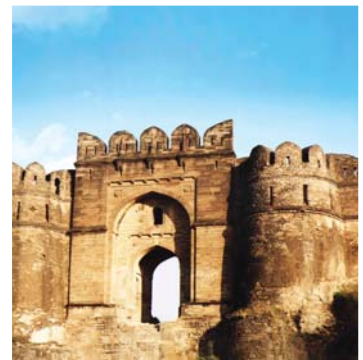
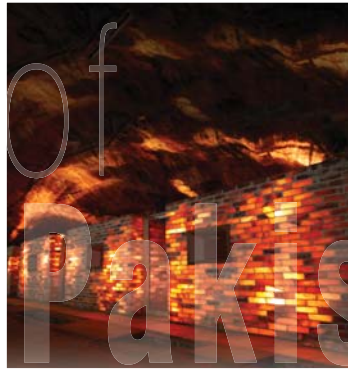
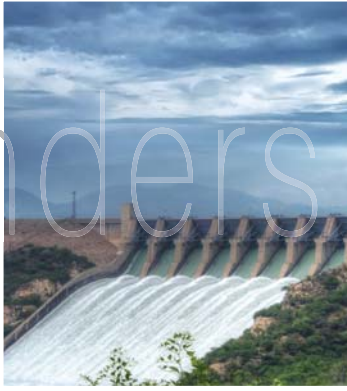


Wonders of Pakistan



MEHFOOZ PAKISTAN

Ours is a country of contrasts; a country of mega cities and tiny villages, of towering mountains and arid deserts. And nowhere is that stunning diversity reflected more than in the people who live in this land we call Pakistan. We are rich and we are poor, we speak many languages and call ourselves by many different names and yet, beneath the surface we are all the same. Despite our differences we share the same strength and courage that makes us who we are: Pakistanis.

Here, Jubilee Life invites you to come with us on a journey as we show you the colors and character of this land that we call Home.

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Certified True Copy

Manzoor Ahmed
 Company Secretary

VISION

Enabling people to
overcome uncertainty

MISSION

To provide solutions that protect
the financial future of our Customers

CORE VALUES

Teamwork

Integrity

Excellence

Passion

Code of Conduct

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

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

Overall Corporate Strategy

Jubilee Life Insurance Company is a growth oriented insurance company in Pakistan. Our strategic objective is to increase our market share to be the market leader 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.

CHILD EDUCATION PLANS

Let us enlighten the path to success for our children - our assets; for they will hold the reins of our country tomorrow.

Company Information

BOARD OF DIRECTORS

Masood Noorani
Chairman

Aly Noor Mahomed Rattansey
Director

Shahid Mahmood Loan
Director

Towfiq Habib Chinoy
Director

Javed Ahmed

Managing Director & Chief Executive Officer

John Joseph Metcalf
Director

Sultan Ali Akbar Allana
Director

BOARD COMMITTEES

Audit

Aly Noor Mahomed Rattansey Chairman

John Joseph Metcalf Member

Shahid Mahmood Loan Member

Adeel Ahmed Khan Secretary

Human Resource & Remuneration

Towfiq Habib Chinoy Chairman

Masood Noorani Member

John Joseph Metcalf Member

Javed Ahmed Member

Muhammad Munawar Khalil Secretary

Finance & Investment

Masood Noorani Chairman

Javed Ahmed Member

John Joseph Metcalf Member

Shahid Mahmood Loan Member

Nurallah Merchant Member

Manzoor Ahmed Member/Secretary

Technical

John Joseph Metcalf Chairman

Javed Ahmed Member

Nurallah Merchant Member/
Secretary

MANAGEMENT

Javed Ahmed

Managing Director & Chief Executive Officer

Faisal Shahzad Abbasi

Group Head Customer Experience, Marketing & Products

Muhammad Sohail Fakhar

Group Head Corporate Business & Micro Insurance

Nurallah Merchant

Executive Director / Investment & Actuarial

Manzoor Ahmed

Group Head Finance & Accounts

Zahid Barki

Group Head Technology, Projects & Quality

COMPANY SECRETARY

Manzoor Ahmed

HEAD OF INTERNAL AUDIT

Adeel Ahmed Khan

COMPLIANCE OFFICER

Nurallah Merchant

MANAGEMENT COMMITTEES

Claims

Javed Ahmed	Chairman
Muhammad Sohail Fakhar	Member
Nurallah Merchant	Member
Zahid Barki	Member
Muhammad Junaid Ahmed	Secretary

Underwriting

Javed Ahmed	Chairman
Faisal Shahzad Abbasi	Member
Nurallah Merchant	Member
Zahid Barki	Member
Muhammad Adnan Qadir	Secretary

Procurement & Disposal

Nurallah Merchant	Chairman
Faisal	Member
Imranuddin Usmani	Member
Muhammad Munawar Khalil	Member

Reinsurance

Javed Ahmed	Chairman
Muhammad Sohail Fakhar	Member
Nurallah Merchant	Member
Zahid Barki	Member
Shan Rabbani	Member/ Secretary

Compliance

Javed Ahmed	Chairman
Manzoor Ahmed	Member
Nurallah Merchant	Member
Zahid Barki	Member
Adeel Ahmed Khan	Member/ Secretary

RATING OF THE COMPANY

Insurer financial strength (IFS) Rating
Outlook
Rating Agency

"AA" (Double A)
"Stable"
JCR-VIS

APPOINTED ACTUARY

Nauman Associates,
249-CCA- Sector FF, Phase IV, DHA, Lahore, Pakistan.
Tel: (0092)(42)35741827-29

AUDITORS

A. F. Ferguson & Co. Chartered Accountants
Engagement Partner: Farrukh Rehman
State Life Building No. 1-C,
I. I. Chundrigar Road, P. O. Box 4716
Karachi - 74000, Pakistan.
Tel: (0092)(21)32426682-86

REGISTERED OFFICE

26-D, 3rd Floor, Kashmir Plaza,
Jinnah Avenue, Blue Area, Islamabad, Pakistan.
Tel: (0092)(51) 2206930-6 Fax: (0092)(51) 2825372
Web: www.jubileelife.com E-mail: info@jubileelife.com

HEAD OFFICE

74/1-A, Lalazar, M. T. Khan Road, Karachi -74000
Ph:(0092)(21) 35205095
Web: www.jubileelife.com E-mail: info@jubileelife.com

BANKERS

Habib Bank Limited
Standard Chartered Bank (Pakistan) Limited

REGISTRAR & SHARE TRANSFER OFFICE

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block-B, S.M.C.H.S. Main
Shahra-e-Faisal Karachi-74400, Pakistan.
Tel:(0092)(21)111-111-500

LEGAL ADVISORS

Kabraji & Talibuddin
Advocates & Legal Counsellors
406-407, 4th Floor, The Plaza at
Do Talwar, Block 9, Clifton, Karachi-75600
Tel:(0092)(21) 35838871-6
Fax:(0092)(21)35838879



Masood Noorani
Chairman



Javed Ahmed
Managing Director & CEO



Towfiq Habib Chinoy
Director



Sultan Ali Akbar Allana
Director



John Joseph Metcalf
Director



Aly Noor Mahomed Rattansey
Director



Shahid Mahmood Loan
Director

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, 2013.

Achievements:

Continuing on our philosophy of superior growth in business volume together with higher profits, 2013 has been yet another year of outstanding achievements by the Company, highlights of which are as follows:

- The Company is now the largest private sector life insurer in the Country in terms of gross written premiums.
- The gross written premium amounted to Rs. 17,077 million, an increase of 41% over the previous year (2012: Rs. 12,080 million).
- The Company has strengthened its position as undisputed leader in Bancassurance business by writing individual life premium of Rs. 11,511 million, an increase of 54% (2012: Rs. 7,475 million).
- The Company is now one of the largest underwriters of Health Insurance business in the country with a premium of Rs. 1,132 million (2012: Rs. 611 million).
- Life insurance business has generated a surplus of Rs. 1,604 million, which is 78% higher than the previous year (2012: Rs. 901 million).
- A surplus transfer of Rs. 1,273 million (2012: Rs. 650 million), an increase of 96%, from the Revenue Account has been made to the Profit & Loss account. This is the highest transfer in the Company's history. The major contributor has been the Individual Life (Unit linked) business with better persistency and operational efficiency.
- All the statutory funds of the company now carry 100% solvency margins in the respective retained earnings accounts, one year ahead of time limit as prescribed in the SECP Rules.
- The Shareholders' equity has increased to Rs. 2,243 million compared with Rs. 1,796 million in 2012, an increase of 25%.
- The Insurer Financial Strength (IFS) rating of the Company is "AA"(Double A) with 'Stable' outlook by JCR-VIS.

Business Performance and Operating Results

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

- Individual Life Unit Linked business registered an impressive growth of 44% in 2013, generating a gross premium of Rs. 14,624 million (2012: Rs. 10,164 million); and generated a surplus of Rs. 1,454 million during the year as compared to Rs. 684 million in 2012, an increase of 113%.
- The Conventional Business comprises mainly of Group Life Insurance and has generated a gross premium of Rs. 1,282 million (2012: Rs. 1,240 million), an increase of 3%. This is a highly competitive and price sensitive business and thus the profitability remained thin, yielding a surplus of Rs. 84 million (2012: Rs. 143 million).
- The Accident & Health Business delivered a topline growth of 85% with gross premium of Rs. 1,132 million (2012: Rs. 611 million). It has generated a surplus of Rs. 51 million (2012: Rs. 54 million). The major external challenges for this line of business are the rising cost of medical expenses and price competition.
- Overseas Group Life and Health business has generated a premium of Rs. 38 million and a surplus of Rs. 15 million.

Investment Performance

The Company continued its prudent policy for managing the investment portfolios of statutory funds. The total investment income recorded in 2013 was Rs. 3,550 million, an increase of 33% over the previous year's figure of Rs. 2,668 million.

The Company provided competitive returns to the policyholders on their investment in the unit linked schemes, as may be seen from the following chart:

Sr. No.	Name of Fund	Bid price effective 31.12.2013 (PKR)	Bid price effective 31.12.2012 (PKR)	% Increase
1.	Managed Growth	762.99	672.73	13.4%
2.	Capital Growth	460.96	331.37	39.1%
3.	Meesaq	710.87	628.92	13.0%
4.	Yaqeen Growth	730.26	670.14	9.0%

Profit & Loss Account

The Profit & Loss Account of the Company shows a pre-tax profit of Rs. 1,390 million compared with Rs. 809 million in 2012, an increase of 72%. The after tax profit of the year is Rs. 941 million compared to Rs. 553 million in 2012, an increase of 70%.

Earnings per Share

The earnings per share for the year is Rs.15.01 (2012: Rs. 8.82), an increase of 70%.

Dividend to Shareholders

The Board of Directors has recommended a final cash dividend of Rs. 3.50 (35%) per share. The Company has already paid an interim cash dividend of Rs. 2.50 (25%) per share during the year, thereby making a total cash dividend of Rs. 6.00 per share (60%) for the full year 2013 (2012: Rs. 4.50 per share i.e. 45%).

In addition to the cash dividend, the Board has also recommended to issue 15 Bonus Shares for every 100 shares held, subject to the approval of the Shareholders at the Annual General Meeting.

Human Resource

The Company firmly believes that it is the ability of our people that delivers ambitious goals and facilitates sustainable value creation.

With the aim of developing employees by improving their functional and soft skills, talent development is the focus of Human Resource activities in the Company.

The Company provides various development opportunities including training programs in management excellence, functional and technical proficiencies. The senior and middle managers are also sent on international seminars and conferences to expand their exposure on international trends and best practices. These initiatives assist the employees in enhancing their abilities to successfully meet the challenges of the future.

Several initiatives have been taken by the Company to encourage healthy work-life balance among employees. These initiatives include a gym facility, sports and entertainment programs.

The Company will continue to invest in people to create an environment fostering employee development and long term career growth with the Company.

Awards and Accolades

The Company's achievements in various areas were recognized by independent bodies during the year. The Company received the following awards:

"1st FPCCI Achievement Award" by Federation of Pakistan Chamber of Commerce and Industry (FPCCI) in appreciation of its outstanding services in the field of insurance (life and health).

"HR LEADERSHIP AWARD" to the Company's Head of Human Resources in the Asian Leadership Awards ceremony hosted by Asian Confederation of Businesses.

"Putting the Consumers First" award for Corporate Social Responsibility (CSR) by HelpLine Trust.

Board of Directors

Five (5) meetings of the Board of Directors were held in the year 2013. The attendance of each Director was as follows:

Name of Directors	No. of meetings attended
Mr. Masood Noorani	5
Mr. Javed Ahmed	5
Mr. Towfiq Habib Chinoy	5
Mr. Sultan Ali Akbar Allana	1
Mr. Shahid Mahmood Loan	5
Mr. John Joseph Metcalf	5
Mr. Aly Noor Mahomed Rattansey	5

All the above Directors were elected in the Annual General Meeting held on March 30, 2011. The next election of Directors for a term of three (3) years shall take place at the Annual General Meeting scheduled to be held on March 27, 2014.

All the Directors have attended orientation courses to acquaint themselves with the CCG, applicable laws and their duties and responsibilities.

Mr. Aly Noor Mahomed Rattansey has attended "ICAP Directors' Training Program" in May & June 2013. Rest of the Directors have already attended the "Board Leadership and Corporate Governance Training Program" conducted on 24th and 25th September, 2010 by the Institute of Directors, UK which is acknowledged as one of the eminent institution on Corporate Governance.

Audit Committee

The Board Audit Committee comprises of three non-executive Directors. During the year 2013, four meetings of the Board Audit Committee were held. The attendance of each director was as follows:

Mr. Aly Noor Mahomed Rattansey	(Chairman)	4
Mr. John Joseph Metcalf	(Member)	4
Mr. Shahid Mahmood Loan	(Member)	4

The Committee's terms of reference have been determined by the Board in accordance with the guidelines provided in the Code of Corporate Governance.

Human Resource & Remuneration Committee

The Board Human Resource & Remuneration Committee (HR&R) consists of four members. The committee comprises of three non-executive Directors and one Executive Director. During the year 2013, two meetings of the Committee were held. The attendance of each director was as follows:

Mr. Towfiq Habib Chinoy	(Chairman)	2
Mr. Masood Noorani	(Member)	2
Mr. John Joseph Metcalf	(Member)	1
Mr. Javed Ahmed	(Member)	2

The Committee's terms of reference has been determined by the Board in accordance with the guidelines provided in the Code of Corporate Governance.

Internal Audit Function

With a view to further strengthen the internal audit function and introduce a full- fledged Risk Based Audit, the Company has strengthened its existing in-house Internal Audit Department. The Department reports to the Board Audit Committee.

Compliance with Listing Regulations

The Statement of Compliance with the best corporate practices is annexed on page 21 of this report.

The Directors are pleased to confirm the following:

- The Financial Statements prepared by the management of the Company present its state of affairs fairly, 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 preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, Insurance Ordinance and Rules have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed.
- The system of internal control is in place and is being continuously reviewed by Internal Audit Department. The process of review will continue and weakness in controls, if any, will be removed.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations of the stock exchange of Pakistan.
- Information regarding outstanding taxes is given in the notes 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 shown on page 95.

The Key Operating and Financial Information

A summary of the Key operating and financial information for the last six years is shown on page 14 of this report.

Code of Conduct

A Code of Conduct, Overall Corporate Strategy, Vision, Mission and Core Values has been adopted by the Board and necessary steps have been taken to disseminate the same throughout the company including putting on Company's website.

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 31 December, 2013 (audit in progress) are as follows:

Provident Fund	Rs. 164.1 million
Gratuity Fund	Rs. 101.4 million

Material Changes

There have been no material changes since December 31, 2013 to the date of this report.

Statutory Auditors

The present Auditors, M/s. A. F. Ferguson & Co. Chartered Accountants, retire after completion of the present term.

The external auditors have been given satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP). The external auditors have confirmed that their firm is in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP. The external auditors have not been appointed to provide other services except in accordance with the listing regulations and they have confirmed having observed IFAC guidelines in this respect.

The Board records its appreciation for the valuable services rendered by M/s. A. F. Ferguson & Co. Chartered Accountants who have served during the past five consecutive years.

In line with the requirement of the Code of Corporate Governance under Listing Regulation 35, the Audit Committee has recommended the appointment of M/s. KMPG Taseer Hadi & Co. Chartered Accountants as Auditors for the year 2014 and the Board endorses this recommendation.

Holding Company

The Company is a subsidiary of the Aga Khan Fund for Economic Development S.A. Switzerland, who holds 57.87% shares of the Company.

Corporate Social Responsibility

The Company is committed to act responsibly for the long term in how it does business to help meet its vision of "Enabling people to overcome uncertainty".

The Company's Corporate Social Responsibility initiatives cover a broad spectrum of activities in respect of the environment, human rights and diversity, education and sports; all underpinned by adherence to good business ethics.

Jubilee Life leverages on its core business expertise and resources to create sustainable Micro-insurance solutions targeted at reducing the vulnerability of people living on low incomes. Micro-insurance initiatives at Jubilee Life revolve around providing life and health insurance benefits in cooperation with a number of NGOs, MFIs, MFBs and other bodies to the underprivileged sector of our population who would not otherwise afford such facilities. Through Micro-insurance, the Company provides insurance benefits to over a million persons at very low cost.

Besides financial contribution for the victims of natural disasters and other unforeseen events, the Company encourages its employees to participate directly by contributing their time and knowledge towards social causes.

The Company continues to support development of indoor sports by sponsoring both domestic and international events.

Future Outlook

The global and domestic economic outlook for 2014 is uncertain. However, the low penetration of life insurance coverage in Pakistan and the expanding base of potential customers offer a unique opportunity for the growth of the business; and we look forward to be able to grow our business in the coming years.

Acknowledgements

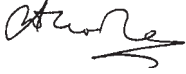
We thank our valued customers and business partners for their confidence and patronage and reaffirm our commitment to serve them in the best possible manner.

The tremendous growth and financial strength achieved by the Company since 2003 has been made possible with the dedication and hard work of the management team who have been ably supported by their colleagues both in the offices and sales force of the Company. We thank all of them for their contribution.

The Directors also wish to acknowledge the contribution of their colleagues who have served on the Audit, Finance & Investment, Human Resource and Technical Committees.

We would also like to record our appreciation of the positive regulatory role adopted by the Securities & Exchange Commission of Pakistan for their continuing efforts in promoting the growth and functioning of the Life Insurance business on a sound basis.

On behalf of the Board of Directors



MASOOD NOORANI
(Chairman)



JAVED AHMED
(Managing Director & CEO)

Karachi, February 25, 2014

Statement of Value Additions

For The Year Ended December 31, 2013

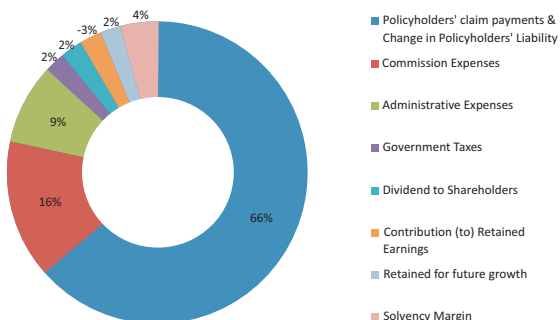
WEALTH GENERATED

	2013		2012	
	Amount (Rupees in '000)	%	Amount (Rupees in '000)	%
Net premium	16,349,900	81.44	11,501,196	80.10
Investment income	3,718,753	18.52	2,848,505	19.84
Other income	8,094	0.04	7,985	0.06
Net Wealth	20,076,747	100.00	14,357,686	100.00

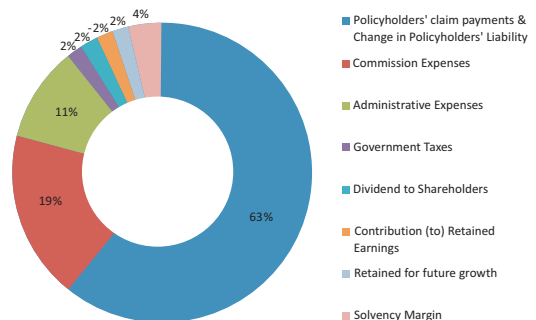
DISTRIBUTION OF WEALTH

Claims and surrenders	3,646,764	18.16	2,252,223	15.69
Change in Policyholders' liabilities	9,675,304	48.19	6,758,106	47.07
Commission expenses	3,209,568	15.99	2,734,212	19.04
Administrative expenses	1,824,396	9.09	1,553,172	10.82
Government Taxes	448,470	2.23	255,296	1.78
Dividend to Shareholders	376,272	1.87	282,204	1.97
Contribution to / (from) opening Retained Earnings	(516,467)	(2.57)	(265,163)	(1.85)
Retained for future growth	565,199	2.82	271,169	1.89
Solvency Margin	847,241	4.21	516,467	3.59
Total	20,076,747	100.00	14,357,686	100.00

Distribution of Wealth 2013



Distribution of Wealth 2012



Key Operating and Financial Data

Six Years Summary	(Rupees in '000)					
	2013	2012	2011	2010	2009	2008
Gross Premium	17,076,588	12,080,180	8,215,262	5,802,439	4,363,155	3,435,119
Revenue and P&L Account						
Premium - net of reinsurance	16,349,900	11,501,196	7,756,624	5,451,804	4,054,739	3,127,200
Net Investment income / (loss)	3,549,912	2,667,925	1,257,908	1,302,972	1,302,883	(700,714)
Total inflow	19,899,812	14,169,121	9,014,532	6,754,776	5,357,622	2,426,486
Total outgo	18,296,038	13,267,817	8,387,165	6,239,228	5,040,102	2,267,786
Surplus in Revenue Account	1,603,774	901,304	627,367	515,548	317,520	158,700
Surplus transfer to P & L	1,273,000	650,000	530,000	200,000	100,000	66,633
Profit / (loss) before tax per P & L Account	1,389,941	808,669	582,356	217,268	160,744	(49,972)
Income Tax (expense)	(448,470)	(255,296)	(207,763)	(70,516)	(30,801)	(5,000)
Profit / (loss) after tax per P & L Account	941,471	553,373	374,593	146,752	129,943	(54,972)
Balance Sheet						
Investments including bank deposits	32,719,956	21,955,492	14,780,198	10,347,115	7,279,564	5,031,512
Other assets	1,193,739	1,271,761	799,823	840,598	926,301	516,786
Fixed assets	376,905	320,487	207,587	160,869	118,115	94,579
Total assets	34,290,600	23,547,740	15,787,608	11,348,582	8,323,980	5,642,877
Issued, subscribed and Paid up capital	627,120	627,120	627,120	627,120	627,120	627,120
Accumulated surplus /(deficit)	1,616,002	1,168,515	803,278	522,753	(80,615)	(210,558)
Statutory funds	29,914,579	19,853,501	12,844,091	9,144,236	6,788,311	4,629,457
Other liabilities	2,132,899	1,898,604	1,513,119	1,054,473	989,164	596,858
Total equity & liabilities	34,290,600	23,547,740	15,787,608	11,348,582	8,323,980	5,642,877

Six Years Summary**Financial Ratios****Profitability**

	2013	2012	2011	2010	2009	2008
Profit / (loss) Before Tax / Gross Premium	8%	7%	7%	4%	4%	-1%
Profit / (loss) Before Tax / Net Premium	9%	7%	8%	4%	4%	-2%
Profit / (loss) After Tax / Gross Premium	6%	5%	5%	3%	3%	-2%
Profit / (loss) After Tax / Net Premium	6%	5%	5%	3%	3%	-2%
Net claims / Net premium	22%	20%	23%	30%	34%	50%
Commission / Net premium	20%	24%	25%	23%	25%	19%
Administration Expenses / Net premium	11%	14%	15%	14%	17%	17%
Change in PHL / Net Inflow	49%	48%	40%	38%	36%	-17%
Net investment income / Net premium	22%	23%	16%	24%	32%	-22%

Return to Shareholders

Return on equity	42%	31%	26%	13%	24%	-13%
Earnings / (loss) per share (pre-tax)	22.16	12.89	9.29	3.46	2.56	(0.80)
Earnings / (loss) per share (after-tax)	15.01	8.82	5.97	2.34	2.07	(0.88)
Price Earning Ratio - PAT	11	11	10	20	21	-51
Net Assets per share	35.77	28.63	22.81	18.34	8.71	6.64
Return on assets	3%	2%	2%	1%	2%	-1%

Market Value

Face value per share (Rs.)	10	10	10	10	10	10
Break up value per share (Rs.)	35.77	28.63	22.81	18.34	8.71	6.64
Market price per share at the end of the year (Rs.)	164.90	92.95	62.39	46.09	44.21	45.13
Cash dividend per share	6.00	4.50	3.00	1.50	1.00	-
Cash dividend	60%	45%	30%	15%	10%	0%
Dividend yield	4%	5%	5%	3%	2%	0%
Dividend payout	40%	51%	50%	64%	48%	0%
Dividend cover - (Times)	2.50	1.96	1.99	1.56	2.07	-

Performance Liquidity

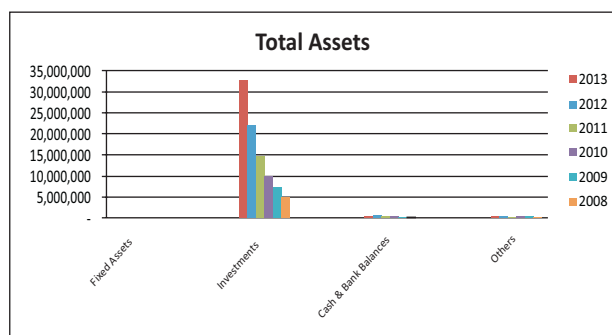
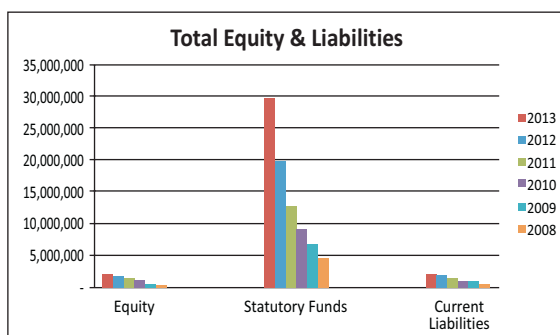
Current Ratio - (Times)	1.06	1.07	1.09	1.10	1.06	1.06
Total Liabilities / Equity - (Times)	14	12	10	9	14	13
Return on Capital employed	62%	45%	41%	19%	29%	-12%
Paid up capital / Total Assets	2%	3%	4%	6%	8%	11%
Equity / Total Assets	7%	8%	9%	10%	7%	7%

Cash Flows

Net cash flow from operating activities	7,390,766	5,092,687	3,304,453	1,829,289	1,150,556	591,271
Net cash flow from investing activities	(7,342,780)	(1,523,263)	(3,845,494)	(2,720,233)	(2,370,526)	557,661
Net cash flow from financing activities	(435,169)	(187,138)	(93,470)	(62,419)	-	-
Net change in cash and cash equivalent	(387,183)	3,382,286	(634,511)	(953,363)	(1,219,970)	1,148,932

Vertical Analysis

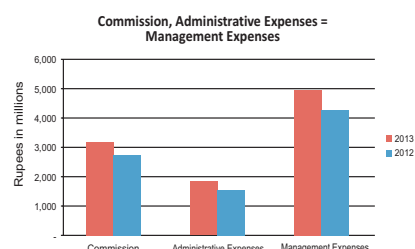
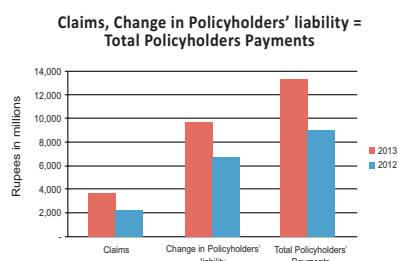
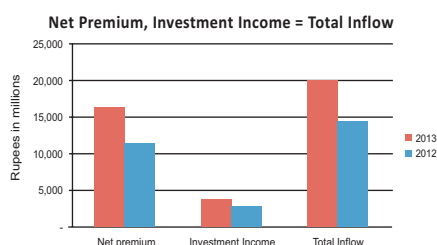
	2013		2012	
	(Rupees in '000)	%	(Rupees in '000)	%
Balance Sheet				
Net equity	2,243,122	6.54	1,795,635	7.63
Statutory funds	29,914,579	87.24	19,853,501	84.31
Current liabilities	2,132,899	6.22	1,898,604	8.06
Total equity and Liabilities	34,290,600	100.00	23,547,740	100.00
Total non-current assets including deferred tax	385,350	1.12	321,993	1.37
Investments	32,719,956	95.42	21,955,492	93.24
Current assets	1,185,294	3.46	1,270,255	5.39
Total assets	34,290,600	100.00	23,547,740	100.00
Revenue and Profit & Loss Account				
Net Income	20,076,747	100.00	14,357,686	100.00
Claims, Expenditures and change in PHL	(18,356,032)	(91.43)	(13,297,713)	(92.62)
Contribution to / (from) opening Retained Earnings	516,467	2.57	265,163	1.85
Solvency Margin	(847,241)	(4.22)	(516,467)	(3.60)
Profit / (loss) before tax	1,389,941	6.92	808,669	5.63
Income tax expense	(448,470)	(2.23)	(255,296)	(1.78)
Profit / (loss) for the year	941,471	4.69	553,373	3.85



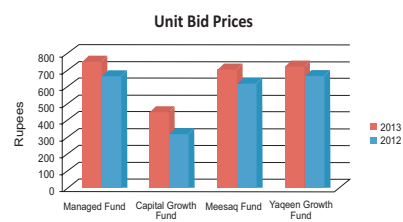
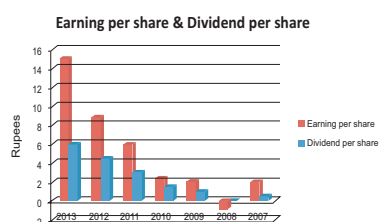
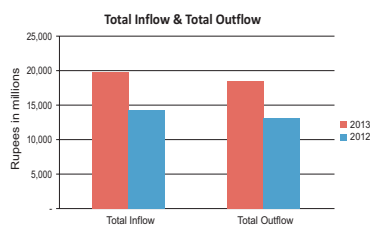
2011		2010		2009		2008	
(Rupees in '000)	%	(Rupees in '000)	%	(Rupees in '000)	%	(Rupees in '000)	%
1,430,398	9.06	1,149,873	10.13	546,505	6.57	416,562	7.38
12,844,091	81.36	9,144,236	80.58	6,788,311	81.55	4,629,457	82.04
1,513,119	9.58	1,054,473	9.29	989,164	11.88	596,858	10.58
<u>15,787,608</u>	<u>100.00</u>	<u>11,348,582</u>	<u>100.00</u>	<u>8,323,980</u>	<u>100.00</u>	<u>5,642,877</u>	<u>100.00</u>
209,996	1.33	165,151	1.46	125,435	1.51	100,579	1.78
14,780,198	93.62	10,347,115	91.17	7,279,564	87.45	5,031,512	89.17
797,414	5.05	836,316	7.37	918,981	11.04	510,786	9.05
<u>15,787,608</u>	<u>100.00</u>	<u>11,348,582</u>	<u>100.00</u>	<u>8,323,980</u>	<u>100.00</u>	<u>5,642,877</u>	<u>100.00</u>
9,098,044	100.00	6,798,566	100.00	5,437,735	100.00	2,320,820	100.00
(8,418,321)	(92.53)	(6,265,750)	(92.16)	(5,059,471)	(93.04)	(2,278,725)	(98.19)
167,796	1.84	(147,752)	(2.17)	(217,520)	(4.00)	(92,067)	(3.97)
(265,163)	(2.91)	(167,796)	(2.47)	-	-	-	-
582,356	6.40	217,268	3.20	160,744	2.96	(49,972)	(2.15)
(207,763)	(2.28)	(70,516)	(1.04)	(30,801)	(0.57)	(5,000)	(0.22)
374,593	4.12	146,752	2.16	129,943	2.39	(54,972)	(2.37)

Horizontal Analysis

	2013 (Rupees in '000)	2012 (Rupees in '000)	2011 (Rupees in '000)	2010 (Rupees in '000)
Balance Sheet				
Net equity	2,243,122	1,795,635	1,430,398	1,149,873
Statutory funds	29,914,579	19,853,501	12,844,091	9,144,236
Current liabilities	2,132,899	1,898,604	1,513,119	1,054,473
Total equity and Liabilities	34,290,600	23,547,740	15,787,608	11,348,582
Total non-current assets	385,350	321,993	209,996	165,151
Investments	32,719,956	21,955,492	14,780,198	10,347,115
Current assets	1,185,294	1,270,255	797,414	836,316
Total assets	34,290,600	23,547,740	15,787,608	11,348,582
Revenue and Profit & Loss Account				
Net Income	20,076,747	14,357,686	9,098,044	6,798,566
Claims, Expenditures and PHL	(18,356,032)	(13,297,713)	(8,418,321)	(6,265,750)
Contribution to / (from) opening Retained Earnings	516,467	265,163	167,796	(147,752)
Solvency Margin	(847,241)	(516,467)	(265,163)	(167,796)
Profit / (loss) before tax	1,389,941	808,669	582,356	217,268
Income tax expense	(448,470)	(255,296)	(207,763)	(70,516)
Profit / (loss) for the year	941,471	553,373	374,593	146,752



2009 (Rupees in '000)	2008 (Rupees in '000)	2013	2012	2011	2010	2009	2008
% increase / (decrease) over preceeding year							
546,505	416,562	24.92	25.53	24.40	110.40	31.19	(13.44)
6,788,311	4,629,457	50.68	54.57	40.46	34.71	46.63	(6.81)
989,164	596,858	12.34	25.48	43.50	6.60	65.73	48.25
8,323,980	5,642,877	45.62	49.15	39.12	36.34	47.51	(3.57)
125,435	100,579	19.68	53.33	27.15	31.66	24.71	22.61
7,279,564	5,031,512	49.03	48.55	42.84	42.14	44.68	(3.94)
918,981	510,786	(6.69)	59.30	(4.65)	(9.00)	79.92	(3.94)
8,323,980	5,642,877	45.62	49.15	39.12	36.34	47.51	(3.57)
5,437,735	2,320,820	39.83	57.81	33.82	25.03	134.30	(34.18)
(5,059,471)	(2,278,725)	38.04	57.96	34.35	23.84	122.03	(32.09)
(217,520)	(92,067)	94.77	58.03	(213.57)	(32.07)	136.26	346.93
-	-	64.05	94.77	58.03	-	-	-
160,744	(49,972)	71.88	38.86	168.04	35.16	(421.67)	(133.31)
(30,801)	(5,000)	75.67	22.88	194.63	128.94	516.02	(79.65)
129,943	(54,972)	70.13	47.73	155.26	12.94	(336.38)	(143.82)



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FINANCIAL DATA



A.F . FERGUSON & CO.

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Jubilee Life Insurance Company Limited for the year ended December 31, 2013 to comply with the requirements of Listing Regulation No. 35 of the Karachi Stock Exchange where the Company is listed.

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

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

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended December 31, 2013.

A handwritten signature in black ink, appearing to be 'A. Ferguson', written over a horizontal line.

Chartered Accountants

Karachi

Dated: March 05, 2014

Statement of Compliance with the Code of Corporate Governance

For The Year Ended December 31, 2013

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 35 of the Listing Regulations of Karachi Stock Exchange and Code of Corporate Governance applicable to listed insurance companies as issued by the SECP, for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

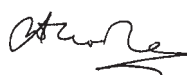
1. The company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the board includes:

Category	Name
Non-executive director	Masood Noorani (Chairman) Towfiq Habib Chinoy Sultan Ali Akbar Allana John Joseph Metcalf Shahid Mahmood Loan Aly Noor Mahomed Rattansey
Executive director	Javed Ahmed
Independent director(s)	To take effect in the forthcoming election of directors.

2. The directors have confirmed that none of them is serving as a director on more than seven (7) listed companies, including this company.
3. All the resident directors of the company have confirmed that they are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs. None of the directors or their spouses is engaged in business of stock brokerage.
4. No casual vacancy occurred during the year 2013.
5. 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.
6. The Board has developed a vision and mission statement, overall corporate strategy and significant policies of the company. Policies on Investors' relations, Governance, Risk management and Compliance are in the process of preparation. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decision on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non- executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and the Board met at-least once in every quarter. Written notice 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.
9. All Directors of the Company have attended orientation courses to acquaint them with this code, applicable laws and their duties and responsibilities.
10. The Board has approved appointment of CFO & Company Secretary, and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The Directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding. The Board has set up the threshold for other employees for the purpose of disclosing trades in the shares of the Company.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises of three members; all of whom are non-executive Directors including the Chairman of the committee.
16. The meetings of the Audit 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 CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises of four members, of whom, three are non-executive directors including the Chairman.
18. The board has set up an effective internal audit function in place.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period' prior to announcement of interim / final results, and business decisions, which may materially affect the market price of company's shares, was determined and intimated to directors, employees and Karachi Stock Exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through Karachi Stock Exchange.
23. The Company has established Underwriting Committee, Claims Settlement Committee and Reinsurance Committee in line with the Code of Corporate Governance for Insurance Companies.
24. The actuary appointed by the company has confirmed that neither he nor his spouse and minor children hold shares of the company.
25. The Board ensures that the appointed actuary complies with the requirements set for him in the Code for Insurance Companies.
26. We confirm that all other material principles enshrined in the CCG have been complied with.

On behalf of the Board



Masood Noorani
(Chairman)

Date: 25 February, 2014



Javed Ahmed
(Managing Director & CEO)



A.F . FERGUSON & CO.

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed financial statements comprising of:

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

of Jubilee Life Insurance Company Limited as at December 31, 2013 together with the notes forming part thereof for the year then ended.

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

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

In our opinion:

- (a) proper books of accounts have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- (b) the financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Ordinance, 1984, and accurately reflect the books and records of the Company and are further in accordance with accounting policies consistently applied except for the change as stated in note 6 to the financial statements with which we concur;
- (c) the financial statements together with the notes thereon present fairly, in all material respects, the state of the Company's affairs as at December 31, 2013 and of the profit, its cash flows and changes in equity for the year then ended in accordance with the approved accounting standards as applicable in Pakistan and give the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- (d) the apportionment of assets, liabilities, revenue and expenses between two or more funds has been performed in accordance with the advice of the appointed actuary; and
- (e) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Chartered Accountants
Karachi

Dated: March 03, 2014


Name of the engagement partner: **Farrukh Rehman**

Balance Sheet

As at December 31, 2013

Note	Share holders' Fund	Statutory Funds				Aggregate	
		Individual life unit linked	Conven- tional business	Accident & health	Overseas group life and health business	2013	2012
← (Rupees in '000) →							
Share capital and reserves							
Authorised share capital 100,000,000 ordinary shares of Rs. 10 each	1,000,000	-	-	-	-	1,000,000	1,000,000
Issued, subscribed and paid-up share capital 62,712,000 ordinary shares of Rs. 10 each	7 627,120	-	-	-	-	627,120	627,120
Accumulated surplus	8 1,616,002	-	-	-	-	1,616,002	1,168,515
Net shareholders' equity	2,243,122	-	-	-	-	2,243,122	1,795,635
Balance of statutory funds [including policyholders' liabilities Rs. 29.01 billion (2012: Rs. 19.34 billion)]							
9	-	28,802,445	561,135	539,951	11,048	29,914,579	19,853,501
Deferred Liabilities							
Staff retirement benefits	11 16,345	16,521	3,017	583	-	36,466	-
Creditors and accruals							
Outstanding claims	12 -	105,846	366,508	157,594	40,529	670,477	642,375
Premiums received in advance	-	207,971	28,989	3,652	148	240,760	270,714
Amounts due to insurers / reinsurers	-	3,632	1,186	-	-	4,818	4,561
Amounts due to agents	-	476,079	17,015	3,777	-	496,871	494,130
Accrued expenses	64,436	355,825	13,589	1,721	76	435,647	388,831
Taxation - provision less payments	50,959	-	-	-	-	50,959	-
Other creditors and accruals	14 76,710	22,775	4,021	4,467	-	107,973	76,902
Inter-fund payable	-	35,746	30,223	16,060	444	82,473	18,451
	192,105	1,207,874	461,531	187,271	41,197	2,089,978	1,895,964
Other liabilities							
Unclaimed dividend	6,455	-	-	-	-	6,455	2,640
Total liabilities	214,905	30,026,840	1,025,683	727,805	52,245	32,047,478	21,752,105
Contingency & commitments	15						
Total equity and liabilities	2,458,027	30,026,840	1,025,683	727,805	52,245	34,290,600	23,547,740

The annexed notes 1 to 43 form an integral part of these financial statements.


Masood Noorani
Chairman


Shahid M. Loan
Director


Aly Noor Mahomed Rattansey
Director

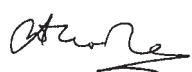

Javed Ahmed
Managing Director &
Chief Executive Officer

Balance Sheet

As at December 31, 2013

	Note	Share holders' Fund	Statutory Funds			Aggregate		
			Individual life unit linked	Conven- tional business	Accident & health	Overseas group life and health business	2013	2012
← (Rupees in `000) →								
Cash and bank deposits								
Cash and others		1,151	29,585	154	143	-	31,033	6,764
Current and other accounts		49,359	422,414	3,759	26,444	20,247	522,223	827,675
Deposits maturing within 12 months		-	4,392,000	-	-	-	4,392,000	3,748,000
		50,510	4,843,999	3,913	26,587	20,247	4,945,256	4,582,439
Unsecured advances to employees		8,971	-	-	-	-	8,971	6,806
Investments	16							
Government securities		1,388,740	18,932,522	723,891	549,165	27,481	21,621,799	13,972,871
Other fixed income securities		-	483,834	-	-	-	483,834	500,943
Listed equities and closed-ended mutual funds		513,334	5,510,981	46,085	32,259	-	6,102,659	3,322,248
Open-ended mutual funds		-	119,664	-	-	-	119,664	411,430
		1,902,074	25,047,001	769,976	581,424	27,481	28,327,956	18,207,492
Deferred taxation	17	8,445	-	-	-	-	8,445	1,506
Other assets - current								
Premiums due but unpaid	18	-	-	83,977	105,284	-	189,261	134,636
Investment income due but outstanding		158	386	-	-	-	544	121
Investment income accrued		408	64,112	403	600	-	65,523	30,847
Amounts due from insurers/reinsurers	19	-	18,357	162,055	2,461	4,517	187,390	153,768
Taxation - payments less provision		-	-	-	-	-	-	23,379
Prepayments		16,300	28,804	-	-	-	45,104	34,343
Sundry receivables		11,783	24,181	5,359	11,449	-	52,772	33,465
Inter-fund receivable		82,473	-	-	-	-	82,473	18,451
		111,122	135,840	251,794	119,794	4,517	623,067	429,010
Fixed assets	20							
Tangible assets								
Capital work-in-progress		35,865	-	-	-	-	35,865	46,881
Furniture, fixtures, office equipments, computers and vehicles		326,217	-	-	-	-	326,217	261,054
Intangible assets								
Computer softwares		14,823	-	-	-	-	14,823	12,552
		376,905	-	-	-	-	376,905	320,487
Total assets		2,458,027	30,026,840	1,025,683	727,805	52,245	34,290,600	23,547,740

The annexed notes 1 to 43 form an integral part of these financial statements.


Masood Noorani
Chairman


Shahid M. Loan
Director


Aly Noor Mahomed Rattansey
Director

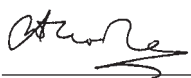

Javed Ahmed
Managing Director &
Chief Executive Officer

Profit and Loss Account

For the year ended December 31, 2013

	Note	2013	2012
(Rupees in '000)			
Investment income not attributable to statutory funds			
Return on Government securities		84,729	93,345
Return on other fixed income securities and deposits		4,188	3,688
Amortisation of discount relative to par		6	5
Dividend income		49,879	18,114
		138,802	115,152
Gain on disposal of investments		1,642	24,299
Reversal of impairment in value of investment			
Government securities		2,166	1,617
Listed equities		29,795	44,474
		31,961	46,091
Total investment income		172,405	185,542
Investment related expenses		(75)	(74)
Net investment income		172,330	185,468
Other revenues			
Gain on disposal of fixed assets		3,743	1,068
Others		862	2,029
		4,605	3,097
Total investment income and other revenues		176,935	188,565
Expenses not attributable to statutory funds	21	(59,994)	(29,896)
Profit before appropriation of surplus to shareholders' fund		116,941	158,669
Surplus appropriated to shareholders' fund from ledger account D	9	1,273,000	650,000
Profit before tax		1,389,941	808,669
Taxation	22	(448,470)	(255,296)
Net profit for the year		941,471	553,373
(Rupees)			
Basic and diluted earnings per share	23	15.01	8.82

The annexed notes 1 to 43 form an integral part of these financial statements.


Masood Noorani
Chairman


Shahid M. Loan
Director


Aly Noor Mahomed Rattansey
Director

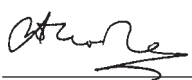

Javed Ahmed
Managing Director &
Chief Executive Officer

Statement of Changes In Equity

For the year ended December 31, 2013

	Share Capital	Net accumulated surplus			Total
		Accumulated surplus	Capital contribution (to) / from statutory fund	Net accumulated Surplus	
		(Rupees in '000)			
Balance as at January 1, 2012	627,120	803,278	-	803,278	1,430,398
Dividend for the year ended December 31, 2011 (Rs. 3 per share)	-	(188,136)	-	(188,136)	(188,136)
Capital contributed to statutory fund - note 9	-	-	(10,000)	(10,000)	(10,000)
Capital withdrawn from statutory fund - note 9	-	-	10,000	10,000	10,000
Profit for the year ended December 31, 2012	-	553,373	-	553,373	553,373
Balance as at December 31, 2012	627,120	1,168,515	-	1,168,515	1,795,635
Dividend for the year ended December 31, 2012 (Rs. 4.50 per share)	-	(282,204)	-	(282,204)	(282,204)
Interim dividend for the year ended December 31, 2013 (Rs. 2.50 per share)	-	(156,780)	-	(156,780)	(156,780)
Capital contributed to statutory fund - note 9	-	-	(95,000)	(95,000)	(95,000)
Capital withdrawn from statutory fund - note 9	-	-	40,000	40,000	40,000
Profit for the year ended December 31, 2013	-	941,471	-	941,471	941,471
Balance as at December 31, 2013	627,120	1,671,002	(55,000)	1,616,002	2,243,122

The annexed notes 1 to 43 form an integral part of these financial statements.


Masood Noorani
Chairman


Shahid M. Loan
Director


Aly Noor Mahomed Rattansey
Director

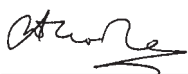

Javed Ahmed
Managing Director &
Chief Executive Officer

Cash Flow Statement

For the year ended December 31, 2013

Note	Share holders' Fund	Individual life unit linked	Statutory Funds			Aggregate	
			Conventional business	Accident & health	Overseas group life and health business	2013	2012
← (Rupees in '000) →							
Operating cash flows							
a) Underwriting activities							
Premiums received	-	14,643,140	1,254,762	1,054,684	38,217	16,990,803	12,137,995
Reinsurance premiums paid	-	(261,781)	(440,649)	(6,445)	(17,556)	(726,431)	(581,552)
Claims paid	-	(364,784)	(900,575)	(894,095)	(998)	(2,160,452)	(1,422,181)
Surrenders paid	-	(2,009,450)	-	-	-	(2,009,450)	(1,249,670)
Reinsurance and other recoveries received	-	131,216	369,929	6,079	8,660	515,884	428,593
Commissions paid	-	(2,999,450)	(187,323)	(22,323)	-	(3,209,096)	(2,587,296)
Commissions received	-	73,833	1,752	662	-	76,247	60,343
Net cash inflow from underwriting activities	-	9,212,724	97,896	138,562	28,323	9,477,505	6,786,232
b) Other operating activities							
Income tax paid	(381,071)	(22,928)	(338)	(236)	-	(404,573)	(312,382)
General management expenses paid	-	(1,571,234)	(117,578)	(98,148)	(4,661)	(1,791,621)	(1,488,536)
Other operating payments	(510)	(14,253)	(3,385)	-	-	(18,148)	(13,334)
Other operating receipts	127,691	-	-	701	1,376	129,768	118,532
Unsecured advances	(2,165)	-	-	-	-	(2,165)	2,175
Inter-fund transactions	(75,623)	44,175	23,469	4,363	3,616	-	-
Net cash outflow from other operating activities	(331,678)	(1,564,240)	(97,832)	(93,320)	331	(2,086,739)	(1,693,545)
Total cash (outflow) / inflow from all operating activities	(331,678)	7,648,484	64	45,242	28,654	7,390,766	5,092,687
Investment activities							
Profit / return received	90,262	1,789,248	65,463	53,156	2,992	2,001,121	1,753,381
Dividends received	49,721	444,814	4,500	3,150	-	502,185	277,570
Payments for investments	(3,335,405)	(60,191,206)	(1,769,067)	(1,704,678)	(67,956)	(67,068,312)	(34,721,934)
Proceeds from disposal of investments	2,663,940	51,526,671	1,632,796	1,509,527	69,539	57,402,473	31,369,422
Fixed capital expenditure	(199,243)	-	-	-	-	(199,243)	(206,948)
Proceeds from disposal of fixed assets	18,996	-	-	-	-	18,996	5,246
Total cash (outflow) / inflow from investing activities	(711,729)	(6,430,473)	(66,308)	(138,845)	4,575	(7,342,780)	(1,523,263)
Financing activities							
Dividend paid	(435,169)	-	-	-	-	(435,169)	(187,138)
Capital contributed from shareholders' fund	(95,000)	-	-	95,000	-	-	-
Capital returned to shareholders' fund	40,000	-	-	(40,000)	-	-	-
Surplus appropriated to shareholders' fund	1,273,000	(1,256,000)	-	-	(17,000)	-	-
Total cash inflow / (outflow) from financing activities	782,831	(1,256,000)	-	55,000	(17,000)	(435,169)	(187,138)
Net cash (outflow) / inflow from all activities	(260,576)	(37,989)	(66,244)	(38,603)	16,229	(387,183)	3,382,286
Cash and cash equivalents at the beginning of the year	311,086	3,381,988	70,157	65,190	4,018	3,832,439	450,153
Cash and cash equivalents at the end of the year	24	50,510	3,343,999	3,913	26,587	3,445,256	3,832,439
Reconciliation to profit and loss account							
Operating cash flows						7,390,766	5,092,687
Depreciation expense						(118,591)	(82,271)
Amortisation expense						(8,981)	(7,599)
Profit on disposal of fixed assets						3,743	1,068
Increase / (decrease) in assets other than cash						168,062	94,424
(Increase) in liabilities						(10,291,558)	(7,393,897)
Profit / (loss) on sale of investments						22,541	(5,918)
Revaluation gain / (loss) on investments						1,182,084	830,700
Investment income						2,538,405	2,024,179
Capital contributed from shareholders' fund						55,000	-
Profit after taxation						941,471	553,373

The annexed notes 1 to 43 form an integral part of these financial statements.


Masood Noorani
 Chairman


Shahid M. Loan
 Director


Aly Noor Mahomed Rattansey
 Director

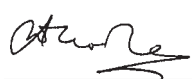

Javed Ahmed
 Managing Director &
 Chief Executive Officer

Revenue Account

For the year ended December 31, 2013


Note	Statutory Funds				Aggregate	
	Individual life unit linked	Conventional business	Accident & health	Overseas group life and health business	2013	2012
← (Rupees in '000) →						
Income						
Premiums less reinsurances	14,358,367	840,739	1,125,922	24,872	16,349,900	11,501,196
Net investment income	3,442,897	68,435	59,490	2,592	3,573,414	2,667,925
Total net income	17,801,264	909,174	1,185,412	27,464	19,923,314	14,169,121
Claims and expenditures						
Claims net of reinsurance recoveries	2,204,636	507,743	926,745	7,640	3,646,764	2,252,223
Management expenses less recoveries	4,551,543	293,573	124,249	4,605	4,973,970	4,257,488
Total claims and expenditures	6,756,179	801,316	1,050,994	12,245	8,620,734	6,509,711
Excess of income over claims and expenditures	11,045,085	107,858	134,418	15,219	11,302,580	7,659,410
Add : Policyholders' liabilities at beginning of the year	18,845,880	276,395	214,759	-	19,337,034	12,578,928
Less : Policyholders' liabilities at end of the year	28,414,260	300,153	297,925	-	29,012,338	19,337,034
Surplus before tax	1,476,705	84,100	51,252	15,219	1,627,276	901,304
Taxes chargeable to statutory funds						
- Current year	(22,928)	(338)	(236)	-	(23,502)	-
Surplus after tax	1,453,777	83,762	51,016	15,219	1,603,774	901,304
Movement in policyholders' liabilities	9,568,380	23,758	83,166	-	9,675,304	6,758,106
Transfers (to) / from shareholders' fund						
- Surplus appropriated to shareholders' fund	(1,256,000)	-	-	(17,000)	(1,273,000)	(650,000)
- Capital contributed from shareholders' fund	-	-	95,000	-	95,000	10,000
- Capital returned to shareholders' fund	-	-	(40,000)	-	(40,000)	(10,000)
Net transfer (to) / from shareholders' fund	(1,256,000)	-	55,000	(17,000)	(1,218,000)	(650,000)
Balance of statutory funds at beginning of the year	19,036,288	453,615	350,769	12,829	19,853,501	12,844,091
Balance of statutory funds at end of the year	28,802,445	561,135	539,951	11,048	29,914,579	19,853,501
Represented by:	9					
Capital contributed by shareholders' fund	-	-	55,000	-	55,000	-
Policyholders' liabilities	28,414,260	300,153	297,925	-	29,012,338	19,337,034
Retained earnings on other than participating business	388,185	260,982	187,026	11,048	847,241	516,467
Balance of statutory funds	28,802,445	561,135	539,951	11,048	29,914,579	19,853,501

The annexed notes 1 to 43 form an integral part of these financial statements.


Masood Noorani
Chairman


Shahid M. Loan
Director


Aly Noor Mahomed Rattansey
Director


Javed Ahmed
Managing Director &
Chief Executive Officer

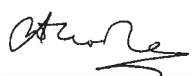
Statement of Premiums

For the year ended December 31, 2013

	Statutory Funds				Aggregate	
	Individual life unit linked	Conventional business	Accident & health	Overseas group life and health business	2013	2012
	(Rupees in '000)					
Gross premiums						
Regular premium individual policies *						
First year	5,339,072	546	124	-	5,339,742	4,220,557
Second year renewal	3,490,438	235	37	-	3,490,710	2,273,943
Subsequent years renewal	5,106,844	1,775	44	-	5,108,663	3,253,458
Single premium individual policies	687,426	-	-	-	687,426	419,293
Group policies without cash values	-	1,279,816	1,132,162	38,069	2,450,047	1,912,929
Total gross premiums	14,623,780	1,282,372	1,132,367	38,069	17,076,588	12,080,180
Less: Reinsurance premiums ceded						
On individual life first year business	(73,612)	(99)	-	-	(73,711)	(64,722)
On individual life second year business	(59,122)	(7)	(11)	-	(59,140)	(39,236)
On individual life subsequent renewal business	(132,679)	(450)	(20)	-	(133,149)	(93,898)
On single premium individual policies	-	-	-	-	-	(18)
On group policies	-	(441,077)	(6,414)	(13,197)	(460,688)	(381,110)
	(265,413)	(441,633)	(6,445)	(13,197)	(726,688)	(578,984)
Net premiums	14,358,367	840,739	1,125,922	24,872	16,349,900	11,501,196

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

The annexed notes 1 to 43 form an integral part of these financial statements.


Masood Noorani
Chairman


Shahid M. Loan
Director


Aly Noor Mahomed Rattansay
Director


Javed Ahmed
Managing Director &
Chief Executive Officer

Statement of Claims

For the year ended December 31, 2013

	Statutory Funds				Aggregate	
	Individual life unit linked	Conventional business	Accident & health	Overseas group life and health business	2013	2012
(Rupees in '000)						
Gross claims						
Claims under individual policies						
by death	327,957	295	(2,325)	-	325,927	191,459
by insured event other than death	832	-	(21)	-	811	648
by maturity	1,717	-	-	-	1,717	-
by surrender	2,009,450	-	-	-	2,009,450	1,249,670
Total gross individual policy claims	2,339,956	295	(2,346)	-	2,337,905	1,441,777
Claims under group policies						
by death	-	781,351	-	-	781,351	733,265
by insured event other than death	-	1,837	921,513	4,559	927,909	449,408
bonus in cash	-	3,592	-	-	3,592	6,600
experience refund	-	118,373	10,882	16,258	145,513	100,191
Total gross group policy claims	-	905,153	932,395	20,817	1,858,365	1,289,464
Total gross claims	2,339,956	905,448	930,049	20,817	4,196,270	2,731,241
Less: reinsurance recoveries						
On individual life first year business claims	(36,168)	(215)	-	-	(36,383)	(15,398)
On individual life second year business claims	(20,869)	-	-	-	(20,869)	(13,145)
On individual life renewal business claims	(70,681)	(60)	-	-	(70,741)	(29,303)
On group claims	-	(356,660)	(3,304)	(4,515)	(364,479)	(367,198)
On experience refund of premiums	(7,602)	(40,770)	-	(8,662)	(57,034)	(53,974)
	(135,320)	(397,705)	(3,304)	(13,177)	(549,506)	(479,018)
Net claims	2,204,636	507,743	926,745	7,640	3,646,764	2,252,223

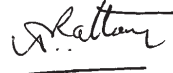
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Masood Noorani
Chairman



Shahid M. Loan
Director



Aly Noor Mahomed Rattansey
Director



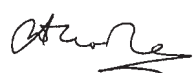
Javed Ahmed
Managing Director &
Chief Executive Officer

Statement of Expenses

For the year ended December 31, 2013

	Note	Statutory Funds				Aggregate					
		Individual life unit linked	Conventional business	Accident & health	Overseas group life and health business	2013	2012				
← (Rupees in '000) →											
Acquisition costs											
Remuneration to insurance intermediaries on individual policies:											
- Commission on first year premiums						2,566,458	82	25	-	2,566,565	2,177,668
- Commission on second year premiums						187,099	24	7	-	187,130	134,632
- Commission on subsequent renewal premiums						98,951	88	9	-	99,048	66,672
- Commission on single premiums						8,857	-	-	-	8,857	6,209
						2,861,365	194	41	-	2,861,600	2,385,181
Remuneration to insurance intermediaries on group policies:											
- Commission						-	175,208	23,999	-	199,207	225,819
Branch overheads	25	937,434	39,506	33,452	-	1,010,392	943,812				
Other acquisition costs:											
- Policy stamps						102,947	240	788	-	103,975	101,217
						3,901,746	215,148	58,280	-	4,175,174	3,656,029
Administration expenses							26				
Salaries, allowances and other benefits						275,613	35,507	30,655	2,344	344,119	269,755
Charge for defined benefit plan						24,820	3,277	2,785	214	31,096	5,679
Contribution to defined contribution plan						10,267	1,465	1,211	92	13,035	10,515
Travelling expenses						19,191	3,138	2,807	158	25,294	24,605
Auditors' remuneration						2,191	406	189	10	2,796	4,608
Actuary's fees						5,947	887	568	32	7,434	6,234
Medical fees						2,108	1,133	628	20	3,889	4,220
Advertisements						87,454	669	1,330	79	89,532	89,843
Printing and stationery						33,403	7,342	4,888	289	45,922	27,119
Depreciation						49,321	4,326	3,782	313	57,742	37,846
Amortisation						5,874	687	568	40	7,169	6,112
Rental						38,593	7,487	3,319	273	49,672	33,119
Legal and professional charges						7,539	486	284	24	8,333	7,829
Supervision fees						29,297	2,533	2,265	74	34,169	24,111
Utilities						23,457	2,531	2,228	169	28,385	17,505
Entertainment						10,287	350	234	18	10,889	6,183
Vehicle running						7,320	829	1,015	79	9,243	6,960
Repairs and maintenance						23,178	2,908	1,389	96	27,571	22,101
Bank charges and brokerage						8,642	524	1,095	21	10,282	9,895
Training expenses						5,899	519	393	28	6,839	5,013
Postages, telegrams and telephone						40,814	1,525	1,855	143	44,337	27,321
Staff welfare						6,405	1,238	564	41	8,248	5,793
General insurance						3,083	968	691	44	4,786	3,552
Doubtful debts						2,269	(635)	1,841	-	3,475	4,433
Miscellaneous expenses						658	77	47	4	786	1,480
						723,630	80,177	66,631	4,605	875,043	661,831
Gross management expenses						4,625,376	295,325	124,911	4,605	5,050,217	4,317,860
Commission from reinsurers						(73,833)	(1,752)	(662)	-	(76,247)	(60,372)
Net management expenses						4,551,543	293,573	124,249	4,605	4,973,970	4,257,488

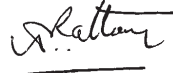
The annexed notes 1 to 43 form an integral part of these financial statements.



Masood Noorani
Chairman



Shahid M. Loan
Director



Aly Noor Mahomed Rattansey
Director



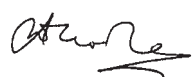
Javed Ahmed
Managing Director &
Chief Executive Officer

Statement of Investment Income

For the year ended December 31, 2013

	Statutory Funds				Aggregate	
	Individual life unit linked	Conventional business	Accident & health	Overseas group life and health business	2013	2012
(Rupees in '000)						
Investment income						
- Government securities	1,517,090	55,776	47,304	2,461	1,622,631	1,367,917
- Other fixed income securities and deposits	309,317	8,931	5,470	531	324,249	281,641
- Dividends	445,079	4,500	3,150	-	452,729	259,474
- Gain / (loss) on sale of investments	32,019	(9,374)	(1,731)	(15)	20,899	(30,217)
- Amortisation of premium	-	-	3	-	3	(6)
- Unrealised gain on investments	1,140,072	-	-	-	1,140,072	784,606
- Other income	-	-	3,847	(358)	3,489	4,888
Total	3,443,577	59,833	58,043	2,619	3,564,072	2,668,303
Reversal / (provision) for impairment in value of investments						
- Government securities	-	8,616	1,453	(27)	10,042	4
Less: Investment related expenses	(680)	(14)	(6)	-	(700)	(382)
Net Investment Income	3,442,897	68,435	59,490	2,592	3,573,414	2,667,925

The annexed notes 1 to 43 form an integral part of these financial statements.



Masood Noorani
Chairman



Shahid M. Loan
Director



Aly Noor Mahomed Rattansey
Director



Javed Ahmed
Managing Director &
Chief Executive Officer

38

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2013

1. 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. Its shares are quoted on the Karachi 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

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

2. BASIS OF PRESENTATION

These financial statements have been prepared on the format of financial statements issued by the Securities and Exchange Commission of Pakistan (SECP) through the Securities and Exchange Commission (Insurance) Rules, 2002 [SEC (Insurance) Rules, 2002] vide S.R.O. 938 (1)/2002 dated December 12, 2002.

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984 and the Insurance Ordinance, 2000. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 and the Insurance Ordinance, 2000 have been followed.

3.1 Changes in accounting standards, interpretations and pronouncements

a) - Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The new amendment has no effect on the Company in view of the prescribed format of financial statements under SEC (Insurance) Rules, 2002.

Amendment to IAS 19 - 'Employee benefits'. The changes on the Company's accounting policies has been as follows: to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). Impacts on the financial statements due to these changes have been disclosed in note 6 of these financial statements.

b) - Standards, interpretations and amendments to published approved accounting standards that are effective in the current year end and are not relevant

Other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 01, 2013 are considered not to be relevant for the Company's financial statements and hence have not been detailed in these financial statements.

c) - Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are amendments to existing approved accounting standards and new interpretations that are not yet effective and are considered not to be relevant for the Company's financial statements and hence have not been detailed in these financial statements.

4. BASIS OF MEASUREMENT

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

The preparation of financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 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 approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 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 40 to the financial statements.

4.1 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.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Insurance contracts

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 thereagainst. 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.

Revenue recognition

Premium received is recognised as follows:

First year, renewal and single premiums are recognised once the related policies are issued / renewed against receipt and realisation of premium.

Recognition of policyholders' liabilities

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

Claim expense

Claim expenses are recognised earlier of the date the policy ceases to participate in the earnings of the fund and the date insured event is intimated.

Surrenders 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.

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.

Revenue recognition

Individual life conventional first year and renewal premiums are recognised once the related policies are issued / renewed against receipt and realisation of premium.

Recognition of policyholders' liabilities

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

Claim expense

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

Liability for outstanding claims is recognised in respect of all claims incurred 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.

ii) **Group life**

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.

Revenue recognition

Group life premiums are recognised as and when due. In respect of certain group policies the Company continues to provide insurance cover even if the premium is received after the grace period.

Recognition of policyholders' liabilities

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

Claim expense

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

Liability for outstanding claims is recognised in respect of all claims incurred 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.

Experience refund of premium

Experience refund of premium payable to policyholders is included in outstanding claims.

c) **Accident & health**

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

Revenue recognition

Health premiums are recognised as and when due. In respect of certain group policies the Company continues to provide cover even if the premium is received after the grace period.

Recognition of policyholders' liabilities

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

Claim expense

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

Liability for outstanding claims is recognised in respect of all claims incurred 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.

Experience refund of premium

Experience refund of premium payable to policyholders is included in outstanding claims.

d) Overseas group life and health fund

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

Revenue recognition

Overseas group life and health premiums are recognised as and when due. The Company continues to provide cover even if the premium is received after the grace period.

Recognition of policyholders' liabilities

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

Claim expense

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

Liability for outstanding claims is recognised in respect of all claims incurred 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.

Experience refund of premium

Experience refund of premium payable to policyholders is included in outstanding claims.

5.2 Policyholders' liabilities

Securities and Exchange Commission of Pakistan (SECP) has issued S.R.O 16 (1)/2012 dated January 9, 2012 through which, minimum basis of valuation has been prescribed. There have been no effects on the basis of valuation used by the Company due to this S.R.O.

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, 2002. Discount rate used in this calculation is 3.75% and the mortality rates assumed are those according to EFU (61-66) table. For critical illness policies, the future incidence of critical illness is according to a percentage of reinsurer's risk premium rates for this coverage.

- Incurred But Not Reported (IBNR) claims

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

- Unearned premium and premium deficiency reserve

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

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

ii) Group life

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

- Incurred But Not Reported (IBNR) claims

For purposes of estimation, the business has been split into two categories, namely, normal and other than normal schemes (including consumer banking schemes and micro-insurance). IBNR reserves is 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

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 reserves 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 groupe 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.

5.3 Reinsurance contracts held

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 and recorded in the books of accounts of the Company.

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.

5.4 Receivables and payables related to insurance contracts

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

5.5 Staff retirement benefits

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.

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.

5.6 Accumulated compensated absences

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

5.7 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.

5.8 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, in which case it is recognised in equity.

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 is calculated using tax rates enacted or substantively enacted at the balance sheet date and 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 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.

5.9 Investments

Classification

Investments with fixed or determinable payments and fixed maturity, where the Company has positive intent and ability to hold to maturity, are classified as held-to-maturity. Investments which are intended to be held for an indefinite period but may be sold in response to the need for liquidity or change in mark-up / interest rates are classified as available for sale.

Initial recognition

All investments, classified as above, are initially recognised at fair value including acquisition charges associated with the investments.

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 method.

Investments classified as available-for-sale are subsequently measured at lower of cost or market value (market value being taken as lower if the reduction is other than temporary) in accordance with the requirements of the SEC (Insurance) Rules, 2002 and is recognised as a provision for impairment in value of investment. Any change in the provision for impairment in value of an investment is recognised in the profit and loss account or revenue account of the respective non-linked fund. However, investments classified as available-for-sale, which are linked to the units of the unit linked fund, are marked to their market values. Any gain or loss on such available-for-sale investments is recognised in revenue account of the respective linked fund.

Fair / market value measurements

For investments in Government securities, fair / market value is determined by reference to quotations obtained from Reuters page (PKRV) where applicable. For investments in quoted marketable securities, other than term finance certificates, 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 is as per the rates issued by the Mutual Funds Association of Pakistan (MUFAP).

5.10 Fixed assets

Tangible assets

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. Depreciation is charged using the straight line method at the rates specified in note 20.2 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 fixed assets items.

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 income during the year in which they are incurred.

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

Gains and losses on disposal of fixed assets are taken to profit and loss account.

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 20.4 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.

5.11 Other revenue recognition

Mark-up / Interest

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

Dividends

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

5.12 Acquisition cost

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

5.13 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 income currently.

5.14 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 with original maturity upto three months

5.15 Impairment

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 / revenue account, as appropriate.

5.16 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.

5.17 Segment reporting

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 four operating segments for reporting purposes namely; Individual life unit linked, Conventional business, Accident & health and Overseas group life and health business.

- The Individual life - unit linked segment provides life insurance coverage to individuals under unit based policies issued by the Company.
- The Conventional business segment includes 'Individual life - conventional' and 'Group life'. The Individual Life - conventional business segment provides life insurance coverage to individuals under conventional policies issued by the Company. The group life business segment provides life insurance coverage to members of business enterprises, corporate entities in common interest groups under group life insurance schemes issued by the Company.
- Accident & health business segment provides personal accident coverage to individuals and inpatient / outpatient health coverage to member enterprises, corporate entities and common interest groups under group health insurance schemes issued by the Company.
- Overseas group life and health business segment provides life insurance coverage and inpatient / outpatient health coverage to overseas corporate entities under Overseas group life and health policies issued by the Company.

5.18 Off-setting

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.

5.19 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.

5.20 Dividend and appropriation to reserves

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

6. CHANGE IN ACCOUNTING POLICY

IAS 19 (revised) - 'Employee Benefits' effective for annual periods beginning on or after January 1, 2013 amends the accounting for employee benefits. The standard requires immediate recognition of past service cost and also replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost / (income) based on the net defined benefit liability / (asset) at the discount rate measured at the beginning of the year.

Further, a new term "remeasurements" has been introduced. This is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost / (income). The standard requires "remeasurements" to be recognised in the Balance Sheet immediately, with a charge or credit to Other Comprehensive Income (OCI) in the periods in which they occur, which are not later reclassified to profit and loss account. However, the Securities and Exchange Commission of Pakistan (SECP) through Insurance Rules, 2002 had prescribed the format of presentation and disclosure of financial statements, which do not require OCI statement, resultantly the charge has been taken to Profit and Loss and Revenue accounts.

The new amendment does not materially affect the Company's financial statements, therefore retrospective adjustment has not been made in these financial statements.

7. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2013	2012		2013	2012
(Number 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

7.1 As at December 31, 2013 and 2012, Aga Khan Fund for Economic Development S.A Switzerland and its nominees held 36,294,894 ordinary shares of Rs. 10 each.

8. ANALYSIS OF ACCUMULATED SURPLUS AS SHOWN IN BALANCE SHEET

Accumulated surplus in statement of changes in equity at beginning of the year
 Add: Surplus in profit and loss account for the year
 Less: Dividend
 Accumulated surplus in statement of changes in equity ignoring effect of capital transfers at end of the year
 Capital transfers to statutory fund

Accumulated surplus

2013	2012
(Rupees in '000)	
1,168,515	803,278
941,471	553,373
(438,984)	(188,136)
1,671,002	1,168,515
(55,000)	-
1,616,002	1,168,515

9. MOVEMENT IN EQUITY OF STATUTORY FUND

	Statutory Funds				Aggregate	
	Individual life unit linked	Conventional business	Accident & health	Overseas group life and health business	2013	2012
	(Rupees in '000)					
Policyholders' liabilities						
Balance at beginning of the year	18,845,880	276,395	214,759	-	19,337,034	12,578,928
Increase during the year	9,568,380	23,758	83,166	-	9,675,304	6,758,106
Balance at end of the year - note 10	28,414,260	300,153	297,925	-	29,012,338	19,337,034
Retained earnings on other than participating business						
Balance at beginning of the year	190,408	177,220	136,010	12,829	516,467	265,163
Surplus for the year	1,453,777	83,762	51,016	15,219	1,603,774	901,304
Surplus appropriated to shareholders' fund	(1,256,000)	-	-	(17,000)	(1,273,000)	(650,000)
Balance at end of the year - note 9.1	388,185	260,982	187,026	11,048	847,241	516,467
Capital contributed by shareholders' fund						
Balance at beginning of the year	-	-	-	-	-	-
Capital contributed during the year	-	-	95,000	-	95,000	10,000
Capital withdrawn during the year	-	-	(40,000)	-	(40,000)	(10,000)
Balance at end of the year	-	-	55,000	-	55,000	-
Balance of statutory fund at end of the year	28,802,445	561,135	539,951	11,048	29,914,579	19,853,501

9.1 Balances in retained earnings are principally maintained in accordance with the SEC rules to meet solvency margins.

10. POLICYHOLDERS' LIABILITIES

	Statutory Funds				Aggregate	
	Individual life unit linked	Conventional business	Accident & health	Overseas group life and health business	2013	2012
	(Rupees in '000)					
Gross of reinsurance						
Actuarial liability relating to future events	28,246,765	203,449	184,959	-	28,635,173	19,082,685
Provision for outstanding reported claims payable over a period exceeding twelve months	133,713	98,627	-	-	232,340	190,484
Provision for incurred but not reported claims	169,868	103,649	113,428	120	387,065	277,167
	28,550,346	405,725	298,387	120	29,254,578	19,550,336
Net of reinsurance						
Actuarial liability relating to future events	28,222,033	120,829	184,935	-	28,527,797	18,982,274
Provision for outstanding reported claims payable over a period exceeding twelve months	133,713	98,627	-	-	232,340	190,484
Provision for incurred but not reported claims	58,514	80,697	112,990	-	252,201	164,276
	28,414,260	300,153	297,925	-	29,012,338	19,337,034

11. STAFF RETIREMENT BENEFITS

11.1 Defined benefit plan

11.1.1 As stated in note 5.5, the Company operates an approved funded gratuity scheme for all permanent employees who have completed minimum qualifying eligible service of 5 years. The actuarial valuation of this plan is carried out every year and the latest actuarial valuation was carried out as at December 31, 2013.

11.1.2 Plan assets held in trust are governed by local regulations which mainly includes Trust Act, 1882; the Companies Ordinance, 1984; 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.

11.1.3 The latest actuarial valuation of the Fund as at December 31, 2013 was carried out using the Projected Unit Credit Method. Details of the Fund as per the actuarial valuation are as follows:

	2013	2012
	(Rupees in '000)	
11.1.4 Balance sheet reconciliation		
Present value of defined benefit obligation at December 31- note 11.1.5	142,882	92,242
Fair value of plan assets at December 31 - note 11.1.6	(106,416)	(89,704)
Unrecognised net actuarial loss	-	(2,538)
Deficit	36,466	-
11.1.5 Movement in present value of defined benefit obligation		
Balance as at 1 January	92,242	69,336
Benefits paid by the plan	(6,501)	(2,245)
Current service cost	17,380	10,833
Interest cost	10,147	8,667
Remeasurement on obligation	29,614	5,651
Closing balance	142,882	92,242
11.1.6 Movement in fair value of plan assets		
Balance at 1 January	89,704	72,862
Contributions paid into the plan	16,000	8,244
Benefits paid by the plan	(6,501)	(2,245)
Interest income	9,867	9,108
Remeasurement	(2,654)	1,735
Balance at December 31	106,416	89,704
11.1.7 Expense recognised in profit and loss account		
Current service cost	17,380	10,833
Net interest cost	280	8,667
Expected return on plan assets	-	(9,108)
Experience losses	32,268	-
Expense recognised in profit and loss account	49,928	10,392

	2013	2012
	(Rupees in '000)	
11.1.8 Net recognised liability / (asset)		
Net liability / (asset) at beginning of the year	2,538	(2,148)
Expense recognised in profit and loss account	49,928	10,392
Contribution made to the fund during the year	(16,000)	(8,244)
Unrecognised net actuarial loss	-	2,538
	36,466	2,538

11.1.9 Plan assets comprise of the following:

	2013		2012	
	(Rupees in '000)	%	(Rupees in '000)	%
Bonds	101,418	95%	78,932	88%
Mutual Funds	-	0%	5,000	6%
Others	4,998	5%	5,772	6%
	106,416	100%	89,704	100%

	2013	2012
	%	%
11.1.10 Actuarial assumptions		
Discount rate at December 31	13.00	11.00
Future salary increases	13.00	11.00

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

11.1.12 In case of the funded plan, the Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the Retirement benefit plan. Within this framework, the Company's ALM objective is to match assets to the retirement benefit obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the Retirement benefit plan obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2013 consists of government securities. The Company believes that government securities offer the best returns over the long term with an acceptable level of risk.

11.1.13 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 Company's contribution to the fund in 2014 is expected to amount to Rs. 25.66 million (2013: Rs 14.78 million).

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.

11.2 Sensitivity analysis for actuarial assumptions

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

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		(Rupees in '000)	
Discount rate at December 31	1%	24,515	31,281
Future salary increases	1%	31,281	24,465

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

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

Discount rate has been increased to 13% from 11% and correspondingly, the rate of expected long-term future salary increase has been increased to 13% from 11% due to increase in inflationary expectations.

11.3 Historical information

	2013	2012	2011	2010	2009
	(Rupees in '000)				
Defined benefit obligation	142,882	92,242	69,336	60,526	49,718
Fair value of plan assets	(106,416)	(89,704)	(72,862)	(59,858)	(45,892)
(Deficit) / surplus	(36,466)	(2,538)	3,526	(668)	(3,826)
Experience adjustments					
Gain / (loss) on obligation	29,614	5,651	(3,378)	169	(2,599)
Gain / (loss) on plan assets	(2,654)	1,735	776	1,217	1,062

11.4 The expected return on plan assets is based on the market expectations and depends upon the asset portfolio of the Fund, at the beginning of the period, for returns over the entire life of related obligation.

The Company's contributions towards the provident fund for the year ended December 31, 2013 amounted to Rs. 23 million (2012: Rs. 19.12 million).

11.5 The weighted average duration of the defined benefit obligation is 13 years.

11.6 Figures in note 11 are based on the latest actuarial valuation carried out as at December 31, 2013.

12. OUTSTANDING CLAIMS

	2013			2012		
	Gross	Re-insurance	Net	Gross	Re-insurance	Net
(Rupees in '000)						
Individual life unit linked						
Notified claims at beginning of the year	140,124	(6,006)	134,118	126,639	(21,174)	105,465
Cash paid for claims settled in the year	(2,374,234)	131,216	(2,243,018)	(1,427,051)	92,039	(1,335,012)
Increase / (decrease) in liabilities:						
Arising from current year claims	2,372,205	(147,313)	2,224,892	1,453,076	(86,921)	1,366,155
Arising from prior year claims	(32,249)	11,993	(20,256)	(12,540)	10,050	(2,490)
Notified claims at end of the year	105,846	(10,110)	95,736	140,124	(6,006)	134,118
Conventional business						
Notified claims at beginning of the year	361,635	(179,693)	181,942	365,913	(107,872)	258,041
Cash paid for claims settled in the year	(900,575)	369,929	(530,646)	(802,196)	317,772	(484,424)
Increase / (decrease) in liabilities:						
Arising from current year claims	916,833	(398,622)	518,211	822,586	(390,538)	432,048
Arising from prior year claims	(11,385)	917	(10,468)	(24,668)	945	(23,723)
Notified claims at end of the year	366,508	(207,469)	159,039	361,635	(179,693)	181,942
Accident & health						
Notified claims at beginning of the year	121,640	(18,885)	102,755	90,433	(33,668)	56,765
Cash paid for claims settled in the year	(894,095)	6,079	(888,016)	(423,945)	18,782	(405,163)
Increase / (decrease) in liabilities:						
Arising from current year claims	949,707	(3,304)	946,403	463,265	(3,999)	459,266
Arising from prior year claims	(19,658)	-	(19,658)	(8,113)	-	(8,113)
Notified claims at end of the year	157,594	(16,110)	141,484	121,640	(18,885)	102,755
Overseas group life and health Fund						
Notified claims at beginning of the year	18,976	(8,555)	10,421	-	-	-
Cash paid for claims settled in the year	(998)	-	(998)	(18,659)	-	(18,659)
Increase / (decrease) in liabilities:						
Arising from current year claims	20,801	(13,177)	7,624	37,635	(8,555)	29,080
Arising from exchange difference	1,734	-	1,734	-	-	-
Arising from prior year claims	16	-	16	-	-	-
Notified claims at end of the year	40,529	(21,732)	18,797	18,976	(8,555)	10,421

12.1 As the Company settles its claim obligations within a year the claim development table has not been presented.

13. STATUTORY DEPOSIT

The Company has deposited 20 years Pakistan Investment Bonds amounting to Rs. 86 million (2012: Rs. 70 million) with the State Bank of Pakistan under section 29 of the Insurance Ordinance, 2000.

14. OTHER CREDITORS AND ACCRUALS

	Share holders' fund	Individual life unit linked	Statutory Funds			Aggregate	
			Conven- tional business	Accident & health	Overseas group life and health business	2013	2012
← (Rupees in '000) →							
Sundry creditors	10,294	13,875	3,060	4,443	-	31,672	28,070
Jubilee General Insurance Company Limited (Related party)	-	-	-	-	-	-	162
Withholding tax payable	2,436	8,770	961	24	-	12,191	15,784
Payable to Workers' Welfare Fund	63,980	-	-	-	-	63,980	32,817
Zakat payable	-	130	-	-	-	130	69
	<u>76,710</u>	<u>22,775</u>	<u>4,021</u>	<u>4,467</u>	<u>-</u>	<u>107,973</u>	<u>76,902</u>

15. CONTINGENCY & COMMITMENTS

15.1 Contingency

While finalising the Company's income tax assessment for the accounting year ended December 31, 2011 (Tax Year 2012), the taxation officer has raised additional tax demand of Rs. 9.86 million on the Company on account of non-deduction of withholding tax under section 151(1)(d) of the Income Tax Ordinance 2001 on the amount of surrenders paid during the year. The Company has filed an appeal with the Commissioner Inland Revenue Appeals (CIRA) contesting that the tax officer has misunderstood the contracts of life insurance and accordingly believes the matter would be settled in its favour and hence no provision has been made in respect of the aforementioned additional tax demand.

15.2 Commitments in respect of capital expenditure

Not later than one year

2013	2012
(Rupees in '000)	
<u>138,665</u>	<u>117,879</u>

16. INVESTMENTS

16.1 Government securities

	Share holders' fund	Statutory Funds			Aggregate		
		Individual life unit linked	Conventional business	Accident & health	Overseas group life and health business	2013	2012
Held-to-maturity	<div>← (Rupees in '000) →</div>						
20 years Pakistan Investment Bonds	-	-	-	9,953	-	9,953	9,950
15 years Pakistan Investment Bond	9,963	-	-	-	-	9,963	9,957
	9,963	-	-	9,953	-	19,916	19,907
Available-for-sale							
20 years Pakistan Investment Bonds	-	41,977	36,133	-	-	78,110	81,019
10 years Pakistan Investment Bonds	-	-	11,168	9,087	-	20,255	114,240
5 years Pakistan Investment Bonds	-	-	-	-	-	-	46,980
3 years Ijara Sukuk Bonds	-	807,255	-	-	-	807,255	1,203,883
8 years Wapda Sukuk Bonds	-	285,000	-	-	-	285,000	-
1 year Treasury Bills	-	1,930,341	38,414	-	-	1,968,755	492,195
6 months Treasury Bills	-	199,500	149,389	124,352	24,871	498,112	11,539,297
3 months Treasury Bills	1,379,550	15,668,449	496,829	406,364	2,646	17,953,838	497,000
	1,379,550	18,932,522	731,933	539,803	27,517	21,611,325	13,974,614
	1,389,513	18,932,522	731,933	549,756	27,517	21,631,241	13,994,521
Provision for impairment in value of investments - note 16.1.1	(773)	-	(8,042)	(591)	(36)	(9,442)	(21,650)
	1,388,740	18,932,522	723,891	549,165	27,481	21,621,799	13,972,871
Reconciliation of provision							
Balance at the beginning of the year (Reversal) / provision for impairment in value of investments	2,939	-	16,658	2,044	9	21,650	23,271
	(2,166)	-	(8,616)	(1,453)	27	(12,208)	(1,621)
Balance at the end of the year	773	-	8,042	591	36	9,442	21,650

16.1.2 Particulars of government securities

Name of the investments	Maturity	Tenor (Years)	Principal payment	Coupon rate p.a. (%)	Coupon payment
Held-to-maturity					
Pakistan Investment Bonds	January 2019 & June 2024	15 - 20 years	On maturity	9 - 10	Half-yearly
Available-for-sale					
Ijara Sukuk Bonds	May 2014 to June 2015	3 years	On maturity	9.26 - 9.98	Half-yearly
WAPDA Sukuk Bond	October 2013 to October 2021	8 years	Half-yearly	11.9	Half-yearly
Pakistan Investment Bonds	April 2014 to June 2024	5 - 20 years	On maturity	8 - 10	Half-yearly
Treasury Bills	May 2014 to June 2014	1 year	On maturity	8.96 - 9.35	On maturity
Treasury Bills	January 2014	6 months	On maturity	8.95 - 8.97	On maturity
Treasury Bills	January 2014 to March 2014	3 months	On maturity	9.39 - 9.91	On maturity

16.2 Other fixed income securities

16.2.1 Available-for-sale - Term finance certificates

	Market value as at		Maturity year	Tenor (Years)	Current Rate of profit p.a. (%)	Profit payment
	December 31, 2013	December 31, 2012				
Individual Life (Unit Linked)	(Rupees in '000)					
Allied Bank Limited	25,055	50,778	2014	8 years	12.02	Half-yearly
Bank Al Habib Limited (Second Issue)	50,128	51,429	2015	8 years	11.04	Half-yearly
Bank Al Habib Limited (Fourth Issue)	26,896	-	2021	10 years	15.00	Half-yearly
Bank Al-Falah Limited	219,602	177,300	2021	8 years	10.36	Half-yearly
Engro Chemicals Pakistan Limited (First Issue)	59,850	58,403	2015	8 years	11.63	Half-yearly
Faysal Bank Limited	12,531	25,337	2014	7 years	10.99	Half-yearly
Pakistan Mobile Communication (Private) Limited (Third Issue)	-	5,013	2013	7 years	12.44	Half-yearly
Pakistan Mobile Communication (Private) Limited (Seventh Issue)	56,501	65,027	2016	4 years	12.15	Quarterly
United Bank Limited	33,271	67,656	2014	8 years	12.13	Half-yearly
	<u>483,834</u>	<u>500,943</u>				

The aggregate cost of the above investments as at December 31, 2013 was Rs. 478.39 million (2012: Rs. 498.19 million).

16.3 Listed equities and closed-ended mutual funds

	Share holders' fund	Individual life unit linked	Statutory Funds			Aggregate	
			Conven-tional business	Accident & health	Overseas group life and health business	2013	2012
Available-for-sale	<div>← (Rupees in '000) →</div>						
Ordinary shares and units of closed-ended mutual funds - note 16.3.2	513,454	5,510,981	46,085	32,259	-	6,102,779	3,352,163
Less : Provision for impairment in value of investments - note 16.3.1	(120)	-	-	-	-	(120)	(29,915)
	<u>513,334</u>	<u>5,510,981</u>	<u>46,085</u>	<u>32,259</u>	<u>-</u>	<u>6,102,659</u>	<u>3,322,248</u>
Reconciliation of provision							
Balance at the beginning of the year	29,915	-	-	-	-	29,915	74,389
Less : Provision / (reversal) for impairment in value of investments	(29,795)	-	-	-	-	(29,795)	(44,474)
Balance at the end of the year	120	-	-	-	-	120	29,915

16.3.2 Particulars of listed equities and closed-ended mutual funds

The face value of ordinary shares are between Rs. 5 to Rs. 10 per share.

	December 31, 2013			December 31, 2012		
	Number of shares	Cost	Market value	Number of shares	Cost	Market value
	(Rupees in '000)			(Rupees in '000)		
Shareholders' fund						
Allied Bank Limited	140,342	7,141	12,631	127,584	7,141	9,376
Fauji Fertilizer Company Limited	575,000	44,253	64,377	375,000	21,024	43,928
Habib Bank Limited	1,223,873	162,499	203,934	1,021,703	149,751	120,367
Hub Power Company Limited	650,000	24,332	39,468	650,000	24,332	29,406
International Industries Limited	10,672	615	495	10,672	614	351
Jubilee General Insurance Company Limited	648,594	35,942	45,402	563,995	35,942	37,850
Kot Addu Power Company Limited - note 16.3.3	5,000,000	230,423	308,750	-	-	-
Pakistan State Oil Limited	14,400	3,054	4,784	12,000	3,054	2,787
United Bank Limited	81,441	5,195	10,795	81,441	5,195	6,814
		<u>513,454</u>	<u>690,636</u>		<u>247,053</u>	<u>250,879</u>
Individual life unit linked						
Akzo Nobel Pakistan Limited	16,730	971	2,086	16,730	971	1,447
Allied Bank Limited	232,762	14,923	20,949	211,602	14,923	15,551
Askari Bank Limited	-	-	-	3,741,672	88,875	64,432
Attock Petroleum Limited	174,300	87,161	87,096	-	-	-
Bank Al-Habib Limited	3,832,363	85,921	159,235	3,220,863	67,482	102,198
Bank Alfalah Limited	2,250,000	37,921	60,840	875,000	14,739	14,718
Century Paper & Board Mills Limited	563,902	24,838	31,714	240,000	16,019	6,394
Cherat Cement Company Limited	-	-	-	107,457	5,377	5,239
D.G. Khan Cement Company Limited	246,240	14,215	21,110	246,240	14,215	13,440
Engro Corporation Limited	246,000	25,517	38,961	196,000	21,119	18,040
Fatima Fertilizer Company Limited	325,000	8,188	9,282	-	-	-
Fauji Cement Company Limited	7,025,000	65,718	112,049	2,800,000	18,923	18,312
Fauji Fertilizer Bin Qasim Limited	1,425,000	46,478	62,429	550,000	11,719	21,225
Fauji Fertilizer Company Limited	6,839,612	438,870	765,763	5,572,712	298,279	652,787
Faysal Bank Limited	695,368	11,149	7,920	1,018,105	18,364	10,843
First Habib Modaraba Limited	2,002,815	15,155	17,384	1,843,815	13,773	16,226
Hinopak Motors Limited	-	-	-	-	8,690	1,283
Hub Power Company Limited	7,697,135	272,700	467,370	7,497,135	258,718	339,170
ICI Pakistan Limited	20,560	3,234	5,202	20,560	3,234	3,575
Indus Motor Company Limited	278,414	45,021	92,712	278,414	45,021	75,172
International Industries Limited	2,056,857	128,521	95,376	2,072,857	129,739	68,218
JS Growth Fund	-	-	-	796,117	11,831	6,950
Kot Addu Power Company Limited - note 16.3.3	18,732,173	850,466	1,156,712	3,982,173	166,202	196,680
Lotte Pakistan PTA Limited	600,000	8,330	4,404	600,000	8,330	4,410
Lucky Cement Company Limited	55,000	5,801	16,493	55,000	5,801	8,335
MCB Bank Limited	-	-	-	15,489	503	3,249
Meezan Bank Limited	2,456,296	48,340	96,729	1,275,943	14,646	38,342
Meezan Balance Fund	-	-	-	1,000,000	9,058	11,560
Millat Tractors Limited	656,120	128,289	316,578	494,158	98,822	278,982
National Bank of Pakistan	4,499,700	193,833	261,253	3,605,521	178,759	178,077
Nishat Mills Limited	1,896,787	122,954	241,347	968,187	44,057	61,819
Oil and Gas Development Company Limited	68,987	5,995	19,065	68,987	5,995	13,288
Orix Leasing Company Limited	506,747	12,918	12,922	506,747	12,918	7,601
Packages Limited	30,601	3,464	8,343	104,401	11,817	15,781
Pakistan Oilfields Limited	779,650	262,164	388,040	628,800	185,723	275,125
Pakistan Petroleum Limited	2,181,349	243,947	466,721	1,605,758	193,191	283,882
Pakistan State Oil Limited	311,266	63,821	103,409	259,389	63,821	60,233
Pakistan Telecommunication Company Limited	3,575,000	67,883	101,673	2,625,000	42,283	45,544
Pakistan Tobacco Company Limited	60,500	7,477	34,043	156,700	19,948	10,587
PICIC Growth Fund	284,000	10,288	7,123	284,000	10,288	4,658
PICIC Investment Fund	150,500	2,663	1,711	150,500	2,663	1,064
Standard Chartered Modaraba Limited	531,477	8,991	9,078	45,477	1,439	525
Thal Limited	582,000	39,877	80,467	419,630	21,861	44,846
Tri-Pack Films Limited	168,689	32,056	33,335	103,489	20,003	19,870
United Bank Limited	1,176,437	77,744	155,937	985,437	58,160	82,452
Wateen Telecom Limited	-	-	-	1,000,000	6,620	2,980
		<u>3,523,802</u>	<u>5,572,861</u>		<u>2,244,919</u>	<u>3,105,110</u>
Conventional business						
Kot Addu Power Company Limited - note 16.3.3	1,000,000	46,085	61,750	-	-	-
		<u>46,085</u>	<u>61,750</u>			
Accident & health						
Kot Addu Power Company Limited - note 16.3.3	700,000	32,259	43,225	-	-	-
		<u>32,259</u>	<u>43,225</u>			

16.3.3 During the year, the Company purchased 20.65 million shares of Kot Addu Power Company Limited at a negotiated price from National Power (Kot Addu) Limited which was less than the quoted price on the stock exchange. No day one gain has been recognised for non unit linked funds in view of the requirements of Insurance Rules, 2002 issued by SECP. Had the gain been recognised in accordance with the requirements of IAS 39 - 'Financial Instruments: Recognition and Measurement' the Investment Income would have increased by Rs.158.64 million. Shares allocated to investment linked unit fund have been mark to market in accordance with the fund's accounting policy resulting in unrealised gain amounting to Rs. 244.37 million.

16.4 Open-ended mutual funds

	Share holders' fund	Statutory Funds			Aggregate		
		Individual life unit linked	Conven- tional business	Accident & health	Overseas group life and health business	2013	2012
Available-for-sale	<div><div></div><div>(Rupees in '000)</div><div></div></div>						
Units of open-ended mutual funds - note 16.4.1 & 16.4.2	-	119,664	-	-	-	119,664	411,430

16.4.1 Shareholders' fund

NIT Government Bond Fund

2013	2012
(Rupees in '000)	
-	100,000

16.4.2 Individual life unit linked - note 16.4.2.1

First Habib Cash Fund	-	53,552
JS Growth Fund	10,050	-
JS Large Capital Fund	19,512	9,958
Meezan Balanced Fund	14,200	-
Meezan Islamic Fund	51,333	35,842
NIT Government Bond Fund	-	200,505
Pakistan Strategic Allocation Fund	15,761	11,573
PICIC Energy Fund	8,808	-
	119,664	311,430

16.4.2.1 The aggregate cost of the above mutual funds as at December 31, 2013 was Rs. 72.80 million (2012: Rs. 295.5 million).

16.5 International Accounting Standard IAS-39 "Financial Instruments - Recognition and Measurement" was revised effective from January 1, 2005. In the revised IAS-39 the option of taking the revaluation gain / (loss) on the available-for-sale securities to income / revenue account has been deleted and all such gain / (loss) is to be taken directly into OCI. However, the Securities and Exchange Commission of Pakistan (SECP) through Insurance Rules, 2002 had prescribed the format of presentation and disclosure of financial statements, according to which the statutory funds have no equity accounts, resultantly the changes in IAS-39 were not implemented.

16.6 Movement in investments

	Statutory funds										Total
	Shareholders' fund		Individual life unit linked		Conventional business		Accident & health		Overseas group life and Health Business		
	Held to maturity	Available for sale	Held to maturity	Available for sale	Held to maturity	Available for sale	Held to maturity	Available for sale	Held to maturity	Available for sale	
	(Rupees in '000)										
As at January 01, 2012	9,952	1,029,554	-	11,151,408	50,192	510,890	9,948	218,254	-	-	12,980,198
Movement during the year:											
Additions	-	2,172,657	-	30,797,549	-	934,965	-	758,838	-	57,925	34,721,934
Disposals (sale and redemptions)	-	(2,061,259)	-	(26,773,188)	(50,184)	(810,726)	-	(601,173)	-	(28,810)	(30,325,340)
Amortisation of discount / (premium)	5	-	-	-	(8)	-	2	-	-	-	(1)
Impairment reversal / (losses)	-	46,091	-	-	-	(666)	-	679	-	(9)	46,095
Unrealised gain	-	-	-	784,606	-	-	-	-	-	-	784,606
As at December 31, 2012	9,957	1,187,043	-	15,960,375	-	634,463	9,950	376,598	-	29,106	18,207,492
Movement during the year:											
Additions	-	3,335,405	-	60,191,206	-	1,769,067	-	1,704,678	-	67,956	67,068,312
Disposals (sale and redemptions)	-	(2,662,298)	-	(52,244,652)	-	(1,642,170)	-	(1,511,258)	-	(69,554)	(58,129,932)
Amortisation of discount / (premium)	6	-	-	-	-	-	3	-	-	-	9
Impairment (losses) / reversal	-	31,961	-	-	-	8,616	-	1,453	-	(27)	42,003
Unrealised gain	-	-	-	1,140,072	-	-	-	-	-	-	1,140,072
As at December 31, 2013	9,963	1,892,111	-	25,047,001	-	769,976	9,953	571,471	-	27,481	28,327,956

17. DEFERRED TAXATION

Debit balances arising in respect of tax depreciation allowance

2013
(Rupees in '000)

2012

8,445 1,506

18. PREMIUMS DUE BUT UNPAID

	2013				2012
	Conventional business	Accident & health	Overseas group life and health business	Total	
	(Rupees in '000)				
Considered good					
Due from related parties - associates	6,997	846	-	7,843	12,846
Due from others	76,980	104,438	-	181,418	121,790
Considered doubtful	1,397	5,352	-	6,749	8,232
	85,374	110,636	-	196,010	142,868
Provision for bad & doubtful receivables - note 18.1	(1,397)	(5,352)	-	(6,749)	(8,232)
Net premium due but unpaid	83,977	105,284	-	189,261	134,636

18.1 There are no trade debts receivable from related party that are past due or impaired.

18.2 Reconciliation of provision

Balance at the beginning of the year	2,977	5,255	-	8,232	4,774
(Reversal) / provision for bad & doubtful receivables	(635)	1,841	-	1,206	3,458
Receivable written off during the year	(945)	(1,744)	-	(2,689)	-
Balance at the end of the year	1,397	5,352	-	6,749	8,232

19. AMOUNTS DUE FROM INSURERS / REINSURERS

	Statutory Funds				Aggregate	
	Individual life unit linked	Conventional business	Accident & health	Overseas group life and health business	2013	2012
	(Rupees in '000)					
Reinsurance recoveries against outstanding claims net of reinsurance premium payable	10,755	117,309	2,461	(1,987)	128,538	99,887
Other reinsurance assets	7,602	44,746	-	6,504	58,852	53,881
	<u>18,357</u>	<u>162,055</u>	<u>2,461</u>	<u>4,517</u>	<u>187,390</u>	<u>153,768</u>

20. FIXED ASSETS**20.1 Capital work-in-progress**

	2013	2012
	(Rupees in '000)	
Opening balance	46,881	12,408
Additions	116,840	177,526
Transfer to tangible operating assets	(127,856)	(143,053)
Closing balance	<u>35,865</u>	<u>46,881</u>

20.2 Tangible operating assets

	Leasehold Improvements	Furniture, fixture and fittings	Office equipments	Computers	Motor Vehicles	Total
	(Rupees in '000)					
Net carrying value basis						
Year ended December 31, 2013						
Opening net book value (NBV)	59,680	31,182	34,861	34,330	101,001	261,054
Additions	50,118	25,091	15,198	49,653	58,869	198,929
Disposals at NBV - note 20.3	(75)	(883)	(586)	(670)	(12,961)	(15,175)
Depreciation charge	(21,504)	(26,587)	(14,500)	(25,600)	(30,400)	(118,591)
Closing NBV	<u>88,219</u>	<u>28,803</u>	<u>34,973</u>	<u>57,713</u>	<u>116,509</u>	<u>326,217</u>
Gross carrying value basis						
At December 31, 2013						
Cost	136,402	117,310	97,317	128,877	194,155	674,061
Accumulated depreciation	(48,183)	(88,507)	(62,344)	(71,164)	(77,646)	(347,844)
NBV	<u>88,219</u>	<u>28,803</u>	<u>34,973</u>	<u>57,713</u>	<u>116,509</u>	<u>326,217</u>
Net carrying value basis						
Year ended December 31, 2012						
Opening net book value (NBV)	30,817	24,994	25,595	17,062	84,280	182,748
Additions	39,748	27,962	21,083	32,318	43,589	164,700
Disposals at NBV	(96)	(22)	(227)	(158)	(3,620)	(4,123)
Depreciation charge	(10,789)	(21,752)	(11,590)	(14,892)	(23,248)	(82,271)
Closing NBV	<u>59,680</u>	<u>31,182</u>	<u>34,861</u>	<u>34,330</u>	<u>101,001</u>	<u>261,054</u>
Gross carrying value basis						
At December 31, 2012						
Cost	86,413	111,926	91,553	89,724	167,739	547,355
Accumulated depreciation	(26,733)	(80,744)	(56,692)	(55,394)	(66,738)	(286,301)
NBV	<u>59,680</u>	<u>31,182</u>	<u>34,861</u>	<u>34,330</u>	<u>101,001</u>	<u>261,054</u>
Depreciation rate % per annum	<u>20</u>	<u>20</u>	<u>20-33</u>	<u>30</u>	<u>20</u>	

20.3 Details of disposals of fixed assets

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

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of buyers
	(Rupees in '000)					
Motor vehicles	1,800	1,249	551	600	Company Policy	Mr. Manzoor Ahmed - Executive B-207, Block # 3 Gulistan-e-Johar, Karachi
	1,799	1,606	193	270	Company Policy	Mr. Sohail Fakhar - Executive House # A-100 / 15 A 5 Buffer Zone Karachi
	1,750	1,066	684	875	Company Policy	Mr. M. Menhas - Ex Executive House # 224, Lane 8 Askari 10 Rawalpindi
	1,500	510	990	1,175	Company Policy	Ms. Nausheen Amin - Ex Executive 89-F, Street -23, Askari IV Rashid Minhas Road Gulistan-e-Johar, Karachi
	1,389	964	425	857	Company Policy	Mr. Farhan A Faridi - Executive B-2/3, Maymar Heights Block - 14, Gulshan-e-Iqbal Near DC Office, Karachi
	1,372	544	828	1,029	Company Policy	Mr. Fahmeed Asim Khan - Ex employee 1881-H, Near Bilal Motors Khanewal Road, Multan
	1,352	441	911	1,172	Company Policy	Mr. Sohail Ahmed Malazai - Ex employee House # 2, Sher Wali Gali Bahadur Chowk, Bosan Road NUML University Street, Multan
	1,250	283	967	1,188	Company Policy	Mr. Faisal Khwaja - Ex employee Flat # 2, 3rd Floor, Noor Apartment (Mashallah Building) Gulistan-e-Fatima Behind Mubarak Housing Society Hyderabad
	1,250	283	967	1,292	Company Policy	Mr. Malik Amjad Mehboob - Ex employee House # 21, Street #1, Gulraiz 1 Dad Khan Colony, Chaklala Scheme 3, Rawalpindi
	1,210	583	627	867	Company Policy	Mr. M Zeeshan Anwar - Ex employee House # 1139, Street # 12A Mangral Town, Faisal Colony Airport Road, Rawalpindi
	1,200	663	537	700	Company Policy	Ms. Afshan Arzoo - Ex employee House # 44, Street # 4, Khans Avenue, Chaklala, Scheme - 3 Rawalpindi
	1,200	527	673	1,000	Company Policy	Mr. Raja M Changaiz Khan - Ex employee House # 1087, Street # 7-K Mubarak Lane Adyala Road Rawalpindi
	888	755	133	133	Company Policy	Mr. Syed Rehan Ahmed - Executive 296-B, Block 15 Gulistan-e-Johar, Karachi
	800	680	120	120	Company Policy	Mr. Atif Raza Sheikh - Ex employee House # 127 - A, Shaikh Zaid Colony, Larkana
Balance carried forward	18,760	10,154	8,606	11,278		

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of buyers
	(Rupees in '000)					
Balance brought forward	18,760	10,154	8,606	11,278		
Motor vehicles	800	680	120	120	Company Policy	Mr. Abdul Rasheed - Executive Khar Para, Street # 2, House # 1449, Mirpurkhas
	800	691	109	120	Company Policy	Anjum Hayat Mirza - Ex-employee House # B69, Block 1 First Floor Gulistan-e-Johar, Karachi
	800	680	120	120	Company Policy	Mr. Masood Ahmed Khan - Employee A-224 / 1, 2nd Floor, Block 10-A, Work Society, Gulshan-e-Iqbal Karachi.
	682	599	83	102	Company Policy	Mr. M Shakeel A Qureshi - Executive A-25, Sector - U, Block-3 Gulshan-e-Maymar, Karachi
	600	510	90	90	Company Policy	Mr. Shoaib Afridi - Executive A591, Street # 6, Block - L North Nazimabad, Karachi
	1,673	196	1,477	1,477	Insurance Claim	Jubilee General Insurance Company Limited
	1,250	187	1,063	1,250	Insurance Claim	Jubilee General Insurance Company Limited
	1,200	629	571	571	Insurance Claim	Jubilee General Insurance Company Limited
	1,200	510	690	690	Insurance Claim	Jubilee General Insurance Company Limited
	27,765	14,836	12,929	15,818		
Computer	78	16	62	62	Insurance Claim	Jubilee General Insurance Company Limited
	74	22	52	52	Insurance Claim	Jubilee General Insurance Company Limited
	74	2	72	72	Insurance Claim	Jubilee General Insurance Company Limited
	80	18	62	62	Insurance Claim	Jubilee General Insurance Company Limited
	80	16	64	64	Insurance Claim	Jubilee General Insurance Company Limited
	386	74	312	312		
Net book value not exceeding Rs. 50,000 each						
Motor Vehicles	4,688	4,656	32	2,586		
Office equipments	9,434	8,848	586	90		
Furniture and Fixtures	19,707	18,824	883	49		
Computers	10,114	9,756	358	57		
Leasehold improvements	129	54	75	-		
	72,223	57,048	15,175	18,912		

	2013	2012
	Rupees in '000	
20.4 Intangible assets - computer software		
Net carrying value basis		
Year ended December 31, 2013		
Opening net book value (NBV)	12,552	12,431
Additions	11,330	7,775
Amortisation charge	(8,981)	(7,599)
Disposals at NBV	(78)	(55)
Closing NBV	14,823	12,552
Gross carrying value basis		
At December 31, 2013		
Cost	55,604	47,281
Accumulated amortisation	(40,781)	(34,729)
Closing NBV	14,823	12,552
Amortisation rate per annum	30%	30%
21. EXPENSES NOT ATTRIBUTABLE TO STATUTORY FUNDS		
Salaries, allowances and other benefits	9,758	4,613
Travelling expenses	2,346	2,690
Legal and professional charges	3,057	1,908
Workers' Welfare Fund	31,162	16,499
Donations	-	205
Depreciation expense	2,111	581
Advertisement and publicity	3,681	-
Auditors' remuneration	538	309
Miscellaneous	7,341	3,091
	59,994	29,896

The above expenses represent allocation in accordance with the advice of appointed actuary as approved by the Board of Directors.

	2013	2012
	(Rupees in '000)	
22. TAXATION		
Current		
- for the year	455,409	253,898
- prior year	-	495
Deferred	(6,939)	903
	448,470	255,296

22.1 Relationship between tax expense and accounting profit

	2013	2012
	(Rupees in '000)	
Profit before tax	1,389,941	808,669
Tax at the applicable rate of 34% (2012: 35%)	472,580	283,034
Tax effect of dividend income being taxable at lower rate and Final Tax Regime	(12,685)	(4,528)
Tax effect of capital gain being exempt	(11,425)	(24,637)
Prior year adjustment & others	-	1,427
Tax expense for the year	448,470	255,296

23. BASIC AND DILUTED EARNINGS PER SHARE

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

	2013	2012
	(Rupees in '000)	
Profit after tax	941,471	553,373
	(Number of shares in '000)	
Weighted average number of ordinary shares outstanding as at year end	62,712	62,712
	(Rupees)	
Basic earnings per share	15.01	8.82

24. CASH AND CASH EQUIVALENTS

	Share holders' fund	Individual life unit linked	Statutory Funds	Conventional business	Accident & health	Overseas group life and health business	Aggregate	
							2013	2012
							(Rupees in '000)	
Cash at banks								
- in current accounts	6,454	16,052	2,053	-	-	-	24,559	22,395
- in savings accounts	42,905	406,362	1,706	26,444	20,247	20,247	497,664	805,280
	49,359	422,414	3,759	26,444	20,247	20,247	522,223	827,675
Term deposits having maturity of three months	-	2,892,000	-	-	-	-	2,892,000	2,998,000
Cash and stamps in hand	1,151	29,585	154	143	-	-	31,033	6,764
	50,510	3,343,999	3,913	26,587	20,247	20,247	3,445,256	3,832,439

25. BRANCH OVERHEADS

	Statutory Funds				Aggregate	
	Individual life unit linked	Conven- tional business	Accident & health	Overseas group life and health business	2013	2012
	(Rupees in '000)					
Salaries, allowances and other benefits	518,027	24,131	18,072	-	560,230	544,638
Charge for defined benefit plan	15,428	2,250	1,889	-	19,567	4,261
Contribution to defined contribution plan	7,409	1,019	857	-	9,285	7,937
Overriding commission	148,761	-	-	-	148,761	123,212
Travelling expenses	14,287	1,514	1,757	-	17,558	18,492
Advertisements	6,686	-	80	-	6,766	9,924
Printing and stationery	17,027	(109)	3,589	-	20,507	28,194
Depreciation	51,627	3,252	1,607	-	56,486	40,660
Amortisation	1,300	135	85	-	1,520	1,224
Rental	46,574	2,317	1,336	-	50,227	45,552
Legal and professional charges	159	-	-	-	159	1,084
Utilities	17,862	47	95	-	18,004	19,034
Entertainment	6,879	200	123	-	7,202	4,142
Vehicle running	25,987	2,445	1,925	-	30,357	32,180
Repairs and maintenance	8,190	146	237	-	8,573	9,781
Training expenses	4,129	-	97	-	4,226	-
Postage, telegram and telephone	36,334	1,402	996	-	38,732	39,409
Staff welfare	4,313	4	81	-	4,398	7,140
Miscellaneous expenses	6,455	753	626	-	7,834	6,948
	937,434	39,506	33,452	-	1,010,392	943,812

26. ADMINISTRATION EXPENSES

Administration expenses in respect of Accident and Health fund are net off common costs amounting to Rs. 23.12 million (2012: Rs. 26.31 million) shared with Jubilee General Insurance Limited – an associated undertaking on account of joint operating activities.

	2013	2012
	(Rupees in '000)	
Audit fee	1,600	1,600
Fee for review of half yearly financial information and other reportings	850	1,000
Fee for review of application system	300	1,800
Taxation service	35	-
Out of pocket expenses	549	517
	3,334	4,917

27. AUDITORS' REMUNERATION

28. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

28.1 The aggregate amount charged in the financial statements for remuneration including all benefits to the Chief Executive, Directors and Executives of the Company are as follows:

	2013		2012	
	Chief Executive	Executive	Chief Executive	Executive
	(Rupees in '000)			
Managerial remuneration	12,000	129,343	9,856	111,412
Performance bonus	5,000	40,057	4,500	38,795
Retirement benefits	3,864	39,593	1,529	17,288
House rent allowance	4,800	57,947	4,395	50,135
Utilities	1,200	12,935	986	11,141
Medical	26	5,670	-	2,207
Club membership	-	2,700	-	-
Leave passage	423	2,922	-	2,813
Others	-	6,226	-	6,834
	<u>27,313</u>	<u>297,393</u>	<u>21,266</u>	<u>240,625</u>
Number of persons	<u>1</u>	<u>93</u>	<u>1</u>	<u>81</u>

In addition to the above, fee paid to four non-executive directors during the year amounted to Rs.1.8 million (2012: Rs. 2.16 million).

The Chief Executive is provided with Company maintained cars whereas the executives are provided with cars in accordance with Company policy.

29. INFORMATION ABOUT MAJOR CUSTOMERS

The Company considers its external customers to be individuals and group policyholders. However, premium against individual life unit linked policies from one of the bancassurance arrangements constitutes 63% (2012: 59%) of the Company's premium from such policies, premium against group life policies from the same bank amounts to 20% (2012: 20%). Moreover, premium from one of the customer of Accident and Health fund contributed to 26% of the total premium of the fund and Company's overseas business from two policies constitutes 100% of the Overseas group life and health business (2012: 100%).

30. TRANSACTIONS WITH RELATED PARTIES

The Company is controlled by Aga Khan Fund for Economic Development, S.A Switzerland, which owns 57.87% (2012: 57.87%) of the Company's shares. Associated undertakings include Habib Bank Limited being under common control of the parent Company. Other associated undertakings are classified due to common directorship.

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

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

Relationship with the Company		Nature of transaction	2013 (Rupees in '000)	2012
i.	Parent	Dividend paid	254,064	108,885
ii.	Associated companies	Group insurance premium	333,941	334,665
		Incurred claims against insurance cover	240,934	269,075
		Rent of building	28,168	24,784
		Payment for premium against general insurance	10,697	8,506
		Claims lodged	4,232	3,799
		Investment advisory services	3,000	3,000
		Agency commission	1,641,960	1,262,451
		Interest income on term deposits	180,354	190,607
		Dividend received	21,864	13,890
		Dividend paid	110,461	47,708
		Payment for rent of vehicle	300	371
iii.	Staff retirement funds	Expense charged for retirement benefit plans	75,539	29,629
		Payments to retirement benefit plans	39,006	27,481
iv.	Key management personnel	Salaries and other short-term employee benefits	131,207	105,347
		Individual life premium	16,386	14,013
		Post-employment benefits	19,819	7,507
		Dividend paid	3,191	1,114
		Consideration received for vehicle sold	2,193	246
Relationship with the Company		Receivable / (Payable)		
i.	Associated companies	Bank account balance	537,238	699,991
		Short term deposits	3,892,000	2,648,000
		Investment in shares	302,656	236,522
		Interest accrued on term deposits	35,398	13,177
		Agency Commission	(305,002)	(280,406)
		Claims against general policy	3,038	3,035
		Receivable / (payable) common cost	794	(162)
		Group premium	7,657	9,982
		Claims lodged & outstanding	(41,112)	(40,525)
		General insurance premium payable	(1,000)	-
		Prepaid rent	12,075	11,263
ii	Key management personnel	Advance against salary	5,036	2,217

These are settled in the ordinary course of business. The receivables and payables are mainly unsecured in nature and bear no interest.

31. PROVIDENT FUNDS RELATED DISCLOSURE

The following information is based on un-audited financial statements of the fund as at December 31, 2013:

	2013	2012
	(Rupees in '000)	
Size of the fund - total assets	167,684	134,800
Fair value of investments	164,071	131,406
Percentage of investments made	97.85%	97.48%

The cost of above investments amounted to Rs. 161.49 million (2012: Rs. 129.21 million).

31.1 The breakup of fair value of investments is as follows:

	2013	2012	2013	2012
	Percentage		(Rupees in '000)	
Government securities	100%	92.32%	164,071	121,310
Unit trust schemes	-	7.68%	-	10,096

31.2 The investments out of provident fund have been made in accordance with the provision of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

	2013	2012
Number of employees at December 31	2,078	1,974
Average number of employees at December 31	2,026	1,706

33. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

33.1 Insurance Risk

33.1.1 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 underpricing 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 Committees 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 underpricing.

a) Frequency and severity of claims

The Company measures concentration of risk by geographical area. 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 2013			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	Rupees in '000	%	Rupees in '000	%
0 - 200,000	2,768,014	1.05%	2,571,528	1.63%
200,001 - 400,000	17,114,646	6.51%	15,800,747	10.02%
400,001 - 800,000	34,001,600	12.93%	30,089,353	19.08%
800,001 - 1,000,000	23,321,310	8.87%	17,979,330	11.40%
More than 1,000,000	185,731,472	70.64%	91,275,214	57.87%
Total	262,937,042	100.00%	157,716,172	100.00%

Rupees	Assured at the end of 2012			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	Rupees in '000	%	Rupees in '000	%
0 - 200,000	1,595,148	0.74%	1,537,204	1.22%
200,001 - 400,000	10,702,041	4.98%	10,569,266	8.39%
400,001 - 800,000	24,524,142	11.42%	21,870,022	17.36%
800,001 - 1,000,000	16,379,634	7.62%	12,449,174	9.88%
More than 1,000,000	161,643,323	75.24%	79,550,427	63.15%
Total	<u>214,844,288</u>	<u>100.00%</u>	<u>125,976,093</u>	<u>100.00%</u>

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

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

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

- Mortality: The company assumes the expected mortality at 65% of LIC (94-96) in view of the company's current experience.
- 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 to profit test the main policies are as follows:

- Mortality: The expected mortality is assumed at 65% of LIC (94-96) in view of the company's current experience.
- Persistency: A periodic analysis on 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 trends in the data to arrive at best estimate of future persistency rates for each sales distribution channel.
- Expense levels and inflation: A periodic study is conducted on the company's current business expenses and future projections to calculate per policy expenses. Expense inflation is assumed in line with assumed investment return.
- Investment returns: The investment returns are based on the historic performance of the Fund.

d) Changes in assumptions

There has been no change in assumptions.

e) Sensitivity analysis

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

Variables	Trigger level	Change in variable	Increase in liability 2013 Rupees '000	Increase in liability 2012
Worsening of mortality rates for risk policies	371%	+10% p.a.	36,400	67,800
Worsening of persistency rates for long term individual policies *	-	-	-	-
Increase in expense levels and inflation	312%	+10% p.a.	34,500	22,200
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.

33.1.2 Conventional business

33.1.2.1 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

Assured at the end of 2013				
Total benefits assured				
Rupees	Before reinsurance		After reinsurance	
	Rupees in '000	%	Rupees in '000	%
0 - 200,000	9,913	4.03%	3,241	4.81%
200,001 - 400,000	48,912	19.90%	15,152	22.47%
400,001 - 800,000	68,789	27.99%	17,669	26.20%
800,001 - 1,000,000	16,797	6.83%	8,108	12.02%
More than 1,000,000	101,393	41.25%	23,263	34.50%
Total	245,804	100.00%	67,433	100.00%

Assured at the end of 2012				
Total benefits assured				
Rupees	Before reinsurance		After reinsurance	
	Rupees in '000	%	Rupees in '000	%
0 - 200,000	11,186	4.17%	3,357	4.67%
200,001 - 400,000	53,266	19.87%	14,347	19.96%
400,001 - 800,000	71,181	26.56%	17,010	23.66%
800,001 - 1,000,000	18,618	6.95%	9,793	13.62%
More than 1,000,000	113,797	42.45%	27,386	38.09%
Total	268,048	100.00%	71,893	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 has 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.

33.1.2.2 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 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 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 2013			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	Rupees in '000	%	Rupees in '000	%
0 - 200,000	123,494,495	22.56%	83,250,959	32.38%
200,001 - 400,000	45,482,317	8.31%	24,642,719	9.59%
400,001 - 800,000	56,231,798	10.27%	29,594,934	11.51%
800,001 - 1,000,000	43,096,187	7.87%	21,899,496	8.52%
More than 1,000,000	279,065,980	50.99%	97,671,177	38.00%
Total	547,370,777	100.00%	257,059,285	100.00%

Rupees	Assured at the end of 2012			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	Rupees in '000	%	Rupees in '000	%
0 - 200,000	111,434,692	23.47%	43,701,327	22.24%
200,001 - 400,000	42,570,258	8.96%	22,764,211	11.59%
400,001 - 800,000	46,702,854	9.83%	25,975,083	13.22%
800,001 - 1,000,000	31,799,623	6.70%	16,043,152	8.16%
More than 1,000,000	242,387,679	51.04%	88,005,242	44.79%
Total	474,895,106	100.00%	196,489,015	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 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, 2013, contains a change in reserving basis for the reserves maintained for one of the categories of group life schemes' Incurred but Not reported (IBNR) claims.

The adequacy of IBNR's held in respect of Depositors/Micro Finance Schemes was found to be marginally adequate as at December 31, 2013. In order to build appropriate margins for adverse deviations and bring stability to the reserving basis, the IBNR reserve for Depositors/Micro Finance Schemes was determined on an earned premium basis.

The above change in valuation bases has resulted in increase in policyholder's liability by Rs. 2.7 million with corresponding impact on revenue account of the respective statutory fund.

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 2013 Rupees '000	Increase in liability 2012
Worsening of mortality rates for risk policies	+10% p.a.	1,700	7,200
Increase in reporting lag	+10% p.a.	1,700	7,200

The above analyses are based on a change in an assumption while holding all other assumptions constant.

33.1.3 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. 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 2013			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	Rupees in '000	%	Rupees in '000	%
0 - 200,000	10,660,508	17.20%	10,660,508	17.25%
200,001 - 400,000	27,707,031	44.72%	27,707,031	44.84%
400,001 - 800,000	21,471,286	34.65%	21,305,236	34.47%
800,001 - 1,000,000	707,597	1.14%	707,597	1.15%
More than 1,000,000	1,416,108	2.29%	1,416,108	2.29%
Total	61,962,530	100.00%	61,796,480	100.00%

Rupees	Assured at the end of 2012			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	Rupees in '000	%	Rupees in '000	%
0 - 200,000	9,666,745	20.07%	9,666,745	20.07%
200,001 - 400,000	20,118,652	41.76%	20,118,652	41.76%
400,001 - 800,000	17,501,863	36.33%	17,501,863	36.33%
800,001 - 1,000,000	174,481	0.36%	174,481	0.36%
More than 1,000,000	714,597	1.48%	714,597	1.48%
Total	48,176,338	100.00%	48,176,338	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, 2013, contains a change in reserving basis for the reserves maintained for group health Incurred but Not reported (IBNR) claims.

The IBNR reserving basis for non-micro-insurance schemes' non-out-patient benefit was revised as the lag pattern was found to have changed due to the growing size of the portfolio. Under the revised methodology claim lag factors at each year-end using the last year's claims data. The claim lag factors so determined are then applied to determine the IBNR's at the year-end and the subsequent three quarter-ends. In order to cater for risk of potential increase in reporting lag due to rapid growth of business, an appropriate margin has been built in the IBNR.

The IBNR reserving methodology for non-micro-insurance schemes' out-patient benefit has been changed as at December 31, 2013 so as to target an ultimate claims ratio of 80% on the earned premium of last 12 months.

For micro-insurance schemes, the IBNR basis at December 31, 2013 has been changed so as to target an ultimate claims ratio of 150% on the earned premium of last 18 months of high risk schemes and 110% on the earned premium of last 18 months for other micro-insurance schemes.

The above change in valuation bases has resulted in decrease in policyholder's liability by Rs. 35.9 million with corresponding impact on revenue account of the respective statutory fund.

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 2013	Increase in liability 2012
		Rupees '000	
Worsening of morbidity rates for risk policies	+10% p.a.	11,300	5,000
Increase in reporting lag	+10% p.a.	11,300	5,000
Increase in average claim amount	+10% p.a.	11,300	5,000

33.1.4 Overseas group life and health business

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

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

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

a) Frequency and severity of claims

The Company measures concentration of risk in terms of exposure by geographical area and by 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**Assured at the end of 2013**

Rupees	Total benefits assured			
	Before reinsurance		After reinsurance	
	Rupees in '000	%	Rupees in '000	%
0 - 200,000	31,626	1.40%	-	0.00%
200,001 - 400,000	-	0.00%	-	0.00%
400,001 - 800,000	253,741	11.26%	-	0.00%
800,001 - 1,000,000	123,538	5.48%	-	0.00%
More than 1,000,000	1,844,638	81.86%	-	0.00%
Total	2,253,543	100.00%	-	0.00%

Assured at the end of 2012

Rupees	Total benefits assured			
	Before reinsurance		After reinsurance	
	Rupees in '000	%	Rupees in '000	%
0 - 200,000	-	0.00%	-	0.00%
200,001 - 400,000	-	0.00%	-	0.00%
400,001 - 800,000	-	0.00%	-	0.00%
800,001 - 1,000,000	-	0.00%	-	0.00%
More than 1,000,000	14,313,637	100.00%	-	0.00%
Total	14,313,637	100.00%	-	0.00%

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 morality 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 has 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.

33.2 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 33.2.1

33.2.1 Mismatch of interest rate sensitive assets and liabilities / yield / interest rate risk

2013											
Effective Yield/ Interest rate %	Total	Exposed to Yield/ Interest rate risk									Non-interest bearing financial instruments
		Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years	
(Rupees in '000)											
On-balance sheet financial instruments											
Financial assets											
Cash and others	7	31,033	-	-	-	-	-	-	-	-	31,033
Current and other accounts	8.35-11	522,223	497,664	-	-	-	-	-	-	-	24,559
Deposits maturing within 12 months		4,392,000	2,492,000	400,000	500,000	1,000,000	-	-	-	-	-
Unsecured advances to employees		8,971	-	-	-	-	-	-	-	-	8,971
Investments - net of provision	9-15	28,327,956	13,376,575	5,073,379	2,138,285	575,607	261,673	56,501	-	541,461	82,152
Premiums due but unpaid		189,261	-	-	-	-	-	-	-	-	189,261
Investment income due but outstanding		544	-	-	-	-	-	-	-	-	544
Investment income accrued		65,523	-	-	-	-	-	-	-	-	65,523
Amounts due from other insurers / reinsurers		187,390	-	-	-	-	-	-	-	-	187,390
Inter-fund receivable		82,473	-	-	-	-	-	-	-	-	82,473
Sundry receivable		52,772	-	-	-	-	-	-	-	-	52,772
		33,860,146	16,366,239	5,473,379	2,638,285	1,575,607	261,673	56,501	-	541,461	82,152
6,864,849											
Financial liabilities											
Outstanding claims		670,477	-	-	-	-	-	-	-	-	670,477
Amounts due to other insurers / reinsurers		4,818	-	-	-	-	-	-	-	-	4,818
Amounts due to agents		496,871	-	-	-	-	-	-	-	-	496,871
Accrued expenses		435,647	-	-	-	-	-	-	-	-	435,647
Other creditors and accruals		107,973	-	-	-	-	-	-	-	-	107,973
Unclaimed dividend		6,455	-	-	-	-	-	-	-	-	6,455
Inter-fund payable		82,473	-	-	-	-	-	-	-	-	82,473
		1,804,714	-	-	-	-	-	-	-	-	1,804,714
On-balance sheet gap											
		32,055,432	16,366,239	5,473,379	2,638,285	1,575,607	261,673	56,501	-	541,461	82,152
5,060,135											
Off-balance sheet financial instruments											
Commitments		(138,665)	-	-	-	-	-	-	-	-	(138,665)
Off-balance sheet gap											
		(138,665)	-	-	-	-	-	-	-	-	(138,665)
Total yield / interest rate risk sensitivity gap											
			16,366,239	5,473,379	2,638,285	1,575,607	261,673	56,501	-	541,461	82,152
4,921,470											
Cumulative yield / interest rate risk sensitivity gap											
			16,366,239	21,839,618	24,477,903	26,053,510	26,315,183	26,371,684	26,371,684	26,913,145	26,995,297
4,921,470											

2012											
Effective Yield/ Interest rate %	Total	Exposed to Yield/ Interest rate risk									Non-interest bearing financial instruments
		Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years	
(Rupees in '000)											
On-balance sheet financial instruments											
Financial assets											
Cash and others		6,764	-	-	-	-	-	-	-	-	6,764
Current and other accounts	7	827,675	805,280	-	-	-	-	-	-	-	22,395
Deposits maturing within 12 months	8.60-10.25	3,748,000	898,000	2,100,000	650,000	100,000	-	-	-	-	-
Unsecured advances to employees		6,806	-	-	-	-	-	-	-	-	6,806
Investments - net of provision	8-13.68	18,207,492	1,232,843	3,186,949	8,213,632	-	1,347,654	109,831	208,571	187,257	3,633,603
Premiums due but unpaid		134,636	-	-	-	-	-	-	-	-	134,636
Investment income due but outstanding		121	-	-	-	-	-	-	-	-	121
Investment income accrued		30,847	-	-	-	-	-	-	-	-	30,847
Amounts due from other insurers / reinsurers		153,768	-	-	-	-	-	-	-	-	153,768
Inter-fund receivable		18,451	-	-	-	-	-	-	-	-	18,451
Sundry receivable		33,465	-	-	-	-	-	-	-	-	33,465
		23,168,025	2,936,123	5,286,949	8,863,632	100,000	1,347,654	109,831	208,571	187,257	4,040,856
Financial liabilities											
Outstanding claims		642,375	-	-	-	-	-	-	-	-	642,375
Amounts due to other insurers / reinsurers		4,561	-	-	-	-	-	-	-	-	4,561
Amounts due to agents		494,130	-	-	-	-	-	-	-	-	494,130
Accrued expenses		388,831	-	-	-	-	-	-	-	-	388,831
Other creditors and accruals		76,902	-	-	-	-	-	-	-	-	76,902
Unclaimed dividend		2,640	-	-	-	-	-	-	-	-	2,640
Inter-fund payable		18,451	-	-	-	-	-	-	-	-	18,451
		1,627,890	-	-	-	-	-	-	-	-	1,627,890
On-balance sheet gap		21,540,135	2,936,123	5,286,949	8,863,632	100,000	1,347,654	109,831	208,571	187,257	2,412,966
Off-balance sheet financial instruments											
Commitments		(117,879)	-	-	-	-	-	-	-	-	(117,879)
Off-balance sheet gap		(117,879)	-	-	-	-	-	-	-	-	(117,879)
Total yield / interest rate risk sensitivity gap											
			2,936,123	5,286,949	8,863,632	100,000	1,347,654	109,831	208,571	187,257	2,295,087
Cumulative yield / interest rate risk sensitivity gap											
			2,936,123	8,223,072	17,086,704	17,186,704	18,534,358	18,644,189	18,852,760	19,040,017	2,295,087

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. 36.92 million (2012: Rs. 59.36 million). The portion of this loss that would be recognised directly in profit and loss account is Rs. 0.59 million (2012: Rs. 0.08 million).

A decrease in 100 basis points in interest yields would result in a gain of Rs. 15.95 million (2012: Rs. 14.30 million). The portion of this gain that would be recognised directly in profit and loss account is Rs. 0.58 million (2012: Rs. 0.36 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.

34. 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.

35. 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, open-end and closed-end mutual funds and term finance certificates markets. In addition, the Company actively monitors the key factors that affect the underlying value of these securities.

36. 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	Not rated	Total
	(Rupees in '000)										
December 31, 2013											
Debt securities	-	-	135,351	288,634	-	59,850	-	-	-	21,621,798	22,105,633
Open-end mutual funds	-	-	110,856	-	-	-	-	-	-	8,808	119,664
Loans and receivables	-	-	-	30,145	31,639	2,859	-	8,406	-	401,478	474,527
Cash and cash equivalents	3,355,559	16,824	27,345	7,545	-	2,112	3,589	-	1,249	31,033	3,445,256
	3,355,559	16,824	273,552	326,324	31,639	64,821	3,589	8,406	1,249	22,063,117	26,145,080
December 31, 2012											
Debt securities	-	-	169,863	272,678	-	58,402	-	-	-	13,972,871	14,473,814
Open-end mutual funds	-	-	53,552	-	-	-	35,843	-	-	322,035	411,430
Loans and receivables	-	-	-	69,331	79,200	5,236	-	-	-	202,445	356,212
Cash and cash equivalents	-	3,811,341	-	-	9,189	3,990	1,155	-	-	6,764	3,832,439
	-	3,811,341	223,415	342,009	88,389	67,628	36,998	-	-	14,504,115	19,073,895

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:

	2013	2012
	(Rupees in '000)	
Cash and bank deposits	4,945,256	4,582,439
Unsecured advances to employees	8,971	6,806
Premiums due but unpaid	141,287	66,773
Investment income due but outstanding	544	121
Investment income accrued	65,523	30,847
Sundry receivable	52,772	33,465

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

	2013	2012
	(Rupees in '000)	
Premiums due but unpaid	34,613	31,324

The carrying values of financial assets which are past due and impaired are as under:

	2013	2012
	(Rupees in '000)	
Premiums due but unpaid	13,361	36,539

37. 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.

38. 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, Company is required to maintain the minimum capital and to comply with the solvency requirements both for shareholders' and statutory funds in accordance with the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 as amended by S.R.O. 16 (1)/2012 dated January 9, 2012, with which the Company is in compliance.

39. FAIR VALUE OF FINANCIAL INSTRUMENTS

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.

As at December 31, 2013, the carrying value of all financial instruments is estimated to approximate their fair value, except for investments referable to non-linked funds, the market value of which exceeded the cost by Rs. 204.78 million (2012: Rs. 40.57 million) on an aggregate portfolio basis.

40. ACCOUNTING ESTIMATES AND JUDGMENTS

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

40.1 Policyholders' liabilities

40.1.1 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 expense and provide margins for adverse deviation.

40.1.2 Mortality assumption

For the purpose of valuing the insurance contracts, the mortality assumption used is based on EFU (61-66) table. This table is constructed on the basis of EFU (61-66) table, adjusted to reflect the mortality expectation in Pakistan. In the opinion of appointed actuary the adjusted table gives the closest match to the underlying mortality of the covered population. SECP vide its circular 17/2013 dated September 13, 2013 has stipulated that SLIC (2001 - 05) Individual Life Ultimate Mortality Table published by Pakistan Society of Actuaries (PSOA) be used as the minimum valuation basis prescribed under SECP's notification S.R.O 16(1)/2012. However, existing valuation basis is considered to be more prudent than the minimum valuation basis therefore it was considered appropriate to continue with the existing valuation basis of EFU (1961-66).

40.1.3 Claims provision

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.

40.1.4 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.

40.2 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. However, the Company has made adequate provision in this respect except for the matter disclosed in note 15.1.

40.3 Impairment in respect of listed securities

The Company determines that listed available-for-sale securities are impaired when there has been a significant decline in fair value below its cost. In making this judgment, the Company evaluates among other factors volatility in share prices in normal course.

41. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on February 25, 2014 proposed a final cash dividend of Rs. 3.50 per share (2012: Rs. 4.50 per share) for the year ended December 31, 2013 amounting to Rs. 219.49 million (2012: Rs. 282.20 million) and proposed a transfer of Rs. 94.07 million from "accumulated surplus" to "reserve for bonus shares" for issuance of 15 bonus shares for every hundred shares held 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, 2013 was Rs. 2.50 per share amounting to Rs. 156.78 million.

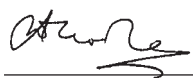
These financial statements do not recognise the proposed final dividend which will be accounted for in the financial statements for the year ending December 31, 2014.

42. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified, wherever necessary for purpose of comparison. However, there were no significant reclassifications in these financial statements.

43. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on February 25, 2014 by the Board of Directors of the Company.



Masood Noorani
Chairman



Shahid M. Loan
Director



Aly Noor Mahomed Rattansey
Director



Javed Ahmed
Managing Director &
Chief Executive Officer

STATEMENT OF DIRECTORS

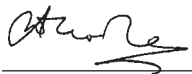
(As per the requirement of section 46(6) and section 52(2)(c) of the Insurance Ordinance, 2000)

Section 46(6)

- a) In our opinion, the annual statutory accounts of the Jubilee Life Insurance Company Limited set out in the forms attached to the statement 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 thereunder relating to paid-up capital, solvency and reinsurance arrangements; and
- c) As at December 31, 2013, 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 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, 2002.



Masood Noorani
Chairman



Shahid M. Loan
Director



Aly Noor Mahomed Rattansey
Director



Javed Ahmed
Managing Director &
Chief Executive Officer

Statement of Appointed Actuary

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

In my opinion:

- a) The policyholders' liabilities in the balance sheet of Jubilee Life Insurance Company Limited as at December 31, 2013 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 Society of Actuaries (USA)
Fellow of Pakistan Society of Actuaries

RETIREMENT PLANS

With our Retirement Plans, your old age is your never-ending vacation - your new beginning to a world of freedom and leisure.

SHAREHOLDERS' INFORMATION

Notice of Annual General Meeting

Notice is hereby given that the 19th Annual General Meeting of the Shareholders of Jubilee Life Insurance Company Limited will be held as per below mentioned schedule:

Date and time: March 27, 2014 (Thursday) at 11.00 a.m.
Venue Auditorium, Habib Bank Tower, Jinnah Avenue, Islamabad

Agenda

Ordinary Business

1. To consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2013 and the Directors and Auditors Reports thereon.
2. To consider and approve the payment of final cash dividend of 35% (Rs.3.50 per ordinary share of Rs. 10 each) for the year ended December 31, 2013 as recommended by the Directors of the Company in addition to the interim dividend of Rs. 2.50 per share i.e. 25% already paid to shareholders, making a total of Rs. 6.00 per share i.e. 60% for the year ended December 31, 2013.
3. To appoint external auditors for the year 2014 and to fix their remuneration.

A member has given Notice under Section 253 of the Companies Ordinance, 1984, proposing the name of M/s KPMG Taseer Hadi & Co. Chartered Accountants, as external auditors of the company in place of retiring auditors M/s A. F. Ferguson & Co. Chartered Accountants who have completed the required five (5) years tenure as external auditors of the Company.

4. To elect seven (7) Directors of the Company as fixed by the Board in the meeting held on February 12, 2014 in accordance with the provision of Section 178 of the Companies Ordinance, 1984, for a period of three (3) years commencing March 31, 2014 in place of retiring directors namely:

1. Mr. Masood Noorani
2. Mr. Javed Ahmed
3. Mr. Towfiq Habib Chinoy
4. Mr. Sultan Ali Akbar Allana
5. Mr. Shahid Mahmood Loan
6. Mr. Aly Noor Mahomed Rattansey
7. Mr. John Joseph Metcalf

The retiring Directors are eligible for re-election.

5. To transact any other ordinary business as may be placed before the meeting with the permission of the Chair.

Special Business

6. To authorize the issuance of Bonus Shares in the proportion of 15 shares for every 100 shares held, to Shareholders whose names appear in the Register of Members at close of business on March 17, 2014 and to approve the disposal of fractional shares created out of the issuance of bonus shares.

Accordingly, it is proposed to consider and pass the following Resolution as a Special Resolution:

RESOLVED THAT:

- (i) Ordinary Shares of Rs. 10 each be issued as Bonus Shares and that the said shares be allotted as fully paid Ordinary Shares to the Members of the Company whose names appear on the Register of Members as at the close of the business on March 17, 2014 in the proportion of 15 Bonus Shares for every 100 Shares held, and that such Bonus Shares shall rank pari passu in future as regards dividends and in all other respects with the existing Ordinary Shares of the Company.

- (ii) In the event of any Member becoming entitled to a fraction of a share, the Directors be and are hereby authorized to consolidate all such fractions and sell the shares so constituted on the Stock Market and to pay the proceeds thereof to the Members entitled to the fraction in proportion to their respective entitlements.
 - (iii) For the purpose of giving effect to the foregoing, the Managing Director and/ or the Chief Financial Officer be and hereby singly authorized to do and cause to be done all acts, deeds and things that may be necessary and to settle any question or difficulties that may arise in regard to the allotment and the distribution of the said Bonus Shares and in regard to fractional entitlements and the sale of consolidated shares and the distribution of the sale proceeds of the consolidated shares to those entitled to fractional entitlements, as is thought fit.
7. To consider and approve the following Special Resolutions as required under Section 208 of the Companies Ordinance, 1984, with or without modification in respect of investment in Associates.


RESOLVED THAT:

"Having reviewed the information and update provided by the Company, the Shareholders confirm and approve the investments to be made by the Company as follows:

- (i) "To invest a sum of up to Rs.100 million for the purchase of ordinary shares of Habib Bank Limited, an associated company".
- (ii) "To invest a sum up to US\$ 440,088 for acquisition of 19.50% shareholding in the ordinary shares of Jubilee Kyrgyzstan Insurance Company, Closed Joint Stock Company (formerly London Bishkek Insurance Company - CJSC), Kyrgyz Republic, subject to all necessary regulatory approvals".
- (iii) The Managing Director and/or the Chief Financial Officer be and hereby singly authorized to take all necessary actions as may be required to implement and give effect to the above mentioned Resolutions and to complete all other legal formalities. FURTHER RESOLVED that the Special Resolution be and is hereby passed for the purpose of Section 208 of the Companies Ordinance, 1984.

A statement of Material Facts under Section 160(1)(b) of the Companies Ordinance, 1984 pertaining to the aforesaid Special Business is being sent to the shareholders along with the Notice of Annual General Meeting.

By order of the Board


Manzoor Ahmed

February 25, 2014
 Karachi Company Secretary

Notes:

1. The Share transfer books of the Company shall remain closed from March 18, 2014 to March 27, 2014 (both days inclusive). Transfers received in order by our registrar, M/s Central Depository Company of Pakistan, CDC Share Registrar Service, CDC House, 99-B, Block-B, SMCHS, Main Shara-e-Faisal, Karachi-74400, at the close of business on March 17, 2014 will be treated in time for the purpose of attending the meeting.
2. A Member of the company entitled to attend and vote at this Meeting shall be entitled to appoint another member, as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the Meeting as are available to a member.
3. A Member shall not be entitled to appoint more than one proxy to attend any one meeting. If any Member appoints more than one proxy for any one meeting and more than one instruments of proxy are deposited with the Company, all such instruments of proxy shall be rendered invalid.

4. Proxies, in order to be effective, must be received by / lodged with the Company at its Registered Office 26-D, 3rd floor, Kashmir Plaza, Jinnah Avenue, Blue Area, Islamabad not less than 48 hours before the Meeting.
5. Members are requested to immediately notify any change in their addresses.
8. 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.
9. In pursuance with the Securities & Exchange Commission of Pakistan (SECP) notification No. SRO 779(1)/2011 dated August 18, 2011 and SRO. 831 (1)/2012 dated July 05, 2012, the shareholders possessing physical shares are requested to immediately send a copy of their Computerized National Identity Card (CNIC) to our Registrar Office, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block B, SMCHS, Main Shara-e-Faisal, Karachi for printing / insertion of CNIC number on respective Dividend Warrant. In case of non-receipt of the copy of valid CNIC and non-compliance of the above requirement, the Company will be constrained to withhold dispatch of Dividend Warrants to such shareholders. Corporate entities are also requested to submit their NTN at the address of our Registrar as given above.

A). FOR ATTENDING THE MEETING:

- i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his / her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii) 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 individual, the account holder or sub account holder and / or the person whose securities are in group account and their 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 of Material Facts

Pursuant to Section 160(1)(b) of the Companies Ordinance, 1984:

Agenda Item -7- Investments in Associates:

Special Resolution:

- (i) "To invest a sum of up to Rs.100 million for the purchase of ordinary shares of Habib Bank Limited, an associated company".

Against the approval of the Shareholders granted in the last Annual General Meeting held on April 15, 2013 to invest a sum of up to Rs. 150 million for the purchase of ordinary shares of Habib Bank Limited, the company has invested only Rs. 41.10 million till date due to uncertainty in the stock market, and the balance un-invested amount would stand lapsed on the expiry of present authorization. It is therefore, proposed to seek the fresh approval of the Shareholders for investing a sum of Rs. 100 million in the purchase of the shares of Habib Bank Limited.

- (ii) "To invest a sum up to US\$ 440,088 for acquisition of 19.50% shareholding in the ordinary shares of Jubilee Kyrgyzstan Insurance Company, Closed Joint Stock Company (formerly London Bishkek Insurance Company - CJSC), Kyrgyz Republic, subject to all necessary regulatory approvals".

The approval of the Shareholders granted in the last Annual General Meeting held on April 15, 2013 to invest a sum up to US\$ 440,088 for acquisition of 19.50% shareholding in the ordinary shares of Jubilee Kyrgyzstan Insurance Company, Closed Joint Stock Company (formerly London Bishkek Insurance Company - CJSC), Kyrgyz Republic, could not be finalized as it is still in the process of approval with the regulatory authorities. However, keeping in view Clause 8 of S.R.O. 27(1)/2012 dated January 16, 2012, the Company is seeking a fresh approval of the Shareholders to make this investment.

a. Habib Bank Limited.

1	Name of associated company or associated undertaking along with criteria based on which the associated relationship is established.	Common Director-ship / AKFED shareholding of 51%.
2	Purpose, benefits and period of investments	<ul style="list-style-type: none"> - To earn dividend income - To benefit from the expected future growth of HBL. - Period of investment is Long term.
3	Maximum amount of investment	Rs. 100 million
4	Maximum price at which securities will be acquired.	Market price at the time of purchase of shares.
5	Maximum number of securities to be acquired	Number of shares would depend upon the prevailing market prices at the time of purchase of shares.

6	Number of securities and percentage thereof held before and after the proposed investment.	<p>Before:</p> <p>1. Against approval granted in AGM of April 26, 2007 for an investment in ordinary shares amounting to Rs. 150 million:</p> <p>Number of Securities: 1,123,873 Cost of purchase: PKR 149.8 million</p> <p>2. Against approval granted in AGM of April 15, 2013 for an investment in ordinary shares amounting to Rs. 150 million:</p> <p>Number of Securities: 267,900 Cost of purchase: PKR 41.1 million</p> <p>3. Total investment till date:</p> <p>Number of securities: 1,391,773 Cost of purchase: PKR 190.9 million Jubilee Life's shareholding: 0.11%</p> <p>After:</p> <p>Number of securities cannot be determined at this stage as it will depend on the market price prevailing at the time the shares are acquired.</p>
7	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired.	Rs. 163.36 per share (from December 2013 to February 2014)
8	In case of investment in unlisted securities, fair market value of such securities determined in term of regulation 6(1).	Not applicable
9	Break-up value of securities intended to be acquired on the basis of latest audited financial statements.	2013: Rs. 106.81
10	Earnings per share of the associated company or associated undertaking for the last three years.	2011: Rs. 18.30 2012: Rs. 17.02 2013: Rs. 17.15
11	Source of fund from which securities will be acquired.	Company's own funds.
12	Where the securities are intended to be acquired using borrowed funds	Not applicable
	1. Justification for investment through borrowings and	
	2. Detail of guarantees and assets pledged for obtaining such funds.	

13	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment.	Not applicable
14	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.	Common Directorship. The Directors have no direct or indirect holding in this investment.
15	Any other important details necessary for the members to understand the transaction.	Not applicable
16	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information required, namely: I. Description of the project and its history since conceptualization; II. Starting and expected date of completion of work; III. Time by which such project shall become commercially operational; and IV. Expected time by which the project shall start paying return on investment.	Not applicable

b. Jubilee Kyrgyzstan Insurance Company, Closed Joint Stock (formerly London Bishkek Insurance Company - CJSC), Kyrgyz Republic.

1	Name of associated company or associated undertaking along with criteria based on which the associated relationship is established.	Jubilee Kyrgyzstan Insurance Company Joint Stock Company (formerly London Bishkek Insurance Company (LBIC) - CJSC), Kyrgyz Republic The associated relationship is established based on the common directorship and associated company.
2	Purpose, benefits and period of investments	This strategic investment will enable Jubilee Life to grow in the Central Asian markets and will benefit from expected income and a growth of the investee company. Period of investment is long term.
3	Maximum amount of investment	Up to US Dollars 440,088
4	Maximum price at which securities will be acquired.	US Dollar 0.0435442 per share
5	Maximum number of securities to be acquired.	Up to 10,106,691 Ordinary Shares

6	Number of securities and percentage thereof held before and after the proposed investment.	Before: Number of securities: NIL Jubilee Life's shareholding: NIL After: Number of securities: 10,106,691 Jubilee Life's shareholding: 19.50% of increased paid-up capital.
7	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired.	Not applicable as the company is not listed.
8	In case of investment in unlisted securities, fair market value of such securities determined in term of regulation 6(1)	100% shareholding of Jubilee Kyrgyzstan Insurance Company Closed Joint Stock Company (formerly London Bishkek Insurance Company CJSC, Kyrgyz Republic) has been acquired by the Kyrgyz Investment and Credit Bank (KICB) at a negotiated price of US\$ 0.0435442 per ordinary share based on a due diligence carried out by Deloitte. A copy of Due Diligence Report (DDR) may be inspected at the Registered Office of Jubilee Life on any working day during business hours from the date of publication of this Notice till conclusion of the AGM.
9	Break-up value of securities intended to be acquired on the basis of latest audited financial statements	US\$ 0.0293 per share
10	Earnings per share of the associated company or associated undertaking for the last three years.	2011: US\$ (0.0007) 2012: US\$ 0.0015 2013: US\$ (0.0026)
11	Source of fund from which securities will be acquired	Own sources of the Company
12	Where the securities are intended to be acquired using borrowed funds 1. Justification for investment through borrowings and 2. Detail of guarantees and assets pledged for obtaining such funds.	Not applicable

13	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment.	<p>Share Subscription Agreement dated January 30, 2014 has been signed between Jubilee Kyrgyzstan Insurance Company, CJSC and Jubilee Life Insurance Company Limited subject to approval by the State Bank of Pakistan. The salient features are as under:</p> <ul style="list-style-type: none">- The present authorized and paid up capital of Jubilee Kyrgyzstan Insurance Company CJSC is Kyrgyz Som (KGS) 26,432,885 divided in to 26,432,885 ordinary shares.- Jubilee Kyrgyzstan Insurance Company CJSC has agreed to increase the authorized share capital by 25,396,301 ordinary shares thereby total authorized and paid-up capital will be 51,829,186 ordinary shares with a par value of KGS 1 each.- Jubilee Life has agreed to invest in Jubilee Kyrgyzstan Insurance Company, CJSC, by subscribing to 19.50% of the increased paid up capital constituting 10,106,691 ordinary shares at the rate of US\$0.0435442 per subscription share. <p>A Shareholders Agreement has also been jointly signed on January 30, 2014 between Jubilee Kyrgyzstan Insurance Company CJSC and the shareholders of the increased paid up capital subject to approval by the State Bank of Pakistan.</p>								
14	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.	<p>No personal interest of Jubilee Life Insurance Directors except to the extent of their shareholding in Jubilee Life Insurance Company Limited..</p> <p>AKFED has 21% shareholding in KICB.</p> <p>HBL has 18% shareholding in KICB.</p>								
15	Any other important details necessary for the members to understand the transaction.	<p>The revised shareholdings in the increased paid up capital of Jubilee Kyrgyzstan CJSC would be as under:</p> <table><tr><td>KICB</td><td>= 51.00%</td></tr><tr><td>Jubilee Life Ins. Co. Ltd.</td><td>= 19.50%</td></tr><tr><td>Jubilee General Ins. Co. Ltd.</td><td>= 19.50%</td></tr><tr><td>Aga Khan Fund for Econ. Dev</td><td>= 10.00%</td></tr></table>	KICB	= 51.00%	Jubilee Life Ins. Co. Ltd.	= 19.50%	Jubilee General Ins. Co. Ltd.	= 19.50%	Aga Khan Fund for Econ. Dev	= 10.00%
KICB	= 51.00%									
Jubilee Life Ins. Co. Ltd.	= 19.50%									
Jubilee General Ins. Co. Ltd.	= 19.50%									
Aga Khan Fund for Econ. Dev	= 10.00%									
16	<p>In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information required, namely</p> <ol style="list-style-type: none">1. Description of the project and its history since conceptualization;2. Starting and expected date of completion of work;3. Time by which such project shall become commercially operational; and4. Expected time by which the project shall start paying return on investment.	Not applicable								

Copies of duly audited latest published annual financial statements of HBL and Jubilee Kyrgyzstan Insurance Company Closed Joint Stock Company (formerly London Bishkek Insurance Company- CJSC), Kyrgyz Republic, may be inspected during business hours on any working day at the registered office of the Company from the date of publication of this notice till conclusion of the Annual General Meeting.

The Directors of Jubilee Life Insurance Company Limited while presenting the special resolutions for making investment in HBL and Jubilee Kyrgyzstan Insurance Company, Closed Joint Stock Company, Kyrgyz Republic, submit an undertaking to the Members that they have carried out necessary due diligence for the proposed investments. .

SAVINGS AND PROTECTION PLANS

We take on all your worries
because we know what your loved
ones mean to you.

100 Pattern of Shareholding

As at 31 December 2013

Number of Shareholders	Shareholding' Slab		Total Shares held
	From	To	
123	1	to 100	2,868
527	101	to 500	227,245
203	501	to 1000	174,775
330	1001	to 5000	940,547
69	5001	to 10000	529,994
18	10001	to 15000	227,956
23	15001	to 20000	413,713
18	20001	to 25000	419,810
3	25001	to 30000	84,734
4	30001	to 35000	127,680
2	35001	to 40000	75,500
4	40001	to 45000	165,998
1	45001	to 50000	50,000
2	50001	to 55000	105,500
1	55001	to 60000	60,000
2	60001	to 65000	126,500
1	70001	to 75000	75,000
1	75001	to 80000	80,000
1	80001	to 85000	80,500
2	95001	to 100000	199,000
1	110001	to 115000	112,890
1	120001	to 125000	125,000
1	125001	to 130000	127,500
1	145001	to 150000	150,000
1	195001	to 200000	197,500
1	205001	to 210000	206,000
1	250001	to 255000	251,000
1	270001	to 275000	271,435
1	305001	to 310000	307,000
1	330001	to 400000	335,500
1	450001	to 455000	450,890
1	490001	to 495000	492,340
1	625001	to 630000	630,000
1	650001	to 655000	655,000
1	750001	to 755000	753,700
1	920001	to 925000	924,965
1	970001	to 975000	973,800
1	4030001	to 4035000	4,032,766
1	11250001	to 11255000	11,255,000
1	36290001	to 36295000	36,292,394
1,355			62,712,000

Pattern of Shareholding

As at 31 December 2013

Categories of Shareholders	Number of Shareholders	Shares held	Percentage
1. Directors, Chief Executive Officer, their spouse and minor children:	8	650,215	1.04%
Masood Noorani		271,435	
Towfiq Habib Chinoy		335,500	
Hina Javed		40,500	
Javed Ahmed		780	
Sultan Ali Akbar Allana		500	
Shahid Mahmood Loan		500	
John Joseph Metcalf		500	
Aly Noor Mahomed Rattansey		500	
2. Associated Companies, Undertakings & related parties:	4	52,072,500	83.03%
*Aga Khan Fund for Economic Development S.A. Switzerland		36,292,394	
Habib Bank Limited - Treasury Division		11,255,000	
Jubilee General Insurance Company Limited		4,032,766	
The Aga Khan University Foundation		492,340	
3. NIT and ICP	1	500	0.00%
Investment Corporation of Pakistan		500	
4. Public sector Companies & Corporations		-	
5. Banks, Development Financial Institutions & Non Banking Financial Institutions	1	16,000	0.03%
MCB Bank Limited		16,000	
6. Insurance Companies	2	925,465	1.48%
EFU General Insurance Limited		924,965	
The Premier Insurance Company of Pakistan		500	
7. Modarbas and Mutual Funds	2	5,000	0.01%
CDC- Trustee APF Equity Sub Fund		2,000	
First Equity Modarba		3,000	
8. Others	30	907,448	1.45%
9. Executives	6	95,021	0.15%
Muhammad Sohail Fakhar		35,500	
Muhammad Munawar Khalil		23,400	
Manzoor Ahmed		18,121	
Shan RAbbani		15,500	
Zahid Barki		2,000	
Faisal		500	
10. General Public - Local	1295	5,367,851	8.56%
Foreign	6	2,672,000	4.26%
ACACIA Partners LP		973,800	
ACACIA Institutional Partners LP		753,700	
ACACIA II Partners LP		630,000	
ACACIA Conservation Fund-Offshore Ltd.		307,000	
Habib Bank AG Zurich, Zurich Switzerland		5,000	
Mohammad Ishaq		2,500	
TOTAL	1,355	62,712,000	100.00%

* Excluding 2,500 shares held by Nominee Directors

	Designation	Transaction	No. of Shares
--	-------------	-------------	---------------

11. Trading in shares by the Directors, CEO & Spouse and Executives during the year 2013

Towfiq Habib Chinoy	Director	Sold	25,000
Towfiq Habib Chinoy	Director	Received by way of gift	260,000
Hina Javed (spouse of the CEO)	Director	Purchased	20,000
Manzoor Ahmed	Company Secretary	Purchased	17,500

	No. of Shareholders	Shares Held	Percentage
--	---------------------	-------------	------------

12. Catagories of Shareholders as at December 31, 2013

Individuals	1,310	6,115,587	9.75%
Insurance Companies	3	4,958,231	7.91%
Joint Stock Companies	30	907,448	1.45%
Financial Institutions	4	47,563,894	75.84%
Modarbas & Mutual Funds	2	5,000	0.01%
Non Residential Shareholders	5	2,669,500	4.26%
Others	1	492,340	0.79%

TOTAL	1,355	62,712,000	100.00%
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13. Shareholders holding 5% or more voting interest

Aga Khan Fund for Economic Development S.A. Switzerland	36,292,394	57.87%
Habib Bank Limited - Treasury Division	11,255,000	17.95%
Jubilee General Insurance Company Limited	4,032,766	6.43%

MICROINSURANCE PLANS

With our Microinsurance Solutions, there is no uncertain tomorrow even for the ultra poor. Stay all set to face the future with prosperity at your disposal.

**Head Office: 74/1-A, Lalazar, M.T. Khan Road, Karachi-74000,
Tel: (021) 35611071-5, 35611802-8 Fax:(021) 35610959**

BRANCH NETWORK SOUTH REGION

BADIN

Badin (Sub Office)
Shop # 33-34, Naseem City Centre, Badin.
NJI Block Hyderabad Road, Badin.
Tel : (0297) 861260

GHOTKI

Ghotki City Branch
Green Hotel Building, Main Chowk,
Station Road, Ghotki.
Tel : (0723) 600612-13

HYDERABAD

Hyderabad Cant Branch
1st Floor, Block - CC 1,
Civic Center, Thandi Sarak,
Hyderabad.
Tel : (022) 2786193-194

Thandi Sarak Branch

1st Floor, Block - CC 1, Civic Center,
Thandi Sarak, Hyderabad.
Tel : (022) 786194 / 785907

Khipro Branch

Opposite Forest Office Sanghar Road,
Khipro.
Tel : (0235) 879969

KARACHI

Alpha Branch

1st Floor, Office No. 105-A,106
Asia Pacific Trade Center, Opp. Drive in cinema,
Main Rashid Minhas Road, Karachi.
Tel : (021) 34017414

Ayesha Manzil Branch

B-1 & B-2, Anar Kali Apartment,
F.B. Area, Block - 7,
Karachi.
Tel : (021) 36321452-4

Civic Centre Branch

Flat # 09, 3rd Floor, Afzal Apartment,
KDA Scheme # 1-A, Stadium Road,
Karachi.
Tel : (021) 34131346-8

Bahadurabad Branch

Office # 302 & 303 3rd Floor Arab Business
Center, Plot # 05 Block 3 Karachi cooperative
Housing society, Main Bahadurabad Chorangi,
Alamgir road karachi.
Tel : (021) 34123262-5-6-7

Platinum Branch

G-5, Adenwalla Apartment,
GRE 325/2,
Garden East, Karachi.
Tel : (021) 32259552-3

Karachi Central Branch

Alif Residency, Mezzanine floor,
SB-8, Block # 2 Gulshan-e-iqbal, Karachi.
Tel : (021) 34992204-6

Liberty Branch

1st Floor, Office No.109
Asia Pacific Trade Center
Main Rashid Minhas Road
Karachi.
Tel : 021-34663183-4

Gulshan-e-Iqbal Branch, Karachi

Plot No. 6/FL-6, 2nd Floor
Block-06, KDA Scheme 24,
Gulshan-e-Iqbal
Karachi.
Tel : (021) 34834214-5

Royal Branch

1st Floor, Office No. 105-A & 106,
Asia Pacific Trade Centre, Opp. Drive-In-Cinema,
Main Rashid Minhas Road,
Karachi.
Tel : (021) 34017414

Shaheen – 1, Branch

Office No. 601, 6th Floor,
Block-06, P.E.C.H.S
Progressive Centre, Shahrah-e-Faisal,
Karachi.
Tel : (021) 34392853-4-5

Zamzama Branch

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.
Tel : (021) 35391586-8

Nobel Branch

Alif Residency, Mezzanine floor,
SB-8, Block # 2, Gulshan-e-Iqbal, Karachi.
Tel : (021) 34992204-6

LARKANA

Larkana City Branch

1364/2, Block-C, Nawatak Mohallah, Larkana.
Tel : (074) 4057486-7

Shikarpur (sub Office)

Near Modern Public School,
Station Road, Old Saddar,
Shikarpur.
Tel : (0726) 6521907

Larkana Royal Branch

1364/2, Block-C, Nawatak Mohallah, Larkana.
Tel : (074) 4057486-7

Station Road larkana Branch

1364/2, Block-C, Nawatak Mohallah, Larkana.
Tel : (074) 4057486-7

Mehar City Branch

Eri Building, Girls School Road, Mehar, Larkana.
Tel : (025) 4730406

Daharki Branch

Near First Micro Finance Bank, G.T Road,
Daharki.
Tel : (0723) 644317

MIRPURKHAS

Mirpurkhas City Branch

Umar Kot Road, Near Ali Med center,Mirpurkhas.
Tel : (0233) 873106

NAUSEROFEROZ

Nauseroferoz City Branch
Near HBL limited, Main Road,
Nauseroferoz.
Tel : (0242) 448424 / 481222

Panu Aqil Branch

Opposite Caltex Petrol Pump,
Baiji Chowk, Panu Aqil.
Tel : (071) 5691717-8

SUKKUR

Sukkur City Branch

1st Floor, Lala Azam Plaza,
Opp. Excise Office,
Station Road, Sukkur.
Tel : (071) 5614261 / 5614515

Khairpur City Branch

Ghareeb Nawaz Hotel, Opp. Curcit House,
Khairpur.
Tel : (024) 3714872

NORTH REGION

ISLAMABAD

Islamabad Central Branch

D-26 ,3Rd Floor, Kashmir Plaza, Jinnah Avenue,
Islamabad.
Tel : (051) 2206930-1

Saddar Branch

D-26, 3rd Floor, Kashmir Plaza, Jinnah Avenue,
Islamabad.
Tel : (051) 2206930-1

Karakoram, Gilgit Branch

Nisar Market, Near Heli Chowk,
Gutial, Gilgit.
Tel : (05811) 457062-4-8

KOTLI

Pindi Road Kotli Branch

2nd Floor, Gulistan Plaza, Pindi Road,
Kotli.
Tel : (05826) 444475

MIRPUR AZAD KASHMIR

Mirpur Branch

Plot No.629, 1st floor, Sector B-1,
Bank Square , Allama Iqbal Road,
Mirpur AJK.
Tel : (05827) 445223 / 445805

Muzaffarabad (Sub Office)

7 To 11 Building, 2Nd Floor,
Mir Waaize Kashmir Road
Opp. C.M.H., Muzaffarabad.
Tel : (058) 81045041

PESHAWAR

Cantt. Branch- 1

UG-Office # 422, 424, 426, 440, 442,
Main Lobby Deans Trade Centre, Peshawar Cantt.

Tel : (091) 5270388 / 5270566

Cantt. Branch- 2

UG-Office # 422, 424, 426, 440, 442,
Main Lobby Deans Trade Centre, Peshawar Cantt.

Tel : (091) 5270388 / 5270566

Chitral (Sub Office)

Ground Floor, Terichmir View Hotel,
Shahi Qilla Road, Main Bazar, Chitral.
Tel : (0943) 413649

CORPORATE DISTRIBUTION

Karachi : Jubilee Life Building, 74/1-A, Lalazar, M.T. Khan Road, Karachi-74000 Tel: (021) 35611071-5, Ext. 2263 Fax: (021) 35612314
Lahore : 21-L, 2nd and 3rd Floor, Tufail Plaza, 56 Shadman 1, Post Office Shadman, Lahore. Tel: (042) 37520557-302
Faisalabad : Saleemi Tower, 2nd Floor, D Ground Faisalabad Tel : (041) 8559846-7
Rawalpindi : 1st & 2nd Floor, DD-79, Asad Plaza, Shamsabad, Muree Road, Rawalpindi. Tel: (051) 4602900
Sialkot : Right Wing, 2nd Floor, Moon Tower Paris Road, Sialkot Tel: (052) 4264687
Multan : 10- A, 1st Floor, Twin Towers, Tehsil Chowk, Gulgasht Colony, Bosan Road, Multan Tel: (061) 6212051-7

**Head Office: 74/1-A, Lalazar, M.T. Khan Road, Karachi-74000,
Tel: (021) 35611071-5, 35611802-8 Fax:(021) 35610959**

University Road Branch

2nd Floor, Samad Plaza,
Tehkal, Main University Road, Peshawar.
Tel : (091) 5850520-22

RAWALPINDI

Shamsabad Branch

26-D, 3rd Floor, Kashmir Plaza,
Jinnah Avenue Blue Area,
Islamabad
Tel : 051-2206930-6

Twin City Branch

DD-83, 1st Floor,
Minhas Shopping Plaza Shamsabad,
Murree Road, Rawalpindi.
UAN: (051) 111-11-6554
Tel : (051) 4575201-4
Fax: (051) 4575209

Karakoram Branch

2nd Floor, ZS-Plaza, in front of Radio Pakistan,
Main Sharah-e-Quaid-e-Azam, Jutial, Gilgit.
Tel : (05811) 450093-4-6

Hunza Branch

1st Floor, Gulzar-e-Hunza Market, Bank Square,
Agha Khan Abad, Ali Abad, Main Karakoram
Highway, Hunza.
Tel : (05813) 455541-46

Ghizer Branch

Nisar Market, Near Heli Chowk, Gutial, Gilgit.
Tel : (05811) 457062-4-8

Margalla Hills Branch

D-26, 3rd Floor, Kashmir Plaza, Jinnah Avenue,
Islamabad.
Tel : (051) 2206930-1

CENTRAL REGION

G.T. Road Branch

1st Floor, Chughtai Centre,
Main Shaheen-Abad, G.T. Road, Gujranwala.
Tel : (055) 4264687-8

Paris Road Branch

2nd Floor, Al Ameen Centre,
Opposite Sialkot Chamber Of Commerce And
Industry,
B Paris Road, Sialkot.
Tel : (052) 4264687-8

Ravi Branch

2nd Floor, Plot # 79, Officers Housing Scheme,
Cavalry Ground, Lahore.
Tel : (042) 36619962-3-4

Lahore Pioneer Branch

16/2, 2nd Floor, KSB Pumps Blding,
Sir Agha Khan Road, Lahore.
Tel : (042) 36308956-60

Model Town Branch

Plot # 217-218 BP GESH Lahore,
1st Floor on Punjab Bank,
Model Town, Link Road, Lahore.
Tel : (042) 35970133-4

Muridke (Sub Office)

Plot No. 217-218, BP GESH Lahore
1st Floor On Punjab Bank, Model Town,
Link Road, Lahore.
Tel : (042) 35970127

Faisalabad City Branch

1st Floor, 721, Batala Colony, Satiana Road,
Faisalabad.
Tel : (041) 8720984

Satiana Road, FSD

577-B, 2nd Floor, Peoples Colony,
Main Satiana Road, Near Saleemi Chowk,
Faisalabad.
Tel : (041) 8554681-2-3

Chenab Branch

Sadiq Centre, Ground Floor Left Wing,
(G1, G2, G3, G4), Rehman Sahaheed Road,
Opposite Total Petrol Pump, Gujrat.
Tel : (053) 3536115

Jalalpur Jattan Branch

1st Floor, Circular Road, Near Allied Hospital,
Jalalpur Jattan, Teshil & District, Gujrat.
Tel : (0533) 592277

Jhelum Buraq Branch

1st & 2nd Floor, Sarang Plaza, Near MCB Bank,
GT Road, Jhelum.

Hafizabad Branch

405-A, Club Road,
Opp. Contonment board, Sargodha.
Tel : (048) 3768468-9

Club Road Sargodha Branch

405-A, Club Road,
Opp. Contonment board, Sargodha.
Tel : (048) 3768468-9

Okara Central Branch

2nd Floor, Nasir Plaza,
Depalpur Chowk, Okara.
Tel : (044) 25210101

Jhang (Sub Office - Faisalabad)

Chenab Street, Shadab Colony,
Near Canal Rest House, Jhang.

MULTAN REGION

Rahim Yar Khan

24-Model Town, First Floor,
City Chowk Hospital, Rahim Yar Khan.
Tel : (068) 5887601

Bahawalpur Branch

1st Floor, Adil Complex,
Opp: Circuit House, Ahmed Pur Road,
Bahawalpur.
Tel : (062) 2877682

Dera Ghazi Khan Branch

Al-Ajwa Plaza, 1st Floor, Bank road, Block-1,
Dera Ghazi Khan.
Tel : (064) 2466500/064-2463994 / 2470893

Abdali Road Branch

63-A NIPCO House,
(Nawai-e-Waqt Building), Abdali Road, Multan.
Tel : (061) 4573301-2

Multan Royal Branch

63-A NIPCO House,
(Nawai-e-Waqt Building), Abdali Road, Multan.
Tel : (061) 4573301-2

Sahiwal Branch

First Floor, Habib Bank, High Street,
Alpha Tower, Sahiwal.
Tel : (040) 4220503

Muzaffargarh Branch (Sub Office)

Khursheedabad Jhang Road, Muzaffar Garh.
Tel : (066) 2423677

BANCASSURANCE

Karachi Banca

Banglow # 245/6/2/O, Block -6, P.E.C.H.S.,
Karachi.

Lahore Banca

21-L, Gulberg III, Ferozepur Road, Lahore.

Islamabad / Pindi Banca

1st & 2nd Floor, DD-79, Asad Plaza,
Shamsabad, Murree Road.

Hyderabad Banca

Building # 97, Mazanine Floor,
Opp. Bank Al - Habib, Doctor Line, Saddar
Bazar.

Sukkur Banca

Bilal Motors, Opposite Jatoi House,
Military Road Sukkur.

Multan Banca

10-A, Ist. Floor, Twin Towers, Tehsil Chowk.,
Gulgasht Colony, Near Silk Bank,
Bosan Road, Multan.

Bahawalpur Banca

Shop # 108, 109 & 110, 1st Floor, Awan Plaza,
Andron-e-Ahmed Puri Gate, Bahawalpur.

Faisalabad Banca

3rd Floor, Office # 09, Legacy Tower,
Main Boulevard, Kohinoor City Faisalabad.

Sahiwal Banca

1st Floor, Naveed Plaza, Jinnah Road,
High Street, Sahiwal.

Sialkot Banca

Plot # 16 S, 71/A/1, Shop # 1,2,3, 2nd Floor,
Opp. Mission Hospital, Paris Road, Sialkot.

Gujranwala Banca

3rd Floor Zaheer Plaza, Gt Road Gujranwala.

Sargodha Banca

Al-Rehman Trade Centre, 2nd Floor,
Office # 55, Sargodha.

Gujrat Banca

B-1 / 421, Iqbal Center, Near Prince Chowk,
Khawajgan Road, Gujrat.

Peshawar Banca

No. 501-502 B, 5th Floor, City Towers,
University Road, Peshawar.

Jehlum Banca

1st Floor, Mian GT Road,
Opposite HBL Jadah Branch, Jehlum.

Muzaffarabad Banca

D-141, Street # 17, Upper Chittar Housing
Scheme, Muzaffarabad, Azad Kashmir.

B.O.C 1

Office # 211 & 213, 2nd Floor, Business Avenue,
Shar e Faisal, Karachi.
Tel (021) 34374310-9

CORPORATE DISTRIBUTION

Karachi : Jubilee Life Building, 74/1-A, Lalazar, M.T. Khan Road, Karachi-74000 Tel: (021) 35611071-5, Ext. 2263 Fax: (021) 35612314
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Faisalabad : Saleemi Tower, 2nd Floor, D Ground Faisalabad Tel : (041) 8559846-7
Rawalpindi : 1st & 2nd Floor, DD-79, Asad Plaza, Shamsabad, Murree Road, Rawalpindi. Tel: (051) 4602900
Sialkot : Right Wing, 2nd Floor, Moon Tower Paris Road, Sialkot Tel: (052) 4264687
Multan : 10- A, 1st Floor, Twin Towers, Tehsil Chowk, Gulgasht Colony, Bosan Road, Multan Tel: (061) 6212051-7

PROXY FORM

I/We _____ of _____ (full address)

being member(s) of Jubilee Life Insurance Company Limited and holder of _____

ordinary shares as per shares 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 attend, speak and vote for me and on my behalf at the

Annual General Meeting of the Company to be held on March 27, 2014 (Thursday) at 11.00 a.m. at Audiotrium, Habib Bank tower, Jinnah Avenue Islamabad and at any adjournment thereof.

In witness whereof, I have placed my/our hand(s) this _____ day of March 2014.

Signed by _____

In presence of _____

Signature

Name: _____

Addressee: _____

Passport / NIC No. _____

Please affix
Revenue Stamp

Signature of Member(s)

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

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.

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



If undelivered please return to:
Jubilee Life Insurance Company Limited

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

AFFIX
CORRECT
POSTAGE

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) 35205095
Fax: (021) 35610959, 35610805
UAN: 111 111 554
SMS: JLI to 8282
E-mail: info@jubileelife.com
Website: www.jubileelife.com