has implemented a comprehensive set of policies to cover all aspects related to Human Resources. The Company has an engaged and motivated workforce, to steer the Company towards achieving its strategic goals and objectives, with a consistent focus on learning and development interventions. The Company has also implemented Cloud Based Human Capital Management System to empower our employees and renewed its focus on upskilling and reskilling employees using blended and digital learning platform to prepare a more digital savvy workforce.

In order to maintain the sustainable continuity of the business operations, particularly at senior management and key managerial levels, the Company believes in succession planning which transforms existing talent into a competent workforce capable of occupying future strategic positions.

The HR policies are periodically updated in line with the Company's requirements and industry best practices.

### Social and Environmental Responsibility

Jubilee life is a responsible corporate citizen and is guided by our vision "enabling people to overcome uncertainty". We value and integrate the social and environmental responsibilities into our strategies, practices, and policies. The Corporate Social Responsibility (CSR) and Donations Policy of the Company provides a guiding framework for achieving the Company's vision by creating a strong focus and channelizing the efforts that positively impact Company's CSR endeavours and donations.

Jubilee life aim in respect of the environment is to reduce all adverse environmental aspects arising out of business operation and operate in a manner that is committed to continuous improvement in environmental sustainability through conservation of resources and promotion of environmental responsibility amongst our employees.

### Business Continuity Plan/ Disaster Recovery Plan

Jubilee Life is committed to providing superior products and services to its customers on an ongoing basis. However, the Company recognizes that certain uncontrollable events may cause varying degrees of disruption and impair its ability to provide the required level of products and services to the customers.

While these events are generally unforeseen and thus unplanned for, the Company recognizes that it has an obligation to ensure that uninterrupted customer/policyholder services are provided even during such times. It is the organization's goal to meet these obligations with minimal interruption, given the circumstances and scope of any disruptive event.

To ensure the effective availability of essential services, the Company has a detailed Disaster Recovery Plan and Business Continuity Plan for its business. The plan outlines the strategies and processes to ensure timely restoration and smooth functioning of the business in case of any catastrophe or calamity and uncontrollable events. The plan aims to ensure safeguarding employees' lives and ensuring availability of essential products / services and support to its customers, regulatory authorities and other stakeholders at all times. The plan is reviewed by the Board periodically.

Moreover, the Company maintains its "Disaster Recovery" site and conducts "Disaster Recovery" drills on quarterly basis. During these drills, all mission-critical systems are accessed by staff to ensure continuation of normal business operations as well as to identify and rectify any discrepancies.

## **Pandemic Recovery Plan**

Global economic and political uncertainties continue to unfold but the insurance sector is well positioned to navigate the future economy with a collaborative and agile approach. At Jubilee life, we were capable to adopt new operational challenges due to pandemic and have taken initiatives accordingly. We strictly follow all the SOPs and guidelines advised by Government and World Health Organization (WHO) for the safety of our employees, policyholders, and valuable stakeholders. We run awareness online sessions, took measures for COVID-19 vaccination, booster doses and followed strict protocols for social distancing at workplace.

## **Unreserved Compliance with International Financial Reporting Standards Issued by International Accounting Standards Board**

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.

## **Compliance with the best practices of Code of Corporate Governance**

The Company has fully complied with the Listed Companies (Code of Corporate Governance) Regulation 2019. Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulation, 2019, and Code of Corporate Governance for Insurers, 2016 and Auditors' Review Report thereon also form part of this report and are annexed on page 132 of this Annual Report.

## **Governance Practices exceeding Legal Requirements**

The Company and its Board have always endeavoured to adopt the best practices in industry and governance to ensure that it remains the best-in-class. The Company has not only complied with mandatory legal compliances under the Listed Companies (Code of Corporate Governance) Regulation, 2019, Code of Corporate Governance for Insurers, 2016 and the Companies Act 2017 and other applicable rules, regulations and standards, but has also carried out the following activities in addition to the legal requirements.

- Implementation of Health, Safety and Environment Policy for better and safe workplace environment for employees and surrounded community. These were further updated due to COVID SOPs.
- The Company has adopted Integrated Reporting framework by reporting additional corporate and financial information in this Annual Report which is not required by law.
- Voluntary adoption of best reporting practices as prescribed by ICAP/ICMAP/ SAFA to make the Company's financials more transparent.

## Statement of Adherence with the International Integrated Reporting Framework <IR>

The Annual report 2021 of Jubilee life has been prepared in accordance with guidelines of International Integrated Reporting (IR) framework issued by the International Integrated Reporting Council (IIRC). We always strive to achieve our objectives through excellence in corporate reporting and continuously working toward transparency of the information presented to our stakeholders in order to build and retain the trust of all stakeholders including employees, policyholders, suppliers, business partners, local communities, legislators, regulators and policymakers.

A Principle-based integrated reporting framework promotes a more cohesive and efficient approach to corporate reporting with an aim to improve the quality of information and clearly articulates the financial and non-financial information that reflects the systemic and dynamic interactions of insurance business activities as a whole for its stakeholders, and also represents the Company's performance and ability to create value over time. It further enhances accountability and stewardship for the broad base of capitals (financial, tangible, intellectual, human, social & relationship, and natural) and promotes understanding of their interdependencies.

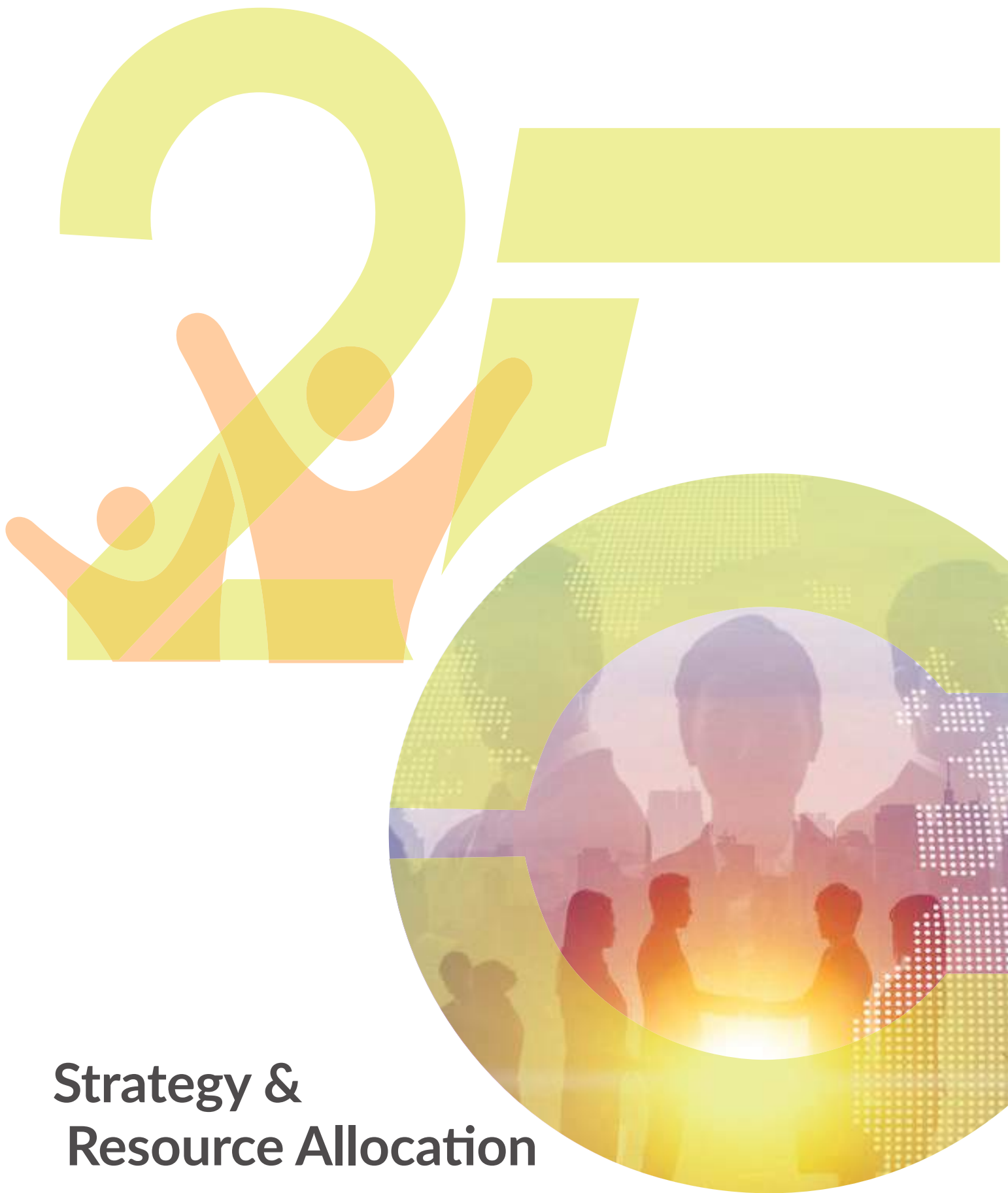
Through this Report, we have described our value creation process over the short, medium, and long term which provides a complete vision and insight of all corporate activities including capitals, outputs, outcomes, and effective management of business operation through identifying the risk, availing opportunities, establishing strategies, and ensuring governance.

The Company has considered the following content elements in this report:

- Organizational overview and external environment
- Strategy and resource allocation
- Risks and opportunities
- Governance
- Performance and position
- Stakeholder's Relationship and engagement
- Sustainability and corporate social responsibility
- Outlook
- Basis of Preparation and presentation
- Excellence in corporate reporting

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.





# Strategy & Resource Allocation

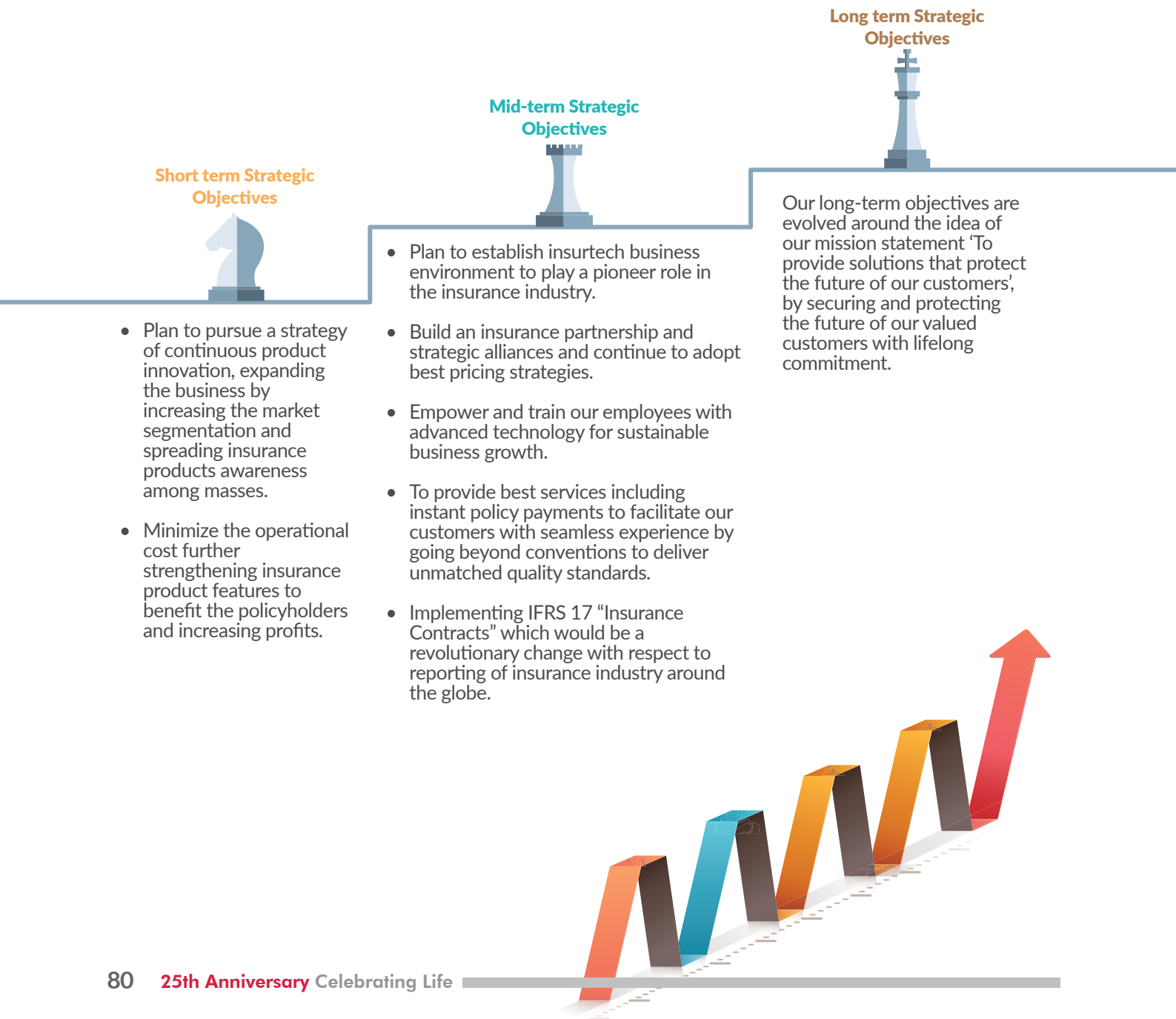
# Strategic Objectives

At Jubilee life, we articulate strategy with a multi-product, and a multi-channel life insurance company which provides choice, convenience, and a simple delivery mechanism to its policyholders and participants. We are focused on building, nurturing a leading, future-ready organization with the customer at the core. We have been introducing and launching innovative products including digital insurance namely Accidental Death & Disability, Inpatient/Accidental Hospitalization and Traditional Endowment Plan and etc.

To achieve goals, we plan to outperform in two areas:

1. Personalize every aspect of the customer experience by using optimal digital technology measures and introducing artificial intelligence in life insurance industry.
2. Empower policyholders to make choices and design preference as per their need and future financial aspects.

## Short, Medium and Long Term Strategic Objectives



## Strategies and KPI's

Strategy	Initiatives	KPI	Future Relevancy
Market Leadership	Jubilee Life has been leading the private life insurance sector and continuously taking initiatives to expand its business operations across the country. We maintain our insurance product & services brand positioning by creating brand awareness among the masses and market penetration. We take pride in maintaining a competitive edge in the life insurance industry and raising the quality standard of services.	<ul style="list-style-type: none"> <li>• Strong brand reputation due to a vast number of existing policyholders</li> <li>• Continuous expanding market segmentation</li> </ul>	On going
Shareholder significance	Jubilee Life's shareholders' utmost satisfaction has always been the top-notch priority; hence, business decisions and activities are aligned to the best interests of shareholders.	<ul style="list-style-type: none"> <li>• Higher EPS</li> </ul>	On going
Product Development	In order to achieve market success with our product, we formulate strategies and conduct market research for developing new insurance plans by keeping abreast with the latest market trends and demands. We have a vast product mix to cater to the customers' preferences and needs. However, due to low penetration in the life insurance sector, certain product categories are still untapped, which the Company believes carries immense potential.	<ul style="list-style-type: none"> <li>• Increasing product lines and vast product mix for rigorous competition</li> <li>• Marketing campaigns</li> <li>• Innovative and alternate products</li> </ul>	On going
Distribution Channel Strategy	With more than 25 years of experience, the Company possesses strong distribution channels nationwide with their unique value proposition, including direct sales force, bancassurance, and digital. Our strategic planning leads us to enter into low penetration markets with a technological competitive edge.	<ul style="list-style-type: none"> <li>• Increase Footprint of the Direct Sales force</li> <li>• Increase bancassurance alliance</li> <li>• Develop digital platforms</li> </ul>	On going
Customer Satisfaction	<p>We value our customers as a lifeline of Jubilee Life. We firmly believe that a satisfied policyholder becomes the brand ambassador. Their attitude creates brand equity in the market through word-of-mouth promotion and Jubilee Life brand loyalty. Customer experience, feedback, and retention fuel the long-term success of our business. Our sales team understands customers' pain points and offers the insurance plan or product to fit their needs to engage them.</p> <p>Jubilee Life prides itself on its product range and immensely focuses on customers satisfaction. Jubilee Life never parts away from its policyholder after issuance of policy rather stays connected throughout the policy term. Customer reliance on Jubilee Life means everything to the Company. The ever-growing customer family urges Jubilee to perform better than before. This force always gets better with the increasing product range and the increasing passion of the Company for its esteemed policyholders.</p>	<ul style="list-style-type: none"> <li>• Leverage digital platform to enhance experience of customers</li> <li>• Best payment gateways for policyholders</li> <li>• High response rate on call and approval center</li> <li>• Increase panel hospitals nationwide</li> </ul>	On going

Strategy	Initiatives	KPI	Future Relevancy
Innovation & Technological Advancement	The COVID-19 outbreak acted as an innovation catalyst for all the sectors. Jubilee life has taken this pandemic challenging situation very smoothly, our workstation and resources are aligned to adapt and optimized this opportunity with capabilities to innovate and explore with advanced technological techniques. Jubilee has evolved its operations and launched its applications, from policy issuance to the processing of the claim. There are areas where Jubilee will continue to invest in serving convenience and reaching a greater market for strengthening the Company's existing position.	<ul style="list-style-type: none"> <li>Automation of procedures and policies, adoption of artificial intelligence (AI)</li> <li>Introducing digitalization and developing technological infrastructure</li> </ul>	On going
Policy payments	We recognize that claim processing is one of our core functions that build our strong relationship with our valued policyholders. We develop an automation process to ensure swift policy payment with minimum turnaround time without any hindrance and continuous follow-up.	<ul style="list-style-type: none"> <li>Minimum turnaround time (TAT)</li> <li>Build algorithm based on historical available data of policyholder</li> </ul>	On going
Marketing Strategy	Our branding and marketing team put efforts into attracting more customers and building trust in us. We design and run different marketing campaigns to maintain our presence in the market and to engage and update our existing and potential customers with our new launch.	<ul style="list-style-type: none"> <li>Advertisement</li> <li>Promotional activities</li> <li>Social media engagement</li> </ul>	On going
Training of employees and agents	We acknowledge our agents' and employees' efforts and believe in developing professional business ethics to act in the best interest of our Company. This behavioural training reinforces the Company's principles disciplines and builds a positive impact on brand image in the insurance industry.	<ul style="list-style-type: none"> <li>No. of training conducted</li> </ul>	On going
HR Excellence	We take the initiative to develop workplace diversification, retain talent, provide job enrichment, enlargement, and job rotation exposure to our employees.	<ul style="list-style-type: none"> <li>Retention rate</li> <li>No. of job rotations</li> <li>Differently abled individuals</li> </ul>	On going
Sustainability	At Jubilee Life, we ensure a paperless environment and install solar panels and energy efficient equipment's in our Company's different locations. We actively participate in CSR activities to contribute to society and local communities.	<ul style="list-style-type: none"> <li>Meeting SDGs</li> <li>Eco-friendly initiatives</li> </ul>	On going
Improve Underwriting profit & Operational efficiency	<p>We truly transform underwriting into a profit-generating endeavour where our premiums exceed claims, and we are consistently putting efforts to reinvent and design effective and efficient competitive pricing strategy for our insurance products or plans in order to maximize the underwriting profit.</p> <p>We formulate strategies to achieve operational efficiency and sustainable growth using synergies, integrating, strengthening reinsurance and centralizing activities. These strategies lead us to eliminate unnecessary activities, controlled functions, and strengthen management controls over corporate operations.</p>	<ul style="list-style-type: none"> <li>Lower loss ratio.</li> <li>Strengthen reinsurance arrangement.</li> <li>Higher technical profits.</li> <li>Controlled management expenses.</li> </ul>	On going

## Resource Allocation Plans to Implement the Strategy

It is comprehensible that Company does not require abundance of resources to function smoothly however, resources are always scarce but successful companies similar to Jubilee Life efficiently utilize their resources to function in order to maximize returns for their shareholders. Following are the ways Jubilee cater its resources:

Capitals	Resource Allocation Plan
<b>Finance</b>	<ul style="list-style-type: none"> <li>• Cash and liquidity management for meeting policyholders' liabilities and maintaining working capital for day-to-day business operations</li> <li>• Deploying fund in best available investment avenues at competitive rates yielding good returns</li> <li>• Investing in process automation and adapting new advanced technologies</li> </ul>
<b>Tangible</b>	<ul style="list-style-type: none"> <li>• Invest in IT infrastructure and architecture</li> <li>• Expansion and renovation of branches</li> </ul>
<b>Human</b>	<ul style="list-style-type: none"> <li>• Invest in talent acquisition, job rotation, job enrichment and job enlargement which would result in talent retention and employees' productivity</li> <li>• Conduct training &amp; development programs for employees</li> <li>• Promote high-tech professionals within organization</li> </ul>
<b>Natural</b>	<ul style="list-style-type: none"> <li>• Encourage more contribution to the green environment</li> <li>• Install solar panels at all premises</li> <li>• Energy conserving equipment</li> </ul>
<b>Intellectual</b>	<ul style="list-style-type: none"> <li>• Articulate insurance products and services with 25 years enriched experience of industry</li> <li>• Design more policies and procedures to safeguard the company's digital asset which is essential for our business sustainability and success.</li> </ul>
<b>Social &amp; Relationship</b>	<ul style="list-style-type: none"> <li>• Build strong relationship with stakeholders, communities, statutory bodies, and agents</li> </ul>

### Factors affecting Company's strategy and Resource allocation Plans

#### Technological Challenges

COVID-19 has amplified the urge to adapt advanced technological techniques and bring innovation in life insurance products. At Jubilee life, we take pride to provide uninterrupted services to our stakeholders even during the pandemic. Our focus is to keep evolving, adapting and allocating our resources to meet the demand of new challenging environment and stepping ahead to implement process automation system and replacing legacy technology infrastructures. These strategic initiatives will bring efficiencies, reduce operational and transactional cost.

#### Societal Challenges

Due to the pandemic situation, we have implemented SOPs for social safety protocols for the health and safety of our employees. We vigilantly allocate our resources to contribute to the community and society for the benefit at large.

#### Environmental Challenges

At Jubilee life, we have been working on moving towards developing sustainable environment, promoting greenery at workplace and allocating resources for an environmental-friendly system. We focus on utilizing optimal and environment friendly solutions.

### Specific Processes used to make strategic decision

At Jubilee Life, we follow a structured process to formulate strategic decisions for the organization, including:

- Identifying the potential matters along with proposed solutions.
- Select the best solution for the identified challenge.
- Implement proposed and discussed strategy.

### Specific Processes used to establish and monitor the Culture of the Organization

We cultivate a culture that reflects certain qualities including a culture of appreciation, trust, continuous alignment to our vision, high-performance, resilience and teamwork that reinforces transparency, integrity, and business ethics. We have developed certain procedures for building a culture of continuity that delivers long-term benefits to our Company.

- We acknowledge our employees' contribution on the basis of performance evaluation mechanism and ensure that appropriate rewards and recognition go to employees who truly embody the values.

- We enable and empower our employees to raise voice for developing the sense of accountability and responsibility towards achieving the Company's goals collectively.
- We believe our Company's success in building a strong workplace culture rests in the hands of our people.
- We focus to invest on learning and development of employees and continue to take initiatives in coaching and enriching job responsibilities to provide the extensive exposure to our employees.

We inculcate our Company's Core values and Code of Conduct in our employees to ensure strictly compliance. In order to reviewing and monitoring the organizational culture, we conduct exit interviews with departing employees to get the feedback. During the year, we also participated in a Best Place to Work survey organized by a renowned HR Consultancy. The survey provided employees the opportunity to participate and provide their candid feedback in helping the Company to gauge the level of our employee engagement, our organization's culture and working environment.

### **Company's attitude to Risk and Mechanisms for addressing Integrity and Ethical Issues**

At Jubilee life, we formulate our strategies to address integrity and ethical issues in accordance with our Company's Code of Conduct. We encourage our employees and individuals who have knowledge, or reasonable suspicion of wrongdoing to come forward and report the same for which we have comprehensive Whistle Blowing Policy. The Company takes all wrongdoing seriously and believes that any report on any unlawful acts, acts of misconduct or impropriety be handled as per the policy.

### **Initiatives taken by the Company in promoting and enabling innovation**

At Jubilee Life, we encourage intrapreneurship at our workplace to promote employees' engagement with new ideas. We enable our workforce to share their feedback and groundbreaking ideas with the management to mitigate potential risks and to cope up with the pace of developments in the environment. With the focus improvements, management aims to take decisive business impulse to ensure consistent long-term value creation in the industry.

We also strive to configure a digitalized infrastructure for embracing change within the organization. With this vision, we have been taking initiatives to automate our resilient business processes by launching Digital Insurance products offered through a digital platform. We offer individual Accidental Death and Disability and Inpatient or Accidental Hospitalization to potential policyholders. The Company also offers E-Payment solutions for premium payments to its policyholders, enabling them to make payments through various digital banking channels at their ease.

### **Strategy to overcome liquidity problem and plans to manage its repayment of debts and meet operational losses**

Liquidity refers to the ability of an organization to fulfill its short-term and unexpected liabilities when they become due. Liquidity management is important to run day to day operation smoothly and avoid any default and settlement risk of the company.

As stipulated by the Insurance Ordinance, 2000 and the Insurance Rules, 2017, Jubilee Life retains sufficient funds in the form of unencumbered liquid assets to meet potential funding requirements and statutory solvency margins as part of its core liquidity policy. The key element of Company's liquidity management strategy is to maintain sufficient liquid assets to meet its claim and other liabilities. Ongoing review of liquidity requirement has been kept into consideration while making investment decision. Bank balance has been maintained with high-rated scheduled banks. An adequate amount has been parked in Treasury Bills issued by the Government of Pakistan, which are highly liquid. It is also notable that Company's major portfolio has been placed in Pakistan Investment Bonds which generates cash flow on a certain frequency. It has been observed that the current ratio for the period has increased to 2.83 times (2020: 2.50 times).

Further, the Company made timely payment against its only long-term loan which shows effective liquidity management of the Company. Lastly, management foresees that the operation of the Company would generate sufficient funds to easily meet the repayment of the policyholders and other liability on a timely basis.

### **Significant plans and decisions with regard to corporate restructuring and discontinuance of operation**

The Company does not intend to initiate any significant plans of corporate restructuring and discontinuation of any operations.

### **Methods and Assumptions in compiling Indicators**

A Key Performance Indicator (KPI) is a measurable value that demonstrates how effectively a company is achieving key business objectives. The Company identifies its indicators effectively that reflect the position and performance of the Company and its market positioning, competitors and general market conditions. The Company has a proper mechanism in place that takes into account economic data from various sources and reports, business intelligence from internal actuarial models and historical data which after careful consideration used in the finalization of assumptions and methods.

### **Changes in Indicators and Performance Measures**

It is recognized that KPIs may evolve over time as strategies changes or more valuable information becomes available therefore the management of the Company regularly reviews the High-level KPIs which focus on the Company's overall performance and low-level KPIs which focus on departmental processes to better gauge the Company's performance.

### **Significant changes in objectives and strategies from the previous year**

The external and competitive environment is constantly changing and accordingly the Company is regularly monitoring the strategies in place to further enhance the values creation process for its stakeholders. There were no material changes in the Company's objectives and strategies from the prior year.



# Risk Management

# Risk Management

## Risk Management Policy

At Jubilee Life Insurance Company Limited, we adopt a rigorous approach to understanding and proactively managing the risks that we face in our business.

We recognize taking business decisions that entail calculated risks and managing those within reasonable tolerance levels and are fundamental to delivering long-term value to our shareholders and meeting our commitments to policyholders, employees, regulators, and business partners.

We believe risk management must be integrated into day-to-day management and operation of our business. It should guide our decision-making and form an integral part of our culture. Our risk management strategies are guided by our Enterprise Risk Management (ERM) Framework and international risk management standards.

## Determining the Level of Risk Tolerance and Establishing Risk Management Policies

Our Risk Management policy is designed and approved by the Board. The Board of directors determine risk tolerance according to the Risk Management policy. Our Board of directors proactively reviews to ensure that management maintains a sound approach to risk identification, risk management, and internal controls to protect the Company's capital.

## Robust Assessment of Principal Risks

The Board has constituted a delegated committee to assess and review principal risks. We have addressed different types of risks and opportunities in detail with their mitigation in the aforementioned sections. Our Board has reviewed and assessed the Company's risks and challenges derived from various sources. The Board is satisfied with the comprehensive risk management practices.

In this relation, the materiality level has been assessed and associated strategy is developed considering the variety of determinants including environmental, social and governance (ESG), the potential impact on organization and importance to our stakeholders. We constantly update our materiality matrix to reflect new challenges. This assessment guides us to evaluate our risks and opportunities and measure their significant impact on our business operations. This requires us to go beyond our footprint and consider all environmental, social, economic, and financial issues that may have a detrimental or positive impact on our capacity to generate value in the short, medium, and long term.



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# Enterprise Risk Management Framework

## Principles of Enterprise Risk Management Framework

The Company's ERM Framework is built on the following principles:

### Create and Protect Value

All Risks are not bad for the Company. The Risk Evaluation Process ensures an appropriate evaluation of upside risks and adequate controls for downside risks.

### Transparent and Inclusive

Every manager and decision maker are cognizant of the ERM Framework and is responsible for identifying the inherent risks of their respective department through day-to-day operations and updating them in the risk register to ensure the evaluation of all identified risks.

### Systematic and Structured

The Framework has been spelled out comprehensive and straightforward manner to understand all stakeholders while it also defines the criterion used to accept, mitigate, or decline a risk. A hierarchal structure is described for the assignment of responsibilities across the Company for the implementation and monitoring of the ERM Framework and Risk management.

### Dynamic, Iterative, and Responsive to Change

The practices around the Framework are continuously reviewed and modified to accommodate new risks.

### Tailored for the Internal and External Context

The Framework is developed considering the Company's governance structure and the regulatory and business environment it operates in.

# Risk Management Process

Risk management defines a critical business activity that protects the Company's value by enabling informed decision-making based on defined risk aversion and managing estimated returns. Risk Management methodology helps us identify operational risks and opportunities that potentially impact our Company's value creation process.



# Analysis of Key Risks

Risk Type	Risk Description & Consequences	Control	Risk Monitoring	Sources of risks	Capitals	Term
<b>STRATEGIC, BUSINESS ENVIRONMENT &amp; REPUTATIONAL</b>						
Competition	The risk of new entrants because of low penetration.	High barriers to entry and regulatory oversight. Measures to cement brand image and loyalty. Increase distribution channels, agents, brokers and partner institution.	Periodic review and variance analysis. BoD and Management Committee Review.	External	Financial	Short to Medium
Economic Conditions and General Market Downturn	The risk of economic challenges and uncertainties in the market.	Strategic Business Plans, Business Strategies, Governance and Reporting Framework.	Periodic review and variance analysis. BoD and Management Committee Review.	External	Financial	Short
Reputational Risk	Retail and Corporate Sales oriented industry making us susceptible risk of losing market goodwill which may effect market share.	Sound business practice, customer care and monitoring framework.	Promoting sound industry practice and robust internal controls, social and customer engagement, robust complaint and sales compliance. Efficient Claims procedures.	External	Social & Relationship & Financial	Short to Medium
Group Risk	Events adversely affecting Shareholder/ Parent Companies/ Group may contribute to reputational risk or shareholder commitment.	AKFED is a strong and reputed group with various investments and businesses around the globe. The shareholders continue to place confidence in the Company and its business strategies.	Accepted	Internal	Social & Relationship & Financial	Short to Medium
Actuarial Risk	The adverse consequences of actuarial assumptions and estimates not in line with actual results/ experience due to factors outside the control of the Company such as catastrophe risk, epidemic, pandemic.	Adequate technical resources and validation models. Internal controls and quality assurance tools. Reinsurance Treaties in place to hedge claim exposure.	Back testing, Monitoring, Governance and Internal control framework. Regulatory oversight and independent Appointed Actuary.	Internal	Financial	Medium to Long

Risk Type	Risk Description & Consequences	Control	Risk Monitoring	Sources of risks	Capitals	Term
Underwriting Risk	These are risks undertaken by the Company via the contracts that it writes, i.e. the possibility of the contingent event occurring, giving rise to the claim for the event insured. The risks in this category are associated with the perils covered (death, accident, catastrophe etc.).	The Company has developed comprehensive Underwriting Guidelines to identify and evaluate this risk. Further, various reinsurance arrangements have been put in place to mitigate the effects of potential loss to the Company from large individual or catastrophic insured events.	Underwriting limits, retention limits, risk accumulation/ concentration limits, training and KPIs.	Internal	Financial	Short to Medium
Persistency/ Lapse Risk	The risk that subsequent premia is not received in a timely manner causing the policies to lapse. This affects profitability through both revenue attrition and increased administrative costs.	Active portfolio analysis and follow up.	Aging and other MIS, Distribution channel accountability, Periodic review, variance analysis, BoD and Management Committee Review.	Internal	Financial & Social & Relationship	Short
Reinsurance Risk	These risks relate to the failure of the reinsurers to discharge their obligations on the claims reinsured, as a consequence of which the Company has to incur additional cost.	The Company has entered into reinsurance treaties with various recognized reinsurers having sound financial standing and good credit score.	Cession ratio, reinsurance claim experience, Expense ratio, Review of treaties and performance analysis.	Internal/ External	Financial & Social & Relationship	Short to Long
Interest Rate Risk	The liabilities of the Company typically have maturity profiles that are longer and thus more sensitive to interest rate changes than those of investments. Life insurers therefore tend to benefit from rises in interest rates but lose if interest rates fall. Moreover, the unit linked policies may have interest bearing assets and liabilities based on the fund offer documents.	Stress Testing, Exposure Limits, Stop Loss Limits, Hedging arrangements.	Aging and other MIS, Distribution channel accountability, Periodic review, variance analysis, BoD and Management Committee Review.	External	Financial	Short to Medium

Risk Type	Risk Description & Consequences	Control	Risk Monitoring	Sources of risks	Capitals	Term
Equity Price Risk	Equity price risk is the risk of a decline in the value of a security or an investment portfolio excluding a downturn in the market, due to multiple factors. Policy holders returns are pegged with unit linked policies with underlying equity and debt instruments.	Stress Testing, Exposure Limits, Stop Loss Limits and Hedging arrangements.	Aging and other MIS, Distribution channel accountability, Periodic review, variance analysis, BoD and Management Committee Review.	External	Financial	Short
General Market Risk	Market conditions, indices, commodity prices, inflation, forex reserves may fiscal policy factors may effect income levels and market value of the company (being a listed company). Pakistan Stock Exchange Indices may also be susceptible to speculative trading risk causing short term boom or bust before correction.	Daily morning briefs, Trading Room intra day strategies and authorization limits.	Periodic review and variance analysis. BoD and Management Committee Review.	External	Financial & Social & Relationship	Short to Medium
<b>LIQUIDITY RISK</b>						
Surrender/ Claims Volatility	In case of higher than estimated claims/ surrenders/ partial surrenders, which will need to be honored.	Commercial bank lines, Contingency Funding Plan, Liquidity and Shareholder reserves, reinsurance arrangements.	Periodic review and variance analysis. BoD and Management Committee Review.	External	Financial	Short

Risk Type	Risk Description & Consequences	Control	Risk Monitoring	Sources of risks	Capitals	Term
Asset-Liability Management	Life/ term plan is generally a long term contractual liability, however early claims or surrenders cause shortfall which may be met through selling underlying fund assets at a loss.	Prudent Investment Management limits and policies. Focus on market traded scrips and debt instruments to reduce realized MTM losses to curtail liquidity risk.	Periodic review, variance analysis, BoD and Management Committee Review.	Internal	Financial & Social & Relationship	Short to Medium
Funding Risk	The risk that adequate liquidity for cash flow management may not be available in case of large cash calls/ surrenders/ claims.	Liquidity buffers and technical reserves based on regulatory guidelines and claim experience adjusted for any reasonable deviations through portfolio stress tests.	Portfolio and Business Line Stress test, Periodic review and variance analysis. BoD and Management Committee Review.	Internal	Financial & Social & Relationship	Short
<b>OPERATIONAL RISK (INCLUDES IT, CYBER SECURITY, LEGAL AND COMPLIANCE RISK)</b>						
Fraud	Risk of losses due to acts of a type intended to defraud, misappropriate property or circumvent regulations, the law or company policy.	Robust internal controls framework, accountability matrices, activity logs and whistle blowing policies in place.  Zero Tolerance policy for both internal and external fraud.	Robust compliance framework, investigation and accountability measures in place. Committee Level reviews and monitoring in place.	Internal/ External	All	Short to Medium
Employment Practices and Workplace Safety	Risk of losses arising from acts inconsistent with employment, health or safety laws or agreements, from payment of personal injury claims, or from diversity/ discrimination events.	Workplace safe guidelines available on internal forums. H%S Coordinator conducts training. Equipment inspections and work place safe warnings, guidelines and monitoring in place.	HSE Coordinator, training, industry best practices. Specific and general safety measures.  HR policies and management and board level committees oversee implementation.	Internal	Human, Social & Relationship, Tangible, Financial	Short to Medium
Clients, Products & Business Practices	Risk of losses arising from an unintentional or negligent failure to meet a professional obligation to specific clients (including fiduciary and suitability requirements), or from the nature or design of a product.	Professional code of conduct, trainings and line management/ distribution channel oversight.  Robust investigations and accountability mechanism.	Periodic sales trainings and management oversight.  Complaints management and resolution unit.  Management and BOD oversight.	Internal/ External	Financial & Social & Relationship	Short to Medium

Risk Type	Risk Description & Consequences	Control	Risk Monitoring	Sources of risks	Capitals	Term
Damage to Physical Assets	Risk of losses arising from loss or damage to physical assets from natural disaster or other events.	Comprehensive asset and property insurances in place.  Industry best practices and policies/ procedures in place.	Dedicated departments, asset monitoring, tagging and insurance arrangements being overseen by dedicated departments.	Internal/ External	Tangible	Short
Business disruption and system failures	Risk of losses arising from disruption of business or system failures.	Cyber security, application and adequate controls in place for smooth end to end operations with adequate back up/ on site and off site in place.	Regular DRP/ Business Disruption and continuity drills and exercises are run and adequate impact assessment is recorded for further improvements.	Internal/ External	Financial & social & relationship	Short
<b>REGULATORY &amp; COMPLIANCE RISK</b>						
Change in Regulatory expectations/ regulation/ guidelines	Life Insurance Industry is a highly regulated industry and subject to frequent changes in applicable laws, rules and regulations. Any omission or failure to meet regulatory compliance may also expose the Company to reputational risks. Recent updates include Financial reporting standards, AML/ KYC, Updated SROs, independent bodies, SECP, Appointed Actuary.	The Company takes cognizance of these changes through updates from legal services, auditors and tax advisors, websites etc. A summary of requirement is reported to the Board, whose guidance is sought by the management. Also, the Company interacts with the regulators directly, as well as through the collective forum of the Insurance Association of Pakistan, to ensure that industry views are represented.	Dedicated compliance function is in place which ensures that the company is compliant with the regulations while all concerned departments perform the reporting and oversight functions according to their domain.  Internal Audit, Management and Board oversight.	External	All	Short to Medium
Complexity of Business/ Industry trend/ Limit setting and procedural guidance				External		
International Regulatory directives				External		
Compliance Cost - Benefit Analysis. Complexity, roll out and deployment cost. Training, consultancy engagement, implementation.				External		
Misreporting/ Material misstatement for internal and external stakeholder reporting				External		
Sanction Risk/ Punitive action for non compliance				External		
External and Internal Stakeholder reporting				External		
Internal Controls and Compliance Monitoring				Internal		
Training, Environmental, BCP/ DRP, other agencies				Internal		
Assurance and Shariah Advisory Board/ Report				Internal		

# Analysis of Key Opportunities

Opportunity	Description of Opportunities	Plan	Plan Implementation Monitoring	Source
Potential for Industrial Growth	With less than 1% penetration (ratio of insurance premium as a percentage of the Gross Domestic Product), Life Insurance has a great potential for growth in Pakistan.	<ul style="list-style-type: none"> <li>Increasing education and awareness regarding life insurance amongst the masses to enlighten them about the benefits of Life Insurance benefits and saving/ investment components</li> <li>Increasing outreach across Pakistan through the conventional distribution networks and using the latest technology, including branchless, online sales, and mobile apps to attract the young population of Pakistan.</li> <li>Financial inclusion, i.e., affordable insurance solutions through micro-insurance for the mass segments of society by collaborative efforts with external and internal stakeholders.</li> </ul>	Business Plan, Marketing Efforts, Co-Branding, Sponsorship, Advertisement, Corporate Social Responsibility, Hybrid/ consumer-friendly Uis, online channels, insurance brokers.	External
Regulatory	With the introduction of FATF/ AML CFT laws in 2020, the transaction-based monitoring and tax reconciliation efforts will be more stringent. With this, traditional avenues of investment such as acquiring physical assets such as property, vehicles, and precious metals and stones are discouraged, thus opening up more secure avenues of investment that provide relatively more stable returns than Stock Markets.	Leverage brand loyalty and existing customer base. Existing IT infrastructure and Compliance program in place to detect, report and deny ML/ FT.	Business Plan, Marketing Efforts, Co-Branding, Sponsorship, Advertisement, Corporate Social Responsibility, Hybrid/ consumer-friendly Uis, online channels, insurance brokers.	External

## Assessment of likelihood of the Risks

Based on the risk assessment, the likelihood of the above risks vary from “Unlikely” to “Possible”. However, these risks have been appropriately mitigated through in place risk management strategy.

## Key Uncertainties affecting the Business

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

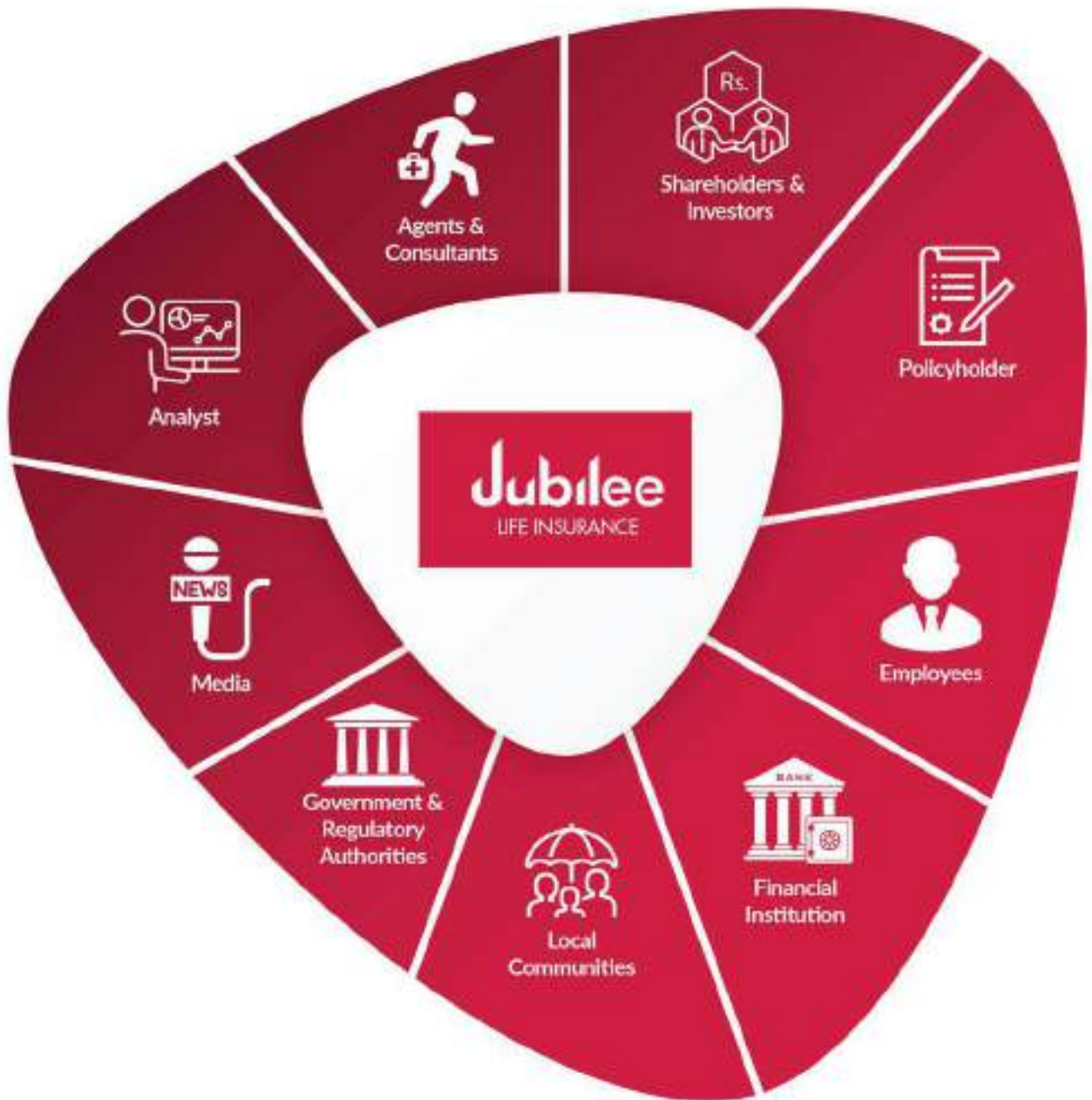
- Unexpected changes in claims ratios and trends.
- Occurrence of catastrophic event(s).
- Political turmoil affecting the economy, and in particular, the equity market.
- Unexpected interest rate movements.
- Failure of a major product / distribution channel.
- Threats to the national security and peace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





# Stakeholder Relationship & Engagement

# Key Stakeholders



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## Stakeholders' Engagement

At Jubilee Life, we are committed to developing and improving relations and dialogue with our stakeholders. We bind our stakeholders to carry out business operations while adhering to Company policies and regulatory requirements and are keen to resolve conflicts as expeditiously as possible. We collaborate with our stakeholders to develop solutions and identify emerging trends to future challenges. We recognize the importance of providing simple access to the information for investors and stakeholders to make them informed choices. For that, we keep updating our Company's website and disclose all the material financial information to its stakeholders in a fair and transparent manner.

**We promote and follow basic principles for engaging and establishing relations of trust with our investors and policyholders, such as:**

- We ensure transparency with our stakeholders by providing all non-financial, financial, reliable, and useful information pertinent to them.
- We act responsibly and build strong relationships based on integrity and ethics.
- We actively listen to our policyholders and investors and respond to them timely.
- We always seek continuous improvement and keep evaluating our policies for future growth. We are risk-averse but not risk-averse in our stakeholder engagement.



# Stakeholders' Engagement & Relationship

We have grouped our key stakeholders in the following categories:



## Shareholders and Investors

At Jubilee Life, we recognize and value the role of our shareholders and institutional investors. All Company-related information, including key operational and financial data, is periodically published, and updated on Jubilee Life's website to assist our investors. Our stakeholders can contact the designated Company's representative anytime for more pertinent information and queries. As a matter of policy, the Company promotes active and constructive involvement of shareholders in the Company's Annual General Meetings and values their insights and views for further improving the Company's performance for the benefit of its stakeholders.



## Policyholders/Participants

We believe in building a strong, trusted relationship with policyholders/participants. Frequently engaging and interacting with existing and potential policyholders helps us to assess and understand the need of our policyholders. We use customer engagement metrics by offering them a digital and physical platform to give their feedback within the context of their insurance product experience.



## Employees

We cultivate an environment of employee engagement and consider our employees the most valuable internal stakeholders. Our employees define our corporate strategy, tactics, and operations; they play a substantial role and have a significant voice in operational decisions. They invest their time, efforts, and devotions to run the operations in accordance with corporate governance, and it's important for us to value our employees' viewpoints, concerns, and opinions while developing our long-term strategy and vision.



## Financial Institutions

Banks enrich the offer of financial services for our policyholders or participants by integrating or selling insurance products and also act as a distribution channel. They help us improve customer services, enable us to reach potential customers at large, and provide a seamless payment gateway experience to our customers.



## Local communities and the General Public

We have a symbolic relationship with our local communities. Jubilee life has enacted a thorough community engagement strategy that brings different communities and social groups on Board to contribute to the welfare of society as a whole.



### Government and Regulatory Authorities

We maintain open communication with the Government and regulatory bodies to stay informed and seek clarification regarding laws and regulations to adopt, design and implement corporate strategies accordingly. We strictly adhere to all regulatory requirements and standards.



### Media

We engage with media stakeholders throughout the year. We keep all stakeholders informed via hybrid platforms (electronic, print, and digital) on the latest developments in the life insurance industry, investment projects, new product innovation, premium payment arrangements, and overall progress.



### Analysts

We coordinate or collaborate with analysts to develop strong brand image for our Company and responds to their queries regarding financial information which they use to conduct various investment related analyses or recommendations. These analyses or blogs may influence investors' buying behavior to make investment decisions in our Company.












### Agents & Consultants

We maintain an effective way of communicating with our agents & consultants. Agents bring us more valuable relationships with our policyholders or participants by selling insurance products and explaining policies associated with the products. Both agents and consultants generate synergies to provide the best possible service to our customers. We deal with agents & brokers by complying with the Company's principles and standards according to the defined code of conduct. We train our insurance agents to deliver complete product knowledge to the customers before purchasing any insurance plans.



# Stakeholders' Engagement Process & Frequency

Stakeholders' satisfaction from Company's services contributes to its immense growth. The Company has identified and further explained the types of stakeholders with their importance and nature of engagement.

Stakeholders	Why they are important	Engagement Process	Frequency
 Shareholders & Investors	Safeguarding our shareholders' interest is our prime responsibility. Our shareholders' interest revolves around good returns, profitability and growth.	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Extra-Ordinary General Meeting</li> <li>Interim Financial Results</li> <li>Corporate Briefing session</li> <li>Investors Relations section on website</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Quarterly</li> <li>When required</li> </ul>
 Policyholder	Developing and sustaining long term relationship with our Policyholder / Customers are critical to our business success. Their gratification is correlated to our delivery of services.	<ul style="list-style-type: none"> <li>Direct relationships</li> <li>Periodic Unit statements</li> <li>Apps / Web-portal / IVR</li> <li>Technical support services</li> <li>Feedback on services</li> <li>Surveys</li> <li>Corporate Events</li> </ul>	<ul style="list-style-type: none"> <li>When required</li> <li>Quarterly</li> <li>Annually</li> </ul>
 Employees	Strong relationship and connection with employees make us robust in meeting our strategic goals and objectives.	<ul style="list-style-type: none"> <li>Interaction with management</li> <li>Cloud based Human Capital Management System</li> <li>Appraisals</li> <li>Employee get-together events</li> <li>Training</li> <li>Newsletter</li> <li>Continuous Feedback</li> </ul>	<ul style="list-style-type: none"> <li>Monthly</li> <li>Bi-annually</li> <li>Annually</li> </ul>
 Financial Institution	We also have access to our potential customers through the Bancassurance agents who recommend our products. We dearly value the financial advice and investment opportunities that our banks pass on, which contributes to the satisfaction of our policyholders. Beside this, Banks also engaged on regular basis for banking services.	<ul style="list-style-type: none"> <li>Direct relationships</li> <li>Meetings</li> <li>Financial Information</li> <li>Website</li> </ul>	<ul style="list-style-type: none"> <li>Frequently</li> <li>As needed</li> </ul>
 Local Communities	Contributing to society makes us compassionate and mutual. Looking after the struggling communities has become a major focus of the Company to support well-being.	<ul style="list-style-type: none"> <li>Events to support various Communities</li> </ul>	<ul style="list-style-type: none"> <li>Periodically</li> </ul>
 Government & Regulatory Authorities	The Company stays active with regulatory matters and to remain compliant, we promptly and regularly file all applicable statutory returns and forms with various regulatory bodies.	<ul style="list-style-type: none"> <li>Responding to Regulator queries</li> <li>Submission of statutory returns</li> <li>Seek clarifications</li> </ul>	<ul style="list-style-type: none"> <li>As required &amp; needed</li> <li>Quarterly</li> <li>Annually</li> </ul>
 Media	Company's Media communication helps in strengthen the brand image and marketing of Company's products and services	<ul style="list-style-type: none"> <li>Advertising</li> <li>Campaigns</li> <li>Press releases</li> <li>Interviews</li> </ul>	<ul style="list-style-type: none"> <li>Periodically</li> </ul>
 Analyst	The Company communicates with analyst in responding to various queries and clarifying the Company's stance in the market to create a positive and transparent image of Company.	<ul style="list-style-type: none"> <li>Meeting with analyst</li> <li>Corporate briefing session</li> </ul>	<ul style="list-style-type: none"> <li>Periodically</li> <li>As needed</li> </ul>
 Agents & Consultants	Agents and consultants act on our behalf, therefore, it is fundamental that we ensure they understand our business and product requirements and meet the high standard of conduct that we set for ourselves.	<ul style="list-style-type: none"> <li>Technical Training.</li> <li>Newsletter.</li> <li>Continuous Feedback.</li> <li>Interaction with management.</li> </ul>	<ul style="list-style-type: none"> <li>As required &amp; Needed</li> </ul>

# Investors' Engagement

## Investors Relation Section on the Corporate Website

Jubilee Life focuses on improving communication with shareholders' facilitating two-way communication between the Company and investors. Effective communication enables investors and other market participants to understand the Company, its governance, operation, financial performance, and prospect. To ensure transparency and ease of access to the Company's latest information, the "**Investors Relation**" section on the Company's website (Jubilee Life | Investors Information) is updated from time to time for existing and potential investors.

## Investors Grievance

At Jubilee Life, we value all our stakeholders. We are committed to earning and sustaining the trust of our investors, for which we have a dedicated section on our website where shareholders can register their grievances and complaints on designated email ID and contact details which are available on the Company website under the "**Investors Relation**" section (Jubilee Life | Investors Relation). All queries, including grievances and information requests lodged by shareholders and potential investors, are handled on priority with the legal requirements and in a timely manner.

## Corporate Briefing Session

Jubilee Life held its corporate briefing session on 09th of December 2021 to promote transparency and stakeholder engagement. This session was conducted virtually, keeping in view the SOP for COVID 19 prevention. Senior management of Jubilee Life presented and briefed the participants on Company performance and position, its product innovation, and the insurance industry challenges. The session concluded with a question-and-answer session whereby all questions were answered to the utmost satisfaction of the participants. Presentation during corporate briefing session can be accessed on Company website under Investor Relations' section. (Jubilee Life | Investors Relation | Media)

## Encourage minority shareholders to Attend General Meeting (AGM)

The Company encourages all shareholders, including minority shareholders, to attend the AGM and other sessions such as Extra-Ordinary General Meeting and corporate briefing session. We encourage two-way communication in sessions to listen to our shareholders' concerns and views.

**To encourage shareholders to attend general meetings, we take the following steps:**

- Notice of AGM is sent to all shareholders and printed in English and Urdu Newspapers having nationwide circulation at least twenty-one days before the scheduled AGM.
- Each shareholder receives a DVD of the Company's annual report and printed proxy forms. The proxy forms allow them to send someone in their place to the meeting.
- Notice of AGM and Annual Report is also placed on Company's website and PSX page to ensure it reaches every shareholder.
- The Company also schedules question and answer sessions in all AGM so that the queries of all shareholders are properly addressed.
- Keeping in view COVID-19 as directed by SECP, the Company conducted its meetings and sessions through an online platform as well to ensure maximum participation of shareholders.

# SUSTAINABILITY

SUSTAINABILITY

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SUSTAINABILITY

Businesses prosper when they have a long-term sustainable vision and can deliver sustainable growth. At Jubilee Life, our enterprise has flourished and our financial performance year on year has been robust in terms of value and growth. We remain an employer of choice in the insurance sector and our best practices and innovative products complement our efforts for the growth of the industry as a whole.





# Corporate Social Responsibility

# Sustainability and Corporate Social Responsibility

The United Nations established the 2030 Agenda for Sustainable Development in 2015, which serves as a framework for prosperity and peace for both the planet and people. 17 Sustainable Development Goals (SDGs) are at the center of this collective effort. These goals guide us to formulate action plans and strategies to end poverty, promote health and education, reduce inequalities, preserve oceans, and save the climate for a future sustainable environment.



## Adopting the Sustainable Development Goals

We at Jubilee Life, have adopted nine goals from 17 United Nation's Sustainability Development Goals (SDGs) 2030 and have integrated those within our business activities. We recognize that sustainability is more than just managing our economic, social risks and environmental opportunities. We also believe that our strategies must adhere to strong governance, policy, and ethical business practices to create value for our customers and stakeholders. We have identified SDGs significance and formulated action plans to embed these SDGs within our business operations. We believe that these SDGs will have a significant positive impact on our business activities and investments while creating a sustainable future for everyone.

We aim to improve the insurance industry's contribution to sustainable development by addressing risk, access, and affordability. Our approach supports United Nations Sustainable Development Goals as it involves proactive measures to address environmental, social, and governance issues as the core elements of our routine business operations (SDGs).



## Highlights of Jubilee Life's Performance and Initiatives towards Sustainability & CSR



### Good health & Wellbeing

*Ensure healthy lives and promote well-being for all at all ages*

We aim to make a difference in the lives of our policyholders, employees, and the communities where we operate by delivering affordable healthcare to all of our stakeholders. Each year, the Company makes a significant contribution towards the financial inclusion of the low-income strata population, by offering micro-insurance health solutions to underprivileged segments of the Country at affordable costs. With the aim of improving the quality of life of the low-income sector of society, the Company extended its micro-insurance facilities to over 3.7 million individuals in 2021.

We have been affiliated with the Social Health Protection Initiative in Gilgit Baltistan (GB). During 2021, 35,667 lives spread over 5340 households were covered by the Company.

We promote sporting activities and tournaments and encourage employees to actively participate. Workplace activities keep you engaged and healthy while improving your productivity. We also take pride in promoting young promising talent from various parts of the country and provide opportunities to the youth to excel in sports, including cricket HBL PSL, golf, polo, table tennis, and volleyball.

To ensure and maintain the well-being of our employees as well as policyholders, we have collaborated with Sehat Kahani, a leading telemedicine platform aiming to provide healthcare (OPD) services free of charge to all Jubilee Life employees and policyholders, including both individual and group customers.

The Company also organizes Health Awareness Campaigns in the rural areas of all four provinces and the Northern areas, directly and in collaboration with other organizations to enable the creation of broader awareness on issues relating to health care and healthy lifestyle.



### Quality Education

*Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all*

We have designed and planned our insurance products such as Taleem Yaqeen Takaful Plan, Wafa Education Plan etc. specifically to ensure that quality education remains within the means and reach for all. These products facilitate our policyholders to get education plans for a better family future and ensure their children's higher education. Furthermore, we have also been collaborating with SEED Ventures since 2017 for the Enterprise Challenge Pakistan, a program affiliated with Prince's Trust International - UK, which organizes various inter-school competitions that encourage secondary school students in the age bracket of 13-16 years to explore entrepreneurship as a career path. In addition, we also contribute with Aga Khan Education Service, Pakistan, and other alike NGOs in the form of donations that provides quality education in Pakistan.



### Gender Equality

*Achieve gender equality and empower all women and girls*

We aim to give equal employment and career opportunities to both male and female employees. We take initiatives towards supporting and encouraging the employment of women. We pledged a commitment by joining hands with the OICCI in its "OICCI Women: Empowering for a Brighter Tomorrow" initiative to implement Women Empowerment and Gender Equality. At Jubilee Life, we provide inclusive work culture, strive to offer flexibility, and develop supportive policies to ensure that our women employees continue their career journey; accordingly, we are proud to state that over 60% of our front-line sales staff are women.



### Affordable and Clean Energy

*Ensure access to affordable, reliable, sustainable, and modern energy for all*

At Jubilee Life, we are committed to work towards reducing and offsetting our carbon footprint for a better and sustainable future. We strive to adopt cost-effective standards for a broader range of technologies that could reduce and control the electricity consumption and greenhouse gas emissions within premises. We have taken initiatives to install solar panels and energy-conserving air conditioning systems at our offices that help combat greenhouse gas emissions and reduce our carbon footprint.



**Decent Work & Economic Growth**

*Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.*

At Jubilee life, we integrate this SDG in our day-to-day operations. Jubilee Life participated and won the Bronze Award in the large National category at the 8th Employer of the Year Award 2020 for showcasing UN sustainable development and decent work standards.



**Industry Innovation & Infrastructure**

*Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation*

With the development of new technologies and digital capabilities, there have been increased opportunities for greater connectivity, scalability, and efficiency, fueled by deeper consumer insights and actionable analytics. To effectively serve our consumers, we first understand their needs and provide personalized solutions accordingly. Our mission is to establish Jubilee Life as an insurance industry leader in using technology through greater digitalization, automation, process simplification, and adoption of cutting-edge AI solutions.



**Reduced Inequalities**

*Reduce inequality within and among countries*

Our employee policies ensure transparency and equality in our dealings. Our workspaces are safe where every individual is treated with respect irrespective of gender, caste and beliefs. We offer an inclusive work culture where our differences are valued and celebrated. We also have differently abled employees successfully working in various areas across the organization.

Jubilee Life provides a variety of insurance plans tailored to the lower middle class offering them saving options with protection. Our solutions help mitigate growing income and wealth inequality.



**Climate Action**

*Take urgent action to combat climate change and its impacts.*

To mitigate and offset the negative impact on climate, Jubilee Life has initiated a net-zero project in 2020. Since then, it has been actively working towards reducing and offsetting its carbon footprint to combat climate change and becoming carbon neutral by 2030. The project framework comprises calculating, reducing, and finally offsetting the Company's Carbon Footprint through extensive measures involving our processes, real estate, people, and customers.

Digitalization has been our priority for every department and function within the organization. The focus continues to be on creating a paperless environment, through introducing and implementing efficient systems and processes, wherever we can, to reduce paper usage and also to provide a best-in-class customer experience.



**Peace, Justice, and Strong Institutes**

*Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels.*

Conflict, instability, poor institutions, and restricted access to justice threaten sustainable development. To promote equal and ethical business activities, we strongly encourage and ensure strict adherence to our Code of conduct at all levels of the organization. We have zero-tolerance for malpractice and integrity is one of our core values by which we conduct our business. Our comprehensive Whistle Blowing policy ensures that we have effective and transparent processes and work environment. We also stringently follow guidelines, principles, and regulatory requirements imposed by SECP and other regulatory bodies.

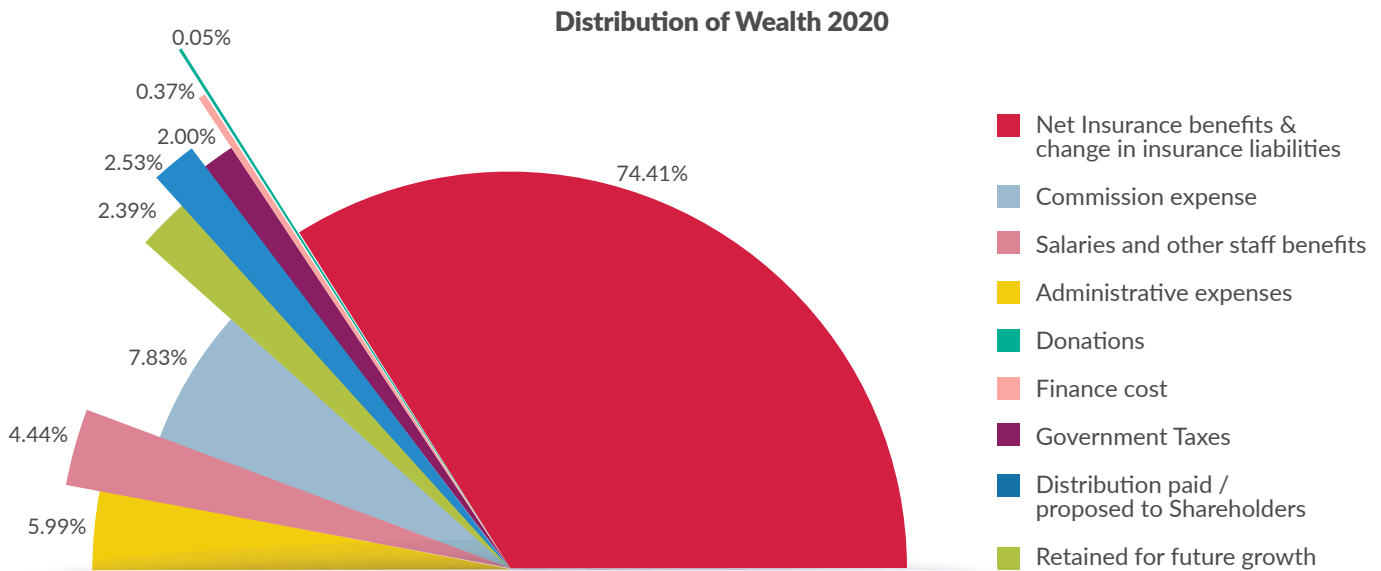
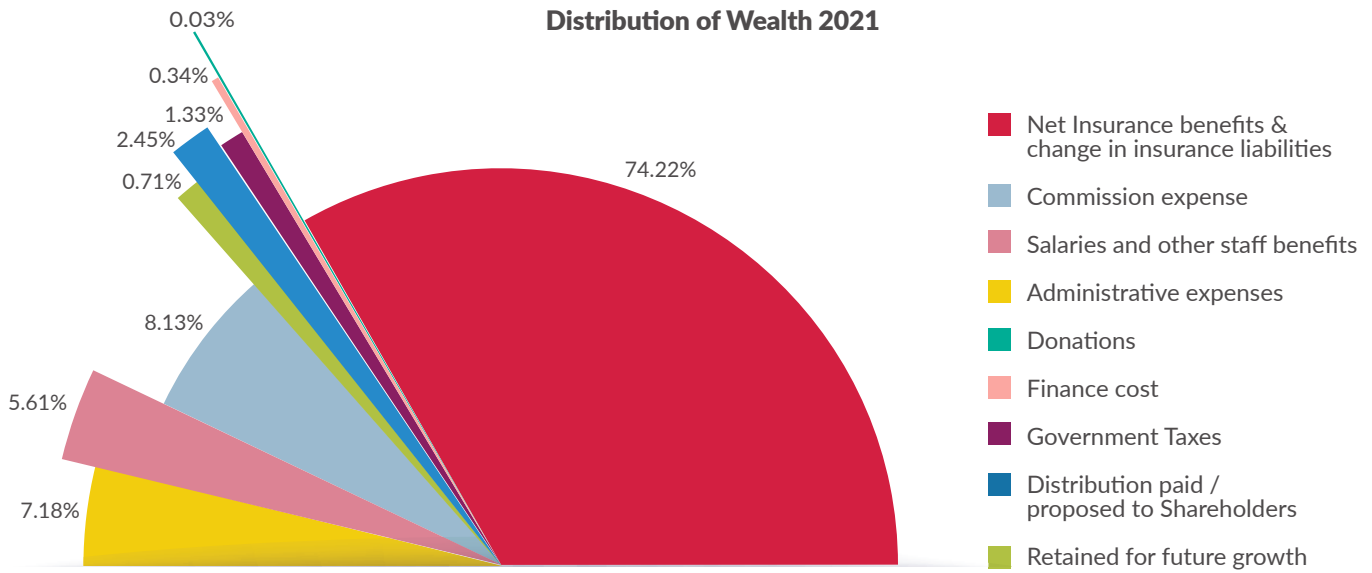


# Financial Position & Performance

# Statement of Value Additions

Description	2021		2020	
	Amount (Rupees in '000)	%	Amount (Rupees in '000)	%
<b>Wealth Generated</b>				
Net premium	47,580,137	92.19	45,207,696	79.38
Investment income	3,768,859	7.30	11,501,702	20.19
Other income	264,335	0.51	244,651	0.43
Net Wealth	<u>51,613,331</u>	<u>100.00</u>	<u>56,954,049</u>	<u>100.00</u>
<b>Distribution Of Wealth</b>				
Net Insurance benefits	39,848,772	77.21	28,825,518	50.61
Change in insurance liabilities	(1,542,840)	(2.99)	13,551,563	23.79
Commission expense	4,194,626	8.13	4,457,965	7.83
Salaries and other staff benefits	2,893,181	5.61	2,528,510	4.44
Administrative expenses	3,707,973	7.18	3,408,899	5.99
Donations	15,000	0.03	31,000	0.05
Finance cost	174,282	0.34	210,349	0.37
Government Taxes	686,059	1.33	1,140,845	2.00
Distribution paid / proposed to Shareholders	1,265,324	2.45	1,439,852	2.53
Retained for future growth	370,954	0.71	1,359,548	2.39
Total	<u>51,613,331</u>	<u>100.00</u>	<u>56,954,049</u>	<u>100.00</u>

# Statement of Value Additions



# Last Six Years Statement of Financial Position

Balance Sheet	2021	2020	2019	2018	2017	Jan. 1, 2017
					(restated)	(restated)
	(Rupees in '000)					
Investments including bank deposits	181,231,824	180,712,608	162,938,187	134,122,822	114,903,830	100,052,806
Other assets	4,529,315	5,043,941	5,703,207	2,177,091	2,350,411	2,009,369
Property and equipment / Intangible assets / Rights-of-use assets	4,790,785	4,665,574	4,719,129	3,326,101	3,258,660	734,591
Total assets	190,551,924	190,422,123	173,360,523	139,626,014	120,512,901	102,796,766
- Issued, subscribed and Paid up capital	872,638	872,638	793,307	793,307	793,307	721,188
- Unappropriated profit/Surplus on revaluation of AFS investments/Waqf fund	7,893,860	7,919,203	7,176,008	6,395,607	6,022,460	5,118,646
- Retained balance in Ledger Account D	4,302,134	4,080,365	3,436,246	3,152,755	2,500,955	1,825,362
Total Equity	13,068,632	12,872,206	11,405,561	10,341,669	9,316,722	7,665,196
Insurance liabilities / Statutory Funds (as applicable)	168,762,520	168,613,327	153,633,665	122,000,509	104,941,249	91,387,760
Long term / Deferred liabilities	2,828,724	3,066,605	3,307,324	2,437,432	2,563,427	1,000,539
Other liabilities	5,892,048	5,869,985	5,013,973	4,846,404	3,691,503	2,743,271
Total equity & liabilities	190,551,924	190,422,123	173,360,523	139,626,014	120,512,901	102,796,766

**NOTE:**

Presentation has been realigned for the purposes of better comparison.



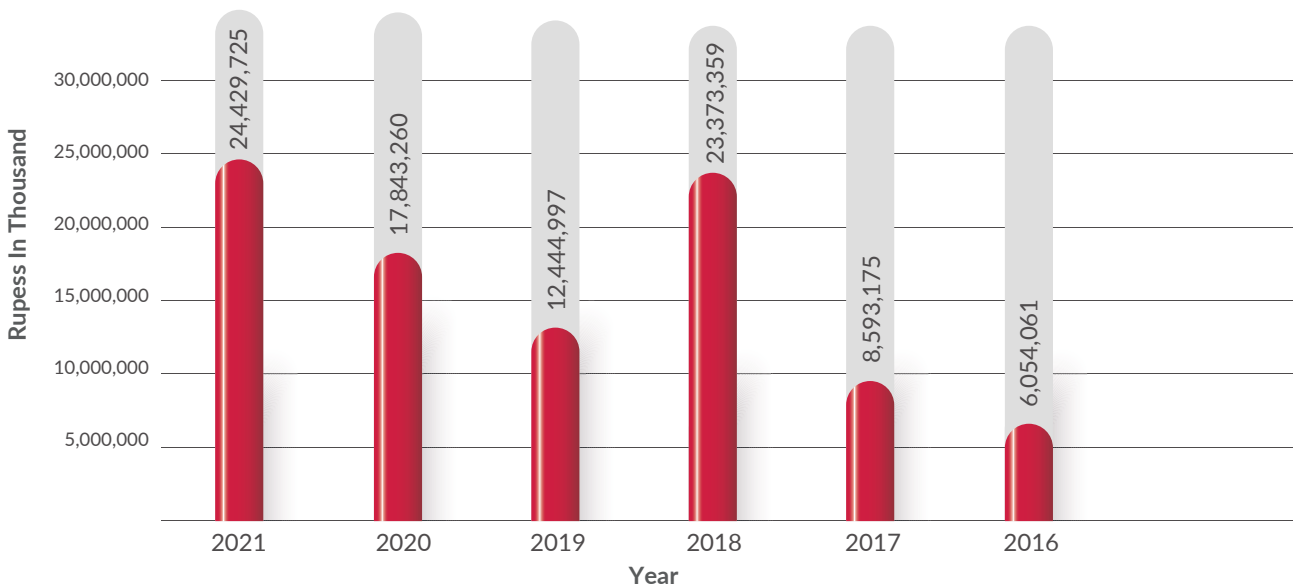
# Last Six Years Statement of Profit & Loss

Revenue, P&L Account and OCI Statement	2021	2020	2019	2018	2017	2016
					(restated)	
						(Rupees in '000)
Gross Premium / Contribution	<b>49,355,599</b>	46,507,123	49,627,409	51,887,073	46,816,891	38,003,577
Premium / Contribution - net of reinsurance / retakaful	<b>47,580,137</b>	45,207,696	48,396,019	50,670,972	45,905,895	36,988,234
Investment Income / other income / share in profit of associate	<b>13,485,178</b>	19,273,321	11,477,657	7,753,228	4,065,957	7,672,924
Net fair value gains / (losses) on financial assets at fair value through profit or loss	<b>(9,263,388)</b>	(7,324,396)	8,902,717	(9,744,798)	(8,147,144)	7,850,041
Total inflow	<b>A 51,801,927</b>	57,156,621	68,776,393	48,679,402	41,824,708	52,511,199
Net Insurance Benefits	<b>39,848,772</b>	28,825,518	22,471,614	16,315,729	12,969,716	9,473,846
Acquisition, marketing, administrative & other expenses	<b>10,810,780</b>	10,426,374	12,248,068	12,602,164	11,048,001	9,082,472
Finance costs and other gains / (losses)	<b>144,977</b>	283,142	156,948	(36,107)	44,430	-
Net change in insurance liabilities	<b>(1,542,840)</b>	13,551,563	30,483,396	16,349,025	12,902,620	30,084,859
Total outflow	<b>B 49,261,689</b>	53,086,597	65,360,026	45,230,811	36,964,767	48,641,177
Surplus retained in statutory funds	<b>C -</b>	-	-	-	-	931,178
Profit before tax	<b>D=A-B-C 2,540,238</b>	4,070,024	3,416,367	3,448,591	4,859,941	2,938,844
Income Tax expense	<b>(747,131)</b>	(1,185,643)	(1,192,140)	(1,018,260)	(1,598,104)	(830,946)
Profit after tax	<b>1,793,107</b>	2,884,381	2,224,227	2,430,331	3,261,837	2,107,898
Other comprehensive income / (loss) for the year - net of tax	<b>(156,829)</b>	(84,981)	228,197	(17,097)	(542,953)	-
Total comprehensive income for the year	<b>1,636,278</b>	2,799,400	2,452,424	2,413,234	2,718,884	2,107,898

# Last Six Years Summary of Cash Flow Statement

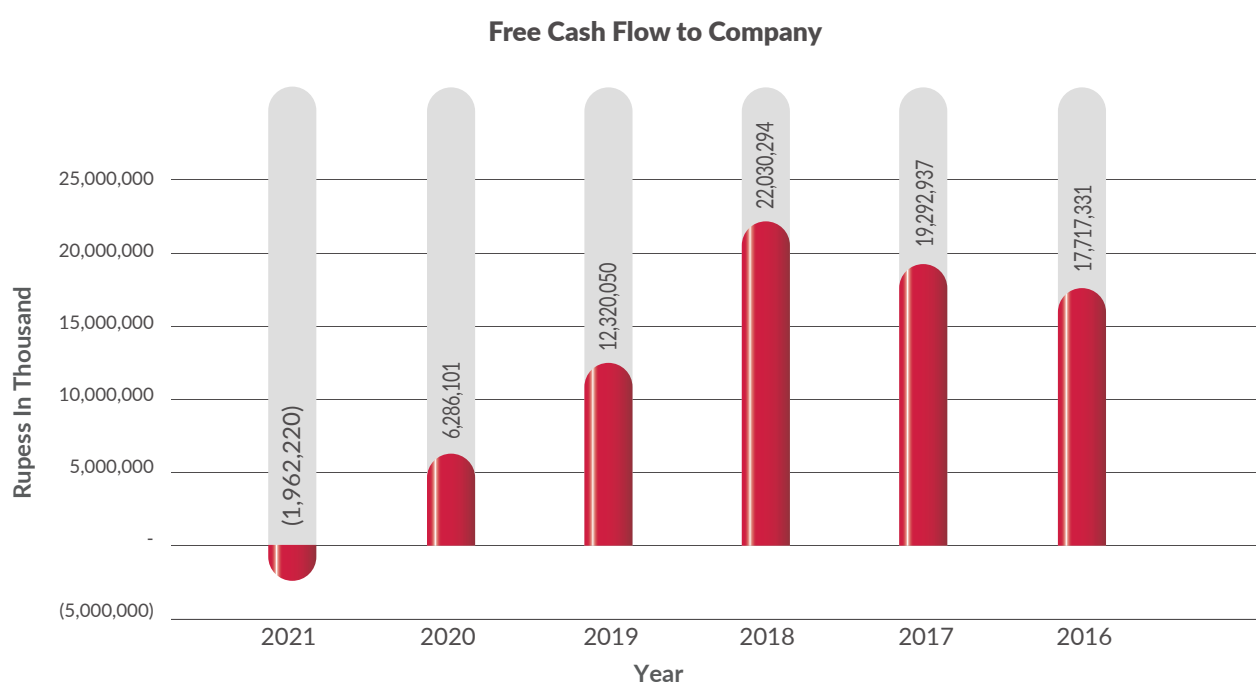
Description	2021	2020	2019	2018	2017	2016
	----- (Rupees in 'Thousand) -----					
Net cash inflow / (outflow) from operating activities	(1,322,586)	6,807,490	13,027,353	22,499,257	22,157,759	18,136,828
Net cash inflow / (outflow) from investing activities	9,811,062	578,325	(22,082,889)	(6,224,662)	(20,002,547)	(14,393,362)
Net cash inflow / (outflow) from financing activities	(1,902,011)	(1,987,552)	(1,872,826)	(1,494,411)	383,902	(969,228)
<b>Net change in cash and cash equivalents</b>	<b>6,586,465</b>	<b>5,398,263</b>	<b>(10,928,362)</b>	<b>14,780,184</b>	<b>2,539,114</b>	<b>2,774,238</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>17,843,260</b>	<b>12,444,997</b>	<b>23,373,359</b>	<b>8,593,175</b>	<b>6,054,061</b>	<b>3,279,823</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>24,429,725</b>	<b>17,843,260</b>	<b>12,444,997</b>	<b>23,373,359</b>	<b>8,593,175</b>	<b>6,054,061</b>

**Cash and Cash Equivalent at the end of the year**



## Last Six Years Summary of Free Cash Flow

Description	2021	2020	2019	2018	2017	2016
	----- (Rupees in 'Thousand) -----					
Net cash inflow / (outflow) from operating activities	<b>(1,322,586)</b>	6,807,490	13,027,353	22,499,257	22,157,759	18,136,828
Less: Capital Expenditures	<b>639,634</b>	521,389	707,303	468,963	2,864,822	419,497
<b>Free Cash Flow to Company</b>	<b>(1,962,220)</b>	6,286,101	12,320,050	22,030,294	19,292,937	17,717,331

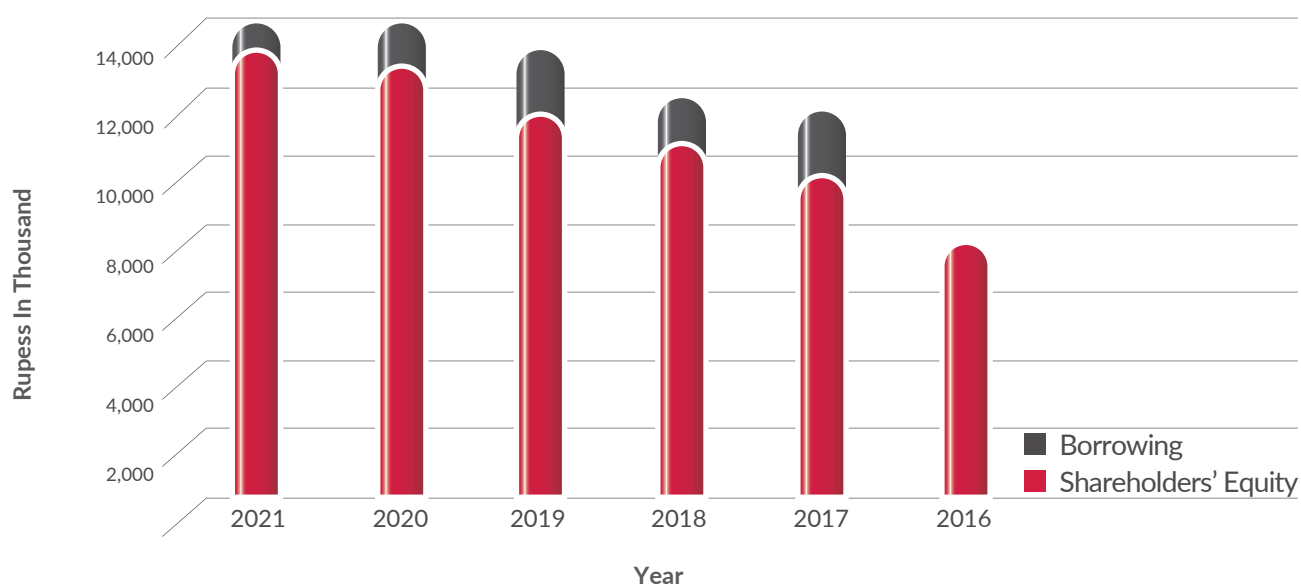


## Last Six Years Capital Structure

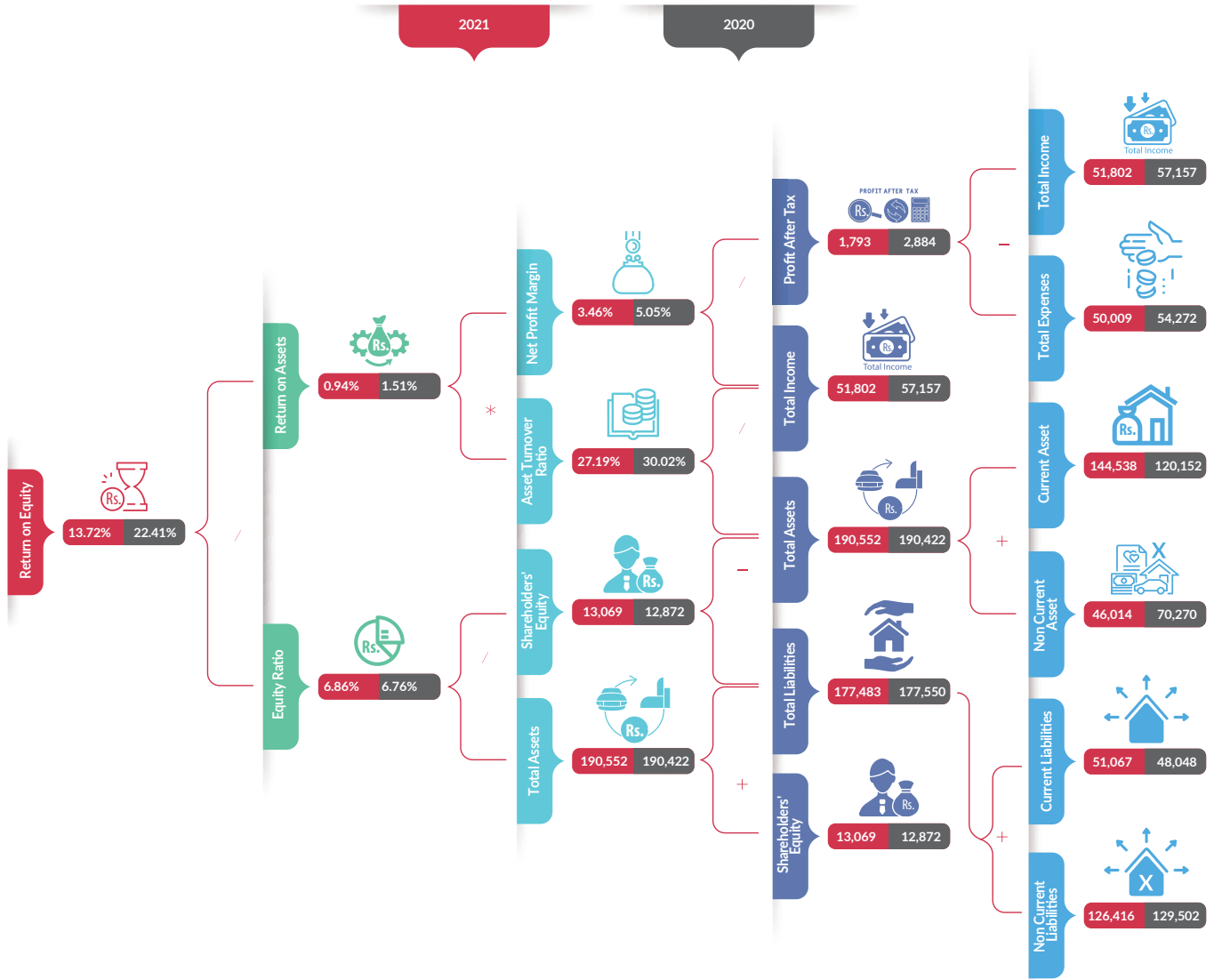
As mentioned on page 84, the Company successfully generates sufficient liquidity through its operations and accordingly Company's capital and reserves attributable to the Shareholders comprises 93.72% of the Company's capital structure as of December 31, 2021. Synopsis of Company's capital structure as of 2021 through 2016 is presented below:

Description	2021	2020	2019	2018	2017	2016
	----- (Rupees in Thousand) -----					
Share capital	872,638	872,638	793,307	793,307	793,307	721,188
Money ceded to waqf fund	500	500	500	500	500	500
Gain on revaluation of available-for-sale investments	(82,209)	77,384	172,026	(21,492)	15,090	544,802
Unappropriated profit	7,975,569	7,841,319	7,003,482	6,416,599	6,006,870	4,573,344
Retained earnings arising from business other than participating business attributable to shareholders (Ledger account D)	4,302,134	4,080,365	3,436,246	3,152,755	2,500,955	1,825,362
<b>Capital and reserves attributable to the Company's equity holders</b>	<b>13,068,632</b>	<b>12,872,206</b>	<b>11,405,561</b>	<b>10,341,669</b>	<b>9,316,722</b>	<b>7,665,196</b>
<b>Long Term Borrowing</b>	<b>875,000</b>	<b>1,125,000</b>	<b>1,375,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>-</b>
<b>Company Capital Structure at the end of year</b>	<b>13,943,632</b>	<b>13,997,206</b>	<b>12,780,561</b>	<b>11,841,669</b>	<b>10,816,722</b>	<b>7,665,196</b>

Capital Structure of the Company



# DuPont Analysis



# Financial Ratio

Financial Ratios	2021	2020	2019	2018	2017	2016
<b>Profitability</b>						
Profit Before Tax / Gross Premium or Contribution	5%	9%	7%	7%	10%	8%
Profit Before Tax / Net Premium or Contribution	5%	9%	7%	7%	11%	8%
Profit After Tax / Gross Premium or Contribution	4%	6%	4%	5%	7%	6%
Profit After Tax / Net Premium or Contribution	4%	6%	5%	5%	7%	6%
Net claims / Net premium or Contribution	84%	64%	46%	32%	28%	26%
Commission expenses / Net premium or Contribution	9%	10%	12%	13%	13%	15%
Administration Expenses / Net premium or Contribution	14%	13%	13%	11%	11%	10%
Change in PHL & Technical Reserves / Net Inflow	-3%	24%	44%	34%	31%	57%
Net investment income / Net premium or contribution	9%	26%	42%	-4%	-9%	42%
<b>Return to Shareholders</b>						
Return on equity including retained balance in Ledger Account D	14%	22%	20%	24%	35%	27%
Earnings / per share (pre-tax)	29.11	46.64	39.15	39.52	55.69	33.68
Earnings / per share (after-tax)	20.55	33.05	25.49	27.85	37.38	24.16
Price Earning Ratio - PAT	11	12	16	18	19	24
Net Assets per share	149.76	147.51	130.70	118.51	106.77	87.84
Return on assets	1%	2%	1%	2%	3%	2%
Face value per share (Rs.)	10	10	10	10	10	10
Break up value per share (Rs.)	149.76	147.51	130.70	118.51	106.77	87.84
Market price per share at the end of the year (Rs.)	216.00	398.09	400.00	498.20	705.00	569.99
Cash dividend per share	14.50	16.50	16.50	17.50	17.50	14.50
Cash dividend	145%	165%	165%	175%	175%	145%
Dividend yield	7%	4%	4%	4%	2%	3%
Dividend payout	71%	50%	65%	63%	47%	60%
Dividend cover - (Times)	1.42	2.00	1.54	1.59	2.14	1.67
Issue of Bonus shares	0%	0%	10%	0%	0%	10%
<b>Performance &amp; Liquidity</b>						
Current Ratio - (Times)	2.83	2.50	2.28	3.80	4.23	3.86
Total Liabilities / Equity - (Times)	13.58	13.79	14.20	12.50	11.94	16.12
Return on Capital employed	19%	32%	30%	33%	52%	38%
Paid up capital / Total Assets	0.5%	0.5%	0.5%	1%	1%	1%
Equity / Total Assets	7%	7%	7%	7%	8%	6%
Solvency Ratio	234%	244%	243%	279%	324%	318%
Cash to Current Liabilities - (Times)	0.48	0.37	0.30	0.70	0.32	0.28

# Vertical Analysis

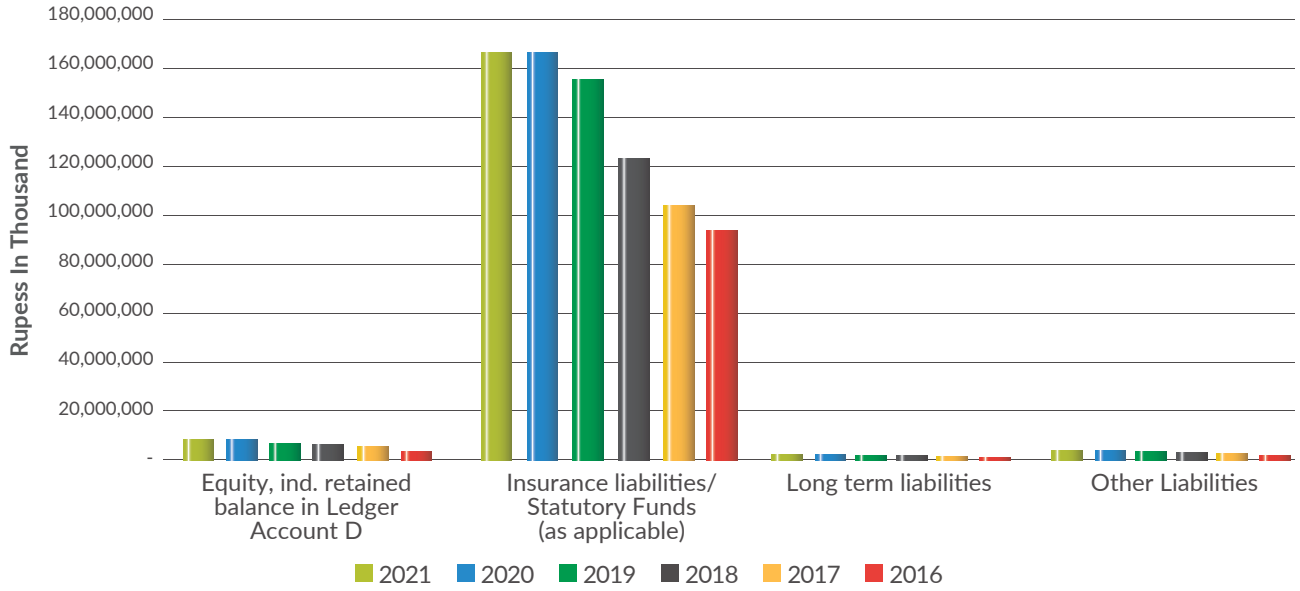
Balance Sheet	2021		2020		2019		2018		2017 (restated)		Jan.1, 2017 (restated)	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
Net equity	13,068,632	6.86	12,872,206	6.76	11,405,561	6.58	10,341,669	7.41	9,316,722	7.73	7,665,196	7.46
Insurance liabilities / Statutory Funds (as applicable)	168,762,520	88.57	168,613,327	88.54	153,633,665	88.62	122,000,509	87.37	104,941,249	87.08	91,387,760	88.90
Long term liabilities	2,828,724	1.48	3,066,605	1.61	3,307,324	1.91	2,437,432	1.75	2,563,427	2.13	1,000,539	0.97
Other liabilities	5,892,048	3.09	5,869,985	3.08	5,013,973	2.89	4,846,404	3.47	3,691,503	3.06	2,743,271	2.67
<b>Total equity and Liabilities</b>	<b>190,551,924</b>	<b>100.00</b>	<b>190,422,123</b>	<b>100.00</b>	<b>173,360,523</b>	<b>100.00</b>	<b>139,626,014</b>	<b>100.00</b>	<b>120,512,901</b>	<b>100.00</b>	<b>102,796,766</b>	<b>100.00</b>
Total fixed assets	4,790,785	2.51	4,665,574	2.45	4,719,129	2.72	3,326,101	2.38	3,258,660	2.70	734,591	0.71
Investments	181,231,824	95.11	180,712,608	94.90	162,938,187	93.99	134,122,822	96.06	114,903,830	95.35	100,052,806	97.34
Other assets	4,529,315	2.38	5,043,941	2.65	5,703,207	3.29	2,177,091	1.56	2,350,411	1.95	2,009,369	1.95
<b>Total assets</b>	<b>190,551,924</b>	<b>100.00</b>	<b>190,422,123</b>	<b>100.00</b>	<b>173,360,523</b>	<b>100.00</b>	<b>139,626,014</b>	<b>100.00</b>	<b>120,512,901</b>	<b>100.00</b>	<b>102,796,766</b>	<b>100.00</b>
<b>Revenue and Profit &amp; Loss Account</b>												
Net Income	51,613,331	100.00	56,954,049	100.00	69,083,846	100.00	48,810,718	100.00	41,004,630	100.00	52,511,199	100.00
Net insurance benefits / change in insurance liabilities	(38,305,932)	(74.22)	(42,377,081)	(74.41)	(52,955,010)	(76.65)	(32,664,754)	(66.92)	(25,872,336)	(63.10)	(39,558,705)	(75.33)
Contribution to / (from) opening Retained Earnings	(Note)	-	(Note)	-	(Note)	-	(Note)	-	(Note)	-	1,664,971	3.17
Solvency Margin	(Note)	-	(Note)	-	(Note)	-	(Note)	-	(Note)	-	(2,596,149)	(4.94)
Profit before tax	2,540,238	4.92	4,070,024	7.15	3,416,367	4.95	3,448,591	7.07	4,859,941	11.85	2,938,844	5.60
Income tax expense	(747,131)	(1.45)	(1,185,643)	(2.08)	(1,192,140)	(1.73)	(1,018,260)	(2.09)	(1,598,104)	(3.90)	(830,946)	(1.58)
Profit for the year	1,793,107	3.47	2,884,381	5.06	2,224,227	3.22	2,430,331	4.98	3,261,837	7.95	2,107,898	4.01

**NOTE:**

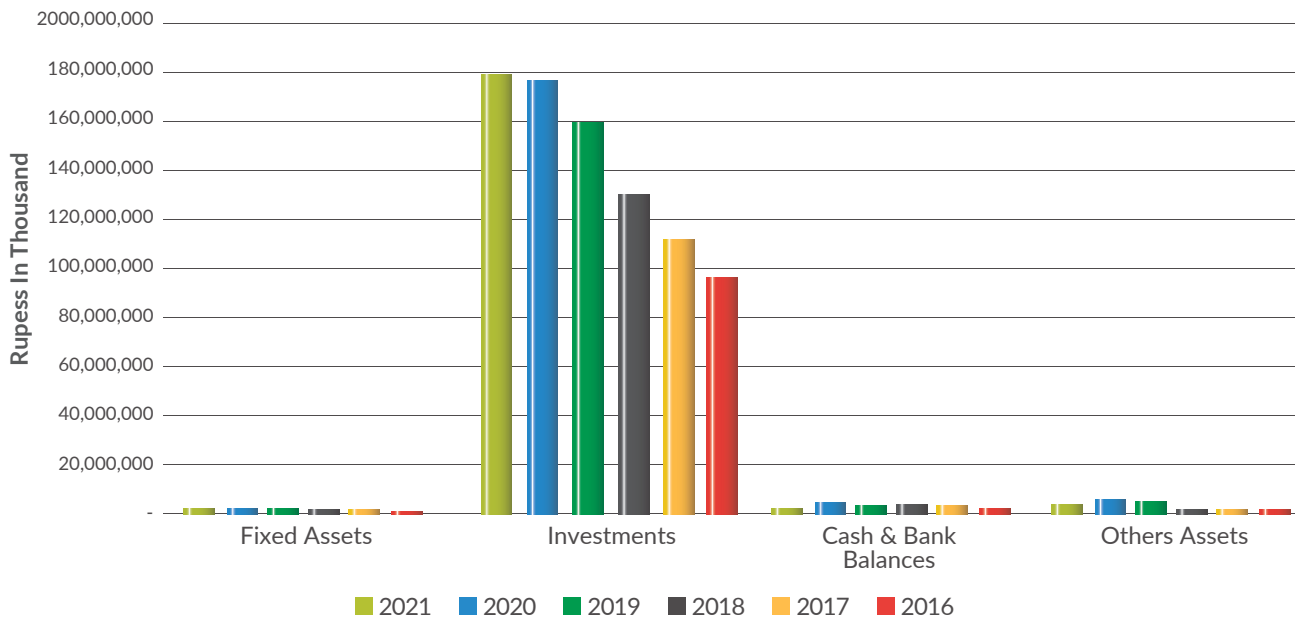
Not required to be presented separately under the new presentation of the financial statements as the Profit & Loss Account is prepared on Consolidated basis.

# Vertical Analysis

**Total Equity & Liabilities**



**Total Assets**





# Horizontal Analysis

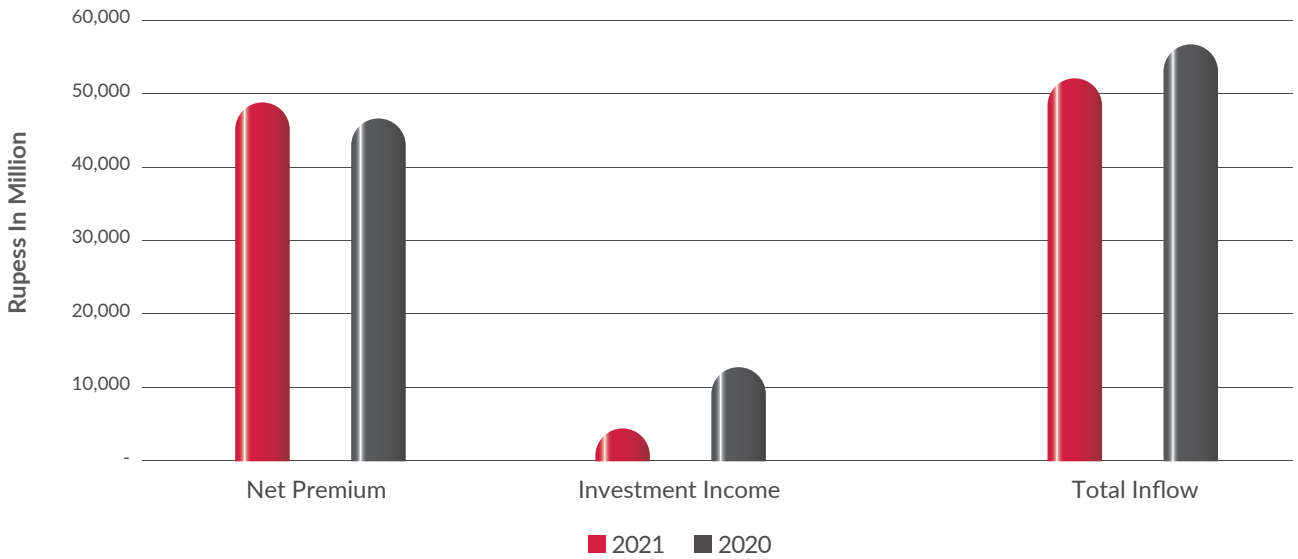
	2021	2020	2019	2018	2017 (Restated)	Jan. 1, 2017 (Restated)	2021	2020	2019	2018	2017	2016
	Rupees in '000						% increase / (decrease) over preceding year					
<b>Balance Sheet</b>												
Net equity	13,068,632	12,872,206	11,405,561	10,341,669	9,316,722	7,665,196	1.53	12.86	10.29	11.00	21.55	96.03
Insurance liabilities / Statutory Funds (as applicable)	168,762,520	168,613,327	153,633,665	122,000,509	104,941,249	91,387,760	0.09	9.75	25.93	16.26	14.83	46.91
Long term liabilities	2,828,724	3,066,605	3,307,324	2,437,432	2,563,427	1,000,539	(7.76)	(7.28)	35.69	(4.92)	60.97	97.87
Other liabilities	5,892,048	5,869,985	5,013,973	4,846,404	3,691,503	2,743,271	0.38	17.07	3.46	31.29	34.57	(11.13)
<b>Total equity and Liabilities</b>	<b>190,551,924</b>	<b>190,422,123</b>	<b>173,360,523</b>	<b>139,626,014</b>	<b>120,512,901</b>	<b>102,796,766</b>	<b>0.07</b>	<b>9.84</b>	<b>24.16</b>	<b>15.86</b>	<b>17.23</b>	<b>48.50</b>
Total fixed assets	4,790,785	4,665,574	4,719,129	3,326,101	3,258,660	734,591	2.68	(1.13)	41.88	2.07	343.60	31.27
Investments	181,231,824	180,712,608	162,938,187	134,122,822	114,903,830	100,052,806	0.29	10.91	21.48	16.73	14.84	55.12
Other assets	4,529,315	5,043,941	5,703,207	2,177,091	2,350,411	2,009,369	(10.20)	(11.56)	161.96	(7.37)	16.97	(51.76)
<b>Total assets</b>	<b>190,551,924</b>	<b>190,422,123</b>	<b>173,360,523</b>	<b>139,626,014</b>	<b>120,512,901</b>	<b>102,796,766</b>	<b>0.07</b>	<b>9.84</b>	<b>24.16</b>	<b>15.86</b>	<b>17.23</b>	<b>48.50</b>
<b>Revenue and Profit &amp; Loss Account</b>												
Net Income	51,613,331	56,954,049	69,083,846	48,810,718	41,004,630	52,511,199	(9.38)	(17.56)	41.53	19.04	(21.91)	48.59
Net insurance benefits / change in insurance liabilities	(38,305,932)	(42,377,081)	(52,955,010)	(32,664,754)	(25,872,336)	(39,558,705)	(9.61)	(19.98)	62.12	26.25	(34.60)	60.68
Contribution to / (from) opening Retained Earnings	(Note)	(Note)	(Note)	(Note)	(Note)	1,664,971	-	-	-	-	-	35.60
Solvency Margin	(Note)	(Note)	(Note)	(Note)	(Note)	(2,596,149)	-	-	-	-	-	55.93
Profit before tax	2,540,238	4,070,024	3,416,367	3,448,591	4,859,941	2,938,844	(37.59)	19.13	(0.93)	(29.04)	65.37	26.37
Income tax expense	(747,131)	(1,185,643)	(1,192,140)	(1,018,260)	(1,598,104)	(830,946)	(36.99)	(0.54)	17.08	(36.28)	92.32	18.01
Profit for the year	1,793,107	2,884,381	2,224,227	2,430,331	3,261,837	2,107,898	(37.83)	29.68	(8.48)	(25.49)	54.74	29.99

**NOTE:**

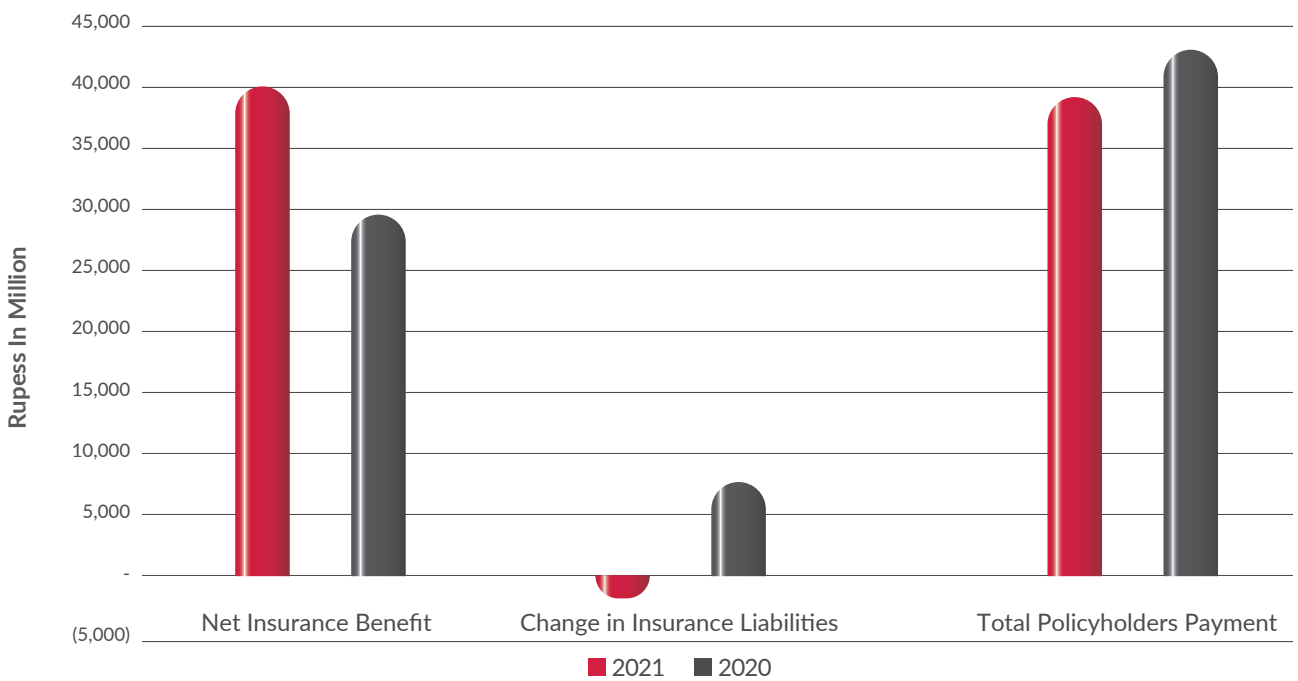
Not required to be presented separately under the new presentation of the financial statements as the Profit & Loss Account is prepared on Consolidated basis.

# Horizontal Analysis

**Net Premium, Investment Income = Total Inflow**

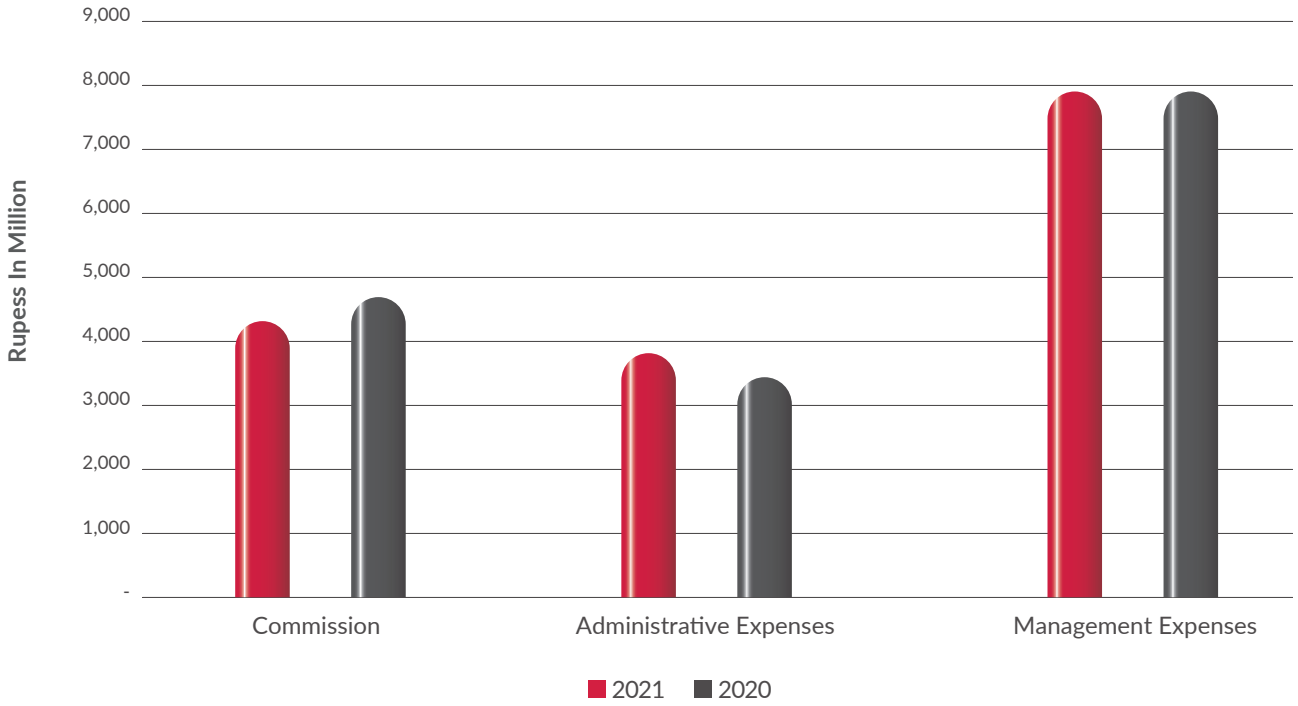


**Net Insurance benefits and change in insurance liabilities = Total benefits appropriated to policyholders**

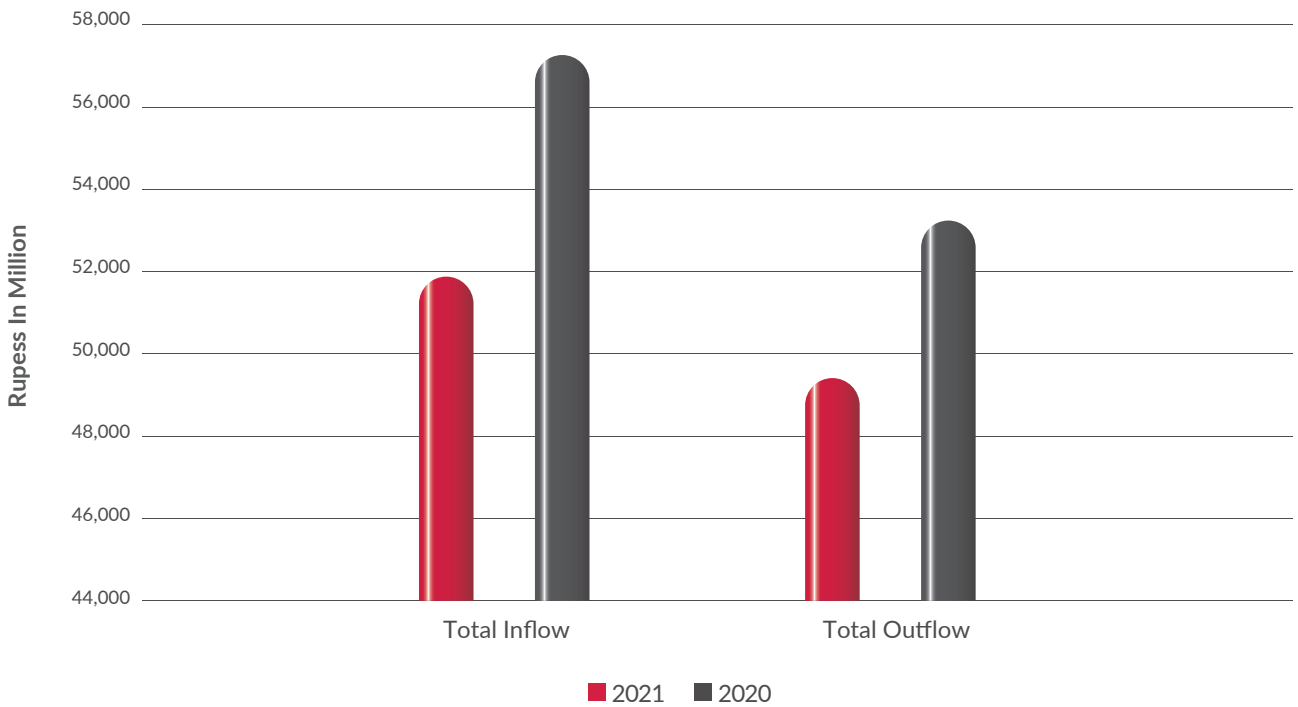


# Horizontal Analysis

**Commission & Administrative Expenses = Management Expenses**

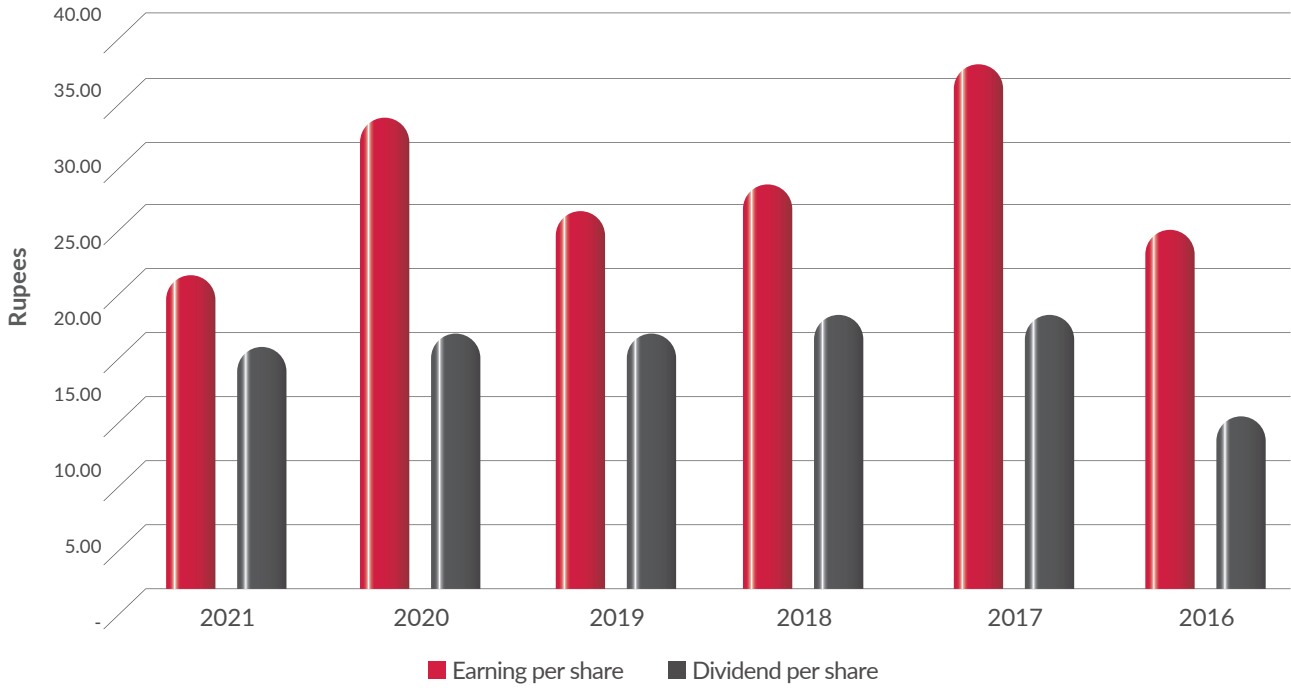


**Total Inflow & Total Outflow**

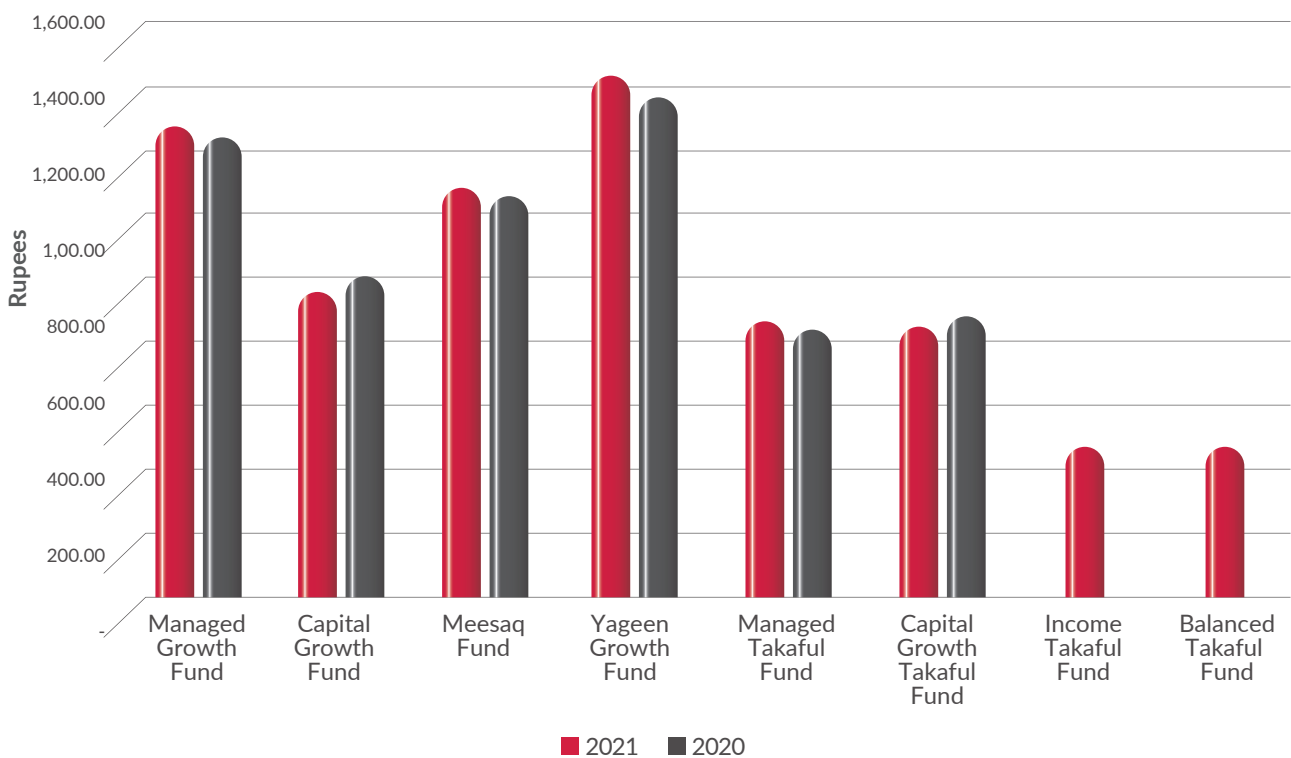


# Horizontal Analysis

Earning Per Share and Dividend Per Share

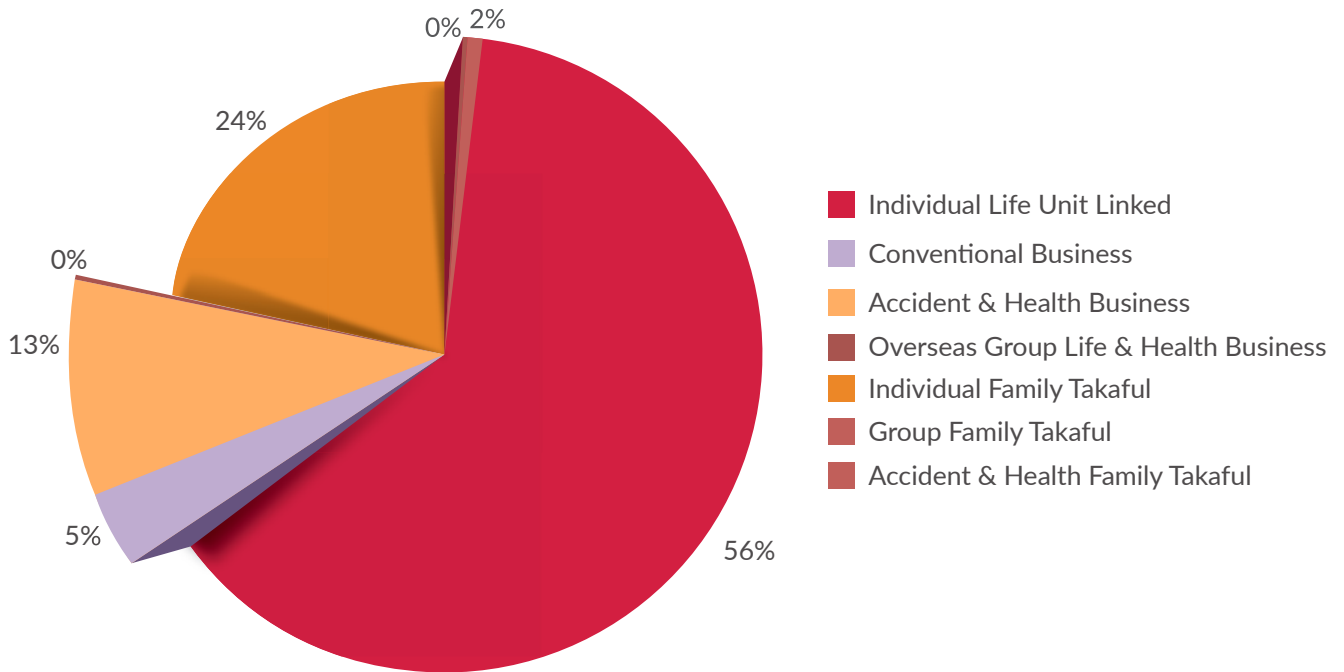


Unit Bit Price

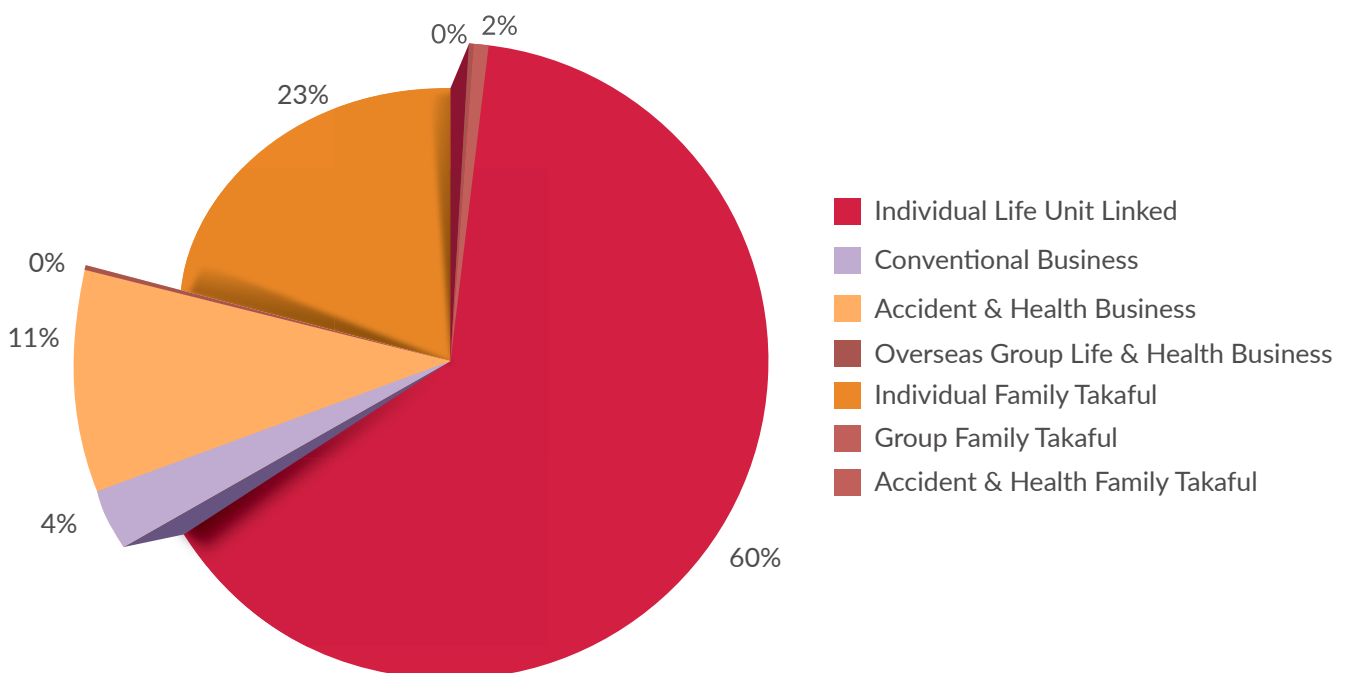


# Segmental Analysis

Net Written Premium - 2021



Net Written Premium - 2020



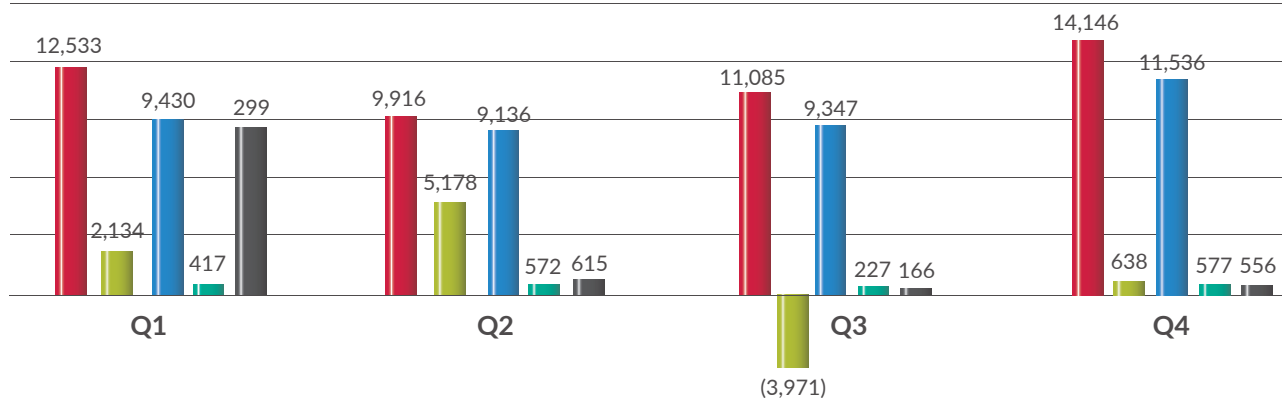
# Quarter Wise Analysis

Key Items of Total Comprehensive Income	2021			
	Q1	Q2	Q3	Q4
	------(Rupees in million)-----			
Net Premium	12,533	9,816	11,085	14,146
Net Insurance benefits	9,430	9,136	9,347	11,936
Net Investment Income*	2,134	5,178	(3,971)	638
Profit After tax	417	572	227	577
Total Comprehensive Income	299	615	166	556

\* Net Investment Income includes Investment Income, Net fair value gain/loss on investments and share of profit of associates.

## Quarterly Analysis 2021

■ Net Premium ■ Net Investment Income\* ■ Net Insurance Benefits ■ Profit After Tax ■ Total Comprehensive Income



# Share Price Analysis

## Volume Analysis

JLI Share Price on the PSX in the year 2021 was as follows:

Month	Highest Rupees	Lowest Rupees	Average Daily Volume Number of Shares
January	398	353	6,979
February	375	340	7,006
March	379	326	5,891
April	420	360	12,995
May	396	342	9,185
June	369	323	6,311
July	336	300	21,169
August	343	275	19,550
September	301	258	17,533
October	276	225	9,453
November	277	223	2,139
December	242	209	1,425

## Sensitivity Analysis

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

### Economic conditions

Economy outlook, productivity growth, Expectation for inflation prevailing in the country also impact 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

Announcement of Financial result of Company and major insurance product innovation that lead to growth in earnings also affect the shares price.

### Dividend Announcements

Shareholder invest in the company with the expectation of healthy return as a result announcement of dividend may be favourable or unfavourable for share price.

### Changes in Government Policies

Government policies could be perceived as positive or negative for Insurance Companies. Policies such as Interest rate, Economic 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.

# Comments on Financial Position, Performance & Ratio

## Profit & Loss Account

Since 2016, the Company has steadily expanded its business growth in an upward trajectory. The gross written premium of the Company's business witnessed a 6.12% increase from last year, along with a 5.25% increase in Premium / Contribution – net of reinsurance / re-takaful since last year. Whilst the Window Takaful Operations (WTO) of the Company showed a respectable increase in gross contribution, which increased to Rs. 12,766 million in 2021 as against Rs. 11,339 million in 2020

Investment and other income decreased by 64.73% in the current year while profit after tax for the year also witnessed a decline of 37.83% year on year.

The net claims expense ratio increased by 31% during the year resulting in 'Claim ratio' to increase to 84% in current year as against 64% last year. Further, commission expense ratio is decreased by 11% from last year while administration expense ratio increased to 14% i.e. 5% higher than last year.

The profit after tax for the year ended December 31, 2021 has decreased by 37.83% amounting to Rs. 1,793 million as against Rs. 2,884 million in 2020, resulting in Earning per Share (EPS) of Rs. 20.55 in current year as against Rs. 33.05 in last year. Whereas, this year WTO operator's fund contributed Rs. 367.81 million towards the Company's overall profit before tax as against the loss before tax of Rs. 11.65 million reported in 2020.

## Balance Sheet

The Company's total assets have generously increased from Rs. 102,797 million in 2016 to Rs. 190,551 million in 2021, reflecting a substantial increase over the period of six years, which is directly in relation to the business growth of the Company.

In 2021, total equity and capital reserves of the Company stood at Rs. 13,068 million (including share capital of Rs. 872.64 million), as compared to Rs. 7,665 million in 2016, reflecting an increase of 70.49% since 2016. Total equity of the Company's 'WTO - Operator's Fund' increased to Rs. 379.22 million in 2021 as compared to Rs. 353.55 million in 2020 showing a growth of Rs. 346 million, a 7.26% increase year on year basis.

Overall asset base of the Company increased by 0.07% (Rs. 129 million) reaching at Rs. 190,552 million as compared to Rs. 190,422 million in 2020.

Cash and Cash Equivalents of the Company increased by 36.91% amounted to Rs. 24,430 million in current year as against Rs. 17,843 million in 2020.

Investments are the biggest asset which constitute approximately 93.50% of the total assets of the Company. With an increase of 1.36% from last year, investments of the Company stood at Rs. 178.152 million as against Rs. 175.67 million in 2020. The Company's Investments have shown continuous growth over the last six years.

Insurance liabilities decreased slightly, amounted to Rs. 168,763 million in current year as against Rs. 168,613 million in 2020.

## Profitability Ratios

Profitability Ratios during the year depicted a downward trend. profit after tax stood at 3.77% of net premium in current year as against 6.38% in last year. Investment income decreased to 8.95% in current year as against 25.41% in last year. Profit after tax ratio decreased to 3.77% in current year as against 6.48% in last year.



### **Return to Shareholders Ratios**

'Return on equity' decreased to 14.0% in current year as against 22.0 % in last year, while 'Return on total assets' decreased to 1.0% in current year as against 2.0% in last year.

During the year, the Company has distributed Rs. 14.50 per share as dividend (Rs. 11.50 per share as final dividend and Rs. 3.00 per share as interim dividend). Total dividend distribution out of the earnings of 2021 amounted to Rs. 1,265 million.

### **Liquidity Ratios**

Liquidity management at Jubilee Life Insurance has always been upheld resulting in the Company improving the current ratio to 2.83 times in 2021 from 2.50 times in the previous year, while cash and bank balance to current liabilities ratio improved to 0.48 times in current year as against 0.37 times last year.

### **Capital expenditure during the year 2021**

The Company during the year has incurred Rs. 642 million (2020: Rs. 572 million) on capital items relating to both tangible and intangible assets which mainly comprises of up gradation of IT Infrastructure, expansion and improvement of branch premises, necessary replacement of IT and office equipment.

### **No default in repayments of debt and payment on account of taxes, duties, and levies**

The Company has maintained robust cashflows and liquidity throughout the year 2021 and has cash and cash equivalent of Rs. 24,430 million (2020: Rs. 17,843 million). Furthermore, there has been no default in repayment of debt and payment of taxes during the year 2021.

# Outlook

We are committed to delivering long-term value to our stakeholders while maintaining best business practices and workplace ethics. We focus to remain on our growth trajectory consistent with our previous years and will be continuing to serve our stakeholders ethically best.

The Annual Report of the Company carries forward looking statements in various sections which should be read in conjunction with the uncertainties related to the occurrence of relevant future events by the users of this Report while making any decisions. Forward looking statements contain words such as expect, anticipate, believe, will, may, would, hope, etc.

## Forward Looking Statement

We are the largest private life insurance service provider in Pakistan with more than 25 years of experience and continue to maintain our position as a market leader during the last two challenging years. Since the onset of COVID-19, the Federal Government, Provincial Government, and the regulators continued to combat the potential negative economic impacts and have been taking initiatives and measures to control spread of new variants, implementing social distant policies, running vaccination drives and offering unprecedented fiscal incentives to the masses.

During the year 2021, Pakistan's economy rebounded with depicting GDP growth of 5.37% with major macro-economic indicators and Pakistani rupee has been declining extensively against the US dollar for the last three years by 30.5% with a consequential decrease in per capita income as compared to last year. This devaluation of currency rate against USD dollars fueled inflationary pressure increasing inflation rate in Pakistan to 9% approximately. However, the State Bank of Pakistan continued to rebalance the inflation and economic outlook through certain measures including a cumulative 275 basis point increase in the policy rate. These measures are expected to benefit the insurance industry. While remaining pragmatically anchored within the global, and the national contexts, we are positioned to navigate the future economy with a collaborative and agile approach.

The global economy has yet to recover fully from the aftermath of pandemic situation, and we expect that financial year 2022 shall bring more challenges along with opportunities. Nevertheless, with more customer centric approach, investment in people and emerging technologies, will enable us to maintain our strong footprint in the industry and continue to facilitate people and business to financially mitigate their uncertainties.

With the continued support of all stakeholders, we believe that we have performed relatively well over the past years, in the era of an unprecedented global crises, and we will continue to outpace the healthy growth in the industry while meeting the emerging regulatory and ethical compliance requirements which though are challenging and stringent for the insurance sector however are appreciated to be protective for the policyholders and relevant for the future growth of the industry and encouraging for the policyholders.

## Implementation Status of IFRS 17

IFRS 17 'Insurance Contracts', new accounting standard will bring a complete overhaul to the existing financial reporting framework for Insurance Companies. IFRS 17 is a principle based standard and brings an unprecedented change in how an Insurers Financial Performance will be measured and reported. Adoption of IFRS 17 will have a significant change in the Insurers Information Technology Infrastructure, Accounts & Finance and Actuarial operations practices and processes.

IFRS 17 introduces new measurement techniques that fundamentally changes how the financial statements are presented. New data and storage requirements along with the need for Actuarial Software and Accounting Software will emerge in order to meet the computational requirements of the Standard.

Securities and Exchange Commission of Pakistan (SECP) is overseeing the implementation of IFRS 17 in Pakistan. SECP has formed a working committee comprising of members from Institute of Chartered Accountants Pakistan (ICAP) and Pakistan Society of Actuaries (PSOA). The working committee aims to provide guidance on matters of implementation and areas where significant judgments would need to be applied in order to have a consistent and uniform implementation methodology across the industry.

SECP has adopted a four-phase plan for IFRS 17 Implementation. The four-phase approach formulated by SECP is as follows:

- Phase One: Gap Analysis
- Phase Two: Financial Impact Assessment
- Phase Three: System Design and Methodology
- Phase Four: Parallel Runs and Implementation

The first phase Gap Analysis was completed and submitted to SECP on September 30, 2021. SECP is planning to roll out guidelines for the second phase of Implementation; Financial Impact Assessment'.

We believe that implementing this standard brings the need to make a myriad of technical, operational and financial decisions along the way. This standard is going to bring a new dimension to our business decisions and strategies as well as into our finance and actuarial processes.

### **Sources of Information and Assumptions used for Projections / Forecasts**

We have critically analyzed the current macroeconomics condition, historical trends and future prospective developments including all pertinent information and factors that might have impact on the insurance industry. Further, assessment on external environment including political, economic, social, technological, environmental and legal is presented on page 42 of the Annual Report.

### **Video Presentation by Managing Director & Chief Executive Officer**

The video presentation by the Managing Director & Chief Executive Officer on the Company's business overview, its performance and outlook can be accessed at Company's website under Media section ([Jubilee Life | Media Center](#)).



# EXCELLENCE EXCELLENCE EXCELLENCE EXCELLENCE

For us at Jubilee Life, excellence is the very essence and mainstay of our business. It is our driving force. A testament to this excellence is the many awards and recognition we have received over the years. Jubilee Life won the 36th, 35th, 34th and 33rd Corporate Excellence Awards in 2021, 2020, 2019 and 2018 respectively. But our awards are not just a celebration of our achievements – they are above all, a robust reflection of our commitment towards our customers.



## Financial & other Reports

# Independent Auditor's Review Report

To the members of Jubilee Life Insurance Company Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Code of Corporate Governance for Insurers, 2016 (both herein referred to as 'the Regulations') prepared by the Board of Directors of Jubilee Life Insurance Company Limited ('the Company') for the year ended December 31, 2021 in accordance with the requirements of regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and provision Ixxvi of the Code of Corporate Governance for Insurers, 2016.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. 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 of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2021.



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A.F. Ferguson & Co.  
Chartered Accountants  
Karachi

Dated: March 1, 2022

UDIN: CR202110059iyKGzBX7I

# Statement of Compliance

with the Code of Corporate Governance For Insurers, 2016 and The Listed Companies (Code of Corporate Governance) Regulations, 2019

**For The Year Ended December 31, 2021**

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

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

1. The total number of elected directors are nine, as per the following:
  - a) Male: Eight
  - b) Female: One
2. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. The composition of the Board is as follows:

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

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

3. The directors have confirmed that none of them is serving as a director on more than seven (7) listed companies, excluding the listed subsidiary of a listed holding company, including this Company.
4. All the resident directors of the company have confirmed that they are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFII. None of the directors or their spouses is engaged in business of stock brokerage.
5. One casual vacancy occurred during the year which was filled up by the directors within 45 days thereof.
6. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

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

**Underwriting & Reinsurance Committee:**

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



**Claims Committee:**

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

**Risk Management and Compliance Committee:**

Name of the Member	Category
Javed Ahmed	Chairman
Zahid Barki	Member
Shan Rabbani	Member
Omer Farooq	Member
Najam ul Hassan Janjua	Member & Secretary

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

**Board Human Resource & Remuneration, Ethics, and Nominations Committee:**

Name of the Member	Category
Kamal A. Chinoy	Chairman
John Joseph Metcalf	Member
R. Zakir Mahmood	Member
Javed Ahmed	Member
Tazeen Shahid	Member & Secretary

**Board Finance & Investment Committee:**

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

**Board Risk Management Committee:**

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

20. The Board has formed an Audit Committee. It comprises of four (4) members; all of whom are non-executive Directors and three are independent directors, including the Chairman of the Committee. The composition of the Audit Committee is as follows:

Name of the Member	Category
Amyr Currimbhoy	Chairman, Independent Non-Executive Director
John Joseph Metcalf	Member, Non-executive Director
Shahid Ghaffar	Member, Independent Non-Executive Director
*Yasmin Ajani	Member, Independent Non-Executive Director
Adeel Ahmed Khan	Head of Internal Audit & Secretary

\*Inducted as member in 139th Board of Directors meeting held on October 27, 2021.

21. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
22. The meetings of the Committees, except for those of the Ethics, Human Resource & Remuneration and Nominations Committee, were held at least once every quarter, prior to the approval of the interim and final results of the Company, as required by the Code / Regulations.
23. The Board has set up an effective Internal Audit Department, whose scope and authority is defined in the duly approved Internal Audit Charter.
24. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under the Code.


The Appointed Actuary of the Company also meets the conditions as laid down in the said Code. Moreover, the person heading the underwriting, claims, reinsurance, risk management and grievance functions / departments possess qualification and experience of direct relevance to their respective functions, as required under Section 12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000):

Name of the Person	Designation
Javed Ahmed	Managing Director & Chief Executive Officer
Omer Farooq	Chief Financial Officer
Najam-ul-Hassan Janjua	Company Secretary
Zahid Barki	Compliance Officer - Group Head, Risk Management, Compliance & Quality Assurance (covers Risk Management, Compliance and Grievance responsibilities).
Shan Rabbani	Group Head-Digitalization, Actuarial & Strategy
Adeel Ahmed Khan	Head of Internal Audit

25. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of Section 48 of the Insurance Ordinance, 2000 (Ordinance no. xxxix of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP, and that they, and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
26. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act, 2017, the Regulations, or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
27. The Appointed Actuary of the Company has confirmed that neither he nor his spouse and minor children hold shares of the Company.
28. The Board ensures that the Appointed Actuary complies with the requirements set for him in the Code.
29. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code.
30. The Board ensures that the risk management system of the Company is in place as per the requirements of the Code.
31. The Board has set up a risk management function / department, which carries out its tasks as covered under the Code.
32. The Board ensures that as part of the risk management system, the Company gets rated from JCR-VIS, which is being used by its risk management function / department and the respective committee as a risk monitoring tool. The Insurer Financial Strength (IFS) rating assigned by the said rating agency, as per their latest notification dated March 01, 2022 is AA+ (Double A plus) with stable outlook.
33. The Board has set up a grievance department / function, which complies with the requirements of the Code.
34. The Company has not obtained any exemptions from the Securities & Exchange Commission of Pakistan in respect of any of the requirements of the Code.
35. We confirm that all requirements of regulation nos. 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations, and all other material principles contained in the Code have been complied with.

**On behalf of the Board of Directors**

  
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**Kamal A. Chinoy**  
 Chairman

  
 \_\_\_\_\_  
**Javed Ahmed**  
 Managing Director & CEO

Date: March 01, 2022

# Profile of Shariah Advisor

## **Mufti Zeeshan Abdul Aziz** **Shariah Advisor - Jubilee Family Takaful**

**Mufti Zeeshan Abdul Aziz** is a recognised Shariah Scholar and researcher having strong comprehension of all aspects of Islamic Law and specialised in Islamic Jurisprudence and Islamic Finance from Jamia Dar Ul Uloom Karachi, Pakistan, having Takhassus Fil Ifta (Specialisation in Islamic Jurisprudence) with majoring in Islamic Banking & Finance.

He is serving as the Shariah Advisor of “Jubilee Family Takaful” since its commencement and looking after the transactions, day-to-day Shariah matters and services provided by Jubilee Family Takaful. His specialties include Shariah Compliant investments, development of Family takaful individual & group products, policies, manuals and drafting of all its Shariah related documents. Mufti Zeeshan is also involved in delivering detailed trainings to the management of all levels, marketing, and distribution force of Jubilee Family Takaful on Takaful, its Shariah related issues and requirements in the light of Takaful Rules 2012.

He has been associated with several Islamic Financial Institutions and Halal Certification bodies within Pakistan and abroad. Mufti Zeeshan is also the Shariah Board Member of Sindh Bank-Islamic Banking Division, Jubilee General Takaful, NIT Islamic Investment Funds and Shariah Review Bureau, Bahrain and has been frequently debating and speaker on Shariah & technical aspects related to Islamic Finance nationally and internationally as well.

Mufti Zeeshan is also managing Al-Hikmah Shariah Advisory Services (Pvt) Ltd, a Firm licensed by SECP as a registered Shariah Advisor, specialized in Shariah related services for the Islamic Financial Industry. He is also looking after International Halal Certification Pvt Ltd in several countries and has performed around 800 Halal Certification audits of different food, beverages, cosmetics, and pharmaceuticals companies in different parts of the world.

# Shariah Advisor's Report to the Board of Directors

## For the year ended 31 December 2021

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

I have reviewed the accompanying financial statements, Takaful products including all related documents, as well as, the Participant Takaful Fund Policy, Investment Policy, Re-Takaful arrangements and the related transactions of **Jubilee Life Insurance - Window Takaful Operations** (hereafter referred to as "Takaful Operator") for the year ended 31st December 2021.

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

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

The primary objective of Shariah Advisor's report is to inform about the Takaful Operator's compliance with Shariah Guidelines, including the transactions undertaken by the Takaful Operator during the year ended 31 December 2021 and to express his opinion on the transactions and operational aspects of Window Takaful Operations.

### Progress of the Year:

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

1. Alhamdulillah, Jubilee Life - Window Takaful Operations has maintained its position as the market leader in the Family Takaful Industry of the country, in terms of new business.
2. Jubilee Life - Window Takaful Operator opened number of dedicated Takaful branches across the country in strategic locations and also the additional distribution channels for Takaful business growth.
3. Significant success was achieved in continuous development of DSF & Banca-Takaful business across the country despite the challenging situation due to COVID pandemic.
4. Under the guidance of the undersigned, Jubilee Life - Window Takaful Operations has developed & launched different Family Takaful Products, for its DSF & Banca-Takaful segment, focusing on savings and investment-based plans.
5. All the distribution channels of Jubilee Life - Window Takaful Operations have performed well and underwritten significant business in Takaful.

### Shariah Certification:

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

- i. transactions undertaken by the Takaful Operator for the period ended 31 December 2021 were in accordance with the guidelines issued by Shariah Advisor, as well as the requirements of Takaful Rules 2012;

- ii. the investments have been made from the Participant Takaful Fund (PTF), Participant Investment Fund (PIF) and Operator's Fund, into Shariah Compliant avenues only, including Islamic Banks, Sukuks and Shariah Compliant Equities, with prior Shariah approval. Further all bank accounts related to Window Takaful Operations have been opened in Islamic Banking Institutions (IBIs) or Islamic Branches/Windows of conventional banks with prior Shariah approval.
- iii. segregation of Window Takaful Operations is the essential part of valid Takaful contracts. I am pleased to state that Jubilee Life - Window Takaful Operations has realized its criticality and Alhamdulillah, all the Takaful Funds, Investments, Bank Accounts, Systems and other related issues are kept completely separate from its conventional insurance business, as per requirement of Shariah and Takaful Rules 2012.
- iv. during the year, an amount of Rs. 17,789,056/- has been realized as charity through dividend- income purification process, out of which Rs. 4,514,124/- charity amount is still payable which shall be disbursed subsequently.
- v. the transactions and activities of Jubilee Life Insurance - Window Takaful Operations are in accordance with the Shariah principles, while considering the accompanying financial statements of the Participants' Takaful Fund (Waqf Fund), Participants' Investment Fund, and the Operator's Sub Fund (OSF).

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

**"And Allah Knows Best"**



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**Mufti Zeeshan Abdul Aziz**  
Shariah Advisor

Date: 15th February, 2022

# Independant Assurance Report

## on the Statement of Management's Assessment of Compliance with the Shariah Principles

### To the Board of Directors of Jubilee Life Insurance Company Limited

We were engaged by the Board of Directors of Jubilee Life Insurance Company Limited (the Company) to report on the management's assessment of compliance of the Window Takaful Operations (Takaful Operations) of the Company, as set out in the annexed statement prepared by the management for the year ended December 31, 2021, with the Takaful Rules, 2012, in the form of an independent reasonable assurance conclusion about whether the annexed statement reflects the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholars.

#### Applicable Criteria

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

#### Management's Responsibility for Shariah Compliance

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

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

#### Our Independence and Quality Control

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

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

#### Our responsibility and summary of the work performed

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

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


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

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

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

## Conclusion

In our opinion, the annexed statement of compliance, presents fairly, in all material respects, the status of Company's compliance with the Takaful Rules, 2012, for the year ended December 31, 2021.



**A.F. Ferguson & Co.**  
Chartered Accountants  
Engagement Partner: **Farrukh Rehman**  
Dated: March 1, 2022

Karachi



# Statement of Compliance

## with the Shariah Principles

The financial arrangements, contracts, and transactions entered into by Jubilee Life Insurance Company Limited – Window Takaful Operations (the Company) for the year ended December 31, 2021 are in compliance with the Takaful Rules, 2012.

Further, we confirm that:

- i. The Company has developed and implemented all policies and procedures in accordance with the Takaful Rules, 2012 and rulings of the Shariah Advisor along with a comprehensive mechanism to ensure compliance with such rulings and Takaful Rules, 2012 in their overall operations with zero tolerance.
- ii. The governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee/ Shariah Advisor and the Board of Directors have been implemented.
- iii. 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.
- iv. All the products and policies have been approved by Shariah Advisor and the financial arrangements including investments made, policies, contracts, and transactions, entered into by Window Takaful Operations are in accordance with the polices approved by Shariah Advisor.
- v. The assets and liabilities of Window Takaful Operations (Participant Takaful Fund and Operator's Sub Fund) are segregated from its other assets and liabilities, at all times in accordance with the provisions of the Takaful Rules, 2012.

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




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**Javed Ahmed**

Managing Director &  
Chief Executive Officer

Karachi: February 15, 2022

# Independent Auditor's Report

## To the members of Jubilee Life Insurance Company Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of Jubilee Life Insurance Company Limited (the Company), which comprise the statement of financial position as at December 31, 2021, and the profit and loss account, the statement of comprehensive income, the statement of changes in equity, cashflow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cashflow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2021 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

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

#### Emphasis of matter

We draw attention to note 28.1.2 to the accompanying financial statements which describes the chargeability of sales tax on premium by provincial revenue authorities.

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

#### Key Audit Matters

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

**Following are the Key audit matters:**

<b>S. No.</b>	<b>Key audit matters</b>	<b>How the matter was addressed in our audit</b>
(i)	<p><b>Allocation of units in respect of unit-linked policies</b></p> <p>(Refer note 19.3 to the financial statements)</p> <p>As at 31 December 2021, the Company has investment component of unit-linked policies amounting to Rs. 157.73 billion. These policies are issued under Individual Life Unit Linked fund and Individual Family Takaful fund. The Company uses forward pricing mechanism under which units are allocated based on unit price prevailing on the day of issuance of the policy.</p> <p>There are two main variables used in the calculation of unit price i.e. net asset value of the fund and total number of units in the fund. The NAV is calculated through valuation of investment portfolio of respective funds at fair value and deducting the investment charges and other charges. The NAV is divided by the total number of units in-force on the valuation date to arrive at the unit price. The computation of units, which mainly includes allocated premium, deduction on account of withdrawal, cancellation, surrender and risk and other charges, is carried out through the core insurance application.</p> <p>Due to complex process involved in computation of units, significance of the investment component of unit-linked policies, we have considered this as a higher risk area and have therefore identified allocation of units in respect of unit-linked policies as a key audit matter.</p>	<p>Our audit procedures, amongst others, included:</p> <ul style="list-style-type: none"> <li>• Obtained understanding of pricing mechanism used in calculation of unit price.</li> <li>• Tested compliance of the pricing mechanism with the Unit Linked Products and Fund Rules, 2015.</li> <li>• Tested on sample basis that correct net asset value of sub funds was used in the calculation.</li> <li>• Tested on sample basis movement in units in each sub fund which comprise of addition to units on premium allocation, deduction of unit due to withdrawal, cancellation and surrender of policies. Moreover, units are deducted on account of mortality charges, administrative charges and other policy charges.</li> <li>• Recomputed investment management charges deducted from the investment income based on the rates approved by Securities &amp; Exchange Commission of Pakistan.</li> </ul>
(ii)	<p><b>Incurred But Not Reported (IBNR) claims</b></p> <p>(Refer note 19.2 to the financial statements)</p> <p>The Company's valuation of IBNR claims, amounting to Rs. 1.6 billion as at December 31, 2021, involves complex judgments about future events affecting the business. Actuarial assumptions used in the valuation of these liabilities with respect to interest rates, mortality, morbidity, lapse in coverage, longevity, expenses and future policyholder behaviour may result in material impacts on the valuation of IBNR claims.</p>	<p>Our procedures, amongst other, included:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the actuarial assumptions and methodologies used for estimating the IBNR claims at December 31, 2021.</li> <li>• Inquired about the consistency of the methods used for calculation of the IBNR claims and assumptions for the valuation parameters at December 31, 2021 to establish whether these had been subject to any arbitrary discontinuities from those used at December 31, 2020.</li> </ul>

S. No.	Key audit matters	How the matter was addressed in our audit
(iii)	<p><b>Investments</b></p> <p>(Refer note 9 to 13 to the financial statements)</p> <p>As at 31 December 2021, the Company has investments classified as “Available-for-sale”, “Fair value through profit and loss”, and “Held to maturity” amounting to Rs. 177.98 billion which in aggregate represent 93.40% of the total assets of the Company.</p> <p>Investments are carried at amortized cost or fair value in accordance with the Company’s accounting policy relating to their recognition. Provision against investment is made based on impairment policy of the Company which includes both objective and subjective factors.</p> <p>The existence and valuation of investment is significant to the financial statements and a higher risk area for the audit and hence we have considered this to be a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Reviewed the report submitted by the Appointed Actuary to the Board of Directors of the Company expressing his satisfaction over the valuation of IBNR claims.</li> <li>• Tested the accuracy and completeness of the underlying data utilized for the purposes of measurement by reference to its source.</li> <li>• Engaged an independent actuarial expert to assess whether the reserving methodology for IBNR claims, used with respect to all statutory funds maintained by the Company was in line with the Minimum Valuation Basis given in Annexure V to Rule 23 of the Insurance Rules, 2017 and was further in accordance with generally accepted actuarial principles.</li> <li>• Assessed the relevant disclosures made in the financial statements to determine whether these complied with the accounting and reporting standards as applicable in Pakistan.</li> </ul> <p>Our audit procedures, amongst others, included:</p> <ul style="list-style-type: none"> <li>• Tested the design, implementation and operating effectiveness of key controls over the valuation process, including the Company’s review and approval of the estimates and assumptions used for the valuation.</li> <li>• Tested, on a sample basis, specific purchases and sale transactions recorded during the year by reference to its source.</li> <li>• Obtained independent confirmations for verifying the existence of the investment portfolio as at December 31, 2021 and reconciled it with the books and records of the Company. Where such confirmations were not available, alternate audit procedures were performed.</li> <li>• Tested the valuation of investments by agreeing the prices to supporting documents and externally quoted market prices.</li> <li>• Assessed the appropriateness of impairment in the value of available for sale securities in accordance with the requirements of accounting and reporting standards.</li> <li>• Assessed the relevant disclosures made in the financial statements to determine whether these complied with the accounting and reporting standards as applicable in Pakistan.</li> </ul>

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

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

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

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

### **Responsibilities of Management and Board of Directors for the Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### Report on Other Legal and Regulatory Requirements

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

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

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



**A. F. Ferguson & Co.**  
**Chartered Accountants**

**Karachi**

Date: March 1, 2022

UDIN: AR20211005917JbaigB2



# Financial Statements

# Statement of Financial Position

As At December 31, 2021

		2021	2020
	Note	----- (Rupees in '000) -----	
<b>Assets</b>			
Property and equipment	5	3,786,877	3,609,326
Intangible assets	6	182,501	258,048
Right-of-use assets	7	821,407	798,200
Investment in associate	8	174,198	147,877
Investments			
Equity securities	9	64,574,650	75,818,799
Government securities	10	80,728,147	75,282,141
Debt securities	11	6,899,809	8,744,912
Term deposits	12	21,350,000	14,450,000
Open-ended mutual funds	13	4,425,295	1,325,619
Insurance / reinsurance receivables	14	1,868,797	2,277,035
Derivative financial instrument	15	43,326	5,039
Other loans and receivables	16	2,162,412	2,189,320
Taxation - payments less provision		348,763	478,625
Retirement benefit prepayment	21	-	10,889
Prepayments		106,017	83,033
Cash & Bank	17	3,079,725	4,943,260
<b>Total Assets</b>		<b>190,551,924</b>	<b>190,422,123</b>
<b>Equity and Liabilities</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
<b>Issued, subscribed, paid-up share capital and reserves</b>			
Share capital	18	872,638	872,638
Money ceded to waqf fund		500	500
(Loss) / gain on revaluation of available-for-sale investments		(82,209)	77,384
Retained earnings arising from business other than participating business attributable to shareholders (Ledger account D)		4,302,134	4,080,365
Unappropriated profit		7,975,569	7,841,319
<b>Total Equity</b>		<b>13,068,632</b>	<b>12,872,206</b>
<b>Liabilities</b>			
Insurance liabilities	19	168,762,520	168,613,327
Retirement benefit obligation	21	10,674	-
Borrowing	22	875,000	1,125,000
Lease liabilities	23	1,041,893	983,059
Premium received in advance		1,091,677	1,271,837
Insurance / reinsurance payables	24	2,145	15,237
Other creditors and accruals	25	4,110,711	4,029,428
Deferred tax	26	1,361,762	1,440,351
Financial charges payable		11,423	12,622
Unpaid dividend	27	161,424	13,774
Unclaimed dividend		54,063	45,282
<b>Total Liabilities</b>		<b>177,483,292</b>	<b>177,549,917</b>
<b>Contingencies and commitments</b>	28		
<b>Total Equity and Liabilities</b>		<b>190,551,924</b>	<b>190,422,123</b>

The annexed notes 1 to 54 form an integral part of these financial statements.

  
Kamal A. Chinoy  
Chairman

  
Aryn Currimbhoy  
Director

  
Shahid Ghaffar  
Director

  
Javed Ahmed  
Managing Director &  
Chief Executive Officer

  
Omer Farooq  
Chief Financial Officer



# Profit and Loss Account

For the year ended December 31, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
Premium / contribution revenue		49,355,599	46,507,123
Premium / contribution ceded to reinsurers		(1,775,462)	(1,299,427)
<b>Net premium / contribution revenue</b>	29	<b>47,580,137</b>	45,207,696
Fee income		48,098	39,461
Investment income	30	12,274,759	12,024,816
Net realised fair value gains on financial assets	31	953,983	6,936,523
Net fair value losses on financial assets at fair value through profit or loss	32	(9,263,388)	(7,324,396)
Other income	33	194,241	253,248
		<b>4,207,693</b>	11,929,652
<b>Net Income</b>		<b>51,787,830</b>	57,137,348
Insurance benefits		41,634,063	30,662,188
Recoveries from reinsurers		(1,791,386)	(1,841,557)
Claims related expenses		6,095	4,887
<b>Net Insurance Benefits</b>	34	<b>39,848,772</b>	28,825,518
Net change in insurance liabilities (other than outstanding claims)		(1,542,840)	13,551,563
Acquisition expenses	35	6,921,582	6,974,908
Marketing and administration expenses	36	3,827,791	3,401,801
Other expenses	37	61,407	49,665
<b>Total Expenses</b>		<b>9,267,940</b>	23,977,937
Realised (loss) / gain on derivative financial instrument		(10,968)	30,666
Unrealised gain / (loss) on derivative financial instrument		40,273	(103,459)
Finance cost	38	(174,282)	(210,349)
		<b>(144,977)</b>	(283,142)
<b>Results of operating activities</b>		<b>2,526,141</b>	4,050,751
Share of profit of associate	8	14,097	19,273
<b>Profit before tax (refer note below)</b>		<b>2,540,238</b>	4,070,024
Income tax expense	39	(747,131)	(1,185,643)
<b>Profit after tax for the year</b>		<b>1,793,107</b>	2,884,381
Earnings per share - Rupees	40	<b>20.55</b>	33.05

The annexed notes 1 to 54 form an integral part of these financial statements.

## Note:

Profit before tax is inclusive of the amount of the profit before tax of the Shareholders' Fund, the Surplus Transfer from the Revenue Account of the Statutory Funds to the Shareholders' Fund based on the advice of the Appointed Actuary, and the undistributed surplus in the Revenue Account of the Statutory Funds which also includes the solvency margins maintained in accordance with the Insurance Rules, 2017. For details of the Surplus Transfer from the Revenue Account of the Statutory Funds to the Shareholders' Fund aggregating to Rs. 2,380 million (2020: Rs. 3,125 million), please refer to note 44.1, relating to Segmental Information - Revenue Account by Statutory Fund.

  
Kamal A. Chinoy  
Chairman

  
Amyn Currimbhoy  
Director

  
Shahid Ghaffar  
Director

  
Javed Ahmed  
Managing Director &  
Chief Executive Officer

  
Omer Farooq  
Chief Financial Officer

# Statement of Comprehensive Income

For the year ended December 31, 2021

		2021	2020
	Note	----- (Rupees in '000) -----	
<b>Profit after tax for the year - as per Profit and Loss Account</b>		<b>1,793,107</b>	2,884,381
<b>Other comprehensive income / (loss):</b>			
<b>Items that may be classified to profit and loss account in subsequent period:</b>			
Currency translation differences (related to net investment in foreign associate)	8	<b>14,187</b>	(21,231)
Related deferred tax on currency translation differences		<b>(4,114)</b>	6,157
Change in unrealised losses on available-for-sale financial assets		<b>(131,624)</b>	(35,584)
Reclassification adjustment relating to available-for-sale Investment sold during the year		<b>(93,155)</b>	(97,699)
		<b>(224,779)</b>	(133,283)
Related deferred tax		<b>65,186</b>	38,641
Change in unrealised losses on available-for-sale financial assets - net		<b>(159,593)</b>	(94,642)
		<b>(149,520)</b>	(109,716)
<b>Items that will not be classified to profit and loss account in subsequent period:</b>			
Actuarial (loss) / gain on retirement benefit schemes	21	<b>(7,309)</b>	24,735
<b>Other comprehensive loss for the year</b>		<b>(156,829)</b>	(84,981)
<b>Total comprehensive income for the year</b>		<b>1,636,278</b>	2,799,400

The annexed notes 1 to 54 form an integral part of these financial statements.

  
Kamal A. Chinoy  
Chairman

  
Aryn Currimbhoy  
Director

  
Shahid Ghaffar  
Director

  
Javed Ahmed  
Managing Director &  
Chief Executive Officer

  
Omer Farooq  
Chief Financial Officer

# Cash Flow Statement

For the year ended December 31, 2021

	2021	2020
Note	----- (Rupees in '000) -----	
<b>Operating Cash flows</b>		
<b>(a) Underwriting activities</b>		
Insurance premium / contribution received	49,001,935	46,291,374
Reinsurance premium / contribution paid	(1,859,915)	(1,390,455)
Claims paid	(16,470,291)	(12,106,254)
Surrenders paid	(23,413,909)	(17,112,998)
Reinsurance and other recoveries received	2,309,203	1,058,030
Commission paid	(4,646,763)	(4,794,140)
Commission received	71,361	67,141
Marketing and administrative expenses paid	(2,063,725)	(1,411,441)
Other acquisition cost paid	(3,601,414)	(3,484,575)
Net cash (outflow) / inflow from underwriting activities	<b>(673,518)</b>	7,116,682
<b>(b) Other operating activities</b>		
Income tax paid	(634,786)	(1,409,050)
Other operating payments	(766,327)	(420,094)
Other operating receipts	778,176	1,506,708
Unsecured advances paid to employees	(356,913)	(213,367)
Recovery of unsecured advances to employees	330,782	226,611
Net cash outflow from other operating activities	<b>(649,068)</b>	(309,192)
<b>Total cash (outflow) / inflow from all operating activities</b>	<b>(1,322,586)</b>	6,807,490
<b>Investment activities</b>		
Profit / return received	5,453,483	9,468,350
Dividend received	4,168,906	2,075,372
Payment for investments	(383,337,309)	(366,937,657)
Proceeds from disposal of investments	384,094,397	356,447,418
Fixed capital expenditure	(639,634)	(521,389)
Proceeds from sale of property and equipment	71,219	46,231
<b>Total cash Inflow from investing activities</b>	<b>9,811,062</b>	578,325
<b>Financing activities</b>		
Dividends paid	(1,283,421)	(1,312,718)
Financial charges paid	(87,797)	(153,031)
Repayment of borrowing	(250,000)	(250,000)
Payments against lease liabilities	(280,793)	(271,803)
<b>Total cash outflow from financing activities</b>	<b>(1,902,011)</b>	(1,987,552)
<b>Net cash inflow from all activities</b>	<b>6,586,465</b>	5,398,263
Cash and cash equivalents at beginning of the year	17,843,260	12,444,997
<b>Cash and cash equivalents at the end of the year</b>	<b>24,429,725</b>	17,843,260

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(Continued...)

# Cash Flow Statement

For the year ended December 31, 2021

	2021	2020
	----- (Rupees in '000) -----	
<b>Reconciliation to Profit and Loss Account</b>		
Operating cash flows	<b>(1,322,586)</b>	6,807,490
Depreciation expense	<b>(607,201)</b>	(587,173)
Amortisation expense	<b>(118,133)</b>	(120,109)
Share of profit of associate	<b>14,097</b>	19,273
Profit on disposal of property and equipment	<b>34,399</b>	11,908
(Decrease) / increase in assets other than cash	<b>(327,895)</b>	876,455
(Increase) / decrease in liabilities	<b>(30,381)</b>	(15,913,800)
Gain on sale of investments	<b>953,983</b>	6,936,522
Revaluation loss on investments	<b>(8,956,982)</b>	(6,463,235)
Investment income	<b>12,328,088</b>	11,527,399
Financial charges	<b>(86,598)</b>	(89,398)
Finance cost on lease liabilities	<b>(87,684)</b>	(120,951)
<b>Profit after tax for the year</b>	<b>1,793,107</b>	2,884,381

The annexed notes 1 to 54 form an integral part of these financial statements.

  
Kamal A. Chinoy  
Chairman

  
Aryn Currimbhoy  
Director

  
Shahid Ghaffar  
Director

  
Javed Ahmed  
Managing Director &  
Chief Executive Officer

  
Omer Farooq  
Chief Financial Officer

# Statement of Changes in Equity

For the year ended December 31, 2021

	Attributable to equity holders of the Company					
	Share capital	Unappropriated profit	Money ceded to waqf fund	Gain / (loss) on revaluation of available-for-sale investments	Retained earnings arising from business other than participating business attributable to shareholders (Ledger Account D) - net of tax*	Total
------(Rupees in '000)-----						
<b>Balance as at January 01, 2020</b>	<b>793,307</b>	<b>7,003,482</b>	<b>500</b>	<b>172,026</b>	<b>3,436,246</b>	<b>11,405,561</b>
<b>Total comprehensive income / (loss) for the year</b>						
Profit for the year after tax	-	2,884,381	-	-	-	2,884,381
Other comprehensive income / (loss) - net of tax	-	9,661	-	(94,642)	-	(84,981)
	-	2,894,042	-	(94,642)	-	2,799,400
<b>Transactions with the owners recorded directly in equity</b>						
Issue of bonus shares for the year ended December 31, 2019 @ 10%	79,331	(79,331)	-	-	-	-
Final cash dividend for the year ended December 31, 2019 @ 135% (Rs. 13.50 per share)	-	(1,070,964)	-	-	-	(1,070,964)
Interim cash dividend for the year ended December 31, 2020 @ 30% (Rs. 3.00 per share)	-	(261,791)	-	-	-	(261,791)
	<b>79,331</b>	<b>(1,412,086)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,332,755)</b>
<b>Other transfer within equity</b>						
Surplus for the year retained in statutory funds	-	(644,119)	-	-	644,119	-
<b>Balance as at December 31, 2020</b>	<b>872,638</b>	<b>7,841,319</b>	<b>500</b>	<b>77,384</b>	<b>4,080,365</b>	<b>12,872,206</b>
<b>Total comprehensive income for the year</b>						
Profit for the year after tax	-	1,793,107	-	-	-	1,793,107
Other comprehensive Income / (loss) - net of tax	-	2,764	-	(159,593)	-	(156,829)
	-	1,795,871	-	(159,593)	-	1,636,278
<b>Transactions with the owners recorded directly in equity</b>						
Final cash dividend for the year ended December 31, 2020 @ 135% (Rs. 13.50 per share)	-	(1,178,061)	-	-	-	(1,178,061)
Interim cash dividend for the year ended December 31, 2021 @ 30% (Rs. 3.00 per share)	-	(261,791)	-	-	-	(261,791)
	-	(1,439,852)	-	-	-	(1,439,852)
<b>Other transfer within equity</b>						
Surplus for the year retained in statutory funds	-	(221,769)	-	-	221,769	-
<b>Balance as at December 31, 2021</b>	<b>872,638</b>	<b>7,975,569</b>	<b>500</b>	<b>(82,209)</b>	<b>4,302,134</b>	<b>13,068,632</b>

\* 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. This also includes retained earning of Operator-Sub-Funds (OSF) amounting to Rs. 430.90 million (2020: Rs. 200.72 million)

The annexed notes 1 to 54 form an integral part of these financial statements.

  
Kamal A. Chinoy  
Chairman

  
Amyn Currimbhoy  
Director

  
Shahid Ghaffar  
Director

  
Javed Ahmed  
Managing Director &  
Chief Executive Officer

  
Omer Farooq  
Chief Financial Officer

# Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

## 1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

- Individual Life Unit Linked
- Conventional Business (note 1.2)
- Accident & Health
- Overseas Group Life and Health Business
- Individual Family Takaful (note 1.3)
- Group Family Takaful (note 1.3)
- Accident & Health Family Takaful (note 1.3)

**1.2** The Company has launched a new product during the year named "Traditional Product" which is a non-unit linked product having a guaranteed maturity benefit fixed at the commencement of the policy after obtaining the required approval from SECP. The product has been classified under Conventional Business fund.

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

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

## 2 BASIS OF PREPARATION

### 2.1 Statement of Compliance

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

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

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

As required by Circular 15 of 2019 dated November 18, 2019 issued by the Securities & Exchange Commission of Pakistan (the Commission), the Company has prepared and annexed to these financial statements, a standalone set of financial statements for Window Takaful Operations of the Company, as if these are carried out by a standalone Takaful Operator.

### 2.2 Basis of measurement

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

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

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

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

### 2.3 Functional and presentation currency

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

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for accounting periods which began on January 1, 2021. However, these do not have any significant impact on the Company's financial statements.

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

The following standards, amendments and interpretations of the accounting and reporting standards as applicable in Pakistan will be effective for accounting period beginning on or after January 1, 2022:

Standards, amendments or interpretations	Effective Date
IFRS 9 - Financial Instruments	01-Jan-23
IFRS 17 - Insurance contracts	01-Jan-23

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

There are certain other new and amended standards, interpretations and amendments that are mandatory for accounting periods beginning on or after January 1, 2022 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

### 2.6 Standards, interpretations and amendments to accounting standards that are effective but not relevant

There are certain other amendments in standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2021 but are considered not to be relevant or will not have any significant effect on the Company's operations and are therefore not stated in these financial statements.

### 2.7 Temporary exemption from application of IFRS 9

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

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

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

**Financial assets classified as "held to maturity" meeting SPPI criteria**

	2021	2020	Change during the year
	----- (Rupees in '000) -----		
Pakistan Investment Bonds - held to maturity	9,757	10,447	(690)

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

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1** The significant accounting policies and methods of computation adopted in the preparation of these financial statement are same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2020.

**3.2 Property and equipment**

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

**Subsequent costs**

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

**Borrowing costs**

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

**Depreciation**

Depreciation is charged to profit and loss account using the straight line method at the rates specified in note 5 on all assets available for use at the end of each month. When parts of an item of asset have different useful lives, they are accounted for as separate property and equipment items.

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

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

**Gains and losses on disposal**

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

**Capital work in progress**

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

**3.2.1 Lease liability and Right-of-use asset**

Leases are recognised as right-of-use assets with corresponding lease liabilities at the date on which leased assets are available for use by the Company except for leases of short term or low value.



At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain different terms and conditions.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease liability is initially measured at the present value of the lease payments over the period of lease term and that are not paid at the commencement date, discounted using interest rate implicit in the lease or the Company's incremental borrowing rate.

Lease payments include fixed payments less any lease incentive receivable, variable lease payment that are based on an index or a rate which are initially measured using the index or rate as at the commencement date, amounts expected to be payable by the Company under residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease if the lease term reflects the lessee exercising that option. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payment.

The lease liability is remeasured when the Company reassesses the reasonable certainty of exercising the extension or termination option upon occurrence of either a significant event or a significant change in circumstances, or when there is a change in assessment of an option to purchase underlying asset, or when there is a change in amount expected to be payable under a residual value guarantee, or when there is a change in future lease payments resulting from a change in an index or rate used to determine those payment. The corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the statement of profit or loss and other comprehensive income if the carrying amount of right-of-use asset has been reduced to zero.

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease, it is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

The right-of-use asset is initially measured at an amount equal to the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which the asset is located.

The right-of-use asset is subsequently measured at cost model. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient of not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of Twelve months or less and leases of low-value assets. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.

### **3.3 Intangible assets**

These represent assets with finite lives and are stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is charged over the estimated useful life of the asset applying the straight line method at the rates specified in note 6 to the financial statements.

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

### 3.4 Types of Insurance / Window Takaful Operations

#### a) Individual life unit linked

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

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

#### b) Conventional business

##### i) Individual life conventional business

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

##### ii) Group life business

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

##### iii) Traditional business

During the year, the Company has introduced Individual life traditional contracts which are mainly regular premium protection and savings policies where policy maturity value is fixed at the inception of the policy. The surrender values are pre-determined as well. The surrender and maturity values are guaranteed throughout the term of the policy. Various types of riders (Accidental Death, etc.) are also sold along with the basic policies. The risk underwritten is mainly death. This business is written through two distribution channels, namely, the direct sales force and bancassurance.

#### c) Accident & health business

##### i) Individual accident & health business

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

##### ii) Group health business

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

#### d) Overseas group life and health business

The Company has been operating a statutory fund for its overseas life and health insurance business. The risk underwritten under life policy is mainly death and sometimes disability while the risk underwritten under health policy is medical expenses related to hospitalisation and outpatient.

## e) Family Takaful Contracts

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

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

### i) Individual Family Takaful Contracts Unit - Linked

The Company offers Unit Linked Takaful Plans which provide Shariah Compliant financial protection and investment vehicle to individual participants. These plans carry cash value and offer investment choices to the participants to direct their investment related contributions based on their risk / return objectives. The investment risk is borne by the participants. This business is written through two distribution channels, namely, the direct sales force and bancassurance.

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

### ii) Group Family Takaful

- Individual Life Takaful business

The Individual Family Takaful contracts are issued typically on yearly renewable term basis and are mainly protection policies sold to a wide cross-section of population with different income levels. The risk underwritten is mainly death, cancer and sometimes critical illness. This business is written through direct sales force and bancassurance.

- Group life business

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

### iii) Accident & Health Family Takaful

- Individual accident & health business

Individual Accident and Health Family Takaful contracts are mainly protection policies sold to a wide cross-section of population with different income levels. The risk underwritten is medical expenses related to outpatient services and hospitalisation. This business is written through direct sales force and bancassurance.

- Group health business

Group Accident & Health Family contracts are mainly issued to employers to insure their commitments to their employees. The Company also writes business for micro-insurance schemes. The risk underwritten is medical expenses related to outpatient services and hospitalisation to its participants. This business is written through direct sales force.

### 3.5 Recognition of Policyholders' liabilities / Technical Reserves

#### a) Individual life unit linked

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

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

##### - Incurred But Not Reported (IBNR) claims

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

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

##### - Unearned premium and premium deficiency reserve

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

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

#### b) Conventional business

##### i) Individual life conventional

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

For base plans, policyholders' liabilities are determined as per the minimum criteria given in Insurance Rules, 2017. Discount rate used in this calculation is 3.75% and the mortality rates assumed are those according to SLIC (2001-2005) table. For critical illness policies, the future incidence of critical illness is according to a percentage of reinsurer's risk premium rates for this coverage.

##### - Incurred But Not Reported (IBNR) claims

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

##### - Unearned premium and premium deficiency reserve

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

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

## ii) Group life business

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

- Incurred But Not Reported (IBNR) claims

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

- Unearned premium and premium deficiency reserve

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

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

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

## c) Accident & health business

Policyholder's liability comprises of Unearned Premium Reserves (UPR) and reserves for Incurred But Not Reported (IBNR) claims.

- Incurred But Not Reported (IBNR) claims

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

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

- Unearned premium and premium deficiency reserve

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

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

**d) Overseas group life and health fund**

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

- Incurred But Not Reported (IBNR) claims

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

- Unearned premium and premium deficiency reserve

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

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

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

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

**f) Reserve for unearned contribution - Takaful Contracts**

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

**g) Contribution Deficiency Reserve - Takaful Contracts**

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

**h) Technical Reserves**

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

**3.6 Reinsurance / Retakaful contracts held****3.6.1 Conventional****Reinsurance premiums**

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

**Recoveries from reinsurers**

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

### **Experience refund of premium**

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

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

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

### **3.6.2 Takaful**

#### **Retakaful Contribution**

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

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

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

#### **Retakaful Expenses**

Retakaful expenses are recognised as a liability.

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

Retakaful assets are offset against related Retakaful liabilities under the circumstances only that there is a clear legal right of off-set of the amounts.. Income or expenses from retakaful contract are not offset against expenses or income from related Retakaful contracts as required by the Insurance Ordinance, 2000. Retakaful assets and liabilities are derecognised when the contractual rights are extinguished or expired.

### **3.7 Receivables and payables related to insurance contracts**

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

### **3.8 Operating Segments**

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

The Company has seven operating segments for reporting purposes namely; Individual life unit linked, Conventional business, Accident & Health, Overseas Group Life & Health, Individual Family Takaful, Group Family Takaful and Accident & Health Family Takaful The details of all operating segments are described in note 44 to these financial statements.

### **3.9 Cash and cash equivalents**

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

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

### 3.10 Revenue recognition

#### 3.10.1 Premiums

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

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

#### 3.10.2 Contributions

##### a) Individual Life Family Takaful

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

##### b) Group Family Takaful

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

##### c) Accident & Health Family Takaful

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

#### 3.10.3 Reinsurance Commission

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

#### 3.10.4 Experience refund of premium

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

#### 3.10.5 Other revenue recognition

##### Mark-up / Interest

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

##### Dividends

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

### 3.11 Investments

#### Classification

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

- Held-to-maturity – These are securities with fixed or determinable payments and fixed maturity that are held with the intention and ability to hold till maturity.



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

### **Initial recognition**

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

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

### **Subsequent measurement**

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

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

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

### **Investment in an associate - equity method**

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

### **Fair / market value measurements**

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

## **3.12 Off-setting of financial assets and financial liabilities**

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

### 3.13 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of a past event, and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The nature of provision is not stated in the financial statements where such is expected to materially prejudice company's position, as allowed under the applicable accounting framework.

### 3.14 Taxation

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

#### Current

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

#### Deferred

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

### 3.15 Staff retirement benefits

#### 3.15.1 Defined benefit plan

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

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

The Company faces the following risks on account of defined benefit plan:

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

**Discount rate fluctuation** - The plan liabilities are calculated using a discount rate set with reference to market yields on government bonds. A decrease in market yields on government bonds will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

**Investment risks** - The risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investment.

**Risk of insufficiency of assets** - This is managed by making regular contribution to the Fund as advised by the actuary.

### 3.15.2 Defined contribution plan

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

### 3.15.3 Accumulated compensated absences

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

### 3.16 Impairment of assets

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

### 3.17 Others

#### 3.17.1 Acquisition cost

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

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

#### 3.17.2 Insurance Benefits

Insurance Benefits are recognised on the date the insured event is intimated except for individual life unit linked where insurance benefits are recognised earlier of the date the policy cease to participate in the earnings of the fund and the date insured event is intimated.

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

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

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

#### 3.17.3 Statutory funds

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

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

#### 3.17.4 Takaful Operator's Fee

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

**3.17.5 Foreign currencies**

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

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

**3.17.6 Financial assets and liabilities**

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

**3.17.7 Borrowings**

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

**3.17.8 Derivative Financial Instruments**

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

**3.17.9 Earnings per share**

Basic earnings per share is calculated by dividing profit or loss attributable to ordinary shareholders of the Company (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

**3.17.10 Contingent Liabilities**

Contingent liabilities are 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 a present legal or constructive obligation that arises from past events, but it is not probable 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.

**3.17.11 Dividend and appropriation to reserves**

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

**4 FINANCIAL RISK MANAGEMENT / ACCOUNTING ESTIMATES AND JUDGEMENTS**

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended December 31, 2020. In preparing these financial statement, the management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the financial statements for the year ended December 31, 2020.

## **4.1 Policyholders' liabilities / technical reserves**

### **4.1.1 Valuation discount rate**

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

### **4.1.2 Mortality assumption**

For the purpose of valuing the insurance contracts, the mortality assumption used is based on SLIC (2001-2005) table. SECP vide its circular 17/2013 dated September 13, 2013 has stipulated that SLIC (2001 - 05) Individual Life Ultimate Mortality Table published by Pakistan Society of Actuaries (PSOA) be used as the minimum valuation basis prescribed under SECP's notification S.R.O 16(1)/2012. Moreover, for morbidity plans, similar rates are used as charged by reinsurer.

### **4.1.3 Claims**

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

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

### **4.1.4 Surrenders**

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

## **4.2 Income taxes**

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

## **4.3 Impairment in respect of listed securities**

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

## **4.4 Staff retirement benefits**

The present value of these obligations depends on a number of factors that are determined on actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of these obligations. The present values of these obligations and the underlying assumptions are disclosed in notes 3.15 and 21.

5	PROPERTY AND EQUIPMENT	Note	2021	2020
			----- (Rupees in '000) -----	
	Operating assets	5.1	<b>1,098,560</b>	922,978
	Capital work in progress	5.2	<b>2,688,317</b>	2,686,348
			<b>3,786,877</b>	3,609,326

### 5.1 Operating assets

	2021									
	Cost				Depreciation				Written down value as at December 31	Depreciation rate %
	As at January 01	Additions	Disposals	As at December 31	As at January 01	For the year	Disposals	As at December 31		
	----- (Rupees in '000) -----									
Leasehold improvements	439,116	71,922	20,869	490,169	302,565	57,088	20,869	338,784	<b>151,385</b>	20
Furniture and fixtures	268,601	27,261	11,050	284,812	218,293	34,458	10,834	241,917	<b>42,895</b>	20
Office equipment	239,106	26,544	12,567	253,083	170,550	29,373	12,106	187,817	<b>65,266</b>	20-33
Computer equipment	495,057	218,024	67,312	645,769	394,582	89,096	66,892	416,786	<b>228,983</b>	30
Vehicles	936,098	253,327	111,104	1,078,321	369,010	174,661	75,381	468,290	<b>610,031</b>	20
	<b>2,377,978</b>	<b>597,078</b>	<b>222,902</b>	<b>2,752,154</b>	<b>1,455,000</b>	<b>384,676</b>	<b>186,082</b>	<b>1,653,594</b>	<b>1,098,560</b>	

	2020									
	Cost				Depreciation				Written down value as at December 31	Depreciation rate %
	As at January 01	Additions	Disposals	As at December 31	As at January 01	For the year	Disposals	As at December 31		
	----- (Rupees in '000) -----									
Leasehold improvements	383,713	61,027	5,624	439,116	252,583	55,606	5,624	302,565	<b>136,551</b>	20
Furniture and fixtures	262,740	33,034	27,173	268,601	208,178	37,273	27,158	218,293	<b>50,308</b>	20
Office equipment	223,316	18,350	2,560	239,106	140,910	32,067	2,427	170,550	<b>68,556</b>	20-33
Computer equipment	418,855	81,336	5,134	495,057	335,232	64,199	4,849	394,582	<b>100,475</b>	30
Vehicles	788,511	241,032	93,445	936,098	281,402	147,163	59,555	369,010	<b>567,088</b>	20
	<b>2,077,135</b>	<b>434,779</b>	<b>133,936</b>	<b>2,377,978</b>	<b>1,218,305</b>	<b>336,308</b>	<b>99,613</b>	<b>1,455,000</b>	<b>922,978</b>	

The tangible assets (note 5.1) include items costing Rs. 845.49 million (2020: Rs. 781.96 million) which are fully depreciated as of December 31, 2021 but are still in active use.

The tangible assets (note 5.1) include items costing Rs. 0.93 million (2020: Rs. 0.93 million) are placed in the third parties locations.

**5.1.1** Disposal of fixed assets during the year 2021 made to chief executive or a director or an executive or a shareholder holding not less than ten percent of the voting shares of the Company or any related party, irrespective of the value, and in the case of any other person having cost or net book value (NBV) of Rs. 1,000,000 or Rs. 250,000 respectively and above are as follows:

	Cost	Net book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of buyers
	----- (Rupees in '000) -----					
Vehicles	5,000	1,529	1,667	138	Company Policy	Mr. Muhammad Kashif Naqvi, H.No Su-88, Askari-4, Rashid Minhas Road, Karachi.
	3,500	2,062	2,508	446	Company Policy	Mr. Abbas Dosten Hote, H.No 14-A, Street F-8/3, Islamabad.
	3,417	2,885	3,246	361	Company Policy	Mr. Malik Javed Masood, A-114, Block-B, Model Colony, Kazimabad, Karachi.
	3,000	450	450	-	Company Policy	Mr. Imran Usmani, A-9, Block-12, Gulistan-e-Johar, Sindh Baloch Housing Society, Karachi.
	2,897	1,666	1,883	217	Company Policy	Mr. Asif Mobin, F.No D-8, 4th Floor, Dolmen Arcade, Bahadurabad, Karachi.
	2,500	517	542	25	Company Policy	Mr. Shahid Masood, H.No A-114, Block-B, Model Colony, Kazimabad, Karachi
	2,500	1,367	1,500	133	Company Policy	Mr. Muhammad Munawar Khalil, H.No 11-C, 7th Street, DHA, Phase-I, Karachi.
	2,383	357	-	(357)	Company Policy	Mr. Zahid Barki, B.No J-4, 6th Gizri Street, Phase-IV, Pakistan Defence Officers Housing Authority, Karachi
	2,154	1,055	1,472	417	Company Policy	Mr. Muhammad Raghif Farooqui , Farhan Classic Appartment, Gulistan-e-Johar, Karachi.
	2,000	300	300	-	Company Policy	Syed Israr Haide, H.No 2096, Avenue 14, Block-Y, DHA, Phase-7, Lahore.
	2,000	300	300	-	Company Policy	Mr. Obaid Ur Rehman, H.No 14-A, Salahuddin Avenue, Faisal Colony, Near Airport Link Road, Karachi.
	2,000	300	300	-	Company Policy	Mr. Naveed Akhtar, H.No Sn-301, Madina Town, Shamasabad, Hyderabad.
	1,880	442	470	28	Company Policy	Syed Kashif Saeed Shah , H.No 48, Ameerabad Model Colony, Karachi.
	1,843	276	276	-	Company Policy	Ms. Fauzia Ghayas Siddiqi, A.No 201, Royal Apartments, Muhammad Ali Bogra Road, Bath Island, Karachi.
	1,750	263	263	-	Company Policy	Mr. Muhammad Arif, H.No 201-A, Aroosh Street Raza Town, East Canal Road, Faisalabad.
	1,750	808	1,167	359	Company Policy	Mr. Imran Ali , H.No 978-D, Jinnah Colony, Karachi.
	1,750	758	817	59	Company Policy	Mr. Awais Ikram, F.No 3 Ali Appartments, Habib Ullah Road, Ghari Shahu,
	1,511	484	579	95	Company Policy	Mr. Waseem Hassan, Ayoub Colony, Beside Govt. Gajun Pur School, Lahore.
	1,500	225	225	-	Company Policy	Mr. Barkat Bahadur Ali , A-24, Mashood Apts, Garden East, Karachi.
	1,500	225	225	-	Company Policy	Mr. Adnan Ahmed, F.No A-109, Yasir Tarace, Phase II, FI-06, Block-10, Gulistan-e-Johar, Karachi.

	Cost	Net book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of buyers
	----- (Rupees in '000) -----					
	1,500	778	875	97	Company Policy	Mr. Dileep Kumar Maheshwari , F.No. I /11, Samorina Apartments, 13-D, Gulshan-e-Iqbal, Karachi.
	1,024	154	154	-	Company Policy	Mr. Zubair Hamid, H.No. R-47, Hina Banglows, Block 19, Gulistan-e-Johar, Karachi.
	<b>49,359</b>	<b>17,201</b>	<b>19,219</b>	<b>2,018</b>		
<b>Office equipments</b>	160	27	35	8	Trade-in	Cell City, Shop No 4.Plot 19/C, 4th Floor Commercial Lane Zamzama Commercial St DHA Phase V, Karachi.
	75	25	5	(20)	Trade-in	FC Friends Communication, Zain Mobile Mall, Main Tariq Road, Karachi.
	75	10	7	(3)	Trade-in	FC Friends Communication, Zain Mobile Mall, Main Tariq Road, Karachi.
	158	57	50	(7)	Trade-in	Agility Logistics (Pvt) Ltd, Plot No 12-A, Miran Muhammad Shah Road, M.A.C.H.S, Karachi.
	47	35	23	(12)	Trade-in	Tech Base, Shop No 3 Plot 19-C Lane 4, Khadda Market, DHA Phase-5, Karachi.
	<b>515</b>	<b>154</b>	<b>120</b>	<b>(34)</b>		
<b>Computer equipments</b>	21,791	-	12,422	12,422	Trade-in	Trade-in with Premier System (Pvt) Ltd, 204-7, 2nd floor, Business Plaza, Mumtaz Hassan Road, Karachi.
	52	-	10	10	Trade-in	Trade-in with Texitech, The Plaza, Office # 203 / 204 2nd Floor Clifton, Block-9, Karachi
	<b>21,843</b>	<b>-</b>	<b>12,432</b>	<b>12,432</b>		

**5.1.2** Disposal of fixed assets during the year 2021 having net book value (NBV) of Rs. 50,000 and above (excluding those disclosed in 5.1.1 ) are as follows:

	Cost	Net book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of buyers
	----- (Rupees in '000) -----					
Vehicles	2,500	2,147	2,583	436	Company Policy	Mr. Raheel Ali Shaikh, D-48 Darakshan Villas, Phase VI, DHA, Karachi.
	2,341	624	1,249	625	Company Policy	Mr. Ghulam Abbas Arif , H.No MCB - 9/536, Basti Allah Wale,
	2,250	561	600	39	Company Policy	Mr. Asif Ali , F.No F-34 Rahimabad Colony, Block-14 F.B Area, Karachi.
	2,000	867	1,167	300	Company Policy	Mr. Aziz Ur Rehman, Bismillah Town, St # 02, Mian Channu.
	2,000	1,000	1,600	600	Company Policy	Mr. Ali Raza , H.No 136, Street-24, Sector-B, Askari-11, Near Bedian Road, Karachi.
	1,859	496	1,012	516	Company Policy	Mr. Iftikhar Ahmed, H.No G-74, Model Town Ugoki, Sialkot
	1,750	684	1,342	658	Company Policy	Mr. Ahsan, Z-154 Karimabad Colony, Block-3, F.B Area, Karachi.



	Cost	Net book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of buyers
	----- (Rupees in '000) -----					
	1,750	1,056	1,108	52	Company Policy	Mr. Hidayat Ullah Khan, H.No 195, St-09, Sector K-02, Phase 03, Hayatabad, Peshawar.
	1,750	1,081	1,050	(31)	Company Policy	Mr. Imtiaz Ahmed, H.No 2702/1, Bilal Town, G.T Road, Peshawar
	1,750	1,254	1,517	263	Company Policy	Mr. Zia Munis Shahzad, 281/185 Rh Writer'S Colony, Masoom Shah Rd, Bahar Chowk, Multan.
	1,500	225	225	-	Company Policy	Mr. Muhammad Shariq Iftikhar, 42 Rehmat Park University Road, Sargodha.
	1,500	374	515	141	Company Policy	Syed Tabish Ali , F.No K-302 Phase-II, Haroon Royal City, Gulistan-e-Johar, Karachi.
	1,500	650	925	275	Company Policy	Mr. Ahmad Shujah Aslam, P/O Afzalpur, Pindisubwall Meri, Mirpur, AJK.
	1,500	778	988	210	Company Policy	Mr. Muhammad Khurram , A-4 Sector 15-A/5 Bufferzone, North Karachi, Krachi.
	1,500	990	1,250	260	Company Policy	Ms. Shazia Kosar, H.No 107, Khambal, Mirpur, AJK.
	1,500	990	1,225	235	Company Policy	Mr. Khalil Ahmed, Mona Colony, Mona Depot Teh. Malakwal Dist, Mandi Bahauddin.
	1,391	386	487	101	Company Policy	Mr. Muhammad Azad Kayani ,Village Pung Piran, P/O Kotli, AJK.
	1,297	195	195	-	Company Policy	Mr. Muhammad Faisal Khan, A-427, Block-12, F.B Area, Gulberg, Karachi.
	1,250	188	188	-	Company Policy	Mr. Muhammad Abdul Moin Khan, H.No 1810, Block 15, Gulshan-e-Mustafa, F.B. Area, Karachi.
	1,250	188	188	-	Company Policy	Mr. Mansoor Shams, 46-C, Punjab University Employees Housing Society, Town 2, Lahore.
	1,250	241	250	9	Company Policy	Mr. Aon Muhammad Javed , H No 24, Street-15, River Garden, Islamabad
	1,250	188	188	-	Company Policy	Mr. Zamir Hussain Lashari, Hamza House Babu Shah Muhammad Colony, khairpur Mirs.
	1,250	188	188	-	Company Policy	Mr. Hassan Ali, H.No B-16, Block-1, Gulistan-e-Johar, Karachi.
	1,250	188	311	123	Company Policy	Mr. Shahwar Ahmed Khan, P-64/2, Akbar Colony, Jaranwala Road, Karachi.
	1,250	188	188	-	Company Policy	Mr. Muhammad Razzak Khokhar, Opposite TCS Office Allama Iqbal Road, Mirpur, AJK.
	1,039	156	156	-	Company Policy	Syed Shadab Raza, H.No R-1047, Block-20, F.B Area, Karachi.
	778	117	117	-	Company Policy	Mr. Farhan Iqbal Baloch, Flat # A3, Shangrila Apartments, Dr. Ziauddin Ahmed Rd, Karachi.
	<b>42,205</b>	<b>16,000</b>	<b>20,812</b>	<b>4,812</b>		
<b>Office equipments</b>	186	77	-	(77)		
<b>Furniture and fixtures</b>	138	64	8	(56)		
	<b>324</b>	<b>141</b>	<b>8</b>	<b>(133)</b>		

**Net Book Value less than 50,000.**

	Cost	Net book value	Sale proceeds	Gain / (Loss)
----- (Rupees in '000) -----				
<b>Vehicles</b>	15,857	-	12,142	12,142
<b>Office equipments</b>	11,736	197	1,584	1,387
<b>Computer equipments</b>	44,891	76	3	(73)
<b>Lease hold improvements</b>	20,869	-	349	349
<b>Furniture and fixtures</b>	10,697	30	711	681
	<b>104,050</b>	<b>303</b>	<b>14,789</b>	<b>14,486</b>

**Insurance Claims received / receivable from Related party:**

	Cost	Net book value	Sale proceeds	Gain / (Loss)	
----- (Rupees in '000) -----					
<b>Vehicles</b>	3,683	2,522	3,463	941	Insurance Claim Jubilee General Insurance Company Limited
<b>Computer equipment</b>	578	344	193	(151)	Insurance Claim Jubilee General Insurance Company Limited
<b>Office equipment</b>	130	33	90	57	Insurance Claim Jubilee General Insurance Company Limited
<b>Furniture &amp; Fixture</b>	215	122	93	(29)	Insurance Claim Jubilee General Insurance Company Limited
	<b>4,606</b>	<b>3,021</b>	<b>3,839</b>	<b>818</b>	

**5.2 Capital Work-In-Progress**

	2021	2020
Note ----- (Rupees in '000) -----		
Opening balance	<b>2,686,348</b>	2,712,927
<b>Additions</b>		
Leasehold Land and Building	-	113,562
Others	<b>116,774</b>	31,882
Transfer to asset	<b>(114,805)</b>	(172,023)
<b>Closing balance</b>	<b>2,688,317</b>	<u>2,686,348</u>

- 5.2.1** This includes cost of land purchased for construction of Head Office building, related acquisition and other costs in respect of construction of the Company's Head Office building amounting to Rs. 2,655 million (2020: Rs. 2,655 million) including borrowing costs capitalised in accordance with IAS 23, "Borrowing Costs". As discussed in detail in note 22.1 to the financial statements, the Company has obtained a long-term loan amounting to Rs. 1,500 million to finance this acquisition and hence, as per IAS 23, borrowing costs aggregating to Rs. 266 million (2020: Rs. 266 million) have so far been capitalised. In 2020, the Company temporarily suspended the construction of Head Office building and accordingly in line with the requirements of IAS 23, borrowing cost in respect of loan obtained to purchase the plot has been charged to profit and loss account.

## 6 INTANGIBLE ASSETS

	Cost			Amortisation			As at December 31	Written down value as at December 31	Amortisation Periods
	As at January 01	Additions	Disposals	As at December 31	As at January 01	For the year			
----- (Rupees in '000) -----									
Computer softwares & licences	802,844	42,650	46,572	798,922	544,796	118,197	46,572	616,421	182,501
<b>As At December 31, 2021</b>	<b>802,844</b>	<b>42,650</b>	<b>46,572</b>	<b>798,922</b>	<b>544,796</b>	<b>118,197</b>	<b>46,572</b>	<b>616,421</b>	<b>182,501</b>
As At December 31, 2020	641,571	164,032	2,759	802,844	427,388	120,167	2,759	544,796	258,048

- 6.1** The intangible assets include items costing Rs. 280.13 million which are fully amortised as of December 31, 2021 (2020: Rs. 306.98 million) but are still in active use.

## 7 RIGHT-OF-USE ASSETS

	2021	2020
----- (Rupees in '000) -----		
Opening balances	798,200	933,190
Additions	396,459	120,003
Deletion	(145,590)	-
Depreciation	(227,662)	(254,993)
Closing balances	<b>821,407</b>	<b>798,200</b>

- 7.1** This represents Right-of-use assets related to rental properties.

## 8 INVESTMENT IN AN ASSOCIATE

### 8.1 Particulars of investment in an associate - unquoted

Name of associate	2021	2020	Face value per share (KGS)	Percentage of holding	Main area of Operation	Nature of Activities	2021	2020
	Number of shares						----- (Rupees in '000) -----	
Jubilee Kyrgyzstan Insurance Company - CJSC (Incorporated outside Pakistan)	<b>29,250,000</b>	29,250,000	1	19.5	Kyrgyzstan	Insurance	<b>174,198</b>	147,877

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

	2021	2020
	----- (Rupees in '000) -----	
<b>8.2 Movement of investment in associate</b>		
Balance as at January 1	147,877	152,294
Share in profit for the year	14,097	19,273
Dividend received	(1,963)	(2,459)
	160,011	169,108
Exchange gain / (loss)	14,187	(21,231)
Balance as at December 31	<u>174,198</u>	<u>147,877</u>

**8.3** The following information has been summarised based on the financial statements of Jubilee Kyrgyzstan Insurance Company (JKIC) as at December 31, 2021. The functional and presentation currency of JKIC is Kyrgyz Som. All assets and liabilities for each statement of financial position presented have been translated at the closing rate at the date of financial statements and all income and expenses for each statement presenting profit and loss (i.e. including comparatives) have been translated at average rate.

	Country of Incorporation	Assets	Liabilities	Revenues	Total Comprehensive Income	% Interest held
Jubilee Kyrgyzstan Insurance Company	Kyrgyzstan	1,193,576	346,349	122,442	72,289	19.50%
<b>December 31, 2021</b>		<b>1,193,576</b>	<b>346,349</b>	<b>122,442</b>	<b>72,289</b>	<b>19.50%</b>
Jubilee Kyrgyzstan Insurance Company	Kyrgyzstan	1,056,951	342,261	110,474	98,837	19.50%
December 31, 2020		<u>1,056,951</u>	<u>342,261</u>	<u>110,474</u>	<u>98,837</u>	<u>19.50%</u>

	2021	2020
	----- (Rupees in '000) -----	
<b>9 INVESTMENT IN EQUITY SECURITIES</b>		
At fair value through profit or loss	9.1	63,794,452
Available-for-sale	9.2	780,198
		<u>64,574,650</u>
		<u>75,818,799</u>

**9.1 At fair value through profit or loss**

	2021			2020		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	----- (Rupees in '000) -----					
<b>Related parties</b>						
Listed shares	4,550,502	-	3,655,522	2,354,300	-	1,707,735
<b>Others</b>						
Listed shares	69,691,928	-	60,138,930	76,638,055	-	72,679,794
	<u>74,242,430</u>	<u>-</u>	<u>63,794,452</u>	<u>78,992,355</u>	<u>-</u>	<u>74,387,529</u>

## 9.2 Available-for-sale

	2021			2020		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
<b>Related parties</b>						
Listed shares	275,826	-	262,029	35,942	-	44,441
<b>Others</b>						
Listed shares	674,830	(82,730)	518,169	1,628,079	(326,381)	1,386,829
	<b>950,656</b>	<b>(82,730)</b>	<b>780,198</b>	<b>1,664,021</b>	<b>(326,381)</b>	<b>1,431,270</b>

The Company, during the year has further purchased 20,336,975 shares of Habib Bank Limited (HBL), a related party, amounting to Rs. 2,436.09 million after obtaining approval from shareholders in their meeting held on March 30, 2021.

	Note	2021	2020
		----- (Rupees in '000) -----	
<b>10 INVESTMENT IN GOVERNMENT SECURITIES</b>			
<b>Held to maturity</b>	10.1 / 10.4	<b>9,986</b>	9,980
At fair value through profit or loss	10.2 / 10.5	<b>60,023,105</b>	58,505,605
Available-for-sale	10.3 / 10.6	<b>20,695,056</b>	16,766,556
		<b>80,728,147</b>	75,282,141

### 10.1 Held to maturity

	2021				
	Maturity Year	Effective Yield (%)	Amortised Cost	Principal Repayment	Carrying Value
	----- (Rupees in '000) -----				
20 Years Pakistan Investment Bonds	2024	10.07%	9,986	10,000	9,986
			<b>9,986</b>	<b>10,000</b>	<b>9,986</b>

### 10.2 At fair value through profit or loss

	2021				
	Maturity Year	Effective Yield (%)	Amortised Cost	Principal Repayment	Carrying Value
	----- (Rupees in '000) -----				
5 Years Pakistan Investment Bonds	2024	11.40%	485,132	500,000	478,169
3 Years Pakistan Investment Bonds	2022	11.33%	7,524,643	7,500,000	7,380,908
3 Years Pakistan Investment Bonds	2023	11.36%	11,189,747	11,500,000	10,766,680
3 Years Pakistan Investment Bonds	2023	11.87%	13,991,194	14,000,000	13,993,000
6 Months Treasury Bills	2022	10.13%	12,996,884	13,080,400	12,983,134
6 Months Treasury Bills	2022	10.23%	1,864,554	1,885,000	1,856,380
6 Months Treasury Bills	2022	10.28%	1,242,369	1,260,000	1,235,981
6 Months Treasury Bills	2022	10.18%	3,953,596	4,000,000	3,954,776
6 Months Treasury Bills	2022	10.07%	303,991	305,000	303,911
3 Months Treasury Bills	2022	10.07%	607,856	610,000	607,821
5 Years GoP Ijara Sukuk	2025	8.76%	5,030,724	5,162,000	4,980,814
5 Years GoP Ijara Sukuk	2025	11.21%	656,558	652,690	653,865
5 Years GoP Ijara Sukuk	2025	10.01%	602,760	600,000	601,080
5 Years GoP Ijara Sukuk	2026	8.86%	228,046	228,000	226,586
			<b>60,678,054</b>	<b>61,283,090</b>	<b>60,023,105</b>

**10.3 Available-for-sale**

		2021			
	Maturity Year	Effective Yield (%)	Amortised Cost	Principal Repayment	Carrying Value
----- (Rupees in '000) -----					
20 Years Pakistan Investment Bonds	2024	11.38%	79,729	86,000	83,516
6 Months Treasury Bills	2022	10.13%	9,017,444	9,069,600	9,002,158
6 Months Treasury Bills	2022	10.18%	1,190,361	1,200,000	1,186,433
6 Months Treasury Bills	2022	10.23%	1,150,491	1,165,000	1,147,312
6 Months Treasury Bills	2022	10.07%	2,747,348	2,755,000	2,745,159
6 Months Treasury Bills	2022	10.28%	728,893	740,000	725,893
3 Months Treasury Bills	2022	10.13%	2,977,557	3,000,000	2,977,692
3 Months Treasury Bills	2022	10.07%	478,312	480,000	478,285
5 Years GoP Ijara Sukuk	2025	11.21%	598,757	597,310	598,385
5 Years GoP Ijara Sukuk	2025	7.19%	636,614	635,000	635,127
5 Years GoP Ijara Sukuk	2025	8.76%	1,103,902	1,133,000	1,093,232
5 Years GoP Ijara Sukuk	2026	8.86%	22,004	22,000	21,864
			<b>20,731,412</b>	<b>20,882,910</b>	<b>20,695,056</b>

**10.4 Held to maturity**

		2020			
	Maturity Year	Effective Yield (%)	Amortised Cost	Principal Repayment	Carrying Value
----- (Rupees in '000) -----					
20 Years Pakistan Investment Bonds	2024	10.07%	9,980	10,000	9,980
			<b>9,980</b>	<b>10,000</b>	<b>9,980</b>

**10.5 At fair value through profit or loss**

5 Years Pakistan Investment Bonds	2023	8.20%	2,704,416	3,000,000	2,986,410
5 Years Pakistan Investment Bonds	2024	8.85%	1,985,313	2,100,000	2,141,691
5 Years Pakistan Investment Bonds	2025	7.63%	10,811,642	10,800,000	10,810,802
3 Years Pakistan Investment Bonds	2022	7.88%	949,845	1,000,000	1,017,359
3 Years Pakistan Investment Bonds	2023	7.58%	31,295,296	31,200,000	31,224,960
3 Months Treasury Bills	2021	7.06%	3,273,366	3,300,000	3,273,422
3 Months Treasury Bills	2021	7.07%	865,612	875,000	865,604
5 Years GoP Ijara Sukuk	2025	7.82%	5,695,051	5,792,000	5,543,523
5 Years GoP Ijara Sukuk	2025	7.58%	603,403	600,000	601,320
8 Years WAPDA Bonds	2021	9.00%	40,720	40,720	40,514
			<b>58,224,664</b>	<b>58,707,720</b>	<b>58,505,605</b>

**10.6 Available-for-sale**

20 Years Pakistan Investment Bonds	2024	8.63%	77,694	86,000	89,444
3 Years Pakistan Investment Bonds	2023	7.58%	320,999	320,000	320,256
12 Months Treasury Bills	2021	7.06%	396,606	400,000	396,778
3 Months Treasury Bills	2021	7.06%	8,183,464	8,250,000	8,183,555
3 Months Treasury Bills	2021	7.07%	5,712,994	5,775,000	5,712,988
5 Years GoP Ijara Sukuk	2025	7.30%	1,250,615	1,250,000	1,253,500
5 Years GoP Ijara Sukuk	2025	7.82%	483,648	503,000	481,421
5 Years GoP Ijara Sukuk	2025	6.37%	329,366	330,000	328,614
			<b>16,755,386</b>	<b>16,914,000</b>	<b>16,766,556</b>

**11 INVESTMENT IN DEBT SECURITIES**

		2021	2020
----- (Rupees in '000) -----			
At fair value through profit or loss	11.1	<b>6,316,257</b>	8,131,104
Available-for-sale	11.2	<b>583,552</b>	613,808
		<b>6,899,809</b>	8,744,912

**11.1 At fair value through profit or loss**

	Note	2021			2020		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
		(Rupees in '000)			(Rupees in '000)		
Term Finance							
Certificates	11.1.1	<b>4,380,280</b>	-	<b>4,367,065</b>	4,615,275	-	4,586,255
Corporate Sukuks	11.1.2	<b>1,921,819</b>	-	<b>1,949,192</b>	3,514,416	-	3,544,849
		<b>6,302,099</b>	-	<b>6,316,257</b>	8,129,691	-	8,131,104

	Number of Certificates		Face Value	Carrying Value	
	2021	2020		2021	2020
		(Rupees in '000)		(Rupees in '000)	
<b>11.1.1 Term Finance Certificates</b>					
- Bank Alfalah Limited	100,000	-	5,000	464,462	-
- Bank Al Habib Limited	236,200	296,200	5,000	1,202,603	1,454,431
- Soneri Bank Limited	140,000	227,360	5,000	700,000	1,131,824
- United Bank Limited	400,000	400,000	5,000	2,000,000	2,000,000
				<b>4,367,065</b>	<b>4,586,255</b>
<b>11.1.2 Corporate Sukuks</b>					
- K-Electric Limited - Sukuk	257,000	257,000	5,000	1,218,790	1,233,302
- Neelum Jehlum - Sukuk	10,000	10,000	100,000	577,445	708,125
- HUBCO - Sukuk	1,000	1,000	100,000	103,615	102,249
- Dubai Islamic Bank Pakistan Limited - Sukuk	25	25	1,000,000	25,838	25,699
- International Brands Limited - Sukuk	1,400	1,400	100,000	23,504	90,521
- Meezan Bank Limited - Sukuk	-	650	1,000,000	-	664,253
- Dawood Hercules Corporation Limited - Sukuk	-	9,600	100,000	-	653,767
- HASCOL Petroleum Limited - Sukuk - Note: 11.1.2.1	46,000	46,000	5,000	-	56,865
- Fatima Fertilizers Limited - Sukuk	-	10,000	5,000	-	10,068
				<b>1,949,192</b>	<b>3,544,849</b>

**11.1.2.1** Hascol Petroleum Limited (HPL) defaulted on payment of profit and principal instalment due on January 7, 2021 in respect of its 6 years' secured Sukuk issued on January 7, 2016 (Hascol - Sukuk). Accordingly, VIS Credit Rating Company Limited downgraded its rating to 'D' (Defaulted Obligation) on March 30, 2021 and Mutual Fund Association of Pakistan (MUFAP) marked the Hascol - Sukuk as non-performing asset on April 01, 2021.

The Company, consequently, suspended accrual of further profit and made provision against accrued profit, principal instalment due but not received and remaining carrying value of Hascol - Sukuk.

The Company along with other Sukuk holders is in negotiation with the Trustees of the Hascol - Sukuk for settlement of the amounts due.

**11.2 Available-for-sale**

	Note	2021			2020		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
		(Rupees in '000)			(Rupees in '000)		
Term Finance							
Certificates	11.2.1	<b>514,583</b>	-	<b>514,729</b>	522,917	-	522,774
Corporate Sukuks	11.2.2	<b>67,583</b>	-	<b>68,823</b>	90,422	-	91,034
		<b>582,166</b>	-	<b>583,552</b>	613,339	-	613,808

	Number of Certificates		Face Value	Value of Certificate	
	2021	2020		2021	2020
	----- (Rupees in '000) -----				
<b>11.2.1 Term Finance Certificates</b>					
- Bank Alfalah Limited	<b>100,000</b>	100,000	5,000	<b>500,000</b>	500,000
- Kashf Foundation	<b>25</b>	25	1,000,000	<b>14,729</b>	22,774
				<b>514,729</b>	<b>522,774</b>
<b>11.2.2 Corporate Sukuks</b>					
- K-Electric Limited - Sukuk	<b>18,000</b>	18,000	5,000	<b>68,823</b>	73,563
- Meezan Bank Limited - Sukuk	-	15	1,000,000	-	15,329
- Al Baraka Bank (Pakistan) Limited - Sukuk	-	15	1,000,000	-	2,142
				<b>68,823</b>	<b>91,034</b>

2021      2020  
 Note      ----- (Rupees in '000) -----

## 12 INVESTMENT IN TERM DEPOSITS

Deposits maturing within 12 months	12.1	<b>21,350,000</b>	<u>14,450,000</u>
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**12.1** The rates of return on these term deposit receipts ranges from 10.50% to 13.00% per annum (2020: 6.80% to 12.45% per annum) and will mature between January 11, 2022 and March 28, 2022.

2021      2020  
 Note      ----- (Rupees in '000) -----

## 13 INVESTMENT IN OPEN-ENDED MUTUAL FUNDS

At fair value through profit or loss	13.1	<b>4,269,835</b>	1,131,678
Available-for-sale	13.2	<b>155,460</b>	193,941
		<b>4,425,295</b>	<u>1,325,619</u>

### 13.1 At fair value through profit or loss

	Note	2021			2020		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
----- (Rupees in '000) -----							
Related Parties	13.1.1	<b>100,000</b>	-	<b>102,132</b>	-	-	-
Others		<b>4,153,075</b>	-	<b>4,167,703</b>	1,057,194	-	1,131,678
		<b>4,253,075</b>	-	<b>4,269,835</b>	1,057,194	-	<u>1,131,678</u>

**13.1.1** The Company has purchased 954,532.74 units of HBL Islamic Income Fund under the management of HBL Asset Management Limited, a related party, amounting to Rs. 100 million after obtaining approval from shareholders in their meeting held on March 30, 2021.

### 13.2 Available-for-sale

	Note	2021			2020		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
----- (Rupees in '000) -----							
Other than Related Parties		<b>149,274</b>	-	<b>155,460</b>	190,944	-	193,941
		<b>149,274</b>	-	<b>155,460</b>	190,944	-	<u>193,941</u>



		2021	2020
	Note	----- (Rupees in '000) -----	
<b>14</b>	<b>INSURANCE / REINSURANCE RECEIVABLES</b>		
Due from insurance contract holders		1,418,930	1,251,577
Less: provision for impairment of receivables from Insurance contract holders		(130,491)	(72,717)
		<b>1,288,439</b>	1,178,860
Due from reinsurers / retakaful		<b>580,358</b>	1,098,175
		<b>1,868,797</b>	2,277,035
<b>15</b>	<b>DERIVATIVE FINANCIAL INSTRUMENT</b>		
Unrealised gain on derivative financial instrument	15.1	<b>43,326</b>	5,039
<b>15.1</b>	The Company has entered into an interest rate swap arrangement whereby the Company has converted the PKR floating rate liability as discussed in note 22.1 into fixed rate liability.		
		2021	2020
		----- (Rupees in '000) -----	
<b>16</b>	<b>OTHER LOANS AND RECEIVABLES</b>		
Investment income accrued		866,476	718,485
Advance against Pre-IPO of Sukuk	16.1	499,000	-
Security deposits	16.2	223,790	123,298
Advances to suppliers		96,759	65,504
Unsecured advances to employees		55,518	29,387
Investment income due but outstanding		-	331,625
Advance against Pre-IPO of TFCs		-	500,000
Other receivables		420,869	421,021
		<b>2,162,412</b>	2,189,320
<b>16.1</b>	This represents Pre-IPO subscription in Meezan Bank Limited upcoming Sukuk issue, and carries rental at the rate of 6 Months KIBOR + 0.35%. The subscription is expected to be complete by the end of February 2022.		
<b>16.2</b>	The Company has, at the request of corporate clients arranged performance guarantees from a bank for Rs. 112.67 million (2020: Rs. 19.11 million), which is secured against bank deposits held with the bank. The bank guarantees will expire by December 17, 2022.		
<b>17</b>	<b>CASH &amp; BANK</b>	2021	2020
		----- (Rupees in '000) -----	
<b>Cash and stamps in hand</b>			
- Cash in hand		30,064	25,690
- Policy & revenue stamps and bond papers		14,617	14,563
		<b>44,681</b>	40,253
<b>Cash at bank</b>			
- In Current accounts		177,080	488,358
- In Savings accounts	17.1	2,857,964	4,414,649
		<b>3,035,044</b>	4,903,007
		<b>3,079,725</b>	4,943,260
<b>17.1</b>	These carry mark-up ranging from 2.25% to 10.50% (2020: 3.75% to 6.00%) per annum.		
	<b>Cash and cash equivalents include the following for the purposes of the cash flow statement</b>		
Cash and bank		3,079,725	4,943,260
Term deposits receipt with original maturity of three months or less		21,350,000	12,900,000
		<b>24,429,725</b>	17,843,260

**18 SHARE CAPITAL****18.1 Authorized Capital**

2021	2020		2021	2020
(No. of shares in '000)			------(Rupees in '000)-----	
<b>200,000</b>	200,000	Ordinary Shares of Rs.10 each	<b>2,000,000</b>	2,000,000

**18.2 Issued, subscribed and paid-up share capital**

2021	2020		2021	2020
(No. of shares in '000)			------(Rupees in '000)-----	
<b>62,712</b>	62,712	Ordinary Shares of Rs.10 each fully paid in cash	<b>627,120</b>	627,120
<b>24,552</b>	24,552	Ordinary Shares of Rs.10 each issued as fully paid bonus shares	<b>245,518</b>	245,518
<b>87,264</b>	87,264		<b>872,638</b>	872,638

As at December 31, 2021 Aga Khan Fund for Economic Development S.A., Switzerland and its nominees held 50,504,339 ordinary shares (2020: 50,504,339 ordinary shares) of Rs.10 each.

	Note	2021	2020
		------(Rupees in '000)-----	
<b>19 INSURANCE LIABILITIES</b>			
Reported outstanding claims (including claims in payment)	19.1	<b>7,232,017</b>	5,510,795
Incurred but not reported claims	19.2	<b>1,600,820</b>	1,520,396
Investment component of unit-linked and account value policies	19.3	<b>157,730,196</b>	159,422,431
Liabilities under individual conventional insurance contracts	19.4	<b>49,811</b>	1,774
Liabilities under group insurance contracts (other than investment linked)	19.5	<b>1,451,263</b>	1,303,062
Participant Takaful Fund balance	19.6	<b>242,142</b>	360,334
Other Insurance liabilities	19.7	<b>456,271</b>	494,535
		<b>168,762,520</b>	168,613,327
<b>19.1 Reported outstanding claims (including claims in payment)</b>			
Gross of reinsurance			
Payable within one year		<b>6,807,088</b>	5,099,393
Payable over a period of time exceeding one year		<b>424,929</b>	411,402
		<b>7,232,017</b>	5,510,795
<b>19.2 Incurred but not reported claims</b>			
Gross of reinsurance		<b>1,912,767</b>	1,936,506
Reinsurance recoveries		<b>(311,947)</b>	(416,110)
Net of reinsurance		<b>1,600,820</b>	1,520,396

	2021	2020
	----- (Rupees in '000) -----	
<b>19.3 Investment component of unit-linked policies</b>	<b>157,730,196</b>	<u>159,422,431</u>
<b>19.4 Liabilities under individual conventional insurance contracts</b>		
Gross of reinsurance	<b>60,013</b>	2,137
Reinsurance credit	<b>(10,202)</b>	(363)
Net of reinsurance	<b>49,811</b>	<u>1,774</u>
<b>19.5 Liabilities under group insurance contracts (other than investment linked)</b>		
Gross of reinsurance	<b>1,814,894</b>	1,529,050
Reinsurance credit	<b>(363,631)</b>	(225,988)
Net of reinsurance	<b>1,451,263</b>	<u>1,303,062</u>

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

The Company has distributed Rs. 317.67 million out of surplus for the year 2020 (2020: Rs. 394.40 million out of surplus for the years 2017 through 2019) to the Participants of the Individual Family Takaful Fund in line with the mechanism approved by Appointed Actuary and Shariah Advisor of the Company as required under Clause 6 of Waqf (PTF) Policies.

	2021	2020
	----- (Rupees in '000) -----	
<b>19.7 Other Insurance liabilities</b>		
Gross of reinsurance	<b>508,899</b>	554,402
Reinsurance credit	<b>(52,628)</b>	(59,867)
Net of reinsurance	<b>456,271</b>	<u>494,535</u>

## 20 UNCLAIMED INSURANCE BENEFIT

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

The unclaimed benefits are described in the circular as the amounts which have become payable in accordance with the terms and conditions of an insurance policy but have not been claimed by the policyholders or their beneficiaries. Age-wise break-up of such unclaimed amounts is as follows:

	2021					
	Total Amount	1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months
	----- (Rupees in '000) -----					
Unclaimed maturity benefits	<b>3,313,100</b>	2,146,108	515,319	428,477	174,764	48,432
Claims not encashed	<b>41,705</b>	15,700	9,396	8,015	1,118	7,476
<b>Total</b>	<b>3,354,805</b>	<b>2,161,808</b>	<b>524,715</b>	<b>436,492</b>	<b>175,882</b>	<b>55,908</b>

	2020					
	Total Amount	1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months
	----- (Rupees in '000) -----					
Unclaimed maturity benefits	1,784,580	1,102,585	358,702	255,708	65,272	2,313
Claims not encashed	51,323	30,383	12,345	1,118	991	6,486
<b>Total</b>	<b>1,835,903</b>	<b>1,132,968</b>	<b>371,047</b>	<b>256,826</b>	<b>66,263</b>	<b>8,799</b>

## 21 RETIREMENT BENEFIT (OBLIGATIONS) / PREPAYMENTS

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

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

The latest actuarial valuation of the scheme as at December 31, 2021 was carried out using the Projected Unit Credit Method. The results of actuarial valuation are as follows:

	Gratuity Fund	
	2021	2020
	----- (Rupees in '000) -----	
<b>Balance Sheet Reconciliation</b>		
Fair value of plan assets	<b>716,350</b>	605,366
Present value of defined benefit obligations	<b>(727,024)</b>	(594,477)
Recognised (liability) / asset	<b>(10,674)</b>	10,889
<b>Movement in the fair value of plan assets</b>		
Fair value as at January 1	<b>605,366</b>	517,406
Expected return on plan assets	<b>64,197</b>	62,253
Actuarial gain	<b>5,507</b>	1,147
Employer contributions	<b>57,501</b>	32,910
Benefits paid	<b>(16,221)</b>	(8,350)
Fair value as at December 31	<b>716,350</b>	605,366
<b>Movement in the defined benefit obligations</b>		
Obligation as at January 1	<b>594,477</b>	498,476
Current service cost	<b>73,071</b>	67,709
Past service cost	<b>2,778</b>	2,150
Interest cost	<b>60,103</b>	58,080
Actuarial loss / (gain)	<b>12,816</b>	(23,588)
Benefits paid	<b>(16,221)</b>	(8,350)
Obligations as at December 31	<b>727,024</b>	594,477
<b>Cost recognised in profit and loss</b>		
Current service cost	<b>73,071</b>	67,709
Past service cost	<b>2,778</b>	2,150
Interest cost	<b>60,103</b>	58,080
Expected return on plan assets	<b>(64,197)</b>	(62,253)
	<b>71,755</b>	65,686

	<b>Gratuity Fund</b>	
	<b>2021</b>	2020
	----- (Rupees in '000) -----	
<b>Remeasurements recognised in other comprehensive income (OCI)</b>		
Losses on obligation		
- Financial assumptions	<b>1,550</b>	(1,320)
- Experience adjustment	<b>11,266</b>	(22,268)
	<b>12,816</b>	(23,588)
Return on plan assets, excluding interest income	<b>(5,507)</b>	(1,147)
Total remeasurement gains recognised in OCI	<b>7,309</b>	(24,735)
Principal actuarial assumptions used are as follows:		
Discount rate & expected return on plan assets	<b>11.75%</b>	10.25%
Future salary increases	<b>11.75%</b>	10.25%

Expected mortality was based on SLIC (2001 - 2005) mortality table.

The Company's contribution to the fund in 2022 is expected amounting to Rs. 78.41 million (2020: Rs. 68.39 million).

<b>Comparison for five years:</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	----- (Rupees in '000) -----				
As at December 31					
Fair value of plan assets	<b>716,350</b>	605,366	517,406	436,424	350,720
Present value of defined benefit obligations	<b>(727,024)</b>	(594,477)	(498,476)	(437,266)	(380,127)
(Deficit) / surplus	<b>(10,674)</b>	10,889	18,930	(842)	(29,407)

#### Experience adjustments

Gain / (loss) on plan assets (as percentage of plan assets)	<b>1%</b>	0%	-1%	3%	-5%
Gain / (loss) on obligations (as percentage of plan obligations)	<b>2%</b>	4%	5%	4%	-1%

#### Sensitivity analysis for actuarial assumptions

	<b>Impact on defined benefit obligation</b>		
	<b>Change in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>
	----- (Rupees in '000) -----		
Discount rate at December 31	+ / - 1%	662,812	801,363
Future salary increases	+ / - 1%	801,753	661,306

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

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 actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the statement of financial position.

**Plan assets comprise of the following:**

	2021		2020	
	(Rupees in '000)	%	(Rupees in '000)	%
Debts	649,899	91%	537,559	89%
Defence Saving Certificates	45,760	6%	40,493	7%
Others	20,691	3%	27,314	4%
	<b>716,350</b>	<b>100%</b>	<b>605,366</b>	<b>100%</b>

**Assets and liabilities of Defined Benefit Plan**

	2021	2020
	----- (Rupees in '000) -----	
<b>Assets</b>		
Investments	695,659	578,052
Balance with banks	5,400	11,791
Accrued interest	16,003	15,776
	<b>717,062</b>	<b>605,619</b>
<b>Liabilities</b>		
Payable to outgoing employees	711	253
	<b>711</b>	<b>253</b>

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

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

	2021	2020
	----- (Years) -----	
<b>Maturity profile of the defined benefit obligation</b>		
Weighted average duration of the defined benefit obligation	9.5	10
Distribution of timing of benefit payments	----- (Rupees in '000) -----	
One year	23,719	19,195
Two years to five years	186,134	151,401
Six years to ten years	887,945	633,627

**21.1 Defined Contribution Plan**

The Company's contributions towards the provident fund for the year ended December 31, 2021 amounted to Rs. 90.06 million (2020: Rs. 80.65 million).

**22 BORROWING**

	Note	2021	2020
		----- (Rupees in '000) -----	
Bank Loan	22.1	875,000	1,125,000
Current portion		250,000	250,000
Non-current portion		625,000	875,000

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

		2021	2020
	Note	----- (Rupees in '000) -----	
<b>23 LEASE LIABILITIES</b>			
Lease liabilities under IFRS 16	23.1	<b>1,041,893</b>	983,059
Current portion		<b>199,931</b>	231,805
Non-current portion		<b>841,962</b>	751,254

- 23.1** Finance cost on lease liabilities for the year ended December 31, 2021 was Rs. 87.68 million (2020: Rs.120.95 million). Total cash outflow for leases was Rs. 280.79 million (2020: Rs. 271.80 million).

- 23.2** The lease liabilities are discounted using incremental rate of borrowing ranges from 9.30% to 16.01%.

	2021			2020		
	Present Value of Minimum Lease Payment	Financial Charge for the future	Minimum Lease Payment	Present Value of Minimum Lease Payment	Financial Charge for the future	Minimum Lease Payment
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Not Later than one year	199,931	66,260	266,191	231,805	19,639	251,444
Later than one year but not later than Five year	724,158	78,377	802,535	691,489	5,948	697,437
Later than five years	117,804	52,358	170,163	59,765	46,375	106,139
	<b>1,041,893</b>	<b>196,995</b>	<b>1,238,889</b>	<b>983,059</b>	<b>71,962</b>	<b>1,055,020</b>

	2021	2020
	----- (Rupees in '000) -----	
<b>24 INSURANCE / REINSURANCE PAYABLES</b>		
Due to other insurers / reinsurers	<b>2,145</b>	15,237
<b>25 OTHER CREDITORS AND ACCRUALS</b>		
Accrued expenses	<b>1,441,943</b>	1,418,666
Agents commission payable	<b>1,065,371</b>	1,151,310
Payable against purchase of securities	<b>273,375</b>	554,861
Withholding tax payable	<b>74,914</b>	53,687
Payable to suppliers	<b>39,939</b>	53,159
Other liabilities	<b>1,215,169</b>	797,745
	<b>4,110,711</b>	4,029,428

**26 DEFERRED TAXATION****2021**

2020

(Rupees in '000)

**Deferred debits arising in respect of:**

Fixed assets	<b>50,272</b>	45,528
Unrealised loss on available-for-sale securities	<b>33,789</b>	-
Lease liabilities (Right-of-use assets)	<b>302,149</b>	282,686
Others	<b>287,101</b>	179,638
	<b>673,311</b>	507,852

**Deferred credits arising in respect of:**

On investment in associate	<b>(29,328)</b>	(21,695)
Derivative financial instrument	<b>(12,565)</b>	(1,462)
Unrealised gain on available-for-sale securities	-	(31,397)
Right-of-use assets	<b>(238,208)</b>	(229,261)
On retained balance of Ledger Account D	<b>(1,754,972)</b>	(1,664,388)
	<b>(2,035,073)</b>	(1,948,203)
	<b>(1,361,762)</b>	(1,440,351)

	Balance as at January 1, 2021	Recognized in Profit and Loss Account	Recognized in Other Comprehensive Income	Balance as at December 31, 2021
----- (Rupees in '000)-----				
<b>Deferred debits arising in respect of:</b>				
Fixed assets	45,528	4,744	-	<b>50,272</b>
Unrealised gain / (loss) on Available-for-sale securities	(31,397)	-	65,186	<b>33,789</b>
Lease liability (Right-of-use assets)	282,686	19,463	-	<b>302,149</b>
Others	179,638	107,463	-	<b>287,101</b>
<b>Deferred credits arising in respect of:</b>				
On investment in associate	(21,695)	(3,519)	(4,114)	<b>(29,328)</b>
Derivative financial instrument	(1,462)	(11,103)	-	<b>(12,565)</b>
Right-of-use assets	(229,261)	(8,947)	-	<b>(238,208)</b>
On retained balance of Ledger Account D	(1,664,388)	(90,584)	-	<b>(1,754,972)</b>
<b>Net deferred Tax (liabilities) / assets</b>	<b>(1,440,351)</b>	<b>17,517</b>	<b>61,072</b>	<b>(1,361,762)</b>

	Balance as at January 1, 2020	Recognized in Profit and Loss Account	Recognized in Other Comprehensive Income	Balance as at December 31, 2020
----- (Rupees in '000)-----				
<b>Deferred debits arising in respect of:</b>				
Fixed assets	42,523	3,005	-	45,528
Lease liability (Right-of-use assets)	293,725	(11,039)	-	282,686
Others	64,073	115,565	-	179,638
<b>Deferred credits arising in respect of:</b>				
On investment in associate	(22,976)	(4,876)	6,157	(21,695)
Derivative financial instrument	(28,243)	26,781	-	(1,462)
Unrealised gain / (loss) on Available-for-sale securities	(70,038)	-	38,641	(31,397)
Right-of-use assets	(270,625)	41,364	-	(229,261)
On retained balance of Ledger Account D	(1,401,313)	(263,075)	-	(1,664,388)
<b>Net Deferred Tax (liabilities) / assets</b>	<b>(1,392,874)</b>	<b>(92,275)</b>	<b>44,798</b>	<b>(1,440,351)</b>



## 27 UNPAID DIVIDEND

This represents unpaid dividend on bonus shares awaiting registration with the State Bank of Pakistan.

## 28 CONTINGENCIES AND COMMITMENTS

### 28.1 Contingencies

#### 28.1.1 Income tax assessments

The income tax assessments for the tax years 2012 through 2019, in respect of which assessment orders u/s 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance) were issued, determining demands of Rs. 39 million, Rs. 27 million, Rs. 108.72 million, Rs. 112.74 million, Rs. 79.8 million, Rs. 76 million, Rs. 3.2 billion and Rs.1.9 billion respectively are pending at the second stage of appeal before the Appellate Tribunal Inland Revenue (ATIR), on account of appeals filed either by the Company for addbacks / disallowances maintained by the Commissioner Inland Revenue - Appeals (CIR-A), or by the tax department, for the decisions in favor of the Company.

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

The other addbacks to income in these assessments included difference between assumed market value of motor vehicles and the sale value recovered from employees in respect of motor vehicles sold under the Company car policy, disallowances of provision for doubtful debts in the Statutory Funds, disallowance of provision for impairment in investments held by the Statutory Funds and write off of certain uncollectible receivables in the Statutory Funds. Non-adjustment of determined refunds of TY 2004 & TY 2013 against the tax liability of TY 2015 and 2016 was another issue, and in TY 2016, there was also a disallowance of money ceded to Waqf Fund upon the launch of Window Takaful Operations and disallowance of provision for WWF for the TY-2014.

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

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

During the year 2021, the following proceedings have been initiated by the Tax Department;

On December 06, 2021, the tax authorities passed an assessment order u/s 122(5A) for the TY 2021 raising demands of Rs.1.2 billion by adding back the unrealized loss on investments and provision for doubtful debts, both based on the percentage of surplus transferred to Shareholder Fund. The Company has filed appeal against these additions which is pending and also obtained stay on recovery of the demand till February 18, 2022 from CIRA.

No provision has been made in these financial statements, as the Company is confident based on the advise of its tax consultants that the final outcome will be in its favour.

### 28.1.2 Contingent liability - provincial sales tax on life and health insurance

During 2019, the Company, along with other life insurance industry players, based on the advice of its tax and legal consultants filed petitions in the Hon'ble High Courts of Lahore (Hon'ble LHC) and Sindh (Hon'ble SHC), challenging the levy of Punjab Sales Tax (PST) and Sindh Sales Tax (SST) on life and health insurance in the Punjab, and on life insurance in the province of Sindh, health insurance having been granted exemption till 30 June 2022. The petitions were filed on the strength of legal advice that:

- 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 an event, specified in the terms of contract or policy, and is thus a financial arrangement. Superior courts in foreign jurisdictions have held that insurance is not a service;
- 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 any tax in relation to insurance business; and
- Without prejudice to the main contentions as stated above, even otherwise, the legal advisors had expressed a further illegality and critical flaw in the context of the manner in which the entire premium payment, i.e. Gross Written Premium (GWP) was being charged to the levy of provincial sales tax; given that there are two distinct elements of GWP (i) the amount allocated towards the policy holders' investment, which belongs to them and (ii) the difference between the GWP charged and the investment amount allocated. Thus, the legal advisors had expressed the view that if the entire GWP was subjected to the provincial sales tax, then this was akin to a direct tax on policy holders, in the nature of income tax, wealth tax, or capital value tax, all of which fall exclusively within the domain of Federal Legislature.

The Hon'ble Lahore High Court (LHC) has directed that no final order shall be passed in pursuance of the impugned show cause notice by Punjab Revenue Authority (PRA) until the next date of hearing. The Hon'ble SHC, in its interim order, directed that the request of the petitioners, seeking exemption in terms of Section 10 of the SST Act, 2011, be considered by the Sindh Revenue Board (SRB) in accordance with the law. Both the petitions are pending adjudication.

In the year 2020, the SRB, PRA and Balochistan Revenue Authority (BRA) invited the Insurance Association of Pakistan (IAP) and insurance industry to hold a dialogue for an amicable settlement of the matter. The Company, along with the IAP and other insurance companies participated in the meeting convened by Chairman SRB and will continue its administrative efforts to convince the provincial revenue authorities about the merits of the case. Further meetings are being held.

With effect from April 2, 2020 until June 30, 2020, with the intention to provide relief to affected industries from the COVID 19 impact, the PRA, through Notification No. SO (TAX) 1-110 / 2020 (COVID-19), reduced the PST rate from 16% to zero percent without input tax adjustment for life and health insurance. It may be mentioned that w.e.f. July 1, 2020, such relief has been retained only to the extent of individual health insurance i.e. zero percent rate without input tax adjustment, whilst life insurance, and corporate health insurance, have been made taxable at the full rate of 16%.

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 commences e-depositing with the SRB, the amount of SST due on such services for the tax periods from July 1, 2020 onward. The exemption to health insurance has been extended by the SRB up to June 30, 2022, through notification no. SRB 3-4/17/2021 dated June 30, 2021. On June 29, 2020 SRB through another notification No. SRB-3-4/18/2020 has amended the responsibility of withholding agent rules 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 08, 2020 impleaded that the Federal Government be also added as one of the Respondents.

Through the Khyber Pakhtunkhwa Finance Act, 2021, the exemption in respect of sales tax on services on life and health insurance in the province of Khyber Pakhtunkhwa (KPK) has been withdrawn from July 01, 2021. As a consequence, life insurance is taxable at the rate 15% while health insurance is taxable at a reduced rate of 1%. 'The matter has been taken up by the IAP with Khyber Pakhtunkhwa Revenue Authority explaining that 'Insurance' is a Federal subject, hence law in respect of insurance should not be made by the province. Moreover, Life insurance industry has been granted interim reliefs by the Honourable High Court 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.

On December 15, 2021 the Hon'ble LHC vide its Order disposed of the Show cause notice earlier issued by the PRA on dated October 02, 2019 with the direction to Additional Commissioner PRA, with the directions to petitioners to file a reply with PRA within prescribed time. The Additional Commissioner was directed not to pass any final order till such replies were filed and further directed to address all preliminary objections of the insurance companies including objections relating to trans provincial transactions.

In view of the opinion of the legal advisors, and pending the adjudication of the petitions filed, the Company has neither billed its customers, nor recognized the contingent liability for PST, SST, and KPKST, which, calculated on the basis of risk premium and excluding the investment amount allocated to unit linked policies as per the opinion of the legal advisors, aggregated to Rs. 2,603.81 million (2020: Rs.1,897.14 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 and KPKST, is immaterial. The management contends that should the administrative efforts fail, the amount will be charged to the policyholders.

	2021	2020
	----- (Rupees in '000) -----	
<b>28.2 Commitments</b>		
<b>28.2.1 Commitments for the acquisition of operating fixed assets</b>		
Not later than one year	<b>150,254</b>	125,198
<b>29 NET PREMIUM / CONTRIBUTION REVENUE</b>		
Gross Premium / Contribution		
Regular Premium / Contribution Individual Policies*		
First year	<b>6,910,367</b>	5,697,917
Second year renewal	<b>4,481,489</b>	6,996,481
Subsequent year renewal	<b>26,310,231</b>	25,078,626
Total Regular Premium / Contribution Individual Policies	<b>37,702,087</b>	37,773,024
Single premium / contribution individual policies	<b>733,929</b>	273,062
Group policies without cash values	<b>10,998,728</b>	8,735,775
Less: Experience refund	<b>(79,145)</b>	(274,738)
<b>Total Gross Premium / Contribution</b>	<b>49,355,599</b>	46,507,123
<b>Less: Reinsurance Premium / Contribution ceded</b>		
On individual life first year business	<b>(62,186)</b>	(60,892)
On individual life second year business	<b>(49,805)</b>	(79,120)
On individual life renewal business	<b>(292,834)</b>	(292,809)
On single premium / contribution individual policies	<b>(100)</b>	(92)
On group policies	<b>(1,430,615)</b>	(984,966)
Less: Experience refund from reinsurers	<b>(11,283)</b>	51,311
Less: Reinsurance commission on risk premium / contribution	<b>71,361</b>	67,141
	<b>(1,775,462)</b>	(1,299,427)
<b>Net Premium / Contribution</b>	<b>47,580,137</b>	45,207,696

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

		2021	2020
	Note	----- (Rupees in '000) -----	
<b>30 INVESTMENT INCOME</b>			
<b>Income from equity securities</b>			
<b>Fair value through profit or loss</b>			
- Dividend income	30.1	3,753,062	2,236,135
<b>Available-for-sale</b>			
- Dividend income		74,170	71,186
		<b>3,827,232</b>	<b>2,307,321</b>
<b>Income from Mutual Funds</b>			
<b>Fair value through profit or loss</b>			
- Dividend income		5,948	86,419
<b>Available-for-sale</b>			
- Dividend income		2,139	9,323
		<b>8,087</b>	<b>95,742</b>
<b>Income from debt securities</b>			
<b>Held to maturity</b>			
- Return on debt securities		560	1,005
<b>Fair value through profit or loss</b>			
- Return on debt securities		6,240,602	7,348,930
<b>Available-for-sale</b>			
- Return on debt securities		1,499,798	1,496,629
		<b>7,740,960</b>	<b>8,846,564</b>
<b>Income from term deposits</b>			
- Return on term deposits		698,480	775,189
		<b>12,274,759</b>	<b>12,024,816</b>

**30.1** Dividend income is net of charity amount due to purification of non shariah compliant dividend income amounting to Rs. 17.48 million (2020: Rs. 11.42 million).

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

**At fair value through profit or loss**

Realised gains on:			
- Equity securities		2,808,049	2,060,224
- Mutual Funds		117,706	25,380
- Debt securities		114,774	4,392,190
		<b>3,040,529</b>	<b>6,477,794</b>
Realised losses on:			
- Equity securities		(1,611,867)	(584,774)
- Mutual Funds		(18,212)	(3,344)
- Debt securities		(233,831)	(183,854)
		<b>(1,863,910)</b>	<b>(771,972)</b>
<b>Available-for-sale</b>			
Realised gains on:			
- Equity securities		128,222	173,836
- Mutual Funds		9,398	1,621
- Debt securities		17,988	1,401,866
		<b>155,608</b>	<b>1,577,323</b>

	2021	2020
	----- (Rupees in '000) -----	
Available-for-sale		
Realised losses on:		
- Equity securities	(354,966)	(247,289)
- Debt securities	(23,278)	(99,333)
	(378,244)	(346,622)
	<b>953,983</b>	<b>6,936,523</b>
<b>32 NET FAIR VALUE LOSSES ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		
Net unrealised losses on investments at fair value through profit or loss	(9,322,677)	(7,126,357)
Add / (Less) : Impairment in value of available-for-sale securities	243,650	(72,723)
Less: Investment related expenses	(184,361)	(125,316)
	<b>(9,263,388)</b>	<b>(7,324,396)</b>
<b>33 Other Income</b>		
Return on bank balances	163,873	238,424
Gain on sale of fixed assets	34,399	11,908
Foreign exchange (loss) / gain	(8,812)	365
Miscellaneous income	4,781	2,551
	<b>194,241</b>	<b>253,248</b>
<b>34 NET INSURANCE BENEFITS</b>		
<b>Gross Claims</b>		
Claims under individual policies		
by death	2,897,151	2,176,538
by insured event other than death	52,387	37,222
by maturity	5,765,270	3,856,522
by surrender	20,672,558	14,538,553
by partial withdrawal	2,644,972	2,691,013
<b>Total gross individual policy claims</b>	<b>32,032,338</b>	<b>23,299,848</b>
Claims under group policies		
by death	3,322,051	2,655,007
by insured event other than death	6,279,674	4,707,333
<b>Total gross policy claims</b>	<b>9,601,725</b>	<b>7,362,340</b>
<b>Total Gross Claims</b>	<b>41,634,063</b>	<b>30,662,188</b>
<b>Less: Reinsurance recoveries</b>		
On individual life claims	(401,517)	(464,277)
On group life claims	(1,389,869)	(1,377,280)
	<b>(1,791,386)</b>	<b>(1,841,557)</b>
<b>Claim related expenses</b>	<b>6,095</b>	<b>4,887</b>
<b>Net Insurance benefit expense</b>	<b>39,848,772</b>	<b>28,825,518</b>

### 34.1 Claim Development

The table below illustrates claim development pattern for last five years (including current year) where more than 10% of claims are normally reported after the end of the year in which the claim event occurred. The pattern is shown separately for group and individual business (excluding those disclosed in notes 34.1.5 to 34.1.6).

	Note	2021 (Rupees in '000)
<b>Reported outstanding claims</b>		
Individual Life Unit Linked	34.1.1	285,405
Conventional Business	34.1.2	686,652
Accident & Health	34.1.5	583,860
Overseas		64,735
Individual Family Takaful	34.1.3	94,945
Group Family Takaful	34.1.4	98,647
Accident & Health Family Takaful	34.1.6	139,341
Other reserves		5,278,432
	19.1	<b>7,232,017</b>

#### 34.1.1 Individual Life Unit Linked

Accident year	2017	2018	2019	2020	2021
Estimate of ultimate claims costs:					
At end of accident year	865,192	946,249	1,136,953	1,388,270	1,531,444
One year later	1,180,722	1,289,121	1,458,350	1,887,442	-
Two years later	1,209,280	1,321,630	1,495,681	-	-
Three years later	1,220,133	1,335,745	-	-	-
Four years later	1,224,047	-	-	-	-
Current estimate of cumulative claims	1,224,047	1,335,745	1,495,681	1,887,442	1,531,444
Less: Cumulative payments to date	(1,224,047)	(1,335,745)	(1,494,841)	(1,883,822)	(1,399,742)
	-	-	840	3,620	131,702
Sum of 2017 to 2021 outstanding claims					
Claims prior to 2017					136,162
Liability recognised in the statement of financial position					149,243
					<b>285,405</b>

#### 33.1.2 Conventional Business

Accident year	2017	2018	2019	2020	2021
Estimate of ultimate claims costs:					
At end of accident year	1,253,885	1,361,585	1,655,151	2,263,052	2,533,698
One year later	1,397,494	1,586,418	1,943,056	2,839,831	-
Two years later	1,400,116	1,597,311	1,957,928	-	-
Three years later	1,402,108	1,598,739	-	-	-
Four years later	1,403,465	-	-	-	-
Current estimate of cumulative claims	1,403,465	1,598,739	1,957,928	2,839,831	2,533,698
Less: Cumulative payments to date	(1,382,781)	(1,570,410)	(1,924,744)	(2,748,142)	(2,041,773)
	20,684	28,329	33,184	91,689	491,925
Sum of 2017 to 2021 outstanding claims					
Claims prior to 2017					665,811
Liability recognised in the statement of financial position					20,840
					<b>686,651</b>

**34.1.3 Individual Family Takaful**

<b>Accident year</b>	2017	2018	2019	2020	<b>2021</b>
Estimate of ultimate claims costs:					
At end of accident year	23,785	94,765	136,124	322,318	<b>456,884</b>
One year later	44,579	124,241	193,351	407,384	-
Two years later	47,523	125,616	203,080	-	-
Three years later	47,523	127,524	-	-	-
Four years later	47,523	-	-	-	-
Current estimate of cumulative claims	47,523	127,524	203,080	407,384	<b>456,884</b>
Less: Cumulative payments to date	(47,523)	(127,524)	(202,580)	(406,534)	<b>(369,067)</b>
	-	-	500	850	<b>87,817</b>
Sum of 2017 to 2021 outstanding claims					<b>89,167</b>
Claims prior to 2017					<b>5,778</b>
Liability recognised in the statement of financial position					<b>94,945</b>

**34.1.4 Group Family Takaful**

<b>Accident year</b>	2017	2018	2019	2020	<b>2021</b>
Estimate of ultimate claims costs:					
At end of accident year	54,192	76,421	42,776	150,360	<b>300,222</b>
One year later	64,796	84,717	51,695	204,260	-
Two years later	68,894	84,721	53,519	-	-
Three years later	68,894	85,940	-	-	-
Four years later	68,894	-	-	-	-
Current estimate of cumulative claims	68,894	85,940	53,519	204,260	<b>300,222</b>
Less: Cumulative payments to date	(67,894)	(84,440)	(47,782)	(193,674)	<b>(225,478)</b>
	1,000	1,500	5,737	10,585	<b>74,744</b>
Sum of 2017 to 2021 outstanding claims					<b>93,566</b>
Claims prior to 2017					<b>5,081</b>
Liability recognised in the statement of financial position					<b>98,647</b>

**34.1.5** For Accident and Health business, claims experience over the past 5 years indicates that claims reported after the end of the year in which the claim event occurred were less than 10% threshold therefore, the claim development table for Accident & Health business is not disclosed.

**34.1.6** For Accident and Health Takaful business, claims experience over the past 5 years indicates that claims reported after the end of the year in which the claim event occurred were less than 10% threshold therefore, the claim development table for Accident and Health Takaful business is not disclosed.

**35 ACQUISITION EXPENSES**

	2021	2020
	----- (Rupees in '000) -----	
Remuneration to insurance intermediaries on individual policies:		
Commission to agents on first year premiums / contributions	<b>1,835,594</b>	1,827,845
Commission to agents on second year premiums / contributions	<b>172,446</b>	324,490
Commission to agents on subsequent renewal premiums / contributions	<b>395,341</b>	553,484
Commission to agents on single premiums / contributions	<b>12,754</b>	3,160
Overriding commission to supervisors	<b>478,435</b>	424,499
Salaries, allowances and other benefits	<b>898,047</b>	991,384
Other benefits to insurance intermediaries	<b>282,855</b>	425,230
Remuneration to insurance intermediaries on group policies:		
Commission	<b>402,009</b>	333,103
Other benefits to insurance intermediaries	<b>127,948</b>	84,519
Other acquisition costs		
Employee benefit costs	<b>1,426,566</b>	1,250,769
Travelling expenses	<b>39,049</b>	25,832
Printing and stationery	<b>34,395</b>	25,322
Depreciation	<b>186,727</b>	170,877
Depreciation - Right-of-use assets	<b>103,824</b>	105,988
Rent, rates and taxes	<b>5,527</b>	3,854
Legal and professional charges	<b>14,000</b>	13,446
Utilities	<b>66,691</b>	54,781
Entertainment	<b>42,204</b>	16,587
Motor vehicle & conveyance	<b>124,703</b>	112,962
Repair & maintenance	<b>71,957</b>	52,767
Training expenses	<b>125</b>	408
Postages, telegrams and telephones	<b>61,632</b>	50,396
Staff welfare	<b>32,771</b>	26,207
General insurance	<b>15,249</b>	14,998
Policy stamps	<b>77,099</b>	71,209
Initial medical fees	<b>8,918</b>	6,067
Miscellaneous expenses	<b>4,716</b>	4,724
	<b>6,921,582</b>	<b>6,974,908</b>



		2021	2020
	Note	----- (Rupees in '000) -----	
<b>36</b>	<b>MARKETING AND ADMINISTRATION EXPENSES</b>		
Employee benefit cost	36.1	<b>1,466,615</b>	1,277,741
Traveling expenses		<b>29,983</b>	18,988
Advertisements & sales promotion		<b>611,668</b>	503,343
Printing and stationery		<b>95,572</b>	81,831
Depreciation		<b>195,951</b>	163,984
Depreciation - Right-of-use assets		<b>120,698</b>	146,325
Amortisation		<b>118,133</b>	120,110
Rent, rates and taxes		<b>371,896</b>	399,942
Legal and professional charges		<b>35,518</b>	36,376
Utilities		<b>60,535</b>	48,231
Entertainment		<b>8,464</b>	6,485
Vehicle running expenses		<b>29,563</b>	30,081
Office repairs and maintenance		<b>359,272</b>	262,295
Appointed actuary fees		<b>17,855</b>	13,581
Bank charges		<b>17,957</b>	21,905
Postages, telegrams and telephone		<b>115,384</b>	111,141
Staff welfare		<b>25,235</b>	21,748
General insurance		<b>14,325</b>	14,519
Training expenses		<b>12,996</b>	6,215
Annual Supervision fees to SECP		<b>50,000</b>	50,000
Bad and doubtful debts		<b>57,935</b>	51,940
Director Fee		<b>8,500</b>	10,600
Miscellaneous expenses		<b>3,736</b>	4,420
		<b>3,827,791</b>	3,401,801
<b>36.1</b>	<b>Employee benefit cost</b>		
Salaries, allowance and other benefits		<b>1,370,471</b>	1,193,192
Charges for post employment benefit		<b>96,144</b>	84,549
		<b>1,466,615</b>	1,277,741
<b>36.2</b>	Administration expenses are net of common costs amounting to Rs. 52.69 million (2020: Rs. 39.25 million) shared with Jubilee General Insurance Company Limited, an associated undertaking, on account of joint operating activities for Accident & Health Business.		

		2021	2020
		----- (Rupees in '000) -----	
<b>37</b>	<b>OTHER EXPENSES</b>		
Auditors' remuneration - note 37.1		<b>46,257</b>	18,247
Donations - note 37.2		<b>15,000</b>	31,000
Subscriptions		<b>150</b>	418
		<b>61,407</b>	49,665
<b>37.1</b>	<b>Auditors' remuneration</b>		
Audit fee		<b>2,750</b>	2,500
Half yearly review		<b>501</b>	456
Shariah Compliance Audit - Window Takaful Operations		<b>681</b>	619
Taxation services		<b>2,423</b>	7,974
Fee for the audit of provident and gratuity funds		<b>185</b>	185
Certification charges & other professional services		<b>33,697</b>	3,577
Out-of-pocket expenses		<b>1,090</b>	1,111
Sindh Sales Tax on services		<b>4,930</b>	1,825
		<b>46,257</b>	18,247

	2021	2020
	----- (Rupees in '000) -----	
<b>37.2 Details of Donations</b>		
Dr. Jamil Jalibi Foundation	10,000	-
Patient Behbud Society of AKUH	5,000	-
Aga Khan Health Services, Pakistan	-	10,000
Aga Khan Planning and Building Services, Pakistan	-	10,000
Ration Drive - Distribution of Ration Bags	-	10,000
Government of Sindh's COVID-19 Emergency Fund	-	1,000

**36.2.1** None of the directors and any of their spouses had any interest in the above donee.

	2021	2020
	----- (Rupees in '000) -----	
<b>38 FINANCE COST</b>		
Mark up on borrowing	86,598	89,398
Interest expense on lease liability	87,684	120,951
	<u>174,282</u>	<u>210,349</u>

	2021	2020
	----- (Rupees in '000) -----	
<b>39 INCOME TAX EXPENSE</b>		
<b>For the year</b>		
Current	764,648	1,089,959
Deferred	(17,517)	92,276
	<u>747,131</u>	<u>1,182,235</u>
<b>For prior year</b>	-	3,408
	<u>747,131</u>	<u>1,185,643</u>

<b>39.1 Relationship between tax expense and accounting profit</b>		
Profit before tax	2,540,238	4,070,024
Tax at the applicable rate of 29%	736,669	1,180,307
Permanent difference	11,350	9,371
Others	(886)	(7,443)
Tax expense for the year	<u>747,133</u>	<u>1,182,235</u>

#### **40 EARNINGS PER SHARE**

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

	2021	2020
	----- (Rupees in '000) -----	
Profit (after tax) for the year	<u>1,793,107</u>	<u>2,884,381</u>
	(Number of shares in '000)	
Weighted average number of ordinary shares outstanding as at year end	<u>87,264</u>	<u>87,264</u>
	----- (Rupees) -----	
Basic earnings per share	<u>20.55</u>	<u>33.05</u>

**41 REMUNERATION OF DIRECTORS AND EXECUTIVES**

	Chief Executive		Directors		Executives	
	2021	2020	2021	2020	2021	2020
----- (Rupees in '000) -----						
Fees	-	-	8,500	10,600	-	-
Managerial remuneration	38,992	33,724	-	-	391,271	328,460
Leave encashment	-	-	-	-	15,083	1,142
Bonus	26,684	23,203	-	-	167,944	120,345
Charge for defined benefit plan	3,112	2,894	-	-	29,845	26,359
Contribution to defined contribution plan	3,899	3,391	-	-	37,396	30,883
House rent allowance	15,597	13,763	-	-	176,072	147,807
Utilities	3,899	3,372	-	-	39,127	32,846
Medical	616	819	-	-	22,065	16,735
Commission	-	-	-	-	44,081	34,633
Others	-	-	-	-	37,463	31,900
<b>Total</b>	<b>92,799</b>	<b>81,166</b>	<b>8,500</b>	<b>10,600</b>	<b>960,347</b>	<b>771,110</b>
<b>Number of Persons</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>6</b>	<b>127</b>	<b>107</b>

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

**42 NUMBER OF EMPLOYEES**

	2021	2020
	..... (Numbers) .....	
Number of employees as at December 31,	2,197	2,326
Average number of employees as at December 31,	2,263	2,435

**43 RELATED PARTY TRANSACTIONS**

The Company is controlled by Aga Khan Fund for Economic Development, S.A Switzerland, which owns 57.87% (2020: 57.87%) of the Company's shares. Associated undertakings comprise Habib Bank Limited, Jubilee General Insurance Company Limited and Jubilee Kyrgyzstan Insurance Company (CJSC), Kyrgyzstan, being under the common control of the parent Company.

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

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

Relationship with the Company	Nature of transactions	2021	2020
		----- (Rupees in '000) -----	
i. Parent Company	Dividend paid	667,735	757,565
	Individual Life policy premium / contribution	22,800	23,925

		2021	2020	
		------(Rupees in '000)-----		
Relationship with the Company	Nature of transactions			
ii. Associated companies	Group insurance premiums / contributions	<b>1,424,975</b>	1,134,569	
	Incurred claims against insurance cover	<b>1,384,116</b>	705,361	
	Payment for premiums / contributions against general insurance	<b>34,741</b>	26,313	
	Claims lodged against general insurance	<b>5,300</b>	5,510	
	Claims received against general insurance	<b>5,347</b>	5,455	
	Purchase of government securities	<b>32,530,808</b>	88,916,955	
	Sales of government securities	<b>56,130,503</b>	23,569,039	
	Placement of Term Deposit Receipts	<b>15,000,000</b>	-	
	Maturity of Term Deposit Receipts	<b>10,000,000</b>	-	
	Investment in Mutual Fund	<b>100,000</b>	-	
	Agency commission	<b>971,665</b>	1,157,854	
	Profit received on profit and loss sharing accounts	<b>162,256</b>	357,427	
	Profit received on term deposit receipts	<b>41,288</b>	-	
	Dividend paid	<b>370,514</b>	342,955	
	Dividend earned	<b>155,703</b>	34,848	
	Donations	-	20,000	
	Finance cost on borrowing	<b>86,598</b>	138,737	
	Realized (loss) / gain on derivative financial instrument	<b>(10,968)</b>	30,666	
	Unrealised gain / (loss) on derivative financial instrument	<b>40,273</b>	(103,459)	
	Principal payment against bank loan	<b>250,000</b>	250,000	
	Income from claim administration services	<b>25,158</b>	21,337	
	iii. Staff retirement funds	Expense charged for retirement benefit plans	<b>159,527</b>	144,230
	iv. Key management personnel	Salaries and other short-term employee benefits	<b>443,906</b>	360,803
Post-employment benefits		<b>33,045</b>	27,986	
Consideration received against sale of assets		<b>5,158</b>	8,208	
Individual life policy premiums / contributions		<b>16,140</b>	16,415	
Individual Life surrender / partial withdrawal claims paid"		<b>25,794</b>	9,451	
Advances to key management personnel		<b>21,450</b>	9,579	
Recovery against advances from key management personnel		<b>19,885</b>	15,475	
Dividend paid		<b>3,358</b>	3,511	
v. Directors	Directors' fee	<b>8,500</b>	10,600	
	Dividend paid	<b>1,334</b>	1,220	

		2021	2020
		------(Rupees in '000)-----	
Relationship with the Company	Balances / Investments		
i. Parent Company	Dividend payable	<b>(161,424)</b>	(13,774)
ii. Associated companies	Bank account balance	<b>1,143,518</b>	2,056,015
	Investment in shares - listed equities	<b>3,917,551</b>	1,752,176
	Investment in shares - unlisted equity	<b>174,198</b>	147,877
	Investment in mutual fund	<b>102,132</b>	-
	Profit accrued on profit and loss sharing accounts	<b>13,410</b>	9,127
	Profit accrued on term deposit receipts	<b>16,027</b>	-
	Term Deposit Receipts	<b>5,000,000</b>	-
	Agency commission payable	<b>(184,022)</b>	(169,908)
	Group premium / contribution receivable - net of provision for bad and doubtful debts	<b>98,707</b>	117,239
	Claims lodged and outstanding	<b>(432,025)</b>	(273,992)
	Dividend payable		
	Claims receivable against general insurance policies	<b>106</b>	415
	Receivable / (payable) against common back office operations	<b>6,031</b>	(6,349)
	Receivable / (payable) against claims administration services	<b>52,942</b>	(10,563)
	Lease liability	<b>(89,758)</b>	(157,677)
	Borrowing	<b>(875,000)</b>	(1,125,000)
	Derivative financial instrument receivable	<b>43,326</b>	5,039
	Financial charges payable	<b>(11,423)</b>	(12,622)
	Prepaid general insurance premium	<b>424</b>	-
	Deferred grant payable	<b>(931)</b>	(888)
iii. Staff retirement funds	(Payable) / receivable from retirement benefit plans	<b>(10,674)</b>	10,700
iv. Key management personnel	Advance against salaries	<b>7,644</b>	6,080

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

## 44 SEGMENTAL INFORMATION

## 44.1 REVENUE ACCOUNT BY STATUTORY FUND FOR YEAR ENDED DECEMBER 31, 2021

	Statutory Funds						Aggregate	
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2021
----- (Rupees in '000) -----								
<b>Income</b>								
Premium / Contribution less reinsurances	26,664,303	2,252,472	6,167,096	(14,658)	11,210,886	166,768	1,133,270	47,580,137
Net investment income	3,252,137	174,817	359,079	7,304	419,581	14,845	29,654	4,257,417
Bonus units transferred from sub fund of statutory fund	-	-	-	-	317,666	-	-	317,666
<b>Total Net Income / (loss)</b>	<b>29,916,440</b>	<b>2,427,289</b>	<b>6,526,175</b>	<b>(7,354)</b>	<b>11,948,133</b>	<b>181,613</b>	<b>1,162,924</b>	<b>52,155,220</b>
<b>Insurance benefits and expenditures</b>								
Insurance benefits, including bonuses	27,340,371	2,006,574	5,079,929	1,629	4,140,367	205,480	1,074,422	39,848,772
Management expenses less recoveries	5,593,001	384,645	919,527	18,273	3,320,266	48,926	79,377	10,364,015
<b>Total Insurance benefits and Expenditures</b>	<b>32,933,372</b>	<b>2,391,219</b>	<b>5,999,456</b>	<b>19,902</b>	<b>7,460,633</b>	<b>254,406</b>	<b>1,153,799</b>	<b>50,212,787</b>
<b>Excess / (deficit) of Income over Insurance benefits and Expenditures</b>	<b>(3,016,932)</b>	<b>36,070</b>	<b>526,719</b>	<b>(27,256)</b>	<b>4,487,500</b>	<b>(72,793)</b>	<b>9,125</b>	<b>1,942,433</b>
Bonus units transferred to sub fund of statutory fund*	-	-	-	-	(317,666)	-	-	(317,666)
<b>Net change in insurance liabilities (other than outstanding claims)</b>	<b>(5,572,555)</b>	<b>218,479</b>	<b>127,145</b>	<b>-</b>	<b>3,861,854</b>	<b>(85,657)</b>	<b>(92,106)</b>	<b>(1,542,840)</b>
<b>Surplus / (deficit) before tax</b>	<b>2,555,623</b>	<b>(182,409)</b>	<b>399,574</b>	<b>(27,256)</b>	<b>307,980</b>	<b>12,864</b>	<b>101,231</b>	<b>3,167,607</b>
<b>Taxes chargeable to statutory funds</b>								
Current - Tax on Dividend under FTR	(576,253)	-	(218)	-	(68,235)	-	-	(644,706)
<b>Surplus / (deficit) after tax</b>	<b>1,979,370</b>	<b>(182,409)</b>	<b>399,356</b>	<b>(27,256)</b>	<b>239,745</b>	<b>12,864</b>	<b>101,231</b>	<b>2,522,901</b>
<b>Movement in policyholder liabilities</b>	<b>(5,572,555)</b>	<b>218,479</b>	<b>127,145</b>	<b>-</b>	<b>3,861,854</b>	<b>(85,657)</b>	<b>(92,106)</b>	<b>(1,542,840)</b>
<b>Transfer (to) and from Shareholders' Fund</b>								
Surplus appropriated to Shareholders' Fund	(2,155,000)	-	(140,000)	(40,000)	(45,000)	-	-	(2,380,000)
Capital contributions from Shareholders' Fund	-	-	-	-	-	125,000	160,000	285,000
Capital returned to Shareholders' fund	-	(100,000)	-	(50,000)	(125,000)	-	-	(275,000)
Qard-e-Hasna paid from Operators' Sub Fund to PTF	-	-	-	-	-	(130,000)	(225,000)	(355,000)
Qard-e-Hasna received by PTF from Operators' Sub Fund	-	-	-	-	-	130,000	225,000	355,000
<b>Net transfers (to) / from Shareholders' Fund</b>	<b>(2,155,000)</b>	<b>(100,000)</b>	<b>(140,000)</b>	<b>(90,000)</b>	<b>(170,000)</b>	<b>125,000</b>	<b>160,000</b>	<b>(2,370,000)</b>
<b>Balance of Statutory Fund as at January 01, 2021</b>	<b>141,859,070</b>	<b>1,783,864</b>	<b>3,432,080</b>	<b>189,995</b>	<b>22,582,478</b>	<b>136,268</b>	<b>339,273</b>	<b>170,323,028</b>
<b>Balance of Statutory Fund as at December 31, 2021</b>	<b>136,110,885</b>	<b>1,719,934</b>	<b>3,818,581</b>	<b>72,739</b>	<b>26,514,077</b>	<b>188,475</b>	<b>508,398</b>	<b>168,933,089</b>

\* The corresponding impact is already included in Net change in Insurance liabilities (Net of outstanding claims)

**FOR YEAR ENDED DECEMBER 31, 2020**

	Statutory Funds						Aggregate	
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2020
----- (Rupees in '000) -----								
<b>Income</b>								
Premium / Contribution less reinsurances	27,315,153	1,637,759	5,072,063	10,691	10,217,951	133,013	821,066	<b>45,207,696</b>
Net investment income	9,303,072	316,774	647,647	13,330	1,179,967	7,136	20,232	<b>11,488,158</b>
Bonus units transferred from sub fund of statutory fund	-	-	-	-	394,404	-	-	<b>394,404</b>
<b>Total Net Income</b>	<b>36,618,225</b>	<b>1,954,533</b>	<b>5,719,710</b>	<b>24,021</b>	<b>11,792,322</b>	<b>140,149</b>	<b>841,298</b>	<b>57,090,258</b>
<b>Insurance benefits and expenditures</b>								
Insurance benefits, including bonuses	20,336,514	1,306,720	3,956,073	-	2,470,713	90,586	664,912	<b>28,825,518</b>
Management expenses less recoveries	5,186,874	306,518	798,609	1,387	3,515,122	54,703	67,534	<b>9,930,747</b>
<b>Total Insurance benefits and Expenditures</b>	<b>25,523,388</b>	<b>1,613,238</b>	<b>4,754,682</b>	<b>1,387</b>	<b>5,985,835</b>	<b>145,289</b>	<b>732,446</b>	<b>38,756,265</b>
<b>Excess / (deficit) of Income over Insurance benefits and Expenditures</b>	<b>11,094,837</b>	<b>341,295</b>	<b>965,028</b>	<b>22,634</b>	<b>5,806,487</b>	<b>(5,140)</b>	<b>108,852</b>	<b>18,333,993</b>
Bonus units transferred to sub fund of statutory fund*	-	-	-	-	(394,404)	-	-	<b>(394,404)</b>
<b>Net change in insurance liabilities (other than outstanding claims)</b>	<b>7,722,670</b>	<b>78,452</b>	<b>284,043</b>	<b>-</b>	<b>5,378,301</b>	<b>11,777</b>	<b>76,320</b>	<b>13,551,563</b>
<b>Surplus / (deficit) before tax</b>	<b>3,372,167</b>	<b>262,843</b>	<b>680,985</b>	<b>22,634</b>	<b>33,782</b>	<b>(16,917)</b>	<b>32,532</b>	<b>4,388,026</b>
<b>Taxes chargeable to statutory funds</b>								
Current - Tax on Dividend under FTR	(351,278)	(631)	(750)	-	(48,120)	-	-	<b>(400,779)</b>
<b>Surplus / (deficit) after tax</b>	<b>3,020,889</b>	<b>262,212</b>	<b>680,235</b>	<b>22,634</b>	<b>(14,338)</b>	<b>(16,917)</b>	<b>32,532</b>	<b>3,987,247</b>
<b>Movement in policyholder liabilities</b>	<b>7,722,670</b>	<b>78,452</b>	<b>284,043</b>	<b>-</b>	<b>5,378,301</b>	<b>11,777</b>	<b>76,320</b>	<b>13,551,563</b>
<b>Transfer (to) and from Shareholders' Fund</b>								
Surplus appropriated to Shareholders' Fund	(2,725,000)	(150,000)	(250,000)	-	-	-	-	<b>(3,125,000)</b>
Capital contributions from Shareholders' Fund	-	350,000	-	-	400,000	83,000	115,000	<b>948,000</b>
Capital returned to Shareholders' fund	-	-	-	-	(275,000)	-	-	<b>(275,000)</b>
Qard-e-Hasna received by PTF from Operators' Sub Fund	-	-	-	-	-	70,000	130,000	<b>200,000</b>
Qard-e-Hasna paid from Operators' Sub Fund to PTF	-	-	-	-	-	(70,000)	(130,000)	<b>(200,000)</b>
<b>Net transfers (to) / from Shareholders' Fund</b>	<b>(2,725,000)</b>	<b>200,000</b>	<b>(250,000)</b>	<b>-</b>	<b>125,000</b>	<b>83,000</b>	<b>115,000</b>	<b>(2,452,000)</b>
<b>Balance of Statutory Fund as at January 1, 2020</b>	<b>133,840,511</b>	<b>1,243,200</b>	<b>2,717,802</b>	<b>167,361</b>	<b>17,093,515</b>	<b>58,408</b>	<b>115,421</b>	<b>155,236,218</b>
<b>Balance of Statutory Fund as at December 31, 2020</b>	<b>141,859,070</b>	<b>1,783,864</b>	<b>3,432,080</b>	<b>189,995</b>	<b>22,582,478</b>	<b>136,268</b>	<b>339,273</b>	<b>170,323,028</b>

\* This corresponding impact is already included in Net change in Insurance liabilities (Net of outstanding claims)

#### 44.2 SEGMENTAL RESULTS BY CHANNELS OF BUSINESS FOR YEAR ENDED DECEMBER 31, 2021

	Individual Life Unit Linked			Accident & Health Business	Individual Family Takaful			Non Reportable Segments	2021
	DSF	Banca	Total		DSF	Banca	Total		
<b>Income</b>	(Rupees in '000)								
Gross premium / contribution									
- First Year Individual Regular Premium / Contribution	795,056	2,771,918	3,566,974	30,487	1,500,889	1,669,370	3,170,259	142,647	6,910,367
- Individual Renewal Premium / Contribution	3,414,584	19,599,243	23,013,827	17,609	2,453,671	5,303,246	7,756,917	3,367	30,791,720
- Individual Single Premium / Contribution	262,075	80,204	342,279	-	350,124	41,520	391,644	6	733,929
- Group Premium / Contribution	-	-	-	6,231,607	-	-	-	4,687,976	10,919,583
<b>Total Gross Premium / Contribution</b>	<b>4,471,715</b>	<b>22,451,365</b>	<b>26,923,080</b>	<b>6,279,703</b>	<b>4,304,684</b>	<b>7,014,136</b>	<b>11,318,820</b>	<b>4,833,996</b>	<b>49,355,599</b>
Reinsurance premium / Retakaful contribution ceded									
- Individual	(104,748)	(154,029)	(258,777)	-	(47,427)	(60,507)	(107,934)	-	(366,711)
- Group	-	-	-	(112,607)	-	-	-	(1,296,144)	(1,408,751)
<b>Total Reinsurance Premium / Retakaful contribution ceded</b>	<b>(104,748)</b>	<b>(154,029)</b>	<b>(258,777)</b>	<b>(112,607)</b>	<b>(47,427)</b>	<b>(60,507)</b>	<b>(107,934)</b>	<b>(1,296,144)</b>	<b>(1,775,462)</b>
<b>Net Premium Revenues / Retakaful</b>	<b>4,366,967</b>	<b>22,297,336</b>	<b>26,664,303</b>	<b>6,167,096</b>	<b>4,257,257</b>	<b>6,953,629</b>	<b>11,210,886</b>	<b>3,537,852</b>	<b>47,580,137</b>
Bonus unit transferred from sub fund of statutory fund	-	-	-	-	102,324	215,342	317,666	-	317,666
<b>Net Investment Income *</b>	<b>645,425</b>	<b>2,606,712</b>	<b>3,252,137</b>	<b>359,079</b>	<b>123,354</b>	<b>296,227</b>	<b>419,581</b>	<b>226,620</b>	<b>4,257,417</b>
<b>Total Net Income</b>	<b>5,012,392</b>	<b>24,904,048</b>	<b>29,916,440</b>	<b>6,526,175</b>	<b>4,482,935</b>	<b>7,465,198</b>	<b>11,948,133</b>	<b>3,764,472</b>	<b>52,155,220</b>

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

**44.2.1** During the year 2018, when the new format of the financial statements prescribed under the Insurance Accounting Regulations, 2017 read with the Insurance Rules, 2017 became effective, the Company had sought the clarification of the Securities & Exchange Commission of Pakistan (SECP) with regard to the segment wise and channel of business wise disclosure of revenue account, for those lines of business where the Gross Written Premium (GWP), of that particular line of business was 10% or more of the aggregate GWP. The management of the Company is of the view that the segmental revenue account by statutory funds as already being disclosed was sufficient for the purpose of segmental information, further disclosure by channels of business was not necessary, and had sought the clarification of the SECP. Detailed deliberations explaining the Company's viewpoint were further exchanged through letters, discussions and videocon session with the SECP, wherein the Company presented a proposal for an alternate disclosure in the financial statements, and suggested that the prescribed disclosure may be made part of the reporting process to the SECP.

The SECP, vide their letter no. ID/M DPR/MISC/2020/703 dated January 29, 2020 have informed that they have considered the Company's proposal on the subject and agree that necessary changes in the accounting formats prescribed in the Insurance Rules, 2017 shall be initiated by them. Accordingly, the Company has presented these financial statements, the disclosure in note 44.2 above, in accordance with the alternate proposal accepted by the SECP after the deliberations.



#### 44.2 SEGMENTAL RESULTS BY CHANNELS OF BUSINESS FOR YEAR ENDED DECEMBER 31, 2020

	Individual Life Unit Linked			Accident & Health Business	Individual Family Takaful			Non Reportable Segments	2020
	DSF	Banca	Total		DSF	Banca	Total		
<b>Income</b>	(Rupees in '000)								
Gross premium / contribution									
- First Year Individual Regular Premium / Contribution	736,260	1,871,171	2,607,431	30,486	1,542,660	1,450,897	2,993,557	66,443	5,697,917
- Individual Renewal Premium / Contribution	3,315,734	21,527,713	24,843,447	14,396	1,955,120	5,259,758	7,214,878	2,386	32,075,107
- Individual Single Premium / Contribution	262,086	(110,886)	151,200	-	147,479	(32,714)	114,765	7,097	273,062
- Group Premium / Contribution	-	-	-	5,111,710	-	-	-	3,349,327	8,461,037
<b>Total Gross Premium / Contribution</b>	<b>4,314,080</b>	<b>23,287,998</b>	<b>27,602,078</b>	<b>5,156,592</b>	<b>3,645,259</b>	<b>6,677,941</b>	<b>10,323,200</b>	<b>3,425,253</b>	<b>46,507,123</b>
Reinsurance premium / Retakaful contribution ceded									
- Individual	(108,596)	(178,329)	(286,925)	-	(40,076)	(65,173)	(105,249)	-	(392,174)
- Group	-	-	-	(84,529)	-	-	-	(822,724)	(907,253)
<b>Total Reinsurance Premium / Retakaful contribution ceded</b>	<b>(108,596)</b>	<b>(178,329)</b>	<b>(286,925)</b>	<b>(84,529)</b>	<b>(40,076)</b>	<b>(65,173)</b>	<b>(105,249)</b>	<b>(822,724)</b>	<b>(1,299,427)</b>
Net Premium Revenues / Retakaful	4,205,484	23,109,669	27,315,153	5,072,063	3,605,183	6,612,768	10,217,951	2,602,529	45,207,696
Bonus unit transferred from sub fund of statutory fund	-	-	-	-	109,959	284,445	394,404	-	394,404
Net Investment Income *	1,698,784	7,604,288	9,303,072	647,647	343,831	836,135	1,179,966	357,473	11,488,158
<b>Total Net Income</b>	<b>5,904,268</b>	<b>30,713,957</b>	<b>36,618,225</b>	<b>5,719,710</b>	<b>4,058,973</b>	<b>7,733,348</b>	<b>11,792,321</b>	<b>2,960,002</b>	<b>57,090,258</b>

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

#### 44.3 Segmental Statement of Financial Position As at December 31, 2021

	Statutory Funds	Shareholders Fund	Total
------(Rupees in '000)-----			
Property and equipment	-	3,786,877	3,786,877
Intangible assets	-	182,501	182,501
Right-of-use assets	-	821,407	821,407
Investments in an associate	-	174,198	174,198
Investments			
Equity securities	64,431,316	143,334	64,574,650
Government securities	75,498,387	5,229,760	80,728,147
Debt Securities	6,899,809	-	6,899,809
Term deposits	21,350,000	-	21,350,000
Open-ended mutual funds	4,425,295	-	4,425,295
Insurance / reinsurance receivables	1,868,797	-	1,868,797
Derivative financial instrument	-	43,326	43,326
Other loans and receivables	2,013,309	149,103	2,162,412
Taxation - payments less provision	-	348,763	348,763
Prepayments	32,046	73,971	106,017
Cash and Bank	2,962,344	117,381	3,079,725
<b>Total Assets</b>	<b>179,481,303</b>	<b>11,070,621</b>	<b>190,551,924</b>
<b>Liabilities</b>			
Insurance liabilities	168,762,520	-	168,762,520
Borrowing	-	875,000	875,000
Lease liabilities	-	1,041,893	1,041,893
Premium received in advance	1,091,677	-	1,091,677
Insurance / reinsurance payables	2,145	-	2,145
Other creditors and accruals	2,803,579	1,307,132	4,110,711
Financial charges payable	-	11,423	11,423
Retirement benefit obligation	6,662	4,012	10,674
Deferred taxation	-	1,361,762	1,361,762
Unpaid dividend	-	161,424	161,424
Unclaimed dividend	-	54,063	54,063
<b>Total Liabilities</b>	<b>172,666,583</b>	<b>4,816,709</b>	<b>177,483,292</b>

**Segmental Statement of Financial Position  
As at December 31, 2020**

	<b>Statutory Funds</b>	<b>Shareholders Fund</b>	<b>Total</b>
------(Rupees in '000)-----			
Property and equipment	-	3,609,326	3,609,326
Intangible assets	-	258,048	258,048
Right-of-use assets	-	798,200	798,200
Investment in an associates	-	147,877	147,877
Investments			
Equity securities	75,503,591	315,208	75,818,799
Government securities	70,395,527	4,886,614	75,282,141
Debt securities	8,744,912	-	8,744,912
Term deposits	14,450,000	-	14,450,000
Open-ended mutual funds	1,325,619	-	1,325,619
Insurance / reinsurance receivables	2,277,035	-	2,277,035
Derivative financial instrument	-	5,039	5,039
Other loans and receivables	2,086,280	103,040	2,189,320
Taxation - payments less provision	-	478,625	478,625
Retirement benefit prepayment	6,843	4,046	10,889
Prepayments	14,899	68,134	83,033
Cash and Bank	4,879,698	63,562	4,943,260
<b>Total Assets</b>	<b>179,684,404</b>	<b>10,737,719</b>	<b>190,422,123</b>
<b>Liabilities</b>			
Insurance liabilities	168,613,327	-	168,613,327
Borrowing	-	1,125,000	1,125,000
Lease liabilities	-	983,059	983,059
Premium received in advance	1,271,837	-	1,271,837
Insurance / reinsurance payables	15,237	-	15,237
Other creditors and accruals	3,122,184	907,244	4,029,428
Financial charges payable	-	12,622	12,622
Deferred taxation	-	1,440,351	1,440,351
Unpaid dividend	-	12,397	12,397
Unclaimed dividend	-	46,659	46,659
<b>Total Liabilities</b>	<b>173,022,585</b>	<b>4,527,332</b>	<b>177,549,917</b>

**45 MOVEMENT IN INVESTMENTS**

	<b>Held to maturity</b>	<b>Available-for-sale</b>	<b>At fair value through profit or loss</b>	<b>Total</b>
----- (Rupees in '000) -----				
At beginning of previous year	11,359,975	17,887,848	129,443,073	158,690,896
Additions	21,050,000	79,456,183	285,031,473	385,537,656
Disposals (sale and redemptions)	(17,950,000)	(80,045,380)	(272,499,575)	(370,494,955)
Amortisation of discount	5	680,692	1,603,017	2,283,714
Fair value net gains	-	1,098,956	(1,422,072)	(323,116)
Impairment losses	-	(72,724)	-	(72,724)
<b>At beginning of current year</b>	<b>14,459,980</b>	<b>19,005,575</b>	<b>142,155,916</b>	<b>175,621,471</b>
Additions	78,150,000	70,463,365	312,873,948	461,487,313
Disposals (sale and redemptions)	(71,250,000)	(68,149,210)	(314,383,688)	(453,782,898)
Amortisation of discount	6	1,098,303	1,903,530	3,001,839
Fair value net losses	-	(447,418)	(8,100,057)	(8,547,475)
Reversal of Impairment / Impairment (losses)	-	215,102	-	215,102
Provision against Investments	-	-	(46,000)	(46,000)
<b>At end of current year</b>	<b>21,359,986</b>	<b>22,185,717</b>	<b>134,403,649</b>	<b>177,949,352</b>

**46 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK****46.1 Insurance Risk****46.1.1 Individual life unit linked**

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

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

**a) Frequency and severity of claims**

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

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

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

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

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

### Benefits assured per life

Rupees	Assured at the end of 2021 Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	70,667,671	21.39%	69,376,140	28.63%
500,001 - 1,000,000	80,947,844	24.50%	75,328,293	31.10%
1,000,001 - 1,500,000	47,680,242	14.43%	37,591,172	15.51%
1,500,001 - 2,000,000	30,346,016	9.18%	19,726,277	8.14%
More than 2,000,000	100,763,069	30.50%	40,269,208	16.62%
<b>Total</b>	<b>330,404,842</b>	<b>100.00%</b>	<b>242,291,090</b>	<b>100.00%</b>

Rupees	Assured at the end of 2020 Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	72,943,743	20.13%	71,547,922	27.05%
500,001 - 1,000,000	89,378,471	24.66%	82,749,107	31.28%
1,000,001 - 1,500,000	54,018,151	14.91%	42,311,104	16.00%
1,500,001 - 2,000,000	34,573,000	9.54%	22,514,665	8.51%
More than 2,000,000	111,475,160	30.76%	45,384,157	17.16%
<b>Total</b>	<b>362,388,525</b>	<b>100.00%</b>	<b>264,506,955</b>	<b>100.00%</b>

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

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

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

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

### c) Process used to decide on assumptions

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

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

### d) Changes in assumptions

The valuation as at December 31, 2021 includes a change in reserving basis. For the Individual Life Unit linked line of business, reserving basis has been changed for adequacy of IBNR reserves pertaining to direct sales and bancassurance agencies in the target range; the basis has also been updated for reinstatement reserves and unearned revenue reserves based on emerging experience.

The cumulative impact of these changes in reserving basis has resulted in an increase in policyholders' liability by Rs. 37.25 million, with corresponding impact on the profit or loss.

### e) Sensitivity analysis

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

Variables	Trigger Level	Change in variable	Increase in liability 2021	Increase in liability 2020
			------(Rupees in '000)-----	
Worsening of Mortality rates for risk policies	298%	+10% p.a.	130,900	139,000
Worsening of persistency rates for long term individual policies *	-	-	-	-
Increase in expense levels and inflation"	210%	+10% p.a.	95,600	113,600
Decrease in investment returns *	-	-	-	-

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

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

## 46.1.2 Conventional business

### 46.1.2.1 Individual life conventional business

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

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

#### a) Frequency and severity of claims

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

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

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

#### Benefits assured per life

Rupees	Assured at the end of 2021 Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	608,332	19.35%	483,636	19.19%
500,001 - 1,000,000	596,829	18.98%	583,497	23.16%
1,000,001 - 1,500,000	480,289	15.27%	464,755	18.44%
1,500,001 - 2,000,000	209,829	6.67%	193,997	7.70%
More than 2,000,000	1,249,325	39.73%	794,038	31.51%
<b>Total</b>	<b>3,144,604</b>	<b>100.00%</b>	<b>2,519,923</b>	<b>100.00%</b>

Rupees	Assured at the end of 2020 Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	281,904	41.14%	156,455	47.02%
500,001 - 1,000,000	27,775	4.05%	16,120	4.84%
1,000,001 - 1,500,000	10,090	1.47%	4,537	1.36%
1,500,001 - 2,000,000	13,971	2.04%	8,971	2.70%
More than 2,000,000	351,555	51.30%	146,657	44.08%
<b>Total</b>	<b>685,295</b>	<b>100.00%</b>	<b>332,740</b>	<b>100.00%</b>

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

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

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

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

For long-term conventional insurance contracts, the Company determines assumptions on future mortality and morbidity. At regular intervals, tests are conducted on main policies.

Assumptions used to profit test the main policies are as follows:

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

**d) Changes in assumptions**

The valuation as at December 31, 2021 includes an additional line of business with the introduction of a new 'traditional endowment' product.

The reserves for this line of business has resulted in an increase in policyholders' liability by Rs. 47.79 million, with corresponding impact on the profit or loss.

**e) Sensitivity analysis**

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

**46.1.2.2 Group Life**

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

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

**a) Frequency and severity of claims**

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



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

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

### Benefits assured per life

Rupees	Assured at the end of 2021 Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	315,903,984	18.21%	157,890,166	22.98%
500,001 - 1,000,000	200,524,418	11.56%	99,312,936	14.46%
1,000,001 - 1,500,000	164,705,862	9.49%	81,604,961	11.88%
1,500,001 - 2,000,000	69,339,832	4.00%	33,250,554	4.84%
More than 2,000,000	984,234,908	56.74%	314,912,958	45.84%
<b>Total</b>	<b>1,734,709,004</b>	<b>100.00%</b>	<b>686,971,575</b>	<b>100.00%</b>

Rupees	Assured at the end of 2020 Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	172,680,497	12.07%	86,335,459	13.62%
500,001 - 1,000,000	110,045,693	7.70%	54,519,381	8.60%
1,000,001 - 1,500,000	87,982,729	6.15%	43,649,174	6.89%
1,500,001 - 2,000,000	87,211,038	6.10%	43,692,549	6.89%
More than 2,000,000	972,248,197	67.98%	405,686,713	64.00%
<b>Total</b>	<b>1,430,168,154</b>	<b>100.00%</b>	<b>633,883,276</b>	<b>100.00%</b>

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

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

### c) Process used to decide on assumptions

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

### d) Changes in assumptions

The valuation as at December 31, 2021 contains changes in reserving basis. The reserving basis has been changed for Employer / Employee Schemes to maintain the adequacy of IBNR within the target range based on claim development factor. Reserving basis has been changed for Depositor / Micro Finance Schemes to maintain the adequacy within the target range based on earned premium.

The change in valuation basis has resulted in increase in policyholders' liability by Rs. 38.04 million with corresponding impact on the profit or loss.

### e) Sensitivity analysis

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

Variables	Change in variable	Increase in liability 2021	Increase in liability 2020
		------(Rupees in '000)-----	
Worsening of mortality rates for risk policies	+10% p.a.	10,279	13,203
Increase in reporting lag	+10% p.a.	10,279	13,203

#### 46.1.2.3 Accident & Health

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

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

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

##### a) Frequency and severity of claims

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

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

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

##### Benefits assured per life

Rupees	Assured at the end of 2021			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	260,218,340	68.55%	257,838,814	68.92%
500,001 - 1,000,000	90,994,880	23.97%	88,205,011	23.57%
1,000,001 - 1,500,000	22,128,449	5.83%	21,908,157	5.85%
1,500,001 - 2,000,000	4,135,875	1.09%	4,124,852	1.10%
More than 2,000,000	2,112,308	0.56%	2,107,808	0.56%
<b>Total</b>	<b>379,589,852</b>	<b>100.00%</b>	<b>374,184,642</b>	<b>100.00%</b>

Rupees	Assured at the end of 2020 Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	210,335,160	71.17%	208,186,244	72.04%
500,001 - 1,000,000	64,489,199	21.82%	60,205,158	20.84%
1,000,001 - 1,500,000	16,217,464	5.49%	16,096,028	5.57%
1,500,001 - 2,000,000	3,474,063	1.18%	3,463,191	1.20%
More than 2,000,000	1,002,973	0.34%	1,002,973	0.35%
Total	295,518,859	100.00%	288,953,594	100.00%

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

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

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

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

**d) Changes in assumptions**

The valuation as at December 31, 2021 contains changes in reserving basis. The reserving basis has been changed for non-micro Insured, one of micro insurance scheme, and outpatient schemes to maintain the adequacy within the target range based on earned premium and claim development factor.

The changes in valuation basis has resulted in a decrease in policyholders' liability by Rs. 13.96 million with corresponding impact on the profit or loss.

**e) Sensitivity analysis**

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

Variables	Change in variable	Increase in liability 2021	Increase in liability 2020
		------(Rupees in '000)-----	
Worsening of morbidity rates for risk policies	+10% p.a.	48,400	62,200
Increase in reporting lag	+10% p.a.	48,400	62,200

**46.1.2.4 Overseas group life and health business**

**a) Frequency and severity of claims**

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

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

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

#### Benefits assured per life

Rupees	Assured at the end of 2021 Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	-	0.00%	-	0.00%
500,001 - 1,000,000	-	0.00%	-	0.00%
1,000,001 - 1,500,000	-	0.00%	-	0.00%
1,500,001 - 2,000,000	-	0.00%	-	0.00%
More than 2,000,000	-	0.00%	-	0.00%
<b>Total</b>	-	<b>0.00%</b>	-	<b>0.00%</b>

Rupees	Assured at the end of 2020 Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	-	0.00%	-	0.00%
500,001 - 1,000,000	370,292	5.52%	-	0.00%
1,000,001 - 1,500,000	199,721	2.98%	-	0.00%
1,500,001 - 2,000,000	237,008	3.53%	-	0.00%
More than 2,000,000	5,902,927	87.97%	-	0.00%
<b>Total</b>	<b>6,709,948</b>	<b>100.00%</b>	-	<b>0.00%</b>

#### 46.1.2.3 MANAGEMENT OF TAKAFUL RISK AND FINANCIAL RISK

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

##### Takaful Risk

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

- Individual Family Takaful
- Group Family Takaful
- Accident and Health Family Takaful

##### Individual Family Takaful

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

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

The Company manages these risks through its underwriting, retakaful, claims handling policy and other related controls. The Company has a well defined medical under-writing policy and avoids issuing cover to high risk individuals. This puts a check on anti-selection. Profit testing is conducted on an annual basis to ensure reasonableness of Takaful Contributions charged for risk underwritten by the PTF. Retakaful contracts have been purchased by the Company to limit the maximum exposure on any one participant.

The Company has a good spread of business throughout the country thereby ensuring diversification of geographical risks. To avoid poor persistency, the Company applies quality controls on the standard of service provided to Participants of the PTF and has placed checks to curb mis-selling and improvement in the standard of customer service. For this, a regular branch wise monitoring of lapsation rates is conducted.

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

#### a) Frequency and severity of claims

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

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

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

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

#### Benefits covered participants

Rupees	Assured at the end of 2021 Total benefits covered			
	Before retakaful		After retakaful	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	22,846,710	15.26%	22,669,452	22.05%
500,001 - 1,000,000	30,359,567	20.28%	29,404,176	28.58%
1,000,001 - 1,500,000	20,015,570	13.37%	16,608,189	16.14%
1,500,001 - 2,000,000	14,931,511	9.98%	10,218,255	9.93%
More than 2,000,000	61,528,691	41.11%	23,972,977	23.30%
<b>Total</b>	<b>149,682,049</b>	<b>100.00%</b>	<b>102,873,049</b>	<b>100.00%</b>

Rupees	Assured at the end of 2020 Total benefits covered			
	Before retakaful		After retakaful	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	19,877,380	14.28%	19,762,847	20.62%
500,001 - 1,000,000	27,705,158	19.90%	26,801,543	27.97%
1,000,001 - 1,500,000	19,303,662	13.86%	16,099,933	16.80%
1,500,001 - 2,000,000	14,226,898	10.22%	9,858,584	10.29%
More than 2,000,000	58,126,266	41.74%	23,301,069	24.32%
<b>Total</b>	<b>139,239,364</b>	<b>100.00%</b>	<b>95,823,976</b>	<b>100.00%</b>

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

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

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

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

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

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

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

### **d) Changes in assumptions**

The valuation as at December 31, 2021 includes a change in reserving basis. For the Takaful line of business, reserving basis has been changed for adequacy of IBNR reserves pertaining to direct sales and bancassurance agencies in the target range. Apart from IBNR, new reserves have been set up for Unearned Revenue on similar lines as Individual Life Unit linked.

The changes in reserving basis has resulted in an increase in policyholders' liability by Rs. 18.8 million, with corresponding impact on the profit or loss.

### **e) Sensitivity analysis**

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

### **Group Family Takaful**

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

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

#### a) Frequency and severity of claims

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

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

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

#### Benefits covered per participants

Rupees	Assured at the end of 2021 Total benefits covered			
	Before retakaful		After retakaful	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	24,211,762	9.88%	12,105,881	13.15%
500,001 - 1,000,000	31,839,146	12.99%	15,919,573	17.29%
1,000,001 - 1,500,000	31,789,843	12.97%	15,894,921	17.27%
1,500,001 - 2,000,000	19,378,221	7.90%	9,689,110	10.52%
More than 2,000,000	137,943,201	56.26%	38,451,572	41.77%
<b>Total</b>	<b>245,162,173</b>	<b>100.00%</b>	<b>92,061,057</b>	<b>100.00%</b>

Rupees	Assured at the end of 2020 Total benefits covered			
	Before retakaful		After retakaful	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	24,303,444	20.36%	12,161,947	22.10%
500,001 - 1,000,000	21,001,133	17.59%	10,518,816	19.11%
1,000,001 - 1,500,000	17,150,278	14.37%	8,617,889	15.66%
1,500,001 - 2,000,000	6,057,770	5.07%	3,041,885	5.53%
More than 2,000,000	50,860,379	42.61%	20,693,416	37.60%
<b>Total</b>	<b>119,373,004</b>	<b>100.00%</b>	<b>55,033,953</b>	<b>100.00%</b>

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

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

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

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

**d) Changes in assumptions**

The valuation as at December 31, 2021 contains changes in reserving basis. Reserving basis has been changed to maintain the adequacy within the target range based on earned premium.

The changes in valuation basis has resulted in increase in policyholders' liability by Rs. 3.99 million with corresponding impact on the profit or loss.

**e) Sensitivity analysis**

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

Variables	Change in variable	Increase in liability 2021	Increase in liability 2020
------(Rupees in '000)-----			
Worsening of morbidity rates for risk policies	+10% p.a.	4,347	1,707
Increase in reporting lag	+10% p.a.	4,347	1,707

**Accident & Health Family Takaful**

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

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



**a) Frequency and severity of claims**

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

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

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

**Benefits Covered per participant**

Rupees	Assured at the end of 2021 Total benefits covered			
	Before retakaful		After retakaful	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	28,110,134	46.58%	28,110,134	46.58%
500,001 - 1,000,000	26,198,325	43.41%	26,198,325	43.41%
1,000,001 - 1,500,000	5,837,297	9.67%	5,837,297	9.67%
1,500,001 - 2,000,000	49,479	0.08%	49,479	0.08%
More than 2,000,000	150,492	0.26%	150,492	0.26%
<b>Total</b>	<b>60,345,727</b>	<b>100.00%</b>	<b>60,345,727</b>	<b>100.00%</b>

**Benefits Covered per participant**

Rupees	Assured at the end of 2020 Total benefits covered			
	Before retakaful		After retakaful	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	22,448,494	54.23%	22,448,494	54.23%
500,001 - 1,000,000	17,867,414	43.17%	17,867,414	43.17%
1,000,001 - 1,500,000	636,803	1.54%	636,803	1.54%
1,500,001 - 2,000,000	336,046	0.81%	336,046	0.81%
More than 2,000,000	103,294	0.25%	103,294	0.25%
<b>Total</b>	<b>41,392,051</b>	<b>100.00%</b>	<b>41,392,051</b>	<b>100.00%</b>

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

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

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

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

**d) Changes in assumptions**

The valuation as at December 31, 2021 contains changes in reserving basis. The reserving basis has been changed for Outpatient schemes to maintain the adequacy of IBNR within the target range based on earned premium.

The changes in valuation basis has resulted in an increase in policyholders' liability by Rs. 4.91 million with corresponding impact on the profit or loss.

### e) Sensitivity analysis

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

Variables	Change in variable	Increase in liability 2021	Increase in liability 2020
------(Rupees in '000)-----			
Worsening of morbidity rates for risk policies	+10% p.a.	8,000	8,100
Increase in reporting lag	+10% p.a.	8,000	8,100

## 46.2 Financial risk

### Liquidity risk

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

### Interest rate risk

The Company invests in securities and has deposits that are subject to interest rate risk. Interest rate risk to the Company is the risk of changes in market interest rates reducing the overall return on its interest bearing securities. The Company limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash and investments are denominated. The Company's interest rate sensitivity and liquidity positions based on maturities is given in note 45.2.1.

### 46.2.1 MATURITY PROFILE

Maturity profile of financial assets and liabilities for 2021 is given below:

	Interest / Mark up bearing			Non-interest / Non-mark up bearing			Total
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	
------(Rupees in '000)-----							
<b>FINANCIAL ASSETS</b>							
Investment in an associate	-	-	-	-	174,198	174,198	174,198
Investments							
- Listed Equities	-	-	-	64,574,650	-	64,574,650	64,574,650
- Government Securities	46,585,843	34,142,304	80,728,147	-	-	-	80,728,147
- Debt Securities	36,116	6,863,693	6,899,809	-	-	-	6,899,809
- Term Deposits	21,350,000	-	21,350,000	-	-	-	21,350,000
- Open Ended Mutual Fund	-	-	-	4,425,295	-	4,425,295	4,425,295
Insurance / reinsurance receivables	-	-	-	1,868,797	-	1,868,797	1,868,797
Derivative financial instrument	-	-	-	-	43,326	43,326	43,326
Other loans and receivables	-	-	-	2,162,412	-	2,162,412	2,162,412
Cash & Bank	2,857,964	-	2,857,964	221,761	-	221,761	3,079,725
<b>As at December 31, 2021</b>	<b>70,829,923</b>	<b>41,005,997</b>	<b>111,835,920</b>	<b>73,252,915</b>	<b>217,524</b>	<b>73,470,439</b>	<b>185,306,359</b>
<b>FINANCIAL LIABILITIES</b>							
Insurance liabilities	-	-	-	168,762,520	-	168,762,520	168,762,520
Borrowing	250,000	625,000	875,000	-	-	-	875,000
Premium received in advance	-	-	-	1,091,677	-	1,091,677	1,091,677
Insurance / reinsurance payables	-	-	-	2,145	-	2,145	2,145
Other creditors and accruals	-	-	-	4,110,711	-	4,110,711	4,110,711
Financial charges payable	-	-	-	11,423	-	11,423	11,423
Lease liabilities	199,931	841,962	1,041,893	-	-	-	1,041,893
Unpaid dividend	-	-	-	161,424	-	161,424	161,424
Unclaimed dividend	-	-	-	54,063	-	54,063	54,063
<b>As at December 31, 2021</b>	<b>449,931</b>	<b>1,466,962</b>	<b>1,916,893</b>	<b>174,193,963</b>	<b>-</b>	<b>174,193,963</b>	<b>176,110,856</b>
<b>Off Balance Sheet Financial Instruments</b>							
<b>As at December 31, 2021</b>	<b>70,379,992</b>	<b>39,539,035</b>	<b>109,919,027</b>	<b>(100,941,048)</b>	<b>217,524</b>	<b>(100,723,524)</b>	<b>9,195,503</b>

Maturity profile of financial assets and liabilities for 2020:

	Interest / Mark up bearing			Non-interest / Non-mark up bearing			Total
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	
(Rupees in '000)							
<b>FINANCIAL ASSETS</b>							
Investment in an associate Investments	-	-	-	-	147,877	147,877	147,877
- Listed Equities	-	-	-	75,818,799	-	75,818,799	75,818,799
- Government Securities	18,472,862	56,809,280	75,282,142	-	-	-	75,282,142
- Debt Securities	102,731	8,642,181	8,744,912	-	-	-	8,744,912
- Open Ended Mutual Fund	-	-	-	1,325,619	-	1,325,619	1,325,619
- Term Deposits	14,450,000	-	14,450,000	-	-	-	14,450,000
Insurance / reinsurance receivables	-	-	-	2,277,035	-	2,277,035	2,277,035
Derivative financial instrument	-	-	-	-	5,039	5,039	5,039
Other loans and receivables	-	-	-	2,155,112	-	2,155,112	2,155,112
Cash & Bank	4,414,649	-	4,414,649	528,611	-	528,611	4,943,260
<b>As at December 31, 2020</b>	<b>37,440,242</b>	<b>65,451,461</b>	<b>102,891,703</b>	<b>82,105,176</b>	<b>152,916</b>	<b>82,258,092</b>	<b>185,149,795</b>
<b>FINANCIAL LIABILITIES</b>							
Insurance liabilities	-	-	-	168,613,327	-	168,613,327	168,613,327
Borrowings	250,000	875,000	1,125,000	-	-	-	1,125,000
Premium received in advance	-	-	-	1,271,837	-	1,271,837	1,271,837
Insurance / reinsurance payables	-	-	-	15,237	-	15,237	15,237
Other creditors and accruals	-	-	-	3,995,220	-	3,995,220	3,995,220
Financial charges payable	-	-	-	12,622	-	12,622	12,622
Lease liabilities	198,629	784,430	983,059	-	-	-	983,059
Dividend payable	-	-	-	59,056	-	59,056	59,056
<b>As at December 31, 2020</b>	<b>448,629</b>	<b>1,659,430</b>	<b>2,108,059</b>	<b>173,967,299</b>	<b>-</b>	<b>173,967,299</b>	<b>176,075,358</b>
<b>Off Balance Sheet Financial Instruments</b>							
	-	-	-	-	-	-	-
<b>As at December 31, 2020</b>	<b>36,991,613</b>	<b>63,792,031</b>	<b>100,783,644</b>	<b>(91,862,123)</b>	<b>152,916</b>	<b>(91,709,207)</b>	<b>9,074,437</b>

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

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

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

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

An increase in 100 basis points in interest yields would result in a loss of Rs. 826 million (2020: Rs. 1,839 million).

A decrease in 100 basis points in interest yields would result in a gain of Rs. 974 million (2020: Rs. 2,300 million).

**b) Sensitivity analysis - currency risk**

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

**46.3 Foreign Currency Risk**

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

**46.4 Market Risk**

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

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

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

**Sensitivity analysis - equity risk**

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

In case of 5% increase / decrease in KSE 100 index on December 31, 2021, with all other variables held constant, assets for the year would increase / (decrease) by Rs. 3,229 million (2020: Rs. 3,790 million) as a result of gains / (losses) on equity securities with the impact on profit before tax and other comprehensive income / (loss) of Rs. 3,190 million and Rs. 39 million (2020: Rs. 3,719 million and Rs. 71 million) respectively.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the PSX 100 index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the PSX 100 index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of December 31, 2021 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the PSX 100 index.

**47 CREDIT RISK AND CONCENTRATION OF CREDIT RISK**

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

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

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

	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	Not Rated	Total
------(Rupees in '000)-----												
<b>December 31, 2021</b>												
Government securities	-	-	-	-	-	-	-	-	-	-	80,728,147	80,728,147
Debt securities	856,123	3,391,227	1,226,107	525,838	185,785	714,729	-	-	-	-	-	6,899,809
Term Deposits	15,000,000	3,000,000	1,350,000	1,500,000	500,000	-	-	-	-	-	-	21,350,000
Premium due but unpaid	-	-	-	-	-	-	-	-	-	-	1,288,439	1,288,439
Reinsurance receivable	-	-	-	379,881	3,596	174,873	22,008	-	-	-	-	580,358
Derivative financial instrument	-	-	-	-	-	-	-	-	-	-	43,326	43,326
Accrued Interest	90,383	71,357	6,358	20,589	739	6,489	-	-	-	-	670,561	866,476
Others Loans and receivables	-	-	-	-	-	-	-	-	-	-	1,295,936	1,295,936
Bank balances	2,813,108	29,079	136,472	42,829	10,680	1,679	-	-	-	-	1,197	3,035,044
	<b>18,759,614</b>	<b>6,491,663</b>	<b>2,718,937</b>	<b>2,469,137</b>	<b>700,800</b>	<b>897,770</b>	<b>22,008</b>	-	-	-	<b>84,027,606</b>	<b>116,087,535</b>
<b>December 31, 2020</b>												
Government securities	40,515	-	-	-	-	-	-	-	-	-	75,241,627	75,282,142
Debt securities	708,125	3,409,114	2,878,301	535,767	431,824	722,774	2,142	-	-	56,865	-	8,744,912
Term Deposits	11,000,000	1,500,000	700,000	750,000	500,000	-	-	-	-	-	-	14,450,000
Premium due but unpaid	-	-	-	-	-	-	-	-	-	-	1,178,860	1,178,860
Reinsurance receivable	-	-	692,985	-	116,356	-	288,834	-	-	-	-	1,098,175
Derivative financial instrument	-	-	-	-	-	-	-	-	-	-	5,039	5,039
Accrued Interest	132,979	117,711	29,478	14,614	18,522	4,489	48	-	-	1,172	396,327	715,340
Investment income due but outstanding	103,491	228,134	-	-	-	-	-	-	-	-	-	331,625
Loans and receivables	-	-	-	-	-	-	-	-	-	-	2,189,320	2,189,320
Bank balances	4,190,455	462,721	68,480	151,691	17,981	3,678	-	-	-	-	8,001	4,903,007
	<b>16,175,565</b>	<b>5,717,680</b>	<b>4,369,244</b>	<b>1,452,072</b>	<b>1,084,683</b>	<b>730,941</b>	<b>291,024</b>	-	-	<b>58,037</b>	<b>79,019,174</b>	<b>108,898,420</b>

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

	2021	2020
------(Rupees in '000)-----		
The carrying values of financial assets which are neither past due nor impaired are as under:		
Cash and bank deposits	<b>3,079,725</b>	4,943,260
Government securities	<b>80,728,147</b>	75,282,141
Term Deposits	<b>21,350,000</b>	14,450,000
Debt securities	<b>6,899,809</b>	8,744,912
Unsecured advances to employees	<b>55,518</b>	29,387
Premiums / Contributions due but unpaid	<b>778,248</b>	757,329
Investment income due but outstanding	-	331,625
Investment income accrued	<b>866,476</b>	718,485
Sundry receivables	<b>1,240,418</b>	1,441,448
The carrying values of financial assets which are past due but not impaired are as under:		
Premiums / Contributions due but unpaid	<b>258,718</b>	236,847
The carrying values of financial assets which are past due and impaired are as under:		
Premiums / Contributions due but unpaid	<b>251,473</b>	184,683

#### 47.1 REINSURANCE RISK

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

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

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

#### 48 CAPITAL MANAGEMENT

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

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

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

#### 49 FAIR VALUE OF FINANCIAL INSTRUMENTS

##### As At December 31, 2021

	Through profit or loss	Available -for-sale	Held-to- maturity	Loans and receivables	Other financial asset/ liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----										
<b>Financial assets measured at fair value</b>										
- Listed equity securities	63,794,452	780,198	-	-	-	64,574,650	64,574,650	-	-	64,574,650
- Government securities										
Market treasury bills	20,942,003	18,262,932	-	-	-	39,204,935	-	39,204,935	-	39,204,935
Pakistan investment bonds	32,618,757	83,516	-	-	-	32,702,273	-	32,702,273	-	32,702,273
GOP - Ijarah Sukuks	6,462,345	2,348,608	-	-	-	8,810,953	-	8,810,953	-	8,810,953
- Debt securities										
Term Finance Certificates	4,367,065	514,729	-	-	-	4,881,794	-	4,881,794	-	4,881,794
Ijarah Sukuks	1,949,192	68,823	-	-	-	2,018,015	-	2,018,015	-	2,018,015
- Mutual Funds	4,269,835	155,460	-	-	-	4,425,295	4,425,295	-	-	4,425,295
- Derivative financial instrument	43,326	-	-	-	-	43,326	-	43,326	-	43,326
<b>Financial assets not measured at fair value</b>										
- Shares of unlisted associate	-	-	-	-	174,198	174,198				
- Government securities										
Pakistan Investment Bonds	-	-	9,986	-	-	9,986	-	9,757	-	9,757
- Term deposits	-	-	21,350,000	-	-	21,350,000				
- Other loans and receivables	-	-	-	2,162,412	-	2,162,412				
- Insurance / reinsurance receivables	-	-	-	1,868,797	-	1,868,797				
- Cash and bank balances	-	-	-	3,079,725	-	3,079,725				
	134,446,975	22,214,266	21,359,986	7,110,934	174,198	185,306,359				

**As At December 31, 2021**

	Through profit or loss	Available -for-sale	Held-to- maturity	Loans and receivables	Other financial asset/ liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000)-----										
<b>Financial liabilities not measured at fair value</b>										
- Insurance Liabilities	-	-	-	-	168,762,520	168,762,520				
- Borrowing	-	-	-	-	875,000	875,000				
- Lease liabilities	-	-	-	-	1,041,893	1,041,893				
- Premiums / Contributions received in advance	-	-	-	-	1,091,677	1,091,677				
- Insurance / reinsurance payables	-	-	-	-	2,145	2,145				
- Other creditors and accruals	-	-	-	-	4,110,711	4,110,711				
- Financial charges payable	-	-	-	-	11,423	11,423				
- Unpaid dividend	-	-	-	-	161,424	161,424				
- Unclaimed dividend	-	-	-	-	54,063	54,063				
	-	-	-	-	176,110,856	176,110,856				

**FAIR VALUE OF FINANCIAL INSTRUMENTS****As At December 31, 2020**

	Through profit or loss	Available -for-sale	Held-to- maturity	Loans and receivables	Other financial asset/ liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000)-----										
<b>Financial assets measured at fair value</b>										
- Listed equity securities	74,387,529	1,431,270	-	-	-	75,818,799	75,818,799	-	-	75,818,799
- Government securities										
Market treasury bills	4,139,026	14,293,321	-	-	-	18,432,347	-	18,432,347	-	18,432,347
Pakistan investment bonds	48,181,222	409,701	-	-	-	48,590,923	-	48,590,923	-	48,590,923
WAPDA bonds	40,514	-	-	-	-	40,514	-	40,514	-	40,514
GOP - Ijarah Sukuks	6,144,842	2,063,535	-	-	-	8,208,377	-	8,208,377	-	8,208,377
- Debt securities										
Term Finance Certificates	4,586,255	522,774	-	-	-	5,109,029	-	5,109,029	-	5,109,029
Ijarah Sukuks	3,544,849	91,034	-	-	-	3,635,883	-	3,635,883	-	3,635,883
- Mutual Funds	1,131,678	193,941	-	-	-	1,325,619	1,325,619	-	-	1,325,619
- Derivative financial instrument	5,039	-	-	-	-	5,039	-	5,039	-	5,039
<b>Financial assets not measured at fair value</b>										
- Shares of unlisted associate	-	-	-	-	147,877	147,877				
- Government securities										
Pakistan Investment Bonds	-	-	9,980	-	-	9,980	-	10,447	-	10,447
- Term deposits	-	-	14,450,000	-	-	14,450,000				
- Other loans and receivables	-	-	-	2,189,320	-	2,189,320				
- Insurance / reinsurance receivables	-	-	-	2,277,035	-	2,277,035				
- Cash and bank balances	-	-	-	4,943,260	-	4,943,260				
	<b>142,160,954</b>	<b>19,005,576</b>	<b>14,459,980</b>	<b>9,409,615</b>	<b>147,877</b>	<b>185,184,002</b>				
<b>Financial liabilities not measured at fair value</b>										
- Insurance Liabilities	-	-	-	-	168,613,327	168,613,327				
- Borrowing	-	-	-	-	1,125,000	1,125,000				
- Lease liabilities	-	-	-	-	983,059	983,059				
- Premiums / Contributions received in advance	-	-	-	-	1,271,837	1,271,837				
- Insurance / reinsurance payables	-	-	-	-	15,237	15,237				
- Other creditors and accruals	-	-	-	-	4,029,428	4,029,428				
- Financial charges payable	-	-	-	-	12,622	12,622				
- Dividend payable	-	-	-	-	59,056	59,056				
	-	-	-	-	176,109,566	176,109,566				

## 50 STATEMENT OF SOLVENCY

	2021							
	Shareholders' fund	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family takaful
----- (Rupees in '000) -----								
<b>Assets</b>								
Property and equipment	3,786,877	-	-	-	-	-	-	-
Intangible assets	182,501	-	-	-	-	-	-	-
Right-of-use assets	821,407	-	-	-	-	-	-	-
Investments in associates	174,198	-	-	-	-	-	-	-
Investments								
Equity securities	143,334	54,175,484	-	46,977	-	10,208,855	-	-
Government securities	5,229,760	62,027,081	2,424,197	3,810,200	69,976	6,538,759	200,170	428,004
Debt securities	-	5,748,895	-	14,729	-	1,136,185	-	-
Term deposits	-	15,625,000	240,000	250,000	-	5,202,500	9,000	23,500
Open ended mutual fund	-	1,435,068	-	-	-	2,990,227	-	-
Insurance / reinsurance receivables	-	88,815	590,660	836,444	66,267	61,865	79,779	144,967
Derivative Financial Instrument	43,326	-	-	-	-	-	-	-
Other loans and receivables	149,103	1,178,895	33,909	170,767	8	616,697	4,959	8,074
Taxation - payments less provision	348,763	-	-	-	-	-	-	-
Deferred Taxation	362,352	-	-	-	-	-	-	-
Retirement benefit prepayments	-	-	-	-	-	-	-	-
Prepayments	73,971	7,899	2,354	4,503	-	17,290	-	-
Cash & Bank	117,381	1,808,279	31,833	70,359	1,223	920,722	42,631	87,297
<b>Total Assets (A)</b>	<b>11,432,973</b>	<b>142,095,416</b>	<b>3,322,953</b>	<b>5,203,979</b>	<b>137,474</b>	<b>27,693,100</b>	<b>336,539</b>	<b>691,842</b>

**Inadmissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000**

(a) Interfund balances	-	4,416	-	-	8	7,703	-	32
(b) Excess of prescribed limit	-	-	64,359	229	-	-	43,683	-
(d) Unsecured advances to employees	55,518	-	-	-	-	-	-	-
(g) Balances with related parties	84,332	14	48,594	27,496	64,735	-	-	-
(h) Premium more than 90 days	-	-	53,441	63,191	-	-	4,203	65,903
(i) Intangible assets	182,501	-	-	-	-	-	-	-
(j) Deferred tax asset	362,352	-	-	-	-	-	-	-
(l) Bank Guarantee	-	-	-	100,000	-	-	-	-
(l) CWIP - Land	2,305,024	-	-	-	-	-	-	-
(w) Associate company	174,198	-	-	-	-	-	-	-
(U)-(i) Tangible assets	1,481,853	-	-	-	-	-	-	-
(U)-(i) Rights-of-use assets	821,407	-	-	-	-	-	-	-
<b>Total of In-admissible assets (B)</b>	<b>5,467,185</b>	<b>4,430</b>	<b>166,394</b>	<b>190,916</b>	<b>64,743</b>	<b>7,703</b>	<b>47,886</b>	<b>65,935</b>
<b>Total Admissible Assets (C=A-B)</b>	<b>C/f 5,965,788</b>	<b>142,090,986</b>	<b>3,156,559</b>	<b>5,013,063</b>	<b>72,731</b>	<b>27,685,397</b>	<b>288,653</b>	<b>625,907</b>



		2021							
		Shareholders' fund	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family takaful
		----- (Rupees in '000) -----							
<b>Total Admissible Assets (C=A-B)</b>	<b>B/f</b>	<b>5,965,788</b>	<b>142,090,986</b>	<b>3,156,559</b>	<b>5,013,063</b>	<b>72,731</b>	<b>27,685,397</b>	<b>288,653</b>	<b>625,907</b>
<b>Total Liabilities</b>									
Insurance liabilities net of reinsurance recoveries		-	3,991,915	1,224,668	948,259	64,735	158,328	116,905	139,341
Staff retirement benefits		4,012	4,187	853	796	-	826	-	-
Borrowing		875,000	-	-	-	-	-	-	-
Lease liabilities		1,041,893	-	-	-	-	-	-	-
Premium received in advance		-	430,261	248,202	294,937	-	96,168	3,730	18,379
Insurance / reinsurance payables		-	-	2,145	-	-	-	-	-
Other creditors and accruals		1,307,132	1,558,168	127,151	141,406	-	923,701	27,429	25,724
Deferred taxation		-	-	-	-	-	-	-	-
Financial charges payable		11,423	-	-	-	-	-	-	-
Unpaid dividend		161,424	-	-	-	-	-	-	-
Unclaimed dividend		54,063	-	-	-	-	-	-	-
<b>Total Liabilities (D)</b>		<b>3,454,947</b>	<b>5,984,531</b>	<b>1,603,019</b>	<b>1,385,398</b>	<b>64,735</b>	<b>1,179,023</b>	<b>148,064</b>	<b>183,444</b>
<b>Total Net Admissible Assets (E=C-D)</b>		<b>2,510,841</b>	<b>136,106,455</b>	<b>1,553,540</b>	<b>3,627,665</b>	<b>7,996</b>	<b>26,506,374</b>	<b>140,589</b>	<b>442,463</b>
<b>Minimum Solvency Requirement</b>									
Shareholder's Fund		165,000	-	-	-	-	-	-	-
Policyholders Liability		-	133,558,913	800,043	1,764,186	-	25,507,885	70,135	175,065
Solvency Margin		-	1,494,346	400,999	1,194,938	-	325,189	51,368	220,688
		165,000	135,053,259	1,201,042	2,959,124	-	25,833,074	121,503	395,753
<b>Excess in Net Admissible Assets over Minimum Requirements</b>		<b>2,345,841</b>	<b>1,053,196</b>	<b>352,498</b>	<b>668,541</b>	<b>7,996</b>	<b>673,300</b>	<b>19,086</b>	<b>46,710</b>

**Basis of preparation:**

The Insurance Accounting Regulations, 2017 have retained the Statutory Fund wise accounting for regulatory returns. The above Statement of Solvency has been prepared in accordance with the requirements of Section 32 of the Insurance Ordinance, 2000, and the format prescribed in regulatory returns for solvency statement. Further, Solvency Margins have been calculated as per Annexure III read with Rule 14 of the Insurance Rules, 2017.

## 51 SUBSEQUENT EVENTS - NON ADJUSTING

**51.1** The Board of Directors, in their meeting held on March 01, 2022 proposed a final cash dividend of Rs. 11.50 per share (2020: Rs. 13.50 per share) for the year ended December 31, 2021 amounting to Rs. 1,003.53 million (2020: Rs. 1,178.06 million), subject to approval of the members at the forthcoming Annual General Meeting.

Interim dividend declared and already paid in respect of half year ended June 30, 2021 was Rs. 3.00 per share (2020: Rs.3.00 per share) amounting to Rs. 261.79 million (2020: Rs. 261.79 million).

These financial statements do not recognise the proposed final dividend which will be recognised in the financial statements for the year ending December 31, 2022.

**51.2** Subsequent to the year end, the Company has received a show cause notice from SRB stating sales tax to be paid on reinsurance services and commission received on the reinsurance services obtained by the Company amounting to Rs. 231.52 million and Rs. 20.89 million respectively for tax periods from January 2014 to December 2015. The Company has filed a petition before the Hon'ble High Court of Sindh for which hearing is fixed on 07 March 2022. The Court has granted a stay order in favour of the Company restraining SRB from passing any adverse order till the date of the next hearing. The management is confident that there will be no financial loss to the Company in this regard.

## 52 CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison and better presentation.

## 53 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on March 01, 2022 by the Board of Directors of the Company.

## 54 GENERAL

Figures in the financial statement have been rounded off to the nearest thousand of rupees, unless otherwise stated.



  
Kamal A. Chinoy  
Chairman

  
Aryn Currimbhoy  
Director

  
Shahid Ghaffar  
Director

  
Javed Ahmed  
Managing Director &  
Chief Executive Officer

  
Omer Farooq  
Chief Financial Officer

# Statement of Directors

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

### Section 46(6)

- a) In our opinion, the annual audited financial statements of Jubilee Life Insurance Company Limited for the year ended December 31, 2021, set out in the forms attached to the statements have been drawn up in accordance with the Ordinance and any rules made there under;
- b) Jubilee Life Insurance Company Limited has at all the times in the year complied with the provisions of the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance / retakaful arrangements; and
- c) As at December 31, 2021, Jubilee Life Insurance Company Limited continues to be in compliance with the provisions of the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance / retakaful arrangements.

### Section 52(2) (c)

- d) In our opinion, each statutory fund of Jubilee Life Insurance Company Limited complies with the solvency requirements of the Insurance Ordinance, 2000, and the Insurance Rules, 2017.

  
Kamal A. Chinoy  
Chairman

  
Amyr Currimbhoy  
Director

  
Shahid Ghaffar  
Director

  
Javed Ahmed  
Managing Director &  
Chief Executive Officer

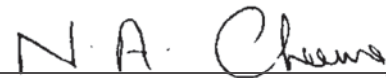
Karachi, March 01, 2022

# Statement by the Appointed Actuary

## Required Under Section 52(2)(a) & (b) of the Insurance Ordinance, 2000

In my opinion:

- (a) The policyholder liabilities / technical liabilities in the balance sheet of Jubilee Life Insurance Company Limited as at 31.12.2021 have been determined in accordance with the provisions of the Insurance Ordinance, 2000; and
- (b) Each statutory fund of the Jubilee Life Insurance Company Limited complies with the solvency requirements of the Insurance Ordinance, 2000.



**Nauman A. Cheema**

Appointed Actuary of the Company  
Fellow of the Society of Actuaries (USA)  
Fellow of the Pakistan Society of Actuaries

Date: January 25, 2022



# Window Takaful Operation - Financial Report

# Statement of Financial Position - Window Takaful Operations (Un-audited)

As at December 31, 2021

Note	2021			2020
	Operator's Sub Fund	Participants' Funds	Total	Total
------(Rupees in '000)-----				
<b>Assets</b>				
Investments				
Equity securities	5	42,005	10,166,850	10,208,855
Government securities	6	1,099,922	6,067,011	7,166,933
Debt securities	7	68,823	1,067,362	1,136,185
Certificates of investment	8	133,500	5,101,500	5,235,000
Open-ended mutual funds	9	103,519	2,886,708	2,990,227
Takaful / retakaful receivables		-	286,611	286,611
Other loans and receivables		89,607	540,405	630,012
Retirement benefit prepayment		-	-	-
Prepayments		17,290	-	17,290
Cash & Bank	11	79,353	971,297	1,050,650
<b>Total Assets</b>		<b>1,634,019</b>	<b>27,087,744</b>	<b>28,721,763</b>
<b>Equity and Liabilities</b>				
Money ceded to waqf fund		-	500	500
Capital contributed from Shareholder Fund		619,000	-	619,000
Qard-e-Hasna contributed by the Window takaful operator		(664,500)	664,500	-
(Loss) / gains on revaluation of available-for-sale investments		(6,190)	-	(6,190)
Retained earnings arising from business other than participating business attributable to shareholders (Ledger account D)		430,907	-	430,907
<b>Total Equity</b>		<b>379,217</b>	<b>665,000</b>	<b>1,044,217</b>
<b>Liabilities</b>				
Takaful liabilities	12	95,743	26,314,058	26,409,801
Retirement benefit obligation		826	-	826
Contribution received in advance		96,168	22,109	118,277
Takaful / retakaful payables		-	-	-
Other creditors and accruals		890,554	86,577	977,131
Deferred tax		171,511	-	171,511
<b>Total Liabilities</b>		<b>1,254,802</b>	<b>26,422,744</b>	<b>27,677,546</b>
<b>Contingencies and commitments</b>				
<b>Total Equity and Liabilities</b>		<b>1,634,019</b>	<b>27,087,744</b>	<b>28,721,763</b>

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

  
Kamal A. Chinoy  
Chairman

  
Aryn Currimbhoy  
Director

  
Shahid Ghaffar  
Director

  
Javed Ahmed  
Managing Director &  
Chief Executive Officer

  
Omer Farooq  
Chief Financial Officer

# Profit and Loss Account - Window Takaful Operations (Un-audited)

For the year ended December 31, 2021

Note					Aggregate	
	Operator's Sub Fund		Policyholder Funds		2021	2020
	2021	2020	2021	2020		
------(Rupees in '000)-----						
Contribution revenue	2,646,326	2,801,225	10,119,967	8,537,306	12,766,293	11,338,531
Contribution ceded to retakaful	-	-	(255,369)	(166,501)	(255,369)	(166,501)
<b>Net contribution revenue</b>	<b>2,646,326</b>	<b>2,801,225</b>	<b>9,864,598</b>	<b>8,370,805</b>	<b>12,510,924</b>	<b>11,172,030</b>
Fee income	-	-	82	321	82	321
Takaful Operator's Fee	1,082,976	828,124	(1,082,976)	(828,124)	-	-
Mudarib fee	36,279	31,611	(36,279)	(31,611)	-	-
Investment income	94,703	77,821	1,225,352	1,148,780	1,320,055	1,226,601
Net realised fair value gains on financial assets	14,005	2,633	449,384	349,741	463,389	352,374
Net fair value losses on financial assets at fair value through profit or loss	(31)	-	(1,401,332)	(490,625)	(1,401,363)	(490,625)
Other income	17,537	31,993	9,553	30,991	27,090	62,984
	1,245,469	972,182	(836,216)	179,473	409,253	1,151,655
<b>Net income</b>	<b>3,891,795</b>	<b>3,773,407</b>	<b>9,028,382</b>	<b>8,550,278</b>	<b>12,920,177</b>	<b>12,323,685</b>
Takaful benefits	47,265	125,624	5,666,586	3,255,157	5,713,851	3,380,781
Recoveries from retakaful	-	-	(294,183)	(154,714)	(294,183)	(154,714)
Claims related expenses	-	-	601	144	601	144
<b>Net Takaful Benefits</b>	<b>47,265</b>	<b>125,624</b>	<b>5,373,004</b>	<b>3,100,587</b>	<b>5,420,269</b>	<b>3,226,211</b>
Net change in takaful liabilities (other than outstanding claims)	39,269	24,804	3,644,822	5,441,595	3,684,091	5,466,399
Acquisition expenses	2,370,618	2,730,310	2,884	826	2,373,502	2,731,136
Marketing and administration expenses	1,012,488	849,551	7,672	7,270	1,020,160	856,821
Other expenses	13,163	3,998	-	-	13,163	3,998
<b>Total Expenses</b>	<b>3,435,538</b>	<b>3,608,663</b>	<b>3,655,378</b>	<b>5,449,691</b>	<b>7,090,916</b>	<b>9,058,354</b>
Finance cost	(41,179)	(50,769)	-	-	(41,179)	(50,769)
<b>Profit / (loss) before tax</b>	<b>367,813</b>	<b>(11,649)</b>	<b>-</b>	<b>-</b>	<b>367,813</b>	<b>(11,649)</b>
Income tax (expense) / credit	(92,057)	1,823	-	-	(92,057)	1,823
<b>Profit / (loss) after tax for the year</b>	<b>275,756</b>	<b>(9,826)</b>	<b>-</b>	<b>-</b>	<b>275,756</b>	<b>(9,826)</b>

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

  
Kamal A. Chinoy  
Chairman

  
Aryn Currimbhoy  
Director

  
Shahid Ghaffar  
Director

  
Javed Ahmed  
Managing Director &  
Chief Executive Officer

  
Omer Farooq  
Chief Financial Officer

# Statement of Comprehensive Income - Window Takaful Operations (Un-audited)

For the year ended December 31, 2021

	Operator's Sub Fund		Participants' Funds		Aggregate	
	2021	2020	2021	2020	2021	2020
	(Rupees in '000)					
<b>Profit / (loss) after tax for the year - as per Profit and Loss Account</b>	<b>275,756</b>	(9,826)	-	-	<b>275,756</b>	(9,826)
<b>Other comprehensive income / (loss):</b>						
<b>Items that may be classified to profit and loss account in subsequent period:</b>						
Change in unrealised (losses) / gains on available-for-sale financial assets	(7,541)	6,380	-	-	(7,541)	6,380
Reclassification adjustment relating to available-for-sale investments sold during the period	(5,867)	1,182	-	-	(5,867)	1,182
	(13,408)	7,562	-	-	(13,408)	7,562
Related deferred tax	3,888	(2,193)	-	-	3,888	(2,193)
Change in unrealised (losses) / gain on available-for-sale financial assets - net	(9,520)	5,369	-	-	(9,520)	5,369
<b>Items that will not be classified to profit and loss account in subsequent period:</b>						
Actuarial (loss) / gain on retirement benefit schemes	(565)	5,366	-	-	(565)	5,366
<b>Other comprehensive (loss) / income for the year</b>	<b>(10,085)</b>	10,735	-	-	<b>(10,085)</b>	10,735
<b>Total comprehensive income for the year</b>	<b>265,671</b>	909	-	-	<b>265,671</b>	909

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

  
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Omer Farooq  
Chief Financial Officer



# Cash Flow Statement - Window Takaful Operations (Un-audited)

For the year ended December 31, 2021

	2021	2020
	Note	----- (Rupees in '000) -----
<b>Operating Cash flows</b>		
(a) Takaful activities		
Takaful contribution received	12,701,226	11,269,779
Retakaful contribution paid	(283,059)	(168,612)
Claims paid	(1,895,174)	(1,000,114)
Surrenders paid	(3,705,585)	(2,223,707)
Retakaful and other recoveries received	211,343	149,019
Hadia paid	(1,759,631)	(1,896,405)
Hadia received	14,976	14,825
Marketing and administrative expenses paid	(413,447)	(26,808)
Other acquisition cost paid	(1,147,361)	(1,260,887)
Net cash inflow from underwriting activities	3,723,288	4,857,090
(b) Other operating activities		
Other operating payments	(509,850)	(31)
Other operating receipts	1,192	941,923
Inter-fund transactions	(320,165)	(332,100)
Net cash (outflow) / inflow from other operating activities	(828,823)	609,792
<b>Total cash inflow in all operating activities</b>	<b>2,894,465</b>	<b>5,466,882</b>
<b>Investment activities</b>		
Profit / return received	1,045,570	961,144
Dividend received	434,693	237,438
Payment for investments	(27,179,390)	(19,232,218)
Proceed from sale of investments	26,137,919	10,387,965
<b>Total cash inflow / (outflow) from investing activities</b>	<b>438,792</b>	<b>(7,645,671)</b>
<b>Financing activities</b>		
Surplus appropriated to shareholders' fund	(45,000)	-
Capital contributed from shareholders' fund	285,000	598,000
Capital returned to shareholders' fund	(125,000)	(275,000)
<b>Total cash inflow in financing activities</b>	<b>115,000</b>	<b>323,000</b>
<b>Net cash inflow / (outflow) from all activities</b>	<b>3,448,257</b>	<b>(1,855,789)</b>
Cash and cash equivalents at beginning of the year	2,837,393	4,693,182
<b>Cash and cash equivalents at the end of the year</b>	<b>6,285,650</b>	<b>2,837,393</b>
<b>Reconciliation to Profit and Loss Account</b>		
Operating cash flows	2,894,465	5,466,882
Depreciation expense	(261,111)	(233,120)
Amortisation expense	(29,275)	(30,392)
Increase / (Decrease) in assets other than cash	553,604	(677,465)
Increase in liabilities	(3,283,066)	(5,659,547)
Gain on sale of investments	463,389	352,373
Revaluation losses on investments	(1,349,568)	(452,506)
Investment income	1,328,497	1,274,718
Finance cost on lease liabilities	(41,179)	(50,769)
<b>Profit / (loss) after tax for the year</b>	<b>275,756</b>	<b>(9,826)</b>

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

  
Kamal A. Chinoy  
Chairman

  
Amyn Currimbhoy  
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Director

  
Javed Ahmed  
Managing Director &  
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Omer Farooq  
Chief Financial Officer

# Statement of Changes in Equity - Window Takaful Operations (Un-audited)

For the year ended December 31, 2021

	Money ceded to waqf fund	Capital Contributed from Shareholder Fund	(Loss) / gain on revaluation of available-for- sale investments	Retained earnings arising from business other than participating business attributable to shareholders (Ledger Account D) - net of tax*	Total
------(Rupees in '000)-----					
<b>Balance as at January 01, 2020</b>	<b>500</b>	<b>136,000</b>	<b>(2,039)</b>	<b>205,176</b>	<b>339,637</b>
<b>Total comprehensive income / (loss) for the year</b>					
Loss for the year after tax	-	-	-	(9,826)	(9,826)
Other comprehensive Income - net of tax	-	-	5,369	5,366	10,735
	-	-	5,369	(4,460)	909
<b>Transactions with owner directly recorded in equity</b>					
Capital Contributions from Shareholder's fund	-	598,000	-	-	598,000
<b>Capital returned to shareholder's fund</b>	-	(275,000)	-	-	(275,000)
<b>Balance as at December 31, 2020</b>	<b>500</b>	<b>459,000</b>	<b>3,330</b>	<b>200,716</b>	<b>663,546</b>
<b>Total comprehensive income / (loss) for the year</b>					
Profit for the year after tax	-	-	-	275,756	275,756
Other comprehensive loss - net of tax	-	-	(9,520)	(565)	(10,085)
	-	-	(9,520)	275,191	265,671
<b>Transactions with owner directly recorded in equity</b>					
Surplus transferred to shareholder fund	-	-	-	(45,000)	(45,000)
Capital contributions from shareholder's fund	-	285,000	-	-	285,000
Capital returned to shareholder's fund	-	(125,000)	-	-	(125,000)
<b>Balance as at December 31, 2021</b>	<b>500</b>	<b>619,000</b>	<b>(6,190)</b>	<b>430,907</b>	<b>1,089,217</b>

\* 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 32 form an integral part of these financial statements.

  
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Omer Farooq  
Chief Financial Officer

# Notes to and forming part of the Financial Statements - Window Takaful Operations (Un-audited)

For the year ended December 31, 2021

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Jubilee Life Insurance Company Limited (the Company) was incorporated in Pakistan on June 29, 1995 as a public limited Company under the Companies Ordinance, 1984 (now Companies Act, 2017). Its shares are quoted on the Pakistan Stock Exchange. The Company started its business on June 20, 1996. The addresses of its registered and principal office are 26 - D, 3rd Floor, Kashmir Plaza, Jinnah Avenue, Blue Area, Islamabad and Jubilee Life Insurance Building, 74/1-A, Lalazar, M.T. Khan Road, Karachi, respectively.
- 1.2** The Company was issued the Certificate of authorization for commencement of Window Takaful Operations under Rule 6 of the Takaful Rules, 2012 by the Securities and Exchange Commission of Pakistan (SECP) vide Authorization Reference no. 7 dated June 17, 2015. The Company launched the Window Takaful Operations on July 13, 2015.
- 1.3** The Company is a subsidiary of Aga Khan Fund For Economic Development, S.A., Switzerland.

## 2 BASIS OF PREPARATION

### 2.1 Statement of Compliance

These financial statements 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 18, 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 of the Window Takaful Operations have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

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

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

### 2.2 Basis of measurement

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

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

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

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

### 2.3 Functional and presentation currency

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

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for accounting periods which began on January 1, 2021. However, these do not have any significant impact on the Company's financial statements.

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

The following standards, amendments and interpretations of the accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after January 1, 2022:

Standards, amendments or interpretations	Effective Date
IFRS 9 - Financial Instruments	01-Jan-23
IFRS 17 - Insurance contracts	01-Jan-23

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

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2020 but are considered not to be relevant or will not have any significant effect on the Company's operations and are therefore not stated in these financial statements.

## 2.6 Standards, interpretations and amendments to accounting standards that are effective but not relevant

There are certain amended standards, interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2021 but are considered not to be relevant or will not have any significant effect on the Company's operations and are therefore not stated in these financial statements.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies and methods of computation adopted in the preparation of this financial statement are same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2020.

### 3.2 Types of Window Takaful Operations

#### a) Family Takaful Contracts

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

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

#### i) Individual Family Takaful Contracts Unit - Linked

The Company offers Unit Linked Takaful Plans which provide Shariah Compliant financial protection and investment vehicle to individual participants. These plans carry cash value and offer investment choices to the participants to direct their investment related contributions based on their risk / return objectives. The investment risk is borne by the participants. This business is written through two distribution channels, namely, the direct sales force and bancassurance.

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

**ii) Group Family Takaful****- Individual Life Takaful business**

The Individual Family Takaful contracts are issued typically on yearly renewable term basis and are mainly protection policies sold to a wide cross-section of population with different income levels. The risk underwritten is mainly death, cancer and sometimes critical illness. This business is written through direct sales force and bancassurance.

**- Group life business**

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

**iii) Accident & Health Family Takaful****- Individual accident & health business**

Individual Accident and Health Family Takaful contracts are mainly protection policies sold to a wide cross-section of population with different income levels. The risk underwritten is medical expenses related to outpatient services and hospitalisation. This business is written through direct sales force and bancassurance.

**- Group health business**

Group Accident & Health Family contracts are mainly issued to employers to insure their commitments to their employees. The Company also writes business for micro-insurance schemes. The risk underwritten is medical expenses related to outpatient services and hospitalisation to its participants. This business is written through direct sales force.

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

**3.3 Recognition of Policyholders' liabilities / Technical Reserves****a) Reserve for claims - Incurred but not reported (IBNR) - Takaful Contracts**

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

**b) Reserve for unearned contribution - Takaful Contracts**

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

**c) Contribution Deficiency Reserve - Takaful Contracts**

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

**d) Technical Reserves**

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

### 3.4 Retakaful contracts held

#### Retakaful Contribution

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

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

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

#### Retakaful Expenses

Retakaful expenses are recognised as a liability.

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

Retakaful assets are offset against related Retakaful liabilities under the circumstances only that there is a clear legal right of off-set of the amounts. Income or expenses from retakaful contract are not offset against expenses or income from related Retakaful contracts as required by the Insurance Ordinance, 2000. Retakaful assets and liabilities are derecognised when the contractual rights are extinguished or expired.

### 3.5 Receivables and payables related to takaful contracts

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

### 3.6 Operating Segments

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

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

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

### 3.7 Cash and cash equivalents

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

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

### 3.8 Revenue recognition

#### 3.8.1 Contributions

##### a) Individual Life Family Takaful

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

**b) Group Family Takaful**

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

**c) Accident & Health Family Takaful**

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

**3.8.2 Retakaful Commission**

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

**3.8.3 Other revenue recognition****Profits**

- Profits on bank deposits and government securities is recognised on time proportion basis, using effective yield method.
- Profits on fixed income securities is recognised on time proportion basis using effective yield method.

**Dividends**

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

**3.9 Investments****Classification**

The Company has classified its investment portfolio into 'at fair value through profit or loss', and 'available-for-sale' categories as follows:

- At fair value through profit or loss - this category relates to all investments of unit linked funds of the Individual Family Takaful Fund which have been reclassified by the Company under this category, to eliminate the accounting mismatch arising from the measurement of assets and liabilities.
- Available-for-sale – These are investments that do not fall under the Held-to-maturity and at fair value through profit or loss categories.

**Initial recognition**

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

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

**Subsequent measurement**

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

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

### **Fair / market value measurements**

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

### **3.10 Off-setting of financial assets and financial liabilities**

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

### **3.11 Provisions**

Provisions are recognized when the Company has a legal or constructive obligation as a result of a past event, and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The nature of provision is not stated in the financial statements where such is expected to materially prejudice company's position, as allowed under the applicable accounting framework.

### **3.12 Taxation**

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

### **3.13 Others**

#### **3.13.1 Acquisition cost**

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

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

#### **3.13.2 Takaful Benefits**

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

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

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

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

#### **3.13.3 Statutory funds**

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



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

#### **3.13.4 Takaful Operator's Fee**

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

#### **3.13.5 Financial assets and liabilities**

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

#### **3.13.6 Contingent Liabilities**

Contingent liabilities are 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 a present legal or constructive obligation that arises from past events, but it is not probable 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 FINANCIAL RISK MANAGEMENT / ACCOUNTING ESTIMATES AND JUDGEMENTS**

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended December 31, 2020. In preparing these financial statement, the management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the financial statements for the year ended December 31, 2020.

#### **4.1 Participants liabilities / technical reserves**

##### **4.1.1 Valuation discount rate**

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

##### **4.1.2 Mortality assumption**

For the purpose of valuing the insurance contracts, the mortality assumption used is based on SLIC (2001-2005) table. SECP vide its circular 17/2013 dated September 13, 2013 has stipulated that SLIC (2001 - 05) Individual Life Ultimate Mortality Table published by Pakistan Society of Actuaries (PSOA) be used as the minimum valuation basis prescribed under SECP's notification S.R.O 16(1)/2012. Moreover, for morbidity plans, similar rates are used as charged by retakaful operators.

##### **4.1.3 Claims**

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

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

##### **4.1.4 Surrenders**

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

## 4.2 Income taxes

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

## 4.3 Impairment in respect of listed securities

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

## 5 INVESTMENTS IN EQUITY SECURITIES

	Note	2021 ----- (Rupees in '000) -----	2020
At fair value through profit or loss	5.1	<b>10,166,850</b>	10,145,283
Available-for-sale	5.2	<b>42,005</b>	-
		<b>10,208,855</b>	<u>10,145,283</u>

### 5.1 At fair value through profit or loss

	2021			2020		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Others than related parties	<b>11,591,422</b>	-	<b>10,166,850</b>	10,327,241	-	10,145,283
	<b>11,591,422</b>	-	<b>10,166,850</b>	10,327,241	-	<u>10,145,283</u>

### 5.2 Available-for-sale

	2021			2020		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Others than related parties	<b>50,090</b>	-	<b>42,005</b>	-	-	-
	<b>50,090</b>	-	<b>42,005</b>	-	-	-

## 6 INVESTMENT IN GOVERNMENT SECURITIES

	Note	2021 ----- (Rupees in '000) -----	2020
At fair value through profit or loss	6.1 \ 6.3	<b>4,818,325</b>	4,714,530
Available-for-sale	6.2 \ 6.4	<b>2,348,608</b>	2,063,535
		<b>7,166,933</b>	<u>6,778,065</u>

### 6.1 At fair value through profit or loss

	2021				
	Maturity Year	Effective Yield (%)	Amortised Cost	Principal Repayment	Carrying Value
	----- (Rupees in '000) -----				
05 Years GoP Ijara Sukuk	2025	8.76%	3,471,204	3,562,000	3,436,974
05 Years GoP Ijara Sukuk	2025	11.21%	656,558	652,690	653,865
05 Years GoP Ijara Sukuk	2025	10.01%	502,300	500,000	500,900
05 Years GoP Ijara Sukuk	2026	8.86%	228,046	228,000	226,586
			<b>4,858,108</b>	<b>4,942,690</b>	<b>4,818,325</b>

**6.2 Available-for-sale**

		2021			
	Maturity Year	Effective Yield (%)	Amortised Cost	Principal Repayment	Carrying Value
----- (Rupees in '000) -----					
05 Years GoP Ijara Sukuk	2025	11.21%	598,757	597,310	598,385
05 Years GoP Ijara Sukuk	2025	7.19%	636,614	635,000	635,127
05 Years GoP Ijara Sukuk	2025	8.76%	1,103,902	1,133,000	1,093,232
05 Years GoP Ijara Sukuk	2026	8.86%	22,004	22,000	21,864
			<b><u>2,361,277</u></b>	<b><u>2,387,310</u></b>	<b><u>2,348,608</u></b>

**6.3 At fair value through profit or loss**

		2020			
	Maturity Year	Effective Yield (%)	Amortised Cost	Principal Repayment	Carrying Value
----- (Rupees in '000) -----					
05 Years GoP Ijara Sukuk	2025	7.82%	4,429,637	4,507,000	4,313,650
05 Years GoP Ijara Sukuk	2025	7.58%	402,263	400,000	400,880
			<b><u>4,831,900</u></b>	<b><u>4,907,000</u></b>	<b><u>4,714,530</u></b>

**6.4 Available-for-sale**

		2020			
	Maturity Year	Effective Yield (%)	Amortised Cost	Principal Repayment	Carrying Value
----- (Rupees in '000) -----					
05 Years GoP Ijara Sukuk	2025	7.30%	1,250,462	1,250,000	1,253,500
05 Years GoP Ijara Sukuk	2025	7.82%	483,648	503,000	481,421
05 Years GoP Ijara Sukuk	2025	6.37%	329,366	330,000	328,614
			<b><u>2,063,476</u></b>	<b><u>2,083,000</u></b>	<b><u>2,063,535</u></b>

	2021	2020
Note	----- (Rupees in '000) -----	----- (Rupees in '000) -----

**7 INVESTMENTS IN DEBT SECURITIES**

At fair value through profit or loss	7.1	<b>1,067,363</b>	1,720,316
Available-for-sale	7.2	<b>68,822</b>	91,034
		<b><u>1,136,185</u></b>	<b><u>1,811,350</u></b>

**7.1 At fair value through profit or loss**

		2021			2020		
	Note	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
----- (Rupees in '000) -----							
Corporate Sukuks	7.1.1	<b><u>1,048,143</u></b>	<b><u>-</u></b>	<b><u>1,067,363</u></b>	1,702,815	-	1,720,316

	Number of Certificates		Face Value	Carrying Value	
	2021	2020		2021	2020
	------(Rupees in '000)-----				
<b>7.1.1 Corporate Sukuks</b>					
- K-Electric Limited - Sukuk	160,000	160,000	5,000	770,045	776,544
- Neelum Jehlum - Sukuk	2,500	2,500	100,000	144,361	177,031
- HUBCO - Sukuk	1,000	1,000	100,000	103,615	102,249
- Dubai Islamic Bank Pakistan Limited - Sukuk	25	25	1,000,000	25,838	25,699
- International Brands Limited - Sukuk	1,400	1,400	100,000	23,504	90,521
- Meezan Bank Limited - Sukuk	-	290	1,000,000	-	296,359
- Dawood Hercules Corporation Limited - Sukuk	-	3,600	100,000	-	241,845
- Fatima Fertilizers Limited - Sukuk	-	10,000	5,000	-	10,068
				<u>1,067,363</u>	<u>1,720,316</u>

**7.2 Available-for-sale**

Note	2021			2020		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	------(Rupees in '000)-----					
Corporate Sukuks	7.2.1	<u>67,583</u>	-	<u>68,822</u>	90,422	-
						<u>91,034</u>

	Number of Certificates		Face Value	Carrying Value	
	2021	2020		2021	2020
	------(Rupees in '000)-----				
<b>7.2.1 Corporate Sukuks</b>					
- K-Electric Limited - Sukuk	18,000	18,000	5,000	68,822	73,563
- Meezan Bank Limited - Sukuk	-	15	1,000,000	-	15,329
- Al Baraka Bank (Pakistan) Limited - Sukuk	-	15	1,000,000	-	2,142
				<u>68,822</u>	<u>91,034</u>

**8 INVESTMENTS IN TERM DEPOSITS**

		2021	2020
	Note	------(Rupees in '000)-----	
Certificates maturing within 12 months	8.1	<u>5,235,000</u>	<u>2,805,000</u>

**8.1** The rates of return on these certificates of investment ranges from 10.50% to 11.30% per annum (2020: 6.50% to 12.45% per annum).

**9 INVESTMENTS IN OPEN-ENDED MUTUAL FUNDS**

		2021	2020
	Note	------(Rupees in '000)-----	
At fair value through profit or loss	9.1	<u>2,834,767</u>	1,131,678
Available-for-sale	9.2	<u>155,460</u>	193,941
		<u>2,990,227</u>	<u>1,325,619</u>

**9.1 At fair value through profit or loss**

	2021			2020		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Related Parties	100,000	-	102,132	-	-	-
Others than related parties	2,750,847	-	2,732,635	1,057,194	-	1,131,678
	<b>2,850,847</b>	<b>-</b>	<b>2,834,767</b>	<b>1,057,194</b>	<b>-</b>	<b>1,131,678</b>
<b>9.2 Available-for-sale</b>						
Others than related parties	149,274	-	155,460	190,944	-	193,941
	<b>149,274</b>	<b>-</b>	<b>155,460</b>	<b>190,944</b>	<b>-</b>	<b>193,941</b>

	2021	2020
Note	----- (Rupees in '000) -----	----- (Rupees in '000) -----

**10 OTHER LOANS AND RECEIVABLES**

Advance against Pre-IPO of Sukuk	10.1	429,000	-
Investment income accrued		133,287	242,901
Security deposits		5,814	3,514
Advances to suppliers		362	150
Investment income due but outstanding		-	42,152
Other receivables		61,266	54,624
		<b>629,729</b>	<b>343,341</b>

**10.1** This represents Pre-IPO subscription in Meezan Bank Limited upcoming Sukuk issue, and carries rental at the rate of 6 Months KIBOR + 0.35%. The subscription is expected to be complete by the end of February 2022.

**11 CASH & BANK****Cash and stamps in hand**

- Cash in hand		20,128	17,385
- Policy & revenue stamps		7,188	5,269
		<b>27,316</b>	<b>22,654</b>

**Cash at bank**

- In current accounts		31	-
- In Islamic savings accounts	11.1	1,023,303	1,309,739
		<b>1,023,334</b>	<b>1,309,739</b>
		<b>1,050,650</b>	<b>1,332,393</b>

**11.1** These carry profit ranging from 2.25% to 10.50% (2020: 2.84% to 6.00%) per annum.

	2021	2020
	----- (Rupees in '000) -----	----- (Rupees in '000) -----

**Cash and cash equivalents include the following for the purposes of the cash flow statement**

Cash and bank	1,050,650	1,332,393
Certificates of investment with original maturity of three months or less	5,235,000	1,505,000
	<b>6,285,650</b>	<b>2,837,393</b>

		2021	2020
	Note	----- (Rupees in '000) -----	
<b>12 TAKAFUL LIABILITES</b>			
Reported outstanding claims (including claims in payment)	12.1	442,337	320,427
Incurring but not reported claims	12.2	206,034	200,114
Investment component of unit-linked and account value policies	12.3	25,253,332	21,484,316
Liabilities under group takaful contracts (other than investment linked)	12.4	121,847	112,689
Participant takaful fund balance	12.5	242,142	360,334
Other takaful liabilities	12.6	144,109	134,136
		<b>26,409,801</b>	<b>22,612,016</b>
<b>12.1 Reported outstanding claims (including claims in payment)</b>			
<b>Gross of retakaful</b>			
Payable within one year		419,224	304,326
Payable over a period of time exceeding one year		23,113	16,101
		<b>442,337</b>	<b>320,427</b>
<b>12.2 Incurred but not reported claims</b>			
Gross of retakaful		254,441	243,475
Retakaful recoveries		(48,407)	(43,361)
Net of retakaful		<b>206,034</b>	<b>200,114</b>
<b>12.3 Investment component of unit-linked policies</b>		<b>25,253,332</b>	<b>21,484,316</b>
<b>12.4 Liabilities under group takaful contracts (other than investment linked)</b>			
Gross of retakaful		148,945	127,774
Retakaful credit		(27,098)	(15,085)
Net of retakaful		<b>121,847</b>	<b>112,689</b>

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

The Company has distributed Rs. 317.67 million out of surplus for the year 2020 (2020: Rs. 394.40 million out of surplus for the years 2017 through 2019) to the Participants of the Individual Family Takaful Fund in line with the mechanism approved by Appointed Actuary and Shariah Advisor of the Company as required under Clause 6 of Waqf (PTF) Policies.

		2021	2020
		----- (Rupees in '000) -----	
<b>12.6 Other Takaful liabilities</b>			
Gross of retakaful		158,389	153,498
Retakaful credit		(14,280)	(19,362)
Net of retakaful		<b>144,109</b>	<b>134,136</b>

### 13 CONTINGENCIES AND COMMITMENTS

The contingencies and commitments reported in the main financials of the Company also includes impacts of Window Takaful Operations as at December 31, 2021. Out of the reported amount thereon, an amount of Rs. 1,332.93 million (2020: Rs. 801.78 million) pertains to Window Takaful Operations. There were no other material contingencies and commitments as at December 31, 2021.

### 14 CONTRIBUTION REVENUE

	2021	2020
	----- (Rupees in '000) -----	
<b>Gross Contribution</b>		
Regular Contribution Individual Policies*		
First year	3,185,453	3,057,632
Second year renewal	2,132,264	2,854,267
Subsequent year renewal	5,626,190	4,361,993
Total Regular Contribution Individual Policies	<u>10,943,907</u>	<u>10,273,892</u>
Single contribution individual policies	391,650	121,545
Group policies without cash values	1,430,736	943,094
<b>Total Gross Contribution</b>	<u>12,766,293</u>	<u>11,338,531</u>
<b>Less: Retakaful Contribution ceded</b>		
On individual life first year business	(34,022)	(33,089)
On individual life second year business	(25,631)	(36,536)
On individual life renewal business	(63,158)	(50,360)
On single contribution individual policies	(99)	(89)
On group policies	(147,435)	(61,252)
Less: Retakaful commission on risk contribution	14,976	14,825
	<u>(255,369)</u>	<u>(166,501)</u>
<b>Net Contribution</b>	<u>12,510,924</u>	<u>11,172,030</u>

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

### 15 INVESTMENT INCOME

	2021	2020
	----- (Rupees in '000) -----	
<b>Income from equity securities</b>		
<b>Fair value through profit or loss</b>		
- Dividend income	384,454	219,730
<b>Income from Mutual fund</b>		
<b>Fair value through profit or loss</b>		
- Dividend income	5,948	48,362
<b>Available-for-sale</b>		
- Dividend income	2,139	9,323
	<u>8,087</u>	<u>57,685</u>
<b>Income from debt securities</b>		
<b>Fair value through profit or loss</b>		
- Return on debt securities	449,474	408,994
<b>Available-for-sale</b>		
- Return on debt securities	169,430	114,735
	<u>618,904</u>	<u>523,729</u>
<b>Income from certificates of investment</b>		
- Return on certificates of investment	308,610	425,457
	<u>1,320,055</u>	<u>1,226,601</u>

- 15.1** Dividend income is net of charity amount due to purification of non shariah compliant dividend income amounting to Rs. 17.48 million (2020: Rs. 11.42 million).

	2021	2020
	----- (Rupees in '000) -----	
<b>16 NET REALISED FAIR VALUE GAINS ON FINANCIAL ASSETS</b>		
<b>At fair value through profit or loss</b>		
Realised gains on:		
- Equity securities	521,275	403,950
- Mutual Funds	112,954	17,801
- Debt securities	53,791	1,470
	<b>688,020</b>	<b>423,221</b>
Realised losses on:		
- Equity securities	(218,825)	(62,928)
- Mutual Funds	(18,212)	(3,344)
- Debt securities	(4,475)	(7,220)
	<b>(241,512)</b>	<b>(73,492)</b>
<b>Available-for-sale</b>		
Realised gains on:		
- Mutual Funds	9,398	1,621
- Debt securities	10,025	1,789
	<b>19,423</b>	<b>3,410</b>
Realised losses on:		
- Debt securities	(2,542)	(765)
	<b>463,389</b>	<b>352,374</b>
<b>17 NET FAIR VALUE LOSSES ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		
Net unrealised losses on investments at fair value through profit or loss	(1,368,216)	(467,372)
Less: Investment related expenses	(33,147)	(23,253)
	<b>(1,401,363)</b>	<b>(490,625)</b>
<b>18 NET TAKAFUL BENEFITS</b>		
<b>Gross Claims</b>		
Claims under individual policies		
by death	673,765	324,739
by insured event other than death	1,291	1,368
by surrender	3,158,150	1,670,276
by partial withdrawal	547,435	558,221
<b>Total gross individual policy claims</b>	<b>4,387,440</b>	<b>2,554,604</b>
Claims under group policies		
by death	242,917	159,865
by insured event other than death	1,083,494	666,312
<b>Total gross policy claims</b>	<b>1,326,411</b>	<b>826,177</b>
<b>Total Gross Claims</b>	<b>5,713,851</b>	<b>3,380,781</b>
<b>Less: Retakaful recoveries</b>		
On individual life claims	(137,782)	(84,007)
On group life claims	(156,401)	(70,707)
	<b>(294,183)</b>	<b>(154,714)</b>
<b>Claim related expenses</b>	<b>601</b>	<b>144</b>
<b>Net Takaful benefit expense</b>	<b>5,420,269</b>	<b>3,226,211</b>



## 18.1 Claim Development

The table below illustrates claim development pattern for last five years (including current year) where more than 10% of claims are normally reported after the end of the year in which the claim event occurred. The pattern is shown separately for group and individual business excluding those disclosed in notes 18.1.3.

	Note	2021 (Rupees in '000)
<b>Reported outstanding claims</b>		
Individual Family Takaful	18.1.3	94,945
Group Family Takaful	18.1.3	98,647
Accident & Health Family Takaful	18.1.3	139,341
Other Takaful liabilities		109,404
	12.1	<b>442,337</b>

### 18.1.1 Individual Family Takaful

Accident year	2017	2018	2019	2020	2021
Estimate of ultimate claims costs:					
At end of accident year	23,785	94,765	136,124	322,318	456,884
One year later	44,579	124,241	193,351	407,384	-
Two years later	47,523	125,616	203,080	-	-
Three years later	47,523	127,524	-	-	-
Four years later	47,523	-	-	-	-
Current estimate of cumulative claims	47,523	127,524	203,080	407,384	456,884
Less: Cumulative payments to date	(47,523)	(127,524)	(202,580)	(406,534)	(369,067)
	-	-	500	850	87,817
Sum of 2017 to 2021 outstanding claims					89,167
Claims prior to 2017					5,778
Liability recognised in the statement of financial position					94,945

### 18.1.2 Group Family Takaful

Accident year	2017	2018	2019	2020	2021
Estimate of ultimate claims costs:					
At end of accident year	54,192	76,421	42,776	150,360	300,222
One year later	64,796	84,717	51,695	204,260	-
Two years later	68,894	84,721	53,519	-	-
Three years later	68,894	85,940	-	-	-
Four years later	68,894	-	-	-	-
Current estimate of cumulative claims	68,894	85,940	53,519	204,260	300,222
Less: Cumulative payments to date	(67,894)	(84,440)	(47,782)	(193,674)	(225,478)
	1,000	1,500	5,737	10,585	74,744
Sum of 2017 to 2021 outstanding claims					93,566
Claims prior to 2017					5,081
Liability recognised in the statement of financial position					98,647

**18.1.3** For Accident and Health Takaful business, claims experience over the past 5 years indicates that claims reported after the end of the year in which the claim event occurred were less than 10% threshold therefore, the claim development table for Accident and Health Takaful business is not disclosed.

2021	2020
----- (Rupees in '000) -----	

## 19 ACQUISITION EXPENSES

Remuneration to takaful intermediaries on individual policies:

Hadia to agents on first year contributions	<b>838,793</b>	1,043,723
Hadia to agents on second year contributions	<b>89,478</b>	136,925
Hadia to agents on subsequent renewal contributions	<b>78,269</b>	94,836
Hadia to agents on single contributions	<b>6,374</b>	1,272
Overriding hadia to supervisors	<b>188,068</b>	177,206
Salaries, allowances and other benefits	<b>190,855</b>	371,549
Other benefits to takaful intermediaries	<b>123,994</b>	169,766

Remuneration to takaful intermediaries on group policies:

Hadia	<b>44,204</b>	31,238
Other benefits to takaful intermediaries	<b>15,334</b>	13,549

Other acquisition costs

Employee benefit costs	<b>432,471</b>	376,197
Travelling expenses	<b>4,307</b>	2,998
Printing and stationery	<b>8,553</b>	6,105
Depreciation	<b>123,257</b>	94,046
Depreciation - Right-of-use assets	<b>52,045</b>	51,051
Rent, rates and taxes	<b>2,013</b>	1,065
Legal and professional charges	<b>346</b>	854
Utilities	<b>19,839</b>	18,015
Entertainment	<b>5,399</b>	3,888
Vehicle running expenses	<b>57,723</b>	50,056
Office repairs and maintenance	<b>26,011</b>	20,909
Training expenses	<b>58</b>	79
Postages, telegrams and telephones	<b>9,200</b>	8,606
Staff welfare	<b>13,978</b>	10,869
General insurance	<b>6,608</b>	6,487
Policy stamps	<b>33,035</b>	38,357
Initial medical fees	<b>2,815</b>	826
Miscellaneous expenses	<b>475</b>	664
	<b>2,373,502</b>	2,731,136

	Note	2021	2020
		----- (Rupees in '000) -----	
<b>20</b>			
<b>MARKETING AND ADMINISTRATION EXPENSES</b>			
Employee benefit cost	20.1	<b>384,770</b>	312,349
Traveling expenses		<b>9,960</b>	5,441
Advertisements & sales promotion		<b>273,034</b>	253,130
Printing and stationery		<b>36,180</b>	23,495
Depreciation		<b>48,500</b>	43,972
Depreciation - Right-of-use assets		<b>37,308</b>	44,051
Amortisation		<b>29,275</b>	30,392
Rent, rates and taxes		<b>9</b>	474
Legal and professional charges		<b>5,125</b>	6,491
Utilities		<b>16,151</b>	9,327
Entertainment		<b>3,564</b>	1,891
Vehicle running expenses		<b>9,948</b>	4,727
Office repairs and maintenance		<b>95,573</b>	58,279
Appointed actuary fees		<b>3,389</b>	2,328
Bank charges		<b>6,449</b>	5,724
Postages, telegrams and telephone		<b>26,126</b>	25,620
Staff welfare		<b>7,328</b>	4,298
General insurance		<b>3,936</b>	3,580
Training expenses		<b>3,299</b>	1,229
Annual Supervision fees to SECP		<b>12,403</b>	12,252
Provision for Bad and doubtful debts		<b>7,436</b>	7,007
Miscellaneous expenses		<b>397</b>	764
		<b>1,020,160</b>	856,821
<b>20.1</b>			
<b>Employee benefit cost</b>			
Salaries, allowance and other benefits		<b>359,373</b>	291,727
Charges for post employment benefits		<b>25,397</b>	20,622
		<b>384,770</b>	312,349
<b>21</b>			
<b>OTHER EXPENSES</b>			
Auditors' Fees		<b>13,128</b>	3,910
Subscription		<b>35</b>	88
		<b>13,163</b>	3,998
<b>22</b>			
<b>INCOME TAX</b>			
For the year			
Deferred Tax Charge / (Credit)		<b>92,057</b>	(1,823)
		<b>92,057</b>	(1,823)

## 23 RELATED PARTY TRANSACTIONS

The Company is controlled by Aga Khan Fund for Economic Development, S.A Switzerland, which owns 57.87% (2019: 57.87%) of the Company's shares. Associated undertakings comprise Habib Bank Limited, Jubilee General Insurance Company Limited and Jubilee Kyrgyzstan Insurance Company (CJSC), Kyrgyzstan, being under the common control of the parent Company.

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

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

		2021	2020
		------(Rupees in '000)-----	
Relationship with the Company	Nature of transactions		
i. Associated companies	Group insurance contributions	197	107
	Purchase of government securities	251,207	3,334,283
	Sales of government securities	-	1,077,833
	Agency hadia	342,203	455,302
	Profit on Islamic saving accounts	71,375	155,890
	Investment in Mutual Funds	100,000	-
ii. Key management personnel	Individual life policy contributions	365	365
Relationship with the Company	Receivable / Investments		
i. Associated companies	Banks account balance	637,575	915,594
	Profit accrued on profit and loss sharing account	7,020	2,256
	Investment in Mutual Fund	102,132	-
	Agency Hadia payable	(56,386)	(81,070)
	Contribution received in advance	-	(2)

The above transactions are settled in the ordinary course of business. The receivables and payables are mainly unsecured in nature and bear no interest.

## 24 SEGMENTAL INFORMATION

### 24.1 Revenue Account by Statutory Fund For the year ended December 31, 2021

				Aggregate
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2021
------(Rupees in '000)-----				
<b>Income</b>				
Contribution less retakaful	11,210,886	166,768	1,133,270	<b>12,510,924</b>
Net investment income	419,581	14,845	29,654	<b>464,080</b>
Bonus units transferred from sub fund of statutory fund	317,666	-	-	<b>317,666</b>
<b>Total Net income</b>	<b>11,948,133</b>	<b>181,613</b>	<b>1,162,924</b>	<b>13,292,670</b>
<b>Takaful benefits and expenditures</b>				
Takaful benefits, including bonuses	4,140,367	205,480	1,074,422	<b>5,420,269</b>
Management expenses	3,320,266	48,926	79,377	<b>3,448,569</b>
<b>Total Takaful benefits and expenditures</b>	<b>7,460,633</b>	<b>254,406</b>	<b>1,153,799</b>	<b>8,868,838</b>
<b>Excess / (deficit) of Income over Insurance benefits and Expenditures</b>				
	4,487,500	(72,793)	9,125	<b>4,423,832</b>
Bonus units transferred to sub fund of statutory fund *	(317,666)			<b>(317,666)</b>
<b>Net change in Takaful liabilities (other than outstanding claims)</b>				
	3,861,854	(85,657)	(92,106)	<b>3,684,091</b>
<b>Surplus before tax</b>				
	307,980	12,864	101,231	<b>422,075</b>
<b>Taxes chargeable to statutory funds</b>				
Current - Tax on Dividend under FTR	(68,235)	-	-	<b>(68,235)</b>
<b>Surplus after tax</b>				
	239,745	12,864	101,231	<b>353,840</b>
<b>Movement in Takaful liabilities</b>				
	3,861,854	(85,657)	(92,106)	<b>3,684,091</b>
<b>Transfer (to) and from Shareholders' Fund</b>				
Surplus appropriated to Shareholders' Fund	(45,000)	-	-	<b>(45,000)</b>
Capital contributions from Shareholders' Fund	-	125,000	160,000	<b>285,000</b>
Capital returned to Shareholders' Fund	(125,000)	-	-	<b>(125,000)</b>
Qard-e-Hasna paid from Operators' Sub Fund to PTF"	-	(130,000)	(225,000)	<b>(355,000)</b>
Qard-e-Hasna received by PTF from Operators' Sub Fund	-	130,000	225,000	<b>355,000</b>
<b>Net transfers (to) / from Shareholders' Fund</b>	<b>(170,000)</b>	<b>125,000</b>	<b>160,000</b>	<b>115,000</b>
<b>Balance of Statutory Fund as at January 1, 2021</b>				
	22,582,478	136,268	339,273	<b>23,058,019</b>
<b>Balance of Statutory Fund as at December 31, 2021</b>				
	<b>26,514,077</b>	<b>188,475</b>	<b>508,398</b>	<b>27,210,950</b>

## For the year ended December 31, 2020

				Aggregate
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2020
------(Rupees in '000)-----				
<b>Income</b>				
Contribution less retakaful	10,217,951	133,013	821,066	11,172,030
Net investment income	1,179,967	7,136	20,232	1,207,335
Bonus units transferred from sub fund of statutory fund	394,404	-	-	394,404
<b>Total Net income</b>	<b>11,792,322</b>	<b>140,149</b>	<b>841,298</b>	<b>12,773,769</b>
<b>Takaful benefits and expenditures</b>				
Takaful benefits, including bonuses	2,470,713	90,586	664,912	3,226,211
Management expenses	3,515,122	54,703	67,534	3,637,359
Total Takaful benefits and Expenditures	<b>5,985,835</b>	<b>145,289</b>	<b>732,446</b>	<b>6,863,570</b>
<b>Excess of Income / (deficit) over Takaful benefits and Expenditures</b>	<b>5,806,487</b>	<b>(5,140)</b>	<b>108,852</b>	<b>5,910,199</b>
Bonus units transferred to sub fund of statutory fund *	(394,404)	-	-	(394,404)
Net change in Takaful liabilities (other than outstanding claims)	5,378,301	11,777	76,320	5,466,398
<b>Surplus / (Deficit) before tax</b>	<b>33,782</b>	<b>(16,917)</b>	<b>32,532</b>	<b>49,397</b>
Taxes chargeable to statutory funds Current - Tax on Dividend under FTR	(48,120)	-	-	(48,120)
(Deficit) / Surplus after tax	<b>(14,338)</b>	<b>(16,917)</b>	<b>32,532</b>	<b>1,277</b>
<b>Movement in Takaful liabilities</b>	5,378,301	11,777	76,320	5,466,398
<b>Transfer (to) and from Shareholders' Fund</b>				
Capital contributions from Shareholders' Fund	400,000	83,000	115,000	598,000
Capital returned to Shareholders' Fund	(275,000)	-	-	(275,000)
Qard-e-Hasna paid from Operators' Sub Fund to PTF	-	(70,000)	(130,000)	(200,000)
Qard-e-Hasna received by PTF from Operators' Sub Fund	-	70,000	130,000	200,000
Net transfer from Shareholders' Fund	125,000	83,000	115,000	323,000
<b>Balance of Statutory Fund as at January 1, 2020</b>	<b>17,093,515</b>	<b>58,408</b>	<b>115,421</b>	<b>17,267,344</b>
<b>Balance of Statutory Fund as at December 31, 2020</b>	<b>22,582,478</b>	<b>136,268</b>	<b>339,273</b>	<b>23,058,019</b>

\* This corresponding impact is already included in Net change in Insurance liabilities (Net of outstanding claims).

**24.2 REVENUE ACCOUNT BY SUB-STATUTORY FUND**  
**For the year ended December 31, 2020**

	Statutory Funds			Aggregate	
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2021	2020

----- (Rupees in '000)-----

**24.2.1 Participants' Investment Fund (PIF)**

**Income**

Allocated Contribution	7,720,088	-	-	<b>7,720,088</b>	6,688,434
Bonus Units issued on account of surplus transfer from PTF	317,666	-	-	<b>317,666</b>	394,404
Net investment income	192,343	-	-	<b>192,343</b>	960,182
<b>Total net income</b>	<b>8,230,097</b>	-	-	<b>8,230,097</b>	8,043,020

**Less: Takaful benefits and Expenditures**

Takaful benefits	3,839,137	-	-	<b>3,839,137</b>	2,174,964
Takaful operator fee	621,815	-	-	<b>621,815</b>	466,502
Bank charges	129	-	-	<b>129</b>	59
<b>Total</b>	<b>4,461,081</b>	-	-	<b>4,461,081</b>	2,641,525

**Excess of income over Takaful benefits and Expenditures**

	3,769,016	-	-	<b>3,769,016</b>	5,401,495
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Technical reserves at beginning of the year	21,484,316	-	-	<b>21,484,316</b>	16,082,821
Technical reserves at end of the year	25,253,332	-	-	<b>25,253,332</b>	21,484,316
<b>Movement in technical reserves</b>	<b>(3,769,016)</b>	-	-	<b>(3,769,016)</b>	(5,401,495)

**Surplus / (Deficit)**

	-	-	-	<b>-</b>	-
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<b>Movement in Technical reserves</b>	<b>3,769,016</b>	-	-	<b>3,769,016</b>	5,401,495
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Balance of PIF at beginning of the year	21,484,316	-	-	<b>21,484,316</b>	16,082,821
<b>Balance of PIF at end of the year</b>	<b>25,253,332</b>	-	-	<b>25,253,332</b>	<b>21,484,316</b>

Statutory Funds			Aggregate	
Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2021	2020

----- (Rupees in '000) -----

**24.2.2 Participants' Takaful Fund (PTF)**

**Income**

Contribution net of re-takaful	844,472	166,768	1,133,270	<b>2,144,510</b>	1,682,371
Net investment income	56,203	12,396	22,097	<b>90,696</b>	79,025
<b>Total net income</b>	<b>900,675</b>	<b>179,164</b>	<b>1,155,367</b>	<b>2,235,206</b>	<b>1,761,396</b>

**Less: Takaful benefits and Expenditures**

Takaful benefits net of re-takaful recoveries	253,965	205,480	1,074,422	<b>1,533,867</b>	925,623
Takaful operator's fee	256,236	40,556	164,369	<b>461,161</b>	361,622
Mudarib fee	22,481	4,959	8,839	<b>36,279</b>	31,611
Bank charges	42	17	48	<b>107</b>	203
Medical examination charges	1,230	1,654	-	<b>2,884</b>	826
Provision for doubtful debts	-	454	6,982	<b>7,436</b>	7,007
<b>Total</b>	<b>533,954</b>	<b>253,120</b>	<b>1,254,660</b>	<b>2,041,734</b>	<b>1,326,892</b>

**Excess / (deficit) of Income over Takaful benefits and Expenditures**

	366,721	(73,956)	(99,293)	<b>193,472</b>	434,504
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Technical reserves at beginning of the year	243,039	42,651	135,235	<b>420,925</b>	275,683
Technical reserves at end of the year	198,919	60,743	155,261	<b>414,923</b>	420,925
Surplus / (deficit) retained in PTF	410,841	(92,048)	(119,319)	<b>199,474</b>	289,262
	(366,721)	73,956	99,293	<b>(193,472)</b>	(434,504)

**Surplus / (deficit) before distribution**

	-	-	-	-	-
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**Movement in technical reserves**

	366,721	(73,956)	(99,293)	<b>193,472</b>	434,504
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**Transfers from / (to)**

Qard-e-Hasna contributed by Window Takaful Operator	-	130,000	225,000	<b>355,000</b>	200,000
Distribution of Surplus to the participants	(317,666)	-	-	<b>(317,666)</b>	(394,404)
Balance of PTF at beginning of the year	684,464	112,509	294,284	<b>1,091,257</b>	851,157

**Balance of PTF at end of the year**

	<b>733,519</b>	<b>168,553</b>	<b>419,991</b>	<b>1,322,063</b>	<b>1,091,257</b>
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	Statutory Funds			Aggregate	
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2021	2020

----- (Rupees in '000)-----

### 24.2.3 Operators' Sub Fund (OSF)

#### Income

Unallocated contributions	2,646,326	-	-	<b>2,646,326</b>	2,801,225
Takaful Operator Fee	878,051	40,556	164,369	<b>1,082,976</b>	828,124
Mudarib Fee	22,481	4,959	8,839	<b>36,279</b>	31,611
Net investment income	102,800	2,449	7,557	<b>112,806</b>	120,009
	<u>3,649,658</u>	<u>47,964</u>	<u>180,765</u>	<b><u>3,878,387</u></b>	<u>3,780,969</u>

#### Less: Takaful benefits and Expenditures

Takaful benefits	47,265	-	-	<b>47,265</b>	2,758,809
Acquisition expenses	2,317,275	34,750	48,680	<b>2,400,705</b>	870,450
Administration expenses	1,001,590	12,051	23,667	<b>1,037,308</b>	125,624
Total Management expenses	3,366,130	46,801	72,347	<b>3,485,278</b>	3,754,883

#### Excess of Income over

<b>Takaful liabilities and expenditures</b>	<u>283,528</u>	<u>1,163</u>	<u>108,418</u>	<b><u>393,109</u></b>	<u>26,086</u>
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Technical reserves at beginning of the year	11,851	21,093	12,617	<b>45,561</b>	20,757
Technical reserves at end of the year	55,634	9,392	19,804	<b>84,830</b>	45,561
<b>Movement in technical reserves</b>	<u>(43,783)</u>	<u>11,701</u>	<u>(7,187)</u>	<b><u>(39,269)</u></b>	<u>(24,804)</u>

<b>Surplus for the year</b>	<u>239,745</u>	<u>12,864</u>	<u>101,231</u>	<b><u>353,840</u></b>	<u>1,282</u>
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<b>Movement in technical reserves</b>	<u>43,783</u>	<u>(11,701)</u>	<u>7,187</u>	<b><u>39,269</u></b>	<u>24,804</u>
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#### Transfer (to) and from

Surplus transfer to Shareholders' fund	(45,000)	-	-	<b>(45,000)</b>	-
Capital Contribution from Shareholders' Fund	-	125,000	160,000	<b>285,000</b>	598,000
Capital returned to Shareholders' fund	(125,000)	-	-	<b>(125,000)</b>	(275,000)
Qard-e-Hasna contributed to the Participants' Takaful Fund	-	(130,000)	(225,000)	<b>(355,000)</b>	(200,000)

Balance of OSF at beginning of the year	413,698	23,759	44,989	<b>482,446</b>	333,363
	<u>527,226</u>	<u>19,922</u>	<u>88,407</u>	<b><u>635,555</u></b>	<u>482,449</u>

	Held to maturity	Available-for-sale	At fair value through profit or loss	Total
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### 25 MOVEMENT IN INVESTMENTS

----- (Rupees in '000)-----

<b>At beginning of previous year</b>	<b>4,625,000</b>	<b>1,454,640</b>	<b>9,128,994</b>	<b>15,208,634</b>
Additions	5,405,000	2,696,240	15,235,978	23,337,218
Disposals (sale and redemptions)	(7,225,000)	(1,822,168)	(6,540,797)	(15,587,965)
Amortisation of discount	-	8,234	6,631	14,865
Fair value net gains / (losses)	-	11,564	(118,999)	(107,435)
<b>At beginning of current year</b>	<b>2,805,000</b>	<b>2,348,510</b>	<b>17,711,807</b>	<b>22,865,317</b>
Additions	25,670,000	3,853,597	23,305,762	52,829,359
Disposals (sale and redemptions)	(23,240,000)	(3,591,816)	(21,226,069)	(48,057,885)
Amortisation of discount	-	4,566	14,080	18,646
Fair value net gains / (losses)	-	38	(918,275)	(918,237)
<b>At end of current year</b>	<b>5,235,000</b>	<b>2,614,895</b>	<b>18,887,305</b>	<b>26,737,200</b>

## 26 MANAGEMENT OF TAKAFUL RISK AND FINANCIAL RISK

### 26.1 MANAGEMENT OF TAKAFUL RISK AND FINANCIAL RISK

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

#### Takaful Risk

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

- Individual Family Takaful
- Group Family Takaful
- Accident and Health Family Takaful

#### Individual Family Takaful

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

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

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

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

#### a) Frequency and severity of claims

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

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

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

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

**Benefits covered per Participant**

Rupees	Assured at the end of 2021 Total benefits covered			
	Before retakaful		After retakaful	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	22,846,710	15.26%	22,669,452	22.05%
500,001 - 1,000,000	30,359,567	20.28%	29,404,176	28.58%
1,000,001 - 1,500,000	20,015,570	13.37%	16,608,189	16.14%
1,500,001 - 2,000,000	14,931,511	9.98%	10,218,255	9.93%
More than 2,000,000	61,528,691	41.11%	23,972,977	23.30%
<b>Total</b>	<b>149,682,049</b>	<b>100.00%</b>	<b>102,873,049</b>	<b>100.00%</b>

Rupees	Assured at the end of 2020 Total benefits covered			
	Before retakaful		After retakaful	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	19,877,380	14.28%	19,762,847	20.62%
500,001 - 1,000,000	27,705,158	19.90%	26,801,543	27.97%
1,000,001 - 1,500,000	19,303,662	13.86%	16,099,933	16.80%
1,500,001 - 2,000,000	14,226,898	10.22%	9,858,584	10.29%
More than 2,000,000	58,126,266	41.74%	23,301,069	24.32%
<b>Total</b>	<b>139,239,364</b>	<b>100.00%</b>	<b>95,823,976</b>	<b>100.00%</b>

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

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

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

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

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

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

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

- Expense levels and inflation: A periodic study is conducted on the Company's current business expenses and future projections to calculate per policy expenses. Expense inflation is assumed in line with assumed investment return.
- Investment returns: The investment returns are based on anticipated future performance of the fund.

#### d) Change in assumption

The valuation as at December 31, 2021 includes a change in reserving basis. For the Takaful line of business, reserving basis has been changed for adequacy of IBNR reserves pertaining to direct sales and bancassurance agencies in the target range. Apart from IBNR, new reserves have been set up for Unearned Revenue on similar lines as Individual Life Unit linked.

The changes in reserving basis has resulted in an increase in participants liability by Rs. 18.8 million, with corresponding impact on the profit or loss.

#### e) Sensitivity analysis

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

### Group Family Takaful

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

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

#### a) Frequency and severity of claims

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

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

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

**Benefits covered per Participant****Rupees**

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

**Assured at the end of 2021  
Total benefits covered**

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
<b>24,211,762</b>	<b>9.88%</b>	<b>12,105,881</b>	<b>13.15%</b>
<b>31,839,146</b>	<b>12.99%</b>	<b>15,919,573</b>	<b>17.29%</b>
<b>31,789,843</b>	<b>12.97%</b>	<b>15,894,921</b>	<b>17.27%</b>
<b>19,378,221</b>	<b>7.90%</b>	<b>9,689,110</b>	<b>10.52%</b>
<b>137,943,201</b>	<b>56.26%</b>	<b>38,451,572</b>	<b>41.77%</b>
<b>245,162,173</b>	<b>100.00%</b>	<b>92,061,057</b>	<b>100.00%</b>

**Assured at the end of 2020  
Total benefits covered****Rupees**

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

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
24,303,444	20.36%	12,161,947	22.10%
21,001,133	17.59%	10,518,816	19.11%
17,150,278	14.37%	8,617,889	15.66%
6,057,770	5.07%	3,041,885	5.53%
50,860,379	42.61%	20,693,416	37.60%
<b>119,373,004</b>	<b>100.00%</b>	<b>55,033,953</b>	<b>100.00%</b>

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

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

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

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

**d) Change in assumption**

The valuation as at December 31, 2021 contains changes in reserving basis. Reserving basis has been changed to maintain the adequacy within the target range based on earned premium.

The changes in valuation basis has resulted in increase in participants liability by Rs. 3.99 million with corresponding impact on the profit or loss.

**e) Sensitivity analysis**

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

Variables	Change in variable	Increase in liability 2021	Increase in liability 2020
		------(Rupees in '000)-----	
Worsening of morbidity rates for risk policies	+10% p.a.	4,347	1,707
Increase in reporting lag	+10% p.a.	4,347	1,707

## Accident & Health Family Takaful

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

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

### a) Frequency and severity of claims

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

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

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

#### Benefits covered per Participant

##### Rupees

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

#### Assured at the end of 2021 Total benefits covered

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
<b>28,110,134</b>	<b>46.58%</b>	<b>28,110,134</b>	<b>46.58%</b>
<b>26,198,325</b>	<b>43.41%</b>	<b>26,198,325</b>	<b>43.41%</b>
<b>5,837,297</b>	<b>9.67%</b>	<b>5,837,297</b>	<b>9.67%</b>
<b>49,479</b>	<b>0.08%</b>	<b>49,479</b>	<b>0.08%</b>
<b>150,492</b>	<b>0.26%</b>	<b>150,492</b>	<b>0.26%</b>
<b>60,345,727</b>	<b>100.00%</b>	<b>60,345,727</b>	<b>100.00%</b>

#### Assured at the end of 2020 Total benefits covered

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
22,448,494	54.23%	22,448,494	54.23%
17,867,414	43.17%	17,867,414	43.17%
636,803	1.54%	636,803	1.54%
336,046	0.81%	336,046	0.81%
103,294	0.25%	103,294	0.25%
<b>41,392,051</b>	<b>100.00%</b>	<b>41,392,051</b>	<b>100.00%</b>

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

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

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

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

**d) Change in assumption**

The valuation as at December 31, 2021 contains changes in reserving basis. The reserving basis has been changed for Outpatient schemes to maintain the adequacy of IBNR within the target range based on earned premium.

The changes in valuation basis has resulted in an increase in participants liability by Rs. 4.91 million with corresponding impact on the profit or loss.

**e) Sensitivity analysis**

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

Variables	Change in variable	Increase in liability 2021	Increase in liability 2020
		------(Rupees in '000)-----	
Worsening of morbidity rates for risk policies	+10% p.a.	8,000	8,100
Increase in reporting lag	+10% p.a.	8,000	8,100

## 26.2 Financial risk

### Liquidity risk

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

### Interest rate risk

The Company invests in securities and has deposits that are subject to interest rate risk. Interest rate risk to the Company is the risk of changes in market interest rates reducing the overall return on its interest bearing securities. The Company limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash and investments are denominated. The Company's interest rate sensitivity and liquidity positions based on maturities is given in note 26.2.1.

## 26.2.1 MATURITY PROFILE

Maturity profile of financial assets and liabilities for 2021 is given below:

	Interest / Mark up bearing			Non-interest / Non-mark up bearing			Total
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	
------(Rupees in '000)-----							
<b>FINANCIAL ASSETS</b>							
Investments							
- Listed Equities	-	-	-	10,208,855	-	10,208,855	<b>10,208,855</b>
- Government Securities	-	7,166,933	7,166,933	-	-	-	<b>7,166,933</b>
- Debt Securities	31,071	1,105,114	1,136,185	-	-	-	<b>1,136,185</b>
- Open Ended Mutual Fund	-	-	-	2,990,227	-	2,990,227	<b>2,990,227</b>
- Certificates of investment	5,235,000	-	5,235,000	-	-	-	<b>5,235,000</b>
Takaful / retakaful receivables	-	-	-	286,611	-	286,611	<b>286,611</b>
Other loans and receivables	-	-	-	630,012	-	630,012	<b>630,012</b>
Cash & Bank	1,023,303	-	1,023,303	27,347	-	27,347	<b>1,050,650</b>
<b>As at December 31, 2021</b>	<b>6,289,374</b>	<b>8,272,047</b>	<b>14,561,421</b>	<b>14,143,052</b>	<b>-</b>	<b>14,143,052</b>	<b>28,704,473</b>
<b>FINANCIAL LIABILITIES</b>							
Takaful liabilities	-	-	-	26,409,801	-	26,409,801	<b>26,409,801</b>
Retirement benefit obligations	-	-	-	826	-	-	<b>-</b>
Contribution received in advance	-	-	-	118,277	-	118,277	<b>118,277</b>
Other creditors and accruals	-	-	-	977,131	-	977,131	<b>977,131</b>
As at December 31, 2021	-	-	-	27,506,035	-	27,506,035	<b>27,506,035</b>
<b>Off Balance Sheet</b>							
Financial Instruments	-	-	-	-	-	-	<b>-</b>
<b>As at December 31, 2021</b>	<b>6,289,374</b>	<b>8,272,047</b>	<b>14,561,421</b>	<b>(13,362,983)</b>	<b>-</b>	<b>(13,362,983)</b>	<b>1,198,438</b>

Maturity profile of financial assets and liabilities for 2020:

	Interest / Mark up bearing			Non-interest / Non-mark up bearing			Total
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	
------(Rupees in '000)-----							
<b>FINANCIAL ASSETS</b>							
Investments							
- Listed Equities	-	-	-	10,145,283	-	10,145,283	<b>10,145,283</b>
- Government Securities	-	6,778,065	6,778,065	-	-	-	<b>6,778,065</b>
- Debt Securities	102,732	1,708,618	1,811,350	-	-	-	<b>1,811,350</b>
- Open Ended Mutual Fund	-	-	-	1,325,619	-	1,325,619	<b>1,325,619</b>
- Certificates of investment	2,805,000	-	2,805,000	-	-	-	<b>2,805,000</b>
Takaful / retakaful receivable	-	-	-	189,100	-	189,100	<b>189,100</b>
Other loans and receivables	-	-	-	343,341	-	343,341	<b>343,341</b>
Cash & Bank	1,309,739	-	1,309,739	22,654	-	22,654	<b>1,332,393</b>
<b>As at December 31, 2020</b>	<b>4,217,471</b>	<b>8,486,683</b>	<b>12,704,154</b>	<b>12,025,997</b>	<b>-</b>	<b>12,025,997</b>	<b>24,730,151</b>
<b>FINANCIAL LIABILITIES</b>							
Takaful liabilities	-	-	-	22,612,016	-	22,612,016	<b>22,612,016</b>
Contribution received in advance	-	-	-	168,673	-	168,673	<b>168,673</b>
Takaful / retakaful payables	-	-	-	12,714	-	12,714	<b>12,714</b>
Other creditors and accruals	-	-	-	1,197,064	-	1,197,064	<b>1,197,064</b>
<b>As at December 31, 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,990,467</b>	<b>-</b>	<b>23,990,467</b>	<b>23,990,467</b>
<b>Off Balance Sheet</b>							
Financial Instruments	-	-	-	-	-	-	<b>-</b>
<b>As at December 31, 2020</b>	<b>4,217,471</b>	<b>8,486,683</b>	<b>12,704,154</b>	<b>(11,964,470)</b>	<b>-</b>	<b>(11,964,470)</b>	<b>739,684</b>



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

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

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

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

An increase in 100 basis points in interest yields would result in a loss of Rs. 238 million (2020: Rs. 317 million).

A decrease in 100 basis points in interest yields would result in a gain of Rs. 248 million (2020: Rs. 332 million).

**b) Sensitivity analysis - currency risk**

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

**26.3 Foreign Currency Risk**

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

**26.4 MARKET RISK**

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

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

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

**Sensitivity analysis - equity risk**

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

In case of 5% increase / decrease in KSE 100 index on December 31, 2021, with all other variables held constant, net assets for the year would increase / (decrease) by Rs. 510 million (2020: Rs. 507 million) as a result of gains / (losses) on equity securities with the impact on profit before tax and other comprehensive income / (loss) of Rs. 508 million and Rs. 2 million (2020: Rs. 507 million and Nil) respectively.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the PSX 100 index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the PSX 100 index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of December 31, 2021 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the PSX 100 index.

**27 CREDIT RISK AND CONCENTRATION OF CREDIT RISK**

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

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

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

	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	Not Rated	Total
------(Rupees in '000)-----												
<b>December 31, 2021</b>												
Government securities	-	-	-	-	-	-	-	-	-	-	7,166,933	7,166,933
Debt securities	144,361	942,482	23,504	25,838	-	-	-	-	-	-	-	1,136,185
Certificates of investment	-	2,360,000	1,050,000	1,325,000	500,000	-	-	-	-	-	-	5,235,000
Contribution due but unpaid	-	-	-	-	-	-	-	-	-	-	171,639	171,639
Reinsurance receivable	-	-	-	114,972	-	-	-	-	-	-	-	114,972
Investment income accrued	9,216	22,187	3,415	7,103	739	12	-	-	-	-	90,615	133,287
Investment income due												
but outstanding	-	-	-	-	-	-	-	-	-	-	-	-
Sundry receivables	-	-	-	-	-	-	-	-	-	-	496,442	496,442
Bank balances	876,664	4,110	129,616	3,104	8,327	1,408	-	-	-	-	105	1,023,334
	<b>1,030,241</b>	<b>3,328,779</b>	<b>1,206,535</b>	<b>1,476,017</b>	<b>509,066</b>	<b>1,420</b>	-	-	-	-	<b>7,925,734</b>	<b>15,477,792</b>

**December 31, 2020**

Government securities	-	-	-	-	-	-	-	-	-	-	6,778,065	6,778,065
Debt securities	177,031	952,355	644,054	35,767	-	-	2,143	-	-	-	-	1,811,350
Certificates of investment	750,000	1,205,000	350,000	-	500,000	-	-	-	-	-	-	2,805,000
Contribution due but unpaid	-	-	-	-	-	-	-	-	-	-	156,968	156,968
Reinsurance receivable	-	-	32,132	-	-	-	-	-	-	-	-	32,132
Investment income accrued	85,752	74,828	10,416	928	1,222	-	48	-	-	-	69,707	242,901
Investment income due												
but outstanding	12,272	29,880	-	-	-	-	-	-	-	-	-	42,152
Sundry receivables	-	-	-	-	-	-	-	-	-	-	58,288	58,288
Bank balances	1,075,262	164,930	14,855	51,799	2,446	-	-	-	-	-	447	1,309,739
	<b>2,100,317</b>	<b>2,426,993</b>	<b>1,051,457</b>	<b>88,494</b>	<b>503,668</b>	-	<b>2,191</b>	-	-	-	<b>7,063,475</b>	<b>13,236,595</b>

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

	2021	2020
	----- (Rupees in '000) -----	
The carrying values of financial assets which are neither past due nor impaired are as under:		
Cash and bank deposits	<b>1,050,650</b>	1,332,393
Government securities	<b>7,166,933</b>	6,778,065
Certificates of investment	<b>5,235,000</b>	2,805,000
Debt securities	<b>1,136,185</b>	1,811,350
Contributions due but unpaid	<b>84,474</b>	73,155
Investment income due but outstanding	<b>-</b>	42,152
Investment income accrued	<b>133,287</b>	242,901
Sundry receivable	<b>496,725</b>	4,558
The carrying values of financial assets which are past due but not impaired are as under:		
Contributions due but unpaid	<b>17,058</b>	68,837
The carrying values of financial assets which are past due and impaired are as under:		
Contributions due but unpaid	<b>70,107</b>	14,977

## 27.1 RETAKAFUL RISK

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

Retakaful ceded does not relieve the Company from its obligation to participants and as a result the Company remains liable for the portion of outstanding claims reinsured to the extent that retakaful fails to meet the obligation under the retakaful agreements.

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

## 28 FAIR VALUE OF FINANCIAL INSTRUMENTS

### As At December 31, 2021

	Through profit or loss	Available -for-sale	Held-to-maturity	Loans and receivables	Other financial asset/ liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----										
<b>Financial assets measured at fair value</b>										
Listed equity securities	10,166,850	42,005	-	-	-	<b>10,208,855</b>	10,208,855	-	-	<b>10,208,855</b>
Mutual Funds	2,834,767	155,460	-	-	-	<b>2,990,227</b>	2,990,227	-	-	<b>2,990,227</b>
Government securities										
- GOP - Ijarah Sukuks	4,818,325	2,348,608	-	-	-	<b>7,166,933</b>	-	7,166,933	-	<b>7,166,933</b>
Debt securities										
- Ijarah Sukuks	1,067,363	68,822	-	-	-	<b>1,136,185</b>	-	1,136,185	-	<b>1,136,185</b>
<b>Financial assets not measured at fair value</b>										
Certificates of investment	-	-	5,235,000	-	-	<b>5,235,000</b>				
Other loans and receivables	-	-	-	630,012	-	<b>630,012</b>				
Takaful / retakaful receivables	-	-	-	286,611	-	<b>286,611</b>				
Cash and bank balances	-	-	-	1,050,650	-	<b>1,050,650</b>				
	<b>18,887,305</b>	<b>2,614,895</b>	<b>5,235,000</b>	<b>1,967,273</b>	-	<b>28,704,473</b>				
<b>Financial liabilities not measured at fair value</b>										
Takaful Liabilities	-	-	-	-	26,409,801	<b>26,409,801</b>				
Retirement benefit obligation	-	-	-	-	826	<b>826</b>				
Contributions received in advance	-	-	-	-	118,277	<b>118,277</b>				
Other creditors and accruals	-	-	-	-	977,131	<b>977,131</b>				
	-	-	-	-	<b>27,506,035</b>	<b>27,506,035</b>				

## As At December 31, 2020

	Through profit or loss	Available -for-sale	Held-to- maturity	Loans and receivables	Other financial asset/ liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000)-----										
<b>Financial assets measured at fair value</b>										
Listed equities	10,145,283	-	-	-	-	10,145,283	10,145,283	-	-	10,145,283
Mutual Funds	1,131,678	193,941	-	-	-	1,325,619	1,325,619	-	-	1,325,619
Government securities										
- GOP Ijarah Sukuks	4,714,530	2,063,535	-	-	-	6,778,065	-	6,778,065	-	6,778,065
Debt securities										
- Ijarah Sukuks	1,720,316	91,034	-	-	-	1,811,350	-	1,811,350	-	1,811,350
<b>Financial assets not measured at fair value</b>										
Certificates of investment	-	-	2,805,000	-	-	2,805,000				
Other loans and receivables	-	-	-	343,341	-	343,341				
Takaful / retakaful receivables	-	-	-	189,100	-	189,100				
Cash and bank balances	-	-	-	1,332,393	-	1,332,393				
	<b>17,711,807</b>	<b>2,348,510</b>	<b>2,805,000</b>	<b>1,864,834</b>	<b>-</b>	<b>24,730,151</b>				
<b>Financial liabilities not measured at fair value</b>										
Takaful Liabilities	-	-	-	-	22,612,016	22,612,016				
Contributions received in advance	-	-	-	-	168,673	168,673				
Takaful / retakaful Payables	-	-	-	-	12,714	12,714				
Other creditors and accruals	-	-	-	-	1,197,064	1,197,064				
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,990,467</b>	<b>23,990,467</b>				

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

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

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

**29 STATEMENT OF SOLVENCY**

	<b>2021</b>		
	<b>Individual Family Takaful</b>	<b>Group Family Takaful</b>	<b>Accident &amp; Health Family takaful</b>
----- (Rupees in '000) -----			
<b>Assets</b>			
Investments			
Equity securities	10,208,855	-	-
Government securities	6,538,759	200,170	428,004
Debt securities	1,136,185	-	-
Term deposits	5,202,500	9,000	23,500
Open ended mutual fund	2,990,227	-	-
Takaful / Retakaful receivables	61,865	79,779	144,967
Other loans and receivables	616,697	4,959	8,074
Prepayments	17,290	-	-
Cash & Bank	920,722	42,631	87,297
<b>Total Assets (A)</b>	<b>27,693,100</b>	<b>336,539</b>	<b>691,842</b>
<b>Inadmissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000</b>			
(a) Interfund balances	7,703	-	32
(b) Excess of prescribed limit	-	43,683	-
(h) Contribution more than 90 days	-	4,203	65,903
<b>Total of In-admissible assets (B)</b>	<b>7,703</b>	<b>47,886</b>	<b>65,935</b>
<b>Total Admissible Assets (C=A-B)</b>	<b>27,685,397</b>	<b>288,653</b>	<b>625,907</b>
<b>Liabilities</b>			
Insurance liabilities net of retakaful recoveries	158,328	116,905	139,341
Staff retirement benefits	826	-	-
Contributions received in advance	96,168	3,730	18,379
Other creditors and accruals	923,701	27,429	25,724
<b>Total Liabilities (D)</b>	<b>1,179,023</b>	<b>148,064</b>	<b>183,444</b>
<b>Total Net Admissible Assets (E=C-D)</b>	<b>26,506,374</b>	<b>140,589</b>	<b>442,463</b>
Minimum Solvency Requirement			
Policyholders Liability	25,507,885	70,135	175,065
Solvency Margin	325,189	51,368	220,688
	25,833,074	121,503	395,753
<b>Excess in Net Admissible Assets over Minimum Requirements</b>	<b>673,300</b>	<b>19,086</b>	<b>46,710</b>

**Basis of preparation:**

The Insurance Accounting Regulations, 2017 have retained the Statutory Fund wise accounting for regulatory returns. The above Statement of Solvency has been prepared in accordance with the requirements of Section 32 of the Insurance Ordinance, 2000, and the format prescribed in regulatory returns for solvency statement. Further, solvency margins have been calculated as per annexure III read with rule 14 of the Insurance Rules, 2017.

**30 CORRESPONDING FIGURES**

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison and better presentation.

**31 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on March 01, 2022 by the Board of Directors of the Company.

**32 GENERAL**

Figures in the financial statement have been rounded off to the nearest thousand of rupees, unless otherwise stated.



  
Kamal A. Chinoy  
Chairman

  
Aryn Currimbhoy  
Director

  
Shahid Ghaffar  
Director

  
Javed Ahmed  
Managing Director &  
Chief Executive Officer

  
Omer Farooq  
Chief Financial Officer



# Shareholders Informations

# Pattern of Shareholdings

As of December 31, 2021

Number of Shareholders	Shareholdings' Slab		Total Shares Held
257	1	to 100	10,570
235	101	to 500	73,025
424	501	to 1000	299,877
391	1001	to 5000	887,258
115	5001	to 10000	796,593
30	10001	to 15000	370,227
12	15001	to 20000	207,698
10	20001	to 25000	232,805
7	25001	to 30000	193,908
7	30001	to 35000	220,913
3	35001	to 40000	110,444
2	40001	to 45000	84,054
3	45001	to 50000	148,687
2	50001	to 55000	105,454
3	55001	to 60000	176,012
5	60001	to 65000	308,927
1	70001	to 75000	73,749
2	75001	to 80000	154,545
1	85001	to 90000	85,187
1	95001	to 100000	95,200
3	100001	to 105000	310,762
1	105001	to 110000	106,000
3	110001	to 115000	338,665
1	115001	to 120000	115,617
1	120001	to 125000	124,665
1	135001	to 140000	137,942
1	145001	to 150000	145,559
1	150001	to 155000	153,100
1	155001	to 160000	160,000
2	160001	to 165000	330,000
1	165001	to 170000	165,315
1	170001	to 175000	173,937
1	180001	to 185000	180,200
1	210001	to 215000	210,484
1	220001	to 225000	225,000
1	345001	to 350000	345,244
1	685001	to 690000	685,091
1	960001	to 965000	962,757
1	1040001	to 1045000	1,044,005
1	1265001	to 1270000	1,269,431
1	1345001	to 1350000	1,348,882
1	1820001	to 1825000	1,824,800
1	5610001	to 5615000	5,611,592
1	16155001	to 16160000	16,158,703
1	50495001	to 50500000	50,500,864
<b>1,541</b>			<b>87,263,748</b>



# Pattern of Shareholdings

As at December 31, 2021

Categories of Shareholders	Number of Shareholders	Shares held	Percentage
<b>1. Directors, Chief Executive Officer, their spouse and minor children:</b>	<b>10</b>	<b>198,941</b>	<b>0.23%</b>
Kamal A. Chinoy		78,045	
Javed Ahmed		1,084	
Sultan Ali Akbar Allana		695	
Shahid Ghaffar		605	
Rafuiddin Zakir Mahmood		601	
John Joseph Metcalf		695	
Amyr Currimbhoy		550	
Sagheer Mufti		549	
Yasmin Ajani		500	
Hina Javed		115,617	
<b>2. Associated Companies, Undertakings &amp; related parties:</b>	<b>4</b>	<b>72,956,250</b>	<b>83.60%</b>
Aga Khan Fund for Economic Development S.A. Switzerland		50,500,864	
Habib Bank Limited - Treasury Division		16,158,703	
Jubilee General Insurance Company Limited		5,611,592	
The Aga Khan University Foundation		685,091	
<b>3. Executives</b>	<b>9</b>	<b>80,948</b>	<b>0.09%</b>
Muhammad Sohail Fakhar		64,570	
Shan Rabbani		2,037	
Zahid Barki		4,498	
Faisal Qasim		695	
Najam ul Hassan Janjua		12	
Muhammad Aamir		3,630	
Faiz ul Hassan		2,200	
Muhammad Junaid Ahmed		1,815	
Nadym Chandna		1,491	
<b>4. NIT and ICP</b>	<b>1</b>	<b>691</b>	<b>0.00%</b>
Investment Corporation of Pakistan		691	
<b>5. Banks, Development Financial Institutions &amp; Non Banking Financial Institutions</b>	<b>2</b>	<b>1,846,962</b>	<b>2.12%</b>
National Bank of Pakistan		1,824,800	
MCB Bank Limited - Treasury		22,162	
<b>6. Insurance Companies</b>	<b>3</b>	<b>1,282,112</b>	<b>1.47%</b>
EFU General Insurance Limited		1,269,431	
Asia Insurance Company Limited		11,990	
The Premier Insurance Company of Pakistan		691	
<b>7. Modarabas and Mutual Funds</b>	<b>4</b>	<b>258,754</b>	<b>0.30%</b>
First Equity Modaraba		4,154	
CDC-Trustee MCB Pakistan Stock Market Fund		153,100	
CDC-Trustee Atlas Stock Market Fund		95,200	
CDC-Trustee APF-Equity Sub Fund		6,300	
<b>8. Others</b>	<b>59</b>	<b>738,010</b>	<b>0.85%</b>
<b>9. General Public</b>	<b>1444</b>	<b>6,210,287</b>	<b>7.12%</b>
- Local	1438	6,203,387	
- Foreign	6	6,900	
<b>10. Foreign Companies</b>	<b>5</b>	<b>3,690,793</b>	<b>4.23%</b>
Acacia Conservation Fund LP		962,757	
Acacia Partners LP		1,348,882	
Acacia II Partners LP		124,665	
Acacia Institutional Partners LP		1,044,005	
Acacia Conservation Master Fund (Offshore) LP		210,484	
<b>TOTAL</b>	<b>1541</b>	<b>87,263,748</b>	<b>100%</b>

\* Excluding 3,475 shares held by Nominee Directors

Categories of Shareholders	Number of Shareholders	Shares held	Percentage
<b>11. Categories of Shareholders</b>			
Directors, Chief Executive Officers, their spouse and minor Children	10	198,941	0.23%
Associated Companies, Undertakings and Related Parties	4	72,956,250	83.60%
Executives	9	80,948	0.09%
General Public - Local (individuals)	1438	6,203,387	7.11%
General Public - Foreign (individuals)	6	6,900	0.01%
Foreign Companies	5	3,690,793	4.23%
Banks, Insurance Companies & Financial Institutions	6	3,129,765	3.59%
Mobarabas, Mutual Funds, & Others	63	996,764	1.14%
<b>TOTAL</b>	<b>1,541</b>	<b>87,263,748</b>	<b>100.00%</b>

**12. Shareholders holding 10% or more voting interest**

Aga Khan Fund for Economic Development S.A. Switzerland	50,500,864	57.87%
Habib Bank Limited - Treasury Division	16,158,703	18.52 %

Categories of Shareholders	Designation	Transaction	No. of Shares
<b>13. Trading in shares by the Directors, CEO &amp; Spouse and Executives during the year 2021</b>			
Adeel Ahmad Khan	Head of Internal Audit	Sold	1,100
Zahid Barki	Group Head Risk Management, Compliance & Quality Assurance / Compliance Officer	Sold	8,200

# Notice of 27<sup>th</sup> Annual General Meeting

Notice is hereby given that the 27th Annual General Meeting of the Shareholders of Jubilee Life Insurance Company Limited "Company" will be held on Wednesday, April 06, 2022 at 11:00 a.m. at Corporate Office, Jubilee Life Insurance Company Limited, DD-79, 1st Floor, Asad Plaza, Shams Abad, Murree Road, Rawalpindi and through video-link to transact the following business:

## Agenda

### Ordinary Business

1. To Confirm the Minutes of 26th Annual General Meeting held on March 30, 2021.
2. To consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2021 together with the Chairman's Review, Directors' Report and Auditors' Report thereon.
3. To consider and approve the payment of final cash dividend of 115% (Rs. 11.50 per ordinary share of Rs.10 each) for the year ended December 31, 2021 as recommended by the Directors of the Company, in addition to the interim dividend of Rs.3.00 per share i.e. 30% already paid to shareholders during the year, thus making a total of Rs. 14.50 per share i.e. 145% for the year ended December 31, 2021.
4. To appoint External Auditors and Shariah Compliance Auditors for the Year 2022 and to fix their remuneration. The retiring auditors, M/s. A.F. Ferguson & Co., Chartered Accountants, being eligible offer themselves for re-appointment as Statutory Auditors and Shariah Compliance Auditors.
5. To transact any other business as may be placed before the Meeting with the permission of the Chair.

Dated: March 16, 2022  
Karachi



By order of the Board  
Najam ul Hassan Janjua  
Company Secretary

**Notes:****1. Video Link Facility for Attending the Meeting**

Due to the prevailing COVID-19 variant pandemic cases, the Securities and Exchange Commission of Pakistan, through circular No. 4 dated February 15, 2021, has allowed the companies to hold Annual General Meeting virtually through video-link, webinar, zooming, etc., in addition to requirement of holding physical meeting. Accordingly, Shareholders can consolidate their attendance, participating in, and voting at Annual General Meeting into as few people as possible through proxies. Further, in the Shareholders can log in through video-link, i.e., <https://zoom.us/download> to participate in the Annual General Meeting proceedings. For this, the Shareholders are requested to email their particulars like, Name, Folio Number, Cell Number and Number of Shares held in their name along with valid copy of both sides of Computerized National Identity Card (CNIC) at [company.secretary@jubileelife.com](mailto:company.secretary@jubileelife.com) with the Company Secretary Office "the Company". The video-link and login credentials will be shared with only those Shareholders/designated proxies whose e-mails, containing all the above required particulars, are received at least 48 hours before the time of meeting.

The shareholders can also provide their comments/suggestions for the proposed agenda items of the AGM on WhatsApp Number +92 300 2946416 and email: [company.secretary@jubileelife.com](mailto:company.secretary@jubileelife.com)

The shareholders can also provide their comments/suggestions for the proposed agenda items of the AGM on WhatsApp Number +92 300 2946416 and email: [najam.janjua@jubileelife.com](mailto:najam.janjua@jubileelife.com)

2. The Share transfer books of the Company shall remain closed from 31-03-2022 to 06-04-2022 (both days inclusive). Transfers received in order by our share registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, SMCHS, Main Sharah-e-Faisal, Karachi-74400, at the close of business on 30-03-2022 will be treated in time for the purpose of attending the meeting.
3. A Member of the Company entitled to attend and vote at this Meeting shall be entitled to appoint another member, as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the Meeting as are available to a member.
4. A Member shall not be entitled to appoint more than one proxy to attend anyone meeting. If any Member appoints more than one proxy for anyone meeting and more than one instruments of proxy are deposited with the Company, all such instruments of proxy shall be rendered invalid.
5. Proxies, in order to be effective, must be received by / lodged with the Company at its Registered Office 26-D, 3rd floor, Kashmir Plaza, Jinnah Avenue, Blue Area, Islamabad or Head Office, Jubilee Life Building, 74/1-A, Lalazar, M.T. Khan Road, Karachi, not less than 48 hours before the Meeting.
6. Members are requested to immediately notify any change in their addresses.
7. 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.
8. Shareholders possessing physical shares are requested to immediately send a copy of their Computerized National Identity Card (CNIC) to our Share Registrar Office, CDC Share Registrar Services Limited, CDC House, 99-B, Block B, SMCHS, Main Sharah-e-Faisal, Karachi. Corporate entities are also requested to submit their NTN at the address of our Registrar as given above.
9. Please further note that the rates for deduction of withholding tax on the amount of dividend paid by the companies are @ 15% for filers of income tax returns and @ 30% for non-filers of income tax returns. All members are advised to ensure their names are on Active Tax-payers list (ATL) provided on the website of Federal Board of Revenue (FBR) otherwise tax on dividend will be deducted @30% instead of 15%.

In this regard, all shareholders who hold shares with joint shareholders, are requested to provide shareholding proportions of Principal shareholder and Joint Holder(s) in respect of shares held by them to our Share Registrar, in writing as follow before 30-03-2022 positively; otherwise it will be assumed that the shares are equally held by principal shareholder and joint holder(s).

Name	Folio / CDS Accounts No.	Total Shares	Principal Shareholder		Joint Shareholder	
			Name & CNIC No.	Shareholding Proportion (No. of Shares)	Name & CNIC No.	Shareholding Proportion (No. of Shares)

## 10. Payment of Cash Dividend Electronically (e-Dividend)

In accordance with the provision of Section 242 of the Companies Act, 2017 (Act) all listed Companies including Jubilee Life Insurance Company Limited are required to pay dividends to the entitled shareholders only through electronic mode directly in the bank account of the said shareholders.

Keeping in view the mandatory requirement of Section 242 of the Act, all listed companies are advised to approach their Shareholders for obtaining electronic dividend mandate, update their bank account records and put a system in place, as all dividend payments with effect from November 01, 2017 shall be paid through electronic mode only. In this regards Company has already issued letters on October 06, 2017 to such shareholders on their addresses available in Company's record through registered post and Company is still consisting approaching such shareholders who's IBAN/Bank Account details not updated in the Company's record.

In pursuance of the directives of SECP, Such Shareholders are advised to provide their dividend mandate with complete bank account details along with International Bank Account Numbers (IBAN's) for payment of cash dividend directly in the bank accounts instead of issuance of physical Cash Dividend Warrants. In this regard the Shareholders may obtain Bank Mandate Form from the Company's website <https://jubileelife.com/wp-content/uploads/2016/06/Bank-Mandate-Form.pdf>.

Shareholders are advised once again to please submit the referred form duly filled to the Share Registrar "CDC Share Registrar Services Limited" in case of physical holding and in case of CDC account/sub-account to investor Account Services or to their Brokerage firm as the case may be.

## 11. Conversion of Physical Shares into Book-entry Form

The shareholders having physical shareholding are advised to open CDC sub-account with of the Stock Brokers or CDC Investor Account Services to place their physical shares into book-entry form. This will facilitated under existing regulations of the Pakistan Stock Exchange Limited further, Section 72 of the Companies Act, 2017, while states that every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement (i.e May 31, 2017) of this Act, according to which the deadline was May 31, 2021.

## 12. Merger of Different Folios into one Folio

As per record, some of the shareholders are maintaining more than one folio under the same particulars. Carrying two different folios may be a hassle for the shareholders to reconcile and receive different benefits in the shape of dividends/bonus. In order to provide better services and convenience, such shareholders are requested to send requests to the Company's Share Registrar to merge their folios into one folio.

## 13. Unclaimed/Unpaid Dividends and Share Certificates

As per Section 244 of the Companies Act, 2017 shares/dividends which remain unclaimed or unpaid for a period of three years from the date these have been due and payable to be vested with the Federal Government. In this regard, Jubilee Life Insurance Company Limited had already sent individual letters dated October 5, 2017 on the available addresses through our Share Registrar "CDC Share Registrar Services Limited, CDC House, 99-B, Block B, SMCHS, Main Sharah-e-Faisal, Karachi" requesting therein to claim their shares/dividends within 90-days of the letter. After that, as per SECP directives a final notice was also published in daily Business Recorder and daily Nawa-e-Waqt dated January 5, 2018. In this regard, the detail of unclaimed/undelivered shares and dividends is available on Company's website (direct link is <https://www.jubileelife.com/wp-content/uploads/2021/10/jlicl-secp-format-unclaimed-dividend-and-shares>). All the shareholders of the Company (old and existing)

once again requested to visit the Company's website and if any share/dividend showing unclaimed/undelivered against your name, please lodge your claim with our Share Registrar, CDC Share Registrar Services Limited by sending an application mentioning therein your Folio number, your present address along with a copy of valid CNIC on the address given above.

**A. FOR ATTENDING THE MEETING:**

- (i) In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Regulations shall authenticate his/her original valid Computerized National Identity Card (CNIC) or the original Passport at the time of attending the meeting.
- (ii) The shareholders registered on CDC are also requested to bring their particulars, I.D. numbers and account numbers in CDS.
- (iii) In case of corporate entity, the Board of Directors' resolution/power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

**B. FOR APPOINTMENT OF PROXIES:**

- (i) In case of individuals, the account holder or sub-account holder and/or the persons whose registration details are uploaded as per the Regulations shall submit the proxy form as per requirement notified by the Company.
- (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- (v) In case of corporate entity being a Member, the Board of Directors' resolution/power of attorney with specimen signature of the nominee/attorney shall have to be submitted (unless it has been provided earlier) along with the proxy form to the Company.



# Proxy Form

I/We \_\_\_\_\_ of \_\_\_\_\_ (full address) being member(s) of Jubilee Life Insurance Company Limited and holder of \_\_\_\_\_ Ordinary Shares as per Share Register Folio No. \_\_\_\_\_ CDC Participant ID \_\_\_\_\_ CDC Account No. \_\_\_\_\_ hereby appoint Mr./Mrs./Miss \_\_\_\_\_ of \_\_\_\_\_ (full address) or failing him/her \_\_\_\_\_ of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my proxy to vote for me and on my behalf at the Annual General Meeting of the Company to be held on Wednesday, April 06, 2022 at 11:00 a.m. at Corporate Office, Jubilee Life Insurance Company Limited, DD-79, 1st Floor, Asad Plaza, Shams Abad, Murree Road, Rawalpindi and at any adjournment thereof.

As witness my/our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

\_\_\_\_\_  
Signature and Address of Witness  
CNIC/ Passport No. \_\_\_\_\_

Please affix  
Revenue Stamp

\_\_\_\_\_  
Signature of Member(s)

\_\_\_\_\_  
Signature and Address of Witness  
CNIC/ Passport No. \_\_\_\_\_

A member entitled to attend and vote at the Annual General Meeting to appoint another member as proxy to attend, speak and vote instead of him/her.

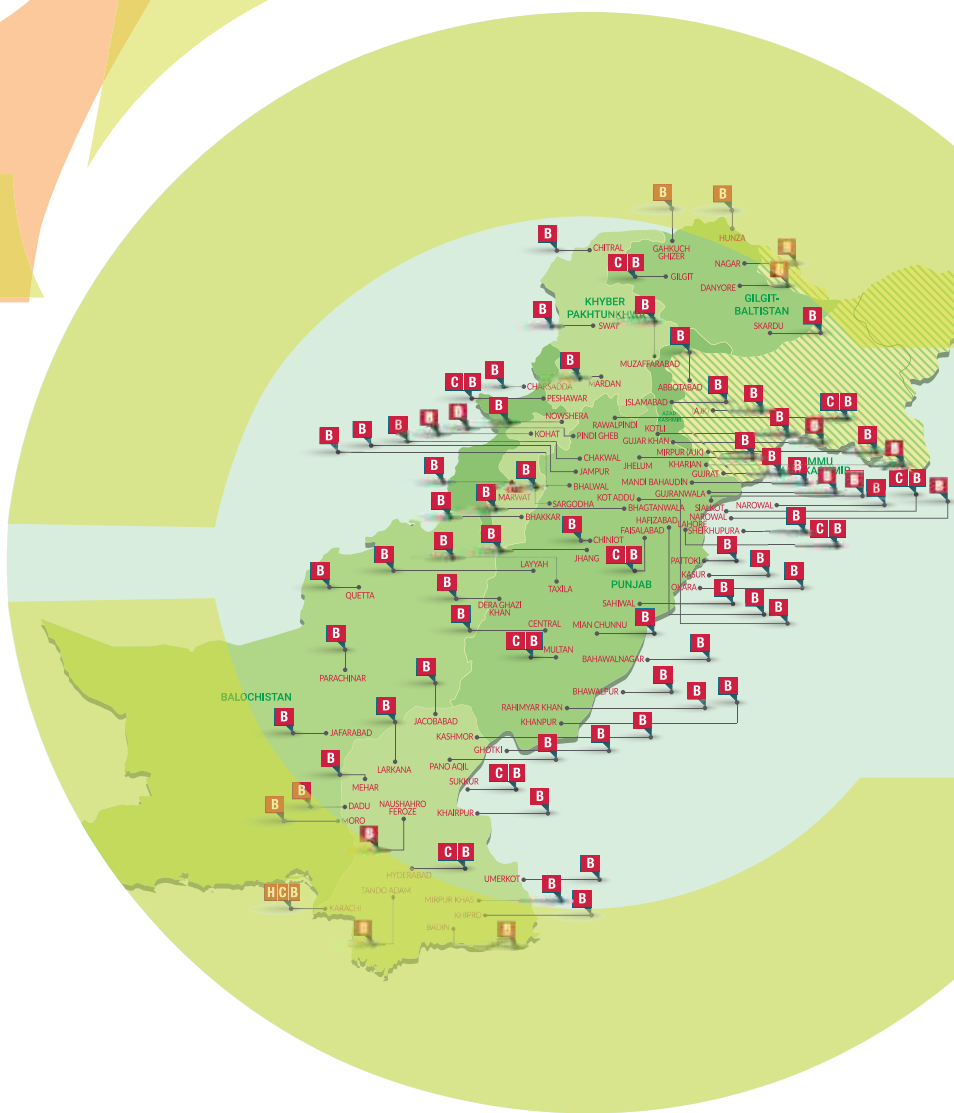
The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing, if the appointer is a corporation, under its common seal or the hand of an officer or attorney duly authorized. A proxy must be a member of the Company.

The instrument appointing a proxy, together with the power of attorney if any under which it is signed or a notarial certified copy thereof, should be deposited at the Registered Office not less than 48 hours before the time of holding the meeting.

# TRANSFORMATION TRANSFORMATION TRANSFORMATION TRANSFORMATION TRANSFORMATION TRANSFORMATION

Over the last few years, the insurance sector in Pakistan has experienced a major evolution. We, at Jubilee Life, have been instrumental in shaping this transformative journey. It is a journey that has seen a remoulding and revamping of traditional and cliched insurance communications. We have led the way in moving away from a purely category-centric to a more brand-based advertising approach that highlights the 'life affirming' and 'investment in the future' aspects of our business.





# Geographical Presence

# Head Office, Back Offices & Corporate Offices

## HEAD OFFICE

**Head Office**  
74/1-A Lalazar MT Khan Road, Karachi.  
021- 35205094 -5

## BACK OFFICES

**PNSC 2nd Floor Karachi**  
2nd Floor, PNSC Building, M.T. Khan Road, Lalazar,  
Karachi.  
021- 35657886

**PNSC 11th Floor Karachi**  
11th Floor PNSC office Lalazar MT Khan Road, Karachi.  
021- 35809200

**Lalazar I.T. Office**  
36-A/1 & 3, 1st floor, Opposite Beach Luxury Hotel,  
lalazar, M.T. Khan road, Karachi.  
021 - 35205096

**Approval Center at Lalazar**  
Building # 36-A/2, (Ground, Mezzanine & 1st Floor),  
Lalazar, M.T.Khan Road, Karachi.  
021 - 35205096

**RSC. D.H.A. ITTEHAD LANE**  
Plot # C3C, Itihad Lane 12, DHA, Karachi.

**Training Academy, Karachi**  
2nd Floor, Plot # A-1, NGC Tower, Block 7/8,  
Main Shahrah-e-Faisal, Karachi.  
021-34380634

## CORPORATE OFFICES

**Corporate Office, Faisalabad**  
Saleemi Tower, 1st & 2nd Floors, 'D' Ground, Faisalabad.  
041-8559849

**Corporate Office, Lahore**  
2nd & 3rd Floor, Tufail Plaza, 56 Shadman 1, Post Office  
Shadman, Lahore.  
042-7421793

**Corporate Office Multan**  
2nd Floor, Paradise Center, Gulgasht Colony, Multan.  
061-6212052

**Corporate Office Rawalpindi**  
1st & 2nd Floor, DD-79, Asad Plaza, Shamsabad,  
Murree Road, Rawalpindi.  
051- 4935549

**Corporate Office Sialkot**  
Right wing, 2nd floor, Moon Tower. Opp DHL office,  
Paris Road, Sialkot.  
052-4293529

**CSD Center Gilgit**  
2nd Floor, ZS-Plaza, in front of Radio Pakistan,  
Main Sharah-e-Quaid-e-Azam, Jutial, Gilgit.  
05811-457070

**CSD Center Peshawar**  
2nd Floor, Samad Plaza, Tehkal, Main University Road,  
Peshawar.  
091-5850520 / 5842449

**CSD Center Sukkur**  
1st Floor, Lala Azam Plaza, Opposite Excise Office,  
Station Road, Sukkur.  
071-5614261

## CORPORATE DISTRIBUTION

**Karachi**  
2nd Floor, PNSC Building, M.T. Khan Road, Lalazar,  
Karachi.  
021- 35657886

**Lahore**  
2nd & 3rd Floor, Tufail Plaza, 56 Shadman 1, Post Office  
Shadman, Lahore.  
042-37529600 & 37421793

**Faisalabad**  
Saleemi Tower, 1st Floor, Dground, Faisalabad.  
041-8559849

**Rawalpindi**  
2nd Floor, DD-79, Asad Plaza, Shamsabad, Murree Road,  
Rawalpindi.  
051- 4935549

**Multan**  
10-A, 1st. Floor, Twin Towers, Tehsil Chowk,  
Gulgasht Colony, Near Silk Bank, Bosan Road, Multan.  
061-6212052

**Peshawar**  
2nd Floor, Samad Plaza, Tehkal, Main University Road,  
Peshawar.  
091-5850520 / 5842449

**Hyderabad**  
1st Floor, Noor Place, near KASB Bank, Saddar,  
Cantonment, Hyderabad.  
0222-786082-3

**Micro Insurance Office Gilgit**  
Office # 310, 3rd Floor, ZS-Plaza, in front of Radio  
Pakistan, Main Sharah-e-Quaid-e-Azam, Jutial, Gilgit.  
05811-457070

# Branch Network

## INDIVIDUAL LIFE OFFICES

### SOUTH REGION

#### Crescent Branch Karachi

#### Shaheen Branch Karachi

#### Alpha Branch Karachi

Office No. 601, 6th Floor, Progressive Centre PECHS Block 6, Karachi.  
021-34663421

#### United Branch

#### Alpha Branch Karachi

Office No. 109, Asia Pacific Trade Centre, Opposite Drive-In-Cinema, Main Rashid Minhas Road, Karachi.  
021-34663421

#### Karachi Indus Branch

#### Liberty Branch

Office No. 105-A & 106 Asia Pacific Trade Centre, Opposite Drive-In-Cinema, Main Rashid Minhas Road, Karachi.  
021-34663421

#### Royal Branch Karachi

Office Number 403, 4th Floor, Progressive Center, Block 6, P.E.C.H.S. Karachi.  
021-34322463

#### Galaxy Branch Karachi

B-1 & B-2, Anarkali Apartment, F.B Area, Ayesha Manzil Block-7, Karachi.  
021-363201613

#### Horizon Branch

#### Platinum Branch

#### Imperial Branch Karachi

G-5, Adenwella Appartment, GRE325 / 2, Garden East, Karachi.  
021-32259560

#### Nobel Branch Karachi

Plot # 6 / FL-6, 2nd Floor, Block -6, KDA Scheme # 24, Gulshan-e-Iqbal, Karachi.  
021-34834216

#### Civic Branch Karachi

Office # 302 & 303, 3rd Floor, Arab Busniess Center, Block # 3, Karachi Cooperative Housing Society, Aalamgeer Road Bahadurabad, Karachi.  
021-34123264

#### Diamond Branch Karachi

Flat No. 9 Afzal Apartment KDA Scheme 1-A Stadium Road, Karachi.  
021-34188115 - 8

#### Gulshan-e-Iqbal Branch

#### Falcon Branch

4th Floor, C-15/1, Taj Medical Complex, Gulshan Chowrangi, Rashid Minhas Road, Gulshan-e-Iqbal, Karachi.  
021-38102010-11

#### Thandi Sadak Branch, Hyderabad

1st Floor, CC-1 Block, Civic Centre, Thandi Sarak, Hyderabad.  
0222-786194

#### Mirpurkhas City Branch

Adam Tower Mirpur Khas, Plot No. 864/4, Mirpurkhas.  
072-3652191

#### Khipro Branch

Sanghar Road, Opposite forest office, Khipro.  
0235-879969

#### Naushehroferoz City Branch

2nd Floor, Property located at Near Muhammadi Iron Store & Jalbani Petrol Pump, Naushero Feroz.  
024-2448424

#### Mehran Branch Ghotki

First Floor, Chawla Plaza, Near National Saving Center, Devri Road, Ghotki.  
072-3600612 - 3

#### Mehar City Branch

Eri Building, Girls School Road, Mehar.  
025-4730765, 025-4730406

#### Pano Aqil Branch

Opposite Caltex Petrol Pump, Baiji Chowk, National Highway, Pano Aqil.  
071-5691717 / 8

#### Sukkur City Branch

1st Floor, Lala Azam Plaza, Opposite Excise Office, Station Road, Sukkur.  
071-5614261

#### Larkana City Branch

#### Larkana Royal Branch

#### Station Road Branch Larkana

1364/2, Block-C, Nawatak Mohallah, Larkana.  
074-4057486-7

#### Khairpur Branch

Ghareeb Nawaz Hotel, Opp. Circuit House, Khairpur.  
0243-714872 - 73

#### Ideal Branch

#### Star Branch

1st Floor, Shop # 1, Autobhan Tower, Autobhan Road, Plot # 1-A, Unit # 3, Hyderabad.  
0333-2781122

#### Badin City Branch

Opposite Nasim City Center, Main Hyderabad Road, Badin.  
0333-2520638 / 0300-3301247

#### Moro City Branch

Near Ali Restaurant, Main road, Moro.  
0300-3223623

#### Quetta City Branch

Office A-13, 1st Floor Swiss Plaza, M.A Jinnah Road, Quetta.  
0333-7801970

## MULTAN REGION

#### Dera Ghazi Khan Branch New

1st & 2nd Floor, Sardar Plaza, Near Al-Karim Center, Sangam Chowk, Near Pul Daat, Dera Ghazi Khan.  
064-2460250-51

**Abdali Road Branch**  
**Multan Royal Branch**  
NIPCO Building, 63-Abdali Road, Multan.  
061-4573301 - 02

**Bahawalpur I.L Branch**  
2nd & 3rd Floor, Qatar Banquet Hall ad Hotel, Allama Iqbal Town Near New Civil Hospital Road, Bahawalpur.  
068-5887601

**Sahiwal Branch**  
1st Floor, Alpha Tower, 276/B-1, High Street, Sahiwal.  
040-4220503

**Bahawalpur Sadiq Branch**  
Shah Jamat Plaza, Near Abbasia Cinema, Saraiki Chowk, Railway Road, Bahawalpur.  
0300-9682667

**Usta Muhammad City Branch**  
Jinnah Road, Near Shaheen Bakri, Usta Muhammad, Jaffarabad.  
0332-8059080

**Jacobabad City Branch**  
First Floor, National Autos, Quaid-e-Azam Road, Jacobabad.  
0333-7344198

#### CENTRAL REGION

**Faisalabad City Branch**  
**Satiana Road Branch**  
577-B, Peoples Colony, Main Satiana Road, Near Saleemi Chowk, Faisalabad.  
041-8720984

**G.T. Road Branch 1**  
Chughtai Centre, G.T. Road, Shaheenabad, Gujranwala.  
055-3824735

**Club Road Branch Sargodha**  
405 Club Road, Sargodha.  
048-3768468-9

**Hafizabad Branch**  
House # A-1481, Post Office Road, above Aga Khan Laboratory, Hafizabad.  
0547-524879

**Okara Branch**  
2nd Floor, Nasir Plaza, Depalpur Chowk, Okara.  
044-2520477

**New Cavalry Branch**  
**Jinnah Branch**  
**Cantt Branch Lahore**  
**Premier Branch Lahore**  
1st, 2nd & 3rd Floor, Plot No.79, Commercial Area Officers Scheme, Cavalry Ground, Lahore.  
042-6619966

**Ravi Branch Lahore**  
**Premier Branch Lahore**  
Plot # 43, Block L, M.A. Johar Town, Near Emporium Mall, Lahore.  
042-35941897

**Lahore Prime Branch**  
**Lahore Royal Branch**  
2nd Floor, Plot # 30, Y Block, Commercial Area phase 3, DHA, Lahore.  
042-35897740 - 47

**Lahore Pioneer Branch**  
**Lahore Champions Branch**  
**Defence Branch Lahore**  
1st Floor, 41 Civic Center, Barkat Market, New Garden Town, Lahore.  
042-3597189

**Lahore United Branch**  
**Elite Branch Lahore**  
1st Floor, Khalid Plaza, 25 - Gulshan Block, Main Road, Allama Iqbal Town Lahore.  
042-35139508

**Chenab Branch Gujrat New**  
First Floor, Hanif Plaza, Main Rehman Shaheed Road, Gujrat.  
0533-535115

**Paris Road Branch**  
1st Floor, Al Amin Centre, bearing serial No. B1- 16 S -98 B Paris Road, Sialkot.  
052-4265041

**Jehlum Buraq Branch**  
1st and 2nd floor, Saran plaza, Near MCB bank, G.T Road, Jada, Jehlum.  
0544-720681,2,3

**Mandi Bahuddin Branch**  
Upper old passport office, Q mart plaza, Ward # 05, Mandi Bahauddin.  
0349-5282898

**Garden Town, Lahore**  
**Garden Town 2 Branch**  
Office # 603, 6th Floor, Ibrahim Center, Barkat Market, Lahore.  
0300-9467337 & 0321-4176864

**Jhang City Branch**  
HBL Basement, Yousaf Shah Road, Near Jigar Hotel, Jhang.  
0343-8411181

**Umer Kot Branch**  
1st Floor, Opposite Jinnah Park, Chhor Bypass Road, Umer Kot.  
0334-324573

#### NORTH REGION

**Haider Road Branch**  
2nd Floor, Hall # 3, Bilal Plaza, Grindly Market, Haider Road, Rawalpindi .  
051-35111335

**Margalla Hills Branch Islamabad**  
**Blue Area Branch Islamabad**  
**Jinnah Avenue Branch**  
**Islamabad Branch**  
**Capital Branch**  
**Twin City Branch**  
Main Civic Centre, 3rd Floor, Kashmir Plaza, Blue area Sector G-6, F-6 Islamabad.  
051-2206934

**G-9 Branch, Islamabad**  
2nd Floor, Right Hand Side Wing, Plot # 39, Paragon Plaza, G-9 Markaz, Islamabad.

**Cant. Branch Peshawar  
University Road Branch**  
Office #: UG-422, 1st Floor, Upper Ground Deans Trade  
Centre, Islamia Road, Peshawar Cantt.  
091-5253262

**Mirpur A.K. Branch  
Chinar branch**  
1st Floor, Bank Square, Allama Iqbal Road, Mirpur AJK.  
05822-445041 / 44315

**Muzaffarabad Branch**  
2nd Floor, Bilal Shopping Plaza, Upper Adha,  
Muzaffarabad.  
05822-445041 / 443315

**Kotli Branch**  
2nd Floor, Ghulastan Plaza, Pindi Road, Kotli Azad Kashmir.  
05826-444475

**Gilgit Branch**  
2nd Floor, ZS-Plaza, in front of Radio Pakistan,  
Main Sharah-e-Quaid-e-Azam, Jutial, Gilgit.  
05811-457070

**Hunza Branch**  
1st Floor, Gulzar-e-Hunza Market, Bank Square, Aga Khan  
Abad, Ali Abad, Main Karakoram Highway, Hunza.  
0581-1450092

**Ghizer Branch**  
(Shop # 10 – 17 )Ground Floor, Shahbaz Market, Raja  
Bazar, Near DHQ Hospital, Gahkuch Ghizer.  
05814- 451511

**Rawalpindi Behria Town**  
2nd Floor, Plot # 180, Block D, Civic Center, Phase 04,  
Behria Town, Rawalpindi.  
051-5731452-53 / 051-5731423, 051-5731479

**Bagh Branch IL**  
1st Floor, Upper Floor of JS Bank By Pass Road Bagh, Azad  
Kashmir.  
05823-445384

**Baltistan Branch**  
2nd Floor, Ali Shopping Mall, Husaini Chowk, Skardu.  
05815-456476 - 85

**Chitral Branch**  
Shahi Qila Road, Opposite PTCL Office, Chitral.

**Lakki Marwat, Sub Office Peshawar**  
1st Floor, Abba Shaheed Plaza, Opposite Govt. Post  
Graduate College Lakki Marwat.  
0969-512006

**Kharian Branch**  
2nd Floor, Mian Jamil Plaza, Upper to Bank Islamic, G.T.  
Road, Kharian.  
053-7603535

**Gojal Branch GB**  
Hamid 3 Star Market, Pologround Chowk, Gulmit, Gojal,  
Hunza.  
0343-2309889

**Nagar Branch GB**  
Shops # 1&2, Main Market, Mehdiabad, Sumayar, P.O. Box  
Sumayar Division & Dst Nagar.  
0343-5786278

**Danyore Branch GB**  
Jubilee Baig Market, Danyore Near DJ School, Danyore.  
0346-3115596

**Korattia Branch AJK**  
Main Kachari, 1st Floor, Azam Plaza, Korattia, Azad  
Kashmir.  
0346-5352335

**Dudayal Branch AJK**  
Thara Center, Arra Jattan, Dudayal, AJK.  
0344-7767677

**Garam Chashma Branch**  
1st Floor, Pamir Market, Infront Pir Nasir, Darba, Garam  
Chashma, Chitral.  
0349-5282898

**Booni Branch**  
Shah Wazir Market, Main Bazar, Booni Market, Booni,  
Chitral.  
0349-5282898

**Gujar Khan Branch**  
1st Floor, Maqbool Plaza, Waqia Service Road, Gujar Khan,  
Dist. Rawalpindi.  
0336-5816350

**Parachinar Branch**  
1st Floor (Upper Floor Mcb), Dr. Hussain Ali Market, Near  
Peshawar Adda, Main G.T. Road, Parachinar.  
0309-0095726

**Abbottabad Branch**  
1st Floor, Yousaf Jamal Plaza, Supply Mansehra Road,  
Abbotabad.  
0312-9519169

**Charhoi Branch  
Dudyal Branch**  
First Floor, Hashmat Plaza, Near Akbar Filling Station,  
Charhoi Tehsil, Charhoi District, Kotli A.J.K.  
0346-5352335

## BANCASSURANCE OFFICES

**Karachi Bancassurance**  
Office # 211, 213, 2nd Floor, Business Avenue,  
Shahrah-e-Faisal, Karachi.  
Office # M1 / M2, Mezzanine Floor, Business Avenue,  
Shahrah-e-Faisal, Karachi.  
021-34374310

**Hyderabad Banca**  
1st Floor, Noor Place, near KASB Bank, Saddar,  
Cantonment, Hyderabad.  
022-786082-3

**Sukkur Bancassurance**  
1st Floor, Bilal Plaza, Opposite Jatoi House, Military Road,  
Sukkur.  
071-5631169

**Bahawalpur Bancassurance**  
1st Floor, H# 1-B, Model Town - B, Main Ghalla Mandi Road,  
Bahawalpur.  
0622-882237-9

**Multan Bancassurance**

2nd Floor, Twin Towers, 10-A, Gulgasht Colony, Multan.  
061-6212052

**Sahiwal Bancassurance**

1st Floor, Naveed Plaza, Jinnah Road, High Street, Sahiwal.  
052-4603161

**Faisalabad Bancassurance**

3rd Floor, Office # 09, Legacy Tower, Main Boulevard,  
Kohinoor City, Faisalabad.  
041-8555061-63

**Lahore Bancassurance**

1st and 2nd floor, 57 Shadman Market, Near Post Office  
Shadman, Lahore.  
042-37529600

**Sargodha Bancassurance**

Al-Rehman Trade Centre, 2nd Floor, Office # 55, Sargodha.  
048-3768646-7

**Gujranwala Bancassurance**

3rd Floor, Zaheer Plaza G.T Road, Gujranwala .  
055-3736611-13

**Jhelum Bancassurance**

1st Floor, Mian GT Road, Behind Caltex Petrol Pump,  
Near HBL Jadah Branch, Jhelum.  
0544-720681-83

**Gujrat Bancassurance**

Sadiq Centre, Ground Floor Left Wing, (G1, G2, G3, G4),  
Rehman Shaheed Road, Opposite Total Petrol Pump,  
Gujrat.  
053-3533020-2

**Sialkot Bancassurance**

Plot # 16 S, 71/A/1, Moon Tower, Shop # 1,2,3, 2nd Floor,  
Opp. Mission Hospital, Paris Road, Sialkot.  
052-4603161

**Islamabad Bancassurance**

1st & 2nd Floor, Plot # 21, I & T Center, Sector G/6,  
Main Khayaban-e-Suharwardi, Aabpara, Islamabad.  
051-4602900

**Peshawar Bancassurance**

No. 501-502 B, 5th Floor, City Towers, University Road,  
Peshawar.  
091- 5842175-7 & 9

**Muzaffarabad Bancassurance**

D-141, Street # 17, Upper Chittar Housing Scheme,  
Muzaffarabad.  
058-22432195-6

**Quetta Bancassurance**

1st Floor, A-7, Swiss Plaza, Jinnah Road, Quetta.  
081-2829822 / 2822439

**Mirpur AJK Bancassurance**

1st Floor, Plot # 2 Sector B2, Main Allama Iqbal Road  
Mirpur Azad kashmir.  
05827-445808, 446505 & 446504

**Multan Takaful Bancassurance**

2nd floor, Twin Tower,10-A, Gulgasht Colony, Multan.  
061-6212052

**Mardan Bancassurance**

3rd Floor, Royal Plaza, Main Nowshera Road, Opposite  
Sugar Mill, Near Khakisaar Super Mart, Mardan.

**Banca Takaful, Islamabad**

Office # 11-12 MB, City Mall Plaza, I-8 Markaz, Islamabad.

**FAMILY TAKAFUL OFFICES**

**Karachi, Prime Branch Takaful**

**Park Avenue Branch**

Mezzanine Floor, Alif Residency, SB-8, Block-2,  
Near Rab Medical, Gulshan-e-Iqbal, Karachi.  
021-34984617

**Meezan Branch Takaful**

Office # 601, 6th Floor, Park Avenue PECHS, Block 6,  
Main Shahra-e-Faisal, Karachi.  
021-34326081-88

**Takaful Rawalpindi Branch**

1st Floor Minhas Shopping Centre, Shamsabad  
Muree Road, Rawalpindi.  
051-4935501-4

**Premier 1 Branch Rawalpindi**

**Takaful Rawal Branch**

2nd Floor, Plot # DD-79, Al-Sharif Plaza, Shamsabad,  
Murree Road, Rawalpindi.  
051-4935501-4

**Khyber Branch, Takaful**

**Eagles Branch, Takaful**

**Zarrar Branch, Peshawar**

**Alpha Branch, Takaful**

2nd Floor, Samad Plaza, Gap CNG, Tehkal, University Road,  
Peshawar.  
091-5850520 / 5842449

**Sultan Branch Takaful**

Plot # 217-218 BP GESH Lahore, 1st Floor on Punjab Bank,  
Model Town, Link Road, Lahore.  
042-35970127

**Takaful Gujranwala**

**Star Branch**

Shareef Pura Chowk, Upper Story MCB Islamic Branch,  
G.T. Road, Gujranwala.  
055-3847301-07 & 055-3847309

**Multan Takaful Branch**

6th Floor, Chenone Tower, Abdali Road, Multan.  
061-4577102-09

**Sargodha Takaful Branch**

1st Floor, Luqman Center, Plot # 96, Civil Lines, Club Road,  
Sargodha.  
048-3720281-88

**Franchise Model Branch Takaful**

2nd & 3rd Floor, 56-A Shadman Commercial Market,  
Tufail plaza, Lahore.  
042-37529600

**Lions Branch Lahore Takaful**

Plot # 01, Block C-1, Main Boulevard Road,  
Faisal Town Scheme, Lahore.  
042-35201600 - 606

**Faisalabad Takaful - New Office**

4th floor, Media Com Trade City, Kohinoor, Faisalabad.  
041-8733304-7

**Sialkot Branch Takaful**

Right wing, 2nd floor, Moon Tower. Opp DHL office,  
Paris Road, Sialkot.  
052-4293529

**Mian Chunnu Branch, Takaful**

1st Floor on Khushali Bank, Opposite Kacheri,  
G.T. Road, Mian Chunnu.  
0300-3446616

**Takaful Bahawalnagar Branch**

Plot # 80, 1st Floor, Jail Road, Mahajir Colony,  
Bahawalnagar.  
0303-6688493

**Jampur Branch, Takaful**

First Floor, Younis Jamsher Plaza, Opposite Shell Petrol  
Pump, Dera Road, Jampur.  
0334-7361122

**Taxila Branch Takaful**

1st Floor, Mir Tower Chowk Sarai Kala Taxila Dist,  
Rawalpindi.  
051-4537500

**Bhalwal Branch, Takaful**

Akbar Plaza, Near Galla Mandi, Mandir Road, Bhalwal,  
Sargodha.  
048-6642537

**Sukkur Branch Takaful**

1st Floor, Opposite Excise Office, Left Hand Side Wing,  
Station Road, Sukkur.  
071-5812172 - 73 & 071-5618345 - 46

**Takaful Bahawalpur Branch**

Plot # 44/A, Noor Mahal Road, Bahawalpur.  
021-34991848

**Takaful D.G. Khan**

1st & 2nd Floor, Sardar Plaza, Near Al-Karim Center,  
Sangam Chowk, Near Pul Daat, Dera Ghazi Khan.  
064-2470893, 2466500

**Swat Branch Takaful**

1st Floor, Marhaba Plaza, Qamar Bypass, Near Genera  
Bus Stand, Qamber, Swat.

**Eagle Branch Lahore Takaful**

Office # 4, 4th Floor, Malik Tower, 20-B Defence More,  
Walton Road, Lahore.  
042-36626293-98

**Lahore City Branch Takaful****Lahore Hawk Branch Takaful**

122-A, 1st Floor, MCB Ichra branch, Ferozpur Road,  
Near Ichra, Lahore.  
042-37426012-16

**Gujrat Branch Takaful**

Majeed Plaza, Near Kids Galaxy School,  
Rehman Shaheed Road, Gujrat.  
053-3709027

**Jhelum Branch Takaful**

3rd Floor, Paswal arcade, GTS chowk, Jhelum Cantt.  
054-4274131-32

**Chakwal Branch Takaful**

2nd Floor, Abbas Arcade, Opposite Allieance travel,  
Talagang road Chakwal.  
054-3552282 - 4

**Multan Eagle Branch Takaful**

3rd Floor, Pace & Pace Mall, Chase Up Building,  
Near Chungi no.6, Bosan Road, Multan.  
061-4589993

**Takaful Sheikupura**

Main Shopping Mall Near Trauma Center Lahore  
Sargodah Road, Sheikupura.  
056-3613007 - 09

**Kot Momin Branch Takaful**

Al-Aiman Plaza, 1st Floor Opposite NBP, Chenab Bazar  
Tehsil Kot Momin, District Sargodha.  
048-6681400

**Abbottabad Branch Takaful**

1st Floor, Al Murtaza Hajj Umrah Office, Khankhail Plaza  
Mansehra Road, Abbotabad.  
0300-8110436

**Khanpur Branch Takaful**

Near MCB Bank, Model Town Br. Khanpur.  
0300-8678686

**Harya Branch, Silanwali Takaful**

Near Shell Pump main Farooqa Road, Silanwali, Sargodha.  
0306-5000136

**Rahimyar Khan Br, Takaful**

1st Floor, Galaxy Market, Near Mobilink Bank,  
Opposite PTCL Exchange, Rahimyar Khan.  
0300-9674333

**Jazba Branch**

House # 22, Block # 3, Sector A2, Town Ship Lahore,  
Near Hamdard Chowk, Lahore.  
0322-4590842

**Ghazi Branch, Takaful**

Mughairi Plaza, Near Al-Karim Center Jampur Road,  
Dera Ghazi Khan.  
0334-6763521

**Sangla Hill Lions Branch Takaful**

First Floor, Butt Plaza Clock Tower chowk Sangla Hill.  
0321-9468536

**Nowshera Branch Takaful**

1st Floor, Taj building, Shobra Chowk, G.T Road, Nowshera.  
0333-9134512

**Swat Branch Takaful**

2nd Floor, Faisal Plaza, Bypass Road, Opposite Swat  
Hujra Hotel, Swat.  
0345-9519373

**Ugoki Branch Takaful**

Near Askari Bank, Main Wazirabad Road, Ugoki City,  
Tehsil and Dis Sialkot.  
0345-6685157

**Karachi Mehran Branch**

2nd Floor, Data Trade Centre, Plot # SB-7, Block 13-B,  
Gulshan-e-Iqbal, University Road, Karachi.  
021-34991500-02

**Eagle Shahdara Lahore Branch**

Plot # 123-127-R, First Floor, Sadiq Plaza, Begum Kot Chowk, Shekhupura Road, Shahadra, Lahore.  
0302-4012006

**Pattoki Branch Takaful**

Opposite Al-Raheem City, 1st Floor, Multan Road, Pattoki.  
0300-4448133

**Khairpur City Branch Takaful**

2nd floor of Bank Alfalah, opposite,  
Syed Ghous Ali shah Banglow Kachahri Road, Taluka & Dist  
Khairpur.  
0300-9318295

**Larkana City Branch Takaful**

Near City Bakery, Station Road, Larkana, Taluka & District  
Larkana.  
0333-7531459

**Ghotki Branch Takaful**

Dewri Road, Bago Waah, Ghotki, Taluka & District Ghotki.  
0304-1360068

**Moro Branch Takaful**

Opposite Al-Ameen Restaurant & Guest House,  
By-Pass Road, Moro, Taluka Moro, Naushero Feroze.  
0300-3840371

**Naushahro Feroze Branch Takaful**

Near Zarai Taraqiati Bank (ZTBL), Moro Road,  
Naushero Feroze.  
0300-4475660

**Pano Aqil Branch Takaful**

Bajji Road Panu Aqil, Taluka Pano Aqil, Dist Sukkur.  
0302-2610173

**Dadu Branch Takaful**

Near Bank Islami & Bank Al-Falah, Opposite SP Office  
Road Dadu, Taluka & Disstt. Dadu.  
0312-7701254

**Barkat Branch Takaful**

4th Floor, Office # 04, Malik Tower 20-B, Defence Mor,  
Lahore.  
0300-8181589

**Bhagtanwala Branch Takaful**

Madina colony phase 2, Bhadru plaza main road,  
Bhagtanwala.  
0340-1756911

**Mardan Branch Takaful**

3rd Floor, Walyan Commercial Center, Opp Sugar Mills,  
Main Mardan Road, Mardan.  
03319596472 / 03009391338 / 03129596472

**Daska Branch Takaful**

1st Floor, UBL Bank Building, Bank Road, Daska City,  
Sialkot.  
0333-8124647

**Narowal Branch Takaful**

1st Floor, UBL Bank Building, Bank Road, Daska City,  
Sialkot.  
0300-0673236

**Kohat Branch Takaful**

Cantt. Kohat  
0333-9612599

**Mirpur Khas City Branch Takaful**

Bismillah Arcad, Flat 01, Opposite Doctor Masoom Clinic,  
Lal Chand Baagh, Mirpur Khas Sindh, Mirpur Khas.  
0312-3450803

**Maydan Takaful Branch**

G.T. Road, Main Bazar Maydan, Tehsil Bahrain, District  
Swat.  
0344-1983046

**Kandhkot Branch Takaful**

Bijrani Law Champer, Opposite IBA Campus, Kandhkot  
District Kashmir.  
0333-0000278

**Layyah Branch Takaful**

College Road, Near Excise Office Housing Colony # 1,  
House # 35, X - Block, Layyah.  
0335-6610555

**Burewala Branch Takaful**

Street # 1, Near Amir Super Store, Azeemabad Colony,  
Burewala.  
0335-6610555

**Kot Addu Branch Takaful**

Canal View, 1st Floor, Suzuki Showroom, Adjacent to  
NADRA Office, Kot Addu.  
0300-8629338

**Tando Adam Branch**

Flat#06, Plot #123, Tando Allah Yar Road, Tando Adam,  
Dist Sanghar.  
0332-2893196

**Al-Ameen Branch Takaful**

Basement, Alif Residency, SB-8, Block-2, Near Rab  
Medical, Gulshan-e-Iqbal, Karachi.  
021-34984617

**Sahiwal Branch Takaful**

B-1, 497/98 Muhallah Blatt Gunj, Opposite Central City  
Church Sahiwal, Sahiwal.  
021-34984617

**Chenab Nagar Branch**

2nd Floor, 03/14, UBL Plaza, Goal Bazar, Chenab Nagar,  
Chiniot.  
0346-1071443

**Charsadda Branch**

Office # 10, 11, 12 & 13, 2nd Floor, Ittefaq Plaza,  
Mardan Road, Charsadda.  
0333-9373125

**Bhakkar United Branch**

Cafe Gulshan Road, Aqaz Gulshan Riaz Park, Bhakkar.  
0336-7601001

**Layyah Kings Branch**

1st Floor, Shama Mall, Link Road, Near DHQ Hospital,  
Layyah.  
0333-6202258

**Kasur Branch Takaful**

B3, 9R - 76, Circular Road, Chowk Masjid Noor, Kasur.

**Ahmedpur Eash Branch**

Madina Masjid Chacha Basti Road, Near Mughal-e-Azam  
Hall Opp to Taj Mahal Banquet Hall Ahmedpur East,  
Bahawalpur.  
0324-7070019



**ADC CONVENTIONAL & TAKAFUL****Pioneer Branch Karachi****Karachi Star Branch**

Office # 3, Mezzanine Floor, C-25, Mehmood Center,  
Water Pump, F.B. Area, Karachi.  
0333-2243934

**Defence Branch Karachi**

Plot # 20, Lane 12-A, Khayaban-e-Etihaad Phase II Ext,  
Karachi.  
0300-2209788

**Garden Branch Lahore**

3rd Floor, 14-A, Ali Block New Garden Town, Lahore.

**Gulshan Branch Karachi**

1st Floor, FL/3-9, Block 3, Gulshan-e-Iqbal, Karachi.  
0300-9278846

**Gladiators Branch Gujranwala**

1st and 2nd floor, 233-Bhutta-Plaza, Mumtaz Market  
Opposite Chase UP, G.T Road, Gujranwala.  
0322-5574973

**Jhang Saddar Branch**

Rehan Falex Plaza first floor session chowk Jhang, Sadar.  
0300-7505897

**Bosan Road Branch Multan**

Bosan Road, Gulgasht Colony, Multan.  
0300-8735440

**Superior Branch Rahimyar Khan**

Ground Floor, Model Town, Rahimyar Khan.  
0300-8677267

**Khanpur Branch**

First Floor, Gateway Marriage Hall Quaid e Millat Road  
Tehsil Khanpur.  
0300-4041345

**Gulberg Branch Lahore**

4th Floor, Regency Plaza, Mini Market, Gulberg II, Lahore.  
0300-8732530

**Mid City Branch Rawalpindi**

2nd Floor, Office # SF-01, Mid City Mall,  
Near Rehmanabad Metro Station.  
0314-5155777

**United Branch Gujar Khan**

3rd Floor, Shahid Siraf Plaza NBO G.T. Road, Gujar Khan.  
0300-5433141

**Potohar Branch Jhelum**

Khalid Toor Plaza, 2nd Floor, UBL, Bank Kazim Kamal  
Road, Jhelum.  
0333-5835787

**Shaheen Branch KPK**

Office # 204 & 205, Block A, 2nd Floor City Tower,  
Jahangirabad, University Road, Peshawar.  
0343-7777788

**Ghazi Branch Chakwal**

Jli 1st Floor Shahzad Plaza Near Bank Of Punjab (Taqwa)  
Rawalpindi Road, Chakwal.  
0343-2804439

**Federal Capital Branch Islamabad**

3rd Floor Moscow Plaza Jinnah Avenue Blue Area,  
Islamabad.  
0333-5357989

**Sadiqabad Branch**

Near Ghulam Jellani Hospital, Allama Iqbal Road,  
Tehsil Sadiqabad, District Rahimyar Khan.  
0300-8677277

**Samurai Branch**

2nd Floor, Legacy Tower, Kohinoor City, Jaranwala Road,  
Faisalabad.  
0321-8659337

**Mardan Branch KPK**

1st Floor, PRC Building, Opposite D.C. Office, Mardan.  
0345-2877836

**Bahawalpur Main Branch**

1st Floor, Hassan Plaza, Gohar Town, Opposite DC Office,  
Bahawalpur.  
0301-4562533

**Peshawar Cantt Branch KPK**

Office # 07, 3rd Floor, Cantonment Mall, Main Saddar,  
Cantt, Peshawar.  
0333-3990250

**MASS DISTRIBUTION CHANNEL****Shaheen Sargodha Branch**

Towheed Plaza, Queens Road, Sargodha Cantt, Sargodha.  
0300-6071631

**Nowshera Branch**

Sharjah Plaza, Main G.T Road Nowshera Cantonment,  
Nowshera.  
0333-9508233

**Pindi Gheb Branch**

Office # 4, Nawabzada Market, Near Meezan Bank,  
Kachehri Road, Pindi Gheb.  
0344-5546796

**Gujar Khan Branch**

2nd floor, Hussain Plaza, Main G.T Road, Near MC Boys  
Higher Secondary School, Gujar Khan.  
0345-5558919 - 0322-5262755

**Saddar Rawalpindi Branch**

3rd Rizwan Arcade Adamjee Road Saddar Rawalpindi  
Cantt.  
0300-8590575

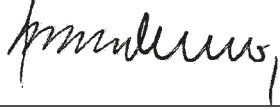
**Mardan Branch**

Umar Shopping Plaza, First Floor, Chowk Mardan, Mardan.  
0315-9703938

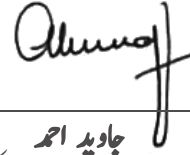
## انہما رتھر

آپ کی کمپنی ملکی انشورنس کے منظر نامے میں 25 ویں سالگرہ کے موقع پر اور نجی شعبے کی سب سے بڑی انشورنس کمپنی ہونے کے ناطے مختلف سرکاری حکام، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور اسٹیٹ بینک آف پاکستان کی جانب سے مسلسل تعاون پر ان کی شکر گزار ہے۔ کمپنی اس شاندار سفر کے دوران اپنے قابل قدر پالیسی ہولڈرز، کانفل کے شرکاء، اور کاروباری شرکاء کے اعتماد اور حوصلہ افزائی کا دل کی گہرائیوں سے شکریہ ادا کرتی ہے، جسے اب بھی ہم صرف شروعات ہی تصور کرتے ہیں۔ ہم اس موقع پر اپنے ملازمین اور ان کے خاندانوں کا بھی شکریہ ادا کرتے ہیں جنہوں نے ان سالوں میں کمپنی پر اعتماد اور بھروسہ قائم رکھا۔

## بورڈ آف ڈائریکٹرز کی جانب سے



کمال اے چٹائے  
چیرمین



جاوید احمد  
منیجنگ ڈائریکٹر اینڈ چیف ایگزیکٹو آفیسر

کراچی : 01 مارچ 2022

## مادی تبدیلیاں

31 دسمبر 2021 سے اس رپورٹ کے آنے تک کوئی مادی تبدیلی واقع نہیں ہوئی۔

### قانونی آڈیٹرز (Statutory Auditors)

موجودہ آڈیٹرز میسرز اے ایف فرگوسن اینڈ کو۔ چارٹرڈ اکاؤنٹنٹس، موجودہ مدت پوری کرنے کے بعد ریٹائر ہو گئے ہیں اور دوبارہ تقرری کے لیے اہل ہیں۔

کوڈ اور ریگولیشنز کی ضروریات کے مطابق سال 2022 کے لیے بورڈ آڈٹ کمیٹی نے میسرز اے ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس، کراچی کی بطور کمیٹی کے آڈیٹرز اور شریعہ پر عمل درآمد کے آڈیٹرز کے لیے تقرری سفارش کی ہے اور بورڈ نے اس سفارش کی تائید کی ہے۔

### ہولڈنگ کمپنی

کمپنی، آغا خان فنڈ برائے معاشی ترقی ایس اے سوئزر لینڈ کی ذیلی کمپنی ہے۔

### نقظم نظر

معاشی سرگرمیوں کی متوقع بحالی اور وفاقی و صوبائی حکومتوں اور ایٹمیٹ بینک آف پاکستان کی جانب سے ملک کو درپیش مختلف اندرونی اور بیرونی چیلنجوں کی وجہ سے کاروباری اور معاشی ماحول میں غیر یقینی صورت حال پر قابو پانے کے اقدامات کے ساتھ، انشورنس انڈسٹری کو انشورنس کی رسائی میں بتدریج ترقی کی توقع ہے۔ مزید برآں، وبائی مرض Covid کے تباہ کن اثرات کے نتیجے میں شرح اموات میں اضافہ اور افراد کے ساتھ ساتھ کارپوریٹ اداروں کے لیے طبی لاگت میں اضافہ ہوا، بیمہ کنندگان کے ذریعے زیادہ تحفظ اور سیولنگز کی مصنوعات حاصل کرنے کے لیے آگاہی کی سطح کو بڑھانے کی ضرورت ہے تاکہ موجودہ اور نئے انشورنس کنندگان کے لیے مزید مواقع فراہم کئے جاسکیں۔ مزید یہ کہ، ایک مخصوص حد تک وفاقی حکومت کی جانب سے مفت طبی اور صحت کی کوریج کے لیے صحت سہولت کارڈز (Sehat Sehat Cards) کے اجراء کے اقدامات کئے گئے جو کہ فی الحال صرف ایک سرکاری کمپنی کے تحت پیش کئے جا رہے ہیں، اگر دیگر بیمہ فراہم کنندگان کے ساتھ بھی شراکت کی جائے تو انشورنس انڈسٹری اور اس کے مطابق متعدد متعلقہ کاروبار اور خدمات کی ترقی میں مثبت کردار ادا ہو سکے گا۔

مالی لحاظ سے، سندھ ریونیو بورڈ (SRB) اور پنجاب ریونیو اتھارٹی (PRA) کی جانب سے کمپنی کے پروڈکٹ پر بائوٹیو سندھ سٹیل ٹیکس (SST) اور پنجاب سٹیل ٹیکس (PST) عائد کرنے کے خلاف کمپنی اور دیگر انشورنس کمپنیوں کی جانب سے معزز اعلیٰ عدالت سندھ اور پنجاب میں دائر کردہ درخواستوں پر مزید پیش رفت سامنے نہیں آسکی۔ مزید، خیبر پختونخوا ریونیو اتھارٹی نے خیبر پختونخوا صوبے (KPK) کی جانب سے زندگی اور صحت کی انشورنس پر سروسز پر سٹیل ٹیکس سے استثنیٰ بھی واپس لے لیا، جو خیبر پختونخوا ٹرانس ایکٹ، 2021 کے ذریعے 01 جولائی 2021 سے نافذ العمل تھا۔ معاملات کی وضاحت مالیاتی بیانات کے نوٹ 28.1.2 میں کی گئی ہے۔

کمپنی کو توقع ہے کہ مالی سال 2022 نہ صرف پاکستان کے لیے بلکہ عالمی سطح پر بھی مجموعی کاروبار اور معاشی ماحول پر وبائی امراض کے اثرات کے سبب ایک مشکل سال ثابت ہوگا۔ اس کے باوجود، ہماری کسٹمرز پر توجہ مرکوز رکھنے کی حکمت عملی اور لوگوں اور ابھرتی ہوئی ٹیکنالوجیز میں سرمایہ کاری کے ساتھ، کمپنی نہ صرف انڈسٹری میں اپنی مضبوط پوزیشن کو برقرار رکھ سکے گی بلکہ لوگوں اور ان کے کاروبار کی غیر یقینی صورت حال کو کم کرنے کے لیے مالی مدد فراہم کرنے کے بھی قابل ہوگی۔ کمپنی ملک میں صحت کی دیکھ بھال کے علاج کو بہتر بنانے کے لیے حکومت کے اقدامات کی حمایت کرتی ہے اور اس میں شریک ہونے کا بھی ارادہ رکھتی ہے اگر نجی شعبے کی سب سے بڑی بیمہ کنندہ ہونے کی اجازت دی جائے۔

تمام اسٹیک ہولڈرز کی مستقل حمایت کے ساتھ کمپنی یقین رکھتی ہے کہ گزشتہ سالوں کے دوران، کمپنی نے عالمی بحران کے غیر معمولی دور میں نسبتاً بہتر کارکردگی کا مظاہرہ کیا، اور یہ انضباطی اور اخلاقی تعمیل کرتے ہوئے اپنی صنعت میں بہتر کارکردگی کے ساتھ آگے بڑھتی رہے گی، اگرچہ یہ انشورنس کے شعبے کے لیے چیلنجنگ اور مشکل ہے، تاہم پالیسی ہولڈرز کے لیے حفاظتی ہونے کی تعریف کی جاتی ہے اس لیے صنعت کے مستقبل کی ترقی کے لیے ضروری اور پالیسی ہولڈرز کے لیے قابل اعتماد ہے۔

## میٹجمنٹ کمیٹی

کمپنی کے تمام انتظامی شعبوں کے روزمرہ کے معاملات کی نگرانی کمپنی کی میٹجمنٹ کمیٹی کے تحت کی جاتی ہے۔ یہ کمیٹی باقاعدگی سے میٹجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر کی سربراہی میں اجلاس منعقد کرتی ہے۔ اس کمیٹی کے ممبران کی تفصیل سالانہ رپورٹ کے صفحہ نمبر -- پر دی گئی ہے۔

دیگر کمیٹیوں میں انویسٹمنٹ میٹجمنٹ کمیٹی (IMC)، آئی ٹی اسٹیرنگ کمیٹی، ڈیزاسٹر اسٹیرنگ کمیٹی اور مارکیٹنگ کمیٹی شامل ہیں جن کی سربراہی بھی کمپنی کے میٹجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر کرتے ہیں۔ اس کمیٹی کے ممبران کی تفصیل سالانہ رپورٹ کے صفحہ نمبر -- پر دی گئی ہے۔

کوڈ آف کارپوریٹ گورننس برائے انشوررز، 2016 کے تحت میٹجمنٹ کمیٹیاں :

مذکورہ بالا کے علاوہ، کوڈ آف کارپوریٹ گورننس برائے انشوررز، 2016 کے تحت درج ذیل تین کمیٹیاں بیان کردہ شرائط کے مطابق کام کرتی ہیں، اور اس کی سربراہی بھی کمپنی کے میٹجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر کرتے ہیں۔

- 1- انڈر رائٹنگ اور ری انشورنس کمیٹی (Underwriting and Reinsurance Committee)
- 2- کلیمز کمیٹی (Claims Committee)
- 3- رسک میٹجمنٹ اور کپلائنس کمیٹی (Risk Management & Compliance Committee)

ان کمیٹیوں کے ممبران کی تفصیل سالانہ رپورٹ کے صفحہ نمبر -- پر دی گئی ہے۔

## انٹرنل آڈٹ کے امور

کمپنی کا اپنا انٹرنل آڈٹ ڈیپارٹمنٹ ہے، جس کا دائرہ کار (Scope) اور اختیارات (Authority) انٹرنل آڈٹ چارٹر (Internal Audit Charter) سے باقاعدہ منظور شدہ ہے۔ انٹرنل آڈٹ ڈیپارٹمنٹ نے داخلی محاسبہ (Internal Audits) کے اہتمام کے لیے خطرے پر مبنی طریقہ کار (Risk-Based Approach) اختیار کیا ہے اور یہ اندرونی کنٹرول کی استعداد اور درستی، پالیسیوں اور طریقہ کار پر عمل کے تسلسل اور قواعد و ضوابط کی تعمیل کی نگرانی کرتا ہے۔ انٹرنل آڈٹ امور کی بنیاد پر عمل کے ذمہ داران اپنے متعلقہ شعبے میں درست نظام کرتے ہیں اور اس طرح کنٹرول کو تقویت حاصل ہوتی ہے۔ اپنے مقاصد اور خود مختار کی برقرار رکھنے کے لیے انٹرنل آڈٹ ڈیپارٹمنٹ (Internal Audit Department) عمل طور پر بورڈ آڈٹ کمیٹی (BAC) اور انتظامی طور پر ایم ڈی اور سی ای او کو رپورٹ کرتا ہے۔ BAC کی رپورٹ سالانہ رپورٹ کے --- سے --- صفحات پر محیط ہے۔

## خطرات اور مواقع

کمپنی نے خطرات سے نمٹنے کے لیے ایک مضبوط اور منظم رسک میٹجمنٹ فریم ورک تیار کیا ہے۔ بورڈ آف ڈائریکٹرز کمپنی کو درپیش اندرونی اور بیرونی خطرات کا جائزہ لے کر خطرے کی نشاندہی کرنے اور اس میں تخفیف کرنے کے لیے خبردار رہتے ہیں تاکہ اس کی انتظامی کارروائیوں کو ہموار کرنے کے ساتھ ساتھ کاروباری مواقع سے فائدہ اٹھایا جاسکے جو کہ ہماری طویل المدتی حکمت عملی اور مقصد کے ساتھ مطابقت رکھتے ہیں۔

ہمارے رسک میٹجمنٹ فریم ورک بشمول بنیادی خطرات اور مواقع کی تفصیلات سالانہ رپورٹ کے --- سے --- صفحات پر مشتمل ہے۔

## کلیدی آپریٹنگ اور مالیاتی معلومات

گزشتہ چھ (6) سال کی کلیدی آپریٹنگ اور مالیاتی معلومات کا خلاصہ سالانہ رپورٹ کے صفحہ نمبر -- پر دیا گیا ہے۔

## فوائد بعد از ریٹائرمنٹ

31 دسمبر 2021 تک متعلقہ مالیاتی گوشواروں کے مطابق، کمپنی کے ذریعے چلائے جانے والے عملے کے ریٹائرمنٹ فنڈز کے ذریعے کی گئی سرمایہ کاری کی مناسب قدر، جس کے آڈٹ کا کام جاری ہے، درج ذیل ہے :

پروویڈنٹ فنڈ	654.13 ملین روپے
گریجویٹ فنڈ	695.66 ملین روپے

سال 2021 کے دوران متعدد اجلاس بشمول بورڈ، بورڈ کی کمیٹیاں اور سالانہ اجلاس عام (AGM) میں ڈائریکٹرز کی شرکت /حاضری درج ذیل ہے :

AGM	BRMC	BTC	BFIC	BHREH	BAC	بورڈ اجلاس	
P	4	5	5	3	4	6	2021 کے دوران اجلاس کی تعداد
	-	-	-		-		جناب کمال اے چنائے
	-	-	-	-			جناب امین کریم بھائی
				-			جناب شاہد غفار
							جناب جون جوزف میکالف
	-	-	-	-	-		جناب سلطان علی الانہ
		-			-		جناب آر-ڈاکٹر محمود
			-	-	-		جناب صغیر مفتی
-	-	-	-	-	-		محترمہ یاسمین اجانی *
					-		جناب جاوید احمد
-	-	-	-	-		-	جناب عدیل احمد
-	-	-	-		-	-	محترمہ ترین شاہد
-	-	-		-	-	-	جناب عمر فاروق
-				-	-	-	جناب شان ربانی
-		-	-	-	-	-	جناب زاہد برکی

\*محترمہ یاسمین اجانی 27 اکتوبر 2021 کو بطور بورڈ آڈٹ کمیٹی کی ممبر مقرر کی گئی۔

چیئر مین آف بورڈ / کمیٹی		بورڈ آڈٹ کمیٹی	BAC
ممبر آف بورڈ / کمیٹی		بورڈ ہیومن ریسورس اینڈ ریمویشن اخلاقیات اور نامزدگیوں کی کمیٹی	BHREH
		بورڈ فنانس اینڈ انویسٹمنٹ کمیٹی	BFIC
		بورڈ ٹیکنیکل کمیٹی	BTC
مئنجمنٹ ایگزیکٹو		بورڈ رسک مینجمنٹ کمیٹی	BRMC

بورڈ کے ذریعے مختلف بورڈ کمیٹیوں کے ٹرم آف ریفرنس کا تعین ضابطہ اخلاق /ضابطے میں فراہم کردہ ہدایات کے مطابق کیا گیا اور سالانہ رپورٹ کے --- صفحات پر محیط ہے۔

ڈائریکٹرز مندرجہ ذیل امور کی تصدیق کرتے ہیں کہ :

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشواروں میں کمپنی کے معاملات، آپریشنز کے نتائج، رقومات کے بہاؤ اور ایکویٹی میں تبدیلیوں کو شفاف طور پر پیش کیا گیا ہے؛

- کمپنی کے حسابات کو جملہ قولہ و ضوابط کے مطابق تیار کیا گیا ہے؛

- مالیاتی گوشواروں کی تیاری میں مروجہ اکاؤنٹنگ پالیسیوں پر مستقل بنیادوں پر عمل کیا جاتا ہے اور اکاؤنٹنگ کا تخمینہ معقول اور محتاط اندازوں پر مبنی ہے؛

- مالیاتی گوشواروں کی تیاری میں بین الاقوامی حسابات کے معیارات، بین الاقوامی مالیاتی رپورٹنگ کے معیارات یا پاکستان میں لاگو دیگر قوانین و ضوابط (بشمول شریعہ رہنما ہدایات اور اصول، لیکن ان تک محدود نہیں) انشورنس آرڈیننس 2000، انشورنس اکاؤنٹنگ ریگولیشنز، 2017، انشورنس رولز، 2017، کمپنیز ایکٹ، 2017 کے تحت جاری کردہ ہدایات اور متکامل رولز، 2012 کی پیروی کی گئی ہے اور کہیں ان سے انحراف کیا گیا ہو تو اس کو واضح طور پر ظاہر کیا گیا ہے؛

- داخلی کنٹرول نظام مستحکم طور پر ترتیب دیا گیا ہے اور مؤثر طور پر عمل درآمد کے ساتھ اس کی نگرانی بھی کی جاتی ہے؛

- کمپنی کے قائم رہنے کی صلاحیت کسی شک و شبہ سے بالاتر ہے؛

- کارپوریٹ گورننس کے بہترین طریقہ کار سے جیسا کہ لسٹنگ کے ضوابط میں درج ہیں، کوئی قابل اثر انداز انحراف نہیں کیا گیا؛

- واجب الادا ٹیکسز کے بارے میں معلومات آڈٹ شدہ مالیاتی گوشوارے کے نوٹ نمبر -- میں دی گئی ہے؛

- شیئر ہولڈنگ کا پیٹرن اور ڈائریکٹرز، سی ای او، سی ایف او اور کمپنی سیکریٹری، تقرر کردہ لیکچوزری (Appointed Actuary)، ایگزیکٹو اور ان کے شرک حیات اور نابالغ بچوں کی کمپنی میں حصص کی تجارت کے بارے میں معلومات صفحہ نمبر -- پر درج ہیں۔

## بورڈ آف ڈائریکٹرز

کمپنی کا بورڈ آف ڈائریکٹرز ایک (1) ایگزیکٹو اور آٹھ (8) نان-ایگزیکٹو ڈائریکٹرز بشمول ایک خاتون ڈائریکٹر پر مشتمل ہے، جن میں چار (4) آزاد نان-ایگزیکٹو ڈائریکٹرز ہیں۔

بورڈ آف ڈائریکٹرز مطلوبہ صنفی تنوع (Gender Diversity) کے مطابق، درج ذیل پر مشتمل ہے:

- جناب کمال اے چنائے (چیئر مین)
- جناب امین کریم بھائی
- جناب شاہد غفار
- جناب جون جوزف میڈیکالف
- جناب سلطان علی اللانہ
- جناب آر۔ ڈاکٹر محمود
- جناب صغیر مفتی
- محترمہ یاسمین اجانی \*
- جناب جاوید احمد (ہیڈنگ ڈائریکٹر اینڈ چیف ایگزیکٹو آفیسر)

محترمہ یاسمین اجانی 25 مارچ 2021 کو بطور ڈائریکٹر مقرر ہوئی، جنہوں نے 28 فروری 2021 کو محترمہ صبا کمال کے مستعفی ہوجانے پر پیدا ہونے والی خالی اسامی کو پُر کیا۔

## سماج کے ساتھ اشتراک

کمپنی درج ذیل دیگر پہلوؤں کے ذریعے سماج کے ساتھ فعال طور پر اشتراک کرتی ہے۔

### ○ معیاری تعلیم - انٹر پرائز چیلنج پاکستان

کمپنی کا انٹر پرائز چیلنج پاکستان (Enterprise Challenge Pakistan) کے لیے SEED وینچرز کے ساتھ اشتراک کے تحت پرنسز ٹرسٹ انٹرنیشنل - یو کے سے منسلک پروگرام 2017 سے جاری ہے۔ انٹر پرائز چیلنج پاکستان ملکی بنیادوں پر اسکولوں کے درمیان ہونے والے مقابلہ ہے جو سکینڈری اسکولوں کے 13 سے 16 سال کے عمر کے بچوں کی حوصلہ افزائی کرتا ہے تاکہ وہ کاروباری مہم جوئی کو بطور کیریئر اپنانے کی راہیں دریافت کر سکیں۔

### ○ کھیلوں کا فروغ

گزشتہ سال کی طرح 2021 میں بھی کمپنی نے پاکستان کرکٹ بورڈ کے ساتھ اشتراک کیا اور پاکستان سپر لیگ (PSL 6) کے چھٹے سیزن میں گولڈ اسپانسر بن کر ملک کی آبادی کو عالمی معیار کی کرکٹ اپنی سر زمین پر دیکھنے کا موقع فراہم کیا۔ جبکہ سال کے آخر میں، کمپنی کو دوبارہ ساتویں سیشن کا حصہ بننے کی پیش کش کی گئی جو کہ کمپنی نے فخر کے ساتھ قبول کر لی جو کرکٹ اور قوم کی ایج کو فروغ دینے کے عزم کو ظاہر کرتا ہے۔

کرکٹ کے پیشین کے علاوہ، کمپنی دیگر کھیلوں کو بھی فروغ دینے کے لیے مختلف ٹورنامنٹس کی اسپانسرشپ کے ذریعے اپنی کوششوں کو بروئے کار لاتی ہے جن میں گولف، پولو، ٹیبل ٹینس اور والی بال شامل ہیں۔

## بورڈ کی کارکردگی کے جائزے کا طریقہ کار

کمپنی کے بورڈ آف ڈائریکٹرز کے پاس بورڈ اور اس کی مختلف کمیٹیوں کی کارکردگی کی سالانہ جانچ کے لئے ایک منظور شدہ طریقہ کار ہے جیسا کہ کوڈ آف کارپوریٹ گورننس ریگولیشنز کی ضرورت ہے۔ بورڈ آف ڈائریکٹرز اور بورڈ کمیٹیاں سالانہ بنیادوں پر ایسی تشخیصی مشقیں انجام دیتی ہیں۔

### ڈائریکٹرز کا معاوضہ

کمپنی کے آرٹیکلز کے تحت، بورڈ آف ڈائریکٹرز وقتاً فوقتاً نان ایگزیکٹو اور خود مختار ڈائریکٹرز اور چیف ایگزیکٹو کے معاوضہ طے کرنے کے مجاز ہیں۔ بورڈ آف ڈائریکٹرز نے "بورڈ کے مشاہرے کی پالیسی (Board Remuneration Policy)" کی منظوری دی ہوئی ہے۔ کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز کو پالیسی کے مطابق بورڈ اور اس کی کمیٹی کے اجلاسوں میں شرکت کرنے کے لیے میٹنگ فیس کے علاوہ کوئی معاوضہ ادا نہیں کرتی ہے۔ معاوضہ، بشمول بورڈ یا بورڈ کمیٹی کے اجلاسوں میں شرکت کی فیس جو ڈائریکٹرز اور مینجنگ ڈائریکٹرز اور چیف ایگزیکٹو آفیسر کو ادا کی گئی ہے مالیاتی گوشواروں کے نوٹس میں ظاہر کیا گیا ہے۔

**کوڈ آف کارپوریٹ گورننس برائے انشورز، 2016، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور بشمول پی ایس ایکس رول بک کے ساتھ پیروی:**

ایک لسٹڈ لائف انشورنس کمپنی ہونے کی حیثیت سے، کمپنی کوڈ آف کارپوریٹ گورننس برائے انشورز، 2016 پر عمل کرتی ہے، ساتھ ہی ساتھ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور پی ایس ایکس رول بک کی پابندی بھی کرتی ہے۔ ان تمام شرائط کے سلسلے میں اسٹیٹمنٹ آف کیپٹالنس مع بہترین مروجہ کارپوریٹ اصولوں کے بارے میں سالانہ رپورٹ کے صفحہ پر منسلک ہے۔

کمپنی اپنی موجودہ مضبوط سائبر سیکیورٹی پوزیشن کو بہتر بنانے کی مسلسل کوشش کرتی ہے۔ کمپنی معمول کے مطابق کسی بھی نئی کمزوریوں کو تلاش کرنے اور ان سے نمٹنے کے لیے بہترین درجے کے ٹولز (Best-in-class tools) کا استعمال کرتے ہوئے خطرے کی تشخیص کرتی ہے۔ کمپنی تمام آپریٹنگ سسٹمز، ایپلی کیشنز اور ڈیٹا بیسز پر سیکیورٹی پیچھے (Security Patches) کو اپ ڈیٹ کرنے کے جدید سلوشن کا بھی استعمال کرتی ہے۔

### ایوارڈز اور اعزازات

گزشتہ برسوں کی طرح، 2021 میں بھی کمپنی نے اپنی شاندار کارکردگی سے گراں قدر اعزازات حاصل کرنے کا سلسلہ برقرار رکھا ہے:

- اقوام متحدہ کی پائیدار ترقی کو فروغ دینے اور معیاری کام کے 8 ویں ایپلائر آف دی ایئر ایوارڈ 2020 کی قومی کیٹیگری میں برونز ایوارڈ
- انشورنس کیٹیگری میں MAP 36th کا رپورٹ ایئر ایوارڈ
- بیسٹ کارپوریٹ رپورٹ ایوارڈ 2020 میں "سرٹیفکیٹ آف میرٹ"

### ضابطہ اخلاق اور کاروبار کی اخلاقیات (Code of Conduct & Business Ethics)

کمپنی کا ضابطہ اخلاق، کاروبار کی حکمت عملی، وژن، مشن اور بنیادی اقدار کو بورڈ کی منظوری حاصل ہے اور اس پر عمل پیرا ہونا جوہلی لائف انشورنس کی فیملی کا ایک لازمی جز ہے۔

یہ ضابطہ اخلاق جس کا ذکر سالانہ رپورٹ کے صفحہ 22 پر موجود ہے اور جو کمپنی کی ویب سائٹ پر بھی دستیاب ہے بورڈ کے ممبران، انسانی وسائل اور کمپنی کے مختلف اسٹیک ہولڈرز کی ایک دوسرے کے ساتھ اور مجموعی طور پر سماج کے ساتھ سب کی ذمہ داریوں کی وضاحت کرتا ہے۔ کمپنی میں ان ذمہ داریوں کی تقسیم کے لیے ضروری اقدامات کئے گئے ہیں۔

### کارپوریٹ سوشل ذمہ داریاں (Corporate Social Responsibility)

جوہلی لائف ایک ذمہ دار کارپوریٹ شہری ہے اور اپنے وژن یعنی لوگوں کو اس قابل بنانا کہ وہ غیر یقینی صورت حال پر قابو پائیں سے رہنمائی لیتا ہے۔ کارپوریٹ سماجی ذمہ داری (CSR) اور عطیات کی پالیسی جو بورڈ کی طرف سے منظور کی گئی ہے جو مکمل طور پر اور کثیر راہی کوششوں کے ذریعے ہمارے وژن کے حصول کا رہنمائی ڈھانچہ فراہم کرتا ہے جس کا کمپنی کی کارپوریٹ سماجی ذمہ داری (CSR) اور عطیات کی پالیسی پر مثبت اثر ہوتا ہے۔ ہمارے کارپوریٹ سماجی ذمہ داری (CSR) کی سرگرمیوں کی چند جھلکیاں درج ذیل ہیں:

#### ○ عطیات

منظور شدہ CSR اور عطیات کی پالیسی کے عین مطابق، کمپنی صحت کی دیکھ بھال، تعلیم، دیہی اور سماجی ترقی اور ثقافتی ورثے کی حمایت میں مسلسل تعاون کرتی رہی ہے۔ سال 2021 کے دوران کمپنی کے عطیات کی مجموعی مالیت بشمول چیریٹیبل 32.8 ملین روپے ہے (2020: 42.4 ملین روپے)۔

#### ○ مائیکرو انشورنس

معاشرے کے کم آمدنی والے طبقے کا معیار زندگی بہتر بنانے کے عزم اور کفایتی قیمت پر پائیدار زندگی اور صحت کے مائیکرو انشورنس حل فراہم کرنے کے مقصد کے ساتھ، کمپنی نے 2021 میں 3.7 ملین افراد کو مائیکرو انشورنس سہولت فراہم کی۔

#### ○ سوشل ہیلتھ پروڈیکشن انیشیٹیو گلگت بلتستان

گلگت بلتستان میں سوشل ہیلتھ پروڈیکشن انیشیٹیو بنیادی طور پر آغاخان فائونڈیشن کی سربراہی میں قائم آغاخان ڈیولپمنٹ نیٹ ورک کنسورشیم کا اقدام ہے جس میں آغاخان رورل سپورٹ پروگرام اور جوہلی لائف شریک ہیں، جنہوں نے گلگت بلتستان کی حکومت کے ساتھ مائیکرو ہیلتھ انشورنس منصوبے کا معاہدہ کیا ہے۔ 2021 کے دوران 5,340 گھرانوں کے 35,667 سے زائد افراد کو کمپنی نے بیمہ فراہم کیا۔



## • شمولیت اور تنوع

جوبلی لائف میں باصلاحیت اور متنوع ٹیمیں ہیں۔ ہم قابلیت پر یقین رکھتے ہیں اور ہم اپنے کام کی جگہ پر مختلف پس منظر سے تعلق رکھنے والے لوگوں کو ایک محفوظ اور کام میں مشغول ثقافت مہیا کرتے ہیں۔ جوبلی لائف مختلف قابلیت رکھنے والے ساتھیوں کو کامیابی کے ساتھ ملازمت دینے کے لیے کئی تسلیم شدہ اور سرکردہ این جی اوز کے ساتھ تعاون جاری رکھے ہوئے ہے۔ خواتین کو لیڈر ہمارے افرادی قوت کا اہم حصہ ہیں۔ ہمیں یہ بتاتے ہوئے فخر ہے کہ ہماری فرنٹ لائن سباز اسٹاف 60 فیصد خواتین پر مشتمل ہیں۔

## • لرننگ

سیکھنے کی ثقافت کو فروغ دینے کے مقصد کے ساتھ جہاں ملازمین اپنی سہولت کے مطابق کبھی بھی اور کسی بھی وقت سیکھنے کی سرگرمیوں میں حصہ لینے کا انتخاب کر سکیں، اس کے لیے جوبلی لائف نے اپنا کلاؤڈ بیسڈ ویب اور ایپ فعال لرننگ پلیٹ فارم JLI Edge کا آغاز کیا ہے۔ JLI کے لیے لرننگ ایک طرز فکر اور طرز زندگی ہے جو کہ ایک اہم فرق ہے اور JLI Edge ہمارے لوگوں کو سیکھنے اور ترقی کے عمل کی ذمہ داری اٹھانے کے قابل بناتا ہے۔ اپنے لوگوں کی ترقی ہماری HR کی حکمت عملی کا بنیادی حصہ ہے اور ہم اپنے ٹیلنٹ کو اعلیٰ اور معیاری سیکھنے کے عمل کے بہترین مواقع فراہم کرنے پر یقین رکھتے ہیں۔ خود رفتاری لرننگ (Self-paced eLearning) کے علاوہ، ہماری لرننگ اکائی سیکھنے کے تجربے کو مزید بڑھانے کے لیے اندرون ادارہ ماہرین کے ذریعے بھی تربیت فراہم کرتی ہے۔

## • ملازمین کی شمولیت

ہماری انتہائی مصروف ٹیمیں ہماری مسابقتی طاقت ہیں۔ ہم اپنے لوگوں کی رائے اور ان کی معلومات کے ذریعے اپنی پیشکشوں اور طریقہ عمل کو متواتر بہتر بنانے کے عمل پر یقین رکھتے ہیں۔ ہمارے ملازمین ہمارے اندرونی فیڈ بیک / سروے میکانزم - آپ کی آواز (Your Voice) کے ذریعے اپنی رائے کا اظہار کر سکتے ہیں۔ HR بھی ملازمین کے مسائل کو سمجھنے، حل کرنے اور ملازمین کے مجموعی تجربے کو بہتر بنانے کے لیے متواتر کنیکٹ سیشنز (Connect Sessions) کا اہتمام کرتا ہے۔

## انفارمیشن ٹیکنالوجی اور انتظامی معیار

آگے بڑھتے رہنے کی سوچ کے ساتھ، کمپنی اپنی کاروباری پیشکشوں اور اپنے صارفین کے لیے خدمات کی سطح کو مزید بہتر بنانے کے لیے جدید تکنیکی سہولیات کو نافذ کرنے کی کوششوں میں مصروف ہے۔

2021 کے دوران، کمپنی نے اپنے سرورز اور اسٹوریج کے بنیادی ڈھانچوں کو جدید سافٹ ویئر سے منسلک بنیادی ڈھانچے اور روایتی انتظامی ماحول کو جدید اقتصادی انداز میں اپ گریڈ کیا۔ نیا Tier-0 all-flash انفر پرائز اسٹوریج سلوشن نئے دور کی ایپلی کیشنز کے لیے انتہائی معاون اور اعلیٰ کارکردگی فراہم کرتا ہے اور یہ انفر اسٹرکچر کمپنی کے جدید ترین ڈیٹا سینٹر کی سہولت میں محفوظ ہے۔

اس معلوماتی دور میں کاروباری قائدین کی ضروریات کو پورا کرنے کے لیے، کمپنی مضبوط بزنس انٹیلی جنس اور جدید تجزیاتی ٹولز کے ذریعے بصیرت فراہم کرنے کے لیے اپنے ڈیٹا ویئر ہاؤس سے فائدہ اٹھاتی ہے۔ کمپنی نے روایتی کام کے فلو کی کارکردگی کو بہتر بنانے کے لیے متعدد فعال شعبوں میں روبوٹک پروسسز (Robotic Process Automation) بھی تعینات کیا ہے اور ایک نیا SMS سلوشن قائم کیا جو کہ کسٹمر سروس کے تجربے کو بڑھانے کے لیے کمپنی کے اومنی چینل کمانڈ سینٹر اور CRM سلوشنز کے ساتھ مکمل طور پر مربوط ہے۔

مزید، کمپنی نے اپنے آن لائن مصنوعات کی پیشکشوں کو فروغ دینے کے لیے ایک نیا ٹیکنالوجی پلیٹ فارم قائم کیا ہے۔ یہ نیا پلیٹ فارم بغیر کسی رکاوٹ کے کمپنی کے ویب پورٹل اور موبائل ایپلی کیشنز کو ایک مضبوط بیک اینڈ کانسٹرکشن انجن کے ساتھ منسلک کرتا ہے جو صارفین کو سیلف-سروس اختیارات کے ذریعے اپنی آن لائن مصنوعات کا انتظام کرنے کے قابل بناتا ہے۔ مزید پالسی ہولڈرز کی معاونت کے لیے، کمپنی نے ملک بھر میں کمرشل اور برانچ لیس بینکوں کے ذریعے اپنے نیٹ ورکس کی جانب سے پیش کردہ ای-بینکنگ سلوشنز کے علاوہ اوٹسی کے لائسنسنگ کے ساتھ فراہم کنندہ کے ساتھ محفوظ ای-پیمیم ادائیگی کی سہولت کی فراہمی کا بھی آغاز کیا ہے۔

اپنے ڈیزاسٹر ریکوری پلان کے مطابق، کمپنی اپنی ڈیزاسٹر ریکوری سائٹ کو برقرار رکھتی ہے اور سہ ماہی بنیاد پر ڈیزاسٹر ریکوری مشقیں کرتی ہے۔ ان مشقوں کے دوران، عملے کے ذریعے تمام ناگزیر نظاموں تک رسائی حاصل کی جاتی ہے تاکہ معمول کے کاروباری عمل کو جاری رکھا جاسکے اور کسی بھی قسم کے تضادات کی نشاندہی کی جاسکے۔ کمپنی تمام صارفین کے ڈیٹا اور ایپلی کیشنز کے آف سائٹ کولڈ بیک اپ کو بھی برقرار رکھتی ہے۔ کسی بھی حادثے کی صورت میں ڈیٹا کی دستیابی کو یقینی بنانے کے لیے بحالی اور ریکوری کو باقاعدگی سے جانچا جاتا ہے۔

## نفع و نقصان کا کھانا

نفع و نقصان کا کھانا اس سال کے لئے 2,540 ملین روپے کا قبل از ٹیکس منافع ظاہر کرتا ہے جو کہ گزشتہ سال 4,070 ملین روپے تھا جبکہ بعد از ٹیکس منافع (PAT) گزشتہ سال کے 2,884 ملین روپے کے مقابلے میں 1,793 ملین روپے رہا جس کی بنیادی وجہ گزشتہ سال کے مقابلے میں پالیسی سے متعلق ادائیگیوں میں اضافہ اور سرمایہ کاری سے آمدنی میں کمی ہے۔

کمپنی قومی خزانے کی نمایاں ٹیکس دہندہ ہے۔ سال 2021 کے دوران کمپنی نے 1,726 ملین روپے (2020 : 2,343 ملین روپے) بطور ٹیکس براہ راست اور بالواسطہ طور پر سرکاری خزانے میں جمع کروائے۔

## نی حصص آمدنی

سال 2021 کے لیے نی حصص آمدنی 20.55 ملین روپے رہی جبکہ گزشتہ سال 2020 کے دوران نی حصص آمدنی 33.05 ملین روپے تھی۔

## حصص یافتگان کے لیے منافع منقسم

بورڈ آف ڈائریکٹرز نے حتمی نقد تقسیم شدہ منافع بحساب 11.50 روپے فی حصص یعنی 115 فیصد (2020: 13.50 روپے فی حصص یعنی 135 فیصد) کا اعلان کیا ہے۔ اس کے علاوہ دوران سال کمپنی نے عبوری نقد تقسیم شدہ منافع 3.00 روپے فی حصص یعنی 30 فیصد بھی ادا کیا (2020: 3.00 روپے فی حصص یعنی 30 فیصد)۔ اس طرح 2021 کے لیے کل نقد تقسیم شدہ منافع 14.50 روپے فی حصص یعنی 145 فیصد رہا (2020: 16.50 روپے فی حصص یعنی 165) اور یہ کمپنی کے سالانہ اجلاس عام میں حصص یافتگان کی اجازت سے مشروط ہے۔

## انشورر کا نقل اسٹریٹجی ریٹنگ (IFS Rating)

کمپنی کی آئی ایف ایس ریٹنگ (IFS Rating) کا جائزہ VIS کریڈٹ ریٹنگ ایجنسی سالانہ بنیادوں پر لیتی ہے موجودہ جائزہ مارچ 2022 کو مکمل کیا گیا جس میں کمپنی کی آئی ایف ایس ریٹنگ AA+(ڈبل اے پلس) برقرار رہی اور امکانات کو مستحکم دکھایا گیا۔ یہ ریٹنگ کمپنی کے Policyholder's Liability اور معاہدے کی شرائط پر پورا اترنے کی اعلیٰ صلاحیت کو مد نظر رکھ کر کی گئی ہے۔ VIS نے اپنی رپورٹ میں تسلیم کیا ہے کہ کمپنی کے روایتی اور ڈنڈو ہنگاموں، دونوں شعبوں میں ترقی کی شرح اور اقساط بیمہ کی وسعت ہمسر کمپنیوں کی نسبت بہتر ہے۔

## انسانی سرمایہ

ہم اس بات پر پختہ یقین رکھتے ہیں کہ ہمارے انسانی وسائل ہماری سب سے بڑی طاقت اور کمپنی کی کامیابی کا ایک ذریعہ ہیں۔ اس لیے کمپنی اپنے انسانی وسائل اور ان کی فلاح و بہبود میں بہت زیادہ سرمایہ کرتی ہے۔ اگرچہ ریوٹ ورکنگ سے کام کرنے کی ضروریات میں اچانک اضافے کے سبب کام کی دنیا میں تیزی سے تبدیلی کی صورت حال پیدا ہو چکی ہے اور ہماری ترجیح کرداروں کی تبدیلی اور کام کی جگہ پر صحت اور حفاظت پر حد درجہ توجہ ہے اور اس کو ہم فوری اور مہارت سے ترتیب دیتے ہیں۔

## • پہلے لوگ (People First)

اپنی صلاحیتوں کی تعمیر اور ترقی پر توجہ مرکوز رکھتے ہوئے لوگوں کو ترجیح دینا ہماری ثقافت ہے اور ہم اپنے لوگوں کے تنوع، نظریات اور شفافیت کو مد نظر رکھتے ہوئے ایک جامع اور کارکردگی پر مبنی ماحول کو فروغ دیتے ہیں۔

## • معاون ٹیموں کی تشکیل

ہمارے ملازمین اور ان کے خاندانوں کی فلاح و بہبود ہماری اولین ترجیح ہے اور اس بات کو یقینی بنانے کے لیے کہ وہ COVID سے محفوظ رہیں۔ کمپنی نے اپنے ملازمین اور ان کے خاندانوں کے لیے متعدد ویکسینیشن مہمات کا اہتمام کیا ہے جو ہمارے لیے یکساں اہم ہیں۔ COVID ویکسینیشن سے متعلق سوالات اور خدشات کو دور کرنے کے لیے، کمپنی کے انسانی وسائل (HR) کے شعبے نے ملٹی ماہرین کے ساتھ آگاہی سیشنز کا انعقاد کیا جس کے نتیجے میں ویکسینیشن کی قابل قدر تکمیل ممکن ہوئی۔

- ایکویٹمنٹ اینڈ ہیلتھ سے متعلق کاروبار میں 2020 کے 5,072 ملین روپے کے مقابلے میں 6,167 ملین روپے کا خالص تحریری اقساط بیمہ (NWP) حاصل ہوا جو کہ 22 فیصد زیادہ ہے جبکہ پالیسی ادائیگیوں میں نمایاں اضافے کے باوجود کاروباری لائن 399 ملین روپے کی اضافی رقم (Surplus) حاصل کرنے میں کامیاب رہی۔
- ونڈو ٹکا فل آپریشنز نے گزشتہ سال کی طرح زبردست پذیرائی کے تسلسل کو برقرار رکھتے ہوئے مجموعی طور پر تینوں کاروبار یعنی انفرادی فیملی ٹکا فل، گروپ فیملی ٹکا فل اور ایکویٹمنٹ اینڈ ہیلتھ فیملی ٹکا فل میں 12 فیصد اضافے کے ساتھ مجموعی طور پر 12,511 ملین روپے کا خالص تحریری اقساط بیمہ (NWP) ریکا رڈ کیا جو کہ گزشتہ سال 11,172 ملین روپے تھا۔
- انشورنس فوائد بشمول کلیم، دستبرداری اور میچورٹی کے حوالے سے اخراجات 41,634 ملین روپے رہے جو گزشتہ سال اسی مدت کے دوران 30,662 ملین روپے تھے جو کہ ایک بار پھر ہمارے پالیسی داران کے لیے ہماری مسلسل حمایت اور کلیم پروسیجر کی بہترین خدمات کو ظاہر کرتا ہے۔ انشورنس فولڈ میں اضافہ بنیادی طور پر COVID سے متعلق کلیمز اور دستبرداریوں (Surrenders) کے باعث ہوا جبکہ کمپنی کے کامیاب آپریشنز کے ہر گزرتے سال کے ساتھ، انفرادی بیمہ زندگی فنڈ (Individual Life Unit) سے منسلک کاروباری پالیسیوں کے تحت میچورٹی کلیم بڑھتے رہے اور گزشتہ سال 3,856 ملین روپے کے مقابلے میں 5,765 ملین روپے تک پہنچ گئے ہیں۔
- پالیسی سے متعلق ادائیگیوں میں غیر معمولی اضافے کے سبب آپ کی کمپنی اسٹیچورٹی فنڈز (Statutory Funds) میں 2,523 ملین روپے حاصل کرنے میں کامیاب رہی۔ اس لیے شیئر ہولڈرز فنڈ (Shareholder's Fund) میں ریونیو اکاؤنٹ سے 2,380 ملین روپے مقررہ لیکچور (Appointed Actuary) کی منظوری سے منتقل کیے گئے۔ اسے اسٹیچورٹی فنڈز (Statutory Funds) کے ریونیو اکاؤنٹ کی سیگمنٹل انفارمیشن کے تحت مالیاتی حسابات کے نوٹ 44.1 میں واضح کیا گیا ہے۔
- حصص یافتگان کی ایکویٹی اور ذخائر بشمول اسٹیچورٹی فنڈز (Statutory Funds) لیجر اکاؤنٹ ڈی بیلنسز (Ledger Account D balances) کا بیلنس 13,069 ملین روپے ہے جو کہ گزشتہ سال 2020 میں 12,872 ملین روپے تھا۔
- کمپنی تیزی سے بدلتے ہوئے ماحول اور کلیمز کے طریقہ کار سے بخوبی واقف ہے اور اس سلسلے میں اپنی مطلوبہ مقدرت مارجن (Solvency Margin) کو برقرار رکھنے کے لیے دانشمندانہ پالیسیوں اور طریقوں کو مقررہ لیکچور (Appointed Actuary) کی مشاورت سے برقرار رکھا ہے۔

## سرمایہ کاری کی کارکردگی

کمپنی اپنے پالیسی داران کے تحفظ کے لیے ایک محتاط سرمایہ کاری کی پالیسی پر عمل چیرا ہوتے ہوئے بھرپور طور پر مارکیٹ کی پوزیشن کی نگرانی کرتی ہے۔ زیر جائزہ سال کے دوران، ایکویٹی مارکیٹ محدود رہی تاہم سال کے اختتام کے قریب پالیسی ریٹ میں 275 bps کا اچانک مجموعی اضافہ منافع میں اتار چڑھاؤ کا باعث بنا، جو ایکٹو پورٹ فولیو اور اثاثہ جات کی مختص رقم کے ساتھ 4,208 ملین روپے کی سرمایہ کاری کی آمدنی (Investment Income) حاصل کی۔

کمپنی دونوں روایتی اور شریعہ کیپلائٹ یونٹ - لنکڈ فنڈز پیش کرتی ہے اور یہ مختلف سرمایہ کاری کے خطرات اور حاصلات پر مشتمل ہیں۔ یونٹ لنکڈ فنڈ کے لحاظ سے کارکردگی کا خلاصہ درج ذیل ہے۔

نمبر شمار	فنڈ کا نام	آغاز کی تاریخ	سال 2021	تین سالہ حاصلات	پانچ سالہ حاصلات	دس سالہ حاصلات	آغاز سے اب تک حاصلات
۱	انڈوسٹریل لائف یونٹ لنکڈ فنڈ (کوٹیشن)						
۲	بینچرٹ فنڈ	31 دسمبر 1996	1.49%	24.26%	14.96%	128.28%	1235.06%
۳	کیپیٹل گروتھ فنڈ	28 جولائی 2004	-5.79%	-1.90%	-24.83%	231.12%	680.35%
۴	میٹاق فنڈ	27 مارچ 2008	0.74%	14.74%	6.04%	104.66%	140.04%
	لیفٹن گروتھ فنڈ	1 جون 2009	5.64%	38.17%	44.62%	137.60%	204.71%
	انڈوسٹریل فیملی ٹکا فل						
۵	فنڈ	7 جولائی 2015	3.33%	18.70%	18.13%	N/A	43.98%
۶	بینچرٹ ٹکا فل فنڈ	7 جولائی 2015	-3.98%	6.49%	-1.91%	N/A	30.98%
۷	ٹکا فل انکم فنڈ	1 اگست 2021	N/A	N/A	N/A	N/A	2.35%
۸	ٹکا فل بیلنسڈ فنڈ	1 اگست 2021	N/A	N/A	N/A	N/A	1.03%

## ڈائریکٹرز کی رپورٹ برائے حصص یافتگان

ڈائریکٹرز کمپنی کی سالانہ رپورٹ بج آڈٹ شدہ مالیاتی گوشوارے برائے مالی سال ختم 31 دسمبر 2021 بصد مسرت پیش کرتے ہیں۔

### مارکیٹ کا جائزہ

سال 2021 کے دوران پاکستانی معیشت میں بہتری دیکھنے میں آئی اور کئی معاشی اشاریوں میں بہتری کے سبب جی ڈی پی کی شرح نمو 5.37 فیصد رہی جیسے کہ بڑے پیمانے پر مینوفیکچرنگ انڈسٹری، سروس سیکٹر، دیگر سیکٹرز بشمول زیادہ چلنے والی صارفین کی اشیاء، آٹو موٹو، تعمیرات اور متعلقہ شراکتی سیکٹر نے 2020 میں وبا کی مرض کے پھیلنے کے دوران مثبت معاشی رجحان کو دوبارہ ابھارنے کے لیے کارکردگی جاری رکھی ہوئی ہے۔ جبکہ COVID کی متعلقہ مختلف قسموں کے دوبارہ ابھرنے کے اثرات پاکستان سمیت دنیا بھر میں چیلنج کا باعث بنے ہوئے ہیں، وہیں بڑے پیمانے پر ویکسینیشن مہمات اور غیر معمولی مالی مراعات اور وفاقی، صوبائی حکومتوں اور ریگولیٹرز کے ذریعے مختلف اقدامات مکملہ منفی اقتصادی اثرات کا مقابلہ کرنے کے لئے جاری رکھے ہوئے ہیں۔

ایکویٹی مارکیٹ سال 2021 کے دوران کے ایس ای 100 انڈیکس 44,596 پوائنٹس پر بند ہونے کے ساتھ محدود رہی، جو کہ 1.92 فیصد کا معمولی اضافہ ہے۔ تاہم، دونوں بلند عالمی قیمتوں اور مقامی معاشی ترقی اور مہنگائی کو ہوا دینے والی معاشی سرگرمیوں کے باعث اسٹیٹ بینک آف پاکستان (SBP) نے چند اقدامات کے ذریعے افراط زر اور اقتصادی نقطہ نظر میں توازن برقرار رکھا ہے بشمول پالیسی ریٹ میں مجموعی طور پر 275 بیس پوائنٹس کے اضافے، اعلیٰ بینک کیش ریز روکی ضروریات، کنزیومر فنڈس کی ریگولیٹری سختی اور غیر ضروری درآمدات کو کم کرنا۔

### کارکردگی کا جائزہ

مشکل اور متحرک ماحول کے باوجود، آپ کی کمپنی نے ثابت قدمی کے ساتھ اپنی صنعت میں مندرجہ ذیل کامیابیاں حاصل کرنے میں کامیاب رہی:

- مجموعی تحریری اقساط بیمہ 6 فیصد اضافہ کے ساتھ 49,356 ملین روپے رہا جو گزشتہ سال 2020 میں 46,507 ملین روپے تھا۔

- کارپوریٹ بزنس، دونوں روایتی اور ونڈو ٹیکافل نے 26 فیصد غیر معمولی اضافے کے ساتھ 10,999 ملین روپے کا کاروبار کیا جو کہ گزشتہ سال 2020 کے دوران 8,736 ملین روپے تھا۔ اس مضبوط نمو کو بڑی حد تک صارفین کو اعلیٰ معیار کی خدمات کی فراہمی اور صارفین کے ہم پر اعتماد کے باعث ممکن ہوا جس کے لیے ہم ان کے شکر گزار ہیں۔

- کمپنی نے مسلسل دوسری مرتبہ انفرادی فیملی ٹیکافل (Individual Family Takaful) کے شرکاء کے درمیان اضافی رقم (Surplus) تقسیم کرتے ہوئے سال 2020 کی آمدنی میں سے 318 ملین روپے کا سرپلس (Surplus) تقسیم کیا جو کہ سال 2017 سے 2019 تک کی آمدنی میں سے ہونے والی گزشتہ سال کی 394 ملین روپے کے سرپلس (Surplus) کے علاوہ ہے۔

### کاروباری کارکردگی اور انتظامی نتائج

مرکزی شعبوں کے مجموعی انتظامی نتائج کا خلاصہ حسب ذیل ہے:

- انشورنس کی رسائی کو بھی معاشی نمو اور قابل استعمال آمدنی تصور کیا جاتا ہے جو گزشتہ سال سے Covid کے سبب افراط زر کے دباؤ اور معاشی مشکلات کی وجہ سے شدید متاثر ہوئی لیکن ہمارے کاروباری شرکاء اور موثر سیلز فورس نے مکملہ صارفین تک اپنی رسائی کو برقرار رکھا اور ان کی غیر یقینی صورت حال پر قابو پانے میں مدد کی جس کے نتیجے میں کمپنی کا انفرادی بیمہ زندگی فنڈ (Individual Life Unit Linked) کا خالص تحریری اقساط بیمہ (NWP) 2,500 ملین روپے بیچ مارک سے تجاوز کرتے ہوئے 26,664 ملین روپے کے ساتھ مجموعی خالص تحریری اقساط بیمہ (NWP) میں 47,580 ملین روپے کی شراکت کی۔

- روایتی کاروبار، جس میں بنیادی طور پر گروپ لائف انشورنس شامل ہے، قابل قدر 37 فیصد اضافے کے ساتھ 2,252 ملین روپے کا خالص تحریری اقساط بیمہ (NWP) حاصل کیا جو کہ گزشتہ سال 2020 میں 1,638 ملین روپے تھا۔ تاہم، NWP میں یہ اضافہ کلیمز میں 54 فیصد اضافے کی وجہ سے offset ہوا اور نتیجتاً گزشتہ سال 2020 میں 262 ملین روپے کے سرپلس کے مقابلے میں 2021 میں 182 ملین روپے کا خالص ذمہ نوٹس ترسیل (Underwriting Outflow) ہوا۔

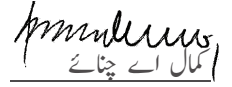
**جائزہ**

میں پُر امید ہوں کہ وفاقی اور صوبائی حکومتوں، اسٹیٹ بینک آف پاکستان کے اقدامات کے ذریعے معاشی سرگرمیوں کی بحالی اور معمول پر آتے ہی سال 2022 کے دوران سیاسی ماحول میں استحکام کے ساتھ کمپنی ماضی کی طرح اپنی ترقی کی رفتار جاری رکھے گی۔

پاکستان میں نجی شعبے کی سب سے بڑی لائف انشورنس کمپنی ہونے کے ناطے کمپنی کا نقطہ نظر اور بنیادی اقداریہ ہیں کہ تمام اسٹیک ہولڈرز کے مفادات کا تحفظ کرتے ہوئے اپنے پالیسی داران کو بہترین خدمات فراہم کی جائیں۔

**اظہار تشکر**

بورڈ کی جانب سے، میں اپنے حصص داران، معزز بیمہ داران اور ونڈو ہولڈرز، کاروباری شرکاء، کاروباری شرکاء سمیت ہمارے بینکرز، سپلائرز اور دیگر اسٹیک ہولڈرز کے 25 سال سے کمپنی پر اعتماد اور حمایت کے لیے ان کا شکریہ ادا کرتا ہوں۔ میں حکومت پاکستان کے تعاون کے ساتھ بیمہ زندگی کے کاروبار میں اصلاحات لانے کے حوالے سے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی مسلسل کاوشوں کے لیے ان کے مثبت کردار کا بھی اعتراف کرتا ہوں۔ میں کمپنی کی کامیابی کے حوالے سے کمپنی کے تمام انسانی وسائل کے تعاون کا اعتراف کرتا ہوں جن کے بغیر اس سطح کی کامیابی ہرگز ممکن نہ تھی۔



چیرمین

کراچی، 01 مارچ 2022

## چیرمین کی جائزہ رپورٹ

میں 31 دسمبر 2021 کو ختم ہونے والے سال کے لیے کمپنی کی کارکردگی سے متعلق جائزہ بصد مسرت پیش کرتا ہوں۔ جیسا کہ ہم سب کے علم میں ہے کہ گزشتہ دو سال سب کے لیے مشکل رہے ہیں، خاص طور پر ان کے لیے جنہیں Covid-19 کی وبائی اثرات کے باعث اپنی صحت اور معاشی بہبود کے لیے مشکلات کا سامنا کرنا پڑا۔ میں بورڈ آف ڈائریکٹرز اور کمپنی کی انتظامیہ کی جانب سے ان تمام لوگوں سے دلی تعزیت کرتا ہوں جو اس مشکل وقت میں اپنے پیاروں کو کھوپچکے ہیں۔

زیر جائزہ سال پاکستان سمیت پوری دنیا میں مشکل اقتصادی حالات کا شکار رہی۔ میں بصد مسرت آپکو بتانا چاہتا ہوں کہ کمپنی نے مالی سال 2019 کے مقابلے میں سال 2020 میں اپنی ٹاپ لائن پر 6.5 فیصد کمی دور کرنے میں کامیاب رہی اور ایک قابل قدر اضافے کے ساتھ مالی سال 2020 کے 46,507 ملین روپے کے مقابلے میں 49,356 ملین روپے کے مجموعی تحریری پریم کے اندراج کے ساتھ مالی سال 2021 میں 6.1 فیصد شرح نمو حاصل کی۔ جیسا کہ پالیسی سے متعلق ادائیگیوں میں اضافہ اور سرمایہ پر کم آمدنی نے تقسیم کے لیے دستیاب اضافی رقم (Surplus) میں کمی واقع ہوئی۔ اور بعد از ٹیکس کم منافع کے باوجود اور انضباطی ادائے قرض کی صلاحیت (Regulatory Solvency Requirement) اور مناسبت کی ضروریات پر سمجھوتہ نہ کئے بغیر بورڈ اپنے حصص داران کو سال 2021 کے لیے 3.00 روپے فی شیئر عبوری منافع منقسمہ کے ساتھ کل منافع منقسمہ 14.50 روپے فی حصص تجویز کرتا ہے جو کہ گزشتہ سال 16.5 روپے فی حصص تھا۔

مزید برآں، میں بصد مسرت آپکو بتانا چاہتا ہوں کہ کمپنی نے مسلسل دوسری مرتبہ انفرادی فیملی تکافل (Individual Family Takaful) کے شرکاء کے درمیان اضافی رقم (Surplus) تقسیم کرتے ہوئے سال 2020 کی آمدنی میں سے 318 ملین روپے کی اضافی رقم (Surplus) تقسیم کیا اور یہ سال 2017 سے 2019 کے دوران، آمدنی میں سے کی جانے والی گزشتہ سال کی 394 ملین روپے کے سرپلس (Surplus) کے علاوہ ہے۔

سال 2021 کے دوران، کمپنی نے مختلف مقابلوں اعزازات جیتنے کی روایت کو برقرار رکھا۔ ان قابل ذکر اعزازات میں مینجمنٹ ایسوسی ایشن آف پاکستان کی جانب سے مسلسل چوتھی مرتبہ انشورنس کمیٹیگری میں کارپوریٹ ایسیلیٹس ایوارڈ، اقوام متحدہ کی پائیدار ترقی کو فروغ دینے کے لیے بڑی قومی کمیٹیگری میں برونز ایوارڈ اور 8 ویں ایپلائر آف دی ایئر ایوارڈ 2020 شامل ہیں۔ مزید یہ کہ، کارپوریٹ رپورٹنگ، احتساب، شفافیت اور کارپوریٹ گورننس کو فروغ دینے کے لیے کمپنی کی کوششوں کو تسلیم کرتے ہوئے ICAP اور ICMAP کی جانب سے بیسٹ کارپوریٹ ایوارڈ برائے 2020 میں انشورنس کمیٹیگری میں "سرٹیفکیٹ آف میرٹ" سے نوازا گیا۔

### بورڈ آف ڈائریکٹرز

سال 2021 کے دوران ایک خالی اسامی کو پورا کرنے کے لئے بورڈ نے سبکدوش ہونے والی ڈائریکٹر محترمہ صبا کمال کی جگہ محترمہ یاسمین اجانی کو ایک آزاد ایگزیکٹو ڈائریکٹر کے طور پر تعینات کیا ہے۔ میں محترمہ یاسمین اجانی کو خوش آمدید اور ان کے جانب سے پیشہ ورانہ تعاون کی امید کرتا ہوں۔ بورڈ محترمہ صبا کمال کی جانب سے قیمتی مشوروں اور تعاون پر ان کا شکریہ ادا کرتا ہے۔

### بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی

کوڈ کے تحت قائم کردہ بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی کارکردگی کا جائزہ لینے کے لیے لسنڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019، انشورر کے لیے کوڈ آف کارپوریٹ گورننس، 2016 اور کمپنیز ایکٹ، 2017 میں بیان کردہ تقاضوں کے تحت ایک جامع طریقہ کار موجود ہے۔

بورڈ متعلقہ معیارات جیسے قیادت، حکمت عملی کی تشکیل، منصوبہ بندی، افادیت اور جواہدہی کی بنا پر کارکردگی کا سالانہ جائزہ لیتا ہے۔ اس تشخیص کا مقصد اس بات کو یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور افادیت کی پیمائش کی جائے اور کمپنی کے لیے طے شدہ مقاصد اور توقعات کے تناظر میں اس کا معیار مرتب کیا جائے۔ بورڈ کی کارکردگی کی حالیہ تشخیص کی بنیاد پر، میں یہ نتیجہ اخذ کرتا ہوں کہ ہر ڈائریکٹر نے بہترین کارکردگی کا مظاہرہ کیا اور اپنے اپنے شعبے میں مہارت کے ساتھ تعاون کیا اور یہ کہ بورڈ اور اس کی کمیٹیوں نے سال میں موثر انداز میں کام کیا۔

## مختار نامہ (پراکسی فارم)

میں / ہم \_\_\_\_\_ ساکن \_\_\_\_\_  
بحیثیت ممبر (رکن) جو بی جی لائف انشورنس کمپنی لمیٹڈ اور حامل \_\_\_\_\_ عام حصص، برطابق شیئرز رجسٹر فوئیو نمبر / سی ڈی سی اکاؤنٹ اور  
پارٹنیشن آئی ڈی نمبر \_\_\_\_\_ ممبر (رکن) محترم / محترمہ \_\_\_\_\_  
فوئیو نمبر / سی ڈی سی اکاؤنٹ اور پارٹنیشن آئی ڈی نمبر \_\_\_\_\_ کو یا ان کی غیر حاضری میں ممبر (رکن)  
محترم / محترمہ \_\_\_\_\_ فوئیو نمبر / سی ڈی سی اکاؤنٹ اور پارٹنیشن آئی ڈی نمبر \_\_\_\_\_  
کو اپنے / ہمارے ایماء پر بروز بدھ، ۶ اپریل ۲۰۲۲، صبح ۱۱:۰۰ بجے، کارپوریٹ آفس، جو بی لائف انشورنس کمپنی لمیٹڈ، ڈی ڈی - ۷۹، پہلی منزل، شمس آباد، مری روڈ،  
راولپنڈی میں منعقد ہونے والے برائے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التوا کی صورت میں اپنا / ہمارا بطور مختار (پراکسی) مقرر کرتا / کرتی ہوں / کرتے ہیں۔  
آج بروز \_\_\_\_\_ بتاریخ \_\_\_\_\_ ۲۰۲۲ء کو دستخط کیے گئے۔

ریونیو ٹکٹ پر دستخط

دستخط ممبر (رکن)

گواہ کا پتہ اور دستخط \_\_\_\_\_  
کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر \_\_\_\_\_  
گواہ کا پتہ اور دستخط \_\_\_\_\_  
کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر \_\_\_\_\_  
ممبر (رکن) جو اجلاس میں شرکت اور ووٹ دینے کا مجاز ہو، اپنی جگہ اور ممبر (رکن) کو بطور مختار (پراکسی) شرکت کرنے اور ووٹ دینے کا حق تفویض کر سکتا ہے۔  
سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو مختار نامہ (پراکسی) کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی منسلک کرنی ہوگی۔ مختار (پراکسی) کو  
اجلاس کے وقت اپنا کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔ کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر (رکن)، بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد /  
پاور آف اٹارنی مع نمونہ دستخط ہمراہ مختار نامہ (پراکسی فارم) جمع کرانا ہوں گے۔

مختار نامہ (پراکسی فارم) پر ممبر (رکن) یا ان کے اٹارنی کے دستخط ہونا لازمی ہے۔ کارپوریٹ ادارہ ہونے کی صورت میں مختار نامہ (پراکسی فارم) پر کمپنی کی مہر ہونا بھی ضروری ہے۔  
مختار نامہ (پراکسی فارم) بمع نامزد کرنے والے شخص کی تصدیق شدہ پاور آف اٹارنی (حسب ضرورت) کمپنی کے رجسٹرڈ آفس میں اجلاس کے مقرر وقت سے کم از کم ۴۸ گھنٹے قبل  
جمع کرانا ضروری ہے۔

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