



Life



CELEBRATE LIFE

At Jubilee Life, we have been at the forefront of providing insurance solutions for life's every need - whether it's thinking ahead for retirement or starting out a child at college; whether it's a health protection plan or a wedding plan. We believe, at the heart of insurance... is life - and whether it's planning for life's certainties or uncertainties - we have it all covered.

And in what has been a challenging year, we have remained resilient and steadfast in our commitment to offering products and services that bring convenience, ease and comfort to our customers, while our growing suite of digital services keeps us well poised to adapt to a changing world.

Organizational Overview & External environment





VISION

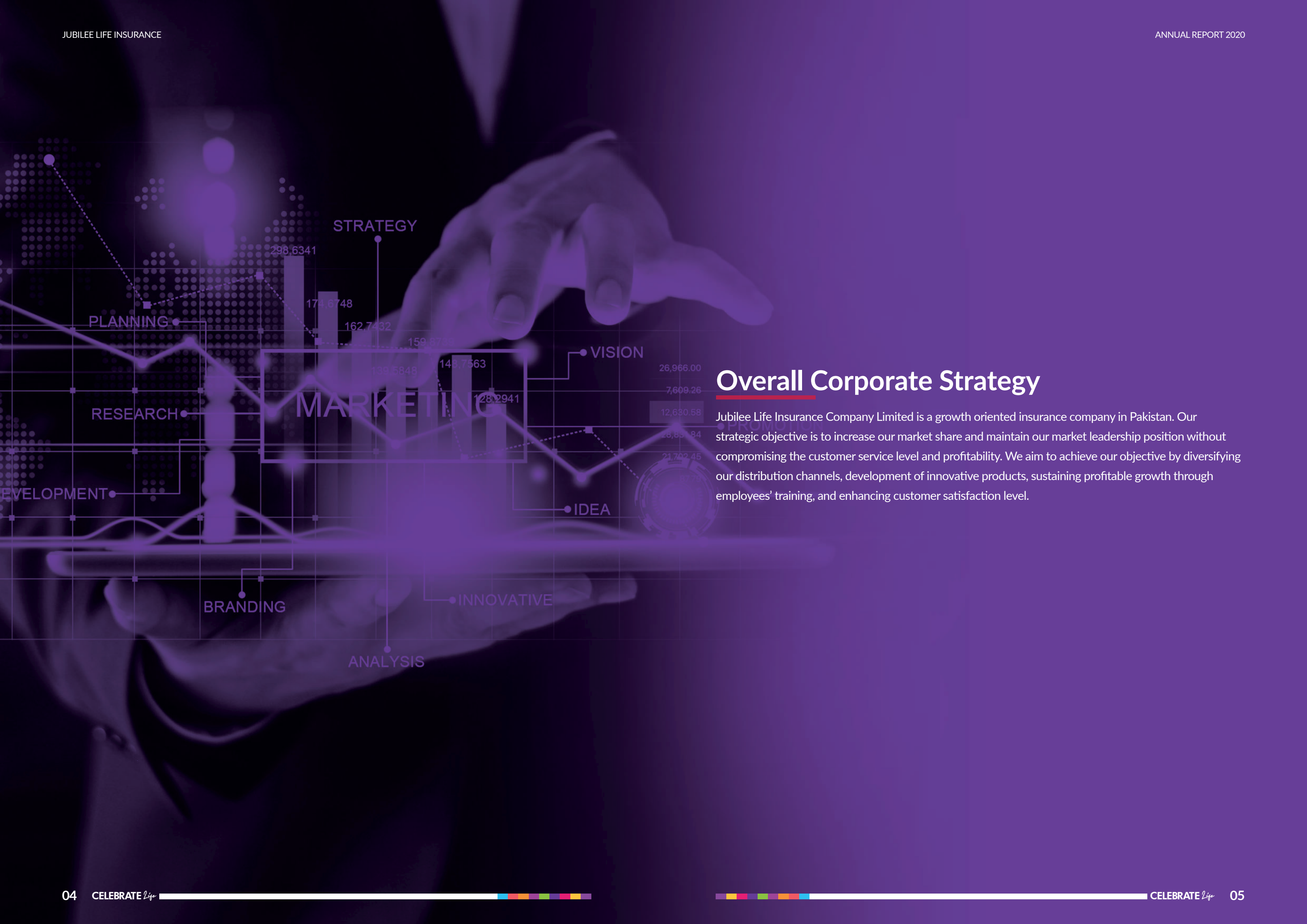
Enabling people to
overcome uncertainty

MISSION

To provide solutions that protect
the future of our customers

CORE VALUES

Team Work
Integrity
Excellence
Passion



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.

Code of Conduct & Business Ethics

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

Key Financial Highlights

Assets Base
Rs. 190,422 million

Total Investments
Rs. 175,769 million

Shareholder's Equity
Rs. 12,872 million

Gross Witten Premium
Rs. 46,507 million

Claims Paid
Rs. 12,106 million

Profit After Tax
Rs. 2,884 million

EPS
33.05 (Rupees)

Cash Dividend
165%

Rating of the Company

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

Outlook: Stable

Rating Agency: JCR VIS

Rating Date: February 23, 2021

AA+
STABLE

Key Products and Customer Services



Individual Life Products*

Saving and Protection Plans

- Retirement Plans
- Marriage Plans
- Child Education Plans
- Plans for Medical Colleges
- Joint Life Plans
- Wealth Accumulation Plans
- Single Premium Plans



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



Individual Health Products

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



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



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 (8398)

* This includes products offered through the Window Takaful Operations.

Company Information

BOARD OF DIRECTORS

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

Shahid Ghaffar
Independent
Non-Executive Director

Sultan Ali Allana
Non-Independent
Non-Executive Director

Sagheer Mufti
Non-Independent
Non-Executive Director

Amyr Currimbhoy
Independent
Non-Executive Director

John Joseph Metcalf
Non-Independent
Non-Executive Director

R. Zakir Mahmood
Non-Independent
Non-Executive Director

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

BOARD COMMITTEES

Audit Committee

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

Risk Management Committee

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

Finance & Investment Committee

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

Technical Committee

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

Human Resource & Remuneration, Ethics & Nomination Committee

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

Construction Advisory Committee

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

The above information is updated as of February 24, 2021.

Company Information

MANAGEMENT

Javed Ahmed
Managing Director &
Chief Executive Officer

Farhan Akhtar Faridi
Group Head Retail Distribution

Muhammad Kashif Naqvi
Group Head Digital,
Technology & Strategic Planning

Muhammad Munawar Khalil
Group Head Takaful Retail Distribution

Muhammad Sohail Fakhar
Group Head Corporate,
Marketing & Administration

Omer Farooq
Acting Chief Financial Officer

Shan Rabbani
Group Head Retail Operations,
Investments & Actuarial

Tazeen Shahid
Group Head Human Resource
Management & Development

Zahid Barki
Group Head Risk Management,
Compliance & Quality Assurance

Faizan Farooque
Head of Actuarial

Faiz ul Hassan
Head of Corporate Business
Distribution

Faisal Qasim
Head of Information Security &
Quality Assurance

Junaid Ahmed
Head of Sales Compliance,
Investigation & Litigation

Muhammad Aamir
Head of Corporate Business
Operations

Nadym Chandna
Head of Training & Development

Najam ul Hassan Janjua
Company Secretary &
Head of Legal Department

Syed Rizwan Azeiz
Head of Bancassurance

ACTING CHIEF FINANCIAL OFFICER

Omer Farooq

COMPANY SECRETARY

Najam ul Hassan Janjua

COMPLIANCE OFFICER

Zahid Barki

HEAD OF INTERNAL AUDIT

Adeel Ahmed Khan

Company Information

Management Committee

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

Claims Committee

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

Underwriting & Reinsurance Committee

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

Risk Management & Compliance Committee

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

Investment Management Committee

Javed Ahmed	Chairman
Zahid Barki	Member
Shan Rabbani	Member
Muhammad Kashif Naqvi	Member
Omer Farooq	Member
Dileep Kumar	Member
Asif Mobin	Member & Secretary

IT Steering Committee

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

Marketing Committee

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

Disaster Steering Committee

Javed Ahmed	Chairman
Zahid Barki	Member
Muhammad Sohail Fakhar	Member
Muhammad Kashif Naqvi	Member
Shan Rabbani	Member
Omer Farooq	Member
Faisal Qasim	Member & Secretary

Company Information

REGISTERED OFFICE

26-D, 3rd Floor, Kashmir Plaza, Jinnah Avenue,
Blue Area, Islamabad, Pakistan.
Tel: +92 (51) 2206930-6, +92 (51) 2821903
Web: www.jubileelife.com E-mail: info@jubileelife.com

HEAD OFFICE

74/1-A, Lalazar, M. T. Khan Road,
Karachi-74000, Pakistan.
Tel: +92 (21) 35205094, +92 (21) 32120201
Web: www.jubileelife.com E-mail: info@jubileelife.com

APPOINTED ACTUARY

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

AUDITORS

A.F. Ferguson & Co., Chartered Accountants
Engagement Partner: Farrukh Rehman
State Life Building, 1-C, I.I. Chundrigar Road,
P.O. Box 4716, Karachi-74000, Pakistan.
Tel: +92 (21) 32426682-6 Fax: +92 (21) 32415007
Web: www.pwc.com.pk

BANKERS

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

LEGAL ADVISORS

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

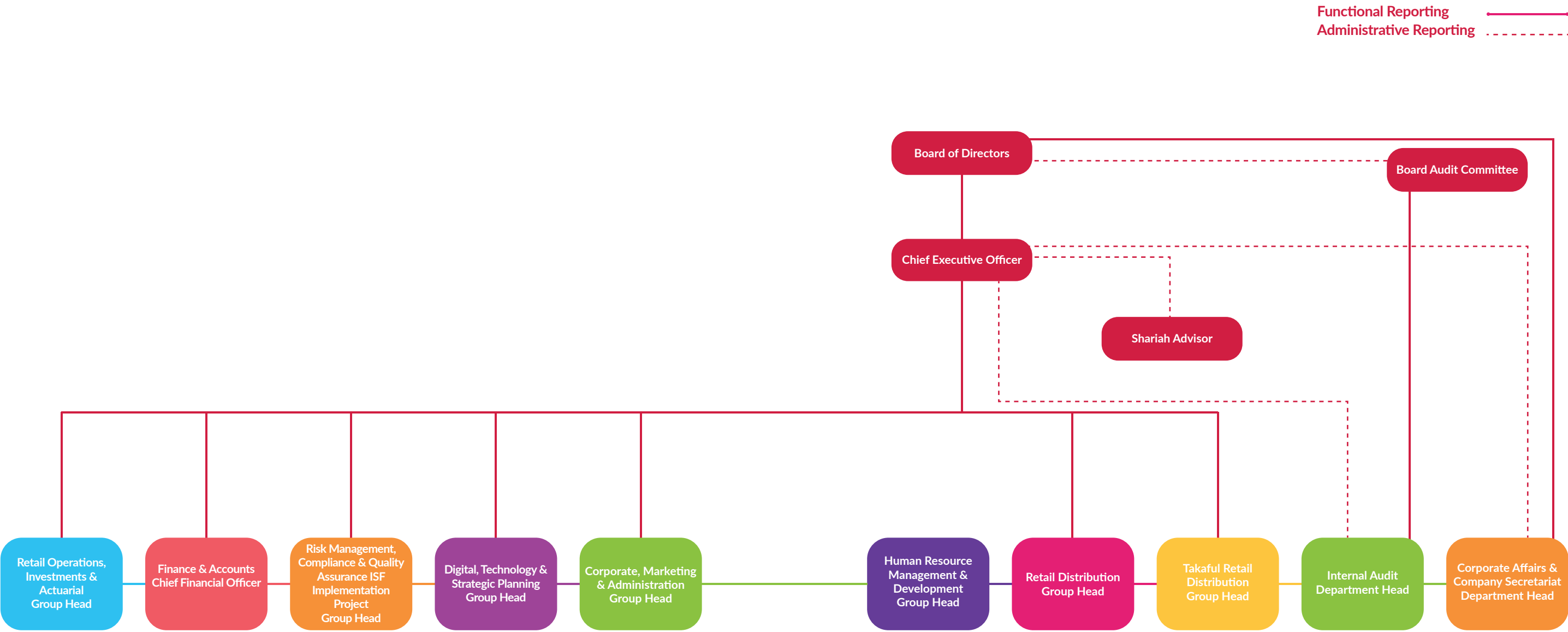
REGISTRAR & SHARE TRANSFER OFFICE

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

SHARIAH ADVISOR

Mufti Zeeshan Abdul Aziz

Organizational Structure



Calendar of Major Events - 2020

Financial

Financial Results

First quarter ended 31 March 2020	Announcement date	20 May 2020
Half year ended 30 June 2020	Announcement date	19 August 2020
Third quarter ended 30 September 2020	Announcement date	28 October 2020
Year ended 31 December 2020	Announcement date	24 February 2021

Dividends

Final 2020 (Cash Dividend: 135%)	Announcement date	24 February 2021
	Entitlement date	22 March 2021
	Statutory limit up to which payable	17 April 2021
Interim 2020 (Cash Dividend: 30%)	Announcement date	19 August 2020
	Payment date	16 September 2020
Final 2019 (Cash Dividend: 135% and Bonus Shares)	Announcement date	11 February 2020
	Payment date	13 April 2020
Issuance of Annual Report 2020		09 March 2021
Annual General Meeting		30 March 2021

Operational

Major Product Innovations

Product Name	Launch Month
Amal Takaful Plan	February 2020
Azmat Health Insurance Plan	August 2020
Jubilee Life Protect Plan	September 2020
Jubilee Health Protect Plan	September 2020
Joint Life Takaful Plan	November 2020

HR Excellence



HR Excellence

Employee Communication Programs

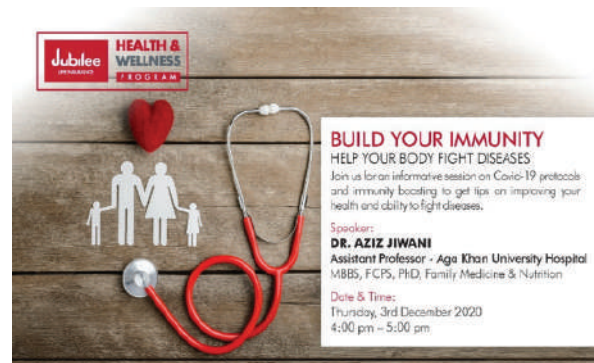


Awareness sessions on COVID -19 and HR Connect sessions to answer questions, talk about COVID-19 safety protocols and general queries.



Work From Home Training to Employees where they are provided training on the norms of work from home model. Further, Managers were also coached on the essentials of managing remote teams.

Employee Communication Programs



Employee Development - SMARTANS

This initiative focused on employee development, where employees share their skills and technical knowledge with colleagues across the company. This initiative was launched to encourage collaborate learning.



Employee Entertainment Programs

To foster a sense of community and connection various engagement activities were planned and executed successfully through out the year.

Some of the programs were

1. Jubilee Trivia
2. Jubilee Singing Competition
3. Mothers Day
4. Fathers Day
5. Independence Day





Women Empowerment

The Company takes initiatives towards supporting and encouraging the employment of women and is also a signatory to the OICCI Women initiative.

Jubilee Life pledged a commitment in January 2018 in joining hands with the OICCI in its initiative of "OICCI Women: Empowering for a Brighter Tomorrow" for implementing Women Empowerment and Gender Equality.

Subsequent to the pledge, the Company's Management has taken steps in line with OICCI's gender equality roadmap to empower our women employees and promote gender quality.

It is through this initiative that the company has a dedicated forum for women "W@W" (Women at Work) which focuses on their empowerment, development, and mentorship.

With over 28% of our employees in business being women, we take pride in our inclusive work culture and strive to offer flexibility and develop supportive policies to ensure that our women employees continue their career journey.

	Overseas Investors Chamber of Commerce & Industry	<h1>OICCI WOMEN</h1>
<h2>EMPOWERING FOR A BRIGHTER TOMORROW</h2>		
<p>I pledge to support the 'OICCI Women' initiative to promote gender equality in my organization with the roadmap in line with United Nations' Women Empowerment Principles.</p>		
<p>I, therefore, commit to take actions to create a more women-friendly work environment, break down barriers and provide the needed support to make this initiative successful.</p>		
Company Name: JUBILEE LIFE INSURANCE		
CEO/Head of the Company: JAVED AHMED		
Signature and Stamp:		JAVED AHMED Managing Director & Chief Executive, Jubilee Life Insurance Company Limited

Annual Corporate Event - 2020



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:

- PSX Top 25 Listed Companies Award, 2014
- PSX Top 25 Listed Companies Award, 2016
- 1st, 2nd, 3rd, 5th & 6th FPCCI Achievement Awards – 2012, 2013, 2014, 2016 and 2017
- Management Association of Pakistan – 33rd Corporate Excellence Award in the Insurance Sector in 2018
- Management Association of Pakistan – 34th Corporate Excellence Award – Top Award in the Financial Sector in 2019
- Management Association of Pakistan - 35th Corporate Excellence Awards in the Insurance Category.
- Putting the Consumers First Award, 2013
- Brands of the Year Award, 2015-16
- HR Leadership Award, 2012
- HR Leadership Award, 2013
- Training Leader of the Year Award, 2013
- LOMA – Excellence in Education Award, 2013
- LOMA – Excellence in Education Award, 2016
- Marie Adelaide Leprosy Center – Long standing Partnership & Support Award 2018
- Pakistan Digi Awards 2019 – Award for Best Short Video Content – Web
- Silver Effie Awards 2020 in the Insurance Category
- Pakistan Digital Awards 2020 in the category of Best Social Media Campaign (Facebook)
- DR. Ruth Pfau CSR Award 2020 by Marie Adelaide Leprosy Centre.



Marketing Team receiving the Trophy for Best Social Media Campaign (Facebook) for Cricket at the Pakistan Digital Awards 2020



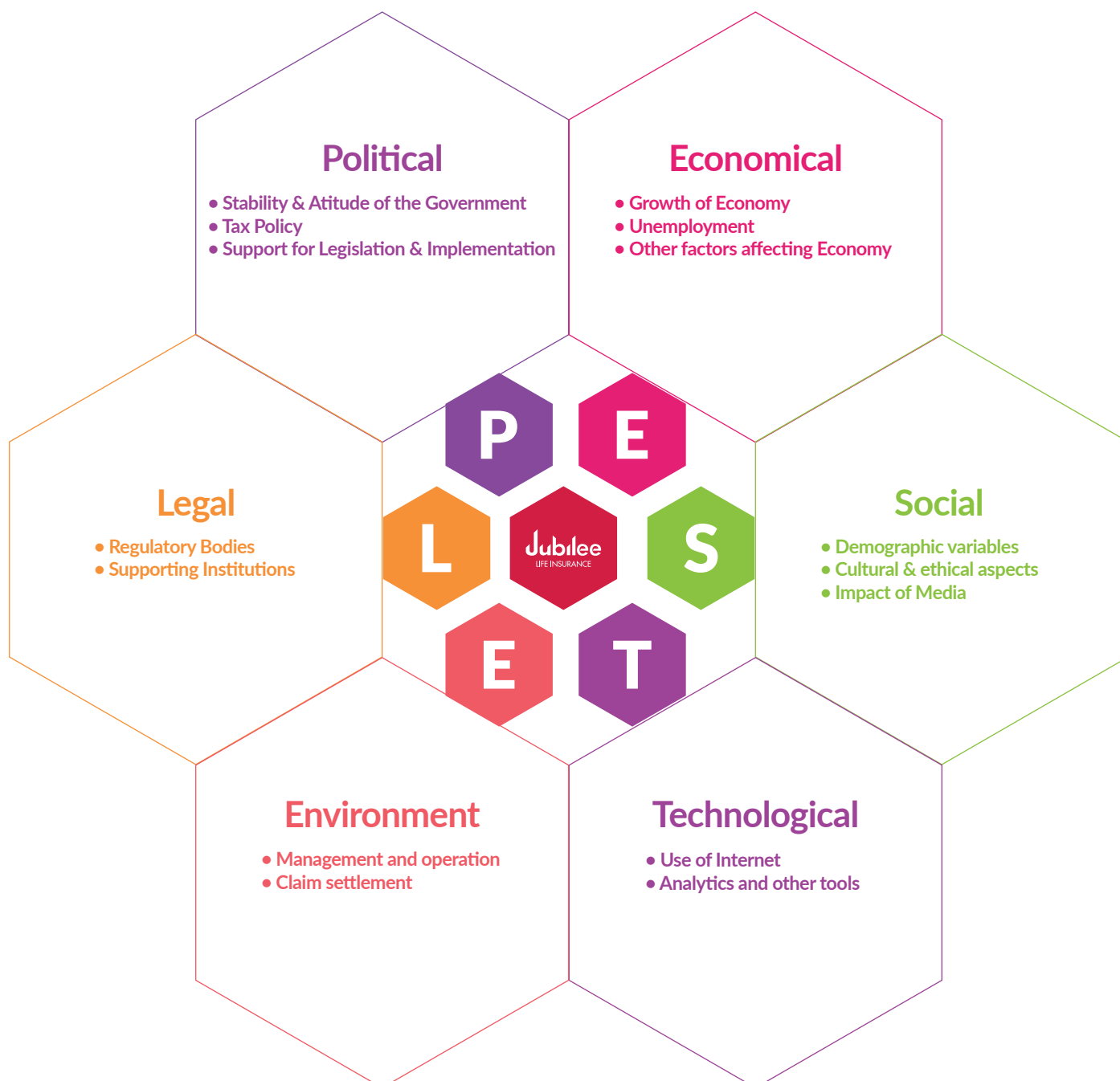
Mr. Faiz ul Hassan - Head of Corporate Business receiving the DR. Ruth Pfau CSR Award 2020 by Marie Adelaide Leprosy Centre.



Ms. Lilly R. Dossabhoy Ex. Chief Financial Officer receiving the Top Trophy in Financial sector Category on behalf of Jubilee life in the 35th Corporate Excellence Award ceremony of the Management Association of Pakistan

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.



Macro Environment Analysis



Political: Political factor is one of the important parameters in planning the marketing strategy. It has more uncontrollable elements and contributes to a great extent in understanding the market environment. Government regulations and appropriate policies are the key constituents in making the political system strong and robust. Accordingly, the stability of the government and its controlling machinery in this direction are relevant. The present government is implementing a series of initiatives for ease of doing business however, while the country struggles to take an exit from the FATF's grey list, certain stringent and enhanced measures in the financial and insurance sector are offsetting the initiatives as available to other sectors.



Economical: The economic environment of the country strongly influences the insurance business. The health of economy and business opportunities are some of the basic factors that accelerate the business growth. By and large, if the economic condition of the country is in good shape, insurance companies also will reap good returns from their investments. Pakistan's struggling economy entered in the new fiscal year with various economic measures announced by the Government of Pakistan in its annual budget supported by the State Bank of Pakistan with its monetary measures particularly a massive interest rate cut of 625 bps during the year 2020 to spur growth in different sectors. The pandemic has affected the economy all over the world and Pakistan's economy not being an exception, was also affected by the pandemic. Given the positive relationship between development of life insurance and economic growth per capita and recent general economic slowdown in the country amidst COVID-19, growth in business volumes for life insurance remain subdued during 2020.



Social: Social factors have influence in insurance business as well. It helps to understand the marketing environment with respect to society and its parameters like demographics, culture, etc. Social factors are mostly not in the control of any player in the industry but are directly or indirectly responsible for driving the market in the long run. Shared beliefs and attitudes (health, environmental consciousness) of the population play a great role in the growth of insurance industry, while people with strong educational backgrounds are far more aware of insurance needs and tend to benefit from insurance, hence they prefer to purchase life insurance policies.



Technological: Innovation through new technologies is a key 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 underwriting process; with the data centered approach is also being looked upon.



Environment: Pakistan ranks amongst the top nations where vulnerability index due to climate changes is very high. Pollution and greenhouse emitted gases could result in higher number of claims.



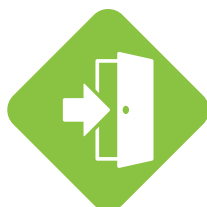
Legal: Government measures and introduction of stringent laws such as compliance with the requirements of FATF, AML, KYC resultingly enhanced regulatory affairs in the insurance industry and its clients which could lead to the snowball effect on the insurance industry. Like in all other businesses, legal 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 Environment Analysis

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.



Competition



New Entrants



Customers



**Suppliers
(Reinsurer & Agents)**



Substitutes

The rivalry amongst current competitors in the insurance industry (High)

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, so the most opportune way for insurers is to differentiate themselves - is 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.

The threat of new entrants to the industry (Low To Medium)

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.

The bargaining power of customers (High)

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.

The bargaining power of suppliers (Medium To High)

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.

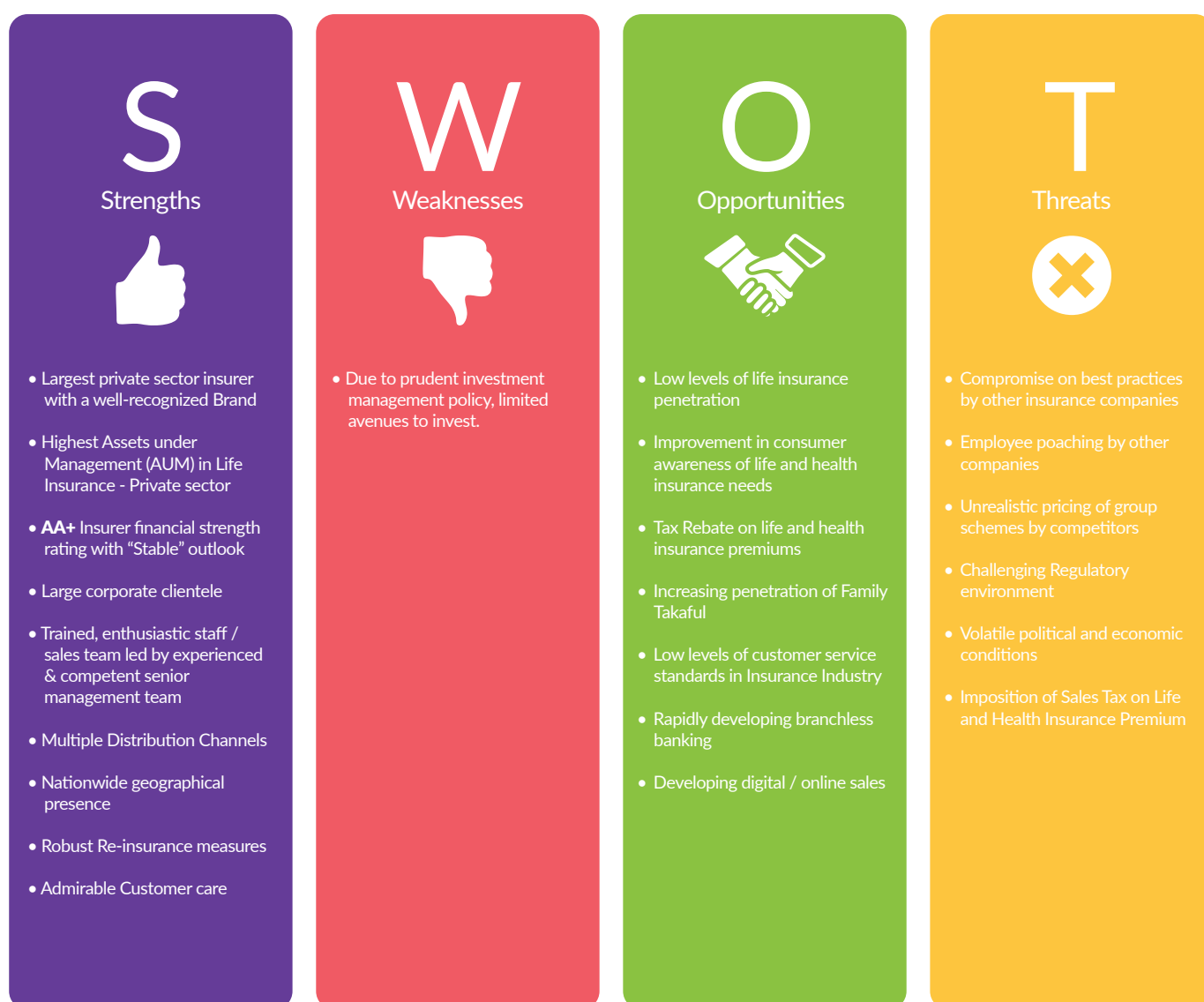
The threat of substitute products or services (High)

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 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.



Internal Value Chain Analysis

Supporting Activities

Human Resource Management

- Managing the organizations workforce to engage people effectively (e.g. recruiting, hiring, training, compensating, termination and supporting whistle blowing activities).
- Performing and assessing changes that should be viable for better performance management and training to accommodate employees with the changing dynamics.

Finance and Actuarial

- Managing and reporting on finances, including controllership, financial planning and analysis, tax and actuarial (reserving, capital liquidity, asset, and liability management).
- Better integration of accounting and actuarial function along with end-to-end redesign of reporting processes.
- Identify opportunities for bringing in cost efficiencies through digitization of finance and actuarial processes and unlock the benefits of innovation and automation.

Risk Management

- Developing processes to assess, qualify, monitor and control the nature, significance and interdependencies of the risks to which the Company is exposed to and manage them accordingly.
- Assessment of responsibilities of the risk management function and monitoring compliance thereof.

Data and Technology

- Managing, monitoring, and securing an organization's entire collection of hardware, software, networks, data, facilities, and related equipments.
- Continuous improvement strategies to harvest, maintain and protect the internal and external data needed to support the operation of the Company.

VALUE CREATION

VALUE CREATION

Product & Service Development	Underwriting	Policy Administration	Asset & Investment Management	Claims Management	Marketing	Sales Distribution and Networking
Identifying new or customized services / advice offerings based on recent events e.g., risk strategy reviews and preventive measures. Using customer and market insights to design, develop and launch products and services.	Examining risk profiles and premium pricing models to issue policies. Evaluating records from a distribution and pricing standpoint to determine key exposures and openings for development.	Handling the administrative activities required by the policy holders e.g., inquiries, cancellation, changes, billing, and collections. Assessing critical path processing activities with special consideration to identify automation potential and standardize as much as possible.	Managing and investing assets of Unit Linked funds, unappropriated surplus and reserves to generate revenue and provide solvency for liabilities. Enhance monitoring of credit risk and assessing investment strategies by IMC for investments to enhance Investment income.	Evaluating and settling claims, including payments, reinsurance recovery and litigation, when applicable. Accelerating the drive to digitize end-to-end claims processing.	Directing, monitoring, and focusing sales and customers desirability through brand management, advertisement, and customers engagement. Meticulous engagement with distribution, operations, and technology teams by identifying operating models for branding and consumer attraction.	Understanding and strategically penetrating the addressable market to deliver products and services, and to generate revenues. Assessing and upgrading distribution, and sales strategy for developing new ways of working for distribution with special attention for each key segment of the business.

Primary Activities

Corporate Governance



Board of Director



Board of Directors



KAMAL A. CHINYOY

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.

Mr. Chinoy is also a Certified Director and serving on the Boards of the following:

International Industries Limited
International Steels Limited
Pakistan Cables Limited

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 on the Boards of the following entities:
Jubilee General Insurance Company Limited
Kyrgyz Investment and Credit Bank



AMYN CURRIMBHOY

INDEPENDENT DIRECTOR

Board of Directors



SULTAN ALI ALLANA

DIRECTOR

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

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

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 following companies:

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

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

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

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

He is currently serving on the Boards of following companies:

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 Holding Kenya Limited
Jubilee General Insurance Company Limited-Keyna
Jubilee Medical Insurance Company Limited-Keyna
The Jubilee Insurance Company of Kenya Limited
The Jubilee Insurance Company of Tanzania Limited
The Jubilee Insurance Company of Burundi S.A
The Jubilee Life Insurance Company of Burundi S.A
The 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 and Governance. He was Executive Director/ Commissioner, Securities & Exchange Commission of Pakistan and was instrumental towards implementation of wide ranging reforms in the capital market and capacity building of the Securities Market Division during the period 2000 – 2005. He was also Managing Director of Pakistan Stock Exchange (Former Karachi Stock Exchange) from 1998 – 2000 and was actively involved in introducing effective risk management measures, automation of trading system and enhancing capacity building of the exchange. During the period 1977-1998 he 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 currently serving on the Boards of following companies:

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

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 following companies:

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



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 fulfilment 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:

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

Mr. Javed Ahmed is the Managing Director and Chief Executive Officer of Jubilee Life Insurance Company Limited. He is also a member of the Executive Committee of the Management Association of Pakistan.

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

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

He is currently serving on the Boards of the following companies:

Jubilee Kyrgyzstan Insurance Company
Jubilee Life Insurance Limited, Kenya



JAVED AHMED

MANAGING DIRECTOR & CEO

Chairman's Review

I am pleased to present the Annual Report of the Company for the year ended December 31, 2020.

Economy and Capital Market

As I reflect on 2020, the world clearly appears to have been tremendously and deeply affected by the COVID-19 Pandemic, and without a doubt we are yet to see the end of it.

The pandemic resulted in unprecedented effects globally on the loss of precious human lives and on behalf of the Board of Directors, I convey our heartfelt condolences for all those who have lost their loved ones during this difficult time.

A year ago, while presenting to you the Annual Report 2019, I was pleased to acknowledge the emerging signs of positive momentum of growth and other economic indicators in the economy and the capital market, which had previously witnessed successive years of negative returns. However, the pandemic resulted in a significant slowdown in the economy and a decrease in PSX-100 index reflecting negative returns of around 28.2% as the index dipped to 29,232 from its peak of 37,984. However, post the initial wave, it managed to climb back and close by year end at a level of 43,755 points, thereby delivering a positive return of 7.4% for the year 2020. A cautiously optimistic view is that our country's economy is showing signs of gradual recovery and credit must be given to the various fiscal measures taken by the Federal and Provincial Governments as well as State Bank of Pakistan.

The Company

Over the past year, our priority has been our people: keeping them safe, protecting jobs, looking after their wellbeing and continuing to build a cohesive team while not losing sight of our competitive edge in the insurance industry. I am happy to state that despite an extremely challenging year your Company through prudent management achieved profit after tax of Rs. 2,884 million which was 30% higher as compared to last year. Although the Gross Written Premium (GWP) amounting Rs. 46,507 million from all line of business was 6.3% lower than last year due to lockdown and closure of businesses, however the GWP from Corporate business, both conventional and Window Takaful, demonstrated a robust growth of 21% over last year and reached Rs. 8,563 million. Additionally, the Company made its first ever surplus distribution to the participants of Individual Family Takaful Fund in April 2020 for the years 2017 through 2019, aggregating to Rs. 394 million. It also pertinent to mention that the Company's balance sheet size has crossed Rs. 190 billion mark from Rs. 173 billion last year, a manifestation of the trust and confidence of our policy holders / participants, and contribution of all our employees towards the growth and success of the Company.

Awards and Accolades

During 2020, the Company won the Top Trophy Award in the Financial sector category at the 35th Corporate Excellence Awards hosted by the Management Association of Pakistan (MAP). Moreover, the Company's digital marketing efforts were recognized during the year and we won the Silver Effie Awards 2020 in the Insurance Category and the Pakistan Digital Awards 2020 in the category of Best Social Media Campaign (Facebook).

Marketing and Sports

Jubilee Life has become a recognized brand due to its efforts for the revival of international cricket in Pakistan. During 2020, as in the previous years, the Company partnered with Pakistan Cricket Board (PCB) as the Gold sponsor for the 5th season of the Pakistan Super League (PSL 5), thereby providing again the people of the country an opportunity for witnessing world class cricket. The sponsorship featured presence across all media including TV, On Ground, Digital and PR during the event.

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

CSR activities

The Corporate Social Responsibility (CSR) and Donations Policy of the Company provides a guiding framework for achieving the Company's vision by creating a strong focus and channelizing the efforts that positively impact Company's CSR endeavors and donations. The details are contained in the Directors' Report. It is a pleasure to report that as a responsible corporate citizen and continuous commitment towards Corporate Social Responsibility activities, the Company was also recognized by Marie Adelaide Leprosy Centre by receiving the Dr. Ruth Pfau CSR Award 2020.

Board of Directors

The outgoing Board completed its term of office in March 2020. Mr. Ayn Currimbhoy, Mr. Shahid Ghaffar, Mr. John Joseph Metcalf, Mr. Sultan Ali Allana, Mr. R. Zakir Mahmood, Mr. Sagheer Mufti, Ms. Saba Kamal, Mr. Javed Ahmed and myself were elected to the Board for a fresh term of three years commencing from March 31, 2020.

However, subsequently Ms. Saba Kamal has resigned from the Board of Directors due to her other commitments. I wish to place on record, on behalf of the Company, our appreciation for her valuable contribution to the Board.

Overall Performance of Board of Directors

As required under Listed Companies (Code of Corporate Governance) Regulations, 2019 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 their respective area of expertise; and that Board and its committees operated effectively throughout the year under review.

Outlook

As witnessed towards the end of the year under review, it is important to mention that the economy staged a strong comeback with the hope of development of COVID-19 vaccines and the declining fatality rate, however I expect the financial year 2021 will be also a challenging year due to the aftereffects of the pandemic on the trade and industry and on the overall businesses sentiment and purchasing power. I am confident that the Company will maintain its position as the largest private sector life insurance company of Pakistan and will continue to accelerate its growth.

Acknowledgement

On behalf of the Board, I would like to thank our shareholders, valued policy holders and Window Takaful participants, business partners including our bankers, suppliers and other stakeholders for their confidence and support. I would also like to acknowledge the support of the Government as well as the Securities & Exchange Commission of Pakistan for their positive role in bringing reforms in the life insurance business. Lastly, 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, February 24, 2021

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, 2020.

Achievements

Year 2020 was adversely affected by the COVID-19 pandemic, an unexpected global event which resulted in disruption across all walks of life. As the world faced immense turmoil and confusion and many nations closed their borders, blocking tourism while also questioning the idea of globalization. Our country also had strict nation-wide lockdown for a few months and faced a stock market crash in March 2020, resulting in PSX-100 index to decline by 28.2% to a level of 29,232 points from its peak of 37,984.

In the second half of the year, Pakistan economy gradually started to bounce back from the unprecedented effects. The monetary and fiscal stimulus by the Federal, Provincial Governments and State Bank of Pakistan provided much needed liquidity to the system and enabled most industries to resume operations near to their pre-COVID levels.

Despite the challenges, your Company having a strong foothold in its industry across the country was still able to record the following achievements once again, some of which we are pleased to present:

- With countrywide lockdown due to COVID, the Company initiated its Business Continuity Plan and made sure that its customers are provided uninterrupted and seamless service. In particular, the Company ensured that its Health Insurance Approval Center remained operative 24/7. Serving more than 2.5 million health insurance customers seamlessly during COVID period shows unparalleled commitment of the Company towards its customers and their wellbeing.
- Profit after tax (PAT) of Rs. 2,884 million was 30% higher than last year PAT, translating into EPS of Rs. 33.05 as compared to Rs. 25.49 last year.
- Gross Written Premium (GWP) however closed at Rs. 46,507 million, as compared to Rs. 49,627 million in 2019, showing a decline of 6.3%.
- Corporate business, both conventional and Window takaful recorded a business of Rs. 8,563 million as compared to Rs. 7,088 million in 2019, which is 21% higher than last year. This robust growth is attributed largely to the high standards of customer services, leading to our customers' confidence, for which we are thankful.
- Based on the approval of the Appointed Actuary and the Shariah Advisor, the first ever surplus distribution to the participants of Individual Family Takaful Fund was made in April 2020 for the years 2017 through 2019, aggregating to Rs. 394 million, in accordance with the mechanism approved by them, and bonus units were allocated to the entitled participants. This was the highest surplus distributed in a year by any Family Takaful operator in the country.

Business Performance and Operating Results

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

- Individual Life Unit-Linked business generated a surplus of Rs. 3,021 million which was higher by 4% compared to last year despite the uncertainty in the economy for major part of the year resulting in a decrease in purchasing power. On the regulatory front, introduction of certain stringent know-your-customer, anti-money laundering and other requirements emanating from compliance with FATF requirements, also have an impact on customer confidence, hence writing new business and policy renewals was a challenge generating Net Written Premium (NWP) of Rs. 27,315 million as compared to Rs. 31,668million last year.

- Conventional Business, which comprises mainly Group Life Insurance, recorded a Net Written Premium (NWP) of Rs. 1,638 million as against Rs. 1,421 million in 2019. A surplus of Rs. 262 million was achieved in the current year which was 63% higher than last year.
- Accident and Health business recorded NWP of Rs. 5,072 million in contrast to Rs. 4,547 million in 2020. A surplus of Rs. 680 million was achieved as against Rs. 318 million in 2019 showing a remarkable increase of 114% over last year.
- The Window Takaful Operations continue to receive an overwhelming response, and in aggregate, all three lines of business, i.e. Individual Family Takaful, Group Family Takaful and Accident & Health Takaful recorded a Net Written Contribution (NWC) of Rs. 11,172 million and again exceeded Rs. 10 billion mark.
- The overall surplus from all business lines was recorded at Rs. 3,987 million, an increase of 4.28% as against the overall surplus of Rs. 3,823 million in 2019. A surplus transfer of Rs. 3,125 million as compared to Rs. 2,775 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 43.1 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. 12,872 million as compared to Rs. 11,406 million in 2019, showing an increase of 13%.
- The Company being cognizant of the rapidly changing environment, continued to be prudent in maintaining its required solvency requirements as per its assessment and recommendation of the independent Appointed Actuary in this respect.

Investment Performance

The Company follows a prudent investment policy and monitors the market position actively. Given the significant shock in the equity market in early months of the year shattering the investment confidence, further fueled by fear of uncertainties around the Pandemic, the Company took certain proactive measures towards protecting the funds value by rebalancing the asset allocations of the funds under its management and was thus able to achieve net positive investment income of Rs. 11,930 million at the end of year. Moreover, the flow of funds from all lines of business along-with the investment income resulted the investment portfolio to grow by more than 10% and for the first time crossed Rs. 176 billion.

As your Company offers both Conventional and Shariah Compliant options to its customers through four unit-linked funds to its Individual Life policyholders on the conventional side, and two unit-linked funds to its individual participants in the Individual Family Takaful operations. These funds have varying risk exposure and are chosen by the individual policy holders/ participants as per their individual risk appetite. The returns for 2020 are summarized below:

S. No.	Name of Fund	Launch Date	CY'20	3 Year return	5 Year return	10 Year return	Return since inception
Individual Life Unit Linked Fund (Conventional)							
1	Managed Fund	December 31, 1996	7.40%	20.00%	33.80%	185.20%	1215.51%
2	Capital Growth Fund	July 28, 2004	-6.30%	-7.60%	13.40%	284.20%	728.29%
3	Meesaq Fund	March 27, 2008	2.10%	13.90%	30.40%	140.00%	138.27%
4	Yaqeen Growth Fund	June 1, 2009	15.00%	35.40%	50.00%	172.30%	188.44%
Individual Family Takaful Fund							
5	Managed Takaful Fund	July 7, 2015	4.40%	15.70%	31.70%	N/A	39.30%
6	Capital Growth Takaful Fund	July 7, 2015	1.20%	13.20%	28.90%	N/A	36.40%

Profit & Loss Account

The Profit & Loss Account of the Company shows a pre-tax profit of Rs. 4,070 million for the year, which is 19% more than last year pre-tax profit of Rs 3,416 million. The Profit after tax (PAT) for the year 2020 is Rs. 2,884 million as compared to Rs. 2,224 million, which is 30% higher than last year.

The Company is one of the significant taxpayers to the national exchequer. During 2020, the Company contributed Rs. 2,343 million (2019: Rs 2,300 million) as direct and indirect taxes to the government treasury.

Earnings per Share

The basic and diluted earnings per share for the year 2020 amount to Rs. 33.05 as compared to Rs. 25.49 in 2019 depicting an increase of 30%.

Dividends to Shareholders

The Board of Directors have recommended a final cash dividend of Rs. 13.50 per share, i.e. 135%, [2019: Rs. 13.50 per share (135%)]. The Company had paid an interim cash dividend of Rs. 3.00 per share (30%) during the year, [2019: Rs. 3.00 per share (30%)], thereby making a total cash dividend of Rs.16.50 per share, i.e. 165% for the year 2020 (2019: Rs. 16.50 per share i.e. 165), subject to the approval of the shareholders at the Annual General Meeting of the Company.

Insurer Financial Strength Rating (IFS Rating)

The Company's IFS rating review process is conducted on annual basis by JCR VIS Credit Rating Company Limited. The latest annual review was concluded on February 23, 2021, 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 JCR VIS acknowledged that the Company's business under both, the Conventional and the Window Takaful Operations depicted growth trends and premium base which compared favorably to peers.

Human Capital

Though the world of work has been rapidly changing, in 2020 we all witnessed an overnight change in the way we work and interact. The rapid and sudden increase of remote work, shifting roles and a hyper-focus on workplace health and safety required a quick realignment of skills and processes.

● People First

Our employees' health and safety are at the heart of all our interventions. At the onset of the Pandemic, we quickly formed a team of HR professionals and our inhouse medical doctors to facilitate and assist our employees and their family members, in dealing with any medical emergencies and to provide instant online medical consultation, wherever required. To create awareness around health and safety, particularly addressing the risks of COVID-19, various webinars and sessions were organized with different subject matter experts from the field of physical fitness, nutrition, and medicine.

● Building Cohesive Teams

Whilst the Company has always worked towards developing high performing and engaged teams, the seismic shift from having majority of on-site workforce to mostly remote teams required a focused and concerted plan to keep the teams agile, connected and performing. By leveraging technology, we connected our people across the country thus forming even more cohesive and unified teams. Multiple initiatives like Jubilee Trivia Challenge and HR Connect Sessions were rolled out throughout the year to ensure that our employees always feel connected and engaged despite their work location.

● Digital Employee Experience

A Cloud based Human Capital Management System was successfully implemented to empower our people and to enhance employee experience through Employee and Manager self-service mobile application. There was a renewed focus on upskilling and reskilling employees using blended and digital learning platform to prepare a more digital savvy workforce.

● Inclusion & Diversity

With over 28% of our employees in business being women, the Company take pride in our inclusive work culture and strive to offer flexibility and develop supportive policies to ensure that our women employees continue their career journey.

Information Technology and Operational Efficiencies

Smart and strategic investments in prior years by the Company in the Technology stemming around customer experiences and operational efficiencies placed the Company in a unique position to continue its operations efficiently and smoothly amidst COVID-19 lockdowns without any disruptions. Technologies such as Omnichannel Contact Center and CRM greatly enabled the company to engage with its customers and provide seamless services. Further, customers were also able to connect with the Company through various channels such as Call Center, IVR, SMS, Mobile App, and web portals for enquires and service requests related to their policies.

Company had transformed many of its internal functions to paperless workflows. Over 450 staff in various support functions were enabled to Work from Home through secure VPN connections. 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 continue normal business operations to identify and rectify any discrepancies.

Furthermore, 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 during the year. The Company also deployed state-of-the-art Security Information and Event Management (SIEM) solution on its IT Infrastructure in the year 2020, with the addition of latest upgraded version of Oracle E-Business Suite.

The Company continued to increase its online product offerings and presence to enable the masses to purchase Life and Health insurance from its mobile app and web portal. Company is now investing in a new platform for its online sales which will enrich the offerings further and provide superior and secured experience to its online customers. The Company will continue to strive to create more opportunities for engaging its customers in the digital arena and provide services when and how customer desires.

Awards and Accolades

As in the previous years, the Company continued to add more feathers to its cap during the year 2020:

- MAP 35th Corporate Excellence Awards in the Insurance Category.
- Silver Effie Awards 2020 in the Insurance Category.
- Pakistan Digital Awards 2020 in the category of Best Social Media Campaign (Facebook).
- Dr. Ruth Pfau CSR Award 2020 by Marie Adelaide Leprosy Centre.

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.

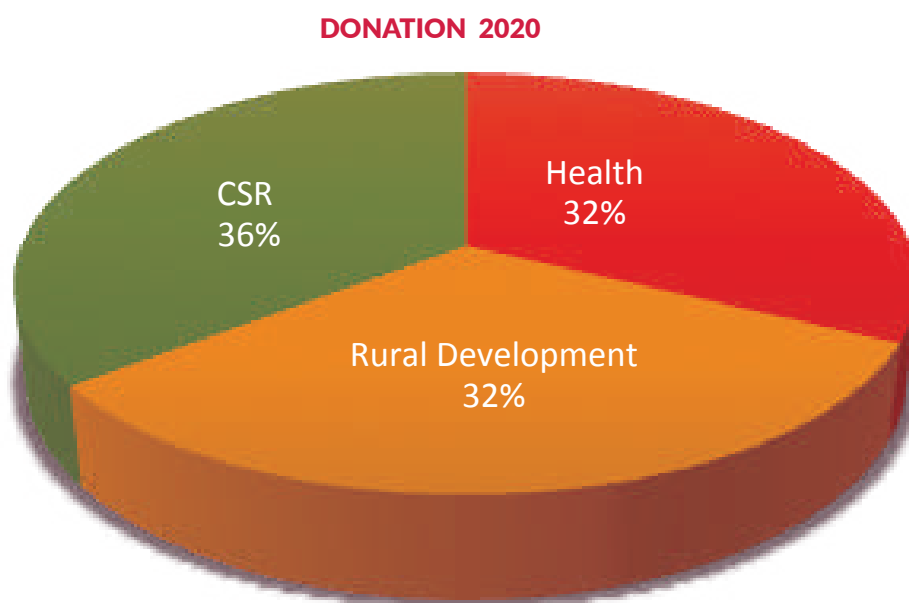
The Code, which is mentioned on page 06 of the Annual Report and placed on the Company’s website, defines the obligations and responsibilities of all – the Board members, the employees, and the Company towards its various stakeholders, towards each other, and towards the society as a whole. Necessary 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 endeavors and donations.

● Donations

In line with the approved CSR and Donations Policy, the Company’s total donation expense during 2020 aggregated to Rs. 31 million (2019: Rs.14.5 million), aimed at the support of health care, education, rural development. The sector wise allocation of the donation is given below:



● Micro-insurance & Health Awareness Campaigns

Each year, the Company makes a significant contribution towards financial inclusion of the low-income strata of population, and its CSR initiatives also leverage on its core business expertise to create and provide sustainable life and health micro-insurance solutions at affordable cost. With an aim of improving quality of life of the low-income sector of the society, the Company extended its micro-insurance facilities to over 4 million individuals in 2020.

The Company also organizes Health Awareness Campaigns in the rural areas of all four provinces as well as the Northern areas, directly as well as in collaboration with other organizations to enable the creation of wider awareness on issues relating to health care and healthy lifestyle. The Company with travel restrictions and keeping COVID-19 SOPs continued its spend on these initiatives, besides the time spent by its employees. The Company encourages its employees to contribute their time and knowledge towards social causes.

● Social Health Protection Initiative – Gilgit Baltistan

Since June 2016, the Company has been affiliated with the Social Health Protection Initiative in Gilgit Baltistan (GB). The initiative is basically an Aga Khan Foundation (AKF) led AKDN consortium that includes AKRSP and the Company, who all signed a micro health insurance project with the Government of Gilgit-Baltistan (GB). During 2020, over 35,000 lives spread over 5,340 households were covered by the Company.

Engagement with the society

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

● COVID -19 Relief Program

Recent times have been challenging for every company, regardless of their industry. There have been some companies that took on the challenge straight ahead, learned from the situation and came out even stronger.

It was a stressful time during the COVID-19 outbreak, both individuals and organizations went in shock and immediately panicked due to the uncertainty of the disease. Economic activity was at a halt and job concerns were at its peak. During this time, as part of the Aga Khan Development Network's (AKDN) initiative, the Company played its role of giving back to the society by conducting a Ration Drive to help feed those who were on a daily wage system and heavily affected due to lockdowns.

The year 2020 has been difficult for all, your Company has made its utmost effort to lead and make a difference in the Society.

● Enterprise Challenge Pakistan

The Company's collaboration with SEED Ventures for the 4th 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. The ECP is essentially a simulation business challenge where students, playing in teams, employ their creativity in cyber-scenarios. Industry experts help these students understand the basics of an enterprise, business strategy and financials, with the objective to profitably run an enterprise. The team with the highest net profit is declared the winner.

● Sports promotion

Jubilee Life has become a recognized name due to its efforts for the revival of international cricket in Pakistan. The Company strives to become a catalyst for the revival of cricket and envisions Pakistan to welcome other countries and organize various tournaments in the future. During 2020, as in the previous year, the Company partnered with the Pakistan Cricket Board (PCB) as the Gold sponsor for the 5th season of the Pakistan Super League (PSL 5), thereby providing the people of the country an opportunity for witnessing world class cricket. The sponsorship featured presence across all media including TV, On Ground, Digital and PR during the event.

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

Window Takaful Operations

As highlighted above, the Board is pleased to inform its valued participants of the Individual Family Takaful Fund that based on the approval of the Appointed Actuary and the Shariah Advisor, the first ever Surplus Distribution to the participants was made in April 2020 for the years 2017 through 2019, aggregating to Rs. 394 million, in accordance with the mechanism approved by them, and bonus units have been allocated to the entitled participants.

Moreover, as per the requirements of SECP's Circular 15 of 2019 dated 18 November 2019, life insurance companies with Window Takaful Operations are now required to present separate standalone financial statements, as if they had been operating as a full time Family Takaful Operator. This requirement is applicable from 1 January 2020. Although the prescribed format for these Financial Statements is still to be prescribed by the SECP as per the Takaful Rules, 2012, the reporting requirements have been met by the Company in spirit as required by the said circular. Accordingly, the annual financial statements of the Window Takaful Operations are also annexed as duly approved by the Board of Directors of the Company.

Board Evaluation Mechanism

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

Remuneration of Non-Executive Directors

Through the Articles of the Company, the Board of Directors is authorized to fix remuneration of Non-Executive and Independent Directors from time to time. The Board of Directors has approved a 'Board Remuneration Policy', accordingly the Company does not pay any remuneration to its non-executive directors except as meeting fee for attending the Board and its Committee meetings strictly as per the policy. All meeting fees have been duly disclosed in notes 35 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 97 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 27 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 243 of the Annual Report.

Board of Directors

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

The Board of Directors was reconstituted in accordance with the required gender diversity upon the completion of its term on March 30, 2020. Following the election of directors, w.e.f March 31, 2020, the Board currently 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. Saba Kamal*
- Mr. Javed Ahmed (Managing Director & Chief Executive Officer)

*No casual vacancy occurred during the year 2020, however during 2021, Ms. Saba Kamal resigned from the Board due to her other commitments.

During the year 2020, eight meetings of the Board of Directors were held. The Annual General Meeting (AGM) was held on March 30, 2020. The BoD meetings and AGM were attended as follows:

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

Four meetings of the Board Audit Committee were held during 2020, and attended as follows:

S. No.	Director's Name	Meetings Attended
1	Mr. Aryn Currimbhoy	4
2	Mr. John Joseph Metcalf	4
3	Mr. Shahid Ghaffar	3

The Board Human Resource & Remuneration, Ethics & Nominations Committee of the Board held four meeting during 2020, which was attended as follows:

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

The Board Finance & Investment Committee met five times during the year 2020, and the meetings were attended as follows:

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

* Mr. Omer Farooq was appointed as Acting CFO in place of Ms. Lilly R. Dossabhoy w.e.f 01-10-2020

The Board Technical Committee met five times during the year 2020, and the meetings were attended as follows:

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

The Board Risk Management Committee met five times during the year 2020, and the meetings were attended as follows:

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

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

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

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

Management Committee

The governance of day-to-day operations in all functional areas, is carried out by the Company's Management Committee, chaired by the Managing Director and Chief Executive Officer of the Company, and meets on regular basis. Members of the Management Committee are stated on page 15 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 15 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 15 of the Annual Report.

Internal Audit Function

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

Risk and Opportunity Report

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

Key Operating and Financial Information

A summary of the Key operating and financial information of the last six years is shown on page 78 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, 2020, the audits of which are in progress, are as follows:

Provident Fund	Rs. 644.97 million
Gratuity Fund	Rs. 578.05 million

Material Changes

There have been no material changes since December 31, 2020 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 2021, and the Board endorses this recommendation.

Holding Company

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

Outlook

The outbreak of COVID-19 Pandemic had an unprecedented effect globally, including on economies and most importantly the loss of precious human lives. However, Pakistan's outbreak of the virus is relatively under control with only a fraction of the population being infected and while the onset of the second wave is yet to conclude, the infection rate is expected to still remain below the first wave.

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, due to the COVID 19 pandemic. The matter is explained in note 27.1.2 of the financial statements.

The Company expects that financial year 2021 will also be a challenging year due to the emerging effects of the Pandemic on the overall businesses and economic environment, however with the careful COVID-19 vaccination strategy and campaign by the government, the ray of hope will continue to rise with each passing day. We believe that with a notable recovery in the business activities, economic and physical wellbeing of the people and businesses, the Company will not only be able to maintain its strong footprint in its industry but will also be able to help people and business to financially mitigate their uncertainties.

Our valued stakeholders would acknowledge that as significant stakeholder in the Life insurance industry, our biggest challenge was to ensure the smooth operations during the Pandemic which with the appropriately crafted strategy resulted in minimum operational disruption during the whole year while the economic activities remained overshadowed under its impact.

With the continued support of all stakeholders, the Company believes it has performed relatively well both, over the past years, as well as 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.


Acknowledgements

The Board extends its gratitude to all its valuable shareholders for their persistent support. The Board appreciates the various regulatory and ease of doing business measures initiated by the Securities and Exchange Commission of Pakistan as the apex regulator. In addition, the Board would also like to express its appreciation to all members of the Jubilee family for being a staunch supporter, and for being the silver lining throughout the year. The Board and the management expect that with continued support of all stakeholders, the Company will excel with certainty.

On behalf of the Board of Directors



KAMAL A. CHINOY
Chairman



JAVED AHMED
Managing Director & CEO

Karachi: February 24, 2021

Governance Framework

Roles and Responsibilities of Chairman & Chief Executive

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 (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 Committee

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 40 of this 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, proper orientation about the operations of the Company, applicable laws and regulations and their fiduciary duties and responsibilities. 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 2020, all Board meetings were held in Pakistan.

Presence of Chairman of Audit Committee at AGM

The 25th Annual General Meeting (AGM) of Jubilee Life was held on March 30, 2020, which was chaired by Chairman Board Audit Committee and other directors attended the meeting as mentioned on page 48 of this 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 2020, 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 hardcopy 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 42 of Financial Statements.

Policy for Whistle Blowing

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.

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 during the year. The Company also deployed state-of-the-art Security Information and Event Management (SIEM) solution on its IT Infrastructure in the year 2020.

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 25th AGM of the Company was held on March 30, 2020, 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 242-243 of this 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.

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

Year 2020 was largely dominated by COVID-19, a global pandemic which has affected the whole world and our country as well. Many nations closed their borders and imposed country wide lockdown to restrict spread of virus. Business and economic environment are adversely affected due to strict nation-wide lockdown for a few months. The Company has revitalized its sales force to bring the sales activities to its pre-COVID levels.

The Company's Business Continuity Plan has been endorsed with effect from start of pandemic to continue the business operation smoothly under this stressed situation. The details of the steps taken by the Company during pandemic are mentioned on respective sections of this Annual Report.

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

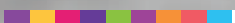
The Company has fully complied with the Listed Companies (Code of Corporate Governance) Regulation 2019. Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulation, 2019, and Code of Corporate Governance for Insurers, 2016 and Auditors' Review Report thereon also form part of this report and are annexed on page 97 of this Annual Report.

Governance Practices exceeding Legal Requirements

The Company and its Board have always endeavored 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 reports additional corporate and financial information in this Annual Report which is not required by law and makes optimum efforts to fully adopt Integrated Reporting framework.
- Voluntary adoption of best reporting practices as prescribed by ICAP/ICMAP/ SAFA to make the Company's financials more transparent.

Strategy and Resource Allocation



Strategy and Resource Allocation

Resource Allocation Plan to Implement the Strategy

At Jubilee Life, we are keen to continually improve the efficiency of our operations through optimal use of our resources, while efficiently managing the allocation and cost of capital.

To achieve our strategic objectives, the management strives to enhance stakeholders' value and carefully sets up strategies and plans and accordingly deploys various resources at its disposal in a well-planned manner.

Capital Structure and Financial Position

The Company's ability of generating sufficient liquidity is its biggest strength. This provides the management with flexibility to deploy funds in best available avenues at competitive rates, apart from meeting its obligation towards policyholders'. During the year 2020, the Company has made total investment income of Rs. 11,637 million. Further, during the year 2020, the Company has paid net insurance benefits of Rs. 28,161 million (2019: Rs. 21,262 million) to policyholders against death & non-death claims, surrenders & partial withdrawals, and maturities. Moreover, the Company also repaid Rs. 250 million (2019: Rs 125 million) during 2020 in respect of long-term loan obtained in 2017.

Liquidity Management

Our core liquidity policy is to retain sufficient funds in the form of unencumbered liquid assets to meet potential funding requirements and statutory solvencies as stipulated by the Insurance Ordinance, 2000 and the Insurance Rules, 2017. The Company has maintained optimum liquid investments and deposits to deal with any kind of liquidity needs in short term as well as long term. The Company's Investment Management Policy Statement is designed towards diversification of the liquid assets to meet all contingent funding requirements. At Jubilee Life, we also take care of all long-term liquidity requirements while preparing long term plans. Nevertheless, the Company strives to maintain current ratio in the range of 1.05 to 1.08 times to meet its obligations and accordingly the current ratio of the Company as of December 31, 2020 is 1.06 times (2019: 1.06 times)

Human Resources

Talented and competent human resources are vital for the achievement of Company's goals and strategic objectives and therefore, Jubilee Life recognizes their abilities and provide wholesome and continuous opportunities for learning and growth.

The Company has developed a dedicated team to analyze the human resource right from selection till retirement. Further, Jubilee Life has a culture to set clear goals and KPIs for teams and individuals which in turn generate a clear focus on achieving a pre-defined objective.

Strategies to Achieve Strategic Objectives

Market Leadership

The vital presence and driving force in the life insurance industry positions the Company as the major contributor to the industry growth. Approaches to cultivate and enhance the upward position of Jubilee Life would need to increase the industry's engagement in terms of Life Insurance penetration in the market through branding and awareness, to maintain its competitive edge.

Shareholders significance

Jubilee Life's shareholders utmost satisfaction has always been the top-notch priority, hence business decisions and activities are aligned to the best of shareholders' interest.

Product Development

Jubilee Life Insurance has a vast product mix to cater the customers' preferences and needs, but due to low penetration in the life insurance sector, certain product categories are still untapped which the Company believes carry immense potential.

Enhancement of Distribution Channels

The Company possesses various strong distribution channels nationwide but there's always room for improvement and grow further with the existing ones. Jubilee Life caters several distribution channels e.g., direct sales force, bancassurance and digital; each with its own unique nature. Jubilee Life has with its strategic planning aims to enter low penetration markets with technological edge.

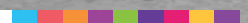
Customers Passion

Jubilee Life greatly prides 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 term of the policy. Customer reliance on Jubilee Life means everything to the Company, the ever-growing customer family urges Jubilee to perform better than before and this force always gets better with the increasing product range and with the increasing passion of the Company for its esteemed policyholders

Technological Evolution

Technology is the future, and the Company is conscious to the changing dynamics of the market where front to end support must be transformed with the help of internet and technology. 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 for serving convenience and reaching greater market for strengthening the existing position of the Company.

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 which entail calculated risks and managing those within sensible tolerances is 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 ERM Framework and international risk management standards.

Risk Management Framework

Principles of Risk Management Framework

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

Create and Protect Value

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

Transparent and Inclusive

Every Manager and Decision Maker cognizant of the Risk Management Framework and is responsible to identify the inherent risks of their respective department through day-to-day operations and to update them in the risk register in order to ensure the evaluation of all identified risks.

Systematic and Structured

The framework is spelled out in a simple and comprehensive manner so that it is understandable to all stakeholders.

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 that it operates in.

Risk Management Process



Risk and Opportunity Report

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

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

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

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

Key Opportunities

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

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

Key Uncertainties affecting the business


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

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

On behalf of the Board of Directors



KAMAL A. CHINOY
Chairman



JAVED AHMED
Managing Director & CEO

Karachi, February 24, 2021

Stakeholder Relationship and Engagement












Key Stakeholders



Stakeholders' Engagement

Stakeholder's satisfaction from Company's services contributes to its immense growth. The Company has identified and further explained below 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"> • Annual General Meeting • Extra-Ordinary General Meeting • Interim Financial Results • Corporate Briefing session • Investors Relations section on website 	<ul style="list-style-type: none"> • Annually • Quarterly • When required
 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"> • Direct relationships • Periodic Unit statements • Apps / Web-portal / IVR • Technical support services • Feedback on services • Surveys • Corporate Events 	<ul style="list-style-type: none"> • When required • Quarterly • Annually
 Employees	Strong relationship and connection with employees make us robust in meeting our strategic goals and objectives.	<ul style="list-style-type: none"> • Interaction with management • Cloud based Human Capital Management System • Appraisals • Employee get-together events • Training • Newsletter • Continuous Feedback 	<ul style="list-style-type: none"> • Monthly • Bi-annually • Annually
 Financial Institution	We also have access to our potential customers through the Bancassurance agents who recommend our products. We deeply 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"> • Direct relationships • Meetings • Financial Information • Website 	<ul style="list-style-type: none"> • Frequently • As needed
 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"> • Events to support various Communities 	<ul style="list-style-type: none"> • Periodically
 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"> • Responding to Regulator queries • Submission of statutory returns • Seek clarifications 	<ul style="list-style-type: none"> • As required & needed • Quarterly • Annually
 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"> • Advertising • Campaigns • Press releases • Interviews 	<ul style="list-style-type: none"> • Periodically
 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"> • Meeting with analyst • Corporate briefing session 	<ul style="list-style-type: none"> • Periodically • As needed
 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"> • Technical Training. • Newsletter. • Continuous Feedback. • Interaction with management. 	<ul style="list-style-type: none"> • As required & Needed

Investors' Relation

Investors Relation

Jubilee Life focuses on improving communication with shareholders' facilitating two-way communication between the Company and investors. An effective communication enables investor and other market participants to gain an understanding about the Company, as to how its governed, its operation, financial performance and future prospect. To ensure transparency and ease of access to Company's latest information, "Investors Relation" section on 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 and are committed to earn and sustain 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 Company website under "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 27th of November 2020, to promote transparency and stakeholder engagement. This session was conducted virtually, keeping in view the SOP's for COVID 19 prevention. Senior management of Jubilee Life presented and briefed the participants on Company performance and position, its product innovation and the challenges of the insurance industry. 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 encourage all shareholders' including minority shareholder to attend the AGM and other sessions such as Extra Ordinary General Meeting, Corporate briefing session. Notice of AGM is sent to all shareholders and also printed in English and Urdu Newspapers having nationwide circulation at least twenty-one days before the scheduled AGM. Further, Notice of AGM is also placed on Company's website and PSX page to ensure it reaches every shareholder. The Company also schedules question and answer session 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 online platform to ensure maximum shareholders' participation .

Corporate Social Responsibilities



Highlights on Corporate Social Responsibilities

Jubilee Life is a responsible corporate citizen and is guided by its vision “enabling people to overcome uncertainty”. We believe that our success and the success of nation go hand-in-hand.

“Creating a strong business and building a better world are not conflicting goals - they are both essential ingredients for long-term success”~ Bill Ford.

• Donations

In line with the approved CSR and Donations Policy, the Company's continuously make donation aimed to support Health care, Education, Rural development, Cultural heritage.



• Micro insurance & Health Awareness Campaigns



Jubilee Life's continuous contribution to the society, has extended its wings by educating low strata income group, and initiating their CSR activities influences their business activities in relation to provide life and health micro-insurance solutions at affordable cost.

Moreover, persistent approach towards the society's progression in the rural areas of Pakistan, Jubilee Life's collaboration with various

organizations contributes to the well-being of struggling communities through health care activities, awarding people with health-related wisdom. Company heartens their employees to be the beacon for the strugglers.



• Social Health Protection Initiative – Gilgit Baltistan

Jubilee Life Insurance affiliation with Social Health Protection with the initiative of AKDN consortium helped achieve 35,000 lives spread & over 5,430 household were covered by the company over the micro health insurance project.



Engagement with the Society

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

• COVID -19 Relief Program

The year 2020 came with its' hardships and confusion that took a toll on every organization, despite of any industry. Accepting challenges and growing stronger together is what civilizations are capable of.

"Life doesn't get easier or more forgiving, we get stronger and more resilient" ~ Steve Maraboli.



The asperity of COVID-19 pandemic, seismic modification in terms of halted business operations, individual's lives were all affected. AKDN (Aga Khan Development Network's) bold initiative towards reaching out to the society was commendable. Distribution of Ration bags to help families who were affected due to lockdowns and layoffs, played a major role in sharing the burden of the pandemic.



• Enterprise Challenge Pakistan

Jubilee Life Insurances' association with SEED Ventures aims to engage teenagers with interschool competition, inspiring youngsters to engage and explore entrepreneurship as a career path. Industries experts bolster students with industry and enterprise understanding with the objective of ethical business operation and profitability.

• Sports promotion

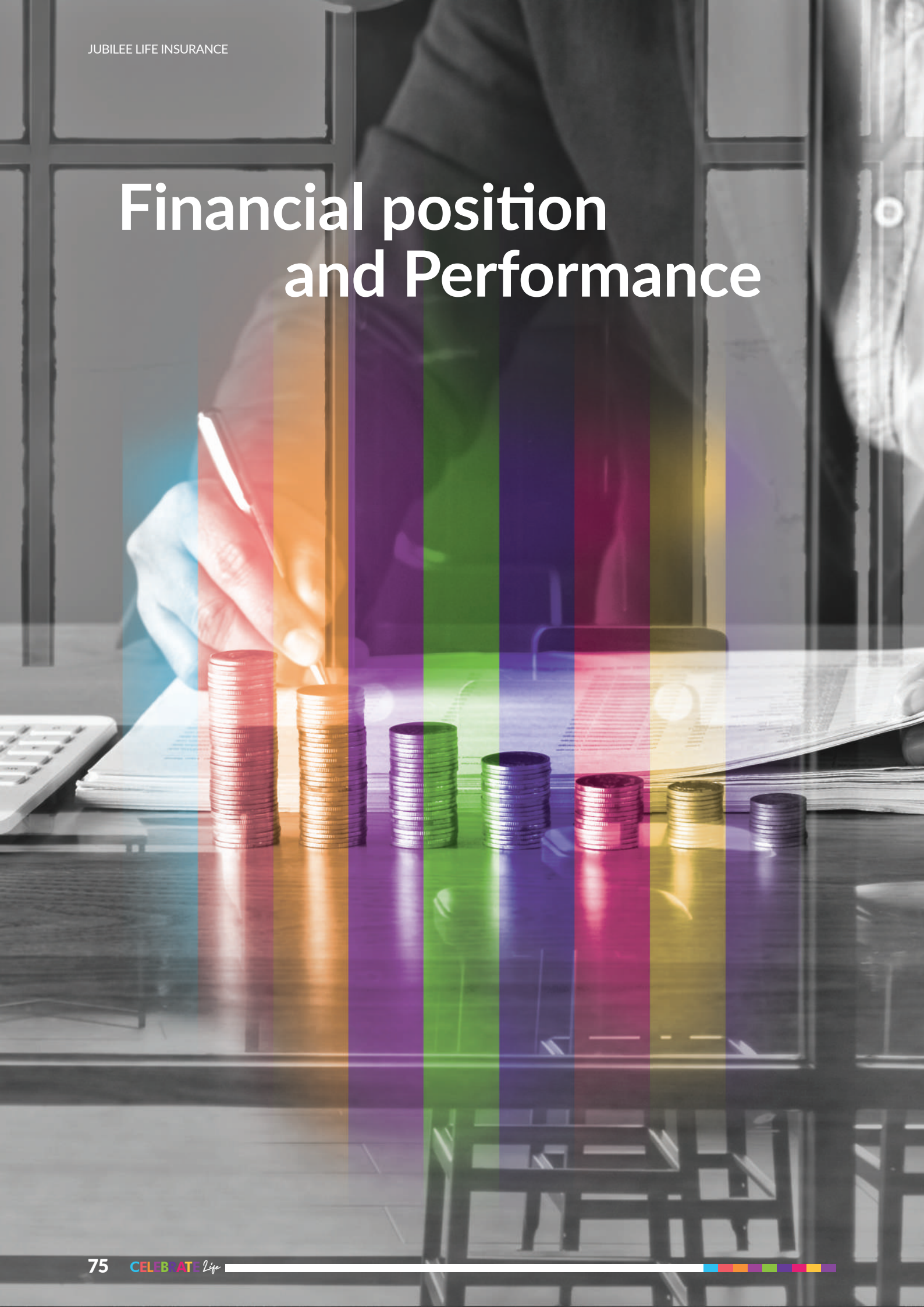


Cricket being the hot sport in Pakistan, Jubilee Life has been the limelight in sponsorship and in reviving the international cricket in Pakistan. Company being the "Golden Sponsor" for consecutive four years and overall, 5 years of participation has given the people of Pakistan to witness jaw dropping world class cricket.

Jubilee Life Insurance company also supports various other sporting moments including Snooker, Golf & Polo through providing sponsorship.



Financial position and Performance



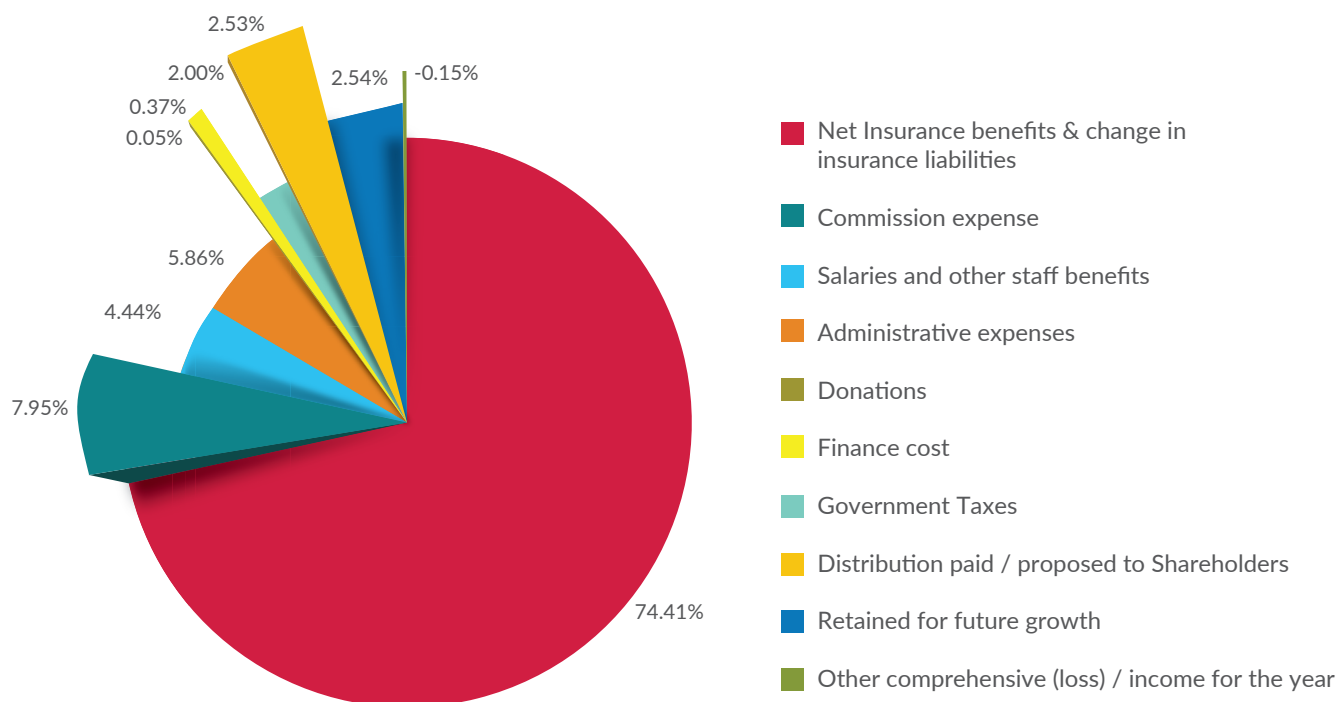
Statement of Value Addition

For The Year Ended December 31, 2020

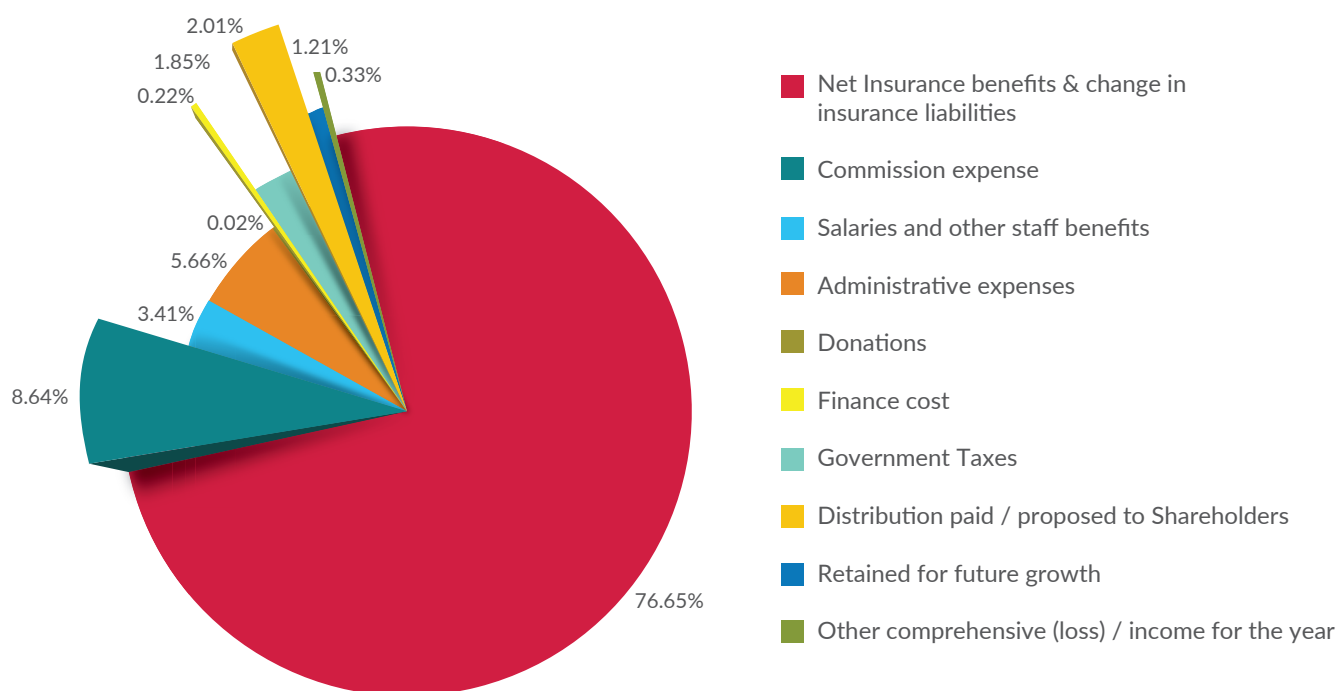
Description	2020		2019	
	Amount	%	Amount	%
(Rupees in '000)				
Wealth Generated				
Net premium	45,207,696	79.38	48,396,019	70.05
Investment income	11,501,702	20.19	20,338,115	29.44
Other income	244,651	0.43	349,712	0.51
Net Wealth	<u>56,954,049</u>	<u>100.00</u>	<u>69,083,846</u>	<u>100.00</u>
Distribution of Wealth				
Net Insurance benefits	28,825,518	50.61	22,471,614	32.53
Change in insurance liabilities	13,551,563	23.79	30,483,396	44.13
Commission expense	4,527,048	7.95	5,971,348	8.64
Salaries and other staff benefits	2,528,510	4.44	2,353,357	3.41
Administrative expenses	3,339,816	5.86	3,908,863	5.66
Donations	31,000	0.05	14,500	0.02
Finance cost	210,349	0.37	152,782	0.22
Government Taxes	1,140,845	2.00	1,275,562	1.85
Distribution paid / proposed to Shareholders	1,439,852	2.53	1,388,287	2.01
Retained for future growth	1,444,529	2.54	835,940	1.21
Other comprehensive (loss)/income for the year	(84,981)	(0.15)	228,197	0.33
Total	<u>56,954,049</u>	<u>100.00</u>	<u>69,083,846</u>	<u>100.00</u>

Statement of Value Addition

Distribution of Wealth 2020



Distribution of Wealth 2019



Last Six Years Statement of Financial Position

Balance Sheet	2020	2019	2018	2017	Jan. 1, 2017	2015
				(restated)	(restated)	
				(Rupees in '000)		
Investments including bank deposits	180,712,608	162,938,187	134,122,822	114,903,830	100,052,806	64,499,033
Other assets	5,043,941	5,703,207	2,177,091	2,350,411	2,009,369	4,185,379
Property and equipment / Intangible assets / Rights-of-use assets	4,665,574	4,719,129	3,326,101	3,258,660	734,591	539,522
Total assets	190,422,123	173,360,523	139,626,014	120,512,901	102,796,766	69,223,934
- Issued, subscribed and Paid up capital	872,638	793,307	793,307	793,307	721,188	721,188
- Unappropriated profit/Surplus on revaluation of AFS investments/Waqf fund	7,919,203	7,176,008	6,395,607	6,022,460	5,118,646	3,189,049
- Retained balance in Ledger Account D	4,080,365	3,436,246	3,152,755	2,500,955	1,825,362	-
Total Equity	12,872,206	11,405,561	10,341,669	9,316,722	7,665,196	3,910,237
Insurance liabilities / Statutory Funds (as applicable)	168,613,327	153,633,665	122,000,509	104,941,249	91,387,760	62,205,691
Long term / Deferred liabilities	3,099,781	3,307,324	2,437,432	2,563,427	1,000,539	21,334
Other liabilities	5,836,809	5,013,973	4,846,404	3,691,503	2,743,271	3,086,672
Total equity & liabilities	190,422,123	173,360,523	139,626,014	120,512,901	102,796,766	69,223,934

NOTE:

Presentation has been realigned for the purposes of better comparison.

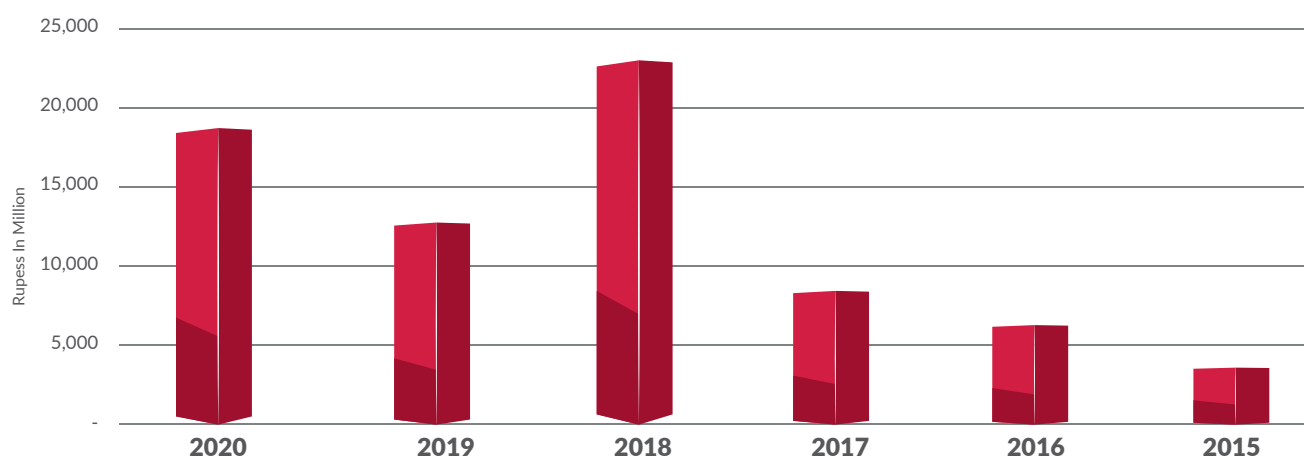
Last Six Years Statement of Profit & Loss

Revenue, P&L Account and OCI Statement	2020	2019	2018	2017	2016	2015
			(restated)			
			(Rupees in '000)			
Gross Premium / Contribution	46,507,123	49,627,409	51,887,073	46,816,891	38,003,577	29,929,196
Premium / Contribution - net of reinsurance / retakaful	45,207,696	48,396,019	50,670,972	45,905,895	36,988,234	29,120,815
Investment Income / other income / share in profit of associate	19,273,321	11,477,657	7,753,228	4,065,957	7,672,924	5,313,534
Net fair value gains / (losses) on financial assets at fair value through profit or loss	(7,324,396)	8,902,717	(9,744,798)	(8,147,144)	7,850,041	906,239
Total inflow A	57,156,621	68,776,393	48,679,402	41,824,708	52,511,199	35,340,588
Net Insurance Benefits	28,825,518	22,471,614	16,315,729	12,969,716	9,473,846	7,021,641
Acquisition, marketing, administrative & other expenses	10,426,374	12,248,068	12,602,164	11,048,001	9,082,472	7,959,013
Finance costs and other gains / (losses)	283,142	156,948	(36,107)	44,430	-	-
Net change in insurance liabilities	13,551,563	30,483,396	16,349,025	12,902,620	30,084,859	17,597,155
Total outflow B	53,086,597	65,360,026	45,230,811	36,964,767	48,641,177	32,577,809
Surplus retained in statutory funds C	-	-	-	-	931,178	437,104
Profit before tax D=A-B-C	4,070,024	3,416,367	3,448,591	4,859,941	2,938,844	2,325,675
Income Tax expense	(1,185,643)	(1,192,140)	(1,018,260)	(1,598,104)	(830,946)	(704,115)
Profit after tax	2,884,381	2,224,227	2,430,331	3,261,837	2,107,898	1,621,560
Other comprehensive income / (loss) for the year - net of tax	(84,981)	228,197	(17,097)	(542,953)	-	-
Total comprehensive income for the year	2,799,400	2,452,424	2,413,234	2,718,884	2,107,898	1,621,560

Last Six Years Summary of Cash Flow

Six Years Summary	2020	2019	2018	2017	2016	2015
	(Rupees in 'Million)					
Net cash inflow from operating activities	6,807	13,027	22,499	22,158	18,137	14,025
Net cash inflow / (outflow) from investing activities	578	(22,083)	(6,225)	(20,003)	(14,393)	(13,000)
Net cash inflow / (outflow) from financing activities	(1,988)	(1,873)	(1,494)	384	(969)	(716)
Net change in cash and cash equivalents	5,397	(10,928)	14,780	2,539	2,774	309
Cash and cash equivalents at beginning of the year	12,445	23,373	8,593	6,054	3,280	2,971
Cash and cash equivalents at the end of the year	17,842	12,445	23,373	8,593	6,054	3,280

Cash and Cash Equivalent at the end of year



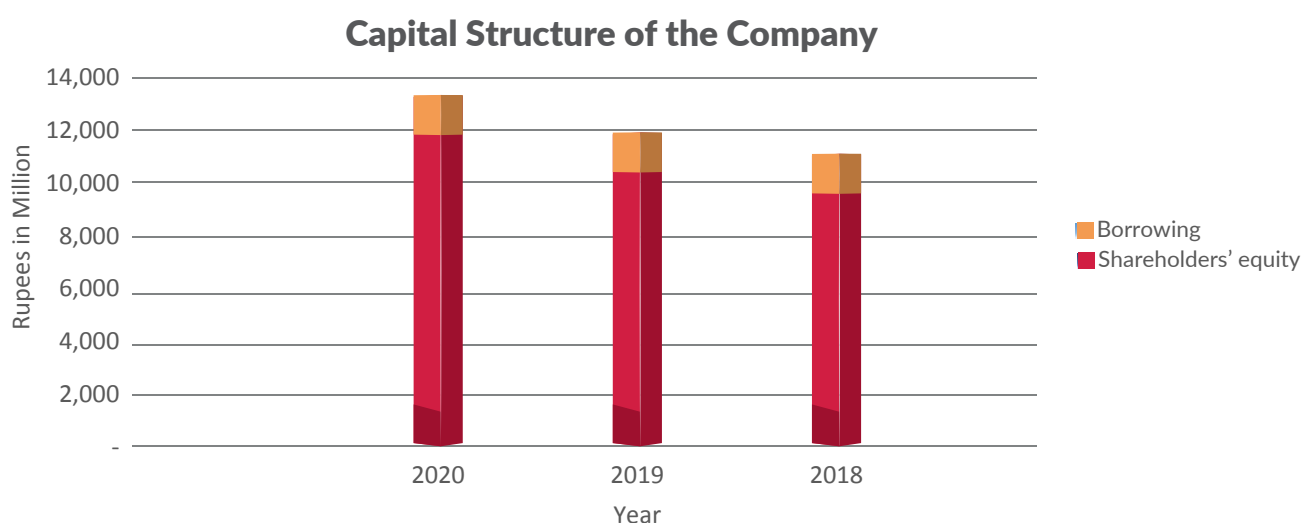
Information about default in payments

Company has maintained robust cashflows and liquidity throughout the year 2020 and has Cash and cash equivalent of Rs. 17,843 million (2019: Rs. 12,445 million). Furthermore, there has been no default in payments in 2020.

Last Three Years Capital Structure

As mentioned on page 59, the Company successfully generates sufficient liquidity through its operations and accordingly Company's capital and reserves attributable to the Shareholders comprises 91.96% of the Company's capital structure as of December 31, 2020. Synopsis of Company's capital structure as of 2020 through 2018 is presented below:

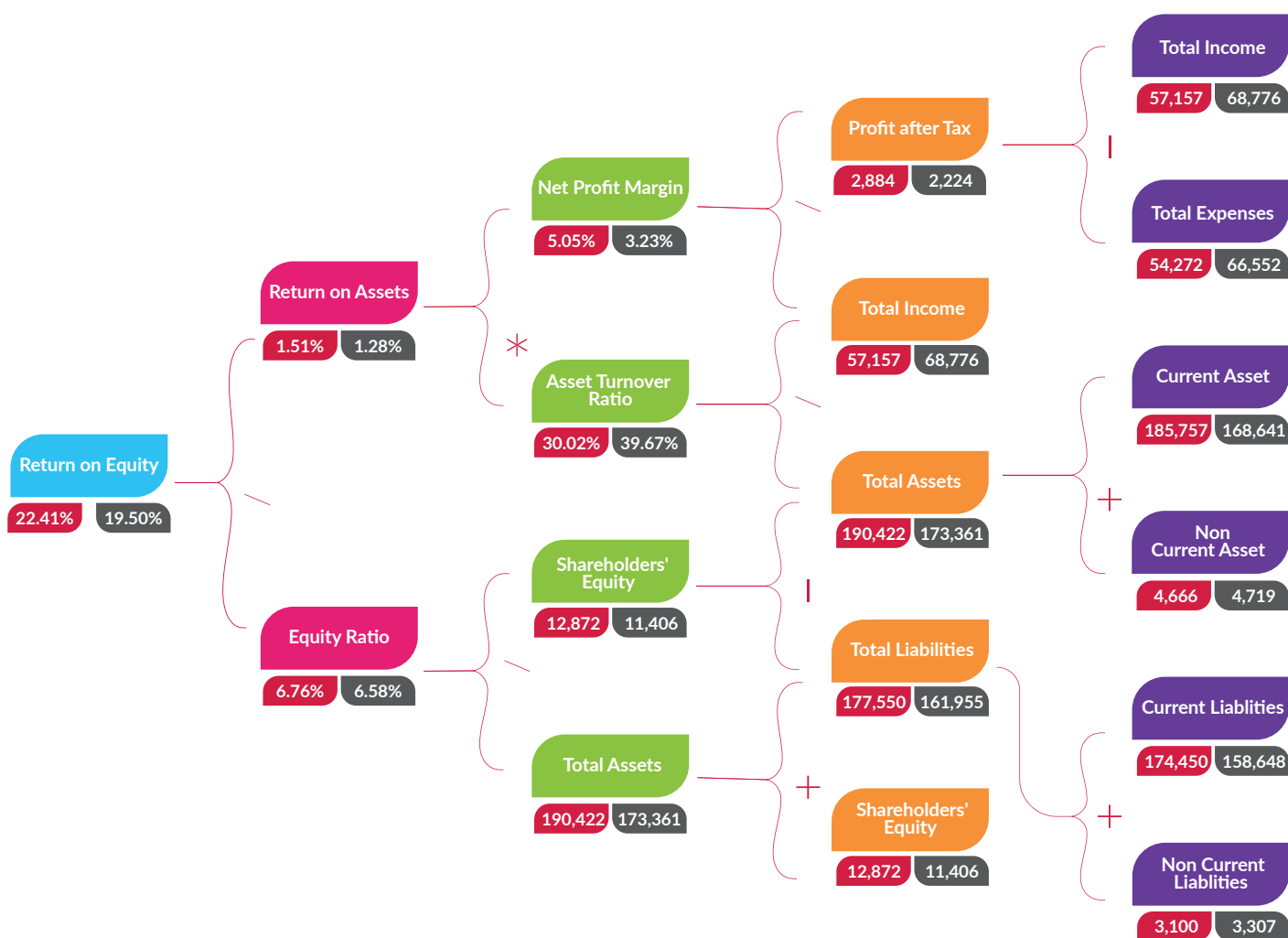
Three Year Summary	2020	2019	2018
	(Rupees in 'Million)		
Share capital	872,638	793,307	793,307
Money ceded to waqf fund	500	500	500
Gain on revaluation of available-for-sale investments	77,384	172,026	(21,492)
Unappropriated profit	7,841,319	7,003,482	6,416,599
Retained earnings arising from business other than participating business attributable to shareholders (Ledger account D)	4,080,365	3,436,246	3,152,755
Capital and reserves attributable to the Company's equity holders	12,872,206	11,405,561	10,341,669
Long Term Borrowing	1,125,000	1,375,000	1,500,000
Company's Capital Structure at the end of year	13,997,206	12,780,561	11,841,669



DuPont Analysis

2020

2019



Financial Ratios

Key Financial Ratios	2020	2019	2018	2017	2016	2015
				(restated)		
Profitability						
Profit / (loss) Before Tax / Gross Premium / Contribution	9%	7%	7%	10%	8%	8%
Profit / (loss) Before Tax / Net Premium / Contribution	9%	7%	7%	11%	8%	8%
Profit / (loss) After Tax / Gross Premium / Contribution	6%	4%	5%	7%	6%	5%
Profit / (loss) After Tax / Net Premium / Contribution	6%	5%	5%	7%	6%	6%
Net claims / Net premium / Contribution	64%	46%	32%	28%	26%	24%
Commission expenses / Net premium / Contribution	10%	12%	13%	13%	15%	16%
Administration Expenses / Net premium / Contribution	13%	13%	11%	11%	10%	11%
Change in PHL & Technical Reserves / Net Inflow	24%	44%	34%	31%	57%	50%
Net investment income / Net premium / contribution	26%	42%	-4%	-9%	42%	21%
Return to Shareholders						
Return on equity including retained balance in Ledger Account D	22%	20%	24%	35%	27%	41%
Earnings per share (pre-tax) - Restated	46.64	39.15	39.52	55.69	33.68	26.65
Earnings per share (after-tax) - Restated	33.05	25.49	27.85	37.38	24.16	18.58
Price Earning Ratio - PAT - Restated	12	16	18	19	24	27
Net Assets per share - Restated	147.51	130.70	118.51	106.77	87.84	44.81
Return on assets	2%	1%	2%	3%	2%	2%
Market Value						
Face value per share (Rs.)	10	10	10	10	10	10
Break up value per share (Rs.) - Restated	147.51	130.70	118.51	106.77	87.84	44.81
Market price per share at the end of the year (Rs.)	398.09	400.00	498.20	705.00	569.99	504.00
Cash dividend per share	16.50	16.50	17.50	17.50	14.50	13.50
Cash dividend	165%	165%	175%	175%	145%	135%
Dividend yield	4%	4%	4%	2%	3%	3%
Dividend payout - Restated	50%	65%	63%	47%	60%	73%
Dividend cover - (Times) - Restated	2.00	1.54	1.59	2.14	1.67	1.38
Issue of Bonus shares	0%	10%	0%	0%	10%	0%
Performance Liquidity						
Current Ratio - (Times)	1.06	1.06	1.07	1.08	1.08	1.05
Total Liabilities / Equity - (Times)	13.79	14.20	13	12	16	17
Return on Capital employed	32%	30%	33%	52%	38%	59%
Paid up capital / Total Assets	0%	0%	1%	1%	1%	1%
Equity / Total Assets	7%	7%	7%	8%	6%	6%

Vertical Analysis

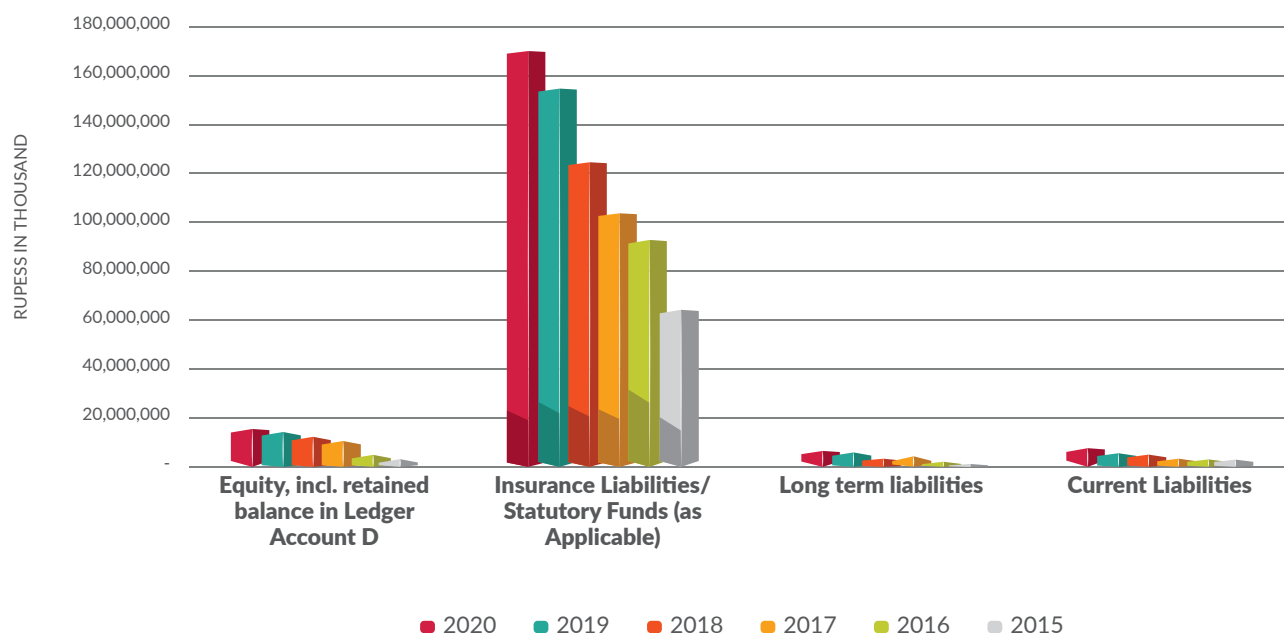
Balance Sheet	2020		2019		2018		2017 (restated)		Jan.1, 2017 (restated)		2015	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
Net equity	12,872,206	6.76	11,405,561	6.58	10,341,669	7.41	9,316,722	7.73	7,665,196	7.46	3,910,237	5.65
Insurance liabilities / Statutory Funds (as applicable)	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	62,205,691	89.86
Long term liabilities	3,099,781	1.63	3,307,324	1.91	2,437,432	1.75	2,563,427	2.13	1,000,539	0.97	21,334	0.03
Current liabilities	5,836,809	3.07	5,013,973	2.89	4,846,404	3.47	3,691,503	3.06	2,743,271	2.67	3,086,672	4.46
Total equity and Liabilities	190,422,123	100.00	173,360,523	100.00	139,626,014	100.00	120,512,901	100.00	102,796,766	100.00	69,223,934	100.00
Total non-current assets	4,665,574	2.45	4,719,129	2.72	3,326,101	2.38	3,258,660	2.70	734,591	0.71	559,617	0.81
Investments (including bank deposit)	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	64,499,033	93.17
Current assets	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	4,165,284	6.02
Total assets	190,422,123	100.00	173,360,523	100.00	139,626,014	100.00	120,512,901	100.00	102,796,766	100.00	69,223,934	100.00
Revenue and Profit & Loss Account												
Net Income	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	35,340,588	100.00
Net insurance benefits / change in insurance liabilities	(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)	(24,618,796)	(69.66)
Contribution to / (from) opening Retained Earnings	(Note)	-	(Note)	-	(Note)	-	(Note)	-	1,664,971	3.17	1,227,867	3.47
Solvency Margin	(Note)	-	(Note)	-	(Note)	-	(Note)	-	(2,596,149)	(4.94)	(1,664,971)	(4.71)
Profit before tax	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	2,325,675	6.58
Income tax expense	(1,185,643)	(2.08)	(1,192,140)	(1.73)	(1,018,260)	(2.09)	(1,598,104)	(3.90)	(830,946)	(1.58)	(704,115)	(1.99)
Profit for the year	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	1,621,560	4.59

NOTE:

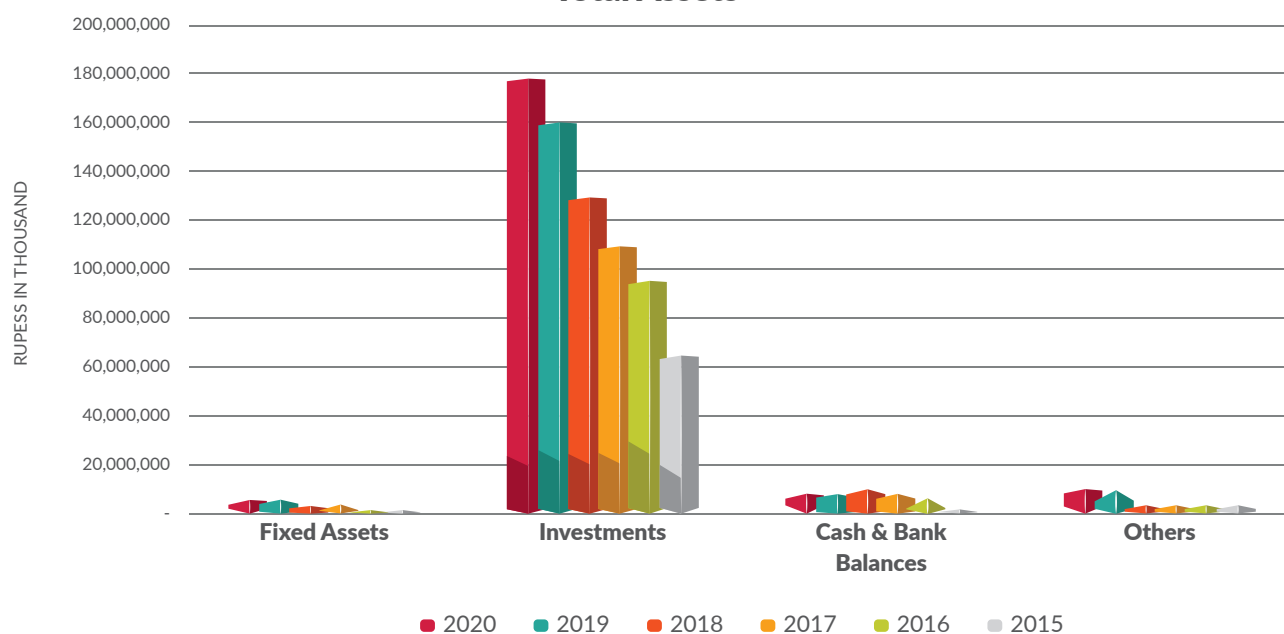
Not required to be presented separately under the new presentation of the financial statements as the Profit & Loss Account is prepared on Consolidated basis.

Vertical Analysis

Total Equity & Liabilities



Total Assets



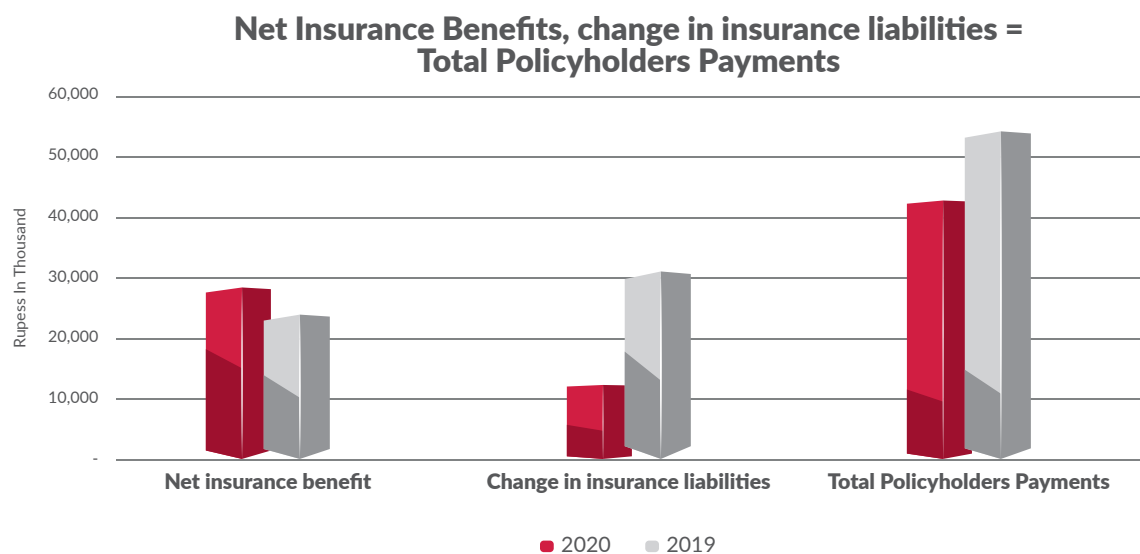
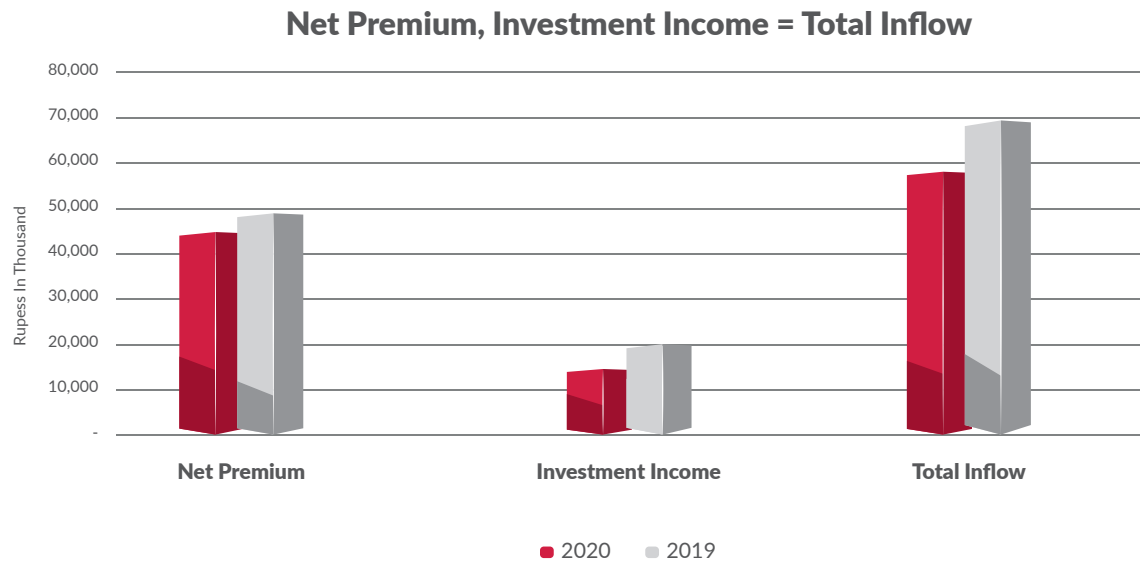
Horizontal Analysis

	2020	2019	2018	2017 (Restated)	Jan. 1, 2017 (Restated)	2015	2020	2019	2018	2017	2016	2015
Balance Sheet	Rupees in '000						% increase / (decrease) over preceeding year					
Net equity	12,872,206	11,405,561	10,341,669	9,316,722	7,665,196	3,910,237	12.86	10.29	11.00	21.55	96.03	23.75
Insurance liabilities / Statutory Funds (as applicable)	168,613,327	153,633,665	122,000,509	104,941,249	91,387,760	62,205,691	9.75	25.93	16.26	14.83	46.91	41.31
Long term liabilities	3,099,781	3,307,324	2,437,432	2,563,427	1,000,539	21,334	(6.28)	35.69	(4.92)	60.97	97.87	-
Current liabilities	5,836,809	5,013,973	4,846,404	3,691,503	2,743,271	3,086,672	16.41	3.46	31.29	34.57	(11.13)	26.88
Total equity and Liabilities	190,422,123	173,360,523	139,626,014	120,512,901	102,796,766	69,223,934	9.84	24.16	15.86	17.23	48.50	39.53
Total non-current assets	4,665,574	4,719,129	3,326,101	3,258,660	734,591	559,617	(1.13)	41.88	2.07	343.60	31.27	8.88
Investments	180,712,608	162,938,187	134,122,822	114,903,830	100,052,806	64,499,033	10.91	21.48	16.73	14.84	55.12	42.35
Current assets	5,043,941	5,703,207	2,177,091	2,350,411	2,009,369	4,165,284	(11.56)	161.96	(7.37)	16.97	(51.76)	9.88
Total assets	190,422,123	173,360,523	139,626,014	120,512,901	102,796,766	69,223,934	9.84	24.16	15.86	17.23	48.50	39.53
Revenue and Profit & Loss Account												
Net Income	56,954,049	69,083,846	48,810,718	41,004,630	52,511,199	35,340,588	(17.56)	41.53	19.04	(21.91)	48.59	29.55
Net insurance benefits / change in insurance liabilities	(42,377,081)	(52,955,010)	(32,664,754)	(25,872,336)	(39,558,705)	(24,618,796)	(19.98)	62.12	26.25	(34.60)	60.68	31.21
Contribution to / (from) opening Retained Earnings	(Note)	(Note)	(Note)	(Note)	1,664,971	1,227,867	-	-	-	-	35.60	44.93
Solvency Margin	(Note)	(Note)	(Note)	(Note)	(2,596,149)	(1,664,971)	-	-	-	-	55.93	35.60
Profit before tax	4,070,024	3,416,367	3,448,591	4,859,941	2,938,844	2,325,675	19.13	(0.93)	(29.04)	65.37	26.37	20.78
Income tax expense	(1,185,643)	(1,192,140)	(1,018,260)	(1,598,104)	(830,946)	(704,115)	(0.54)	17.08	(36.28)	92.32	18.01	24.83
Profit for the year	2,884,381	2,224,227	2,430,331	3,261,837	2,107,898	1,621,560	29.68	(8.48)	(25.49)	54.74	29.99	19.10

NOTE:

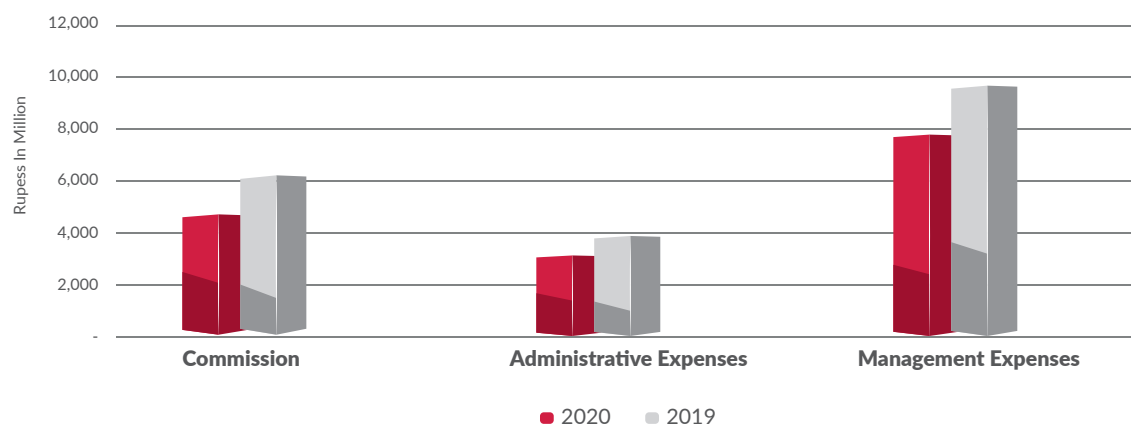
Not required to be presented separately under the new presentation of the financial statements as the Profit & Loss Account is prepared on Consolidated basis.

Horizontal Analysis

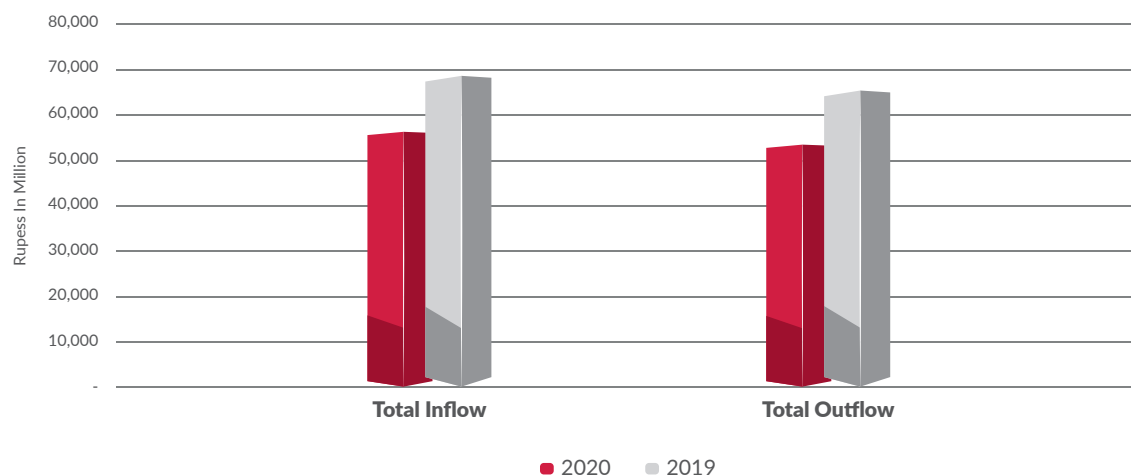


Horizontal Analysis

Commission & Administrative Expenses = Management Expenses

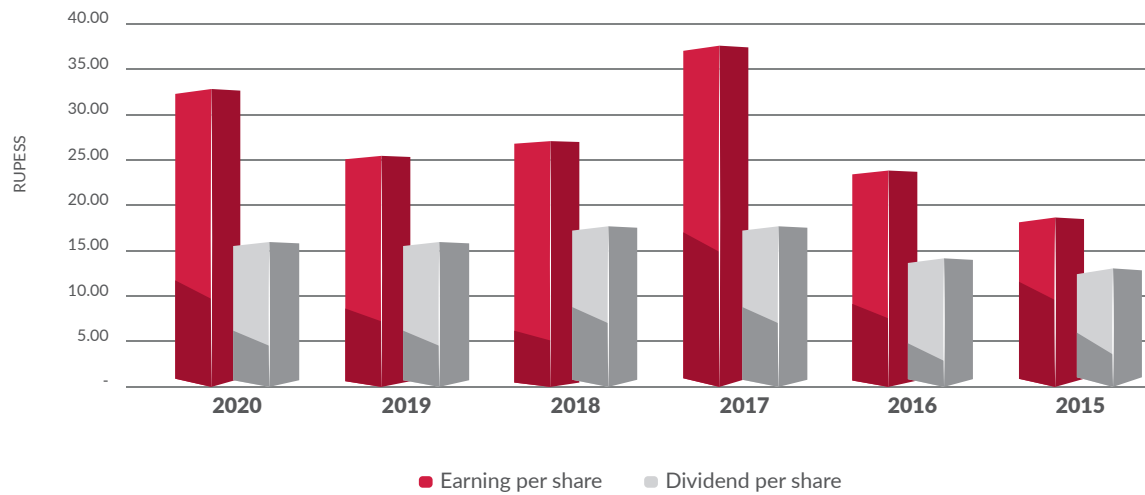


Total Inflow & Total Outflow

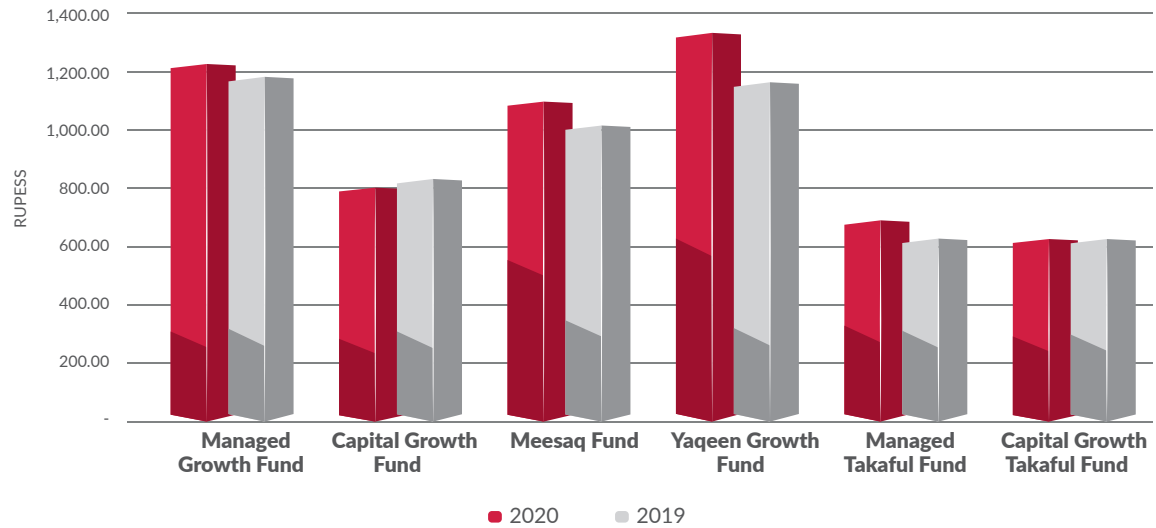


Horizontal Analysis

Earning per share & Dividend per share

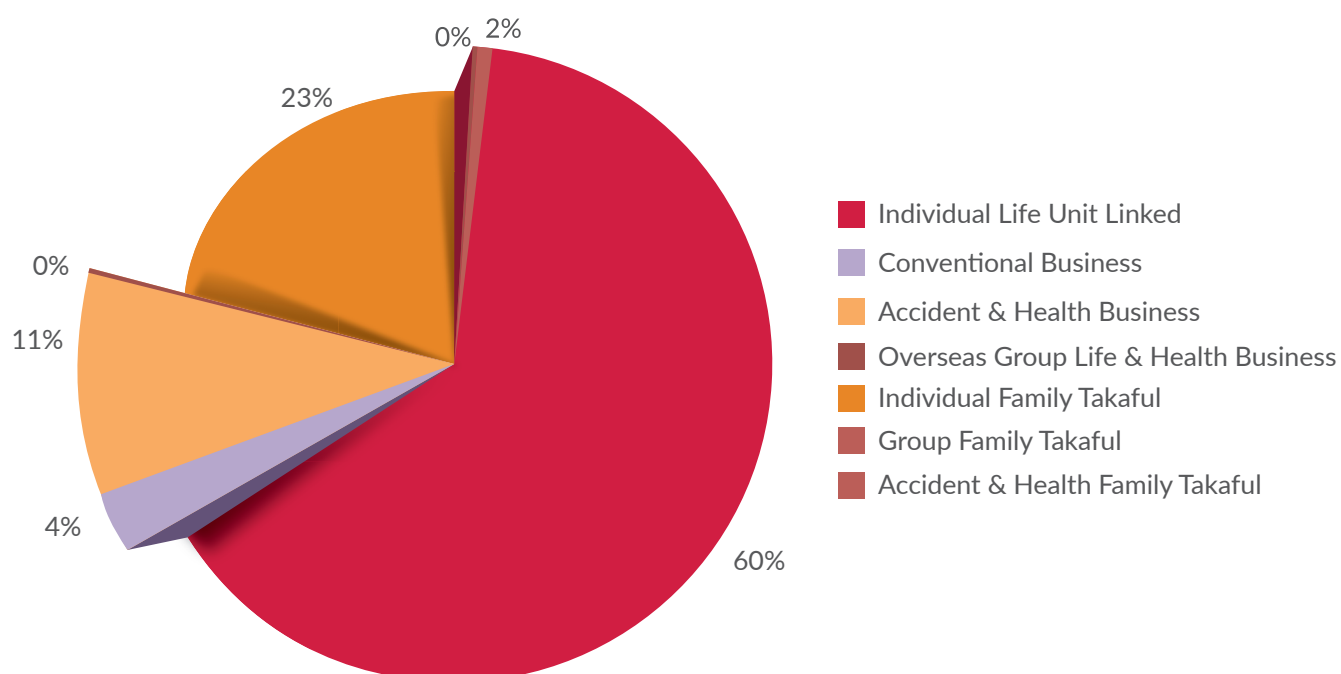


Unit Bid Prices

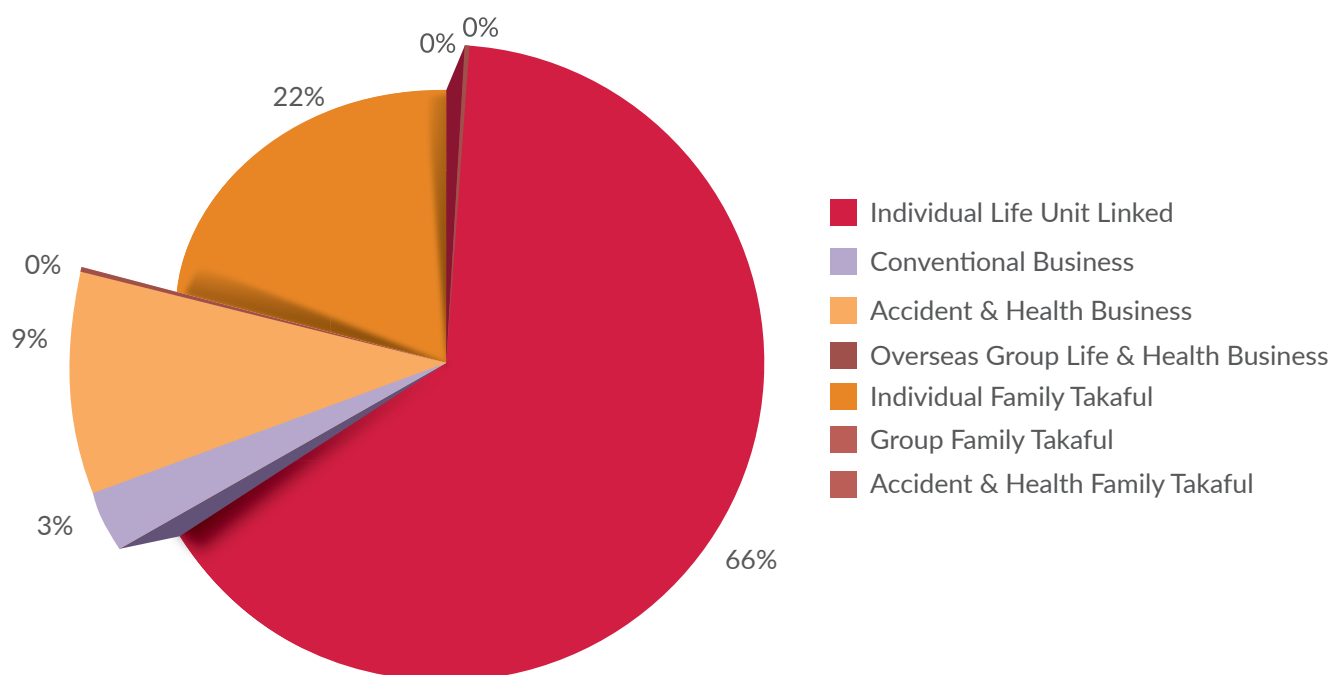


Segmental Analysis

Net Written Premium - 2020



Net Written Premium - 2019

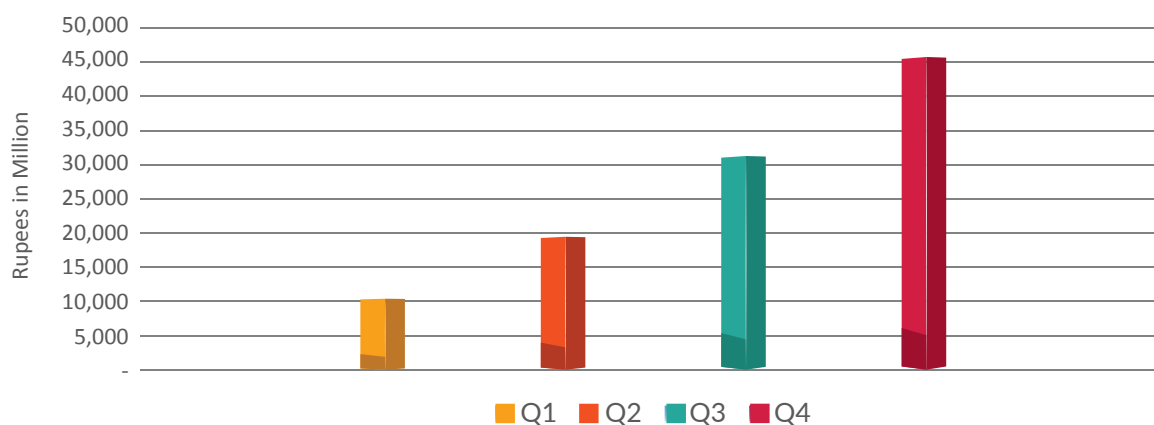


Quarter Wise Analysis

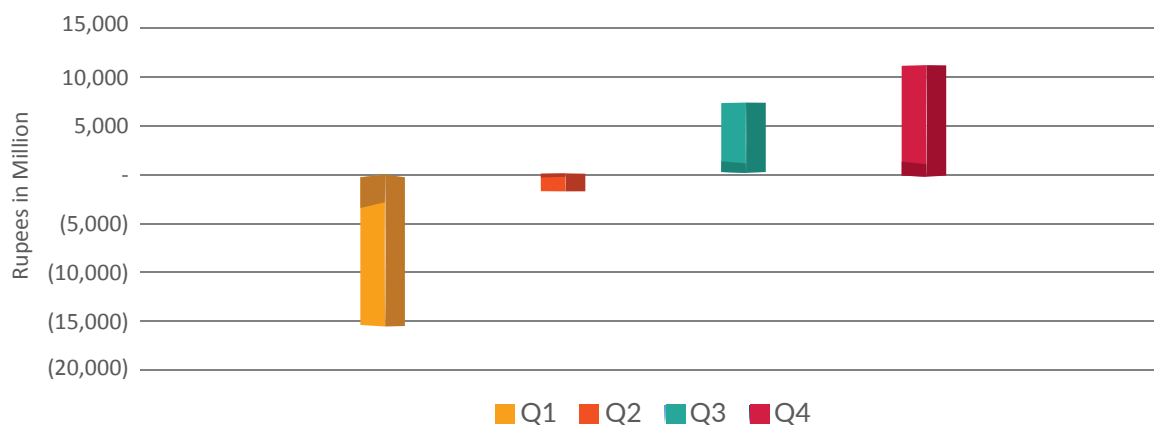
Items of Total Comprehensive Income	2020			
	Q1	Q2	Q3	Q4
Net Premium	10,593	19,726	31,539	45,208
Net Investment Income (including net fair value gains / losses)	(15,872)	(1,996)	7,250	11,637
Net Insurance benefits	7,556	11,514	19,587	28,826
(Loss) / Profit After tax	(197)*	1,410	1,966	2,884
Total Comprehensive Income	188	1,268	1,844	2,799

* In Q1 2020, the Company has reported a loss after tax of Rs.197 million which was mainly attributable to significant decline in business volumes due to lockdown and closures of business as per the directives of the government authorities consequential to COVID-19 pandemic; a YTD decline of KSE 100 index at the end of Q1 2020 by 28.2% resulted in Investment loss of Rs.15.87 billion; and coupled with fixed administrative expenses. However, subsequent to Q1 2020, the government eased out lockdown with stage-wise resumption of business activities resulting into staged comeback of economy and KSE 100 index. Accordingly, the Company successfully recouped its losses and closed Q2 2020 with profit after tax of Rs. 1,410 million.

Net Premium

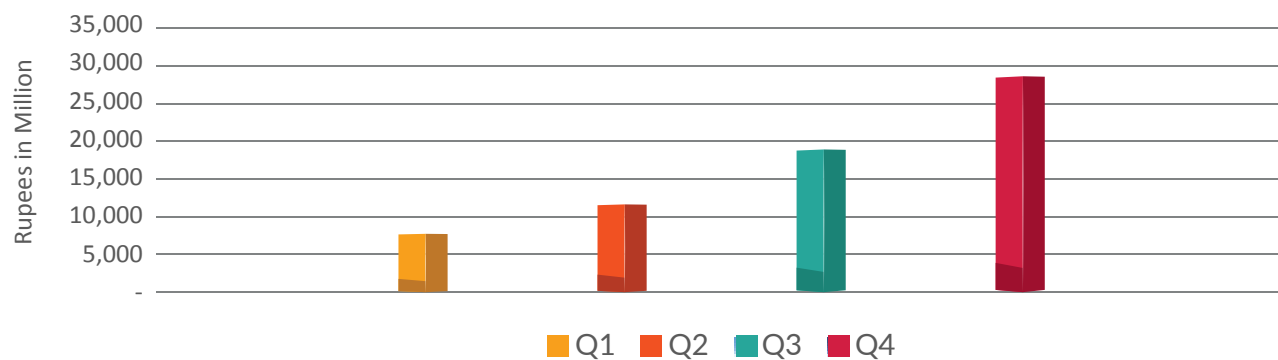


Net Investment Income (Including Net Fair Value Gains / (Losses))

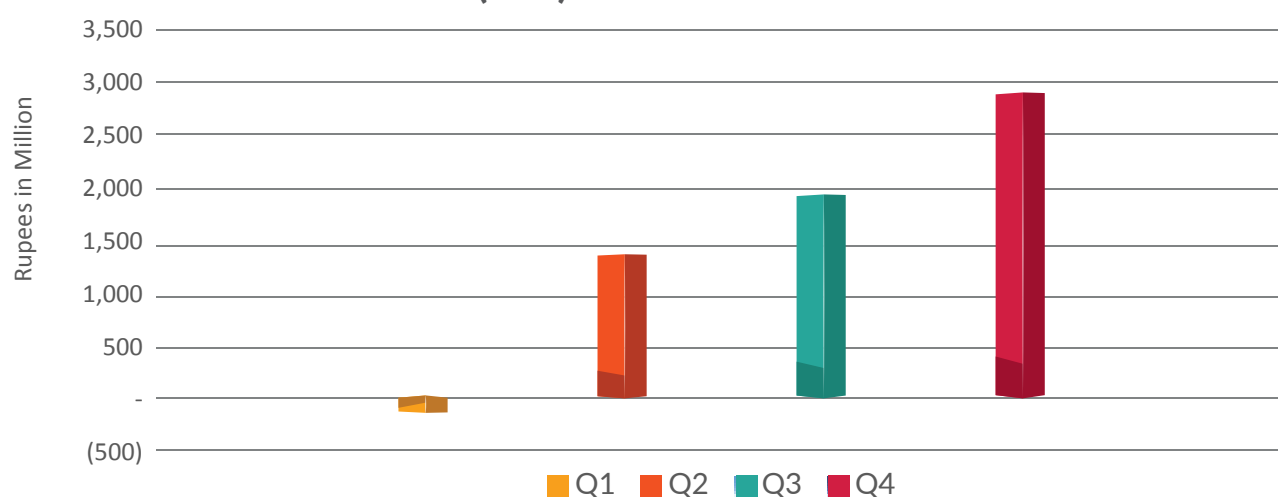


Quarter Wise Analysis

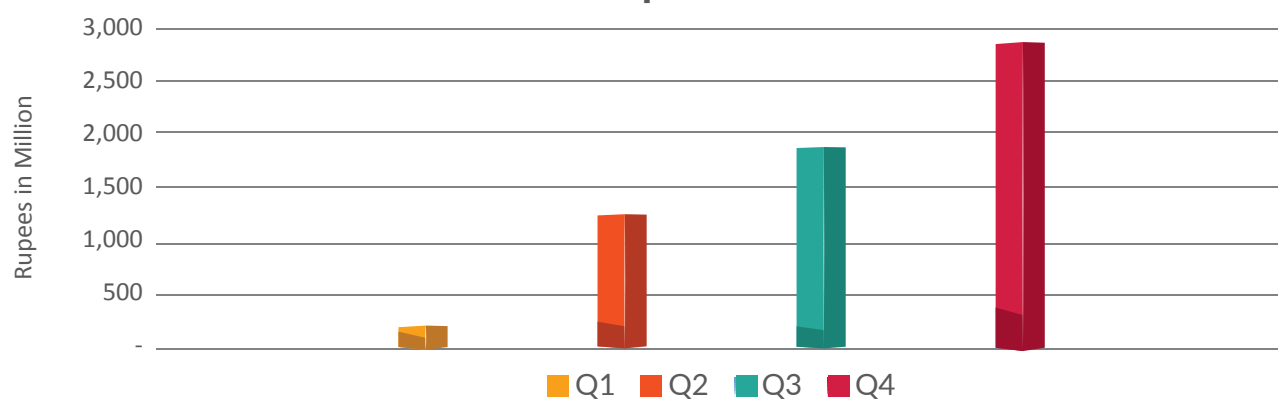
Net Insurance Benefits



(Loss) / Profit After tax



Total Comprehensive Income



Share Price Analysis

Volume Analysis

JLI Share Price on the PSX in the year 2020 was as follows:

Month	Highest Rupees	Lowest Rupees	Average Daily Volume Number of Shares
January	420	385	3,440
February	435	358	827
March	428	196	14,747
April	350	215	653
May	325	290	600
June	339	277	1,244
July	307	259	33,280
August	413	314	20,740
September	530	348	90,695
October	474	411	73,614
November	445	370	27,581
December	414	348	61,295

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 favorable or unfavorable 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.

Forward Looking Statement

The outbreak of COVID-19 Pandemic had an unprecedented effect globally, including on economies and most importantly the loss of precious human lives. However, Pakistan's outbreak of the virus is relatively under control with only a fraction of the population being infected and while the onset of the second wave is yet to conclude, the infection rate is expected to remain below the first wave.

The Company expects that financial year 2021 will also be a challenging year due to the emerging effects of the pandemic on the overall businesses and economic environment, however with the careful COVID-19 vaccination strategy, declining fatality rate and the campaigns by the government, economy staged a swift comeback with the ray of hope and will continue to rise with each passing day. We believe that with a notable recovery in the business activities, economic and physical wellbeing of the people and businesses, the Company will not only be able to maintain its strong footprint in its industry but will also be able to help people and business to financially mitigate their uncertainties.

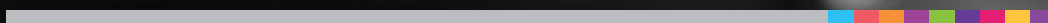
Our valued stakeholders would acknowledge that as one of the biggest private sector insurer in the Life insurance industry, our biggest challenge was to ensure smooth operations during the Pandemic which with the appropriately crafted strategy, resulted in minimum operational disruption during the whole year, while the economic activities remained overshadowed under its impact.

With the continued support of all stakeholders, the Company believes it has performed relatively well both, over the past years, as well as 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.

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](#)).

Financial and 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, 2020 in accordance with the requirements of regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and provision lxxvi 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, 2020.



A.F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: March 1, 2021

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, 2020

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

The Board of Directors was reconstituted in accordance with the required gender diversity in March 2020.

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

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

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 NBF. None of the directors or their spouses is engaged in business of stock brokerage.
5. No casual vacancy arose during the year.
6. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

7. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that a complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.
8. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 and the Regulations. These include material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive and non - executive directors, and other key officers.
9. The meetings of the Board were presided over by the Chairman and the Board met at-least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated. The Board has complied with the requirements of the Companies Act, 2017 and the Regulations, with respect to frequency, recording, and circulating minutes of meetings of the Board.
10. The Board 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 Acting 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 Acting 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 mentioned below:

Board Human Resource & Remuneration, Ethics, and Nominations Committee

Name of the Member	Category
Kamal A. Chinoy	Chairman
John Joseph Metcalf	Member
R. Zakir Mahmood	Member
Javed Ahmed	Member
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 three (3) members; all of whom are non-executive Directors and two are independent directors, including the Chairman of the Committee. The composition of the Audit Committee is as follows:

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

21. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
22. The meetings of the Committees, except for those of the Ethics, Human Resource & Remuneration and Nominations Committee, were held at least once every quarter, prior to the approval of the interim and final results of the Company, as required by the Code / Regulations.
23. The Board has set up an effective Internal Audit Department, whose scope and authority is defined in the duly approved Internal Audit Charter.
24. The Chief Executive Officer, Acting 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	Acting Chief Financial Officer
Najam ul Hassan Janjua	Company Secretary
Zahid Barki	Compliance Officer - Group Head, Risk Management, Compliance & Quality Assurance (covers Risk Management, Compliance and Grievance responsibilities)
Shan Rabbani	Group Head Retail Operations, Investments & Actuarial (covers Underwriting, Reinsurance, Claims Administration, and Actuarial Responsibilities).
Adeel Ahmed Khan	Head of Internal Audit

25. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of Section 48 of the Insurance Ordinance, 2000 (Ordinance no. xxxix of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP, and that they, and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Acting 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 February 23, 2021 is AA+ (Double A plus) with stable outlook.
33. The Board has set up a grievance department / function, which complies with the requirements of the Code.
34. The Company has not obtained any exemptions from the Securities & Exchange Commission of Pakistan in respect of any of the requirements of the Code.
35. The Company is in the process of compliance with the requirements and regulations laid down in Section 208 of the Companies Act, 2017. The compliance is dependent on the clarification / amendment in the law from SECP with respect to definition of related parties. In the meantime, the Company has continued to present the details of all related party transactions as disclosed in the financial statements before the Board Audit Committee and upon their recommendation to the Board for review and approval.
36. We confirm that all requirements of regulation nos. 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations, and all other material principles contained in the Code have been complied with.
37. The preparation of key elements of significant policies, brief synopsis of terms of reference of the Board's committees and key elements of the directors' remuneration policy as required under regulation no. 35 is under process.

On behalf of the Board of Directors



KAMALA A. CHINOY
Chairman



JAVED AHMED
Managing Director & CEO

Date: February 24, 2021

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 2020

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 2020.

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 2020 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 19 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.
6. During the year, a number of Religious Institutions from different parts of the country reviewed the Takaful Products of Jubilee Life - Window Takaful Operations and with the grace of Allah they showed full satisfaction of the system & products of Jubilee Life - Window Takaful Operations and issued Shariah Compliance Certificates (Shariah Verdicts) in favor of Jubilee Family Takaful.

Shariah Certification:

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

- i. transactions undertaken by the Takaful Operator for the period ended 31 December 2020 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. 11,415,455/- has been realized as charity through dividend-income purification process, out of which of which Rs. 9,721,186/- 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). However, there has been an area areas of concern from Shariah compliance point of view. It was observed that during the year in certain instances, mortality charges (Tabarru amount) deducted from the Participant Investment Fund (PIF) was required to be credited to Participant Takaful Fund (PTF) within seven days of receipt as per the Takaful Rules 2012, were credited to the PTF in certain cases with a short time lag. Necessary steps should be taken to rectify the same and the amount should be credited to the PTF within the stipulated timelines.

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

"And Allah Knows Best"



Mufti Zeeshan Abdul Aziz
Shariah Advisor

Date: 08th February, 2021

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

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

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

Conclusion

In our opinion, the annexed statement of compliance, presents fairly, in all material respects, the status of Company's compliance with the Takaful Rules, 2012, for the year ended December 31, 2020.



A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Farrukh Rehman**

Dated: March 1, 2021

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, 2020 are in compliance with the Takaful Rules, 2012, except as mentioned in paragraph i below.

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. The Company has implemented a mechanism for transfer of mortality charges within seven days of deduction from Individual Family Takaful's Participant Investment Fund (PIF) in respect of risk related contribution to the Participant Takaful Fund (PTF) however in a few cases these were credited to PTF with a time lag of a few days. Necessary steps are being taken to further ensure timely transfers.
- 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 policies 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.



Javed Ahmed

Managing Director &
Chief Executive Officer

Karachi: February 08, 2021

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, 2020, and the statement of profit and loss, the statement of comprehensive income, the statement of changes in equity, cashflow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit and loss, the statement of comprehensive income, the statement of changes in equity and the cashflow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2020 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of matter

We draw attention to note 27.1.2 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:

S. No.	Key audit matters	How the matter was addressed in our audit
(i)	<p>Allocation of units in respect of unit-linked policies</p> <p>(Refer note 19.3 to the financial statements)</p> <p>As at 31 December 2020, the Company has investment component of unit-linked policies amounting to Rs. 159.42 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"> • Obtained understanding of pricing mechanism used in calculation of unit price. • Tested compliance of the pricing mechanism with the Unit Linked Products and Fund Rules, 2015. • Tested on sample basis that correct net asset value of sub funds was used in the calculation. • Tested on sample basis movement in units in each sub fund which comprise of addition to units on premium allocation, deduction of unit due to withdrawal, cancellation and surrender of policies. Moreover, units are deducted on account of mortality charges, administrative charges and other policy charges. • Recomputed investment management charges deducted from the investment income based on the rates approved by SECP.
(ii)	<p>Incurred But Not Reported (IBNR) claims</p> <p>(Refer note 19.2 to the financial statements)</p> <p>The Company's valuation of IBNR claims, amounting to Rs. 1,520.4 million as at December 31, 2020, involves complex judgments about future events affecting the business. Actuarial assumptions used in the valuation of these liabilities with respect to interest rates, mortality, morbidity, lapse in coverage, longevity, expenses and future policyholder behavior may result in material impacts on the valuation of IBNR claims.</p>	<p>Our procedures, amongst other, included:</p> <ul style="list-style-type: none"> • Obtained an understanding of the actuarial assumptions and methodologies used for estimating the IBNR claims at December 31, 2020. • Inquired about the consistency of the methods used for calculation of the IBNR claims and assumptions for the valuation parameters at December 31, 2020 to establish whether these had been subject to any arbitrary discontinuities from those used at December 31, 2019.

S. No.	Key audit matters	How the matter was addressed in our audit
	<p>Further, policyholder data is a key input into the valuation process. The valuation of IBNR claims is, therefore, conditional upon the accuracy and completeness of the data used.</p> <p>Due to the materiality of the amount of IBNR claims and the complex process for determining the underlying assumptions and judgements, the measurement of IBNR claims was of significance in the context of our audit and hence considered to be a key audit matter.</p>	<ul style="list-style-type: none"> Inspected the report submitted by the Appointed Actuary to the Board of Directors of the Company expressing his satisfaction over the valuation of IBNR claims. Tested the accuracy and completeness of the underlying data utilized for the purposes of measurement by reference to its source. Engaged an independent actuarial expert to assess whether the reserving methodology for IBNR claims, used with respect to all statutory funds maintained by the Company was in line with the Minimum Valuation Basis given in Annexure V to Rule 23 of the Insurance Rules, 2017 and was further in accordance with generally accepted actuarial principles. Assessed the relevant disclosures made in the financial statements to determine whether these complied with the accounting and reporting standards as applicable in Pakistan.
(iii)	Investments <p>(Refer note 9 to 13 to the financial statements)</p> <p>As at 31 December 2020, the Company has investments classified as "Available-for-sale", "Fair value through profit and loss", and "Held to maturity" amounting to Rs. 175.62 billion which in aggregate represent 92.23% 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>Our audit procedures, amongst others, included:</p> <ul style="list-style-type: none"> Tested the design, implementation and operating effectiveness of key controls over the valuation process, including the Company's review and approval of the estimates and assumptions used for the valuation. Tested, on a sample basis, specific purchases and sale transactions recorded during the year by reference to its source. Obtained independent confirmations for verifying the existence of the investment portfolio as at December 31, 2020 and reconciled it with the books and records of the Company. Where such confirmations were not available, alternate audit procedures were performed.

S. No.	Key audit matters	How the matter was addressed in our audit
	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.	<ul style="list-style-type: none"> • Tested the valuation of investments by agreeing the prices to supporting documents and externally quoted market prices. • Assessed the appropriateness of impairment in the value of available for sale securities in accordance with the requirements of accounting and reporting standards. • Assessed the relevant disclosures made in the financial statements to determine whether these complied with the accounting and reporting standards as applicable in Pakistan.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in

accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- (a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and Companies Act, 2017 (XIX of 2017);

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

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, 2021

Financial Statements



Statement of Financial Position

As At December 31, 2020

		2020	2019
	Note	----- (Rupees in '000) -----	
Assets			
Property and equipment	5	3,609,326	3,571,757
Intangible assets	6	258,048	214,183
Right-of-use assets	7	798,200	933,189
Investment in an associate	8	147,877	152,294
Investments			
Equity securities	9	75,818,799	66,290,510
Government securities	10	75,282,141	71,008,039
Debt securities	11	8,744,912	8,729,952
Term deposits	12	14,450,000	11,350,000
Open-ended mutual funds	13	1,325,619	1,312,395
Insurance / reinsurance receivables	14	2,277,035	1,189,148
Derivative financial instrument	15	5,039	97,389
Other loans and receivables	16	2,189,320	4,169,873
Taxation - payments less provision		478,625	162,941
Retirement benefit prepayment	21	10,889	18,930
Prepayments		83,033	64,926
Cash & Bank	17	4,943,260	4,094,997
Total Assets		190,422,123	173,360,523
Equity and Liabilities			
Capital and reserves attributable to the Company's equity holders			
Issued, subscribed, paid-up share capital and reserves			
Share capital	18	872,638	793,307
Money ceded to waqf fund		500	500
Gain on revaluation of available-for-sale investments		77,384	172,026
Unappropriated profit		7,841,319	7,003,482
Retained earnings arising from business other than participating business attributable to shareholders (Ledger account D)		4,080,365	3,436,246
Total Equity		12,872,206	11,405,561
Liabilities			
Insurance liabilities	19	168,613,327	153,633,665
Borrowing	22	1,125,000	1,375,000
Lease liabilities	23	983,059	1,012,846
Premium received in advance		1,271,837	1,165,320
Insurance / reinsurance payables	24	15,237	39,124
Other creditors and accruals	25	4,029,428	3,270,198
Deferred tax	26	1,440,351	1,392,874
Financial charges payable		12,622	26,916
Dividend payable		59,056	39,019
Total Liabilities		177,549,917	161,954,962
Contingencies and commitments	27		
Total Equity and Liabilities		190,422,123	173,360,523

The annexed notes 1 to 53 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
Acting Chief Financial Officer

Profit and Loss Account

For the year ended December 31, 2020

		2020	2019
	Note	(Rupees in '000)	
Premium / contribution revenue		46,507,123	49,627,409
Premium / contribution ceded to reinsurers		(1,299,427)	(1,231,390)
Net premium / contribution revenue	28	45,207,696	48,396,019
Fee income		39,461	32,881
Investment income	29	12,024,816	12,591,769
Net realised fair value gains / (losses) on financial assets	30	6,936,523	(1,454,728)
Net fair value (losses) / gains on financial assets at fair value through profit or loss	31	(7,324,396)	8,902,717
Other income	32	253,248	297,593
		11,929,652	20,370,232
Net Income		57,137,348	68,766,251
Insurance benefits		30,662,188	23,629,644
Recoveries from reinsurers		(1,841,557)	(1,165,313)
Claims related expenses		4,887	7,283
Net Insurance Benefits	33	28,825,518	22,471,614
Net change in insurance liabilities (other than outstanding claims)		13,551,563	30,483,396
Acquisition expenses	34	6,974,908	9,060,494
Marketing and administration expenses	35	3,401,801	3,159,770
Other expenses	36	49,665	27,804
Total Expenses		23,977,937	42,731,464
Realised gain on derivative financial instrument		30,666	43,651
Unrealised loss on derivative financial instrument		(103,459)	(47,817)
Finance cost	37	(210,349)	(152,782)
		(283,142)	(156,948)
Results of operating activities		4,050,751	3,406,225
Share of profit of associate	8	19,273	10,142
Profit before tax (refer note below)		4,070,024	3,416,367
Income tax expense	38	(1,185,643)	(1,192,140)
Profit after tax for the year		2,884,381	2,224,227
			(Restated)
Earnings per share - Rupees	39	33.05	25.49

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

Note:

Profit before tax is inclusive of the amount of the profit before tax of the Shareholders' Fund, the Surplus Transfer from the Revenue Account of the Statutory Funds to the Shareholders' Fund based on the advice of the Appointed Actuary, and the undistributed surplus in the Revenue Account of the Statutory Funds which 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. 3,125 million (2019: Rs. 2,775 million), please refer to note 43.1, 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
Acting Chief Financial Officer

Statement of Comprehensive Income

For the year ended December 31, 2020

		2020	2019
	Note	(Rupees in '000)	
Profit after tax for the year - as per Profit and Loss Account		2,884,381	2,224,227
Other comprehensive income / (loss):			
Items that may be classified to profit and loss account in subsequent period:			
Currency translation differences (related to net investment in foreign associate)	8	(21,231)	15,880
Related deferred tax on currency translation differences		6,157	(4,605)
Change in unrealised (losses) / gains on available-for-sale financial assets		(35,584)	282,133
Reclassification adjustment relating to available-for-sale Investment sold during the year		(97,699)	(9,798)
		(133,283)	272,335
Related deferred tax		38,641	(78,817)
Change in unrealised (losses) / gains on available-for-sale financial assets - net		(94,642)	193,518
		(109,716)	204,793
Items that will not be classified to profit and loss account in subsequent period:			
Actuarial gain on retirement benefit schemes	21	24,735	23,404
Other comprehensive (loss) / income for the year		(84,981)	228,197
Total comprehensive income for the year		2,799,400	2,452,424

The annexed notes 1 to 53 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
Acting Chief Financial Officer

Cash Flow Statement

For the year ended December 31, 2020

	2020	2019
Note	----- (Rupees in '000) -----	
Operating Cash flows		
(a) Underwriting activities		
Insurance premium / contribution received	46,291,374	49,360,551
Reinsurance premium / contribution paid	(1,390,455)	(1,282,463)
Claims paid	(12,106,254)	(9,740,218)
Surrenders paid	(17,112,998)	(12,762,146)
Reinsurance and other recoveries received	1,058,030	1,240,745
Commission paid	(4,794,140)	(6,883,427)
Commission received	67,141	67,366
Marketing and administrative expenses paid	(1,411,441)	(542,677)
Other acquisition cost paid	(3,484,575)	(4,003,687)
Net cash inflow from underwriting activities	7,116,682	15,454,044
(b) Other operating activities		
Income tax paid	(1,409,050)	(967,003)
Other operating payments	(420,094)	(1,884,281)
Other operating receipts	1,506,708	442,432
Unsecured advances paid to employees	(213,367)	(236,669)
Recovery of unsecured advances to employees	226,611	218,830
Net cash outflow from other operating activities	(309,192)	(2,426,691)
Total cash inflow from all operating activities	6,807,490	13,027,353
Investment activities		
Profit / return received	9,468,350	3,208,255
Dividend received	2,075,372	2,395,917
Payment for investments	(366,937,657)	(390,285,032)
Proceeds from disposal of investments	356,447,418	363,288,994
Fixed capital expenditure	(521,389)	(707,303)
Proceeds from sale of property and equipment	46,231	16,280
Total cash inflow / (outflow) from investing activities	578,325	(22,082,889)
Financing activities		
Dividends paid	(1,312,718)	(1,380,813)
Financial charges paid	(153,031)	(183,183)
Repayment of borrowing	(250,000)	(125,000)
Payments against lease liabilities	(271,803)	(183,830)
Total cash outflow from financing activities	(1,987,552)	(1,872,826)
Net cash inflow / (outflow) from all activities	5,398,263	(10,928,362)
Cash and cash equivalents at beginning of the year	12,444,997	23,373,359
Cash and cash equivalents at the end of the year	17,843,260	12,444,997

17

(Continued...)

Cash Flow Statement

For the year ended December 31, 2020

	2020	2019
Note	(Rupees in '000)	
Reconciliation to Profit and Loss Account		
Operating cash flows	6,807,490	13,027,353
Depreciation expense	(587,173)	(535,946)
Amortisation expense	(120,109)	(83,357)
Share of profit from associate	19,273	10,142
Profit on disposal of property and equipment	11,908	4,051
Increase in assets other than cash	876,455	1,272,526
Increase in liabilities	(15,913,800)	(31,773,639)
Gain / (loss) on sale of investments	6,936,522	(1,454,728)
Revaluation (loss) / gain on investments	(6,463,235)	9,741,354
Investment income	11,527,399	12,169,251
Financial charges	(89,399)	(40,581)
Finance cost on lease liabilities	(120,950)	(112,199)
Profit after tax for the year	2,884,381	2,224,227

The annexed notes 1 to 53 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
Acting Chief Financial Officer

Statement of Changes in Equity

For the year ended December 31, 2020

	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)-----						
Balance as at January 01, 2019	793,307	6,416,599	500	(21,492)	3,152,755	10,341,669
Total comprehensive income for the year						
Profit for the year after tax	-	2,224,227	-	-	-	2,224,227
Other comprehensive income - net of tax	-	34,679	-	193,518	-	228,197
Reversal of prior year's deferred tax on actuarial gain / loss on retirement benefits scheme	-	(245)	-	-	-	(245)
	-	2,258,661	-	193,518	-	2,452,179
Transactions with the owners recorded directly in equity						
Final cash dividend for the year ended December 31, 2018 @ 145% (Rs. 14.50 per share)	-	(1,150,295)	-	-	-	(1,150,295)
Interim cash dividend for the year ended December 31, 2019 @ 30% (Rs. 3.00 per share)	-	(237,992)	-	-	-	(237,992)
	-	(1,388,287)	-	-	-	(1,388,287)
Other transfer within equity						
Surplus for the year retained in statutory funds	-	(283,491)	-	-	283,491	-
Balance as at December 31, 2019	793,307	7,003,482	500	172,026	3,436,246	11,405,561
Total comprehensive income / (loss) for the year						
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
Transactions with the owners recorded directly in equity						
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)
	79,331	(1,412,086)	-	-	-	(1,332,755)
Other transfer within equity						
Surplus for the year retained in statutory funds	-	(644,119)	-	-	644,119	-
Balance as at December 31, 2020	872,638	7,841,319	500	77,384	4,080,365	12,872,206

* 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 include balance of Operator-Sub-Funds (OSF) amounting to Rs. 200.72 million (2019: Rs. 205.18 million)

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


Kamal A. Chinoy
Chairman


Amin Currimbhoy
Director


Shahid Ghaffar
Director


Javed Ahmed
Managing Director &
Chief Executive Officer


Omer Farooq
Acting Chief Financial Officer

Notes to and forming part of the Financial Statements

For the year ended December 31, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, 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 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, 2020. 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 new standards, certain amendments and interpretation that are mandatory for accounting period beginning on or after January 1, 2021 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, 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.

2.7 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

	2020	2019	Change during the year
	----- (Rupees in '000) -----		
Pakistan Investment Bonds - held to maturity	10,447	9,619	828

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 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, 2019.

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

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. The lease liability is initially measured at the present value of the lease payments over lease term, discounted using the Company's incremental borrowing rate. 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. 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, 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. 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 right-of-use asset (ROU) 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 of the lease term, plus any initial direct costs incurred and an estimate of dismantling/ restoration costs. The ROU is subsequently measured at cost model, is depreciated on a straight line method over the lease term and is reduced by impairment losses, if any. The Company has also elected to apply the practical expedient of not to recognise ROU and lease liabilities for leases that have a lease term of 12 months or less and leases of low-value assets and the lease payments associated with these leases is expensed out 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 there against. Policies are sold to a wide cross-section of population with different income levels. The risk underwritten is mainly death and sometimes disability and/or critical illness. This business is written through two distribution channels, namely, the direct sales force and bancassurance.

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

b) Conventional business

i) Individual life conventional business

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

ii) Group life business

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

c) Accident & health business

i) Individual accident & health business

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

ii) Group health business

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

d) Overseas group life and health business

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

ii) Group Family Takaful

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

iii) Accident & Health Family Takaful

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

3.5 Recognition of Policyholders' liabilities / Technical Reserves

a) Individual life unit linked

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

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

- Incurred But Not Reported (IBNR) claims

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

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



- Unearned premium and premium deficiency reserve

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

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

b) Conventional business

i) Individual life conventional

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

For base plans, policyholders' liabilities are determined as per the minimum criteria given in Insurance Rules, 2017. Discount rate used in this calculation is 3.75% and the mortality rates assumed are those according to 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

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

- Incurred But Not Reported (IBNR) claims

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

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

- Unearned premium and premium deficiency reserve

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

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

d) Overseas group life and health fund

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

- Incurred But Not Reported (IBNR) claims

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

- Unearned premium and premium deficiency reserve

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

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

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

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

f) Reserve for unearned contribution - Takaful Contracts

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

g) Contribution Deficiency Reserve - Takaful Contracts

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

h) Technical Reserves

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

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

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

Claim recoveries

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

Experience refund of premium

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

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

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

3.6.2 Takaful**Retakaful Contribution**

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

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

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

Retakaful Expenses

Retakaful expenses are 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 43 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. 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 recognised when the Company has a legal or constructive obligation as a result of a past event, and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.14 Taxation

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

Current

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

Deferred

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

3.15 Staff retirement benefits

3.15.1 Defined benefit plan

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

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

3.15.2 Defined contribution plan

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

3.15.3 Accumulated compensated absences

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

3.16 Impairment of assets

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

3.17 Others

3.17.1 Acquisition cost

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

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

3.17.2 Claim expenses

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

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

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

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

3.17.3 Statutory funds

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

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

3.17.4 Takaful Operator's Fee

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

3.17.5 Foreign currencies

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

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

3.17.6 Financial assets and liabilities

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

3.17.7 Borrowings

Borrowings are 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 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, 2019. 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, 2019.

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.

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.

		2020	2019
5	PROPERTY AND EQUIPMENT	Note	(Rupees in '000)
Operating assets	5.1	922,978	858,830
Capital work in progress	5.2	2,686,348	2,712,927
		3,609,326	3,571,757

5.1 Operating assets

	2020									
	Cost				Depreciation					
	As at January 01	Additions	Disposals	As at December 31	As at January 01	For the year	Disposals	As at December 31	Written down value as at December 31	Depreciation rate %
	(Rupees in '000)									
Leasehold improvements	383,713	61,027	5,624	439,116	252,583	55,606	5,624	302,565	136,551	20
Furniture and fixtures	262,740	33,034	27,173	268,601	208,178	37,273	27,158	218,293	50,308	20
Office equipment	223,316	18,350	2,560	239,106	140,910	32,067	2,427	170,550	68,556	20-33
Computer equipment	418,855	81,336	5,134	495,057	335,232	64,199	4,849	394,582	100,475	30
Vehicles	788,511	241,032	93,445	936,098	281,402	147,163	59,555	369,010	567,088	20
	2,077,135	434,779	133,936	2,377,978	1,218,305	336,308	99,613	1,455,000	922,978	
	2019									
	Cost				Depreciation					
	As at January 01	Additions	Disposals	As at December 31	As at January 01	For the year	Disposals	As at December 31	Written down value as at December 31	Depreciation rate %
	(Rupees in '000)									
Leasehold improvements	337,791	59,980	14,058	383,713	215,720	50,921	14,058	252,583	131,130	20
Furniture and fixtures	230,869	36,283	4,412	262,740	179,475	33,113	4,410	208,178	54,562	20
Office equipment	188,032	39,795	4,511	223,316	116,177	29,013	4,280	140,910	82,406	20-33
Computer equipment	377,383	52,841	11,369	418,855	272,112	74,431	11,311	335,232	83,623	30
Vehicles	576,017	262,275	49,781	788,511	194,592	117,727	30,917	281,402	507,109	20
	1,710,092	451,174	84,131	2,077,135	978,076	305,205	64,976	1,218,305	858,830	

The tangible assets (note 5.1) include items costing Rs. 781.96 million (2019: Rs. 575.83 million) which are fully depreciated as of December 31, 2020 but are still in active use.

The tangible assets (note 5.1) include items costing Rs. 0.93 million (2019: Rs. 0.75 million) are placed in the third parties locations.

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

	Cost	Net book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of buyers
	----- (Rupees in '000) -----					
Vehicles	4,800	720	750	30	Company Policy	Mr. Muhammad Sohail Fakhar, 324-D, 21st Street Khayaban-e-Khyber Phase 8, DHA, Karachi.
	2,303	345	345	-	Company Policy	Mr. Najam Ul Hassan Janjua ,Flat # B-3, Nadia Apartments, Block 6, PECHS, Karachi.
	2,513	377	377	-	Company Policy	Ms. Lilly R.Dossabhoy ,D/20 - A, Z.C.H.S. Cyrus Mianwala Colony, Parsi Gate, Mehmoodabad, Karachi.
	7,500	3,888	4,375	487	Company Policy	Mr. Munawar Khalil , House # 11-C, Street 7, Phase 1, DHA, Karachi.
	3,830	1,822	1,805	(17)	Company Policy	Mr. Adeel Ahmed , House B-449 , Block-B , F.B Area Karachi.
	1,250	188	188	-	Company Policy	Mr. Omair Ahmed , C-81, Bock-7, Gulistan-E-Johar,Karachi.
	2,303	378	384	6	Company Policy	Mr. Muhammad Aamir, Flat # B1, Plot # D-2, Friends Garden Block 13-D Gulshan-e-Iqbal, Karachi.
	1,500	225	225	-	Company Policy	Mr. Khurram Murtaza D-21, Street # 27, Model Colony, Karachi.
	2,000	300	300	-	Company Policy	Mr. Malik Javed Masood, A-114,Block-B, Model Colony, Kazimabad, Karachi.
	1,953	293	293	-	Company Policy	Mr. Munsab Wajih Kazi , A-432, Block D, North Nazimabad, Karachi.
	1,500	225	225	-	Company Policy	Ms. Charlotte D Souza, Belle View Towers, Tower F, Apt No: 604, Garden East Nishtar Road, Karachi.
	1,628	244	244	-	Company Policy	Mr. Ashraf Minhas ,House # 72 - D, Shadman Colony, Rehman Shaheed Road, Karachi.
	1,250	188	188	-	Company Policy	Mr. Nadeem Ahmed , 277/3, Martin Road, Karachi.
	1,971	296	296	-	Company Policy	Mr. Atif Nadeem Khan, 137/Q, Block Shabzazar Multan Road, Multan.
	1,500	225	225	-	Company Policy	Mr. Mustafa Khan, Flat # A305 Oxford Rice, 13-D2, Gulshan-e-Iqbal,Karachi.
	1,282	356	449	93	Company Policy	Ms. Nadia Khursheed , House # 28-Q, Phase 2, DHA, Karachi.
	3,000	1,215	1,450	235	Company Policy	Mr. Khurram Awan,House # 675, Street # 68, Phase1 Pakistan Town, Karachi.
	2,683	1,390	1,610	220	Company Policy	Mr. Baqir Hussain,404 Zamzam Residency Frere Town Clifton, Karachi.
	2,500	1,208	1,792	584	Company Policy	Mr. Zia Ul Hassan ,House # 133 - A, Khayaban-e-Sarwar, Karachi.
	3,500	2,459	2,975	516	Company Policy	Mr. Qazi Fawad Saleem ,306 - Prime Beach, View Apt. Block - 4, Clifton Karachi.
	50,766	16,342	18,496	2,154		

	Cost	Net book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of buyers
	----- (Rupees in '000) -----					
Office equipments	130	40	40	-	Trade In	Mr. Faiz Ul Hassan, House # 426, Block 12, F.B Area, Karachi.
	75	17	6	(11)	Trade In	Mr. Karim Khan, House # A-97 Ground Floor, Block 9 F.B Area, Yaseenabad, Karachi.
	85	7	7	-	Sold	Ms. Lilly R.Dossabhoy, D/20 - A, Z.C.H.S. Cyrus Mianwala Colony, Parsi Gate, Mehmoodabad, Karachi.
	290	64	53	(11)		
Computer equipments	76	-	15	15	Trade In	Mr. Muhammad Kashif Naqvi, H.No Su-88, Askari-4, Rashid Minhas Road Karachi
	412	110	110	-	Sold	Ms. Lilly R.Dossabhoy, D/20 - A, Z.C.H.S. Cyrus Mianwala Colony, Parsi Gate, Mehmoodabad
	488	110	125	15		

5.1.2 Disposal of fixed assets during the year 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	1,470	221	225	4	Company Policy	Mr. Muhammad Amjad Iqbal , House # 570/A, Sattlite, Town Jhang
	1,500	225	225	-	Company Policy	Mr. Imran Riaz , R-157, Tariq Bin Zayyad Society, Malir Halt, Karachi
	1,250	188	188	-	Company Policy	Mr. Nauman Azhar, House # 409, Block G, Statelite Housing Society Phase 1
	1,250	188	188	-	Company Policy	Mr. Syed Ali Imran Rizvi, House No. R-535, F.B Area, Block 20, Karachi.
	1,953	293	293	-	Company Policy	Mr. Amir Ather Mir , House No. R-535, F.B Area, Block 20, Karachi
	1,039	156	156	-	Company Policy	Mr. Meraj Uddin Siddiqui , R-604 , Sector No-9 North Karachi
	1,500	225	225	-	Company Policy	Mr. Muhammad Abbas Ahmed , House #1 St # 1 Sector 2 Alnoor Colony Khana Road
	1,500	225	225	-	Company Policy	Mr. Khalid Masud , House No. 191, Street No. 31, Block C, Pwd Housing Society.
	1,250	188	188	-	Company Policy	Mr. Akbar Khan , Flat No B-28 Arif Arcade Scheme 33, Off University Road Karachi
	1,500	225	225	-	Company Policy	Mr. Saad Habib , Plot No C-37/3 G-4 Block 3A Gulistan-e-Johar, Karachi.
	1,114	167	167	-	Company Policy	Mr. Ahmed Hassan House # 18, Sector "D", M.T. Khan Road, Sultanabad, Karachi
	1,250	188	188	-	Company Policy	Mr. Muhammad Haneef Flat # 306, Plot # 672 Gulshan-e-Altaf, Jamsheed Road # 2, Karachi.
	1,500	225	225	-	Company Policy	Mr. Muhammad Imran Nasir , House No. 214, Block D, Al-Ahmad Garden, G.T. Road, Manawan, Lahore.
	1,750	808	1,021	213	Company Policy	Mr. Raja Arshad Mahmood, House # 101- 2 - C -1, Township, Lahore

Cost	Net book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of buyers
----- (Rupees in '000) -----					
2,241	1,035	1,308	273	Company Policy	Mr. Awais Talmiz House No: 219, Street 75, Sector F - 11/1
1,500	629	975	346	Company Policy	Ms. Afshan Arzo , House # 224, Lane 08, Askari X
2,500	1,508	1,917	409	Company Policy	Mr. Zurr-e-Atta Hussain, House # 389 - 2 - CI, Township, Lahore
1,750	1,105	1,604	499	Company Policy	Mr. Fasihuddin Amjad , House No:272, Bhadarabad Street No: 14, Karachi.
1,054	509	867	358	Company Policy	Mr. Syed Sharafat Hussain, House # 6, St: 14, Eden Palace Villas, Raiwand Road.
1,741	1,396	1,770	374	Company Policy	Mr. Fakhari Kounain ,House # 6, St: 14, Eden Palace Villas, Raiwand Road.
799	613	-	(613)	Company Policy	Mr. Pehlaj Dodani , Flat No:A27, Super Place Civil Line Dr.Zia Ul Din Road Clifton Karachi.
1,750	1,403	1,779	376	Company Policy	Mr. Ghulam Murtaza H # 700, ST # 9, Ghorri Town, PH-1.
1,500	1,375	1,700	325	Company Policy	Ms. Sadia Barkat House No: B 116, Allama Iqbal Town North Nazimabad.
2,500	2,040	-	(2,040)	Company Policy	Dependent of Mr. Wakil Abbas (Late Employee), H-71, Sadat Colony, Drigh Road, Shah Faisal Colony, Karachi
37,161	15,135	15,659	524		

Net Book Value less than 50,000.

	Cost	Net book value	Sale proceeds	Gain / (Loss)
----- (Rupees in '000) -----				
Vehicles	1,906	34	1,354	1,320
Office equipments	2,202	45	411	366
Computer equipments	4,268	10	-	(10)
Lease hold improvements	5,624	-	1,159	1,159
Furniture and fixtures	27,173	15	5,555	5,540
	41,173	104	8,479	8,375

Insurance Claims received / receivable from Related party:

	Cost	Net book value	Sale proceeds	Gain / (Loss)		
	----- (Rupees in '000) -----					
Vehicles	1,613	833	1,719	886	Insurance Claim	Jubilee General Insurance Company Limited
	1,999	1,546	1,466	(80)	Insurance Claim	Jubilee General Insurance Company Limited
	3,612	2,379	3,185	806		
Computer equipment	378	165	201	36	Insurance Claim	Jubilee General Insurance Company Limited
	378	165	201	36		
Office equipment	68	24	33	9	Insurance Claim	Jubilee General Insurance Company Limited
	68	24	33	9		

5.2 Capital Work-In-Progress

	Note	2020	2019
		----- (Rupees in '000) -----	
Opening balance		2,712,927	2,419,768
Additions			
Leasehold Land and Building		113,562	171,453
Others		31,882	257,325
Transfer to asset		(172,023)	(135,619)
Closing balance	5.2.1	2,686,348	2,712,927

- 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 (2019: Rs. 2,544 million) including borrowing costs capitalised in accordance with IAS 23, "Borrowing Costs". As discussed in detail in note 21.1 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 (2019: Rs.217 million) have so far been capitalised. During the year ended December 31, 2020, the Company has temporarily suspended the construction of Head Office building. As a result, in accordance with the requirements of IAS 21 borrowing cost in respect of loan obtained to purchase the plot has been charged to profit and loss account from April 01, 2020. However, Interest cost amounting to Rs. 49.3 million has been capitalised during 1st Quarter 2020.

6 INTANGIBLE ASSETS

	Cost				Amortisation					
	As at January 01	Additions	Disposals	As at December 31	As at January 01	For the year	Disposals	As at December 31	Written down value as at December 31	Amortisation Periods
	----- (Rupees in '000) -----									
Computer softwares & licences	641,571	164,032	2,759	802,844	427,388	120,167	2,759	544,796	258,048	
As At December 31, 2020	641,571	164,032	2,759	802,844	427,388	120,167	2,759	544,796	258,048	40 / 60 Months
As At December 31, 2019	520,175	123,272	1,876	641,571	345,858	83,406	1,876	427,388	214,183	40 / 60 Months

- 6.1** The intangible assets include items costing Rs. 306.98 million which are fully amortised as of December 31, 2020 (2019: Rs. 183.92 million) but are still in active use.

7 RIGHT-OF-USE ASSETS

	2020	2019
	(Rupees in '000)	
Opening balances	933,190	1,142,956
Additions	120,003	25,285
Depreciation	(254,993)	(235,051)
Closing balances	798,200	933,190

- 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	2020	2019	Face value per share (KGS)	Percentage of holding	Main area of Operation	Nature of Activities	2020	2019
	Number of shares						(Rupees in '000)	
Jubilee Kyrgyzstan Insurance Company - CJSC (Incorporated outside Pakistan)	29,250,000	29,250,000	1	19.5	Kyrgyzstan	Insurance	147,877	152,294

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.

8.2 Movement of investment in associate

	2020	2019
	----- (Rupees in '000) -----	
Balance as at January 1	152,294	129,502
Share in profit for the year	19,273	10,142
Dividend received	(2,459)	(3,230)
	169,108	136,414
Exchange (loss) / gain	(21,231)	15,880
Balance as at December 31	147,877	152,294

8.3 The following information has been summarised based on the financial statements of Jubilee Kyrgyzstan Insurance Company (JKIC) as at December 31, 2020 (audited). The functional and presentation currency of JKIC is Kyrgyz Som. All assets and liabilities for each statement of financial position presented have been translated at the closing rate at the date of financial statements and all income and expenses for each statement presenting profit and loss (i.e. including comparatives) have been translated at average rate.

	Country of Incorporation	Assets	Liabilities	Revenues	Total Comprehensive Income	% Interest held
Jubilee Kyrgyzstan Insurance Company	Kyrgyzstan	1,056,951	342,261	110,474	98,837	19.50%
December 31, 2020		1,056,951	342,261	110,474	98,837	19.50%
Jubilee Kyrgyzstan Insurance Company	Kyrgyzstan	1,037,242	307,454	121,096	52,012	19.50%
December 31, 2019		1,037,242	307,454	121,096	52,012	19.50%

9 INVESTMENT IN EQUITY SECURITIES

	Note	2020	2019
		----- (Rupees in '000) -----	
At fair value through profit or loss	9.1	74,387,529	64,716,257
Available-for-sale	9.2	1,431,270	1,574,253
		75,818,799	66,290,510

9.1 At fair value through profit or loss

	2020			2019		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Related parties						
Listed shares	2,354,300	-	1,707,735	2,373,621	-	2,050,396
Others						
Listed shares	76,638,055	-	72,679,794	59,822,268	-	62,665,861
	78,992,355	-	74,387,529	62,195,889	-	64,716,257

9.2 Available-for-sale

	2020			2019		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Related parties						
Listed shares	35,942	-	44,441	35,942	-	46,328
Others						
Listed shares	1,628,079	(326,381)	1,386,829	1,612,535	(253,658)	1,527,925
	<u>1,664,021</u>	<u>(326,381)</u>	<u>1,431,270</u>	<u>1,648,477</u>	<u>(253,658)</u>	<u>1,574,253</u>

	2020	2019
Note	----- (Rupees in '000) -----	

10 INVESTMENT IN GOVERNMENT SECURITIES

Held to maturity	10.1 / 10.4	9,980	9,975
At fair value through profit or loss	10.2 / 10.5	58,505,605	55,440,381
Available-for-sale	10.3 / 10.6	16,766,556	15,557,683
		<u>75,282,141</u>	<u>71,008,039</u>

10.1 Held to maturity

2020					
	Maturity Year	Effective Yield (%)	Amortised Cost	Principal Repayment	Carrying Value
	----- (Rupees in '000) -----				
20 Years Pakistan Investment Bonds	2024	8.31%	9,980	10,000	9,980
			<u>9,980</u>	<u>10,000</u>	<u>9,980</u>

10.2 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
			<u>58,224,664</u>	<u>58,707,720</u>	<u>58,505,605</u>

10.3 Available-for-sale

2020					
	Maturity Year	Effective Yield (%)	Amortised Cost	Principal Repayment	Carrying Value
----- (Rupees in '000) -----					
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
			16,755,386	16,914,000	16,766,556

10.4 Held to maturity

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

10.5 At fair value through profit or loss

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

10.6 Available-for-sale

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

	2020	2019
Note	----- (Rupees in '000) -----	

11 INVESTMENT IN DEBT SECURITIES

At fair value through profit or loss	11.1	8,131,104	8,174,077
Available-for-sale	11.2	613,808	555,875
		8,744,912	8,729,952

11.1 At fair value through profit or loss

		2020			2019		
	Note	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
		----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Term Finance							
Certificates	11.1.1	4,615,275	-	4,586,255	4,900,285	-	4,899,549
Corporate Sukuks	11.1.2	3,514,416	-	3,544,849	3,276,682	-	3,274,528
		8,129,691	-	8,131,104	8,176,967	-	8,174,077

	Number of Certificates		Face Value	Carrying Value	
	2020	2019		2020	2019
				------(Rupees in '000)-----	
11.1.1 Term Finance Certificates					
- Askari Bank Limited	-	5,000	5,000	-	24,388
- Bank Alfalah Limited	-	51,994	5,000	-	259,294
- Soneri Bank Limited	227,360	227,360	5,000	1,131,824	1,135,227
- Bank Al Habib Limited	296,200	296,200	5,000	1,454,431	1,480,640
- United Bank Limited	400,000	400,000	5,000	2,000,000	2,000,000
				4,586,255	4,899,549

11.1.2 Corporate Sukuks

- HASCOL Petroleum Limited - Sukuk	46,000	46,000	5,000	56,865	104,276
- K-Electric Limited - Sukuk	257,000	20,000	5,000	1,233,302	50,295
- Meezan Bank Limited - Sukuk	650	960	1,000,000	664,253	956,523
- Fatima Fertilizers Limited - Sukuk	10,000	10,000	5,000	10,068	20,157
- Dawood Hercules Corporation Limited - Sukuk	9,600	9,600	100,000	653,767	835,410
- Dubai Islamic Bank Pakistan Limited - Sukuk	-	20,000	5,000	-	100,000
- Dubai Islamic Bank Pakistan Limited - Sukuk	25	25	1,000,000	25,699	25,025
- HUBCO - Sukuk	1,000	1,000	100,000	102,249	100,900
- HUBCO - Sukuk	-	137	1,000,000	-	131,720
- Neelum Jehlum - Sukuk	10,000	10,000	100,000	708,125	831,980
- International Brands Limited - Sukuk	1,400	1,400	100,000	90,521	118,242
				3,544,849	3,274,528

11.2 Available-for-sale

		2020			2019		
	Note	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
		----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Term Finance							
Certificates	11.2.1	522,917	-	522,774	525,000	-	523,921
Corporate Sukuks	11.2.2	90,422	-	91,034	32,939	-	31,954
		613,339	-	613,808	557,939	-	555,875

		Number of Certificates		Face Value	Carrying Value	
		2020	2019		2020	2019
		----- (Rupees in '000) -----				
11.2.1	Term Finance Certificates					
	- Bank Alfalah Limited	100,000	100,000	5,000	500,000	500,000
	- Kashf Foundation	25	25	1,000,000	22,774	23,921
					522,774	523,921
11.2.2	Corporate Sukuks					
	- K-Electric Limited - Sukuk	18,000	5,000	5,000	73,563	12,574
	- Meezan Bank Limited - Sukuk	15	15	1,000,000	15,329	14,920
	- Al Baraka Bank (Pakistan) Limited - Sukuk	15	15	1,000,000	2,142	4,460
					91,034	31,954

	2020	2019
Note	----- (Rupees in '000) -----	

12 INVESTMENT IN TERM DEPOSITS

Deposits maturing within 12 months	12.1	14,450,000	<u>11,350,000</u>
------------------------------------	------	-------------------	-------------------

- 12.1** The rates of return on these term deposit receipts ranges from 6.80% to 12.45% per annum (2019: 8.5% to 14.5% per annum) and will mature between January 22, 2021 and March 17, 2021 (2019: January 2, 2020 and June 24, 2020).

	2020	2019
Note	----- (Rupees in '000) -----	

13 INVESTMENT IN OPEN-ENDED MUTUAL FUNDS

At fair value through profit or loss	13.1	1,131,678	1,112,358
Available-for-sale	13.2	193,941	200,037
		<u>1,325,619</u>	<u>1,312,395</u>

13.1 At fair value through profit or loss

Note	2020			2019		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Other than Related Parties	1,057,194	-	1,131,678	1,100,000	-	1,112,358
	<u>1,057,194</u>	-	<u>1,131,678</u>	<u>1,100,000</u>	-	<u>1,112,358</u>

13.2 Available-for-sale

Other than Related Parties	190,944	-	193,941	200,000	-	200,037
	<u>190,944</u>	-	<u>193,941</u>	<u>200,000</u>	-	<u>200,037</u>

		2020	2019
	Note	(Rupees in '000)	(Rupees in '000)
14	INSURANCE / REINSURANCE RECEIVABLES		
Due from insurance contract holders		1,251,577	895,276
Less: provision for impairment of receivables from Insurance contract holders		(72,717)	(20,776)
		1,178,860	874,500
Due from reinsurers / retakaful		1,098,175	314,648
		2,277,035	1,189,148
15	DERIVATIVE FINANCIAL INSTRUMENT		
Unrealised gain on derivative financial instrument	15.1	5,039	97,389
15.1	The Company has entered into an interest rate swap arrangement whereby the Company has converted the PKR floating rate liability as discussed in note 22.1 into fixed rate liability. The notional amount against interest rate swap amounted to Rs.1,500 million.		
		2020	2019
	Note	(Rupees in '000)	(Rupees in '000)
16	OTHER LOANS AND RECEIVABLES		
Investment income accrued		718,485	2,610,371
Investment income due but outstanding		331,625	3,933
Advance against Pre-IPO of TFCs	16.1	500,000	-
Advance against Pre-IPO of Sukuk		-	1,250,000
Security deposits		123,298	104,575
Advances to suppliers		65,504	38,038
Unsecured advances to employees		29,387	42,631
Other receivables		421,021	120,325
		2,189,320	4,169,873
16.1	This represents Pre-IPO subscription in Bank Alfalah Limited upcoming Corporate Term Finance Certificates (TFCs) issue, and carries interest at the rate of higher of 9% per annum or 3 Years PKRV + 0.75% (2019: Nil). The expected subscription end date is January 15, 2021.		
		2020	2019
	Note	(Rupees in '000)	(Rupees in '000)
17	CASH & BANK		
Cash and stamps in hand			
- Policy & revenue stamps and bond papers		14,563	10,216
Cash at bank			
- In Current accounts		488,358	351,426
- In Savings accounts	17.1	4,440,339	3,733,355
		4,928,697	4,084,781
		4,943,260	4,094,997
17.1	These carry mark-up ranging from 3.75% to 6.00% (2019: 7.5% to 13.17%) per annum.		
Cash and cash equivalents include the following for the purposes of the cash flow statement			
Cash and bank		4,943,260	4,094,997
Term deposits receipt with original maturity of three months or less		12,900,000	8,350,000
		17,843,260	12,444,997

18 SHARE CAPITAL**18.1 Authorized Capital**

2020	2019		2020	2019
		(No. of shares in '000)		----- (Rupees in '000) -----
200,000	200,000	Ordinary Shares of Rs.10 each	2,000,000	2,000,000

18.2 Issued, subscribed and paid-up share capital

2020	2019		2020	2019
		(No. of shares in '000)		----- (Rupees in '000) -----
62,712	62,712	Ordinary Shares of Rs.10 each fully paid in cash	627,120	627,120
24,552	16,619	Ordinary Shares of Rs.10 each issued as fully paid bonus shares	245,518	166,187
87,264	79,331		872,638	793,307

As at December 31, 2020 Aga Khan Fund for Economic Development S.A., Switzerland and its nominees held 50,504,339 ordinary shares (2019: 45,913,037 ordinary shares) of Rs.10 each.

19 INSURANCE LIABILITIES

	Note	2020	2019
			----- (Rupees in '000) -----
Reported outstanding claims (including claims in payment)	19.1	5,510,795	4,060,733
Incurred but not reported claims	19.2	1,520,396	1,053,557
Investment component of unit-linked and account value policies	19.3	159,422,431	146,240,265
Liabilities under individual conventional insurance contracts	19.4	1,774	1,449
Liabilities under group insurance contracts (other than investment linked)	19.5	1,303,062	1,157,528
Participant Takaful Fund balance	19.6	360,334	465,476
Other Insurance liabilities	19.7	494,535	654,657
		168,613,327	153,633,665

19.1 Reported outstanding claims (including claims in payment)**Gross of reinsurance**

Payable within one year	5,099,393	3,661,894
Payable over a period of time exceeding one year	411,402	398,839
	5,510,795	4,060,733

19.2 Incurred but not reported claims

Gross of reinsurance	1,936,506	1,297,636
Reinsurance recoveries	(416,110)	(244,079)
Net of reinsurance	1,520,396	1,053,557

	2020	2019
	(Rupees in '000)	
19.3 Investment component of unit-linked policies		
Investment component of unit-linked policies	159,422,431	146,240,265
19.4 Liabilities under individual conventional insurance contracts		
Gross of reinsurance	2,137	1,746
Reinsurance credit	(363)	(297)
Net of reinsurance	1,774	1,449
19.5 Liabilities under group insurance contracts (other than investment linked)		
Gross of reinsurance	1,529,050	1,445,119
Reinsurance credit	(225,988)	(287,591)
Net of reinsurance	1,303,062	1,157,528

- 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.

In April 2020, Appointed Actuary and the Shariah Advisor of the Company, approved the surplus distribution mechanism and methodology as required under Clause 6 Waqf (PTF) Policies, and thereafter, the surplus for the years 2017 through 2019 amounting Rs. 394.40 million has been distributed to the participants of the Individual Family Takaful PTF in line with such mechanism.

	2020	2019
	(Rupees in '000)	
19.7 Other Insurance liabilities		
Gross of reinsurance	554,402	726,841
Reinsurance credit	(59,867)	(72,184)
Net of reinsurance	494,535	654,657

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:

	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
Total	1,835,903	1,132,968	371,047	256,826	66,263	8,799

	2019				
	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	1,186,852	865,606	209,567	109,141	2,326
Claims not encashed	30,292	22,217	-	1,348	2,746
Total	1,217,144	887,823	209,567	110,489	5,072
	4,193				

21 RETIREMENT BENEFIT 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, 2020 was carried out using the Projected Unit Credit Method. The results of actuarial valuation are as follows:

	Gratuity Fund	
	2020	2019
	(Rupees in '000)	
Balance Sheet Reconciliation		
Fair value of plan assets	605,366	517,406
Present value of defined benefit obligations	(594,477)	(498,476)
Recognised asset	10,889	18,930
Movement in the fair value of plan assets		
Fair value as at January 1	517,406	436,424
Expected return on plan assets	62,253	61,610
Actuarial gain / (loss)	1,147	(3,924)
Employer contributions	32,910	52,169
Benefits paid	(8,350)	(28,873)
Fair value as at December 31	605,366	517,406
Movement in the defined benefit obligations		
Obligation as at January 1	498,476	437,266
Current service cost	67,709	56,680
Past service cost	2,150	2,592
Interest cost	58,080	58,139
Actuarial gain	(23,588)	(27,328)
Benefits paid	(8,350)	(28,873)
Obligations as at December 31	594,477	498,476
Cost recognised in profit and loss		
Current service cost	67,709	56,680
Past service cost	2,150	2,592
Interest cost	58,080	58,139
Expected return on plan assets	(62,253)	(61,610)
	65,686	55,801

Gratuity Fund

	2020	2019
	----- (Rupees in '000) -----	
Remeasurements recognised in OCI		
Losses on obligation		
- Financial assumptions	(1,320)	(1,496)
- Experience adjustment	(22,268)	(25,832)
	(23,588)	(27,328)
Return on plan assets, excluding interest income	(1,147)	3,924
Total remeasurement gains recognised in OCI	(24,735)	(23,404)
Principal actuarial assumptions used are as follows:		
Discount rate & expected return on plan assets	10.25%	11.75%
Future salary increases	10.25%	11.75%

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

The Company's contribution to the fund in 2021 is expected amounting to Rs. 68.39 million (2019: Rs. 58.87 million).

Comparison for five years:	2020	2019	2018	2017	2016
	----- (Rupees in '000) -----				
As at December 31					
Fair value of plan assets	605,366	517,406	436,424	350,720	288,140
Present value of defined benefit obligations	(594,477)	(498,476)	(437,266)	(380,127)	(306,415)
Surplus / (deficit)	10,889	18,930	(842)	(29,407)	(18,275)

Experience adjustments

Gain / (loss) on plan assets	0%	-1%	3%	-5%	0%
Gain / (loss) on obligations	4%	5%	4%	-1%	-4%

Sensitivity analysis for actuarial assumptions

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	----- (Rupees in '000) -----		
Discount rate at December 31	+ / - 1%	538,958	659,012
Future salary increases	+ / - 1%	659,331	537,659

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:

	2020		2019	
	(Rupees in '000)	%	(Rupees in '000)	%
Debts	537,559	89%	446,702	86%
Defence Saving Certificates	40,493	7%	35,000	7%
Others	27,314	4%	35,704	7%
	605,366	100%	517,406	100%

Assets and liabilities of Defined Benefit Plan

	2020	2019
	(Rupees in '000)	
Assets		
Investments	578,052	481,702
Balance with banks	11,791	18,870
Accrued interest	15,776	16,925
	605,619	517,497
Liabilities		
Payable to outgoing employees	253	91
	253	91

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

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

21.1 Defined Contribution Plan

The Company's contributions towards the provident fund for the year ended December 31, 2020 amounted to Rs. 80.65 million (2019: Rs. 68.91).

22 BORROWING

		2020	2019
	Note	(Rupees in '000)	
Bank Loan	22.1	1,125,000	1,375,000
Current portion		250,000	250,000
Non-current portion		875,000	1,125,000

- 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.

		2020	2019
	Note	----- (Rupees in '000) -----	
23	LEASE LIABILITIES		
Lease liabilities under IFRS 16	23.1	983,059	1,012,846
Current portion		198,629	223,396
Non-current portion		784,430	789,450

23.1 Finance cost on lease liabilities for the year ended December 31, 2020 was Rs. 120.95 million (2019: Rs.112.20 million). Total cash outflow for leases was Rs. 271.80 million (2019: 183.83 million).

		2020	2019
		----- (Rupees in '000) -----	
24	INSURANCE / REINSURANCE PAYABLES		
Due to other insurers / reinsurers		15,237	39,124
25	OTHER CREDITORS AND ACCRUALS		
Agents commission payable		1,151,310	993,172
Accrued expenses		1,418,666	1,364,420
Withholding tax payable		53,687	58,553
Payable to suppliers		53,159	43,598
Payable against purchase of securities		554,861	411,405
Other liabilities		797,745	399,050
		4,029,428	3,270,198

26 DEFERRED TAXATION

Deferred debits arising in respect of:

Fixed assets	45,528	42,523
Lease liabilities (Right-of-use assets)	282,686	293,725
Others	179,638	64,073
	507,852	400,321

Deferred credits arising in respect of:

On investment in associate	(21,695)	(22,976)
Derivative financial instrument	(1,462)	(28,243)
Unrealised loss on available-for-sale securities	(31,397)	(70,038)
Right-of-use assets	(229,261)	(270,625)
On retained balance of Ledger Account D	(1,664,388)	(1,401,313)
	(1,948,203)	(1,793,195)
	(1,440,351)	(1,392,874)

	Balance as at January 1, 2020	Recognized in Profit and Loss Account	Recognized in Other Comprehensive Income	Recognized in Unappropriated Profit	Balance as at December 31, 2020
----- (Rupees in '000) -----					
Deferred debits arising in respect of:					
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
Deferred credits arising in respect of:					
On investment in associate	(22,976)	(4,876)	6,157	-	(21,695)
Derivative financial instrument	(28,243)	26,781	-	-	(1,462)
Unrealized 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)
Net deferred Tax (liabilities) / assets	(1,392,874)	(92,275)	44,798	-	(1,440,351)

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

27 CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

27.1.1 Income tax assessments

The income tax assessments for the tax years 2012 through 2018, in respect of which assessment orders u/s 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance) were issued, raising demands of Rs. 39 million, Rs. 27 million, Rs. 108.72 million, Rs. 112.74 million, Rs. 79.8 million, Rs. 76 million and Rs. 3,200 million respectively are pending at the second stage of appeal before the Appellate Tribunal Inland Revenue (ATIR), on account of appeals filed either by the Company for addbacks / disallowances maintained by the Commissioner Inland Revenue - Appeals (CIR-A), or by the tax department, for the decisions in favor of the Company.

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

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

The CIR-A, in his order, remanded back for re-examination the issue of 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. The Company has filed an appeal in the ATIR against this disallowance.

The Additional Commissioner Inland Revenue (ADCIR) conducted the remanded back proceedings and passed the set aside order in August 2018 in 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 2020, the following proceedings have taken place as under;

On April 13, 2020, the tax authorities passed an assessment order u/s 122(5A) for the TY 2019 raising demands of Rs.1.9 billion by adding back of the unrealized loss on investments in the Statutory Funds on the grounds that the same is notional in nature, and therefore inadmissible.

Other addbacks included difference between assumed market value of motor vehicles and the sale value recovered from employees in respect of vehicles sold under Company car policy, disallowance of impairment in the value of securities, adding the interest free loans to employees has a negative effect on the profitability of the Company and unencashed claims in the statutory funds. The Company had filed appeals against orders.

On May 19, 2020 the CIRA has passed the order for the tax year 2019 by deleting the addition of disallowing provision for impairment in the value of securities, on account of claims not encashed and addition on account of interest free loan to employees, remanded back the issue of disallowed unrealized loss on investment and confirmed the added back difference of between the sales price and fair value of motor vehicle disposed off. Both Company and tax department have filed the appeals before ATIR within prescribed time. The appeals are pending adjudication.

On June 24, 2020 the Additional Commissioner (Audit) Inland Revenue (ACIR) passed order giving effect to the directions contained in the appellate orders passed by the Commissioner Inland Revenue – Appeals (CIRA) dated June 9 and 16, 2017 for TY 2014. The CIRA, in the aforementioned orders, had inter alia remanded back the matter relating to consequential effect of WWF. As regards other matters contested with CIRA against the order of ACIR, the CIRA had either remanded back or deleted the appealed matters. The Company has filed an appeal before the CIRA against the reinstatement of the disallowance contesting the treatment by ACIR. CIRA vide order No 24 dated October 20, 2020 remanded back the issue. The remand back proceeding has not been held yet.

No provision has been made in these financial statements, as the Company is confident based on the advice of its tax consultants that the final outcome will be in its favour.

27.1.2 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 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 2021. 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 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.

During Q1 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. Thereafter however, due to the COVID 19 situation and consequential lockdown, further meetings of the Joint committee are yet to be 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, 2021, through notification no. SRB 3-4/14/2020 dated June 22, 2020. On June 29, 2020 SRB through another notification No. SRB-3-4/18/2020 has amended the responsibility of withholding agent rules requiring a Clients also to 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.

In view of the opinion of the legal advisors, and pending the adjudication of the petitions filed, the Company has neither billed its customers, nor recognized the contingent liability for PST, SST, and KPKST, which, calculated on the basis of risk premium and excluding the investment amount allocated to unit linked policies as per the opinion of the legal advisors, aggregated to Rs. 1,897.14 million (2019: Rs.1,469 million) in its books of account. In Balochistan province, given that the Company has limited operations in that province, the amount of contingent sales tax liability for BSTS, calculated on the similar basis as PST, SST and KPKST, is immaterial. The management contends that should the administrative efforts fail, the amount will be charged to the policy holders.

		2020	2019
		----- (Rupees in '000) -----	
27.2	Commitments		
27.2.1	Commitments for the acquisition of operating fixed assets		
	Not later than one year	125,198	207,110

27.2.2 Commitments in respect of bank guarantee

The Company has, at the request of corporate clients arranged performance guarantees from a bank for Rs. 19.11 million (2019: Rs. 6.52 million), which is secured by the lien of the same amount against bank deposits held with the bank. The bank guarantees will expire by December 17, 2022.

	2020	2019
	----- (Rupees in '000) -----	
28 NET PREMIUM / CONTRIBUTION REVENUE		
Gross Premium / Contribution		
Regular Premium / Contribution Individual Policies*		
First year	5,697,917	9,320,223
Second year renewal	6,996,481	8,691,258
Subsequent year renewal	25,078,626	23,772,374
Total Regular Premium / Contribution Individual Policies	37,773,024	41,783,855
Single premium / contribution individual policies	273,062	797,526
Group policies without cash values	8,735,775	7,336,938
Less: Experience refund	(274,738)	(290,910)
Total Gross Premium / Contribution	46,507,123	49,627,409
Less: Reinsurance Premium / Contribution ceded		
On individual life first year business	(60,892)	(58,238)
On individual life second year business	(79,120)	(60,039)
On individual life renewal business	(292,809)	(253,589)
On single premium / contribution individual policies	(92)	(8)
On group policies	(984,966)	(985,302)
Less: Experience refund from reinsurers	51,311	58,420
Less: Reinsurance commission on risk premium / contribution	67,141	67,366
	(1,299,427)	(1,231,390)
Net Premium / Contribution	45,207,696	48,396,019

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

29 INVESTMENT INCOME**Income from equity securities****Fair value through profit or loss**

- Dividend income

2,236,135

2,355,826

Available-for-sale

- Dividend income

71,186
2,307,32144,024
2,399,850**Income from Mutual Funds****Fair value through profit or loss**

- Dividend income

86,419

-

Available-for-sale

- Dividend income

9,323
95,742

-

-

Income from debt securities**Held to maturity**

- Return on debt securities

1,005

1,005

Fair value through profit or loss

- Return on debt securities

7,348,930

7,317,266

Available-for-sale

- Return on debt securities

1,496,629
8,846,5641,558,862
8,877,133**Income from term deposits**

- Return on term deposits

775,189
12,024,8161,314,786
12,591,769**30 NET REALISED FAIR VALUE GAINS / (LOSSES)
ON FINANCIAL ASSETS****At fair value through profit or loss**

Realised gains on:

- Equity securities

2,060,224

2,400

- Mutual Funds

25,380

-

- Debt securities

4,392,190

277,216

6,477,794

279,616

Realised losses on:

- Equity securities

(584,774)

(1,869,976)

- Mutual Funds

(3,344)

-

- Debt securities

(183,854)

(3,200)

(771,972)

(1,873,176)

Available-for-sale

Realised gains on:

- Equity securities

173,836

23,692

- Mutual Funds

1,621

-

- Debt securities

1,401,866

199,310

1,577,323

223,002

	2020	2019
	----- (Rupees in '000) -----	
Realised losses on:		
- Equity securities	(247,289)	(82,595)
- Debt securities	(99,333)	(1,575)
	(346,622)	(84,170)
	6,936,523	(1,454,728)
31 NET FAIR VALUE (LOSSES) / GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Net unrealised gains / (losses) on investments at fair value through profit or loss	(7,126,357)	8,970,626
Less: Impairment in value of available-for-sale securities	(72,723)	(16,407)
Less: Investment related expenses	(125,316)	(51,502)
	(7,324,396)	8,902,717
32 OTHER INCOME		
Return on bank balances	238,424	285,801
Gain on sale of fixed assets	11,908	4,051
Foreign exchange gain	365	6,035
Miscellaneous income	2,551	1,706
	253,248	297,593
33 NET INSURANCE BENEFITS		
Gross Claims		
Claims under individual policies		
by death	2,176,538	1,807,237
by insured event other than death	37,222	39,768
by maturity	3,856,522	3,144,344
by surrender	14,538,553	9,846,341
by partial withdrawal	2,691,013	2,884,827
Total gross individual policy claims	23,299,848	17,722,517
Claims under group policies		
by death	2,655,007	1,993,488
by insured event other than death	4,707,333	3,913,639
Total gross policy claims	7,362,340	5,907,127
Total Gross Claims	30,662,188	23,629,644
Less: Reinsurance recoveries		
On individual life claims	(464,277)	(220,807)
On group life claims	(1,377,280)	(944,506)
	(1,841,557)	(1,165,313)
Claim related expenses	4,887	7,283
Net Insurance benefit expense	28,825,518	22,471,614

33.1 Claim Development

The table below illustrates claim development pattern for last five years (including current year) where more than 10% of claims are normally reported after the end of the year in which the claim event occurred. The pattern is shown separately for group and individual business (excluding those disclosed in notes 34.1.5 to 34.1.7).

	Note	2020 (Rupees in '000)
Reported outstanding claims		
Individual Life Unit Linked	33.1.1	220,410
Group Life	33.1.2	649,788
Accident & Health	33.1.5	447,218
Overseas	33.1.6	36,830
Individual Family Takaful	33.1.3	88,329
Group Family Takaful	33.1.4	84,338
Accident & Health Family Takaful	33.1.7	86,087
Other reserves		3,897,795
	19.1	5,510,795

33.1.1 Individual Life Unit Linked

Accident year	2016	2017	2018	2019	2020
Estimate of ultimate claims costs:					
At end of accident year	660,171	843,460	929,960	1,120,048	1,399,941
One year later	869,979	1,152,877	1,268,303	1,437,084	-
Two years later	898,711	1,180,752	1,299,921	-	-
Three years later	908,491	1,191,056	-	-	-
Four years later	910,715	-	-	-	-
Current estimate of cumulative claims	910,715	1,191,056	1,299,921	1,437,084	1,399,941
Less: Cumulative payments to date	(910,715)	(1,191,056)	(1,299,421)	(1,426,304)	(1,191,922)
	-	-	500	10,780	208,019
Sum of 2016 to 2020 outstanding claims					219,299
Claims prior to 2016					1,111
Liability recognised in the statement of financial position					220,410

33.1.2 Conventional Business

Accident year	2016	2017	2018	2019	2020
Estimate of ultimate claims costs:					
At end of accident year	1,078,361	1,253,870	1,360,085	1,652,441	2,231,309
One year later	1,239,725	1,397,432	1,583,707	1,935,114	-
Two years later	1,246,871	1,400,054	1,594,441	-	-
Three years later	1,248,097	1,402,052	-	-	-
Four years later	1,248,847	-	-	-	-
Current estimate of cumulative claims	1,248,847	1,402,052	1,594,441	1,935,114	2,231,309
Less: Cumulative payments to date	(1,239,421)	(1,380,010)	(1,562,137)	(1,881,247)	(1,728,808)
	9,426	22,042	32,304	53,867	502,501
Sum of 2016 to 2020 outstanding claims					620,140
Claims prior to 2016					29,648
Liability recognised in the statement of financial position					649,788

33.1.3 Individual Family Takaful

Accident year	2016	2017	2018	2019	2020
Estimate of ultimate claims costs:					
At end of accident year	3,846	23,785	94,765	136,124	322,318
One year later	6,988	44,579	124,241	193,351	-
Two years later	6,988	47,523	125,616	-	-
Three years later	6,988	47,523	-	-	-
Four years later	6,988	-	-	-	-
Current estimate of cumulative claims	6,988	47,523	125,616	193,351	322,318
Less: Cumulative payments to date	(6,988)	(47,523)	(125,616)	(191,630)	(241,330)
	-	-	-	1,721	80,988
Sum of 2016 to 2020 outstanding claims					82,709
Claims prior to 2016					5,620
Liability recognised in the statement of financial position					88,329

33.1.4 Group Family Takaful

Accident year	2016	2017	2018	2019	2020
Estimate of ultimate claims costs:					
At end of accident year	112	55,092	75,171	42,776	151,137
One year later	812	65,696	83,167	51,695	-
Two years later	2,962	69,794	83,467	-	-
Three years later	2,962	69,794	-	-	-
Four years later	2,962	-	-	-	-
Current estimate of cumulative claims	2,962	69,794	83,467	51,695	151,137
Less: Cumulative payments to date	(2,962)	(66,594)	(79,017)	(45,958)	(80,186)
	-	3,200	4,450	5,737	70,951
Sum of 2016 to 2020 outstanding claims					84,338
Claims prior to 2016					-
Liability recognised in the statement of financial position					84,338

33.1.5 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.

33.1.6 In Overseas business, as the policy is issued to a single policy holder group which does not reflect claim development as a whole, nor would it reflect a purposeful analysis, hence the same has not been disclosed.

33.1.7 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.

34 ACQUISITION EXPENSES

2020	2019
----- (Rupees in '000) -----	

Remuneration to insurance intermediaries on individual policies:

Commission to agents on first year premiums / contributions	1,827,845	3,160,996
Commission to agents on second year premiums / contributions	324,490	376,499
Commission to agents on subsequent renewal premiums / contributions	553,484	524,178
Commission to agents on single premiums / contributions	3,160	17,331
Overriding commission to supervisors	424,499	627,046
Salaries, allowances and other benefits	991,384	866,476
Other benefits to insurance intermediaries	425,230	1,048,356

Remuneration to insurance intermediaries on group policies:

Commission	402,186	398,822
Other benefits to insurance intermediaries	15,436	35,536

Other acquisition costs

Employee benefit costs	1,250,769	1,212,046
Travelling expenses	25,832	61,554
Printing and stationery	25,322	31,735
Depreciation	170,877	130,271
Depreciation - Right-of-use assets	105,988	104,321
Amortization	-	13
Rent, rates and taxes	3,854	3,872
Legal and professional charges	13,446	19,436
Utilities	54,781	54,997
Entertainment	16,587	26,061
Motor vehicle & conveyance	112,962	107,488
Repair & maintenance	52,767	45,491
Training expenses	408	1,871
Postages, telegrams and telephones	50,396	37,867
Staff welfare	26,207	25,576
General insurance	14,998	12,508
Policy stamps	71,209	114,819
Initial medical fees	6,067	7,425
Miscellaneous expenses	4,724	7,903
	6,974,908	9,060,494

		2020	2019
		----- (Rupees in '000) -----	
35	MARKETING AND ADMINISTRATION EXPENSES		
	Note		
Employee benefit cost	35.1	1,277,741	1,141,311
Traveling expenses		18,988	44,732
Advertisements & sales promotion		503,343	719,958
Printing and stationery		81,831	81,949
Depreciation		163,984	173,595
Depreciation - Right-of-use assets		146,325	127,758
Amortisation		120,110	83,345
Rent, rates and taxes		399,942	222,294
Legal and professional charges		36,376	32,559
Utilities		48,231	50,019
Entertainment		6,485	9,964
Vehicle running expenses		30,081	18,351
Office repairs and maintenance		262,295	193,476
Appointed actuary fees		13,581	13,798
Bank charges		21,905	16,323
Postages, telegrams and telephone		111,141	109,998
Staff welfare		21,748	20,819
General insurance		14,519	11,260
Training expenses		6,215	16,520
Annual Supervision fees to SECP		50,000	50,000
Bad and doubtful debts		51,940	10,482
Director Fee		10,600	6,400
Miscellaneous expenses		4,420	4,859
		3,401,801	3,159,770
35.1	Employee benefit cost		
Salaries, allowance and other benefits		1,193,192	1,069,466
Charges for post employment benefit		84,549	71,845
		1,277,741	1,141,311

35.2 Administration expenses are net of common costs amounting to Rs. 39.25 million (2019: Rs. 40.85 million) shared with Jubilee General Insurance Company Limited, an associated undertaking, on account of joint operating activities for Accident & Health Business.

		2020	2019
		----- (Rupees in '000) -----	
36	OTHER EXPENSES		
Auditors' remuneration - note 36.1		18,247	12,974
Donation - note 36.2		31,000	14,500
Subscriptions		418	330
		49,665	27,804
36.1	Auditors' remuneration		
Audit fee		2,500	2,024
Half yearly review		456	380
Shariah Compliance Audit - Window Takaful Operations		619	550
Taxation services		7,974	5,600
Fee for the audit of provident and gratuity funds		185	160
Certification charges & other Professional Services		3,577	2,092
Out-of-pocket expenses		1,111	1,207
Sindh Sales Tax on services		1,825	961
		18,247	12,974

36.2 Details of Donations

	2020	2019
	(Rupees in '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	-
Patient Behbud Society of AKUH	-	4,500
Aga Khan Rural Support Programme	-	2,500
The Layton Rahmatulla Benevolent Trust	-	1,000
Marie Adelaide Leprosy Centre	-	1,000
Aga Khan Education Services, Pakistan	-	2,500
The Aman Foundation	-	1,000
Al-Mehrab Tibbi Imdad	-	1,000
Shaukat Khanum Memorial Trust	-	1,000

36.2.1 None of the directors and any of their spouses had any interest in the above donee.

37 FINANCE COST

	2020	2019
	(Rupees in '000)	
Mark up on borrowing	89,398	40,581
Interest expense on lease liability	120,951	112,201
	210,349	152,782

38 INCOME TAX EXPENSE**For the year**

Current	1,089,959	921,659
Deferred	92,276	247,616
	1,182,235	1,169,275
For prior year	3,408	22,865
	1,185,643	1,192,140

38.1 Relationship between tax expense and accounting profit

Profit before tax	4,070,024	3,416,367
Tax at the applicable rate of 29%	1,180,307	990,746
Permanent difference	9,371	36,029
Effect of change in tax rate	-	167,854
Others	(7,443)	(25,354)
Tax expense for the year	1,182,235	1,169,275

39 EARNINGS PER SHARE

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

	2020	2019
	(Rupees in '000)	
Profit (after tax) for the year	2,884,381	2,224,227
	(Number of shares in '000)	
		Restated
Weighted average number of ordinary shares outstanding as at year end	87,264	87,264
	(Rupees)	
		Restated
Basic earnings per share	33.05	25.49

40 REMUNERATION OF DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2020	2019	2020	2019	2020	2019
----- (Rupees in '000) -----						
Fees	-	-	10,600	6,400	-	-
Managerial remuneration	33,724	31,987	-	-	328,460	256,096
Leave encashment	-	-	-	-	1,142	11,100
Bonus	23,203	21,890	-	-	120,345	131,076
Charge for defined benefit plan	2,894	2,559	-	-	26,359	18,789
Contribution to defined contribution plan	3,391	3,199	-	-	30,883	23,471
House rent allowance	13,763	12,795	-	-	147,807	115,243
Utilities	3,372	3,199	-	-	32,846	25,610
Medical	819	26	-	-	16,735	9,658
Commission	-	-	-	-	34,633	21,379
Others	-	-	-	-	31,900	26,769
Total	81,166	75,655	10,600	6,400	771,110	639,191
Number of Persons	1	1	6	5	107	83

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

41 NUMBER OF EMPLOYEES

	2020	2019
	(Numbers)	
Number of employees at December 31,	2,326	2,587
Average number of employees at December 31,	2,435	2,545

42 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.

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

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

		2020	2019
		----- (Rupees in '000) -----	
Relationship with the Company	Nature of transactions		
i. Parent Company	Dividend paid	757,565	803,478
	Bonus shares issued (number of shares: 4,591,303)	-	-
	Individual Life policy premium / contribution	23,925	22,650

		2020	2019
		----- (Rupees in '000) -----	
Relationship with the Company	Nature of transactions		
ii. Associated companies	Group insurance premiums / contributions	1,134,569	845,338
	Incurred claims against insurance cover	705,361	593,539
	Payment for premiums / contributions against general insurance	26,313	23,013
	Claims lodged against general insurance	5,510	2,373
	Claims received against general insurance	5,455	3,406
	Purchase of government securities	88,916,955	63,623,828
	Sales of government securities	23,569,039	48,762,221
	Agency commission	1,157,854	1,998,468
	Interest received on profit and loss sharing account	357,427	270,843
	Dividend paid	342,955	357,245
	Bonus shares issued (number of shares: 2,041,399)	-	-
	Dividend earned	34,848	71,463
	Donations	20,000	5,000
	Stock dividend received (number of shares: 85,776)	-	-
	Finance cost	89,399	40,581
	Capitalization of borrowing cost	49,338	149,019
	Recognition of Right-of-use asset	-	205,163
	Realised gain on derivative financial instruments	30,666	43,651
	Unrealised loss on derivative financial instruments	(103,459)	(47,818)
	Principal payment against bank loan	250,000	125,000
	Income from claim administration services	21,337	20,867
iii. Staff retirement funds	Expense charged for retirement benefit plans	144,230	123,075
	Payments to retirement benefit plans	136,349	142,709
iv. Key management personnel	Salaries and other short-term employee benefits	360,803	326,503
	Post-employment benefits	27,986	23,217
	Consideration received against sale of assets	8,208	2,822
	Individual life policy premiums / contributions	16,415	26,400
	Individual Life surrender / partial withdrawal claims paid	9,451	9,411
	Advances to key management personnel	9,579	27,709
	Recovery against advances from key management personnel	(15,475)	(22,589)
	Dividend paid	3,511	3,654
	Bonus shares issued (number of shares: 20,881)	-	-
v. Directors	Directors' fee	10,600	6,400
	Dividend paid	1,220	1,270
	Bonus shares issued (number of shares: 7,255)	-	-

		2020	2019
		----- (Rupees in '000) -----	
Relationship with the Company	Receivable / (Payable)		
i. Parent Company	Dividend payable	(13,774)	-
ii. Associated companies	Bank account balance	2,056,015	2,362,549
	Investment in shares - listed equities	1,752,176	2,096,723
	Investment in shares - unlisted equities	147,877	152,294
	Interest accrued on profit and loss sharing account	9,127	21,083
	Agency commission payable	(169,908)	(213,804)
	Group premium / contribution receivable	117,239	103,765
	Claims lodged and outstanding	(273,992)	(161,597)
	Claims receivable against general insurance policies	415	1,860
	Payable against common back office operations	(6,349)	(3,064)
	Payable against claims administration services	(10,563)	(116,718)
	Lease liability	(157,677)	(162,581)
	Borrowing	(1,125,000)	(1,375,000)
	Derivative financial instrument receivable	5,039	97,389
	Financial charges payable	(12,622)	(26,916)
	Prepaid general insurance premium	-	477
	Deferred grant payable	(888)	(784)
iii. Staff retirement funds	Receivable from retirement benefit plans	10,700	18,930
iv. Key management personnel	Advance against salaries	6,080	13,026

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.

43 SEGMENTAL INFORMATION

43.1 REVENUE ACCOUNT BY STATUTORY FUND 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)								
Income								
Premium / Contribution less reinsurances	27,315,153	1,637,759	5,072,063	10,691	10,217,951	133,013	821,066	45,207,696
Net investment income	9,303,072	316,774	647,647	13,330	1,179,967	7,136	20,232	11,488,158
Bonus units transferred from sub fund of statutory fund	-	-	-	-	394,404	-	-	394,404
Total Net Income	36,618,225	1,954,533	5,719,710	24,021	11,792,322	140,149	841,298	57,090,258
Insurance benefits and expenditures								
Insurance benefits, including bonuses	20,336,514	1,306,720	3,956,073	-	2,470,713	90,586	664,912	28,825,518
Management expenses less recoveries	5,186,874	306,518	798,609	1,387	3,515,122	54,703	67,534	9,930,747
Total Insurance benefits and Expenditures	25,523,388	1,613,238	4,754,682	1,387	5,985,835	145,289	732,446	38,756,265
Excess / (deficit) of Income over Insurance benefits and Expenditures	11,094,837	341,295	965,028	22,634	5,806,487	(5,140)	108,852	18,333,993
Bonus units transferred to sub fund of statutory fund*	-	-	-	-	(394,404)	-	-	(394,404)
Net change in insurance liabilities (other than outstanding claims)	7,722,670	78,452	284,043	-	5,378,301	11,777	76,320	13,551,563
Surplus / (deficit) before tax	3,372,167	262,843	680,985	22,634	33,782	(16,917)	32,532	4,388,026
Taxes chargeable to statutory funds								
Current - Tax on Dividend under FTR	(351,278)	(631)	(750)	-	(48,120)	-	-	(400,779)
Surplus / (deficit) after tax	3,020,889	262,212	680,235	22,634	(14,338)	(16,917)	32,532	3,987,247
Movement in policyholder liabilities	7,722,670	78,452	284,043	-	5,378,301	11,777	76,320	13,551,563
Transfer (to) and from Shareholders' Fund								
Surplus appropriated to Shareholders' Fund	(2,725,000)	(150,000)	(250,000)	-	-	-	-	(3,125,000)
Capital contributions from Shareholders' Fund	-	350,000	-	-	400,000	83,000	115,000	948,000
Capital returned to Shareholders' fund	-	-	-	-	(275,000)	-	-	(275,000)
Qard-e-Hasna received by PTF from Operators' Sub Fund	-	-	-	-	-	70,000	130,000	200,000
Qard-e-Hasna paid from Operators' Sub Fund to PTF	-	-	-	-	-	(70,000)	(130,000)	(200,000)
Net transfers (to) / from Shareholders' Fund	(2,725,000)	200,000	(250,000)	-	125,000	83,000	115,000	(2,452,000)
Balance of Statutory Fund as at January 1, 2020	133,840,511	1,243,200	2,717,802	167,361	17,093,515	58,408	115,421	155,236,218
Balance of Statutory Fund as at December 31, 2020	141,859,070	1,783,864	3,432,080	189,995	22,582,478	136,268	339,273	170,323,028

* This corresponding impact is already included in Net change in Insurance liabilities (Net of outstanding claims)

FOR YEAR ENDED DECEMBER 31, 2019

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

43.2 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		
Income									
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
Total Gross Premium / Contribution	4,314,080	23,287,998	27,602,078	5,156,592	3,645,259	6,677,941	10,323,200	3,425,253	46,507,123
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)
Total Reinsurance Premium / Retakaful contribution ceded"	(108,596)	(178,329)	(286,925)	(84,529)	(40,076)	(65,173)	(105,249)	(822,724)	(1,299,427)
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
Total Net Income	5,904,268	30,713,957	36,618,225	5,719,710	4,058,973	7,733,348	11,792,321	2,960,002	57,090,258

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

43.2.1 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/MDPR/MISC/2020/703 dated January 29, 2020 have informed that they have considered the Company's proposal on the subject and agree that necessary changes in the accounting formats prescribed in the Insurance Rules, 2017 shall be initiated by them. Accordingly, the Company has presented these financial statements, the disclosure in note 43.2 above, in accordance with the alternate proposal accepted the SECP after the deliberations.

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

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

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

43.3 Segmental Statement of Financial Position As at December 31, 2020

	Statutory Funds	Shareholders Fund	Total
------(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
Investments in an associate	-	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
Total Assets	179,684,404	10,737,719	190,422,123
Liabilities			
Insurance liabilities	168,613,327	-	168,613,327
Borrowing	-	1,125,000	1,125,000
Lease liability	-	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
Dividend payable	-	59,056	59,056
Total Liabilities	173,022,585	4,527,332	177,549,917

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

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

44 MOVEMENT IN INVESTMENTS

	Held to maturity	Available-for-sale	At fair value through profit or loss	Total
----- (Rupees in '000) -----				
At beginning of previous year	14,959,970	11,806,365	101,553,626	128,319,961
Additions	52,200,000	101,250,367	286,057,844	439,508,211
Disposals (sale and redemptions)	(55,800,000)	(96,085,664)	(267,203,329)	(419,088,993)
Amortisation of discount / (premium)	5	660,852	64,306	725,163
Fair value net gains	-	272,335	8,970,626	9,242,961
Impairment losses	-	(16,407)	-	(16,407)
At beginning of current 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 / (premium)	5	680,692	1,603,017	2,283,714
Fair value net gains / (losses)	-	1,098,956	(1,422,072)	(323,116)
Impairment losses	-	(72,724)	-	(72,724)
At end of current year	14,459,980	19,005,575	142,155,916	175,621,471

45 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

45.1 Insurance Risk

45.1.1 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 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%
Total	362,388,525	100.00%	264,506,955	100.00%

Rupees	Assured at the end of 2019 Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	75,210,911	18.51%	73,810,226	24.95%
500,001 - 1,000,000	98,217,452	24.17%	91,022,528	30.76%
1,000,001 - 1,500,000	61,507,038	15.14%	49,014,661	16.57%
1,500,001 - 2,000,000	40,326,775	9.92%	26,930,550	9.10%
More than 2,000,000	131,089,005	32.26%	55,098,359	18.62%
Total	406,351,181	100.00%	295,876,324	100.00%

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, 2020 includes a change in reserving basis. For the Non 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; the basis has also been updated for reinstatement reserves and unearned revenue reserves based on emerging experience. Furthermore, the mortality rates used for reserving have shifted from EFU (61-66) to SLIC (2001-2005).

The cumulative impact of these changes in reserving basis has resulted in an increase in policyholders' liability by Rs. 111.70 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 2020	Increase in liability 2019
------(Rupees in '000)-----				
Worsening of Mortality rates for risk policies	312%	+10% p.a.	139,000	146,900
Worsening of persistency rates for long term individual policies *	-	-	-	-
Increase in expense levels and inflation	222%	+10% p.a.	113,600	134,600
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.

45.1.2 Conventional business

45.1.2.1 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 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%
Total	685,295	100.00%	332,740	100.00%

Rupees	Assured at the end of 2019 Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	52,194	30.81%	47,516	53.42%
500,001 - 1,000,000	21,909	12.93%	13,189	14.83%
1,000,001 - 1,500,000	8,848	5.22%	4,985	5.60%
1,500,001 - 2,000,000	13,968	8.25%	6,968	7.83%
More than 2,000,000	72,481	42.79%	16,298	18.32%
Total	169,400	100.00%	88,956	100.00%

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

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

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

c) Process used to decide on assumptions

For long-term conventional insurance contracts, the Company determines assumptions on future mortality and morbidity. At regular intervals, tests are conducted on main policies.

Assumptions used to profit test the main policies are as follows:

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

d) Changes in assumptions

There have been no change in assumptions.

e) Sensitivity analysis

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

45.1.2.2 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 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%
Total	1,430,168,154	100.00%	633,883,276	100.00%

Rupees	Assured at the end of 2019 Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	376,660,215	27.28%	237,637,492	39.43%
500,001 - 1,000,000	170,657,371	12.37%	86,434,412	14.34%
1,000,001 - 1,500,000	122,081,022	8.84%	60,467,084	10.03%
1,500,001 - 2,000,000	115,972,967	8.40%	57,237,697	9.50%
More than 2,000,000	595,193,507	43.11%	160,979,590	26.70%
Total	1,380,565,082	100.00%	602,756,275	100.00%

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

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

c) Process used to decide on assumptions

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

d) Changes in assumptions

The valuation as at December 31, 2020 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. 58.6 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 2020	Increase in liability 2019
		----- (Rupees in '000) -----	
Worsening of mortality rates for risk policies	+10% p.a.	13,203	6,672
Increase in reporting lag	+10% p.a.	13,203	6,672

45.1.2.3 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 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%

Rupees	Assured at the end of 2019 Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	223,213,025	79.75%	220,859,612	79.98%
500,001 - 1,000,000	49,733,635	17.77%	48,635,677	17.61%
1,000,001 - 1,500,000	6,115,031	2.19%	5,859,637	2.12%
1,500,001 - 2,000,000	661,232	0.24%	650,298	0.24%
More than 2,000,000	128,404	0.05%	128,404	0.05%
Total	279,851,327	100.00%	276,133,628	100.00%

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, 2020 contains changes in reserving basis. The reserving basis has been changed for outpatient schemes to maintain the adequacy within the target range based on earned premium. The change in valuation basis has resulted in an increase in policyholders' liability by Rs. 23.6 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 2020	Increase in liability 2019
		----- (Rupees in '000) -----	
Worsening of morbidity rates for risk policies	+10% p.a.	62,200	43,601
Increase in reporting lag	+10% p.a.	62,200	43,601
Increase in average claim amount	+10% p.a.	62,200	43,601

45.1.2.4 Overseas group life and health business

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

The Company manages these risks through underwriting, reinsurance, effective claims handling and other related controls. As part of its risk management, the Company has in place reinsurance arrangement to fully cover the mortality and morbidity risks underwritten. At the same time, the Company has a well defined medical underwriting policy and avoids writing business for groups with overly hazardous exposure. Pricing is done in line with the actual experience of the Company.

The premium charged takes into account the actual experience of the client and the nature of mortality and morbidity exposure the group faces. The rates are certified by the appointed actuary for large groups. The Company also maintains an MIS to track the adequacy of the premium charged. On the claims handling side, the Company ensures that payment of any fraudulent claims is avoided. For this, a claims committee reviews all large claims for verification. Strict monitoring is in place at the Board of Directors level in order to keep the outstanding balances of premium at a minimum, especially the ones that are due for more than 90 days.

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

a) Frequency and severity of claims

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

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

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

Benefits assured per life

Rupees	Assured at the end of 2020			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	-	0.00%	-	-
500,001 - 1,000,000	370,292	5.52%	-	-
1,000,001 - 1,500,000	199,721	2.98%	-	-
1,500,001 - 2,000,000	237,008	3.53%	-	-
More than 2,000,000	5,902,927	87.97%	-	-
Total	6,709,948	100.00%	-	-

Rupees	Assured at the end of 2019			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	-	0.00%	-	-
500,001 - 1,000,000	190,759	4.14%	-	-
1,000,001 - 1,500,000	90,310	1.96%	-	-
1,500,001 - 2,000,000	119,303	2.59%	-	-
More than 2,000,000	4,209,889	91.31%	-	-
Total	4,610,261	100.00%	-	-

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

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

c) Process used to decide on assumptions

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

d) Changes in assumptions

There have been no change in assumptions.

e) Sensitivity analysis

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

45.1.3 MANAGEMENT OF TAKAFUL RISK AND FINANCIAL RISK

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

Takaful Risk

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

- Individual Family Takaful
- Group Family Takaful
- Accident and Health Family Takaful

45.1.3.1 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 assured per life

Rupees	Assured at the end of 2020 Total benefits assured			
	Before reinsurance		After reinsurance	
	(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%
Total	139,239,364	100.00%	95,823,976	100.00%

Rupees	Assured at the end of 2019 Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	15,485,047	12.13%	15,415,691	17.67%
500,001 - 1,000,000	23,599,134	18.49%	22,965,538	26.32%
1,000,001 - 1,500,000	18,226,391	14.28%	15,480,038	17.74%
1,500,001 - 2,000,000	13,182,864	10.33%	9,460,586	10.84%
More than 2,000,000	57,115,839	44.77%	23,926,458	27.43%
Total	127,609,275	100.00%	87,248,311	100.00%

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

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

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

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

c) Process used to decide on assumptions

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

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

d) Changes in assumptions

The valuation as at December 31, 2020 includes a change in reserving basis. For the Takaful line of business, the mortality rates used for reserving have shifted from EFU (61-66) to SLIC (2001-2005).

e) Sensitivity analysis

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

45.1.3.2 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 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 assured per life

Rupees	Assured at the end of 2020 Total benefits assured			
	Before reinsurance		After reinsurance	
	(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%
Total	119,373,004	100.00%	55,033,953	100.00%

Rupees	Assured at the end of 2019 Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	18,517,319	31.85%	9,258,765	33.83%
500,001 - 1,000,000	11,037,387	18.99%	5,518,694	20.16%
1,000,001 - 1,500,000	3,504,209	6.03%	1,752,104	6.40%
1,500,001 - 2,000,000	1,588,915	2.73%	794,457	2.90%
More than 2,000,000	23,486,119	40.40%	10,047,644	36.71%
Total	58,133,949	100.00%	27,371,664	100.00%

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, 2020 contains changes in reserving basis. Reserving basis has been changed 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. 15 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 2020	Increase in liability 2019
		----- (Rupees in '000) -----	
Worsening of morbidity rates for risk policies	+10% p.a.	1,707	81
Increase in reporting lag	+10% p.a.	1,707	81

45.1.3.3 Accident & Health Family Takaful

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

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

a) Frequency and severity of claims

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

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

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

Benefits Covered per participant

Rupees	Assured at the end of 2020 Total benefits assured			
	Before reinsurance		After reinsurance	
	(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%
Total	41,392,051	100.00%	41,392,051	100.00%

Rupees	Assured at the end of 2019 Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	7,241,972	63.79%	7,241,972	63.79%
500,001 - 1,000,000	3,821,437	33.66%	3,821,437	33.66%
1,000,001 - 1,500,000	289,600	2.55%	289,600	2.55%
1,500,001 - 2,000,000	-	0.00%	-	0.00%
More than 2,000,000	-	0.00%	-	0.00%
Total	11,353,009	100.00%	11,353,009	100.00%

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, 2020 contains changes in reserving basis. The reserving basis has been changed for Non-Micro Insured schemes to maintain the adequacy of IBNR within the target range based on claim development factor. The change in valuation basis has resulted in an increase in policyholders' liability by Rs. 4.2 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 2020	Increase in liability 2019
		----- (Rupees in '000) -----	
Worsening of morbidity rates for risk policies	+10% p.a.	8,100	1,400
Increase in reporting lag	+10% p.a.	8,100	1,400
Increase in average claim amount	+10% p.a.	8,100	1,400

45.2 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.

45.2.1 MATURITY PROFILE

Maturity profile of financial assets and liabilities for 2020 is given below:

	Interest / Mark up bearing			Non-interest / Non-mark up bearing			
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	Total
(Rupees in '000)							
FINANCIAL ASSETS							
Investment in an associate	-	-	-	-	147,877	147,877	147,877
Investments							
- 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
- Term Deposits	14,450,000	-	14,450,000	-	-	-	14,450,000
- Open Ended Mutual Fund	-	-	-	1,325,619	-	1,325,619	1,325,619
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	-	-	-	4,943,260	-	4,943,260	4,943,260
As at December 31, 2020	33,025,593	65,451,461	98,477,054	86,519,825	152,916	86,672,741	185,149,795
FINANCIAL LIABILITIES							
Insurance liabilities	-	-	-	168,613,327	-	168,613,327	168,613,327
Borrowing	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
As at December 31, 2020	448,629	1,659,430	2,108,059	173,967,299	-	173,967,299	176,075,358
Off Balance Sheet Financial Instruments							
As at December 31, 2020	32,576,964	63,792,031	96,368,995	(87,447,474)	152,916	(87,294,558)	9,074,437

Maturity profile of financial assets and liabilities for 2019:

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

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. 1,839 million (2019: Rs. 2,160 million).

A decrease in 100 basis points in interest yields would result in a gain of Rs. 2,300 million (2019: Rs. 2,248 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.

45.3 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.

45.4 Market Risk

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

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

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

Sensitivity analysis - equity risk

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

In case of 5% increase / decrease in PSX 100 index on December 31, 2020, with all other variables held constant, assets for the year would increase / (decrease) by Rs. 3,790 million (2019: Rs. 3,315 million) as a result of gains / (losses) on equity securities.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the PSX 100 index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the PSX 100 index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of December 31, 2020 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the PSX 100 index.

46 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)												
December 31, 2020												
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	4,216,145	462,721	68,480	151,691	17,981	3,678	-	-	-	-	8,001	4,928,697
	16,201,255	5,717,680	4,369,244	1,452,072	1,084,683	730,941	291,024	-	-	58,037	79,019,174	108,924,110
December 31, 2019												
Government securities	84,123	-	-	-	-	-	-	-	-	-	70,923,916	71,008,039
Debt securities	831,980	2,295,490	3,665,028	569,570	435,227	828,381	-	104,276	-	-	-	8,729,952
Term Deposits	5,000,000	2,700,000	1,550,000	1,500,000	350,000	250,000	-	-	-	-	-	11,350,000
Premium due but unpaid	-	-	-	-	-	-	-	-	-	-	874,500	874,500
Reinsurance receivable	-	-	142,106	-	126,483	-	46,059	-	-	-	-	314,648
Derivative financial instrument	-	-	-	-	-	-	-	-	-	-	97,389	97,389
Accrued Interest	160,611	179,922	101,741	25,537	34,953	9,203	-	3,697	-	-	2,094,707	2,610,371
Investment income due but outstanding	-	-	-	3,933	-	-	-	-	-	-	-	3,933
Loans and receivables	-	-	-	-	-	-	-	-	-	-	1,515,396	1,515,396
Bank balances	3,049,117	419,717	390,865	146,318	62,131	6,561	-	-	-	10,072	10,216	4,094,997
	9,125,831	5,595,129	5,849,740	2,245,358	1,008,794	1,094,145	46,059	107,973	-	10,072	75,516,124	100,599,225

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

	2020	2019
(Rupees in '000)		
The carrying values of financial assets which are neither past due nor impaired are as under:		
Cash and bank deposits	4,943,260	4,094,997
Government securities	75,282,141	71,008,039
Term Deposits	14,450,000	11,350,000
Debt securities	8,744,912	8,729,952
Unsecured advances to employees	29,387	42,631
Premiums / Contributions due but unpaid	757,329	620,865
Investment income due but outstanding	331,625	3,933
Investment income accrued	718,485	2,610,371
Sundry receivable	22,097	1,472,765
The carrying values of financial assets which are past due but not impaired are as under:		
Premiums / Contributions due but unpaid	236,847	173,823
The carrying values of financial assets which are past due and impaired are as under:		
Premiums / Contributions due but unpaid	184,683	79,812

46.1 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.

47 CAPITAL MANAGEMENT

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

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

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.

48 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)								
Financial assets measured at fair value									
- Listed equity securities	74,387,529	1,431,270	-	-	-	75,818,799	75,818,799	-	-
- Government securities									
Market treasury bills	4,139,026	14,293,321	-	-	-	18,432,347	-	18,432,347	-
Pakistan investment bonds	48,181,222	409,701	-	-	-	48,590,923	-	48,590,923	-
WAPDA bonds	40,514	-	-	-	-	40,514	-	40,514	-
GOP - Ijarah Sukuks	6,144,842	2,063,535	-	-	-	8,208,377	-	8,208,377	-
- Debt securities									
Term Finance Certificates	4,586,255	522,774	-	-	-	5,109,029	-	5,109,029	-
Ijarah Sukuks	3,544,849	91,034	-	-	-	3,635,883	-	3,635,883	-
- Mutual Funds	1,131,678	193,941	-	-	-	1,325,619	1,325,619	-	-
- Derivative financial instrument	-	-	-	-	5,039	5,039	-	5,039	-
Financial assets not measured at fair value									
- Shares of unlisted associate	-	-	-	-	147,877	147,877			
- Government securities									
Pakistan Investment Bonds	-	-	9,980	-	-	9,980	-	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			
	142,155,915	19,005,576	14,459,980	9,409,615	152,916	185,184,002			

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)-----										
Financial liabilities not measured at fair value										
- 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				

FAIR VALUE OF FINANCIAL INSTRUMENTS**AS AT DECEMBER 31, 2019**

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

49 STATEMENT OF SOLVENCY

	2020							
	Shareholders' fund	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful
(Rupees in '000)								
Assets								
Property and equipment	3,609,326	-	-	-	-	-	-	-
Intangible assets	258,048	-	-	-	-	-	-	-
Right-of-use assets	798,200	-	-	-	-	-	-	-
Investments in associates	147,877	-	-	-	-	-	-	-
Investments								
Equity securities	315,208	65,358,308	-	-	-	10,145,283	-	-
Government securities	4,886,614	57,872,866	1,682,719	3,941,782	120,096	6,409,257	162,043	206,764
Debt securities	-	6,910,788	-	22,774	-	1,811,350	-	-
Term deposits	-	11,645,000	-	-	-	2,805,000	-	-
Open ended mutual fund	-	-	-	-	-	1,325,619	-	-
Insurance / reinsurance receivables	-	100,182	1,274,969	623,090	89,694	-	51,729	137,371
Derivative Financial Instrument	5,039	-	-	-	-	-	-	-
Other loans and receivables	103,040	1,633,736	36,718	70,699	378	337,921	2,188	4,641
Taxation - payments less provision	478,625	-	-	-	-	-	-	-
Deferred Taxation	242,321	-	-	-	-	-	-	-
Retirement benefit prepayments	4,046	4,459	784	815	-	785	-	-
Prepayments	68,134	3,517	2,254	2,709	-	6,419	-	-
Cash & Bank	63,562	3,038,031	395,962	96,219	17,093	1,144,972	82,724	104,697
Total Assets (A)	10,980,040	146,566,887	3,393,406	4,758,088	227,261	23,986,606	298,684	453,473

Inadmissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000

(a) Interfund balances	-	17,727	-	-	51	13,813	-	2,617
(b) Excess of prescribed limit	-	-	527,504	-	-	-	25,318	-
(d) Unsecured advances to employees	29,387	-	-	-	-	-	-	-
(g) Balances with related parties	49,893	13	64,783	7,019	86,100	-	-	-
(h) Premium more than 90 days	-	-	111,516	58,191	-	-	5,251	9,725
(i) Intangible assets	258,048	-	-	-	-	-	-	-
(j) Deferred tax asset	242,321	-	-	-	-	-	-	-
(w) Associate company	147,877	-	-	-	-	-	-	-
(t) Retirement benefits receivable	4,047	4,459	784	815	-	785	-	-
(U)-(i) Tangible assets	3,609,326	-	-	-	-	-	-	-
(U)-(i) Rights-of-use assets	798,200	-	-	-	-	-	-	-
Total of In-admissible assets (B)	5,139,099	22,199	704,587	66,025	86,151	14,598	30,569	12,342
Total Admissible Assets (C=A-B)	C/f 5,840,941	146,544,688	2,688,819	4,692,063	141,110	23,972,008	268,115	441,131

		2020							
		Shareholders' fund	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful
		(Rupees in '000)							
Total Admissible Assets (C=A-B)	B/f	5,840,941	146,544,688	2,688,819	4,692,063	141,110	23,972,008	268,115	441,131
Total Liabilities									
Insurance liabilities net of reinsurance recoveries		-	2,552,666	1,183,009	878,732	36,830	126,444	88,350	86,087
Borrowing		1,125,000	-	-	-	-	-	-	-
Lease liabilities		983,059	-	-	-	-	-	-	-
Premium received in advance		-	516,223	304,606	282,335	-	101,803	61,292	5,578
Insurance / reinsurance payables		-	-	2,117	-	406	12,714	-	-
Other creditors and accruals		907,244	1,638,931	119,809	164,941	30	1,163,166	12,773	22,535
Deferred taxation		-	-	-	-	-	-	-	-
Financial charges payable		12,622	-	-	-	-	-	-	-
Unclaimed dividend		59,056	-	-	-	-	-	-	-
Total Liabilities (D)		3,086,981	4,707,820	1,609,541	1,326,008	37,266	1,404,127	162,415	114,200
Total Net Admissible Assets (E=C-D)		2,753,960	141,836,868	1,079,278	3,366,055	103,844	22,567,881	105,700	326,931
Minimum Solvency Requirement									
Shareholder's Fund		165,000	-	-	-	-	-	-	-
Policyholders Liability		-	139,131,468	581,564	1,637,041	-	21,739,206	63,744	147,852
Solvency Margin		-	1,564,284	387,136	1,032,552	5,045	282,563	32,699	160,153
		165,000	140,695,752	968,700	2,669,593	5,045	22,021,769	96,443	308,005
Excess in Net Admissible Assets over Minimum Requirements									
		2,588,960	1,141,116	110,578	696,462	98,799	546,112	9,257	18,926

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.

SECP vide its letter no. ID/MDPR/IAP/2020/713 has granted a temporary relaxation to insurer from the application of IFRS 16 (leases), only to the extent of solvency. This relaxation was further extended via a letter no. ID/MDPR/IAP/2021/1402 which is valid till June 30, 2021. Since the matter is under further deliberation with SECP through IAP for an exemption, the Company has not availed the temporary relaxation.

50 SUBSEQUENT EVENTS - NON ADJUSTING

The Board of Directors, in their meeting held on February 24, 2021 proposed a final cash dividend of Rs. 13.50 per share (2019: Rs. 13.50 per share) for the year ended December 31, 2020 amounting to Rs. 1,178.06 million (2019: Rs.1,070.96 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, 2020 was Rs. 3.00 per share (2019: Rs.3.00 per share) amounting to Rs. 261.79 million (2019:Rs. 237.99 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, 2021.

51 CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison and better presentation.

52 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on February 24, 2021 by the Board of Directors of the Company.

53 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
Acting 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, 2020, 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, 2020, 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, February 24, 2021

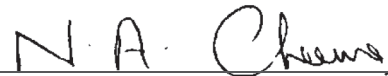
Statement by the Appointed Actuary

FORM LM

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 31.12.2020 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: February 02, 2021

Window Takaful Operation Financial Report



Statement of Financial Position - Window Takaful Operations (Un-audited)

As at December 31, 2020

		2020		2019	
	Note	Operator's Sub Fund	Policyholder Funds	Total	
------(Rupees in '000)-----					
Assets					
Investments					
Equity securities	5	-	10,145,283	10,145,283	6,878,889
Government securities	6	1,047,783	5,730,282	6,778,065	1,368,180
Debt securities	7	91,034	1,720,316	1,811,350	1,227,925
Term deposits	8	120,000	2,685,000	2,805,000	4,625,000
Open-ended mutual funds	9	193,941	1,131,678	1,325,619	1,108,640
Takaful / retakaful receivables		-	189,100	189,100	58,872
Other loans and receivables	10	48,135	295,206	343,341	1,081,737
Retirement benefit prepayment		785	-	785	1,599
Prepayments		6,419	-	6,419	6,545
Cash & Bank	11	112,545	1,219,848	1,332,393	2,093,182
Total Assets		1,620,642	23,116,713	24,737,355	18,450,569
Equity and Liabilities					
Money ceded to waqf fund		-	500	500	500
Capital contributed from Shareholder Fund		459,000	-	459,000	136,000
Qard-e-Hasna contributed by the Window takaful operator		(309,500)	309,500	-	-
Gain / (loss) on revaluation of available-for-sale investments		3,330	-	3,330	(2,039)
Retained earnings arising from business other than participating business attributable to shareholders (Ledger account D)		200,716	-	200,716	205,176
Total Equity		353,546	310,000	663,546	339,637
Liabilities					
Takaful liabilities	12	45,561	22,566,455	22,612,016	16,988,516
Contribution received in advance		101,803	66,870	168,673	112,892
Takaful / retakaful payables		-	12,714	12,714	-
Other creditors and accruals		1,036,390	160,674	1,197,064	926,553
Deferred tax		83,342	-	83,342	82,971
Total Liabilities		1,267,096	22,806,713	24,073,809	18,110,932
Contingencies and commitments	13				
Total Equity and Liabilities		1,620,642	23,116,713	24,737,355	18,450,569

The annexed notes 1 to 31 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
Acting Chief Financial Officer

For the year ended December 31, 2020

					Aggregate		
		Operator's Sub Fund		Policyholder Funds			
Note		2020	2019	2020	2019	2020	2019
------(Rupees in '000)-----							
Contribution revenue		2,801,225	3,445,932	8,537,306	7,364,287	11,338,531	10,810,219
Contribution ceded to retakaful		-	-	(166,501)	(61,857)	(166,501)	(61,857)
Net contribution revenue	14	2,801,225	3,445,932	8,370,805	7,302,430	11,172,030	10,748,362
Fee income		-	-	321	160	321	160
Takaful Operator's Fee		828,124	569,377	(828,124)	(569,377)	-	-
Mudarib Fee		31,611	19,230	(31,611)	(19,230)	-	-
Investment income	15	77,821	53,594	1,148,780	914,386	1,226,601	967,980
Net realised fair value gains / (losses) on financial assets	16	2,633	-	349,741	(157,874)	352,374	(157,874)
Net fair value (losses) / gains on financial assets at fair value through profit or loss	17	-	(22)	(490,625)	840,276	(490,625)	840,254
Other income		31,993	41,205	30,991	21,005	62,984	62,210
		972,182	683,384	179,473	1,029,346	1,151,655	1,712,730
Net income		3,773,407	4,129,316	8,550,278	8,331,776	12,323,685	12,461,092
Takaful benefits		125,624	-	3,255,157	1,599,339	3,380,781	1,599,339
Recoveries from retakaful		-	-	(154,714)	(68,880)	(154,714)	(68,880)
Claims related expenses		-	-	144	546	144	546
Net Takaful Benefits	18	125,624	-	3,100,587	1,531,005	3,226,211	1,531,005
Net change in takaful liabilities (other than outstanding claims)		24,804	1,758	5,441,595	6,797,743	5,466,399	6,799,501
Acquisition expenses	19	2,730,310	3,179,679	826	2,447	2,731,136	3,182,126
Marketing and administration expenses	20	849,551	753,204	7,270	581	856,821	753,785
Other expenses		3,998	3,109	-	-	3,998	3,109
Total Expenses		3,608,663	3,937,750	5,449,691	6,800,771	9,058,354	10,738,521
Finance cost		(50,769)	(42,548)	-	-	(50,769)	(42,548)
(Loss) / Profit before tax		(11,649)	149,018	-	-	(11,649)	149,018
Income tax credit / (expense)	22	1,823	(14,944)	-	-	1,823	(14,944)
(Loss) / Profit after tax for the year		(9,826)	134,074	-	-	(9,826)	134,074

The annexed notes 1 to 31 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
Acting Chief Financial Officer

Statement of Comprehensive Income - Window Takaful Operations (Un-audited)

For the year ended December 31, 2020

	Operator's Sub Fund		Policyholder Funds		Aggregate	
	2020	2019	2020	2019	2020	2019
(Rupees in '000)						
Loss / Profit after tax for the year - as per Profit and Loss Account	(9,826)	134,074	-	-	(9,826)	134,074
Other comprehensive income / (loss):						
Items that may be classified to profit and loss account in subsequent period:						
Change in unrealised gains / (losses) on available-for-sale financial assets	6,380	(375)	-	-	6,380	(375)
Reclassification adjustment relating to available-for-sale investments sold during the year	1,182	664	-	-	1,182	664
	7,562	289	-	-	7,562	289
Related deferred tax	(2,193)	(84)	-	-	(2,193)	(84)
Change in unrealised gains on available-for-sale financial assets - net	5,369	205	-	-	5,369	205
Items that will not be classified to profit and loss account in subsequent period:						
Actuarial gain on retirement benefit schemes	5,366	4,521	-	-	5,366	4,521
Other comprehensive income for the year	10,735	4,726	-	-	10,735	4,726
Total comprehensive income for the year	909	138,800	-	-	909	138,800

The annexed notes 1 to 31 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
Acting Chief Financial Officer

Cash Flow Statement - Window Takaful Operations (Un-audited)

For the year ended December 31, 2020

	2020	2019
Note	----- (Rupees in '000) -----	
Operating Cash flows		
(a) Takaful activities		
Takaful contribution received	11,269,779	10,728,131
Retakaful contribution paid	(168,612)	(87,087)
Claims paid	(1,000,114)	(376,229)
Surrenders paid	(2,223,707)	(1,180,138)
Retakaful and other recoveries received	149,019	57,142
Commission paid	(1,896,405)	(2,446,280)
Commission received	14,825	7,630
Marketing and administrative expenses paid	(26,808)	(99,938)
Other acquisition cost paid	(1,260,887)	(1,022,974)
Net cash inflow from underwriting activities	4,857,090	5,580,257
(b) Other operating activities		
Other operating payments	(31)	(860,063)
Other operating receipts	941,923	412
Inter-fund transactions	(332,100)	(228,782)
Net cash inflow / (outflow) from other operating activities	609,792	(1,088,433)
Total cash inflow from all operating activities	5,466,882	4,491,824
Investment activities		
Profit / return received	961,144	695,672
Dividend received	237,438	176,069
Payment for investments	(19,232,218)	(8,372,417)
Proceed from sale of investments	10,387,965	3,644,326
Total cash outflow from investing activities	(7,645,671)	(3,856,350)
Financing activities		
Capital contributed from shareholders' fund	598,000	-
Capital returned to shareholders' fund	(275,000)	-
Surplus appropriated to shareholders' fund	-	(140,000)
Total cash inflow / (outflow) from financing activities	323,000	(140,000)
Net cash (outflow) / inflow from all activities	(1,855,789)	495,474
Cash and cash equivalents at beginning of the year	4,693,182	4,197,708
Cash and cash equivalents at the end of the year	2,837,393	4,693,182
Reconciliation to Profit and Loss Account		
Operating cash flows	5,466,882	4,491,824
Depreciation expense	(233,120)	(176,797)
Amortisation expense	(30,392)	(32,011)
(Decrease) / Increase in assets other than cash	(677,465)	849,492
Increase in liabilities	(5,659,547)	(6,675,871)
Gain / (loss) on sale of investments	352,373	(157,874)
Revaluation (loss) / gain on investments	(452,506)	858,310
Investment income	1,274,718	1,019,549
Finance cost on lease liabilities	(50,769)	(42,548)
(Loss) / Profit after tax for the year	(9,826)	134,074

The annexed notes 1 to 31 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
Acting Chief Financial Officer

Statement of Changes in Equity - Window Takaful Operations (Un-audited)

For the year ended December 31, 2020

	Money ceded to waqf fund	Capital Contributed from Shareholder Fund	Surplus on revaluation of available-for- sale investments	Retained earnings arising from business other than participating business attributable to shareholders (Ledger Account D) - net of tax*	Total
------(Rupees in '000)-----					
Balance as at January 01, 2019	500	136,000	(2,244)	206,581	340,837
Total comprehensive income for the year					
Profit for the year after tax	-	-	-	134,074	134,074
Other comprehensive Income - net of tax	-	-	205	4,521	4,726
	-	-	205	138,595	138,800
Transactions with owner directly recorded in equity					
Surplus transfer to shareholders' fund	-	-	-	(140,000)	(140,000)
Balance as at December 31, 2019	500	136,000	(2,039)	205,176	339,637
Total comprehensive income / (loss) for the year					
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
Transactions with owner directly recorded in equity					
Capital contributions from shareholder's fund	-	598,000	-	-	598,000
Capital returned to shareholder's fund	-	(275,000)	-	-	(275,000)
Balance as at December 31, 2020	500	459,000	3,330	200,716	663,546

* 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 31 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 Acting Chief Financial Officer

Notes to and forming part of the Financial Statements - Window Takaful Operations (Un-audited)

For the year ended December 31, 2020

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, 2020. 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 new standards, certain amendments and interpretation that are mandatory for accounting period beginning on or after January 1, 2021 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 amended standards, interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2020 but are considered not to be relevant or will not have any significant effect on the Company's operations and are therefore not stated in these financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies and methods of computation adopted in the preparation of this financial statement are same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2019.

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.

ii) Group Family Takaful

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

iii) Accident & Health Family Takaful

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

3.3 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
- Term deposits receipts with original maturity upto three months
- 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 Reinsurance Commission

Commission from reinsurers is recognized as revenue in accordance with the pattern of recognition of the reinsurance contribution 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.

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

3.12 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.

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.

3.13 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.

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 contribution to which they refer is recognised as revenue.

3.13.2 Claim expenses

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

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

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

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

3.13.3 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.

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, 2019. 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, 2019.

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.

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

At fair value through profit or loss

		2020	2019
Note		----- (Rupees in '000) -----	
5.1		10,145,283	6,878,889
		10,145,283	6,878,889

5.1 At fair value through profit or loss

	2020			2019		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Others than related parties	10,327,241	-	10,145,283	6,446,593	-	6,878,889
	10,327,241	-	10,145,283	6,446,593	-	6,878,889

6 INVESTMENT IN GOVERNMENT SECURITIES

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

		2020	2019
Note		----- (Rupees in '000) -----	
6.1 \ 6.3		4,714,530	145,530
6.2 \ 6.4		2,063,535	1,222,650
		6,778,065	1,368,180

6.1 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
			4,831,900	4,907,000	4,714,530

6.2 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
			2,063,476	2,083,000	2,063,535

6.3 At fair value through profit or loss

		2019			
	Maturity Year	Effective Yield (%)	Amortised Cost	Principal Repayment	Carrying Value
----- (Rupees in '000) -----					
3 Years GoP Ijarah Sukuk	2020	7.31%	144,369	147,000	145,530
			144,369	147,000	145,530

6.4 Available-for-sale

3 Years GoP Ijarah Sukuk	2020	5.17%	1,227,105	1,235,000	1,222,650
			1,227,105	1,235,000	1,222,650

7 INVESTMENTS IN DEBT SECURITIES

		2020		2019
At fair value through profit or loss		7.1	1,720,316	1,195,971
Available-for-sale		7.2	91,034	31,954
			1,811,350	1,227,925

7.1 At fair value through profit or loss

		2020			2019		
Note		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
----- (Rupees in '000) -----							
Corporate Sukuks	7.1.1	1,702,815	-	1,720,316	1,195,659	-	1,195,971

		Number of Certificates		Face Value	Carrying Value	
		2020	2019		2020	2019
		------(Rupees in '000)-----				
7.1.1	Corporate Sukuks					
	- K-Electric Limited - Sukuk	160,000	10,000	5,000	776,544	25,148
	- Meezan Bank Limited - Sukuk	290	290	1,000,000	296,359	288,449
	- Fatima Fertilizers Limited - Sukuk	10,000	10,000	5,000	10,068	20,157
	- Dawood Hercules Corporation Limited - Sukuk	3,600	3,600	100,000	241,845	310,055
	- Dubai Islamic Bank Pakistan Limited - Sukuk	-	20,000	5,000	-	100,000
	- Dubai Islamic Bank Pakistan Limited - Sukuk	25	25	1,000,000	25,699	25,025
	- HUBCO - Sukuk	1,000	1,000	100,000	102,249	100,900
	- Neelum Jehlum - Sukuk	2,500	2,500	100,000	177,031	207,995
	- International Brands Limited - Sukuk	1,400	40,000	100,000	90,521	118,242
					<u>1,720,316</u>	<u>1,195,971</u>

7.2 Available-for-sale

	Note	2020			2019		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
		------(Rupees in '000)-----			------(Rupees in '000)-----		
Corporate Sukuks	7.2.1	<u>90,422</u>	<u>-</u>	<u>91,034</u>	<u>30,559</u>	<u>-</u>	<u>31,954</u>

		Number of Certificates		Face Value	Carrying Value	
		2020	2019		2020	2019
		------(Rupees in '000)-----				
7.2.1	Corporate Sukuks					
	- K-Electric Limited - Sukuk	18,000	5,000	5,000	73,563	12,574
	- Meezan Bank Limited - Sukuk	15	15	1,000,000	15,329	14,920
	- Al Baraka Bank (Pakistan) Limited - Sukuk	15	15	1,000,000	2,142	4,460
					91,034	31,954

		2020	2019
	Note	------(Rupees in '000)-----	

8 INVESTMENTS IN TERM DEPOSITS

Deposits maturing within 12 months	8.1	<u>2,805,000</u>	<u>4,625,000</u>
------------------------------------	-----	------------------	------------------

8.1 The rates of return on these term deposit receipts ranges from 6.50% to 12.45% per annum (2019: 10.50% to 11.30% per annum).

		2020	2019
	Note	------(Rupees in '000)-----	

9 INVESTMENTS IN OPEN-ENDED MUTUAL FUNDS

At fair value through profit or loss	9.1	<u>1,131,678</u>	<u>908,603</u>
Available-for-sale	9.2	<u>193,941</u>	<u>200,037</u>
		<u>1,325,619</u>	<u>1,108,640</u>

9.1 At fair value through profit or loss

	2020			2019		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Others than related parties	1,057,194	-	1,131,678	900,000	-	908,603
	1,057,194	-	1,131,678	900,000	-	908,603

9.2 Available-for-sale

Others than related parties	190,944	-	193,941	200,000	-	200,037
	190,944	-	193,941	200,000	-	200,037

	2020	2019
Note	----- (Rupees in '000) -----	-----

10 OTHER LOANS AND RECEIVABLES

Investment income accrued	242,901	206,740
Investment income due but outstanding	42,152	2,177
Advance against Pre-IPO of Sukuk	-	815,000
Security deposits	3,514	3,103
Advances to suppliers	150	330
Other receivables	54,624	54,387
	343,341	1,081,737

11 CASH & BANK**Cash and stamps in hand**

- Policy & revenue stamps

Cash at bank

- In Savings accounts

11.1

5,269	5,194
1,327,124	2,087,988
1,332,393	2,093,182

11.1 These carry mark-up ranging from 2.84% to 6.00% (2019: 8.00% to 12.50%) per annum.

2020	2019
----- (Rupees in '000) -----	-----

Cash and cash equivalents include the following for the purposes of the cash flow statement

Cash and bank	1,332,393	2,093,182
Term deposits receipt with original maturity of three months or less	1,505,000	2,600,000
	2,837,393	4,693,182

		2020	2019
	Note	----- (Rupees in '000) -----	
12 TAKAFUL LIABILITIES			
Reported outstanding claims (including claims in payment)	12.1	320,427	153,130
Incurred but not reported claims	12.2	200,114	110,194
Investment component of unit-linked and account value policies	12.3	21,484,316	16,082,821
Liabilities under group takaful contracts (other than investment linked)	12.4	112,689	54,852
Participant takaful fund balance	12.5	360,334	465,476
Other takaful liabilities	12.6	134,136	122,043
		22,612,016	16,988,516
12.1 Reported outstanding claims (including claims in payment)			
Gross of retakaful			
Payable within one year		304,326	145,580
Payable over a period of time exceeding one year		16,101	7,550
		320,427	153,130
12.2 Incurred but not reported claims			
Gross of retakaful		243,475	142,170
Retakaful recoveries		(43,361)	(31,976)
Net of retakaful		200,114	110,194
12.3 Investment component of unit-linked policies			
Investment component of unit-linked policies		21,484,316	16,082,821
12.4 Liabilities under group takaful contracts (other than investment linked)			
Gross of retakaful		127,774	65,449
Retakaful credit		(15,085)	(10,597)
Net of retakaful		112,689	54,852
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 takaful liabilities as clarified by SECP.		
	In April 2020, Appointed Actuary and the Shariah Advisor of the Company, approved the surplus distribution mechanism and methodology as required under Clause 6 of Waqf (PTF) policies, and thereafter, the surplus for the years 2017 through 2019 amounting Rs.394.40 million has been distributed to the participants of the Individual Family Takaful PTF in line with such mechanism.		
		2020	2019
		----- (Rupees in '000) -----	
12.6 Other Takaful liabilities			
Gross of retakaful		153,498	139,657
Retakaful credit		(19,362)	(17,614)
Net of retakaful		134,136	122,043

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, 2020. Out of the reported amount thereon, an amount of Rs. 801.78 million pertains to Window Takaful Operations. There were no other material contingencies and commitments as at December 31, 2020.

14 CONTRIBUTION REVENUE**Gross Contribution**

Regular Contribution Individual Policies*

First year

Second year renewal

Subsequent year renewal

Total Regular Contribution Individual Policies

Single contribution individual policies

Group policies without cash values

Total Gross Contribution**Less: Retakaful Contribution ceded**

On individual life first year business

On individual life second year business

On individual life renewal business

On single contribution individual policies

On group policies

Less: Retakaful commission on risk contribution

Net Contribution**2020****2019**

----- (Rupees in '000) -----

3,057,632	4,171,616
2,854,267	3,378,532
4,361,993	2,676,465
10,273,892	10,226,613
121,545	341,926
943,094	241,680
11,338,531	10,810,219
(33,089)	(7,832)
(36,536)	(18,029)
(50,360)	(14,491)
(89)	(8)
(61,252)	(29,127)
14,825	7,630
(166,501)	(61,857)
11,172,030	10,748,362

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

15 INVESTMENT INCOME**Income from equity securities****Fair value through profit or loss**

- Dividend income

Income from Mutual fund**Fair value through profit or loss**

- Dividend income

Available-for-sale

- Dividend income

Income from debt securities**Fair value through profit or loss**

- Return on debt securities

Available-for-sale

- Return on debt securities

Income from term deposits

- Return on term deposits

2020**2019**

----- (Rupees in '000) -----

219,730	178,246
48,362	-
9,323	-
57,685	-
408,994	240,171
114,735	75,026
523,729	315,197
425,457	474,537
1,226,601	967,980

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

At fair value through profit or loss

Realised gains on:

- Equity securities
- Mutual Funds
- Debt securities

Realised losses on:

- Equity securities
- Mutual Funds
- Debt securities

Available-for-sale

Realised gains on:

- Mutual Funds
- Debt securities

Realised losses on:

- Debt securities

2020	2019
(Rupees in '000)	
403,950	-
17,801	-
1,470	4,990
423,221	4,990
(62,928)	(162,864)
(3,344)	-
(7,220)	-
(73,492)	(162,864)
1,621	-
1,789	-
3,410	-
(765)	-
352,374	(157,874)

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

Net unrealised (losses) / gains on investments
at fair value through profit or loss

Less: Investment related expenses

(467,372)	847,670
(23,253)	(7,416)
(490,625)	840,254

18 NET TAKAFUL BENEFITS

Gross Claims

Claims under individual policies

by death

by insured event other than death

by surrender

by partial withdrawal

Total gross individual policy claims

Claims under group policies

by death

by insured event other than death

Total gross policy claims

Total Gross Claims

Less: Retakaful recoveries

On individual life claims

On group life claims

Claim related expenses

Net Takaful benefit expense

324,739	227,704
1,368	2,075
1,670,276	737,943
558,221	437,405
2,554,604	1,405,127
159,865	54,087
666,312	140,125
826,177	194,212
3,380,781	1,599,339
(84,007)	(42,541)
(70,707)	(26,339)
(154,714)	(68,880)
144	546
3,226,211	1,531,005

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	2020 (Rupees in '000)
Reported outstanding claims		
Individual Family Takaful	18.1.3	88,329
Group Family Takaful	18.1.3	84,338
Accident & Health Family Takaful	18.1.3	86,087
Other Takaful liabilities		61,673
	12.1	320,427

18.1.1 Individual Family Takaful

Accident year	2016	2017	2018	2019	2020
Estimate of ultimate claims costs:					
At end of accident year	3,846	23,785	94,765	136,124	322,318
One year later	6,988	44,579	124,241	193,351	-
Two years later	6,988	47,523	125,616	-	-
Three years later	6,988	47,523	-	-	-
Four years later	6,988	-	-	-	-
Current estimate of cumulative claims	6,988	47,523	125,616	193,351	322,318
Less: Cumulative payments to date	(6,988)	(47,523)	(125,616)	(191,630)	(241,330)
	-	-	-	1,721	80,988
Sum of 2016 to 2020 outstanding claims					82,709
Claims prior to 2016					5,620
Liability recognised in the statement of financial position					88,329

18.1.2 Group Family Takaful

Accident year	2016	2017	2018	2019	2020
Estimate of ultimate claims costs:					
At end of accident year	112	55,092	75,171	42,776	151,137
One year later	812	65,696	83,167	51,695	-
Two years later	2,962	69,794	83,467	-	-
Three years later	2,962	69,794	-	-	-
Four years later	2,962	-	-	-	-
Current estimate of cumulative claims	2,962	69,794	83,467	51,695	151,137
Less: Cumulative payments to date	(2,962)	(66,594)	(79,017)	(45,958)	(80,186)
	-	3,200	4,450	5,737	70,951
Sum of 2016 to 2020 outstanding claims					84,338
Claims prior to 2016					-
Liability recognised in the statement of financial position					84,338

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.

2020

2019

----- (Rupees in '000) -----

19 ACQUISITION EXPENSES

Remuneration to takaful intermediaries on individual policies:

Commission to agents on first year contributions	1,043,723	1,494,454
Commission to agents on second year contributions	136,925	146,795
Commission to agents on subsequent renewal contributions	94,836	60,326
Commission to agents on single contributions	1,272	7,982
Overriding commission to supervisors	177,206	255,516
Salaries, allowances and other benefits	371,549	246,802
Other benefits to insurance intermediaries	169,766	354,814

Remuneration to takaful intermediaries on group policies:

Commission	44,787	20,123
Other acquisition costs		
Employee benefit costs	376,197	302,512
Travelling expenses	2,998	7,897
Printing and stationery	6,105	6,417
Depreciation	94,046	69,835
Depreciation - Right-of-use assets	51,051	43,766
Amortization	-	7
Rent, rates and taxes	1,065	1,154
Legal and professional charges	854	979
Utilities	18,015	16,403
Entertainment	3,888	2,327
Motor vehicle & conveyance	50,056	50,792
Repair & maintenance	20,909	17,977
Bad and doubtful debts	-	1,041
Training expenses	79	1,307
Postages, telegrams and telephones	8,606	9,688
Staff welfare	10,869	11,441
General insurance	6,487	4,499
Policy stamps	38,357	43,979
Initial medical fees	826	2,589
Miscellaneous expenses	664	704
	2,731,136	3,182,126

	Note	2020	2019
		----- (Rupees in '000) -----	
20	MARKETING AND ADMINISTRATION EXPENSES		
Employee benefit cost	20.1	312,349	244,499
Traveling expenses		5,441	10,998
Advertisements & sales promotion		253,130	294,341
Printing and stationery		23,495	19,016
Depreciation		43,972	31,816
Depreciation - Right-of-use assets		44,051	31,381
Amortisation		30,392	32,004
Rent, rates and taxes		474	99
Legal and professional charges		6,491	4,012
Utilities		9,327	5,250
Entertainment		1,891	2,513
Vehicle running expenses		4,727	2,565
Office repairs and maintenance		58,279	40,576
Appointed actuary fees		2,328	2,761
Bank charges		5,724	3,254
Postages, telegrams and telephone		25,620	9,615
Staff welfare		4,298	2,646
General insurance		3,580	2,289
Training expenses		1,229	2,713
Annual Supervision fees to SECP		12,252	10,828
Bad and doubtful debts		7,007	532
Miscellaneous expenses		764	77
		856,821	753,785
20.1	Employee benefit cost		
Salaries, allowance and other benefits		291,727	229,358
Charges for post employment benefits		20,622	15,141
		312,349	244,499
21	Other Expense		
Auditors' fees		3,910	3,054
Subscription		88	55
		3,998	3,109
22	Income Tax		
For the year			
Deferred Tax		(1,823)	14,944
		(1,823)	14,944

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 and statutory funds.

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

		2020	2019
		----- (Rupees in '000) -----	
Relationship with the Company	Nature of transactions		
i.	Associated companies		
	Purchase of government securities	3,334,283	-
	Sales of government securities	1,077,833	-
	Agency commission	455,302	728,139
	Profit on profit and loss sharing account	155,890	83,653
ii.	Key management personnel		
	Individual life policy contributions	365	365
Relationship with the Company	Receivable / (Payable)		
i.	Associated companies		
	Banks account balance	915,594	1,408,145
	Profit accrued on profit and loss sharing account	2,256	11,281
	Agency commission payable	(81,070)	75,765
	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, 2020**

				Aggregate
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2020
------(Rupees in '000)-----				
Income				
Contribution less reinsurances	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 issued on account of surplus transfer from PTF	394,404	-	-	394,404
Total Net income	11,792,322	140,149	841,298	12,773,769
Takaful benefits and expenditures				
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	5,985,835	145,289	732,446	6,863,570
Excess / (deficit) of Income over Insurance benefits and Expenditures	5,806,487	(5,140)	108,852	5,910,199
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
Surplus / (Deficit) before tax	33,782	(16,917)	32,532	49,397
Taxes chargeable to statutory funds				
Current - Tax on Dividend under FTR	(48,120)	-	-	(48,120)
Surplus / (Deficit) after tax	(14,338)	(16,917)	32,532	1,277
Movement in Takaful liabilities	5,378,301	11,777	76,320	5,466,398
Transfer (to) and from Shareholders' Fund				
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 received by PTF from Operators' Sub Fund	-	70,000	130,000	200,000
Qard-e-Hasna paid from Operators' Sub Fund to PTF	-	(70,000)	(130,000)	(200,000)
Net transfers from Shareholders' Fund	125,000	83,000	115,000	323,000
Balance of Statutory Fund as at January 1, 2020	17,093,515	58,408	115,421	17,267,344
Balance of Statutory Fund as at December 31, 2020	22,582,478	136,268	339,273	23,058,019

* This corresponding impact is already included in Net change in Insurance liabilities (Net of outstanding claims)

For the year ended December 31, 2019

				Aggregate
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2019
------(Rupees in '000)-----				
Income				
Contribution less reinsurances	10,529,339	38,228	180,795	10,748,362
Net investment income	1,715,191	5,656	7,939	1,728,786
Total Net income	12,244,530	43,884	188,734	12,477,148
Takaful benefits and expenditures				
Takaful benefits, including bonuses	1,362,876	33,512	134,617	1,531,005
Management expenses	3,927,313	13,165	36,568	3,977,046
Total Takaful benefits and Expenditures	5,290,189	46,677	171,185	5,508,051
Excess / (Deficit) of Income over Takaful benefits and Expenditures	6,954,341	(2,793)	17,549	6,969,097
Net change in Takaful liabilities (other than outstanding claims)	6,785,175	(3,056)	17,382	6,799,501
Surplus before tax	169,166	263	167	169,596
Taxes chargeable to statutory funds				
Current - Tax on Dividend under FTR	(15,768)	-	-	(15,768)
Surplus after tax	153,398	263	167	153,828
Movement in Takaful liabilities	6,785,175	(3,056)	17,382	6,799,501
Transfer (to) and from Shareholders' Fund				
Surplus appropriated to Shareholders' Fund	(140,000)	-	-	(140,000)
Qard-e-Hasna received by PTF from Operators' Sub Fund	-	8,000	5,000	13,000
Qard-e-Hasna paid from Operators' Sub Fund to PTF	-	(8,000)	(5,000)	(13,000)
Net transfer to Shareholders' Fund	(140,000)	-	-	(140,000)
Balance of Statutory Fund as at January 1, 2019	10,294,942	61,201	97,873	10,454,016
Balance of Statutory Fund as at December 31, 2019	17,093,515	58,408	115,422	17,267,345

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	2020	2019
----- (Rupees in '000) -----				

24.2.1 Participants' Investment Fund (PIF)

Income

Allocated Contribution	6,688,434	-	-	6,688,434	6,379,257
Bonus Units issued on account of surplus transfer from PTF	394,404	-	-	394,404	
Investment income	960,182	-	-	960,182	1,569,873
Total net income	8,043,020	-	-	8,043,020	7,949,130

Less: Claims and Expenditures

Claims net of re-takaful	2,174,964	-	-	2,174,964	1,207,680
Takaful operator fee	466,502	-	-	466,502	329,481
Bank charges	59	-	-	59	-
Total	2,641,525	-	-	2,641,525	1,537,161

**Excess of income over claims
and expenditures**

	5,401,495	-	-	5,401,495	6,411,969
--	-----------	---	---	------------------	-----------

Technical reserves at beginning of the year	16,082,821	-	-	16,082,821	9,670,852
Technical reserves at end of the year	21,484,316	-	-	21,484,316	16,082,821
Movement in technical reserves	(5,401,495)	-	-	(5,401,495)	(6,411,969)

Surplus / (Deficit)	-	-	-	-	-
----------------------------	----------	----------	----------	----------	----------

Movement in Technical reserves	5,401,495	-	-	5,401,495	6,411,969
---------------------------------------	------------------	----------	----------	------------------	------------------

Balance of PIF at beginning of the year	16,082,821	-	-	16,082,821	9,670,852
Balance of PIF at end of the year	21,484,316	-	-	21,484,316	16,082,821

Statutory Funds			Aggregate	
Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2020	2019
----- (Rupees in '000) -----				

24.2.2 Participants' Takaful Fund (PTF)

Income

Contribution net of re-takaful	728,292	133,013	821,066	1,682,371	923,174
Investment income	59,490	5,407	14,128	79,025	48,078
Total net income	787,782	138,420	835,194	1,761,396	971,252

Less: Claims and Expenditures

Claims net of re-takaful recoveries	170,125	90,586	664,912	925,623	323,325
Takaful operator's fee	222,783	50,694	88,145	361,622	239,753
Mudarib fee	23,796	2,163	5,652	31,611	19,230
Bank charges	56	7	140	203	48
Medical examination charges	826	-	-	826	2,589
Provision for doubtful debts	-	2,746	4,261	7,007	533
Total	417,586	146,196	763,110	1,326,892	585,478

Excess / (Deficit) of income over claims and expenditures

	370,196	(7,776)	72,084	434,504	385,774
Technical reserves at beginning of the year	213,918	8,825	52,940	275,683	161,636
Technical reserves at end of the year	243,039	42,651	135,235	420,925	275,683
Surplus / (Deficit) retained in PTF	341,075	(41,602)	(10,211)	289,262	271,727
	(370,196)	7,776	(72,084)	(434,504)	(385,774)

Surplus / (Deficit) before distribution

	-	-	-	-	-
--	---	---	---	---	---

Movement in technical reserves

	370,196	(7,776)	72,084	434,504	385,774
--	---------	---------	--------	----------------	---------

Transfers from / (to)

Qard-e-Hasna contributed by Window Takaful Operator	-	70,000	130,000	200,000	13,000
Distribution of Surplus to the participants	(394,404)	-	-	(394,404)	-
Balance of PTF at beginning of the year	708,672	50,285	92,200	851,157	452,383

Balance of PTF at end of the year

	684,464	112,509	294,284	1,091,257	851,157
--	----------------	----------------	----------------	------------------	---------

Statutory Funds			Aggregate	
Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2020	2019

----- (Rupees in '000) -----

24.2.3 Operators' Sub Fund (OSF)

Income

Unallocated contributions	2,801,225	-	-	2,801,225	3,445,933
Takaful Operator Fee	689,285	50,694	88,145	828,124	569,377
Mudarib Fee	23,796	2,163	5,652	31,611	19,230
Investment income	112,177	1,728	6,104	120,009	95,064
	3,626,483	54,585	99,901	3,780,969	4,129,604

Less: Expenditures

Acquisition costs	2,668,509	43,675	46,625	2,758,809	3,205,460
Administration cost	845,669	8,274	16,507	870,450	768,562
Claims net of re-takaful	125,624	-	-	125,624	-
Total Management cost	3,639,802	51,949	63,132	3,754,883	3,974,022

Excess / (Deficit) of income over expenditures

	(13,319)	2,636	36,769	26,086	155,582
--	----------	-------	--------	--------	---------

Technical reserves at beginning of the year

	10,836	1,540	8,381	20,757	18,999
--	--------	-------	-------	--------	--------

Technical reserves at end of the year

	11,851	21,092	12,618	45,561	20,757
--	--------	--------	--------	--------	--------

Movement in technical reserves

	(1,015)	(19,552)	(4,237)	(24,804)	(1,758)
--	---------	----------	---------	----------	---------

Surplus / (Deficit) for the year

	(14,334)	(16,916)	32,532	1,282	153,824
--	----------	----------	--------	-------	---------

Movement in technical reserves

	1,015	19,552	4,237	24,804	1,758
--	-------	--------	-------	--------	-------

Transfer (to) and from

Surplus transfer to Shareholders' fund	-	-	-	-	(140,000)
--	---	---	---	---	-----------

Capital Contribution from Shareholders' Fund	400,000	83,000	115,000	598,000	-
--	---------	--------	---------	---------	---

Capital returned to Shareholders' fund	(275,000)	-	-	(275,000)	-
--	-----------	---	---	-----------	---

Qard-e-Hasna contributed to the Participants' Takaful Fund	-	(70,000)	(130,000)	(200,000)	(13,000)
--	---	----------	-----------	-----------	----------

Balance of OSF at beginning of the year	302,017	8,128	23,218	333,363	330,781
---	---------	-------	--------	---------	---------

	413,698	23,764	44,987	482,449	333,363
--	---------	--------	--------	---------	---------

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

25 MOVEMENT IN INVESTMENTS

----- (Rupees in '000) -----

At beginning of previous year	2,850,000	1,099,961	6,079,855	10,029,816
--------------------------------------	------------------	------------------	------------------	-------------------

Additions	13,310,000	348,276	2,866,908	16,525,184
-----------	------------	---------	-----------	------------

Disposals (sale and redemptions)	(11,535,000)	(1,250)	(509,302)	(12,045,552)
----------------------------------	--------------	---------	-----------	--------------

Amortisation of discount	-	10,067	574	10,641
--------------------------	---	--------	-----	--------

Fair value net gains / (losses)	-	(2,414)	690,959	688,545
---------------------------------	---	---------	---------	---------

At beginning of current year	4,625,000	1,454,640	9,128,994	15,208,634
-------------------------------------	------------------	------------------	------------------	-------------------

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)
---------------------------------	---	--------	-----------	-----------

At end of current year	2,805,000	2,348,510	17,711,807	22,865,317
-------------------------------	------------------	------------------	-------------------	-------------------

26 MANAGEMENT OF INSURANCE 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

26.1.1 Individual Family Takaful

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

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

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

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

a) Frequency and severity of claims

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

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

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

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

**Benefits covered
per Participant**

Rupees

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

**Assured at the end of 2020
Total benefits covered**

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
27,705,158	10.71%	26,801,543	15.59%
19,303,662	7.46%	16,099,933	9.37%
14,226,898	5.50%	9,858,584	5.74%
58,126,266	22.48%	23,301,069	13.56%
139,239,364	53.85%	95,823,976	55.75%
258,601,348	100.00%	171,885,105	100.00%

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

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
23,599,134	9.84%	22,965,538	9.58%
18,226,391	7.60%	15,480,038	6.46%
13,182,864	5.50%	9,460,586	3.95%
57,115,839	23.82%	23,926,458	9.98%
127,609,275	53.23%	87,248,311	36.39%
239,733,503	100.00%	159,080,931	100.00%

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

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

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

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

c) Process used to decide on assumptions

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

- Mortality: The expected mortality is assumed at 80% of 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, 2020 includes a change in reserving basis. For the Takaful line of business, the mortality rates used for reserving have shifted from EFU (61-66) to SLIC (2001-2005).

e) Sensitivity analysis

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

26.1.2 Group Life Family Takaful

The main exposure of the PTF is to mortality risk. The PTF may be exposed to the risk of unexpected claim severity or frequency. This can be a result of writing business with higher than expected mortality (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 2020
Total benefits covered**

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
21,001,133	9.79%	10,518,816	10.74%
17,150,278	8.00%	8,617,889	8.80%
6,057,770	2.82%	3,041,885	3.11%
50,860,379	23.72%	20,693,416	21.14%
119,373,004	55.67%	55,033,953	56.21%
214,442,564	100.00%	97,905,959	100.00%

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

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
0 - 500,000	11,037,387	5,518,694	12.13%
500,001 - 1,000,000	3,504,209	1,752,104	3.85%
1,000,001 - 1,500,000	1,588,915	794,457	1.75%
1,500,001 - 2,000,000	23,486,119	10,047,644	22.09%
More than 2,000,000	58,133,949	27,371,664	60.18%
Total	97,750,579	45,484,563	100.00%

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

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

c) Process used to decide on assumptions

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

d) Change in assumption

The valuation as at December 31, 2020 contains changes in reserving basis. Reserving basis has been changed to maintain the adequacy within the target range based on earned contribution. The change in valuation basis has resulted in increase in policyholders' liability by Rs. 15.0 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 2020	Increase in liability 2019
		----- (Rupees in '000) -----	
Worsening of morbidity rates for risk policies	+10% p.a.	1,707	81
Increase in reporting lag	+10% p.a.	1,707	81

26.1.3 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 2020 Total benefits covered

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
17,867,414	29.61%	17,867,414	29.61%
636,803	1.06%	636,803	1.06%
336,046	0.56%	336,046	0.56%
103,294	0.17%	103,294	0.17%
41,392,051	68.60%	41,392,051	68.60%
60,335,608	100.00%	60,335,608	100.00%

Assured at the end of 2019 Total benefits covered

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
3,821,437	24.71%	3,821,437	24.71%
289,600	1.87%	289,600	1.87%
-	0.00%	-	0.00%
-	0.00%	-	0.00%
11,353,009	73.42%	11,353,009	73.42%
15,464,046	100.00%	15,464,046	100.00%

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

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

c) Process used to decide on assumptions

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

d) Change in assumption

The valuation as at December 31, 2020 contains changes in reserving basis. The reserving basis has been changed for Non-Micro Insured schemes to maintain the adequacy of IBNR within the target range based on claim development factor. The change in valuation basis has resulted in an increase in policyholders' liability by Rs. 4.2 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 2020	Increase in liability 2019
------(Rupees in '000)-----			
Worsening of morbidity rates for risk policies	+10% p.a.	8,100	1,400
Increase in reporting lag	+10% p.a.	8,100	1,400
Increase in average claim amount	+10% p.a.	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 2020 is given below:

	Interest / Mark up bearing			Non-interest / Non-mark up bearing			
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	Total
FINANCIAL ASSETS	(Rupees in '000)						
Investments							
- Listed Equities	-	-	-	10,145,283	-	10,145,283	10,145,283
- Government Securities	-	6,778,065	6,778,065	-	-	-	6,778,065
- Debt Securities	102,732	1,708,618	1,811,350	-	-	-	1,811,350
- Term Deposits	2,805,000	-	2,805,000	-	-	-	2,805,000
- Open Ended Mutual Fund	-	-	-	1,325,619	-	1,325,619	1,325,619
Takaful / retakaful receivables	-	-	-	189,100	-	189,100	189,100
Other loans and receivables	-	-	-	343,341	-	343,341	343,341
Cash & Bank	-	-	-	1,332,393	-	1,332,393	1,332,393
As at December 31, 2020	2,907,732	8,486,683	11,394,415	13,335,736	-	13,335,736	24,730,150
FINANCIAL LIABILITIES							
Takaful liabilities	-	-	-	22,612,016	-	22,612,016	22,612,016
Contribution received in advance	-	-	-	168,673	-	168,673	168,673
Takaful / retakaful payables	-	-	-	12,714	-	12,714	12,714
Other creditors and accruals	-	-	-	1,197,064	-	1,197,064	1,197,064
As at December 31, 2020	-	-	-	23,990,467	-	23,990,467	23,990,467
Off Balance Sheet							
Financial Instruments	-	-	-	-	-	-	-
As at December 31, 2020	2,907,732	8,486,683	11,394,415	(10,654,731)	-	(10,654,731)	739,683

Maturity profile of financial assets and liabilities for 2019:

	Interest / Mark up bearing			Non-interest / Non-mark up bearing			
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	Total
FINANCIAL ASSETS	(Rupees in '000)						
Investments							
- Listed Equities	-	-	-	6,878,889	-	6,878,889	6,878,889
- Government Securities	1,368,180	-	1,368,180	-	-	-	1,368,180
- Debt Securities	142,859	1,085,066	1,227,925	-	-	-	1,227,925
- Open Ended Mutual Fund	4,625,000	-	4,625,000	-	-	-	4,625,000
- Term Deposits	-	-	-	1,108,640	-	1,108,640	1,108,640
Takaful / retakaful receivable	-	-	-	58,872	-	58,872	58,872
Other loans and receivables	-	-	-	1,081,737	-	1,081,737	1,081,737
Cash & Bank	-	-	-	2,093,182	-	2,093,182	2,093,182
As at December 31, 2019	6,136,039	1,085,066	7,221,105	11,221,320	-	11,221,320	18,442,425
FINANCIAL LIABILITIES							
Takaful liabilities	-	-	-	16,988,516	-	16,988,516	16,988,516
Contribution received in advance	-	-	-	112,892	-	112,892	112,892
Other creditors and accruals	-	-	-	926,553	-	926,553	926,553
As at December 31, 2019	-	-	-	18,027,961	-	18,027,961	18,027,961
Off Balance Sheet							
Financial Instruments	-	-	-	-	-	-	-
As at December 31, 2019	6,136,039	1,085,066	7,221,105	(6,806,641)	-	(6,806,641)	414,464

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. 317 million (2019: Rs.44 million).

A decrease in 100 basis points in interest yields would result in a gain of Rs. 332 million (2019: Rs.46 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 PSX 100 index on December 31, 2020, with all other variables held constant, net assets for the year would increase / (decrease) by Rs. 507 million (2019: 343 million) as a result of gains / (losses) on equity securities.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the PSX 100 index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the PSX 100 index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of December 31, 2020 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, 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+	Not Rated	BBB	BBB-	Total
----- (Rupees in '000) -----												
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
Term deposits	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
Others Loans and receivables	-	-	-	-	-	-	-	-	-	-	58,288	58,288
Bank balances	1,092,647	164,930	14,855	51,799	2,446	-	-	-	-	-	447	1,327,124
	2,117,702	2,426,993	1,051,457	88,494	503,668	-	2,191	-	-	-	7,063,475	13,253,980

December 31, 2019

Government securities	-	-	-	-	-	-	-	-	-	-	1,368,180	1,368,180
Debt securities	207,995	138,622	831,666	45,182	-	-	4,460	-	-	-	-	1,227,925
Term deposits	1,450,000	1,850,000	825,000	-	250,000	250,000	-	-	-	-	-	4,625,000
Contribution due but unpaid	-	-	-	-	-	-	-	-	-	-	32,436	32,436
Reinsurance receivable	-	-	26,436	-	-	-	-	-	-	-	-	26,436
Investment income accrued	96,294	76,068	28,726	1,855	2,981	447	171	-	-	-	198	206,740
Investment income due but outstanding	-	-	-	2,177	-	-	-	-	-	-	-	2,177
Loans and receivables	-	-	-	-	-	-	-	-	-	-	872,820	872,820
Bank balances	1,751,340	225,933	47,656	26,944	31,468	-	-	-	-	4,647	-	2,087,988
	3,505,629	2,290,623	1,759,484	76,158	284,449	250,447	4,631	-	-	4,647	2,273,634	10,449,702

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

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

	2020	2019
	----- (Rupees in '000) -----	
The carrying values of financial assets which are neither past due nor impaired are as under:		
Cash and bank deposits	1,332,393	2,093,182
Government securities	6,778,065	1,368,180
Term Deposits	2,805,000	4,625,000
Debt securities	1,811,350	1,227,925
Contributions due but unpaid	73,155	17,040
Investment income due but outstanding	42,152	1,811,350
Investment income accrued	242,901	242,901
Sundry receivable	4,558	1,088
The carrying values of financial assets which are past due but not impaired are as under:		
Contributions due but unpaid	68,837	12,267
The carrying values of financial assets which are past due and impaired are as under:		
Contributions due but unpaid	14,977	3,128

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 policy holders 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 reinsurance 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, 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) -----										
Financial assets measured at fair value										
- Listed equity securities	10,145,283	-	-	-	-	10,145,283	10,145,283	-	-	10,145,283
- 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
- Mutual Funds	1,131,678	193,941	-	-	-	1,325,619	1,325,619	-	-	1,325,619
Financial assets not measured at fair value										
- Term deposits	-	-	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				
	17,711,807	2,348,510	2,805,000	1,864,834	-	24,730,151				
Financial liabilities not measured at fair value										
- Takaful Liabilities	-	-	-	-	22,612,016	22,612,016				
- Contributions received in advance	-	-	-	-	168,673	168,673				
- Retakaful payables	-	-	-	-	12,714	12,714				
- Other creditors and accruals	-	-	-	-	1,197,064	1,197,064				
	-	-	-	-	23,990,467	23,990,467				

As At December 31, 2019										
	Through profit or loss	Available -for-sale	Held-to- maturity	Loans and receivables	Other financial asset/ liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000)-----										
Financial assets measured at fair value										
- Listed equities	6,878,889	-	-	-	-	6,878,889	6,878,889	-	-	6,878,889
- Mutual Funds	908,603	200,037	-	-	-	1,108,640	1,108,640	-	-	1,108,640
- Government securities										
GOP Ijarah Sukuks	145,530	1,222,650	-	-	-	1,368,180	-	1,368,180	-	1,368,180
- Debt securities										
Ijarah Sukuks	1,195,972	31,953	-	-	-	1,227,925	-	1,227,925	-	1,227,925
Financial assets not measured at fair value										
- Term deposits	-	-	4,625,000	-	-	4,625,000				
- Other loans and receivables	-	-	-	1,081,737	-	1,081,737				
- Takaful / retakaful receivables	-	-	-	58,872	-	58,872				
- Cash and bank balances	-	-	-	2,093,182	-	2,093,182				
	9,128,994	1,454,640	4,625,000	3,233,791	-	18,442,425				
Financial liabilities not measured at fair value										
- Takaful Liabilities	-	-	-	-	16,988,516	16,988,516				
- Contributions received in advance	-	-	-	-	112,892	112,892				
- Other creditors and accruals	-	-	-	-	926,553	926,553				
	-	-	-	-	18,027,961	18,027,961				

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

	2020		
	Individual Family Takaful	Group Family Takaful	Accident & Health Family takaful
	----- (Rupees in '000) -----		
Assets			
Investments			
Equity securities	10,145,283	-	-
Government securities	6,409,257	162,043	206,764
Debt securities	1,811,350	-	-
Term deposits	2,805,000	-	-
Open ended mutual fund	1,325,619	-	-
Takaful / Retakaful receivables	-	51,729	137,371
Other loans and receivables	337,921	2,188	4,641
Retirement benefit prepayments	785	-	-
Prepayments	6,419	-	-
Cash & Bank	1,144,972	82,724	104,697
Total Assets (A)	23,986,606	298,684	453,473
Inadmissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000			
(a) Interfund balances	13,813	-	2,617
(b) Excess of prescribed limit	-	25,318	-
(h) Contribution more than 90 days	-	5,251	9,725
(t) Retirement benefits receivable	785	-	-
Total of In-admissible assets (B)	14,598	30,569	12,342
Total Admissible Assets (C=A-B)	23,972,008	268,115	441,131
Liabilities			
Insurance liabilities net of retakaful recoveries	126,444	88,350	86,087
Contributions received in advance	101,803	61,292	5,578
Takaful / retakaful payables	12,714	-	-
Other creditors and accruals	1,163,166	12,773	22,535
Total Liabilities (D)	1,404,127	162,415	114,200
Total Net Admissible Assets (E=C-D)	22,567,881	105,700	326,931
Minimum Solvency Requirement			
Policyholders Liability	21,739,206	63,744	147,852
Solvency Margin	282,563	32,699	160,153
	22,021,769	96,443	308,005
Excess in Net Admissible Assets over Minimum Requirements	546,112	9,257	18,926

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.

SECP vide its letter no. ID/MDPR/IAP/2020/713 has granted a temporary relaxation to insurer from the application of IFRS 16 (leases), only to the extent of solvency. This relaxation was further extended via a letter no. ID/MDPR/IAP/2021/1402 which is valid till June 30, 2021. Since the matter is under further deliberation with SECP through IAP for an exemption, the Company has not availed the temporary relaxation.

30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **February 24, 2021** by the Board of Directors of the Company.

31 GENERAL

Figures in the these financial statements 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
Acting Chief Financial Officer

Other Information



Pattern of Shareholding

As of December 31, 2020

Number of Shareholders	Shareholdings' Slab			Total Shares Held
238	1	to	100	9,417
231	101	to	500	70,976
433	501	to	1000	306,620
410	1001	to	5000	970,814
138	5001	to	10000	962,390
45	10001	to	15000	547,180
12	15001	to	20000	209,673
17	20001	to	25000	385,718
11	25001	to	30000	302,403
13	30001	to	35000	417,628
4	35001	to	40000	147,831
2	40001	to	45000	82,054
4	45001	to	50000	196,554
2	55001	to	60000	117,293
3	60001	to	65000	187,306
1	65001	to	70000	67,500
2	70001	to	75000	146,470
3	75001	to	80000	234,845
2	85001	to	90000	174,921
1	100001	to	105000	104,362
1	105001	to	110000	108,040
2	110001	to	115000	223,665
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	155001	to	160000	158,000
2	160001	to	165000	330,000
1	165001	to	170000	165,315
1	170001	to	175000	173,937
1	215001	to	220000	216,600
1	255001	to	260000	260,000
1	340001	to	345000	341,344
1	425001	to	430000	425,247
1	685001	to	690000	685,091
1	745001	to	750000	747,994
1	1040001	to	1045000	1,044,005
1	1265001	to	1270000	1,269,431
1	1325001	to	1330000	1,329,300
1	1345001	to	1350000	1,348,882
1	5610001	to	5615000	5,611,592
1	16155001	to	16160000	16,158,703
1	50495001	to	50500000	50,500,864
1597				87,263,748

Pattern of Shareholdings

As at December 31, 2020

Categories of Shareholders	Number of Shareholders	Shares held	Percentage
1. Directors, Chief Executive Officer, their spouse and minor children:	10	198,991	0.23%
Kamal A. Chinoy		78,045	
Javed Ahmed		1,084	
Sultan Ali Akbar Allana		695	
Shahid Ghaffar		605	
Rafiuddin Zakir Mahmood		601	
John Joseph Metcalf		695	
Amyr Currimbhoy		550	
Sagheer Mufti		549	
Saba Kamal		550	
Hina Javed		115,617	
2. Associated Companies, Undertakings & related parties:	4	72,956,250	83.60%
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	
3. Public Sector Companies & Corporations	1	691	0.00%
Investment Corporation of Pakistan		691	
4. Banks, Development Financial Institutions & Non Banking Financial Institutions	3	1,361,162	1.56%
MCB Bank Limited - Treasury		22,162	
The Bank of Punjab-Treasury Division		9,700	
National Bank of Pakistan		1,329,300	
5. Insurance Companies	3	1,282,112	1.47%
EFU General Insurance Limited		1,269,431	
The Premier Insurance Company of Pakistan		691	
Asia Insurance Company Limited		11,990	
6. Modarabas and Mutual Funds	25	449,966	0.52%
7. Others	98	1,080,613	1.24%
8. Executives	10	90,248	0.10%
Muhammad Sohail Fakhar		64,570	
Shan Rabbani		2,037	
Zahid Barki		12,698	
Faisal Qasim		695	
Najam ul Hassan Janjua		12	
Adeel Ahmed Khan		1,100	
Muhammad Aamir		3,630	
Faiz ul Hassan		2,200	
Muhammad Junaid Ahmed		1,815	
Nadym Chandna		1,491	
9. General Public - Local	1437	6,072,922	6.96%
10. General Public / Companies - Foreign	6	3,770,793	4.32%
Acacia Conservation Fund LP		747,994	
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		425,247	
Mahmood Ahmed Chaudhry		80,000	
TOTAL	1597	87,263,748	100.00%

* Excluding 3,475 shares held by Nominee Directors

Categories of Shareholders	Number of Shareholders	Shares held	Percentage
11. Categories of Shareholders			
Individuals	1,457	6,362,161	7.29%
Insurance Companies	4	6,893,704	7.90%
Joint Stock Companies	98	1,080,613	1.24%
Financial Institutions	5	17,520,556	20.08%
Modarbas and Mutual Funds	25	449,966	0.52%
Non Residential Shareholders	7	54,271,657	62.19%
Others	1	685,091	0.79%
TOTAL	1597	87,263,748	100.00%
12. Shareholders holding 5% 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%
Jubilee General Insurance Company Limited		5,611,592	6.43%

Categories of Shareholders	Designation	Transaction	No. of Shares
13. Trading in shares by the Directors, CEO & Spouse and Executives during the year 2020			
Saba Kamal	Independent (Non-Executive Director)	Purchased	500
Zahid Barki	Group Head Risk Management Compliance & Quality Assurance	Purchased	598
Mumammad Munawar Khalil	Group Head Takaful Retail Distribution	Sold	24,530
Adeel Ahmed Khan	Head of Internal Audit	Purchased	1,000
Nadym Chandna	Head of Training & Development	Purchased	100

Notice of 26th Annual General Meeting

Notice is hereby given that the 26th Annual General Meeting of the shareholders of Jubilee Life Insurance Company Limited "Company" will be held on Tuesday, March 30, 2021 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:

Ordinary Business

1. To Confirm the Minutes of 25th Annual General Meeting held on March 30, 2020.
2. To consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2020 together with the Chairman's Review, Directors' Report and Auditors' Report thereon.
3. To consider and approve the payment of final cash dividend of 135% (Rs.13.50 per ordinary share of Rs.10 each) for the year ended December 31, 2020 as recommended by the Directors of the Company, in addition to the interim dividend of Rs.3.00 per share i.e. 30% already paid to shareholders during the year, thus making a total of Rs.16.50 per share i.e. 165% for the year ended December 31, 2020.
4. To appoint External Auditors and Shariah Compliance Auditors for the Year 2021 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.

Special Business:

5. To consider and, if thought fit, pass with or without modification, the following special resolution under section 199 of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for the purpose of approving equity investment in the ordinary shares of its associated company "Habib Bank Limited."

RESOLVED THAT pursuant to the requirements of section 199 of the Companies Act, 2017, the approval of the shareholders be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 for investment not exceeding Rs.2.52 billion in the purchase of ordinary shares of Habib Bank Limited, an associated company, at or around the prevailing market price on the date of purchase/transaction, or the issue/offer price, as the case may be, in one or more transactions within the period of three (3) years.

FURTHER RESOLVED THAT "the Chief Executive Officer" and/or "the Company Secretary" jointly or singly be authorized to take any or all actions which may be required for the investment of the above-mentioned amount in the purchase of the ordinary shares of Habib Bank Limited.

"Statement under Section 134(3) of the Companies Act, 2017, concerning the Special Resolution, is attached along with the Notice circulated to the members of the Company, and is deemed an integral part thereof."

6. To consider and, if thought fit, pass with or without modification, the following special resolution under section 199 of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for the purpose of investment in open-ended mutual fund(s) under management of its associated company "HBL Assets Management Limited."

RESOLVED THAT pursuant to the requirements of section 199 of the Companies Act, 2017, the approval of the shareholders be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 for investment not exceeding Rs.1.10 billion in open-ended mutual fund(s) under management of HBL Assets Management Limited, an associated company, at or around the prevailing offer price at the date of purchase of units of open-ended mutual fund(s), in one or more transactions within the period of three (3) years.

FURTHER RESOLVED THAT “the Chief Executive Officer” and/or “the Company Secretary” jointly or singly be authorized to take any or all actions which may be required for the investment of the above-mentioned amount in the purchase of units of open-ended mutual fund(s) under management of HBL Assets Management Limited.

“Statement under Section 134(3) of the Companies Act, 2017, concerning the Special Resolution, is attached along with the Notice circulated to the members of the Company, and is deemed an integral part thereof.”

7. To transact any other business as may be placed before the Meeting with the permission of the Chair.

By order of the Board
Dated: March 9, 2021
Karachi



Najam ul Hassan Janjua
Company Secretary

Notes:

1. Video Link Facility for Attending the Meeting

Due to the prevailing COVID-19 pandemic, the Securities and Exchange Commission of Pakistan, through Circular No. 4 of 2021 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, 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 najam.janjua@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: najam.janjua@jubileelife.com

2. The Share transfer books of the Company shall remain closed from 24-03-2021 to 30-03-2021 (both days inclusive). Transfers received in order by our share registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, SMCHS, Main Sharah-e- Faisal, Karachi-74400, at the close of business on 23-03-2021 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 any one meeting. If any Member appoints more than one proxy for any one meeting and more than one instruments of proxy are deposited with the Company, all such instruments of proxy shall be rendered invalid.
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 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 23-03-2021 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.

In pursuance of the directives of SECP, Shareholders are advised to provide their dividend mandate with complete bank account details along with International Bank Account Numbers (IBAN's) for payment of cash dividend directly in the bank accounts instead of issuance of physical Cash Dividend Warrants. In this regard the Shareholders may obtain Bank Mandate Form from the Company's website <https://jubileelife.com/wp-content/uploads/2016/06/Bank-Mandate-Form.pdf>.

Shareholders are advised once again to please submit the referred form duly filled to the Share Registrar "CDC Share Registrar Services Limited" in case of physical holding and in case of CDC account/sub-account to investor Account Services or to their Brokerage firm as the case may be.

A. FOR ATTENDING THE MEETING:

- (i) In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Regulations shall authenticate his/her original valid Computerized National Identity Card (CNIC) or 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.

Statement under Section 134(3) of the Companies Act, 2017

This statement set out the material facts concerning the special business to be transacted at the annual general meeting of the Company to be held on March 30, 2021.

Agenda item No. 05

Nature of information required to be disclosed pursuant to the Companies (Investment in Associated Companies and Undertakings) Regulations, 2017, for investment in associated company M/s Habib Bank Limited is as follows:

Ref No.	Requirement	Relevant Information	
(a)	Disclosures for all types of investments: -		
(A)	Regarding associated company or associated undertaking: -		
i.	name of associated company	Habib Bank Limited (HBL)	
ii.	basis of relationship	The associated relationship is established based on; common control of AKFED, having 51% shareholding in HBL; and common directorship between the Company and HBL.	
iii.	earnings per share for the last three years	2018: Rs. 8.22 2019: Rs. 10.45 2020: Rs. 21.06	
iv.	break-up value per share, based on latest audited financial statements	Rs. 181.00 per share as of December 31, 2020	
v.	financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements; and	Financial Position - December 31, 2020	
			(Rupees in '000)
		Total Assets	3,849,062,818
		Advances	1,223,510,222
		Investments	1,948,576,822
		Total Liabilities	3,583,567,571
		Deposits and other accounts	2,830,371,390
		Shareholders' equity	224,751,512

Ref No.	Requirement	Relevant Information	
		Financial Performance for the year ended December 31, 2020	
			(Rupees in '000)
		Total income	160,699,178
		Total non mark-up / interest expenses	95,448,928
		Profit before taxation	53,030,636
		Profit after taxation	30,913,349
vi.	in case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely:- (I) description of the project and its history since conceptualization; (II) starting date and expected date of completion of work; (III) time by which such project shall become commercially operational; (IV) expected time by which the project shall start paying return on investment; and (V) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and noncash amounts.	N/A	
(B) General Disclosures:-			
i.	maximum amount of investment to be made;	Rs. 2,520 million	
ii.	purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	- To earn dividend income - To benefit from the expected future growth of HBL - Over a period of three (3) years	
iii.	sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:-	N/A	

Ref No.	Requirement	Relevant Information
	(I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	N/A
iv.	salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	- Mr. Sultan Ali Allana, Director of the Company is a Chairman in HBL. - Mr. Sagheer Mufti, Director of the Company is key management personnel in HBL.
v.	direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Other Directors of the Company have no direct or indirect interest in Habib Bank Limited except to the extent of their respective shareholding in the HBL.
vi.	in case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	Since earlier investment in 2015, an accumulated amount of Rs. 567 million of dividends have been received. Refer (iii) of (A) also. No impairment / write offs.
vii.	any other important details necessary for the members to understand the transaction;	N/A
In case of equity investment, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made:-		
i.	maximum price at which securities will be acquired;	Market price at the time of purchase of shares / transaction through PSX's regular market counter.

Ref No.	Requirement	Relevant Information
ii.	in case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof;	Not applicable as stated in above.
iii.	maximum number of securities to be acquired;	Number of shares would depend upon the prevailing market price on the date of purchase / transaction.
iv.	number of securities and percentage thereof held before and after the proposed investment;	<p>Before:</p> <p>Number of securities: 12,910,000 Jubilee Life's shareholding: 0.88%</p> <p>After:</p> <p>Exact number of securities cannot be determined at this stage however, expected number based on market price applicable on February 24, 2021 would be around:</p> <p>Number of securities: 34,145,359 Jubilee Life's shareholding: 2.33%</p>
v.	current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	<p>Current price applicable on February 24, 2021: Rs. 118.67</p> <p>Weighted average market price of preceding twelve weeks: Rs. 134.83</p>
vi.	fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities.	N/A

The Directors of the company undertake that they have carried out necessary due diligence for the proposed investment in Habib Bank Limited.

Statement under Section 134(3) of the Companies Act, 2017

This statement set out the material facts concerning the special business to be transacted at the annual general meeting of the Company to be held on March 30, 2021.

Agenda item No. 06

Nature of information required to be disclosed pursuant to the Companies (Investment in Associated Companies and Undertakings) Regulations, 2017, for investment in open-ended mutual fund(s) under management of an associated company M/s HBL Assets Management Limited is as follows:

Ref No.	Requirement	Relevant Information
(a)	Disclosures for all types of investments: -	
(A)	Regarding associated company or associated undertaking: -	
i.	name of associated company	HBL Assets Management Limited (HBL-AMC)
ii.	basis of relationship	HBL-AMC is a wholly owned subsidiary of M/s Habib Bank Limited (HBL) which is associated to the Company by virtue of; common control of AKFED, having 51% shareholding in HBL; and common directorship between the Company and HBL-AMC.
iii.	earnings per share for the last three years	N/A
iv.	break-up value per share, based on latest audited financial statements	N/A
v.	financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements; and	Assets under Management of HBL-AMC as of December 31, 2020 were Rs. 77,381 million as available on the website of Mutual Funds Association of Pakistan. HBL-AMC's Fund-wise performance is annexed as Annexure I to the Statement.
vi.	in case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely:- (I) description of the project and its history since conceptualization; (II) starting date and expected date of completion of work; (III) time by which such project shall become commercially operational;	N/A

Ref No.	Requirement	Relevant Information
	(IV) expected time by which the project shall start paying return on investment; and (V) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and noncash amounts.	
(B)	General Disclosures:-	
i.	maximum amount of investment to be made;	Rs. 1,100 million.
ii.	purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	<ul style="list-style-type: none"> - To earn dividend income - To benefit from the expected future growth in Net assets value of the open-ended mutual fund(s) under its management. - Over a period of three (3) years
iii.	sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	N/A
iv.	salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	N/A
v.	direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Mr. Shahid Ghaffar, Director of the Company is also a director in HBL-AMC Other Directors of the Company have no direct or indirect interest in HBL-AMC.
vi.	in case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	N/A
vii.	any other important details necessary for the members to understand the transaction;	N/A
In case of equity investment, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made:-		

Ref No.	Requirement	Relevant Information
i.	maximum price at which securities will be acquired;	Offer price at the time of purchase of units of open-ended mutual fund(s) under management of HBL-AMC.
ii.	in case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof;	N/A
iii.	maximum number of securities to be acquired;	N/A
iv.	number of securities and percentage thereof held before and after the proposed investment;	N/A
v.	current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	N/A
vi.	fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities.	N/A
The Directors of the company undertake that they have carried out necessary due diligence for the proposed investment in open-ended mutual fund(s) under management of HBL Assets Management Limited.		

Annexure I - Agenda item No. 06

Fund-wise Performance of Open-ended Mutual Funds under Management of HBL Assets Management Limited

LAST FIVE YEAR PERFORMANCE						SINCE INCEPTION PERFORMANCE					
Fund Name	FY-20	FY-19	FY-18	FY-17	FY-16	FY-20	FY-19	FY-18	FY-17	FY-16	FY-15
HBL Money Market Fund	12.38%	8.47%	5.32%	6.45%	5.09%	13.00%	11.62%	11.08%	11.30%	11.38%	12.03%
Benchmark	11.63%	8.70%	5.35%	5.26%	5.58%	8.09%	7.58%	7.40%	7.79%	8.22%	8.70%
HBL Cash Fund	12.86%	8.89%	5.49%	7.18%	6.07%	13.43%	11.95%	11.35%	11.61%	11.58%	12.06%
Benchmark	11.63%	8.70%	5.35%	5.00%	4.71%	7.53%	7.05%	6.83%	7.05%	7.42%	8.01%
HBL Income Fund	13.28%	8.82%	4.98%	4.64%	6.12%	16.86%	15.14%	14.43%	14.63%	15.01%	15.15%
Benchmark	12.22%	10.21%	6.35%	6.10%	6.52%	10.25%	10.07%	10.05%	10.40%	10.88%	11.40%
HBL Government Securities Fund	16.02%	9.35%	4.74%	5.54%	7.85%	15.08%	12.91%	12.21%	12.69%	13.16%	13.20%
Benchmark	12.07%	10.01%	6.20%	5.88%	6.27%	9.36%	9.05%	8.93%	9.32%	9.90%	10.63%
HBL Multi Asset Fund	2.14%	-8.95%	-6.28%	18.40%	5.90%	174.12%	168.37%	194.75%	214.50%	165.63%	150.82%
Benchmark	5.48%	-8.23%	-4.08%	16.21%	7.41%	143.75%	131.08%	151.80%	162.52%	125.90%	110.32%
HBL Stock Fund	-3.77%	-16.20%	-11.85%	23.89%	2.59%	148.16%	157.88%	207.72%	249.08%	181.76%	174.63%
Benchmark	-0.52%	-18.18%	-10.03%	20.79%	9.84%	179.50%	180.97%	243.38%	281.65%	215.97%	187.66%
HBL Energy Fund	-9.98%	-24.28%	-2.33%	30.12%	-2.86%	13.44%	26.02%	66.42%	70.39%	30.95%	34.80%
Benchmark	-0.52%	-18.18%	-10.03%	20.79%	9.84%	58.33%	59.16%	94.51%	116.19%	78.98%	62.95%
HBL Equity Fund	7.61%	-15.46%	-11.38%	27.67%	6.71%	190.21%	169.69%	219.00%	259.95%	181.94%	164.22%
Benchmark	1.53%	-19.11%	-10.00%	23.24%	9.84%	198.51%	194.00%	263.46%	303.82%	227.66%	198.31%
HBL Growth Fund - Class A	5.74%*	-32.96%				-29.12%	-32.96%				
Benchmark	1.53%	-19.11%				-17.87%	-19.11%				
HBL Growth Fund - Class B	-2.62%*	-16.21%				-18.40%	-16.21%				
Benchmark	1.53%	-19.11%				-17.87%	-19.11%				
HBL Investment Fund - Class A	7.16%*	-33.34%				-28.57%	-33.34%				
Benchmark	1.53%	-19.11%				-17.87%	-19.11%				
HBL Investment Fund - Class B	-2.94%*	-16.26%				-18.72%	-16.26%				
Benchmark	1.53%	-19.11%				-17.87%	-19.11%				
HBL Pension Fund - Money Market	11.86%	7.78%	4.38%	4.50%	4.16%	9.08%	7.78%	7.22%	7.41%	7.71%	8.37%
HBL Pension Fund - Debt	19.69%	7.79%	3.99%	4.37%	8.06%	12.39%	9.54%	9.10%	9.64%	10.35%	10.18%
HBL Pension Fund - Equity	2.89%	-13.94%	-10.24%	27.33%	8.96%	224.36%	215.26%	266.32%	308.12%	220.52%	194.17%
HBL Financial Planning Fund (CAP)	10.69%	0.06%	*3.76%			17.96%	3.83%	3.76%			
Benchmark	10.71%	3.05%	3.96%			18.61%	7.13%	3.96%			
HBL Financial Planning Fund (AAP)	3.85%	-5.52%	*2.65%			0.72%	-3.01%	2.65%			
Benchmark	9.43%	-6.08%	2.46%			5.31%	-3.76%	2.46%			
HBL Financial Planning Fund (SIP)	*12.31%					12.31%					
Benchmark	9.51%					9.51%					
HBL Islamic Money Market Fund	11.38%	8.11%	4.32%	4.19%	4.29%	9.73%	8.55%	7.97%	8.21%	8.62%	9.28%
Benchmark	5.37%	3.35%	2.58%	3.22%	5.40%	5.35%	5.34%	5.62%	6.12%	6.68%	6.98%
HBL Islamic Income Fund	10.31%	7.85%	5.18%	5.52%	4.82%	8.41%	7.28%	6.62%	6.74%	6.95%	8.48%
Benchmark	6.33%	3.65%	2.44%	3.37%	5.20%	4.65%	4.32%	4.48%	5.12%	5.93%	6.56%
HBL Islamic Asset Allocation Fund	6.42%	-1.15%	-0.78%	9.83%	*3.34%	18.47%	11.33%	12.63%	13.50%	3.34%	
Benchmark	5.60%	-4.31%	-0.28%	7.63%	6.71%	15.72%	9.58%	14.53%	14.84%	6.71%	
HBL Islamic Stock Fund	2.95%	-18.36%	-13.99%	24.51%	1.00%	129.77%	123.19%	173.40%	217.88%	155.32%	152.79%
Benchmark	1.62%	-23.84%	-9.59%	18.80%	15.53%	171.37%	167.05%	250.64%	287.84%	226.48%	182.60%
HBL Islamic Equity Fund	1.15%	-16.97%	-12.32%	24.42%	10.96%	27.69%	26.23%	52.04%	73.40%	39.36%	25.59%
Benchmark	1.62%	-23.84%	-9.59%	18.80%	15.53%	17.70%	15.82%	52.08%	68.22%	41.60%	22.57%
HBL Islamic Dedicated Equity Fund	4.43%*	-16.17%				-12.46%	-16.17%				
Benchmark	1.62%	-15.47%				-14.10%	-15.47%				
HBL Islamic Pension Fund - Money Market	8.06%	6.73%	3.41%	4.15%	2.83%	7.11%	6.46%	6.01%	6.27%	6.47%	7.30%
HBL Islamic Pension Fund - Debt	7.38%	7.36%	2.89%	5.06%	3.23%	7.43%	6.93%	6.39%	6.83%	6.87%	7.65%
HBL Islamic Pension Fund - Equity	6.05%	-16.60%	-12.02%	27.56%	5.56%	243.41%	223.82%	288.27%	341.33%	245.96%	227.76%
HBL Islamic Financial Planning Fund (CAP)	9.86%	0.05%	1.40%	*0.34%		14.08%	1.79%	1.74%	0.34%		
Benchmark	6.33%	-2.06%	0.18%	-0.19%		4.13%	-2.07%	-0.01%	-0.19%		
HBL Islamic Financial Planning Fund (AAP)	6.21%	-7.06%	0.40%	*0.17%		-0.72%	-6.52%	0.58%	0.17%		
Benchmark	6.63%	-10.66%	-0.10%	0.01%		-4.78%	-10.70%	0.40%	0.01%		
HBL Islamic Financial Planning Fund (ICPP)	12.50%	*-0.52%				11.92%	-0.52%				
Benchmark	10.99%	-1.74%				9.06%	-1.74%				

Source: Fund Manager's Report - December 2020

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 Tuesday,
March 30, 2021 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.

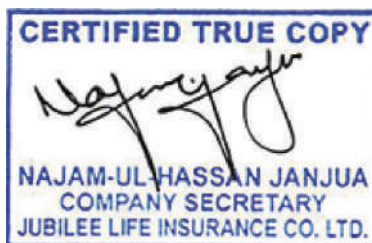
As witness my/our hand this _____ day of _____ 2021.

Signature and Address of Witness
CNIC/ Passport No. _____

Please affix
Revenue Stamp

Signature and Address of Witness
CNIC/ Passport No. _____

Signature of Member(s)



A member entitled to attend and vote at the Annual General Meeting to appoint another member as proxy to attend, speak and vote instead of him/her.

The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing, if the appointer is a corporation, under its common seal or the hand of an officer or attorney duly authorized. A proxy must be a member of the Company.

The instrument appointing a proxy, together with the power of attorney if any under which it is signed or a notarial certified copy thereof, should be deposited at the Registered Office not less than 48 hours before the time of holding the meeting.

AFFIX
CORRECT
POSTAGE



If undelivered please return to:
Jubilee Life Insurance Company Limited

74/1-A, Lalazar, M. T. Khan Road, Karachi-74000
Phone : (0092) (21) 35205095
Fax : (0092) (21) 35610959

Fold : Here

Fold : Here

Fold : Here

Fold : Here

www.jamapunji.pk



Be aware, Be alert, Be safe

Learn about investing at
www.jamapunji.pk

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered
- Online Quizzes

- Stock trading simulator
(based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

[jamapunji.pk](https://www.facebook.com/jamapunji.pk)

[@jamapunji_pk](https://twitter.com/jamapunji_pk)

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

Geographical Presence



Head Office, Back Offices & Corporate Offices

HEAD OFFICE

Head Office

74/1-A Lalazar MT Khan Road.
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

CORPORATE OFFICES

Corporate Office, Faisalabad

Saleemi Tower, 1st & 2nd Floors, Dground, Faisalabad.
041-8559849

Corporate Office, Lahore

2nd & 3rd Floor, Tufail Plaza, 56 Shadman 1, Post Office
Shadman, Lahore.
042-7421793

Corporate Office Multan

10-A, 1st. Floor, Twin Towers, Tehsil Chowk, Gulgasht
Colony, Near Silk Bank, Bosan Road, Multan.
061-6212052

Corporate Office Rawalpindi

1st & 2nd Floor, DD-79, Asad Plaza, Shamsabad, Murree
Road.
051- 4935549

Corporate Office Sialkot

Right wing, 2nd floor, Moon Tower. Opp DHL office, Paris
Road, Sialkot.
052-4293529

CSD Center Gilgit

2nd Floor, ZS-Plaza, in front of Radio Pakistan, Main
Sharah-e-Quaid-e-Azam, Jutial, Gilgit.
05811-457070

CSD Center Peshawar

2nd Floor, Samad Plaza, Tehkal, Main University Road,
Peshawar.
091-5850520 / 5842449

CSD Center Sukkur

1st Floor, Lala Azam Plaza, Opposite Excise Office, Station
Road, Sukkur.
071-5614261

CORPORATE DISTRIBUTION

Karachi

2nd Floor, PNSC Building, M.T. Khan Road, Lalazar,
Karachi.
021- 35657886

Lahore

2nd & 3rd Floor, Tufail Plaza, 56 Shadman 1, Post Office
Shadman, Lahore.
042-37529600 & 37421793

Faisalabad

Saleemi Tower, 1st Floor, Dground, Faisalabad.
041-8559849

Rawalpindi

2nd Floor, DD-79, Asad Plaza, Shamsabad, Murree Road.
051- 4935549

Multan

10-A, 1st. Floor, Twin Towers, Tehsil Chowk, Gulgasht
Colony, Near Silk Bank, Bosan Road, Multan.
061-6212052

Peshawar

2nd Floor, Samad Plaza, Tehkal, Main University
Road, Peshawar.
091-5850520 / 5842449

Hyderabad

1st Floor, Noor Place, near KASB Bank, Saddar,
Cantonment, Hyderabad.
0222-786082-3

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

Office No. 109, Asia Pacific Trade Centre, Opposite Drive-In-Cinema, Main Rashid Minhas Road, Karachi.
021-34663421

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 Numebr 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, Plot # 5, Block # 3, Karachi Cooperative Housing Society, Main Bahadurabad Chowrangi (4 Meenar), Aalamgeer Road Bahadurabad, Karachi.
021-34123264

Diamond Branch Karachi

Flat No. 9 Afzal Apartment KDA Scheme 1-A Stadium Road, Karachi.
021-34188115 - 118

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

City Branch

2nd Floor, Property located at Near Muhammadi Iron Store & Jalbani Petoral Pump, Naushahro Feroze.
024-2448424

Mehran Branch Ghotki

1st floor , Green Hotel Building near Mian Chowk, Ghotki.
072-3600612 / 3

Mehar City Branch

Eri Building, Girls School Road, Mehar.
025-4730765, 025-4730406

Pano Aqil Branch

Opposite Caltex Petrol Pump, Baiji Chowk, National Highway, Panu Aqil.
071-5691717 / 8

Sukkur City Branch

1st Floor, Lala 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. Curcit 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

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

MULTAN REGION

Dera Ghazi Khan Branch

2nd floor Ejaz Plaza Blokck # 9, Urdu bazar Dera Gazi khan.
064-2460250-51

Abdali Road Branch

Multan Royal Branch

NIPCO Building, 63-Abdali Road, Multan .
061-4573301 - 02

Rahimyar Khan Branch

24-Model Town, First Floor, City Chowk Hospital,
Rahimyar Khan.
068-5887601

Sahiwal Branch

1st Floor, Alpha Tower, 276/B-1, High Street, Sahiwal.
040-4220503

Bahawalpur Sadiq Branch

Shah Jamat Plaza, Near Abbasia Cinema, Saraiki Chowk,
Railway Road, Bahawalpur.
0300-9682667

Bahawalnagar Crown Branch

1st Floor, Choudhary Plaza College road Waheed Arshad
Chowk Bahawalnagar.
0300-7585325

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

GT.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**

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

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

B-1 / 421, Iqbal Center, Near Prince Chowk, Khawajgan
Road, Gujrat.
0533-535115

Paris Road Branch

1st Floor, Al Amin Centre, bearing serial No. B1- 16 S -98
B Paris Road, Sialkot.
052-4265041

Jehlum Buraq Branch

1st and 2nd floor, Saran plaza, Near MCB bank, G.T road,
Jada, Jehlum.
0544-720681,2,3

Mandi Bahuddin Branch

Upper old passport office, Q mart plaza, Ward # 05,
Mandibahuddin.
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

NORTH REGION**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, Allam Iqbal Road, Mipru AK.
05822-445041 / 44315

Muzaffarabad Branch

2nd Floor, Bilal Shopping Plaza, Upper Adha,
Muzaffarabad.
05822-445041 / 443315

Kotli Branch

2nd Floor, Ghulistan Plaza, Pindi Road, Kotli Azad Kashmir.
05826-444475

Gilgit Branch

2nd Floor, ZS-Plaza, 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 Shoooping Mall, Husaini Chowk, Skardu.
05815-456476 - 85

Chitral Branch

Baba Building, Opposite, PTCL /GPO, 1st Floor, MCB
Bank, Shahi Qila Road, Chitral Lower.

Kharian Branch

2nd Floor, Mian Jamil Plaza, Upper to Bank Islamic,
G.T. Road, Kharian, Pakistan.
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, Pakistan.
0344-7767677

Garam Chashma Branch

1st Floor, Pamir Market, Infront Pir Nasir, Darba,
Garam Chashma, Chitral.
0349-5282898

Booni Branch

Shah Wazir Market, Main Bazar, Booni Market, Booni,
Chitral
0349-5282898

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,
Parachinar.
0309-0095726

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 Jatoti 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

Jehlum Bancassurance

1st Floor, Mian GT Road, Behind Caltex Petrol Pump,
Near HBL Jadah Branch, Jehlum.
0544-720681-83

Gujrat Bancassurance

Sadiq Centre, Ground Floor Left Wing, (G1, G2, G3, G4),
Rehman Sahaheed Road, Opposite Total Petrol Pump,
Gujrat.
053-3533020-2

Sialkot Bancassurance

Plot # 16 S, 71/A/1, Moon Tower, Shop # 1,2,3, 2nd Floor,
Opp. Mission Hospital, Paris Road, Sialkot.
052-4603161

Islamabad Bancassurance

1st & 2nd Floor, Plot # 21, I & T Center, Sector G/6,
Main Khayaban-e-Suharwardi, Aabpara, Islamabad.
051-4602900

Peshawar Bancassurance

No. 501-502 B, 5th Floor, City Towers, University Road,
Peshawar
091- 5842175-7 & 9

Muzaffarabad Bancassurance

D-141, Stree # 17, Upper Chittar Housing Scheme,
Muzaffarabad, Azad Kashmir.
058-22432195-6

Mardan Bancassurance

1st Floor, Sheikh Enayat Plaza Opposite Askari Bank,
The Mall Road Mardan.
0937-874021-23

Quetta Bancassurance

1st Floor, A-7, Swiss Plaza, Jinnah Road, Quetta.
081-2829822 / 2822439

Mirpur AJK Bancassurance

1st Floor, Plot # 2 Sector B2, Main Allama Iqbal Road
Mirpur Azad kashmir.
05827-445808, 446505 & 446504

TAKAFUL FAMILY LIFE OFFICES**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 Bahawalpur Branch

First Floor, Mushtaq Memorial Hospital Building
University Chowk, Bahawalpur.
021-34991848

Takaful D.G. Khan

Al-Ajwa Plaza, 1st Floor, Bank road, Block-1,
Dera Ghazi Khan.
064-2470893, 2466500

**Takaful Gujranwala
Star Branch**

Shareef Pura Chowk, Upper Story MCB Islamic Branch
G.T. Road, Gujranwala.
055-3847301-07 & 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, Punjab.
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 (Seven Lines)

Faisalabad Takaful - New Office

4th floor, Media Com Trade City, Kohinoor, Faisalabad.
041-8733305-7

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 Disst
Rawalpindi.
051-4537500

Bhalwal Branch, Takaful

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

Eagle Branch Lahore Takaful

Office # 4, 4th Floor, Malik Tower, 20-B Defence More,
Walton Road, Lahore.
042-36626293-98 (6 Lines)

Lahore City Branch Takaful**Lahore Hawk Branch Takaful**

122-A, 1st Floor, MCB Ichra branch, Ferozpur Road,
Near Ichra, Lahore.
042-37426012-16 (Six Lines)

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 Travell,
Talangang road Chakwal.
054-3552282 - 4 (3 lines)

Multan Eagle Branch Takaful

1st Floor, Al Razzaq Plaza Opposite Children Complex,
Near UBL Bank Abdali Road Multan.
061-4589993

Takaful Sheikupura

Mian Shopping Mall Near Trama Center Lahore Sargodah
Road Sheikupura.
056-3613007 - 09 (3 Lines)

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.
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,
Opp Swat Hujra Hotel, Swat.
0345-9519373

Ugoki Branch Takaful

Near Askari Bank, Main Wazirabad Road, Ugoki City,
Tehsil And Dis Sialkot, Pakistan.
0345-6685157

Karachi Mehran Branch

2nd Floor, Data Trade Centre, Plot # SB-7, Block 13-B,
Gulshan-e-Iqbal, University Road, Karachi.
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 Alfah, opposite,
Syed Ghous Ali shah Banglow Kachahri Road, Taluka &
Disstt 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, Naushahro Feroze.
0300-3840371

Naushahro Feroze Branch Takaful

Near Zarai Taraqiati Bank (ZTBL), Moro Road Naushahro
Feroze.
0300-4475660

Pano Aqil Branch Takaful

Baiji Road Panu Aqil, Taluka Pano Aqil, Disstt 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

Central Flats Chowk, I-C1 Faisal Town, 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 Sindh Pakistan.
0332-2893196

Al-Ameen Branch Takaful

Basement, Alif Residency, SB-8, Block-2,
Near Rab Medical, Gulshan-e-Iqbal, Karachi.
021-34984617

ADC CONVENTIONAL & TAKAFUL**Pioneer Branch Karachi**

Office # 3, Mezzanine Floor, C-25, Mehmood Center,
Water Pump, F.B. Area, Karachi.
0333-2243934

Defence Branch Karachi

Plot # 202, Lane 12-A, Off Khayaban-e-Etihaad,
Phase II Ext, Karachi.
0300-2209788

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 Road.
0333-5835787

Shaheen Branch KPK

Office # 204 & 205, Block A, 2nd Floor City Tower,
Jahangirabad, University Road, Peshawar KPK.
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 Rahimyarkhan.
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, GoharTown, Opposite DC Office,
Bahawalpur.
0301-4562533

Peshawar Cantt Branch KPK

Office # 07, 3rd Floor, Cantonement Mall, Main Saddar,
Cantt, Peshwar.
0333-3990250

MASS DISTRIBUTION CHANNEL

Shaheen Sargodha Branch - Mass Distribution

Towheed Plaza, Queens Road, Sargodha Cantt, Sargodha.
0300-6071631

Nowshera Branch - Mass Distribution

Sharjah Plaza, Main G.T Road Nowshera Cantonment,
Nowshera.
0333-9508233

Pindi Gheb Branch - Mass Distribution

Office # 4, Nawabzada Market, Near Meezan Bank,
Kachehri Road ,Pindi Gheb.
0344-5546796

Gujar Khan Branch - Mass Distribution

2nd Floor, Hussain Plaza, Main G.T Road,
Near Mc Boys Higher Secondary School, Gujar Khan.
0345-5558919

Saddar Rawalpindi Branch - Mass Distribution

3rd Rizwan Arcade, Adamjee Road,
Saddar Rawalpindi Cantt.
0300-859057

ہمارے قابل احترام اسٹیک ہولڈرز یہ تسلیم کریں گے کہ لائف انشورنس کی صنعت میں اہم اسٹیک ہولڈرز کی حیثیت سے، ہمارا سب سے بڑا چیلنج وبا کے دوران بلا تعطل افعال کو یقینی بنانا تھا جس کی مناسب تدبیر کی گئی اس حکمت عملی کے نتیجے میں دوران سال کم سے کم آپریشنل رکاوٹ پیدا ہوئی باوجود اس کے کہ معاشی سرگرمیاں وباء کے زیر اثر رہیں۔

تمام اسٹیک ہولڈرز کی مستقل حمایت کے ساتھ کمپنی یقین رکھتی ہے کہ گزشتہ سالوں اور امسال عالمی بحران میں بھی کمپنی نے نسبتاً بہتر کارکردگی کا مظاہرہ کیا نیز کمپنی قانونی (Regulatory) اور اخلاقی تعمیل کرتے ہوئے اپنی صنعت میں بہتر کارکردگی کے ساتھ آگے بڑھتی رہے گی۔

اتھار تھکر:

بورڈ مستقل تعاون کے لئے اپنے تمام قابل قدر حصص داران کا شکر گزار ہے۔ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے مثبت ضابطوں کو اپنانے اور کاروبار میں آسانی پیدا کرنے پر بورڈ اُس کو سراہتا ہے۔ اس کے علاوہ بورڈ پورے سال جوہلی فیملی کے تمام ممبران کی مکمل حمایت اور تائید کا بھی معترف ہے۔ بورڈ اور انتظامیہ کو امید ہے کہ اسٹیک ہولڈرز کی مستقل حمایت سے کمپنی مستقل مزاجی کے ساتھ کام کرتی رہے گی۔

بورڈ آف ڈائریکٹرز کی جانب سے

Amul

کمال اے چنائے
چیئر مین

Amul

جاوید احمد
مینجنگ ڈائریکٹر اینڈ چیف ایگزیکٹو آفیسر

کراچی، 24 فروری 2021



خطرات اور مواقع کی رپورٹ

کمپنی کو لاحق بڑے خطرات، ان کو حل کرنے کے امور، کمپنی کو لاحق ہونے والے اندیشے اور مواقع سے متعلق معلومات رسک اینڈ اپورچونٹیٹی رپورٹ (Risk and Opportunity Report) میں دی گئی ہے جس کا احاطہ سالانہ رپورٹ کے صفحات 64 سے 67 میں کیا گیا ہے۔

کلیدی آپریٹنگ اور مالیاتی معلومات

گزشتہ چھ (6) سال کے کلیدی آپریٹنگ اور مالیاتی معلومات کا خلاصہ سالانہ رپورٹ کے صفحہ نمبر 78 پر دیا گیا ہے

فوائد بعد از ضلع ریٹائرمنٹ

کمپنی کے پروڈنٹ فنڈ اور گریجویٹ فنڈ کی سرمایہ کاری کی مناسب قدر، متعلقہ مالیاتی گوشواروں کے مطابق 31 دسمبر 2020 کو، جس کے آڈٹ کا کام جاری ہے، درج ذیل رہی:

پروڈنٹ:	644.97 ملین روپے
گریجویٹ فنڈ:	578.05 ملین روپے

مادی تبدیلیاں

31 دسمبر 2020 سے اس رپورٹ کے آنے کے وقت کوئی بڑی تبدیلی واقع نہیں ہوئی۔

آڈیٹرز

موجودہ آڈیٹرز میسرز اے ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس، موجودہ مدت پوری ہونے کے بعد ریٹائر ہو گئے اور دوبارہ تقرری کے اہل ہیں۔

کوڈ اور ریگولیشنز کی ضرورت کے مطابق سال 2020 کے لئے بورڈ آڈٹ کمیٹی نے میسرز اے ایف فرگوسن اینڈ کو چارٹرڈ اکاؤنٹنٹس، کراچی کی بطور کمپنی کے آڈیٹرز اور شریعہ پر عمل درآمد کے آڈیٹرز کے لئے تقرر کی سفارش کی ہے اور بورڈ نے اس سفارش کی تائید کی ہے۔

ہولڈنگ کمپنی

کمپنی، آغاخان فنڈ برائے معاشی ترقی لیس۔ اے سوئزرلینڈ کی ذیلی کمپنی ہے۔

نقطہ نظر:

وبائی مرض COVID-19 کے باعث عالمی سطح پر غیر معمولی اثرات مرتب ہوئے جس سے معیشت اور سب سے اہم بات یہ کہ قیمتی انسانی جانوں کا ضیاع ہوا۔ تاہم پاکستان میں وائرس کا پھیلاؤ نسبتاً قابو میں رہا جبکہ آبادی کا صرف ایک حصہ اس کا شکار رہا جبکہ دوسری لہر سے متعلق کوئی نتیجہ اخذ نہیں کیا سکتا۔ امید ہے کہ انفیکشن کی شرح پہلی لہر سے کم رہے گی۔

مالی لحاظ سے، سندھ ریونیو بورڈ (SRB) اور پنجاب ریونیو اتھارٹی (PRA) کی جانب سے کمپنی کے پراڈکٹ پر بالترتیب سندھ سیلز ٹیکس (SST) اور پنجاب سیلز 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 COVID-19 کی وجہ سے نہیں ہو سکی اور اس معاملے کی وضاحت مالی گوشواروں (Financial Statements) کے نوٹ 27.1.2 میں کی گئی ہے۔

کمپنی کو امید ہے کہ مجموعی کاروبار اور معاشی ماحول پر وبائی امراض کے ابھرتے ہوئے اثرات کی وجہ سے مالیاتی سال 2021 بھی شاید ایک مشکل سال ثابت ہوگا۔ تاہم، حکومت کی طرف سے کوویڈ 19 سے بچاؤ کی ویکسینیشن کی حکمت عملی اور مہم کے ساتھ، ہر گزرتے دن کے ساتھ امید میں اضافہ ہوتا رہے گا۔ ہمیں یقین ہے کہ کاروباری سرگرمیوں، لوگوں اور کاروباری اداروں کی معاشی اور جسمانی تندرستی میں قابل ذکر بحالی کے ساتھ، کمپنی نہ صرف صنعت میں اپنی مضبوط پوزیشن کو برقرار رکھ سکے گی بلکہ لوگوں اور ان کے کاروبار کی غیر یقینی صورتحال کو کم کرنے کے لئے مالی مدد فراہم کرنے کے بھی قابل ہوگی۔

بورڈ کی رسک مینجمنٹ کمیٹی نے سال 2020 کے دوران پانچ (5) اجلاس منعقد کئے جس میں شرکت درج ذیل رہی:

نمبر شمار	ڈائریکٹر کا نام	بورڈ کے اجلاس میں حاضری کی تعداد
1	جناب جون جوزف میٹکالف	5
2	جناب آر۔ ذاکر محمود	5
3	جناب شاہد غفار	4
4	جناب صغیر مفتی	4
5	جناب جاوید احمد	5
6	جناب زاہد برکی (مینجمنٹ ایگزیکٹو)	3
7	جناب شان ربانی (مینجمنٹ ایگزیکٹو)	5

بورڈ کی کنسٹرکشن ایڈوائزری کمیٹی نے سال 2020 کے دوران دو (2) اجلاس منعقد کئے جس کی شرکت درج ذیل رہی:

نمبر شمار	ڈائریکٹر کا نام	اجلاس میں حاضری کی تعداد
1	جناب کمال اے چنائے	2
2	جناب آر۔ ذاکر محمود	2
3	جناب جاوید احمد	2

بورڈ کے ذریعے مختلف بورڈ کمیٹیوں کے حوالہ کی شرائط کا تعین ضابطہء اخلاق / ضابطے میں فراہم کردہ ہدایات کے مطابق کیا گیا ہے۔

مینجمنٹ کمیٹی

کمپنی کے تمام انتظامی شعبوں کے روزمرہ کے معاملات کی نگرانی کمپنی کی مینجمنٹ کمیٹی کے تحت کی جاتی ہے۔ یہ کمیٹی ہر ماہ مینجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر کی سربراہی میں اجلاس منعقد کرتی ہے۔ اس کمیٹی کے ممبران کی تفصیل سالانہ رپورٹ کے صفحہ نمبر 15 پر دی گئی ہے۔

دیگر کمیٹیوں میں انویسٹمنٹ مینجمنٹ کمیٹی، آئی ٹی کی اسٹیرنگ کمیٹی، ڈیزاسٹر اسٹیرنگ کمیٹی اور مارکیٹنگ کمیٹی شامل ہیں جن کی سربراہی بھی مینجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر کرتے ہیں۔ ان کمیٹیوں کے ممبران کی تفصیل سالانہ رپورٹ کے صفحہ نمبر 15 پر موجود ہے۔

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

مذکورہ بالا کے علاوہ، کوڈ آف کارپوریٹ گورننس برائے انشوررز، 2016 کے تحت درج ذیل کمیٹیاں کام کر رہی ہیں اور ان کی سربراہی بھی کمپنی کے مینجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر کرتے ہیں:

- 1- انڈر رائٹنگ اورری انشورنس کمیٹی
- 2- کلیم کی کمیٹی
- 3- رسک مینجمنٹ اور کمپلائنس کمیٹی

ان کمیٹیوں کے ممبران کی تفصیل سالانہ رپورٹ کے صفحہ نمبر 15 پر موجود ہے۔

انٹرنل آڈٹ کے امور

کمپنی کا اپنا انٹرنل آڈٹ ڈپارٹمنٹ ہے جس کا دائرہ کار (Scope) اور اختیار (Authority)، انٹرنل آڈٹ چارٹر (Internal Audit Charter) سے باقائدہ منظور شدہ ہے، انٹرنل آڈٹ ڈپارٹمنٹ نے داخلی محاسبہ (Internal Audit) کے اہتمام کے لئے 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 پیروی کی نگرانی کرتا ہے۔ اندرونی آڈٹ کی رپورٹ کی بنیاد پر عمل کے مالکان اپنے متعلقہ شعبے میں درستی کا انتظام کرتے ہیں اور اس طرح کنٹرول کو تقویت حاصل ہوتی ہے۔ اپنے مقاصد اور خود مختاری کو برقرار رکھنے کے لئے اندرونی آڈٹ ڈپارٹمنٹ عملی طور پر بورڈ آڈٹ کمیٹی اور انتظامی طور پر سی ای او کو رپورٹ کرتا ہے۔

سال 2020 کے دوران بورڈ آڈٹ کمیٹی کے چار (4) اجلاس منعقد ہوئے اور اس میں شرکت درج ذیل رہی:

نمبر شمار	ڈائریکٹر کا نام	اجلاس میں حاضری کی تعداد
1	جناب امین کریم بھائی	4
2	جناب جون جوزف میٹکالف	4
3	جناب شاہد غفار	3

بورڈ کی افرادی قوت اور معاوضہ، اخلاقیات اور نامزدگیوں کی کمیٹی نے 2020 کے دوران چار (4) اجلاس منعقد کئے جس میں شرکت درج ذیل رہی:

نمبر شمار	ڈائریکٹر کا نام	اجلاس میں حاضری کی تعداد
1	جناب کمال اے چنائے	3
2	جناب جون جوزف میٹکالف	4
3	جناب آر ڈاکر محمود	4
4	جناب جاوید احمد	3

سال 2020 کے دوران بورڈ فنانس اینڈ انویسٹمنٹ کمیٹی کے پانچ (5) اجلاس منعقد ہوئے، جس میں شرکت درج ذیل رہی :

نمبر شمار	ڈائریکٹر کا نام	بورڈ کے اجلاس میں حاضری کی تعداد
1	جناب شاہد غفار	4
2	جناب جون جوزف میٹکالف	5
3	جناب آر ڈاکر محمود	5
4	جناب جاوید احمد	5
5	محترمہ لی آردوسا بھوئی (مینجمنٹ ایگزیکٹو) *	4
6	جناب عمر فاروق (مینجمنٹ ایگزیکٹو) *	3
7	جناب شان ربانی (مینجمنٹ ایگزیکٹو)	5

* مورخہ 01 اکتوبر 2020 کو محترمہ لی آردوسا بھوئی کی جگہ جناب عمر فاروق کا بطور قائم مقام چیف فنانشل آفیسر تقرر ہوا۔

بورڈ کی ٹیکنیکل کمیٹی نے سال 2020 کے دوران پانچ (5) اجلاس منعقد کئے جس میں شرکت درج ذیل رہی:

نمبر شمار	ڈائریکٹر کا نام	بورڈ کے اجلاس میں حاضری کی تعداد
1	جناب جون جوزف میٹکالف	5
2	جناب شاہد غفار	4
3	جناب صغیر مفتی	5
4	جناب جاوید احمد	5
5	محترمہ صبا کمال	4
6	جناب شان ربانی (مینجمنٹ ایگزیکٹو)	5

ڈائریکٹرز مندرجہ ذیل امور کی تصدیق کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشواروں میں کمپنی کے معاملات، آپریشنز کے نتائج، رقومات کے بہاؤ اور ایکویٹی میں تبدیلیوں کو شفاف طور پر پیش کیا گیا ہے۔
- کمپنی کے حسابات کو جملہ قواعد و ضوابط کے مطابق تیار کیا گیا ہے۔
- مالیاتی گوشواروں کی تیاری میں مروجہ اکاؤنٹنگ پالیسیوں پر مستقل بنیادوں پر عمل کیا جاتا ہے 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 پاکستان میں لاگو دیگر قوانین و ضوابط (شمول شریعہ رہنما ہدایات اور اصول، لیکن ان تک محدود نہیں) انشورنس آرڈیننس، 2000، انشورنس اکاؤنٹنگ ریگولیشنز، 2017، انشورنس رولز، 2017، کمپنیز ایکٹ، 2017 کے تحت جاری شدہ ہدایات، اور منکافل رولز، 2012 کی پیروی کی گئی ہے اور کہیں ان سے انحراف کیا گیا ہو تو اس کو واضح طور پر ظاہر کیا گیا ہے۔
- داخلی کنٹرول کا نظام مستحکم طور پر ترتیب دیا گیا ہے اور موثر طور پر عمل درآمد کے ساتھ اس کی نگرانی بھی کی جاتی ہے۔
- کمپنی کے قائم رہنے کی صلاحیت کسی شک و شبہ سے بالاتر ہے۔
- کارپوریٹ گورننس کے بہترین طریقہ کار سے جیسا کہ لسٹنگ کے ضوابط میں درج ہیں، کوئی قابل اثر انداز انحراف نہیں کیا گیا۔
- واجب الادا ٹیکسز کے بارے میں معلومات آڈٹ شدہ مالیاتی گوشوارے کے نوٹ نمبر 27 میں دی گئی ہیں۔
- شیئر ہولڈنگز کا پیٹرن اور ڈائریکٹرز، سی ای او، سی ایف او اور کمپنی سیکرٹری، تقرر کردہ لیکچوری (Appointed Actuary)، ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں کی کمپنی میں حصص کی تجارت کے بارے میں معلومات، صفحہ نمبر 243 پر درج ہیں۔

بورڈ آف ڈائریکٹرز:

کمپنی کا بورڈ آف ڈائریکٹرز ایک (1) ایگزیکٹو اور آٹھ (8) نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہیں، جس میں چار (4) آزاد نان ایگزیکٹو ڈائریکٹرز ہیں۔

30 مارچ 2020 کو مدت کی تکمیل کے بعد بورڈ آف ڈائریکٹرز کی تشکیل نو صنفی تنوع (Gender Diversity) کے مطابق کی گئی۔ 31 مارچ 2020 کو ڈائریکٹرز کے انتخاب کے بعد بورڈ درج ذیل پر مشتمل ہے:

- جناب کمال اے چنائے (چیئرمین)
 - جناب امین کریم بھائی
 - جناب شاہد غفار
 - جناب جون جوزف میٹکالف
 - جناب سلطان علی الانہ
 - جناب آر۔ ذاکر محمود
 - جناب صغیر مفتی
 - محترمہ صبا کمال *
 - جناب جاوید احمد (میٹنگ ڈائریکٹریٹڈ چیف ایگزیکٹو آفیسر)
- * سال 2020 کے دوران کوئی Casual Vacancy نہیں ہوئی، تاہم 2021 میں، محترمہ صبا کمال نے اپنی دوسری ذمہ داریوں کی وجہ سے بورڈ سے استعفیٰ دے دیا۔
- سال 2020 کے دوران بورڈ آف ڈائریکٹرز کے آٹھ (8) اجلاس منعقد ہوئے۔ سالانہ اجلاس عام (AGM) مورخہ 30 مارچ 2020 کو منعقد ہوا۔ بورڈ آف ڈائریکٹرز اور سالانہ اجلاس عام میں شرکت درج ذیل ہے:

نمبر شمار	ڈائریکٹر کا نام	بورڈ کے اجلاس میں حاضری کی تعداد	سالانہ عام اجلاس میں حاضری کی تعداد
1	جناب کمال اے چنائے	8	-
2	جناب امین کریم بھائی	8	حاضر
3	جناب جون جوزف میٹکالف	8	حاضر
4	جناب سلطان علی الانہ	4	حاضر
5	جناب آر۔ ذاکر محمود	7	حاضر
6	جناب شاہد غفار	7	حاضر
7	جناب صغیر مفتی	8	-
8	محترمہ صبا کمال	7	-
9	جناب جاوید احمد	8	حاضر

• انٹرپرائز چیلنج پاکستان:

پرنسز ٹرسٹ انٹرپرائز چیلنج پاکستان میں کمپنی کا اشتراک عمل 2017 سے جاری ہے۔ انٹرپرائز چیلنج پاکستان ملکی بنیادوں پر اسکولوں کے درمیان ہونے والا مقابلہ ہے جو سینکڑی اسکولوں کے 13 سے 16 سال کے عمر کے بچوں کی حوصلہ افزائی کرتا ہے کہ وہ کاروباری مہم جوئی کو بطور کریئر اپنانے کی راہیں دریافت کریں۔ ای سی پی بنیادی طور پر فرضی کاروبار کا مقابلہ ہے جس میں طلبہ ٹیم بنا کر حصہ لیتے ہیں اور سائبر پس منظر میں اپنی تخلیقی صلاحیتوں کو بروئے کار لاتے ہیں۔ انڈسٹری ماہرین کاروبار کی مبادیات، حکمت عملی اور مالیات سمجھنے میں طلبہ کو مدد فراہم کرتے ہیں کہ کیسے کسی ادارے کو منافع بخش طور پر چلایا جا سکتا ہے۔ سب سے زیادہ خالص منافع حاصل کرنے والی ٹیم کو فاتح قرار دیا جاتا ہے۔

• کھیلوں کا فروغ:

جوبلی لائف پاکستان میں عالمی کرکٹ کی بحالی کی کوششوں کے باعث ایک معروف نام بن چکا ہے۔ کمپنی کی کاوشیں پاکستان میں کرکٹ کی بحالی کے لئے مددگار ثابت ہوئیں اور اب پاکستان میں دیگر ممالک کی ٹیموں کی آمد اور مختلف ٹورنامنٹ کے انعقاد کی راہ ہموار ہوئی ہے۔ گزشتہ سال کی طرح 2020 میں بھی کمپنی نے پاکستان کرکٹ بورڈ کے ساتھ اشتراک کیا اور پاکستان سپر لیگ کے پانچویں ایڈیشن میں گولڈ اسپانسر بن کر ملک کی آبادی کو یہ موقع فراہم کیا کہ وہ عالمی معیار کے مقابلے اپنی سر زمین پر دیکھ سکیں۔ اس اسپانسرشپ کے تحت کمپنی نے وی سمیت تمام میڈیا، گراؤنڈ میں، ڈیجیٹل میدان میں اور ایونٹ کی پریس کانفرنسوں میں نمایاں رہی۔

کرکٹ کے ساتھ دیگر کھیلوں کی رغبت اور بلند کرداری کمپنی کا لازمی وصف ہے اور کمپنی کی نہ صرف کرکٹ بلکہ، گولف اور پو لوسمیت مختلف کھیلوں کے مقابلوں کے انعقاد میں معاونت کمپنی کے عزم کی عکاس ہے۔

• ونڈو تکافل آپریشنز:

جیسا کہ اوپر روشنی ڈالی گئی ہے، بورڈ بصد مسرت انفرادی فیملی تکافل فنڈ (Individual Family Takaful) کے لئے اپنے قابل قدر شرکاء کو مطلع کرتا ہے کہ مقررہ ایگزیکیوٹیو (Appointed Actuary) اور شرعی مشیر (Shariah Advisor) کی منظوری سے پہلی سہ ماہی کے اختتام کے بعد اپریل 2020 میں 2017 سے لے کر 2019 تک 394 ملین روپے کی اضافی رقم (Surplus) اہل شرکاء میں تقسیم کر دی گئی ہے یہ منظور شدہ طریقہ کار کے مطابق بونس یونٹ (Bonus Unit) کے طور پر اہل شرکاء کو مختص کر دیئے گئے ہیں۔

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے سرٹیکر 2019/15 مورخہ 18 نومبر 2019 کے تحت ونڈو تکافل آپریشنز رکھنے والی لائف انشورنس کمپنیوں کو اب علیحدہ علیحدہ مالی حسابات پیش کرنے لازمی ہیں، گویا وہ کل وقتی فیملی تکافل آپریٹر کے طور پر کام کر رہی ہیں یہ ضروریات جنوری 2020 سے لاگو ہے۔ اگرچہ ان مالی حسابات کے لئے تکافل رولز 2012 کے مطابق SECP کی جانب سے تجویز کردہ خاکہ جاری ہونا باقی ہے۔ تاہم مذکورہ سرٹیکر کے مطابق کمپنی کی طرف سے رپورٹنگ کی ضروریات پوری کر دی گئی ہیں۔ اس کے مطابق ونڈو تکافل آپریشنز کے سالانہ مالی حسابات بھی اس کے ساتھ منسلک ہیں اور کمپنی کے بورڈ آف ڈائریکٹرز نے اس کی منظوری دے دی ہے۔

• بورڈ کی کارکردگی کے جائزے کا طریقہ کار:

کمپنی کے بورڈ آف ڈائریکٹرز نے بورڈ اور بورڈ کی مختلف کمیٹیوں کی کارکردگی کے سالانہ جائزے کی منظوری CCG Regulations کے مطابق دی ہوئی ہے اور بورڈ اس کو سالانہ انجام دیتا ہے۔

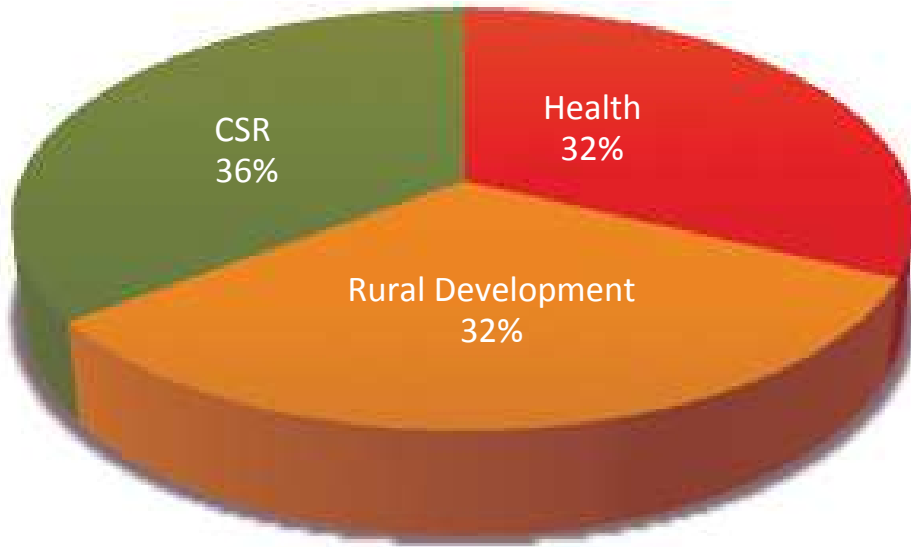
• نان ایگزیکٹو ڈائریکٹرز کا معاوضہ:

کمپنی کے آرٹیکلز کے تحت، بورڈ آف ڈائریکٹرز وقتاً فوقتاً نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹرز کا معاوضہ طے کرنے کے مجاز ہیں۔ بورڈ آف ڈائریکٹرز نے ایک Board Remuneration Policy کی منظوری دی ہوئی ہے، اس کے مطابق کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز کو سوائے پالیسی کے مطابق بورڈ اور اس کی کمیٹی کے اجلاسوں میں شرکت کرنے کیلئے فیس وصول کرنے کے علاوہ کسی بھی معاوضے کی ادائیگی نہیں کرتی۔ مالیاتی حسابات کے نوٹ 40 اور 42 میں اجلاس کی تمام فیسوں کی وضاحت کی گئی ہے۔

• کوڈ آف کارپوریٹ گورننس فار انشوررز، 2016، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور بشمول پی ایس ایکس رول بک کے ساتھ پیردی:

کمپنی، ایک لسٹڈ بیمہ زندگی کمپنی ہونے کی حیثیت سے کوڈ آف کارپوریٹ گورننس فار انشوررز، 2016 پر عمل کرتی ہے۔ اس کے علاوہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور پی ایس ایکس رول بک کی پابندی بھی کرتی ہے۔ ان تمام شرائط کے سلسلے میں اسٹیٹمنٹ آف کمپلائنس مع بہترین مروجہ کارپوریٹ اصولوں کے بارے میں سالانہ رپورٹ کے صفحہ نمبر 97 پر منسلک ہے۔

عطیات 2020



• مائیکرو انشورنس اور صحت سے متعلق آگاہی مہم:

کمپنی ہر سال کم آمدنی والے طبقے کی مالی شمولیت کے لئے نمایاں حصہ ڈالتی ہے اور ہماری کارپوریٹ سماجی ذمہ داری کے اقدامات کے ذریعے مرکزی کاروباری مہارتوں کو برے کار لا کر ایسے طبقات کے لئے صحت اور زندگی کے پائیدار مائیکرو انشورنس حل مناسب ترین نرخوں پر فراہم کئے جاتے ہیں۔ معاشرے کے کم آمدنی والے طبقے کا معیار زندگی بہتر بنانے کے عزم کے تحت کمپنی نے 2020 میں چار ملین افراد کو مائیکرو انشورنس سہولت فراہم کی۔

کمپنی اس کے ساتھ ساتھ چاروں صوبوں اور شمالی علاقہ جات میں صحت کی آگاہی کے لئے از خود یا دیگر اداروں کے ساتھ مل کر مہمات چلاتی ہے تاکہ صحت سے متعلق امور اور صحت مند طرز زندگی کی آگاہی کو فروغ دیا جاسکے۔ سفری پابندیوں اور COVID-19 کے SOPs کے ساتھ کمپنی نے ان اقدامات کو جاری رکھا۔ کمپنی اپنے اسٹاف کی حوصلہ افزائی کرتی ہے کہ وہ سماجی خدمات میں اپنے وقت اور معلومات کے مطابق حصہ ڈالیں۔

شوشل ہیلتھ پروٹیکشن انیشیٹیو۔ گلگت بلتستان:

کمپنی نے جون 2016 سے شوشل ہیلتھ پروٹیکشن انیشیٹیو۔ گلگت بلتستان سے الحاق کر رکھا ہے۔ یہ بنیادی طور پر آغا خان فاؤنڈیشن کی سربراہی میں قائم آغا خان ڈیولپمنٹ نیٹ ورک کنسورشیم کا اقدام ہے جس میں آغا خان رورل سپورٹ پروگرام اور جوبلی لائف شریک ہیں۔ اس کنسورشیم نے گلگت بلتستان کی حکومت کے ساتھ مائیکرو ہیلتھ انشورنس منصوبے کا معاہدہ کیا ہے۔ 2020 کے دوران 5,340 گھرانوں کے 35,000 سے زائد افراد کو کمپنی نے بیمہ صحت فراہم کیا۔

سماج کے ساتھ اشتراک:

جوبلی لائف درج ذیل دیگر پہلوؤں کے ذریعے بھی سماج کے ساتھ سرگرمی سے اشتراک رکھتی ہے۔

• COVID-19 ریلیف پروگرام:

حالیہ وقت صنعت سے قطع نظر ہر کمپنی کے لئے مشکل رہا ہے، بعض کمپنیوں نے اس مشکل صورت حال کا مقابلہ کیا، اس سے سبق سیکھا اور پہلے سے بھی زیادہ مضبوط ہوئیں۔

COVID-19 کی وباء کے دوران یہ ایک دباؤ کا وقت تھا، جس سے افراد اور تنظیمیں دونوں متاثر ہوئیں اور بیماری کی غیر یقینی صورتحال کی وجہ سے فوراً گھبرا گئے۔ معاشی سرگرمیوں میں رکاوٹ پیدا ہوئی اور ملازمت کے خدشات عروج پر پہنچ گئے۔ اس دوران، آغا خان ڈیولپمنٹ نیٹ ورک (AKDN) کے اقدامات کے تحت کمپنی نے راشن کی تقسیم (Ration Drive) کے ذریعے نا صرف معاشرتی بحالی میں اپنا کردار ادا کیا بلکہ روزانہ اجرت حاصل کرنے والوں اور لاک ڈاؤن کی وجہ سے متاثر ہونے والے افراد کو کھانا کھلانے میں مدد فراہم کی۔

سال 2020 سب کے لئے مشکل سال رہا، آپ کی کمپنی نے معاشرے میں منفرد مقام بنانے کی پوری کوشش کی۔

انفارمیشن ٹیکنالوجی (I.T) اور اختطای معیار:

کمپنی کے صارفین کے تجربات اور کارکردگی کی افادیت کے بارے میں پائے جانے والی ٹیکنالوجی میں گذشتہ سالوں میں اسمارٹ اور اسٹریٹجک سرمایہ کاری نے کمپنی کو کسی خاص رکاوٹ کے بغیر COVID-19 لاک ڈاؤن کے دوران موثر اور آسانی سے اپنے آپریشنز جاری رکھنے کے لئے کمپنی کو ایک منفرد مقام پر لاکھڑا کیا۔ اوپن چینل رابطہ سینٹر اور سی آر ایم جیسی ٹیکنالوجیز نے کمپنی کو اپنے صارفین کے ساتھ منسلک کرنے اور بلا تعطل خدمات فراہم کرنے میں کافی مدد فراہم کی۔ مزید برآں، صارفین مختلف سروسز کی آپٹیمائزیشن جیسے کال سینٹر، آئی وی آر (IVR)۔ ایس ایم ایس (SMS)، موبائل ایپ (Mobile App) اور ویب پورٹل (Web Portal) کے ذریعے اپنی پالیسیوں سے متعلق کمپنی سے رابطے میں رہے۔

کمپنی نے اپنے بہت سے داخلی کاموں کو پیپر لیس ورک فلو (Paperless Workflow) میں تبدیل کر دیا ہے۔ متعدد پس پشت افعال (Support Functions) میں 450 سے زائد عملہ کو محفوظ وی پی این (VPN) کنکشن کے ذریعہ گھر سے کام کرنے کے قابل بنایا گیا۔ مزید یہ کہ، 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 ذریعہ 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۔

مزید برآں، کمپنی نے سائبر سیکیورٹی کے اعلیٰ معیار کو برقرار رکھا ہے اور اس نے اپنے "پرائمری اور ڈیزاسٹر ریکوری" دونوں سائٹس کو Best-in-Class Next Generation Firewall کی سطح تک بہتر کیا ہے۔ سال 2020 میں کمپنی نے اپنے آئی ٹی انفراسٹرکچر پر جدید ترین سیکیورٹی انفارمیشن اینڈ ایونٹ مینجمنٹ (SIEM) سلوشن بھی متعارف کرایا جس کے ساتھ اوریکل ای بزنس سوٹ (Oracle E-Business Suit) کے جدید ترین اپ گریڈ ورژن کو شامل کیا گیا۔

کمپنی اپنے موبائل اور ویب پورٹل کے ذریعے اپنی لائف اور ہیلتھ انشورنس پراڈکٹ کی فراہمی میں اضافہ کر رہی ہے۔ کمپنی اب اپنی آن لائن فروخت کے لئے ایک نئے پلیٹ فارم میں سرمایہ کاری کر رہی ہے جو فروخت کو مزید تقویت بخشنے گی اور اپنے آن لائن صارفین کو اعلیٰ اور محفوظ تجربہ فراہم کرے گی۔

کمپنی اپنے صارفین کو ڈیجیٹل میدان میں شامل کرنے اور زیادہ مواقع پیدا کرنے کے لئے کوشاں رہے گی اور صارفین کی خواہش، کب اور کسے کی بنیاد پر خدمات فراہم کرتی رہے گی۔

ایوارڈز اور اعزازات:

گذشتہ برسوں کی طرح، 2020 میں بھی کمپنی نے اپنی شاندار کارکردگی سے گراں قدر اعزازات حاصل کرنے کا سلسلہ برقرار رکھا ہے:

- MAP کی جانب سے انشورنس کیٹگری MAP 35th Corporate Excellence Award
- انشورنس کیٹگری میں سلور ایفی ایوارڈز 2020 (Silver Effie Awards 2020)
- بہترین سوشل میڈیا مہم (Facebook) کی کیٹگری میں پاکستان ڈیجیٹل ایوارڈز 2020۔
- میری ایڈیلیڈ پروسس سینٹر کی جانب سے ڈاکٹر تھ فاؤنسی ایوارڈ 2020۔

ضابطہ اخلاق اور کاروباری اخلاقیات: (Code of Conduct & Business Ethics)

کمپنی کا ضابطہ اخلاق، کاروباری 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 نمبر 06 پر موجود ہے اور جو کمپنی کی ویب سائٹ پر بھی دستیاب ہے بورڈ کی 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 لئے ضروری اقدامات کئے گئے ہیں۔

کارپوریٹ سماجی ذمہ داری (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 پا سکیں سے رہنمائی لیتا ہے۔ کارپوریٹ سماجی ذمہ داری اور عطیات کی پالیسی جو بورڈ کی طرف سے منظور کی گئی ہے جو مکمل توجہ اور کثیر راہی کوششوں کے ذریعے ہمارے وژن کے حصول کا رہنما ڈھانچا فراہم کرتا ہے جس کا کمپنی کی کارپوریٹ سماجی ذمہ داری اور عطیات کی پالیسی پر مثبت اثر ہوتا ہے۔

• عطیات:

منظور شدہ سی ایس آر اور عطیات کی پالیسی کے عین مطابق، سال 2020 کے دوران کمپنی کے عطیات کی مجموعی مالیت 31 ملین روپے ہے (2019: 14.5 ملین روپے)، ان عطیات کا مقصد صحت و تعلیم کے شعبے میں مدد اور دہی ترقی شامل ہے۔ شعبوں کے لحاظ سے عطیات کی تقسیم حسب ذیل ہے:

نی حصص آمدنی:

سال 2020 میں فی حصص آمدنی 33.05 روپے رہی جو کہ گذشتہ سال کی فی حصص آمدنی 25.49 روپے کے مقابلے میں 30 فیصد زیادہ ہے۔

حصص یافتگان کے لئے منافع منقسمہ:

بورڈ آف ڈائریکٹرز نے حتیٰ نقد تقسیم شدہ منافع بحساب 13.50 یعنی 135 فیصد فی حصص (2019: 13.50 روپے فی حصص 135 فیصد) کا اعلان کیا ہے۔ اس کے علاوہ دوران سال کمپنی نے عبوری نقد تقسیم شدہ منافع بحساب 3.00 روپے فی حصص (30 فیصد) بھی ادا کیا (2019: 3.00 روپے فی حصص یعنی 30 فیصد) اس طرح 2020 کے لئے کل نقد تقسیم شدہ منافع 16.50 روپے فی حصص یعنی 165 فیصد رہا (2019: 16.50 روپے فی حصص یعنی 165 فیصد) اور یہ کمپنی کے سالانہ اجلاس عام میں حصص یافتگان کی اجازت سے مشروط ہے۔

انشور فنانشل اسٹریٹجی ریٹنگ (IFS Rating):

کمپنی کی آئی ایف ایس ریٹنگ (IFS Rating) کا جائزہ JCR-VIS کریڈٹ ریٹنگ ایجنسی سالانہ بنیادوں پر لیتی ہے موجودہ سالانہ جائزہ تینیس فروری دو ہزار اکیس 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 کی Policyholders' Liabilities اور معاہدے کی شرائط پر پورا اترنے کی اعلیٰ صلاحیت کو مد نظر رکھ کر کی گئی ہے۔ JCR-VIS نے اپنی رپورٹ میں تسلیم کیا ہے کہ کمپنی کے روایتی اور وندو مکافل، دونوں شعبوں میں ترقی کی شرح اور اقساط بیمہ کی وسعت ہمسر کمپنیوں کی نسبت بہتر ہے۔

انسانی سرمایہ (Human Capital):

اگرچہ کام کی دنیا تیزی سے بدل رہی ہے لیکن 2020 میں ہم سب نے راتوں رات کام اور رابطہ کرنے کے طریقوں میں تبدیلی کا مشاہدہ کیا اور یکایک رموت ورکنگ میں اضافے سے کردار کو تبدیل کرنے اور کام کی جگہ پر صحت اور حفاظت پر حد سے زیادہ توجہ دینے کے لئے مہارت اور عمل کی ضرورت ہے۔

• پہلے لوگ (People First):

ہمارے اسٹاف کی صحت اور حفاظت ہماری اولین ترجیح ہے۔ وبائی مرض کے آغاز پر ہم نے فوری طور پر اپنے HR ماہرین اور ڈاکٹرز کی ایک ٹیم تشکیل دی تاکہ کسی بھی طبی ہنگامی صورتحال سے نمٹنے کے لئے اور جہاں کہیں بھی ضرورت ہو فوری آن لائن طبی مشاورت فراہم کرنے کے لئے اپنے اسٹاف اور ان کے خاندان کے افراد کی سہولت اور مدد کی جاسکے۔ صحت اور حفاظت سے متعلق آگاہی پیدا کرنے کے لئے خاص طور پر کورونا وائرس کے خطرات سے نمٹنے کے لئے جسمانی تندرستی، غذائیت اور ادویات کے شعبے سے تعلق رکھنے والے مختلف مضامین کے ماہرین کے ساتھ مختلف ویبینارز (Webinars) اور سیشنز (Sessions) کا انعقاد کیا۔

• معاون ٹیموں کی تشکیل کرنا:

کمپنی نے ہمیشہ اعلیٰ کارکردگی کے حامل اور مصروف عمل ٹیموں کی ترقی کے لئے کام کیا ہے، زیادہ تر دور دراز کی ٹیموں کو دفاتر میں موجود اسٹاف کے ساتھ مشغول، پھرتیلا، مربوط اور کارکردگی دکھانے کیلئے ٹھوس منصوبہ بندی کی ضرورت تھی۔ ٹیکنالوجی کا فائدہ اٹھاتے ہوئے ہم نے ملک بھر میں اپنے لوگوں کو ایک جگہ اکٹھا کیا اور اس طرح معاون اور متحد ٹیمیں تشکیل دیں۔ Jubilee Trivia Challenge اور HR Connect Sessions جیسے متعدد اقدامات پورے سال جاری رہے تاکہ یہ یقینی بنایا جاسکے کہ ہمارے اسٹاف اپنے کام کی جگہ سے دوری کے باوجود ہمیشہ منسلک اور مصروف رہیں۔

• ڈیجیٹل اسٹاف کا تجربہ (Digital Employee Experience):

لوگوں کو بااختیار بنانے اور ماتحت اور مینیجر کے درمیان خودکار موبائل ایپلی کیشن کے ذریعہ منسلک کرنے کے لئے کلاؤڈ بیڈ ہیمو من کیپٹل مینجمنٹ سسٹم کو کامیابی کے ساتھ نافذ کیا گیا۔ بلینڈ اور ڈیجیٹل لرننگ پلیٹ فارم کا استعمال کرتے ہوئے اسٹاف کے صلاحیتوں کو ابھارنے اور نکھارنے پر زیادہ توجہ دی تاکہ کام میں مزید بہتری لائی جاسکے۔

• شمولیت اور تنوع:

خواتین کی 28 فیصد سے زیادہ شمولیت کے ساتھ کمپنی اپنے کام کی ثقافت پر فخر محسوس کرتی ہے اور لچکدار اور معاون پالیسیاں تیار کرنے کی کوشش کرتی ہے تاکہ یہ یقینی بنایا جاسکے کہ ہماری کمپنی کی خواتین اپنے کیریئر کا سفر جاری رکھ سکیں۔

- سال 2020 میں حادثات اور صحت سے متعلق کاروبار میں 4,547 ملین روپے کے مقابلے میں 5,072 ملین روپے کا خالص تحریری اقساط بیمہ (NWP) حاصل ہوا اور اس طرح 680 ملین روپے کا سرپلس (Surplus) حاصل ہوا جو گزشتہ سال 2019 کے 318 ملین روپے کے مقابلے میں 114 فیصد زیادہ ہے۔

- ونڈو تکافل آپریشنز نے ذبردست پزیرائی کے تسلسل کو برقرار رکھتے ہوئے مجموعی طور پر تینوں کاروباری یعنی انفرادی فیملی تکافل، گروپ فیملی تکافل اور ایکسیڈنٹ اینڈ ہیلتھ تکافل نے مجموعی طور پر 11,172 ملین روپے کا خالص تحریری اقساط بیمہ (NWC) ریکارڈ کیا اور ایک بار پھر 10 ارب روپے سے تجاوز کر گیا۔

- تمام کاروبار سے مجموعی طور پر سرپلس 3,987 ملین روپے ریکارڈ کیا گیا، جو کہ سال 2019 کے مجموعی سرپلس 3,823 ملین روپے کے مقابلے میں 4.28 فیصد زیادہ ہے۔ سینئر ہولڈرز کے فنڈز میں ریونیو اکاؤنٹ سے 3,125 ملین روپے منتقل کئے جو گزشتہ سال 2,775 ملین روپے منتقل کئے گئے تھے اور یہ مقررہ لیکچوری (Appointed Actuary) کی منظوری کی بنا پر کئے گئے ہیں اور اسے اسٹیبلشمنٹ فنڈز (Statutory Funds) کے ریونیو اکاؤنٹ کی سیکنڈل انفارمیشن کے تحت مالیاتی حسابات کے نوٹ 43.1 میں واضح کیا گیا ہے۔

- حصص یافتگان کی ایکویٹی اور ذخائر (Equity & Reserves) بشمول Statutory Funds (Ledger Account-D) 12,872 ملین روپے ہے جو 2019 کے 11,406 ملین روپے کے مقابلے میں 13 فیصد زیادہ ہے۔

- کمپنی تیزی سے بدلتے ہوئے ماحول سے واقف ہے، اس سلسلے میں اس کی تشخیص اور مقررہ لیکچوری کی منظوری سے اپنی مطلوبہ قدرت (Solvency Requirements) کو برقرار رکھنے میں سنجیدگی کا مظاہرہ کرتی رہی ہے۔

سرمایہ کاری کی کارکردگی:

کمپنی ایک محتاط سرمایہ کاری کی پالیسی پر عمل پیرا ہے اور بھرپور طور پر مارکیٹ کی پوزیشن کی نگرانی کرتی ہے۔ سال کے ابتدائی مہینوں میں حصص مارکیٹ کو شدید دھچکا لگا اور سرمایہ کاری کے اعتماد کو ٹھیس پہنچی، اور اسے وبائی مرض کے گرد غیر یقینی صورتحال کے خوف سے مزید تقویت ملی۔ کمپنی نے اپنی انتظام کاری کے تحت فنڈز کے اثاثہ جات کی مختص رقم میں توازن پیدا کر کے فنڈز کی مالیت کی حفاظت کے لئے بھرپور اقدامات کئے اور اس طرح کمپنی سال کے آخر میں سرمایہ کاری کی مجموعی آمدنی 11,930 ملین روپے حاصل کرنے میں کامیاب رہی۔ مزید یہ کہ سرمایہ کاری کی آمدنی کے ساتھ ساتھ کاروبار کے ہر شعبے سے رقوم کے بہاؤ کے نتیجے میں سرمایہ کاری کے مجموعے (Investment Portfolio) میں 10 فیصد سے زیادہ کا اضافہ ہوا اور پہلی بار 176 ارب روپے کے ہدف کو عبور کیا۔

کمپنی روایتی بیمہ کاروبار میں انفرادی زندگی کے بیمہ داروں کو چار (4) یونٹ لنکڈ فنڈ (Unit Linked Fund) اور شریعت کے مطابق دو (2) یونٹ لنکڈ فنڈ پیش کرتی ہے۔ ان فنڈز کا انتخاب انفرادی بیمہ داران / شرکاء مختلف سرمایہ کاری کے خطرات کے حوالے سے اپنی مرضی سے کرتے ہیں۔ 2020 میں منافع کا خلاصہ درج ذیل ہے:

نمبر شمار	فنڈ کا نام	آغاز کی تاریخ	سال 2020	تین سالہ حاصلات	پانچ سالہ حاصلات	دس سالہ حاصلات	آغاز سے اب تک حاصلات
	انڈیپنڈنٹ لائف یونٹ لنکڈ فنڈ (کنوینشنل)						
۱	مینجمنٹ فنڈ	31 دسمبر 1996	7.40%	20.00%	33.80%	185.20%	1215.51%
۲	کینڈل گرو تھ فنڈ	28 جولائی 2004	-6.30%	-7.60%	13.40%	284.20%	728.29%
۳	میتاق فنڈ	27 مارچ 2008	2.10%	13.90%	30.40%	140.00%	138.27%
۴	بلکین گرو تھ فنڈ	1 جون 2009	15.00%	35.40%	50.00%	172.30%	188.44%
	انڈیپنڈنٹ فیملی تکافل فنڈ						
۵	مینجمنٹ تکافل فنڈ	7 جولائی 2015	4.40%	15.70%	31.70%	کوئی نہیں	39.30%
۶	کینڈل گرو تھ تکافل فنڈ	7 جولائی 2015	1.20%	13.20%	28.90%	کوئی نہیں	36.40%

نفع و نقصان کا کھاتہ:

نفع و نقصان کا کھاتہ 4,070 ملین روپے کا قبل از ٹیکس منافع ظاہر کرتا ہے جو کہ گزشتہ سال کے قبل از ٹیکس منافع 3,416 ملین روپے سے 21 فیصد زیادہ ہے۔ سال 2020 میں منافع بعد از ٹیکس 2,884 ملین روپے ہوا جو کہ گزشتہ سال 2,224 ملین روپے کے مقابلے میں 30 فیصد زیادہ ہے۔

کمپنی قومی خزانے کی نمایاں ٹیکس دہندہ ہے۔ سال 2020 کے دوران کمپنی نے 2,343 ملین روپے (2019: 2,300 ملین روپے) بطور ٹیکس براہ راست اور بالواسطہ طور پر سرکاری خزانے میں جمع کروائے۔

ڈائریکٹرز کی رپورٹ برائے حصص یافتگان:

ڈائریکٹرز کمپنی کی سالانہ رپورٹ مع کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے مالی سال ختمہ 31 دسمبر 2020 بصورت پیش کرتے ہیں۔

کامیابیاں:

سال 2020، COVID-19 کی وباء سے بڑی طرح متاثر ہوا، ایک غیر متوقع عالمی واقعہ جس کے نتیجے میں زندگی کے تمام شعبہ جات میں خلل پڑا، چونکہ دنیا کو بے پناہ انتشار اور اُٹھن کا سامنا کرنا پڑا اور بہت سارے ممالک نے اپنی سرحدیں بند کر دیں، سیاحت کو روک دیا گیا جبکہ گلوبلائزیشن کے آئیڈیا پر بھی سوال اٹھایا۔ ہمارے ملک میں بھی کچھ مہینوں کے لئے ملک بھر میں سخت لاک ڈاؤن رہا اور مارچ 2020 میں اسٹاک مارکیٹ کریش کر گئی جس کے نتیجے میں پی ایس ایکس 100 انڈیکس میں کمی واقع ہوئی اور انڈیکس اپنی 37,984 کی بلند سطح سے کم ہو کر 29,232 کے ساتھ 28.2 فیصد کی منفی سطح پر آگیا۔

سال کے دوسرے حصے میں پاکستان کی معیشت آہستہ آہستہ غیر معمولی اثرات سے باہر آنا شروع ہوئی۔ وفاقی، صوبائی حکومتوں اور اسٹیٹ بینک آف پاکستان کی جانب سے مالیاتی اور مالی اقدامات کے ذریعے لیکویڈیٹی فراہم کی گئی تاکہ صنعتوں کو COVID-19 سے پہلے کی سطح پر آپریشنز شروع کرنے کے قابل بنایا جاسکے۔

ان سب مشکلات کے باوجود آپ کی کمپنی نے اپنی صنعت میں مضبوط اقدامات کے ساتھ ایک بار پھر درج ذیل کامیابیاں حاصل کرنے میں کامیاب رہی جن میں سے کچھ ہم یہاں پیش کر رہے ہیں:

- COVID کی وجہ سے ملک گیر لاک ڈاؤن کے ساتھ، کمپنی نے اپنا کاروباری تسلسل کا منصوبہ شروع کیا اور اس بات کو یقینی بنایا کہ اس کے صارفین کو بلا تعطل تسلسل کے ساتھ خدمات فراہم کی جائیں۔ خاص طور پر، کمپنی نے اس بات کو یقینی بنایا کہ اس کا ہیلتھ انشورنس ایروول سینٹر (Health Insurance Approval Center) 24/7 چلتا رہے۔ وبا کی مدت کے دوران 2.5 ملین سے زیادہ ہیلتھ انشورنس صارفین کو بغیر کسی رکاوٹ کے خدمات پیش کرنا اس کے صارفین اور ان کی خیر و عافیت کے لئے کمپنی کی بے مثال وابستگی کو ظاہر کرتی ہے۔

- بعد از ٹیکس منافع (PAT) 2,884 ملین روپے رہا جو کہ گذشتہ سال کے بعد از ٹیکس منافع سے 30 فیصد زیادہ ہے جس کے مطابق فی حصص آمدنی 33.05 روپے رہی جو کہ گذشتہ سال 25.49 روپے تھی۔

- مجموعی تحریری اقساط بیمہ 46,507 (GWP) ملین روپے پر رہا جو کہ گذشتہ سال 2019 میں 49,627 روپے تھا اور یہ 6.3 فیصد کمی کو ظاہر کرتا ہے۔ کارپوریٹ بزنس، دونوں روایتی اور ونڈو مکافل نے 8,563 ملین روپے کا کاروبار کیا جو گذشتہ سال 2019 کے 7,088 ملین روپے کے مقابلے میں 21 فیصد زیادہ ہے۔ اس مضبوط نمو کو بڑی حد تک صارفین کو اعلیٰ معیار کی خدمات کی فراہمی سے منسوب کیا جاتا ہے جو ہمارے صارفین کے اعتماد کا باعث بنا اور جس کے لئے ہم اُن کے شکر گزار ہیں۔

- مقررہ لیکچوری (Appointed Actuary) اور شرعی مشیر (Shariah Advisor) کی منظوری کی بنیاد پر پہلی سہ ماہی کے اختتام کے بعد اپریل 2020 میں 2017 سے لے کر 2019 تک 394 ملین روپے کی اضافی رقم (Surplus) اہل شرکاء میں ان کی جانب سے منظور شدہ طریقہ کار کے مطابق بونس یونٹ (Bonus Unit) کے طور پر اہل شرکاء کو مختص کر دیئے گئے ہیں۔ ملک میں کسی بھی فیملی مکافل آپریٹر کے ذریعہ ایک سال میں تقسیم کیا جانے والا یہ سب سے زیادہ سرپلس (Surplus) تھا۔

کاروباری کارکردگی اور انتظامی نتائج:

مرکزی شعبوں کے مجموعی انتظامی نتائج کا خلاصہ حسب ذیل ہے:

انفرادی بیمہ زندگی (Individual Unit Linked) سے منسلک کاروبار نے 3,021 ملین روپے کا سرپلس حاصل کیا جو گذشتہ سال کے مقابلے میں 4 فیصد زیادہ ہے باوجود اس کے کہ اس سال کے بڑے حصے میں معیشت میں غیر یقینی صورتحال کے ساتھ قوت خرید بھی کم ہوئی ہے ریگولیٹری لحاظ سے FATF کی ضروریات کے مطابق لاگو قوانین جن میں 4 مئی منی لائڈنگ (AML) اور صارفین سے ہم آہنگی (KYC) جیسے دیگر قوانین بھی صارفین کے اعتماد پر اثر انداز ہوئے لہذا نئے کاروبار اور پالیسی تجدید (Policy Renwal) ایک چیلنج تھا جس میں 27,315 ملین روپے کا خالص تحریری اقساط بیمہ (NWP) حاصل ہوا جو کہ گذشتہ سال 31,668 ملین روپے تھا۔

- روایتی کاروبار، جس میں بنیادی طور پر گروپ لائف انشورنس شامل ہے، نے 1,638 ملین روپے کا خالص تحریری اقساط بیمہ (NWP) حاصل کیا جو کہ سال 2019 میں 1,421 ملین روپے تھا۔ دوران سال 262 ملین روپے کا سرپلس حاصل کیا گیا جو گذشتہ سال کے مقابلے میں 63 فیصد زیادہ ہے۔

کارپوریٹ سماجی ذمہ داری (CSR):

کمپنی کی کارپوریٹ سماجی ذمہ داری (CSR) اور عطیات کی پالیسی کمپنی کی کارپوریٹ سماجی سرگرمیوں سے متعلق اقدامات اور تعاون کو مثبت انداز میں جاری رکھنے کے لئے کمپنی کے نظریئے کے عین مطابق اہم رہنما اصول فراہم کرتی ہے اس حوالے سے متعلق تفصیلات ڈائریکٹر رپوٹ میں موجود ہیں۔ بمسرت آپ کو مطلع کیا جاتا ہے کہ بطور ذمہ دار کارپوریٹ شہری اور کارپوریٹ سماجی ذمہ داری کی سرگرمیوں کے سلسلے میں مسلسل وابستگی کے طور پر، کمپنی کو Marie Adelaide Leprosy Centre کی جانب سے ڈاکٹر رتھ فاؤ سی لیس آر ایوارڈ 2020 (Dr. Ruth Pfau CSR Award 2020) سے بھی نوازا گیا۔

بورڈ آف ڈائریکٹرز:

سکدوش ہونے والے بورڈ نے مارچ 2020 میں اپنی مدت پوری کی۔ جناب امین کریم بھائی، جناب شاہد غفار، جناب جون جوزف میٹکالف، جناب سلطان علی اللانہ، جناب آر۔ ذاکر محمود، جناب صغیر مفتی، محترمہ صبا کمال، جناب جاوید اور میں بڑا خد 31 مارچ 2020 سے شروع ہونے والی تین سال کی مدت کیلئے بورڈ کے ڈائریکٹرز منتخب ہوئے۔

سال کے اختتام کے بعد محترمہ صبا کمال نے اپنی دوسری ذمہ داریوں کی وجہ سے بورڈ آف ڈائریکٹرز کے عہدے سے استعفی دے دیا۔ میں کمپنی کی جانب سے بورڈ میں ان کی گرانقدر شراکت کو سراہتا ہوں۔

بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی:

بورڈ آف ڈائریکٹرز اور ان کی کمیٹیوں کی کارکردگی کے جائزہ کیلئے Listed Companies (Code of Corporate Governance) Regulations, 2019 اور Companies Act, 2017 کے تحت ایک جامع طریقہ کار موجود ہے۔

بورڈ متعلقہ معیارات جیسے قیادت، حکمت عملی کی تشکیل، منصوبہ بندی، افادیت اور جوابدہی کی بنا پر اپنی 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 لئے 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 بہتر کارکردگی کا مظاہرہ کیا اور اپنے اپنے شعبے میں مہارت کے ساتھ تعاون کیا ہے۔ اور یہ کہ بورڈ اور اس کی کمیٹیوں نے زیر جائزہ سال میں موثر انداز میں کام کیا۔

جائزہ:

جیسا کہ زیر جائزہ سال کے آخر میں مشاہدہ کیا گیا ہے اور اس بات کا تذکرہ کرنا ضروری ہے کہ معیشت نے COVID-19 ویکسینز کی تیاری اور اموات کی گھٹتی ہوئی شرح کی امید کے ساتھ ایک مضبوط واپسی کی۔ تاہم مجھے خدشہ ہے کہ تجارت، صنعت اور مجموعی طور پر کاروباری اتار چڑھاؤ اور قوت خرید بعد از وبا کی مرض مالیاتی سال 2021 بھی مشکل ثابت ہوگا۔

مجھے یقین ہے کہ کمپنی پاکستان کے نجی شعبے کی سب سے بڑی بیمہ زندگی کمپنی کے طور پر اپنی حیثیت برقرار رکھے گی اور اپنے نمو کو بہتر کرنے کی کوششیں کرتی رہے گی۔

اظہار تشکر:

بورڈ کی جانب سے، میں اپنے حصص داران، معزز بیمہ داران اور ونڈو تکافل شرکاء، کاروباری شرکاء سمیت ہمارے بینکرز، سپلائرز اور دیگر اسٹیک ہولڈرز کے اعتماد اور حمایت کے لئے ان کا شکریہ ادا کرتا ہوں۔ میں حکومت پاکستان کے تعاون کے ساتھ بیمہ زندگی کے کاروبار میں اصلاحات لانے کے حوالے سے سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی مسلسل کوششوں کے لئے ان کے مثبت کردار کا بھی اعتراف کرتا ہوں۔ کمپنی کی کامیابی کے حوالے سے میں کمپنی کے تمام انسانی وسائل کے تعاون کے اعتراف کرتا ہوں جن کے بغیر اس سطح کی کامیابی ہرگز ممکن نہ تھی۔



کمال اے چٹاے

چیئرمین

کراچی، 24 فروری 2021

چیمین کی جائزہ رپورٹ

میں 31 دسمبر 2020 کو ختم ہونے والے سال کے لئے کمپنی کی سالانہ رپورٹ بصورت پیش کرتا ہوں۔

معیت اور کیپٹل مارکیٹ:

جب ہم سال 2020 پر غور کرتے ہیں تو اس میں پوری دنیا پر وبا کی مرض COVID-19 کی وجہ سے گہرے اور غیر متوقع منفی اثرات مرتب ہوئے ہیں۔ جب کہ اس میں بھی کوئی شک نہیں کہ اس کے مکمل اثرات ابھی دیکھنا باقی ہیں۔

وباء کے نتیجے میں عالمی سطح پر غیر معمولی اثرات کی وجہ سے قیمتی انسانی جانوں کا ضیاع ہوا میں بورڈ آف ڈائریکٹرز کی جانب سے ان تمام لوگوں سے دلی تعزیت کرتا ہوں جو اس مشکل وقت میں اپنے پیاروں کو کھو چکے ہیں۔

میں گزشتہ سال آپ کو سالانہ رپورٹ 2019 پیش کرتے وقت، معیت اور کیپٹل مارکیٹ میں ترقی کی مثبت رفتار اور دیگر معاشی اشاروں کی ابھرتی ہوئی علامات کو تسلیم کرتے ہوئے خوش تھا، کیونکہ ہم نے گزشتہ سالوں میں منفی ریٹرنز کا مشاہدہ کیا۔ تاہم، وبا کی مرض کی وجہ سے معیت نمایاں طور پر سست روی کا شکار ہوئی اور پی ایس ایکس 100 انڈیکس میں کمی واقع ہوئی اور انڈیکس اپنی 37,984 کی بلند سطح سے کم ہو کر 29,232 کے ساتھ 28.2 فیصد کی منفی سطح پر آگیا۔ اب انڈیکس پہلی لہر کے بعد بحال ہوا ہے اور 43,755 پوائنٹس کے ساتھ سال کیلئے 7.4 فیصد کی مثبت سطح پر ہے۔ محتاط طور پر امید یہ ہے کہ ہمارے ملک کی معیت میں بتدریج بحالی کے آثار دکھائی دے رہے ہیں اور مختلف مالی اور مالیاتی اقدامات کی وجہ سے اس کا سہرا لازمی طور پر وفاقی اور صوبائی حکومتوں کے ساتھ ساتھ اسٹیٹ بینک آف پاکستان کو بھی جاتا ہے۔

کمپنی:

گزشتہ سال کے دوران، ہماری ترجیح ہمارے لوگ رہے ہیں، چند اقدامات جن میں ان کو محفوظ رکھنا، ملازمت کی حفاظت کے ساتھ ان کی دیکھ بھال کرنا اور ایک مربوط ٹیم تشکیل دینا جو کہ انشورنس انڈسٹری میں ہماری مسلسل مسابقتی برتری کو برقرار رکھے۔ مجھے یہ بتاتے ہوئے خوشی ہے کہ ایک انتہائی مشکل سال میں آپ کی کمپنی نے محتاط انتظام کاری کے ذریعہ بعد از ٹیکس منافع 2,884 ملین روپے کمایا جو گزشتہ سال کے مقابلے میں 30 فیصد زیادہ ہے۔ اگرچہ لاک ڈاؤن اور کاروباری بندش کی وجہ سے مجموعی تحریری اقساط بیمہ (جی ڈبلیو بی) کی رقم 46,507 ملین روپے رہی جو کہ گزشتہ سال کے مقابلے میں 6.3 فیصد کم ہے، تاہم کارپوریٹ بزنس، دونوں روایتی اور ونڈو تکافل سے حاصل ہونے والے مجموعی تحریری اقساط بیمہ نے گزشتہ سال کے دوران 21 فیصد کا خاطر خواہ اضافہ کیا اور 8,563 ملین روپے تک پہنچ گیا۔ اس کے ساتھ ساتھ کمپنی نے پہلی دفعہ اپریل 2020 میں انفرادی فیملی تکافل فنڈ کے شرکاء کو سرپلس ڈسٹری بیوٹن کیا جس کی مجموعی رقم سال 2017 سے 2019 تک 394 ملین روپے ہے۔ اس بات کا ذکر کرنا بھی مناسب ہے کہ کمپنی کی بیلنس شیٹ کا حجم گزشتہ سال کے 173 ارب روپے سے تجاوز کر کے 190 ارب روپے تک پہنچ گیا جو ہمارے بیمہ داران / شرکاء کے اعتماد اور کمپنی کی ترقی اور کامیابی میں ہمارے تمام ملازمین کی شراکت کا مظہر ہے۔

انعامات اور اعزازات:

سال 2020 کے دوران، کمپنی نے مینجمنٹ ایسوسی ایشن آف پاکستان (MAP) کے زیر اہتمام 35 ویں کارپوریٹ ایکیلیٹس ایوارڈ میں مالیاتی شعبے کے زمرے میں (Top Trophy Award) حاصل کیا۔ مزید برآں، دوران سال کمپنی کی ڈیجیٹل مارکیٹنگ کی کاوشوں کو تسلیم کیا گیا اور انشورنس کمیونٹی میں (Silver Effie Award 2020) حاصل کیا اور بہترین سوشل میڈیا مہم (Facebook) کے زمرے میں پاکستان ڈیجیٹل ایوارڈ 2020 حاصل کیا۔

مارکیٹنگ اور اسپورٹس:

پاکستان میں بین الاقوامی کرکٹ کی بحالی کی کوششوں کی وجہ سے جوبلی لائف ایک مسند برانڈ بن چکا ہے۔ گزشتہ سالوں کی طرح سال 2020 میں بھی کمپنی نے پاکستان کرکٹ بورڈ (PCB) کے ساتھ پاکستان سپر لیگ کے پانچویں سیزن (PSL 5) کے لئے گولڈ اسپانسر (Gold Sponsor) کی حیثیت سے شراکت کی اور اس طرح دوبارہ ملک کے عوام کو عالمی معیاری کرکٹ دیکھنے کا موقع فراہم کیا۔ ایونٹ کے دوران ٹی وی، آن گراؤنڈ، ڈیجیٹل اور پی آر سمیت تمام میڈیا میں اسپانسرشپ موجود تھی۔

کرکٹ کے جذبے کے علاوہ، کمپنی کے افرادی قوت (Human Resource) میں کھیل اور کھیلوں کا جنوں بھی بیہودہ ہے اور کمپنی نا صرف کرکٹ بلکہ اسنوکر، گالف اور پولو جیسے کھیلوں میں بھی مختلف ٹورنامنٹس کی اسپانسرشپ کے ذریعے اپنے تعاون کو یقینی بناتی ہے۔

مختار نامہ (پراکسی فارم)

میں / ہم _____ ساکن _____
بحیثیت ممبر (رکن) جو بی لائف انشورنس کمپنی لمیٹڈ اور حامل _____ عام حصص، بمطابق شیئرز رجسٹر فوئیو نمبر / سی ڈی سی اکاؤنٹ اور
پارٹسپنٹ آئی ڈی نمبر _____ ممبر (رکن) محترم / محترمہ _____
فوئیو نمبر / سی ڈی سی اکاؤنٹ اور پارٹسپنٹ آئی ڈی نمبر _____ کو یا ان کی غیر حاضری میں ممبر (رکن)
محترم / محترمہ _____ فوئیو نمبر / سی ڈی سی اکاؤنٹ اور پارٹسپنٹ آئی ڈی نمبر _____
کو اپنے / ہمارے ایماء پر بروز منگل، ۳۰ مارچ ۲۰۲۱ء، 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 _____ ۲۰۲۱ء 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) بمعہ 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۔

**AFFIX
CORRECT
POSTAGE**

Jubilee
LIFE INSURANCE

If undelivered please return to:
Jubilee Life Insurance Company Limited

74/1-A, Lalazar, M. T. Khan Road, Karachi-74000
Phone : (0092) (21) 35205095
Fax : (0092) (21) 35610959

Fold : Here

Fold : Here

Fold : Here

Fold : Here

JUBILEELIFE.COM

JUBILEE LIFE INSURANCE COMPANY LIMITED

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

Phone: (021) 35205094-95
Fax: (021) 35610959
UAN: (021) 111-111-554
SMS: "JUBILEELIFE" to 8398
E-mail: info@jubileelife.com,
complaints@jubileelife.com
Website: www.jubileelife.com