



**THE PROMISE**  
**OF TOMORROW**

ANNUAL REPORT 2017

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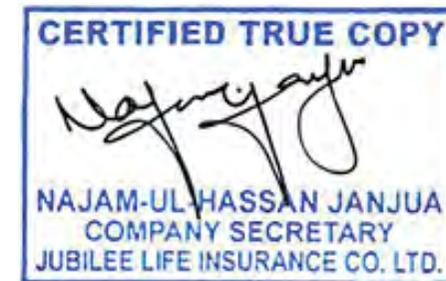
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# Jubilee

LIFE INSURANCE

## THE PROMISE OF TOMORROW



# Introduction



## INTRODUCTION

Our tomorrows begin with a sunrise. At Jubilee Life, we believe in making the sunrises of your future financially secure and peaceful, by delivering on our commitments at every level. Whether it is our array of tailored insurance solutions to meet your specific needs, or our professionalism in service delivery, or making our plans accessible at the touch of your finger, we strive for excellence every day. With our outreach spread all across the country, and coverage of more than 5.3 million lives, our performance is another testament to our vision – enabling people to overcome uncertainty, so that every sunrise dawns with the promise of a secure and carefree future.

# Vision

Enabling people to overcome uncertainty.

# Mission

To provide solutions that protect the future of our customers.

# Core Values

- Teamwork
- Excellence
- Integrity
- Passion

# Code of Conduct



# CODE OF CONDUCT

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

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



# Corporate Strategy

# OVERALL CORPORATE STRATEGY

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

# COMPANY INFORMATION

## BOARD OF DIRECTORS

- Kamal A. Chinoy  
Independent  
Non-Executive Director
- Aryn Currimbhoy  
Independent  
Non-Executive Director
- John Joseph Metcalf  
Non-Independent  
Non-Executive Director
- Sultan Ali Allana  
Non-Independent  
Non-Executive Director
- R. Zakir Mahmood  
Non-Independent  
Non-Executive Director
- Shahid Ghaffar  
Independent  
Non-Executive Director
- Javed Ahmed  
Managing Director &  
Chief Executive Officer  
(Executive Director)

## BOARD COMMITTEES

### Audit Committee

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

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

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

### Construction Advisory Committee

- Kamal A. Chinoy, Chairman
- Sultan Ali Allana, Member
- Javed Ahmed, Member & Secretary

### Finance & Investment Committee

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

### Risk Management Committee

- John Joseph Metcalf, Member
- R. Zakir Mahmood, Member
- Shahid Ghaffar, Member
- Javed Ahmed, Member
- Shan Rabbani, Secretary

### Technical Committee

- John Joseph Metcalf, Member
- Shahid Ghaffar, Member
- Javed Ahmed, Member
- Shan Rabbani, Member / Secretary

The above information is as at February 15, 2018.

## MANAGEMENT

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

### Company Secretary /Compliance Officer

Najam ul Hassan Janjua

### Head of Internal Audit

Adeel Ahmed Khan

The above information is as at February 15, 2018.

## **MANAGEMENT COMMITTEES**

### **Management Committee**

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

### **Underwriting & Reinsurance Committee**

- Javed Ahmed - Chairman
- Muhammad Sohail Fakhar - Member
- Shan Rabbani - Member
- Muhammad Aamir - Member
- Raja Naveed - Secretary

### **Claims Committee**

- Javed Ahmed - Chairman
- Zahid Barki - Member
- Farhan Akhtar Faridi - Member
- Muhammad Munawar Khalil - Member
- Junaid Ahmed - Secretary

### **Risk Management & Compliance Committee**

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

### **Investment Management Committee**

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

### **IT Steering Committee**

- Javed Ahmed - Chairman
- Zahid Barki - Member
- Farhan Akhtar Faridi - Member
- Shan Rabbani - Member
- Kashif Naqvi - Member / Secretary

The above information is as at February 15, 2018.

**Registered Office**

26-D, 3rd Floor, Kashmir Plaza, Jinnah Avenue, Blue Area,  
Islamabad, Pakistan.

Tel: +92 (51) 2206930-6 Fax: +92 (51) 2825372

Web: [www.jubileelife.com](http://www.jubileelife.com) E-mail: [info@jubileelife.com](mailto:info@jubileelife.com)

**Appointed Actuary**

Nauman Associates

249-CCA, Sector FF, Phase IV, DHA, Lahore, Pakistan.

Tel: +92 (42) 35741827-29

**Bankers**

Habib Bank Limited (Conventional & Islamic Window)

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

**Shariah Advisor**

**Mufti Zeeshan Abdul Aziz**

**Legal Advisors**

**Kabraji & Talibuddin**

Advocates & Legal Counsellors,

406-407, 4th Floor, The Plaza at Do Talwar, Block 9, Clifton, Karachi-75600,  
Pakistan.

Tel: +92 (21) 35838871-6 Fax: +92 (21) 35838879

The above information is as at February 15, 2018.

**Head Office**

74/1-A, Lalazar, M. T. Khan Road, Karachi-74000,  
Pakistan.

Tel: +92 (21) 35205095

Web: [www.jubileelife.com](http://www.jubileelife.com) E-mail: [info@jubileelife.com](mailto:info@jubileelife.com)

**Auditors**

**KPMG Taseer Hadi & Co., Chartered Accountants**

Engagement Partner: Syed Iftikhar Anjum

Sheikh Sultan Trust Building No. 2, Beaumont Road,  
Karachi-75530, Pakistan.

Tel: +92 (21) 35685847 Fax: +92 (21) 35685095

Web: [www.kpmg.com.pk](http://www.kpmg.com.pk)

**Registrar & Share Transfer Office**

**Central Depository Company of Pakistan Limited**

CDC House, 99-B, Block-B, S.M.C.H.S.,

Main Shahrah-e-Faisal, Karachi-74400, Pakistan.

Tel: +92 (21) 111-111-500

A sunset scene over a body of water. The sun is a bright yellow orb on the right side, partially obscured by the horizon, with its light reflecting on the water. The sky transitions from a pale blue at the top to a deep orange and red near the horizon. Several birds are silhouetted against the sky, flying in various directions. The word "Rating" is written in a large, bold, red font on the left side of the image.

# Rating

# RATING OF THE COMPANY

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

**Outlook:** Stable

**Rating Agency:** JCR-VIS

**Rating Date:** September 23, 2016



# Board of Directors



**Kamal A. Chinoy**  
Independent Director

---

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

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

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

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

He is an advisor to Tharpak, a consortium of international companies interested in developing the Thar coal field.

He is a “Certified Director”, having been certified by the Pakistan Institute of Corporate Governance.



**Aryn Currimbhoy**  
Independent Director

---

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

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

where he was seconded to ICI Polyesters UK for preparing the feasibility of a PTA plant in Pakistan, and was subsequently part of the implementation team heading the finance and IT functions.

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

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



**John Joseph Metcalf**  
Director

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

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

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

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



**Sultan Ali Allana**  
Director

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

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

AQA Holding, majority owners of Meridiana/Air Italy and on the Board of Geasar, operators of Olbia airport in Sardinia.

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



**R. Zakir Mahmood**  
**Director**

---

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

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

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

facets of banking in Europe, Middle East and Pakistan during the period from 1977 to 1991.

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



**Javed Ahmed**  
**Managing Director & CEO**

---

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

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

for 4 years and State Life for 7 years where he worked in Operations, Group & Pensions, Sales & Marketing and Actuarial.

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



**Shahid Ghaffar**  
Independent Director

Mr. Shahid Ghaffar has worked as Managing Director, National Investment Trust Limited (NITL) (2014 – 2017). He possesses vast experience of working at top positions in the financial sector. He has worked as Head of Investor Relations and Corporate Representation as well as member of Management Forum at Habib Bank Limited (HBL). Prior to that he also served as Chief Executive Officer of HBL Asset Management Limited for over six years (2005-2012) and was instrumental in the establishment and growth of the company.

Mr. Ghaffar has held key positions in the areas of asset management, capital market regulation and governance. At Securities & Exchange Commission of Pakistan (SECP), he served as Executive Director/Commissioner from 2000 to 2005 and played a vital role towards the implementation of wide ranging reforms in the Capital Market and capacity building of Securities Market Division of the SECP. While working as Managing Director/CEO of the Karachi Stock Exchange during his two years' tenure (1998-2000) he introduced effective risk management measures and was also instrumental in the automation of trading, enhancing capacity building and professionalism at the Stock Exchange.

During the period 1977-1998, Mr. Shahid Ghaffar served

National Investment Trust Limited (NITL) (one of the largest open-ended funds in the country) in different capacities in the Asset Management Division and at various stages was responsible for managing equity market portfolio, debt/fixed income portfolio and trading desk. He was also involved in the appraisal and monitoring of projects. In 1996, Mr. Ghaffar was entrusted the responsibility of Asset Management Division. He actively participated in the reconstruction of NIT during the crisis period i.e. 1996-1998.

Mr. Ghaffar holds Master's Degree in Business Administration from Gomal University D.I.Khan, Khyber Pakhtunkhwa, Pakistan. He has attended several courses on Securities Regulations and Securities Markets Development and portfolio management including the prestigious course conducted by Securities and Exchange Commission, in Washington DC, USA.

# Awards and Accolades

A silhouette of a person's hand holding a circular award with the word "Jubilee" on it, set against a sunset sky. The award is a dark circle with the word "Jubilee" in white text. The background is a warm, orange and yellow sky with soft clouds. The person's hand and arm are in silhouette, reaching up to hold the award. The overall mood is celebratory and inspiring.

Jubilee

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

1. PSX Top 25 Listed Companies Award, 2014
2. PSX Top 25 Listed Companies Award, 2016 (Selection)
3. 1st, 2nd, 3rd, & 5th FPCCI Achievement Awards - 2012, 2013, 2014 and 2016
4. Putting the Consumers First Award, 2013
5. Brands of the Year Award 2015-16
6. HR Leadership Award 2012
7. HR Leadership Award 2013
8. Training Leader of the Year Award, 2013
9. LOMA - Excellence in Education Award, 2013
10. LOMA - Excellence in Education Award, 2016



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-  Online Quizzes
-  Stock trading simulator  
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler\*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device



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\*All the apps are also available for download for android and ios devices.

# Key Financial Data



# STATEMENT OF VALUE ADDITIONS

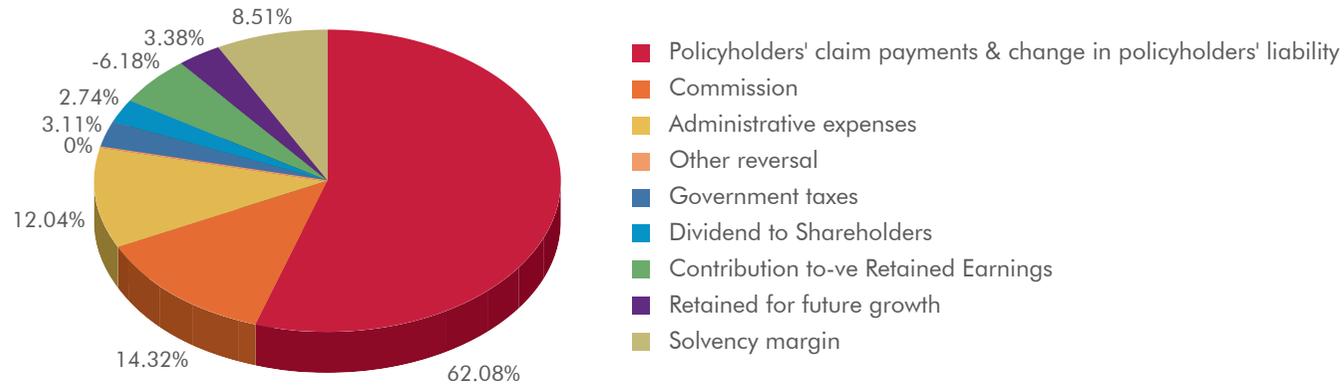
For the year ended December 31, 2017

	2017		2016	
	Amount	%	Amount	%
(Rupees in '000)				
<b>WEALTH GENERATED</b>				
Net premium	46,128,685	109.81	36,988,234	70.15
Investment (loss) / income	(4,187,882)	(9.97)	15,681,178	29.74
Other income	67,468	0.16	54,547	0.10
Net Wealth	<u>42,008,271</u>	<u>100.00</u>	<u>52,723,959</u>	<u>100.00</u>
<b>DISTRIBUTION OF WEALTH</b>				
Claims and surrenders	13,238,772	31.50	9,473,846	17.97
Change in Policyholders' liabilities / Technical reserves	12,844,644	30.58	30,084,859	57.06
Commission expense	6,013,822	14.32	5,376,734	10.20
Administrative expenses	5,056,791	12.04	3,819,000	7.24
Other reversals	-	-	(113,262)	(0.21)
Government taxes	1,306,229	3.11	1,043,706	1.98
Proposed Dividend to Shareholders	1,150,295	2.74	1,045,722	1.98
Contribution to / (from) opening Retained Earnings	(2,596,149)	(6.18)	(1,664,971)	(3.16)
Retained for future growth	1,419,371	3.38	1,062,176	2.01
Solvency Margin	3,574,496	8.51	2,596,149	4.93
Total	<u>42,008,271</u>	<u>100.00</u>	<u>52,723,959</u>	<u>100.00</u>

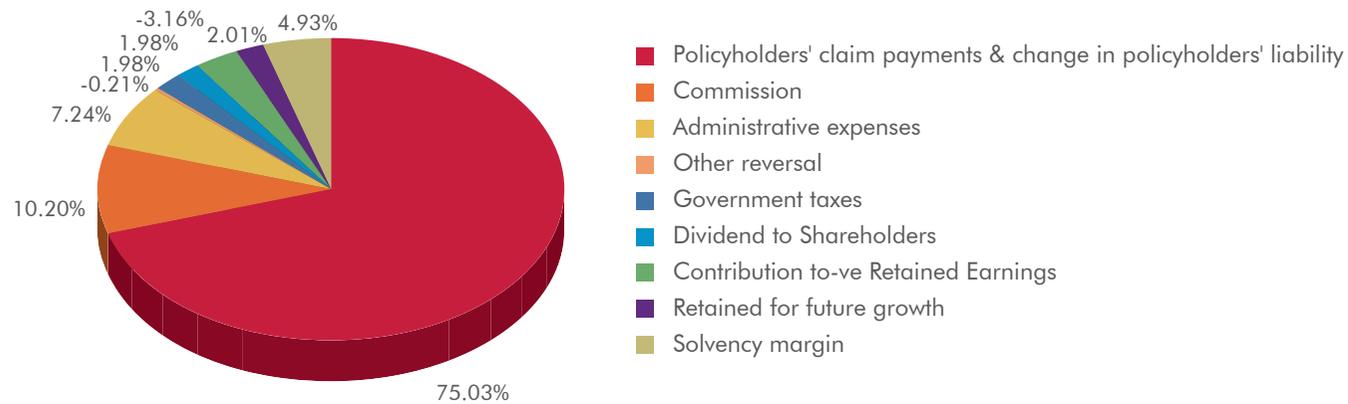
# STATEMENT OF VALUE ADDITIONS

For the year ended December 31, 2017

## Distribution of Wealth 2017



## Distribution of Wealth 2016



# KEY OPERATING AND FINANCIAL DATA

## Six Years Summary

	2017	2016	2015	2014	2013	2012
	(Rupees in '000)					
Gross premium / contribution	47,117,240	38,003,577	29,929,196	21,823,383	17,076,588	12,080,180
<b>Revenue and P&amp;L Account</b>						
Premium / Contribution - net of reinsurance / retakaful	46,128,685	36,988,234	29,120,815	21,085,925	16,349,900	11,501,196
Net investment (loss) / income	(5,015,352)	15,256,771	5,982,333	6,053,374	3,549,912	2,667,925
Total inflow	41,113,333	52,245,005	35,103,148	27,139,299	19,899,812	14,169,121
Total outgo	36,969,986	48,628,827	32,446,044	24,878,673	18,296,038	13,267,817
Surplus in Revenue Account	4,143,347	3,616,178	2,657,104	2,260,626	1,603,774	901,304
Surplus transfer to P&L	3,165,000	2,685,000	2,220,000	1,880,000	1,273,000	650,000
Profit before tax as per P&L Account	3,875,895	3,151,604	2,441,560	2,001,463	1,389,941	808,669
Income tax expense	(1,306,229)	(1,043,706)	(820,000)	(639,931)	(448,470)	(255,296)
Profit after tax as per P&L Account	2,569,666	2,107,898	1,621,560	1,361,532	941,471	553,373
<b>Balance Sheet</b>						
Investments including bank deposits	109,941,137	94,867,253	64,499,033	45,308,749	32,719,956	21,955,492
Other assets	7,276,696	6,439,117	4,185,379	3,814,993	1,193,739	1,271,761
Fixed assets	3,258,660	734,591	539,522	489,761	376,905	320,487
Total assets	120,476,493	102,040,961	69,223,934	49,613,503	34,290,600	23,547,740
Issued, subscribed and paid-up capital	793,307	721,188	721,188	721,188	627,120	627,120
Accumulated surplus	5,853,533	4,348,344	3,189,049	2,438,677	1,616,002	1,168,515
Statutory funds	106,944,719	93,196,728	62,205,691	44,020,932	29,914,579	19,853,501
Long term liability	1,500,000	-	-	-	-	-
Other liabilities	5,384,934	3,774,701	3,108,006	2,432,706	2,132,899	1,898,604
Total equity & liabilities	120,476,493	102,040,961	69,223,934	49,613,503	34,290,600	23,547,740

# KEY OPERATING AND FINANCIAL DATA

## Six Years Summary

### Financial Ratios

#### Profitability

	2017	2016	2015	2014	2013	2012
Profit before tax / Gross premium / contribution	8%	8%	8%	9%	8%	7%
Profit before tax / Net premium / contribution	8%	9%	8%	9%	9%	7%
Profit after tax / Gross premium / contribution	5%	6%	5%	6%	6%	5%
Profit after tax / Net premium / contribution	6%	6%	6%	6%	6%	5%
Net claims / Net premium / contribution	29%	26%	24%	24%	22%	20%
Commission expenses / Net premium / contribution	13%	15%	16%	18%	20%	24%
Administration Expenses / Net premium / contribution	11%	10%	11%	11%	11%	14%
Change in PHL / Technical reserve / Net inflow	31%	58%	50%	50%	49%	48%
Net investment (loss) / income / Net premium / contribution	-11%	41%	21%	29%	22%	23%

#### Return to Shareholders

Return on equity	39%	42%	41%	43%	42%	31%
Earnings / per share (pre-tax) - Rupees	48.86	39.73	33.85	27.75	22.16	12.89
Earnings / per share (after-tax) - Rupees	32.39	26.57	22.48	18.88	15.01	8.82
Price Earning Ratio - PAT	22	21	22	23	11	11
Net assets per share - Rupees	83.79	70.29	54.22	43.81	35.77	28.63
Return on assets	2%	2%	2%	3%	3%	2%

# KEY OPERATING AND FINANCIAL DATA

## Six Years Summary

	2017	2016	2015	2014	2013	2012
<b>Market Value</b>						
Face value per share (Rs.)	10	10	10	10	10	10
Break up value per share (Rs.)	83.79	70.29	54.22	43.81	35.77	28.63
Market price per share at the end of the year (Rs.)	705.00	569.99	504.00	436.50	164.90	92.95
Cash dividend per share	17.50	14.50	13.50	9.50	6.00	4.50
Cash dividend	175%	145%	135%	95%	60%	45%
Dividend yield	2%	3%	3%	2%	4%	5%
Dividend payout	54%	50%	60%	50%	40%	51%
Dividend cover - (Times)	1.85	1.83	1.67	1.99	2.50	1.96
Issue of Bonus shares	-	10%	-	-	15%	-
<b>Performance Liquidity</b>						
Current ratio - (Times)	1.04	1.04	1.05	1.06	1.06	1.07
Total liabilities / Equity - (Times)	17	19	17	15	14	12
Return on Capital employed	58%	62%	62%	63%	62%	45%
Paid-up capital / Total assets	1%	1%	1%	1%	2%	3%
Equity / Total assets	6%	5%	6%	6%	7%	8%
<b>Cash Flows</b>						
Net cash flow from operating activities	22,103,907	18,136,828	14,024,645	9,457,705	7,390,766	5,092,687
Net cash flow from investing activities	(20,002,546)	(14,393,362)	(12,999,941)	(9,535,174)	(7,342,780)	(1,523,263)
Net cash flow from financing activities	437,753	(969,228)	(715,821)	(396,847)	(435,169)	(187,138)
Net change in cash and cash equivalent	2,539,114	2,774,238	308,883	(474,316)	(387,183)	3,382,286

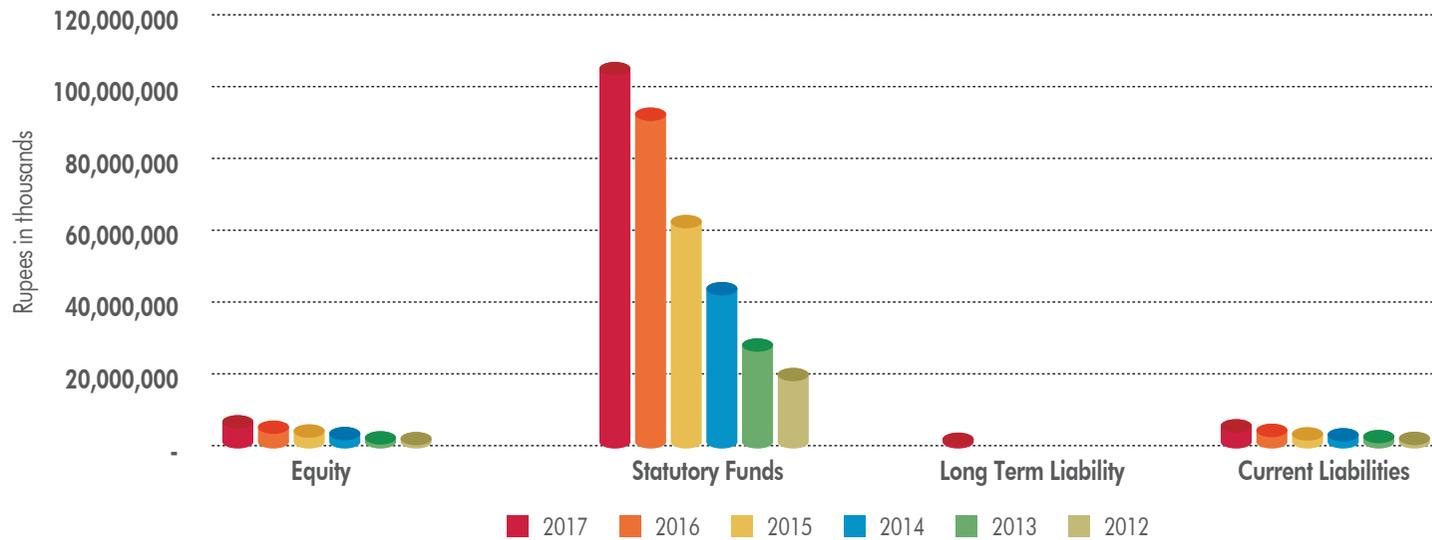
# VERTICAL ANALYSIS

## Six Years Summary

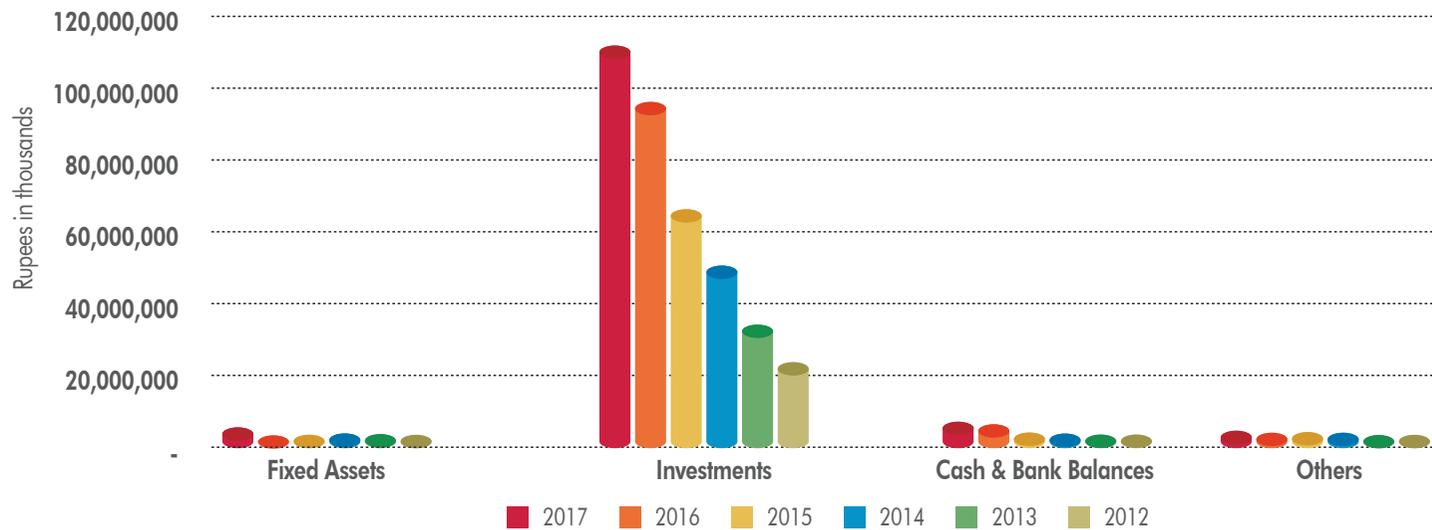
	2017		2016		2015		2014		2013		2012	
	Rupees	%	Rupees	%	Rupees	%	Rupees	%	Rupees	%	Rupees	%
<b>Balance Sheet</b>												
Net equity	6,646,840	5.52	5,069,532	4.97	3,910,237	5.65	3,159,865	6.37	2,243,122	6.54	1,795,635	7.63
Statutory funds	106,944,719	88.77	93,196,728	91.33	62,205,691	89.86	44,020,932	88.73	29,914,579	87.24	19,853,501	84.31
Long term liability	1,500,000	1.24	-	-	-	-	-	-	-	-	-	-
Current liabilities	5,384,934	4.47	3,774,701	3.70	3,108,006	4.49	2,432,706	4.90	2,132,899	6.22	1,898,604	8.06
<b>Total equity and Liabilities</b>	<b>120,476,493</b>	<b>100.00</b>	<b>102,040,961</b>	<b>100.00</b>	<b>69,223,934</b>	<b>100.00</b>	<b>49,613,503</b>	<b>100.00</b>	<b>34,290,600</b>	<b>100.00</b>	<b>23,547,740</b>	<b>100.00</b>
Total non-current assets including deferred tax	3,291,771	2.73	760,277	0.75	559,617	0.81	505,780	1.02	385,350	1.12	321,993	1.37
Investments	109,941,137	91.26	94,867,253	92.97	64,499,033	93.17	45,308,749	91.32	32,719,956	95.42	21,955,492	93.24
Current assets	7,243,585	6.01	6,413,431	6.29	4,165,284	6.02	3,798,974	7.66	1,185,294	3.46	1,270,255	5.39
<b>Total assets</b>	<b>120,476,493</b>	<b>100.00</b>	<b>102,040,961</b>	<b>100.00</b>	<b>69,223,934</b>	<b>100.00</b>	<b>49,613,503</b>	<b>100.00</b>	<b>34,290,600</b>	<b>100.00</b>	<b>23,547,740</b>	<b>100.00</b>
<b>Revenue and Profit &amp; Loss Account</b>												
Net income	42,008,271	100.00	52,723,959	100.00	35,456,473	100.00	27,355,124	100.00	20,076,747	100.00	14,357,686	100.00
Claims, expenditures and PHL / Technical Reserves	(26,083,416)	(62.09)	(39,558,705)	(75.03)	(24,618,796)	(69.43)	(18,763,331)	(68.59)	(18,356,032)	(91.43)	(13,297,713)	(92.62)
Contribution to opening Retained Earnings	2,596,149	6.18	1,664,971	3.16	1,227,867	3.46	847,241	3.10	516,467	2.57	265,163	1.85
Solvency margin	(3,574,496)	(8.51)	(2,596,149)	(4.92)	(1,664,971)	(4.70)	(1,227,867)	(4.49)	(847,241)	(4.22)	(516,467)	(3.60)
Profit before tax	3,875,895	9.23	3,151,604	5.98	2,441,560	6.89	2,001,463	7.32	1,389,941	6.92	808,669	5.63
Income tax expense	(1,306,229)	(3.11)	(1,043,706)	(1.98)	(820,000)	(2.31)	(639,931)	(2.34)	(448,470)	(2.23)	(255,296)	(1.78)
Profit for the year	2,569,666	6.12	2,107,898	4.00	1,621,560	4.57	1,361,532	4.98	941,471	4.69	553,373	3.85

# VERTICAL ANALYSIS

## Total Equity & Liabilities



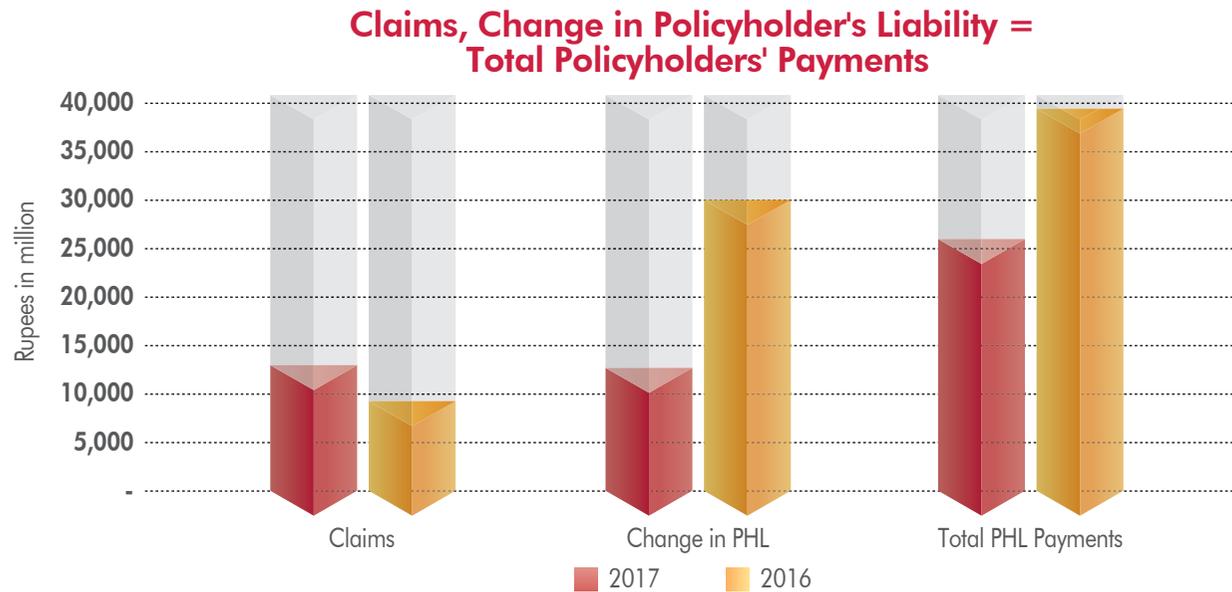
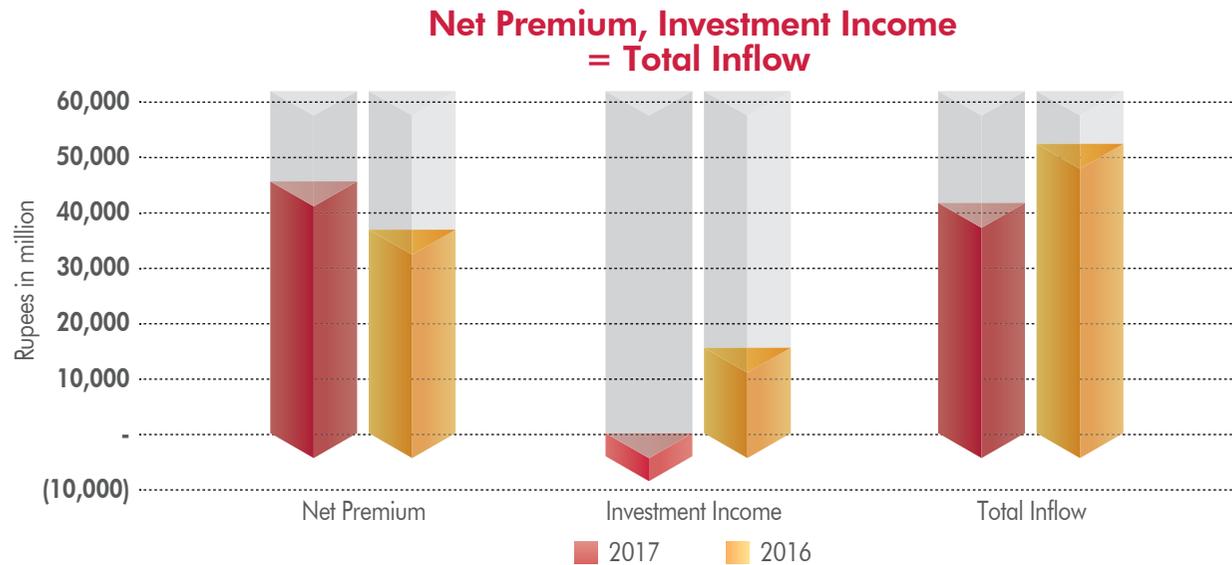
## Total Assets



# HORIZONTAL ANALYSIS

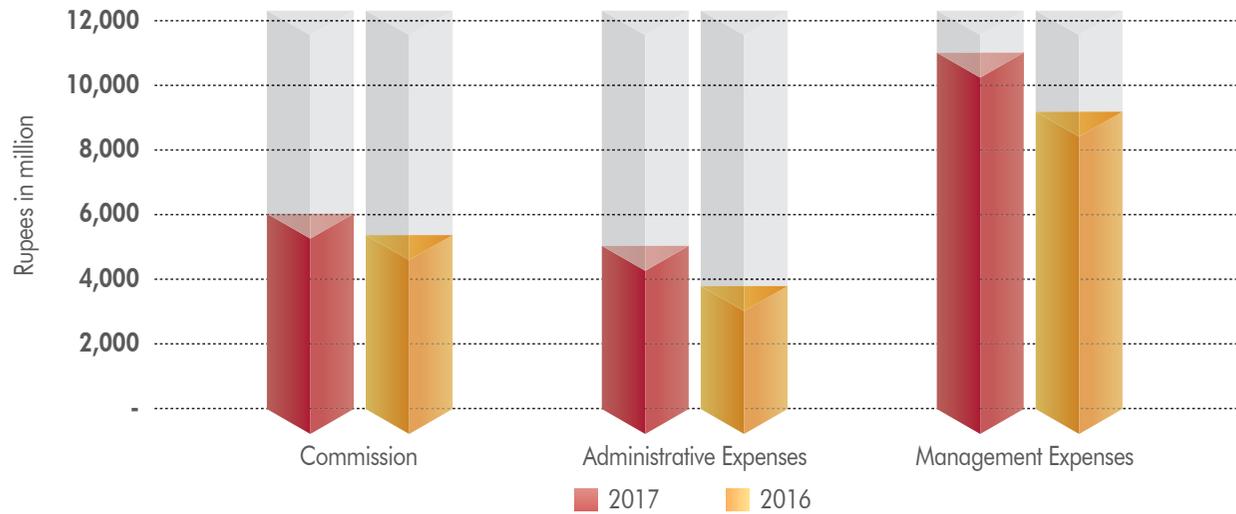
	2017	2016	2015	2014	2013	2012	2017	2016	2015	2014	2013	2012
	(Rupees in '000)						% increase / (decrease) over preceeding year					
<b>Balance Sheet</b>												
Net equity	6,646,840	5,069,532	3,910,237	3,159,865	2,243,122	1,795,635	31.11	29.65	23.75	40.87	24.92	25.53
Statutory funds	106,944,719	93,196,728	62,205,691	44,020,932	29,914,579	19,853,501	14.75	49.82	41.31	47.16	50.68	54.57
Long term liability	1,500,000	-	-	-	-	-	-	-	-	-	-	-
Current liabilities	5,384,934	3,774,701	3,108,006	2,432,706	2,132,899	1,898,604	42.66	21.45	27.76	14.06	12.34	25.48
<b>Total equity and Liabilities</b>	<b>120,476,493</b>	<b>102,040,961</b>	<b>69,223,934</b>	<b>49,613,503</b>	<b>34,290,600</b>	<b>23,547,740</b>	<b>18.07</b>	<b>47.41</b>	<b>39.53</b>	<b>44.69</b>	<b>45.62</b>	<b>49.15</b>
Total non-current assets	3,291,771	760,277	559,617	505,780	385,350	321,993	332.97	35.86	10.64	31.25	19.68	53.33
Investments	109,941,137	94,867,253	64,499,033	45,308,749	32,719,956	21,955,492	15.89	47.08	42.35	38.47	49.03	48.55
Current assets	7,243,585	6,413,431	4,165,284	3,798,974	1,185,294	1,270,255	12.94	53.97	9.64	220.51	(6.69)	59.30
<b>Total assets</b>	<b>120,476,493</b>	<b>102,040,961</b>	<b>69,223,934</b>	<b>49,613,503</b>	<b>34,290,600</b>	<b>23,547,740</b>	<b>18.07</b>	<b>47.41</b>	<b>39.53</b>	<b>44.69</b>	<b>45.62</b>	<b>49.15</b>
<b>Revenue and Profit &amp; Loss Account</b>												
Net income	42,008,271	52,723,959	35,456,473	27,355,124	20,076,747	14,357,686	(20.32)	48.70	29.62	36.25	39.83	57.81
Claims, expenditures and PHL / Technical reserve	(26,083,416)	(39,558,705)	(24,618,796)	(18,763,331)	(18,356,032)	(13,297,713)	(34.06)	60.68	31.21	2.22	38.04	57.96
Contribution to opening Retained Earnings	2,596,149	1,664,971	1,227,867	847,241	516,467	265,163	55.93	35.60	44.93	64.05	94.77	58.03
Solvency margin	(3,574,496)	(2,596,149)	(1,664,971)	(1,227,867)	(847,241)	(516,467)	37.68	55.93	35.60	44.93	64.05	94.77
Profit before tax	3,875,895	3,151,604	2,441,560	2,001,463	1,389,941	808,669	22.98	29.08	21.99	44.00	71.88	38.86
Income tax expense	(1,306,229)	(1,043,706)	(820,000)	(639,931)	(448,470)	(255,296)	25.15	27.28	28.14	42.69	75.67	22.88
Profit for the year	2,569,666	2,107,898	1,621,560	1,361,532	941,471	553,373	21.91	29.99	19.10	44.62	70.13	47.73

# HORIZONTAL ANALYSIS

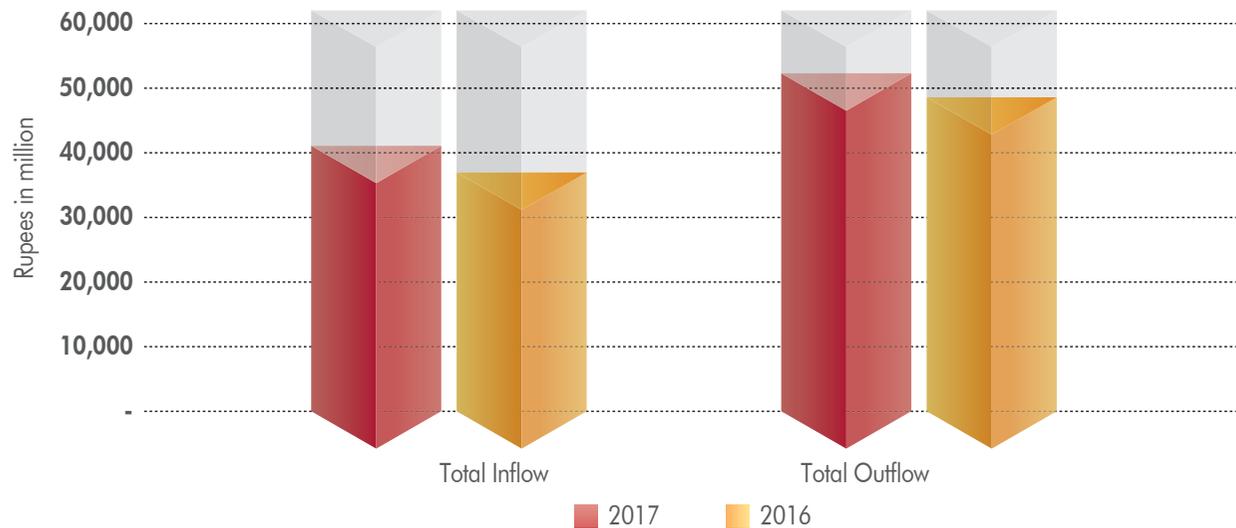


# HORIZONTAL ANALYSIS

**Commission, Administrative Expenses = Management Expenses**

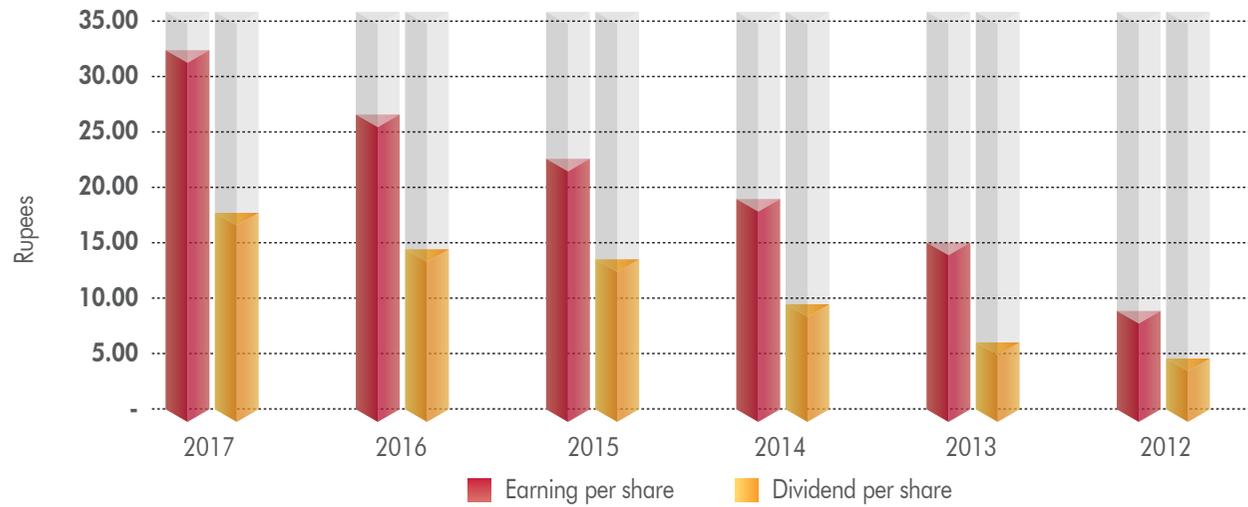


**Total Inflow & Total Outflow**

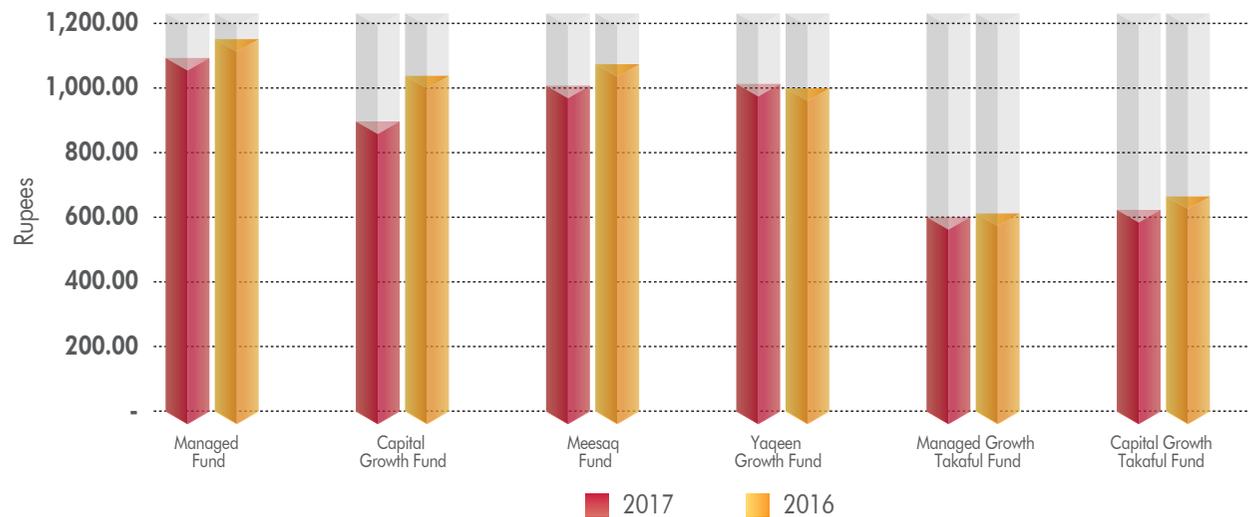


# HORIZONTAL ANALYSIS

## Earnings per share & Dividend per share



## Unit Bid Prices



# Life at Jubilee

## MESSAGE FROM MD & CEO



The theme for our Annual Report this year is based on our tomorrows, our future. At JLI, every sunrise brings new dimensions of aspirations, achievements, and excellence. For our entire human resource team across all the departments, the Company offers you a bright future of growth, development, and excellence in your career. The success of the Company, and the awards and accolades it won during the year, are a testimony to your team spirit, and your untiring work and efforts. As we move on into 2018, let us resolve to make our Company the undisputed leader in the life insurance industry of Pakistan, and attain the pinnacle of excellence.

## 5TH FPCCI AWARD 2016 – FOR EXCELLENCE IN WINDOW TAKAFUL



Presented by  
**Mohammad Pervaiz Malik**  
(Federal Minister for Commerce & Textile)

Presented to  
**Muhammad Munawar Khalil**  
Group Head Human Resource Management & Development

## SALES ACHIEVEMENTS



Turkey Convention



Turkey Convention



Turkey Convention

# INDEPENDENCE DAY CELEBRATIONS 2017

Head Office - Karachi



# INDEPENDENCE DAY CELEBRATIONS 2017

Islamabad Office



Rawalpindi Office



Lahore Office



## SPORTS

Cricket is a passion at JLI

PSL 2017



TRIBUTE TO SARFRAZ AHMED



## PAKISTAN – SRI LANKA TEST/ODI/T20 SERIES



## ISLAMABAD - JUBILEE LIFE POLO CUP 2017



**LAHORE POLO TOURNAMENT 2017**



## CSR - MEDICAL CAMPS



## BLOOD DONATION CAMPAIGN AT HEAD OFFICE



# Corporate Governance

# CALENDAR OF MAJOR EVENTS - 2017

## Financial

### Results

First quarter ended March 31, 2017	Announcement date	April 27, 2017
Half year ended June 30, 2017	Announcement date	August 24, 2017
Third quarter ended September 30, 2017	Announcement date	October 27, 2017
Year ended December 31, 2017	Announcement date	February 15, 2018

### Dividends

Final 2017 (Cash Dividend: 145%)	Announcement date Entitlement date Statutory limit upto which payable	February 15, 2018 March 23, 2018 April 20, 2018
Interim Cash 2017 (30%)	Announcement date Payment date	August 24, 2017 October 6, 2017
Final 2016 (Cash Dividend: 115% and Bonus Shares 10%)	Announcement date Payment date	February 16, 2017 April 27, 2017

<b>Issuance of Annual Report</b>	<b>March 9, 2018</b>
<b>Annual General Meeting</b>	<b>March 30, 2018</b>

## Operational

### Product Innovations

Wealth Smart Takaful Plan	Launched through JLI Franchise channel	February 20, 2017
Online Plan (Gold & Silver)	Launched through JLI Online Portal	April 5, 2017
Five Pay Takaful Savings Plan	Launched through JLI Franchise channel	April 7, 2017
Asaan Sehat Plan	Launched through JLI Branchless channel	June 30, 2017
Opal Takaful Plan	Launched through JLI Franchise channel	July 24, 2017

### System Enhancements

Converge System	An infrastructure solution providing hardware, including servers, storage, networking equipment, backup appliance as well as a full suite of virtualization software and hardware management tools.	January 30, 2017
Insurance Solution Framework	Life policy administration system	June 1, 2017
Oracles E-Business Suite R-12	Accounting system upgrade	June 1, 2017
E-Sales Portal	Platform for online sales	August 23, 2017
Mobile App "Live Free"	Facilitation for mobile users	October 10, 2017

# SHARE PRICE ANALYSIS

## Volume Analysis

JLI Share Price on the PSX for the year 2017 was as follows:

Month	Highest Rupees	Lowest Rupees	Average Daily Volume Number of Shares
January	599.95	541.00	12,382
February	730.00	560.00	8,768
March	733.00	631.01	4,098
April	737.00	671.01	2,453
May	740.00	675.00	7,018
June	862.90	720.00	4,071
July	858.90	780.00	6,096
August	820.00	617.50	5,008
September	725.99	610.00	5,700
October	783.99	670.00	15,712
November	812.00	731.05	8,454
December	795.00	693.50	1,838

## Sensitivity Analysis

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

- Economic conditions;
- Political stability / instability;
- Stock market / investor sentiments;
- Foreign investors' outlook;
- Company's performance;
- Dividend announcements;
- Change in Government policies and regulations relating to insurance business; and
- Company's financial strength rating.

# CHAIRMAN'S REVIEW

I am pleased to present the Annual Report of the Company for the year ended December 31, 2017.

## Economy

Pakistan's economic growth appears to be on track towards achieving its highest level in the last eleven years. Average headline inflation remains within the forecast range of SBP, but core inflation has continued to increase. There has been visible improvement in export growth and remittances are marginally higher. However, largely due to the high level of imports, the Current Account Deficit continues to remain under pressure. Gross Domestic Product (GDP) growth for FY 2018 is projected to be around 5.8%, significantly higher than FY 2017.

## Capital Market

The year 2017 witnessed a volatile capital market owing largely to political uncertainty, and the PSX 100 index posted a negative return of 15%. Starting from an index level of 47,807 points on December 31, 2016, the PSX 100 Index reached its highest level at 52,876 points in May 2017. Thereafter, it recorded a continuous decline in the 2nd half of 2017, mainly attributed to political uncertainty and the increasing gap in the Current Account Deficit; and closed at 40,471 points at year end. The year 2018 has commenced with positive outlook, and at February 14, 2018, the PSX index closed at 43,353 points, a recovery of 7%. I am hopeful that with the stability in political environment coming through after the elections and the expected abundance in liquidity in the market, the equity market will hold a strong upside potential for the policy holders.

## Regulatory Environment

The year 2017 witnessed the implementation of various regulatory changes from the Securities and Exchange Commission of Pakistan (SECP), not only in the context of Company law, but also in the specific context of the insurance industry.

These include the Insurance Rules, 2017, implemented in February 2017, repealing the SEC Insurance Rules, 2002 and the Insurance Rules, 2002, the Insurance Accounting Regulations, 2017, the Companies Act, 2017, implemented with effect from May 30, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2017, implemented through SRO 1216 (I) of 2017 dated November 22, 2017, which has become effective from accounting periods commencing on or after January 1, 2018.

The Insurance Accounting Regulations, 2017 seek to align the presentation of the published financial statements of life / general insurance companies with the presentation requirements of the International Financial Reporting Standards (IFRS). The new presentation had been made effective by the SECP from the June 2017 Half yearly statements; however, the Company and other life insurance companies obtained the approval from the SECP to implement these from the commencement of the next accounting period, i.e. from January 1, 2018.

## **The Company**

I am happy to report that the Company continues to scale new heights of growth and success each year, recording a Gross Written Premium of Rs.47 billion (2016: Rs.38 billion), representing an increase of 24%. Amongst the significant achievements during 2017, are:

- Crossing the threshold of Rs.5 billion in corporate sales;
- Writing new business of Rs.3.8 billion, in Individual Family Takaful;
- In respect of the policyholders' unit linked funds, despite a depressed stock market, the aggregate assets under management crossed over Rs.100 billion at end December 2017.

## **Awards and Accolades**

During 2017, the Company's achievements in various areas were well recognized, and it received the following prestigious awards:

- Selection for the PSX Top 25 Companies Award for 2016; and
- 5th FPCCI Achievement Award for 2016, on rendering outstanding services in insurance savings, in the field of Family Takaful.

## **Marketing focus**

During 2017, the Company continued with its focus on marketing and made significant investment in increasing brand visibility throughout the country. Amongst the highlights of its marketing campaigns was the sponsorship of one of the competing teams the Quetta Gladiators, in the Pakistan Super League 2017 (PSL 2017), who were placed runners-up in the League. Pakistan being a cricket loving nation, the Company benefited tremendously as the sponsorship gave a massive mileage in terms of brand visibility and brand recall.

## **CSR Activities**

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

## The Board of Directors

The outgoing Board completed its term of office in March 2017, and Mr. Sultan Ali Allana, Mr. John Joseph Metcalf, Mr. R. Zakir Mahmood, Mr. Ayaz Ahmed, Mr. Javed Ahmed, and myself were re-elected to the Board for a fresh term of three years commencing from March 31, 2017. Mr. Aly Noor Mahomed Rattansey did not opt for re-election, and in his place, Mr. Aryn Currimbhoy was elected as a director.

In December 2017, a casual vacancy was created by the resignation of Mr. Ayaz Ahmed, Chairman, Board Finance & Investment Committee, which remained vacant at year end. On February 6, 2018, the Board Human Resource & Remuneration, Ethics and Nominations Committee recommended to the Board to coopt Mr. Shahid Ghaffar, as a director in place of Mr. Ayaz Ahmed. The suggestion was accepted by the Board and Mr. Shahid Ghaffar was appointed as director of the Company, with the approval of the SECP, on February 8, 2018.

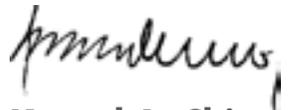
I wish to place on record, on behalf of myself and the Board, appreciation for the services rendered by both the outgoing directors, Mr. Rattansey and Mr. Ahmed for their valuable contribution to the Board and their guidance to the management in their capacities as the Chairman, Board Audit Committee and the Chairman, Board Finance & Investment Committee respectively.

## Outlook

With the strong growth trajectory shown by the Company, the opportunities for tapping the uninsured population of Pakistan, and the enhanced focus of the SECP on an improved regulatory environment, I am confident that the Company will continue to maintain its position as the leading private sector life insurance company of Pakistan.

## Acknowledgement

On behalf of the Board, I would like to thank our shareholders, policy holders, Window Takaful participants, business partners including our bankers, suppliers and other stakeholders for their confidence and support. I would also like to acknowledge the positive role adopted by the Securities & Exchange Commission of Pakistan for their continuing efforts in bringing reforms in the life insurance business. Finally, and with great pride, I would like to honor the contribution of all our employees towards the success of the Company.



**Kamal A. Chinoy**  
Chairman

Karachi, February 15, 2018

# 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, 2017.

## Achievements

The Company continues its march on the trajectory of growth and progress, achieving higher landmarks of success, growth, and sustainable profitability, which included the following:

- The gross written premium amounted to Rs.47,117 million, an increase of 24% over the previous year (2016: Rs.38,004 million). With this increase, the Company has consolidated its position as the market leader in the private sector insurance industry of Pakistan.
- The Company's total assets aggregated to Rs.120 billion, up 18% from Rs.102 billion last year.
- The Company maintained its leadership position in Bancassurance business by writing individual life premium of Rs.34,539 million (2016: Rs.28,898 million).
- The Company achieved a new landmark of over Rs.5 billion in corporate sales in 2017, with premium of Rs.5,181 million, as against Rs.4,061 million in 2016, an increase of 28%.
- The Company continues to be the largest underwriter of Health Insurance business in the country with a premium of Rs.3,312 million (2016: Rs.2,411 million), representing an increase of 37%.
- The Company, after the unique distinction of writing the fastest Rs.1 billion in new Individual Family Takaful contribution in 2016, continued its strong growth in this segment in 2017, and wrote new business of Rs.3,799 million, an increase of 133%.
- Shareholders' equity was recorded at Rs.6,647 million at year end, as compared to Rs.5,070 million in 2016, an increase of 31%.
- Due to prudent reserving, the solvency margins of the Company's funds are significantly higher than the minimum statutory requirements.
- The Company maintained its Insurer Financial Strength (IFS) Rating of AA+ (Double A Plus), with a "Stable" outlook, by JCR-VIS, as per their latest notification of September 23, 2016.

## 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 grew by 10%, from Rs.31,693 million to Rs.34,914 million, an increase of 10% and generated a surplus of Rs.3,126 million this year (2016: Rs.2,991 million).
- Conventional Business, which comprises mainly Group Life Insurance, grew by 13%, from Rs.1,650 million to Rs.1,868 million. A surplus of Rs.195 million (2016: Rs.167 million) was achieved this year.
- Accident and Health business recorded a healthy growth of 37%, up from Rs.2,411 million in 2016, to Rs.3,312 million. A surplus of Rs.423 million was achieved (2016: Rs.271 million), i.e. a growth of 56%.
- The Company's Window Family Takaful Operations, launched during the 2nd half of 2015, offering to the public, the Shariah Compliant option in all three lines, i.e. Individual Family Takaful, Group Family Takaful, and Accident & Health Family Takaful, has received tremendous response. Aggregate Gross Written Contribution from the Window Family Takaful Operations was recorded at Rs.6,992 million (2016: Rs.2,215 million), an increase of 215%. We are grateful to the participants of our Window Family Takaful business for the trust and confidence reposed in us.
- The overall surplus from all business lines was recorded at Rs.4,143 million, an increase of 15% from the overall surplus of Rs.3,616 million in 2016. A surplus transfer of Rs.3,165 million (2016: Rs.2,685 million), has been made from the Revenue Account to the P&L Account.

## Investment Performance

Investment Income makes a significant contribution to the profitability of the Company and therefore the Company pursues a prudent investment policy. 2017 witnessed a volatile capital market and the PSX 100 index posted a negative return of 15%. Starting from an index level of 47,807 points on December 31, 2016, the PSX 100 Index recorded its all-time high level of 52,876 points in May 2017, on the back of an upgrade into the MSCI Emerging Market Index along with net positive foreign inflows. However, in the 2nd half of 2017, due to a combination of political uncertainty and an increasing gap in the Current Account Deficit, the index recorded a major decline, closing at 40,471 points on December 29, 2017.

Despite the significant fall in equity market, the Company, through its prudent investment policy and on the back of additional cash inflows from new and renewal business (net of claims, surrenders and partial withdrawals), recorded an increase of 14% in the net assets of the unit linked funds which aggregated to Rs.100.6 billion on December 31, 2017, up from Rs.88.2 billion at the start of 2017.

As a result of the significant decline in equity market, investment income recorded a net loss of Rs.5,015 million as against an investment income of Rs.15,257 million in 2016. With the commencement of 2018, the PSX index has recorded recovery, and at February 14, 2018, the PSX index closed at 43,353 points, a recovery of 7%. The management is of the view that given that 2018 is an election year which will bring political stability thereafter, and there is abundance of liquidity available for investment, the equity market has a strong upside potential for the policy holders.

The Company offers four unit-linked funds to its Individual Life policyholders in the conventional insurance business, and two unit-linked funds to its individual participants in the Individual Family Takaful operations. These funds have varying risk exposure and are chosen by the individual policy holders/ participants as per their individual risk appetite.

### **Profit & Loss Account**

The Profit & Loss Account of the Company shows a pre-tax profit of Rs.3,876 million for 2017, (2016: Rs. 3,152 million), representing an increase of 23%. The after tax profit for the year 2017 is Rs.2,570 million as compared to Rs.2,108 million in 2016, an increase of 22%.

The Company is one of the significant tax payers to the national exchequer. During 2017, the Company contributed Rs.2,673 million as direct and indirect taxes (2016: Rs.2,012 million) to the government treasury.

### **Earnings per Share**

The basic and diluted earnings per share for the year amount to Rs.32.39 (2016: Rs.26.57 restated), an increase of 22%.

### **Dividends to Shareholders**

The Board of Directors have recommended a final cash dividend of Rs.14.50 per share, i.e. 145% per share, [2016: Rs.11.50 per share (115%)]. The Company had paid an interim cash dividend of Rs.3.00 per share (30%) during the year, [2016: Rs.3.00 per share (30%)], thereby making a total cash dividend of Rs.17.50 per share, i.e. 175%. for the year 2017 (2016: Rs.14.50 per share i.e. 145%).

### **Purchase of property**

The Board of Directors are pleased to inform our valued shareholders, that in May 2017, the Company purchased a plot of land in Karachi for the purpose of construction of Jubilee Life's Head Office building thereon. The plot is located at a prime location on main Shahrāh-e-Faisal, Karachi.

With the rapid increase in the business operations, the requirements for infrastructure and logistics are growing rapidly. Presently, the Company's Head Office operations are spread over various rented locations. After the construction of the Head Office is completed, all the operations will be housed under one roof, to attain maximum operational efficiency.

The purchase of the property was financed partly through the SHF's own resources, and partly through a Term Finance Facility of Rs.1.5 billion from Habib Bank Limited (HBL). The TFF has a tenure of eight years, maturing in May 2025, with a two years' grace period for commencement of principal repayments, and is secured by equitable mortgage of the property itself. The Company has also executed an interest rate swap with HBL, to hedge the floating rate interest liability on the TFF. The Company is discharging its quarterly markup and IRS payments on a timely basis.

## Human Resources

The Company firmly believes that its human resources are its biggest strength behind its success, and hence, invests heavily in HR, and their training is one of its highest priorities.

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

Employees across all the departments of the Company are provided various developmental initiatives including training programs in management excellence, functional and technical proficiencies. The Company encourages its employees to pursue professional excellence by taking the examinations of world recognized professional organizations such as Society of Actuaries (USA), the Institute and Faculty of Actuaries (UK) and the Life Office Management Association (USA). The Company also undertakes developmental initiatives to provide employees with diverse exposures and job rotations at all levels.

The Company takes pride in being an equal opportunity employer, providing both, men and women, to prove their worth based on competency and merit. Of the total HR strength of the Company inclusive of its sales force, more than 20% comprise of women, some of them at senior management positions. To further support and encourage the employment of women, the Company signed the pledge with "OICCI Women" initiative to promote gender equality in the company with the road map in line with United Nation's 'Women Empowerment Principles'. The Company will be resuming the Women's forum at Jubilee life, with quarterly activities for the female employees of the Company including training opportunities, team meets and other activities.

As in every year, in 2017 also, Independence Day was celebrated by all employees across the Company with fervor, with cake cuttings and prayers for the progress and prosperity of the country taking place in the Head Office, Karachi, as well as the regional offices of the Company. This was complimented by sponsorship of Independence Day celebrations and activities in the major cities at public places like malls, eateries etc.

## **Insurer Financial Strength Rating (IFS rating)**

The Company's IFS rating review process is conducted on annual basis by JCR-VIS Credit Rating Company Limited. Based on the latest annual review dated September 23, 2016, the Company's IFS rating has been maintained at AA+ (Double A Plus), with a "Stable" Outlook. The rating takes into account the capacity of the Company to meet policyholder liabilities as reflected by its strong capitalization levels and adequate liquidity profile. The risk profile is also supported by sound investment portfolio, and high concentration in investment-linked policies, where contribution of the Company in the claims to be paid declines over time with growth in cash values. In its rating report, the JCR-VIS has acknowledged that the Company's business profile derives strength from favorable persistency levels and healthy growth in business volumes and profitability, and during the period under review, the market share of JLIC increased as growth in premiums outpaced sector growth.

## **Operational excellence and strides**

Being the leader in the field of life insurance in the private sector in Pakistan, the Company believes in commitment to excellence, and in being second to none. This is manifested by the confidence reposed by over 5.3 million lives across the footprint of Pakistan, who are insured with the Company. This makes the Company highly conscious of the need to provide the highest levels of quality service to its policy holders, participants, and our partners; bancassurance partners, panel hospitals and others.

The Company has a wide product range catering to the different needs of its customers, including child education, marriage, retirement plans, wealth accumulation, corporate life and health insurance, micro insurance, and also Window Family Takaful Operations, offering Shariah compliant options. During 2017, cognizant of the need to attract the younger generation towards the benefits of life and health insurance, the Company launched online sales through its e-portal, as well as the mobile app "Live Free". It is also experimenting with branchless distribution channels on a pilot project basis to extend its outreach to the common people, offering affordable insurance coverage, and improving their access to health insurance.

In addition, the Company engaged with and brought onto its platform, two new Bancassurance partners, increasing the total strength of Bancassurance partners to 14. Amongst these, some of them are actively engaged in both, conventional individual life unit-linked business, as well as the Shariah Compliant Individual Family Takaful business. The Company acknowledges the support of its Bancassurance partners in spreading the message of life insurance across Pakistan, through their branch networks.

During 2017, the Company also focused on increasing its Branch network, and expansion of its sales force. At end December 2017, the branch network was spread over 112 branches across Pakistan.

## **Information Technology and Operational Efficiencies**

Commitment to excellence demands a constant focus on, and, a heavy investment in technology. In order to maintain its market leadership position, the Company is cognizant of the continuous need to provide new services and new applications at an accelerated pace of innovation. During the previous

year, the Company made a significant investment in a new Data Center located at its Head Office, and further enhanced the same during the beginning of 2017, with the Converge Technology solution, which provides all hardware including servers, storage, networking equipment, backup appliances and a full suite of virtualization software, as well as hardware management tools. This solution has resulted in significant savings in recurring backup cost, and achieving overall improvement in speed and reliability of data backup and restore processes, and reduction in power consumption. The solution takes into account the Company's needs for the next three years, and also provides for scalability thereafter.

Another achievement during the year 2017 on the Technology front was the implementation of the new life insurance business administration system, the Insurance Solution Framework (ISF), developed by AETINS SDN. BHD of Malaysia. One of the biggest challenges in this area was the timely data migration, and switchover to the new system. The IT team of the Company, within a short span of time of less than one week, accomplished this task and the new ISF system went live across Pakistan on June 12, 2017. All Individual Life Unit Linked business (Conventional) has been successfully switched over to the ISF, whilst work is in progress on the remaining lines of business which will be switched over in different phases during 2018.

To make its accounting system and processes more robust, simultaneously with the implementation of the ISF system, the Company implemented the Oracles Financials E-Business Suite R12, the most comprehensive suite of integrated, global business applications, to help enable better decisions, reduce costs, and increase performance. This also went live on June 12, 2017.

Operational efficiency within the Company is just as essential as external efficiency. During 2017, the Company's focus on achieving a paperless environment was enhanced as it implemented the e-leave application in-house, across its back offices. In the 2nd phase, work is currently underway on other internal applications on Sharepoint for the use of employees across the Company, which will not only reduce paper consumption and storage space, but also result in saving of time.

An in-house Learning Management System has also been developed and completed. Under the pilot program, the Company conducted the LOMA 280 Course for the newly hired Management Trainees, who used the system and have given two assessments on the LMS.

## **Awards and Accolades**

The Company's achievements in various areas were well recognized by independent bodies during the year, and it received the following prestigious awards:

- Selection for the PSX Top 25 Companies Award for 2016, for achieving excellence in contribution to Pakistan's growth, shareholders' value, and society's welfare; and
- 5th FPCCI Achievement Award for 2016, on rendering outstanding services in insurance savings, in the field of Family Takaful. The Company is the first to achieve this distinction amongst the Family Takaful, or Window Family Takaful Operators.

## Code of Conduct & Business Ethics

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

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

## Engagement with Stakeholders

The Company strives to maintain effective communication and engagement with all its wide-ranging stakeholders, including shareholders, policy holders, participants, vendors, business partners, banks, regulators, rating agencies and media.

Timely convening of Board and Shareholders' Annual General Meetings, announcement of results to the Pakistan Stock Exchange and the investors' section on the Company's website provides relevant information for the shareholders, including links to the SECP website. For corporate clients, regular meetings are held to assess their satisfaction and obtain feedback for improvement. For the individual life policy holders and participants, the sales force conducts regular meetings with them, further, the Call Center is available to provide service when required. Information relating to the performance of the Company's unit-linked funds is uploaded on the Company's website every month. Besides this, a self-service web portal, as well as information relating to the various forums are available to the policy holders and participants, to provide tools to address any grievances.

The Company has bancassurance partners and a large panel of bankers, with whom it engages in investment and financial activities. Meetings with these stakeholders are held at regular frequencies to maintain cordial business relationship and to improve the services to each other, including banking services and products offered by the banks.

Periodic regulatory and reporting requirements from the regulator, i.e. the Securities and Exchange Commission of Pakistan, State Bank of Pakistan, the tax authorities, the PSX, are met with, and interaction with other bodies such as the rating agency JCR-VIS, the Insurance Association of Pakistan, the Overseas Investors Chamber of Commerce and Industry, the Management Association of Pakistan etc. is held on regular basis by participation through meetings. The Company has nominated senior management executives on the meetings of these various associations, who hold discussions at industry, and cross industry level on various issues.

Engagement with the media is made from time to time in relation to major achievements, launch of products and services, signing of agreements with business partners, sponsorship of sports, and CSR activities. Such engagement is made by the authorized officials of the Company and through its approved media agency, in line with the branding policy of the Company.

## Corporate Social Responsibility

The Company's vision "enabling people to overcome uncertainty" is the underlying principle which guides it towards acting responsibly in how it conducts its business in the long term.

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

- **Donations**

In line with the approved CSR and Donations Policy, the Company's total donation expense during 2016 aggregated to Rs.23 million (2016: Rs.16.5 million), aimed at the support of health care, education, rural development, and cultural heritage.

- **Micro Insurance**

The Company's CSR initiatives also leverage on its core business expertise to create and provide sustainable life and health micro-insurance solutions at affordable cost. With an aim of improving quality of lives by reducing vulnerability of a large section of the low-income population, the Company enhanced its provision of micro-insurance facilities to reach around 3 million persons during 2017.

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

In June 2016, an Aga Khan Foundation (AKF) led AKDN consortium which includes AKRSP, AKHS and the Company signed a micro-insurance project with the Government of Gilgit-Baltistan (GB), being a foreign funding based 5 years' project where the foreign funding would gradually be reduced and ultimately, all the funding would be provided by the Government. In the 2nd phase covering 2017, the Company covered 5,200 lives and organized 12 health camps in the Gilgit district as part of this initiative.

- **Health Awareness Campaigns**

Each year, the Company organizes Health Awareness Campaigns, which complement the micro-insurance initiatives to create a wider awareness on issues relating to health care and healthy living in the less-privileged segments of the population. These health camps are held in liaison with other organizations, largely in the rural areas of all four provinces and the Northern Areas. The Company's contribution towards the cost of these health camps was Rs.3 million (2016: Rs.2.6 million), besides the time spent by its employees. The Company encourages its employees to participate directly by contributing their time and knowledge towards social causes.

## Engagement with the Society

The Company takes pride in inculcating interaction with the Society, whereby the needs of medical care, education, rural development, cultural heritage, civil society, humanitarian assistance and sports promotion are facilitated.

- **Enterprise Challenge Pakistan**

During the year 2017, the Company entered into a collaboration with SEED Ventures for the 2nd Enterprise Challenge Pakistan, a Prince's Trust International Program.

Enterprise Challenge Pakistan (ECP) is a pan-Pakistan, inter-school competition that encourages young people to explore entrepreneurship as a career path. It is offered to secondary school students within the age bracket of 13-16 years in various schools across the country. ECP is a simulation business challenge where students playing in teams employ their creativity in cyber-scenarios. Industry experts mentor these students to understand the basics of an enterprise, business strategy and financials. The objective is to profitably run an enterprise and the team with the highest net profit is declared the winner. The Company's investment in this project aggregated to Rs.4.5 million.

- **Ramadan donation campaign**

In 2017, during the month of Ramadan, the Company launched a digital campaign on its social media platform to collect donations for a renowned charitable foundation. The Company hosted an interactive campaign on its social media page during the month of Ramadan, and for every Like, Comment or Share of a post, the Company pledged to donate Rs.50. The initiative resulted in evoking empathy from public and supporting the cause of medical care.

## Impact on environment

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

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

## Sports promotion

Sports and sporting spirit is deeply inbuilt in the Company's human resources, and the Company's support for sports highlights a commitment to the spirit of partnership, and winning plans. The Company promotes cricket, snooker, golf and polo through sponsorship of various tournaments.

## Board Evaluation Mechanism

The Board of Directors of the Company has an approved mechanism for the annual evaluation of the Board's performance, as envisaged under the Code of Corporate Governance, 2012. The Board carries out such evaluation exercise each year.

## Compliance with the Code of Corporate Governance for Insurers, 2016, Code of Corporate Governance, 2012 and with PSX Listing Regulations

Being a listed life insurance company, the Company complies with the requirements of both, the specific Code of Corporate Governance for Insurers, 2016, as well as the Code of Corporate Governance, 2012 and the PSX Regulations. In respect of all these requirements, the Statement of Compliance with the best corporate practices is annexed on page 75 of the Annual Report.

The Directors are pleased to confirm the following:

- The Financial Statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards, International Financial Reporting Standards, or any other regulation or law (including but not limited to the Shariah guideline / principles) as applicable in Pakistan, the Insurance Ordinance, 2000 and SEC Rules, 2002 have been followed in the preparation of financial statements and any departure therefrom has been adequately disclosed;
- The system of internal control is sound and adequate in design and has been effectively implemented and monitored;
- There are no significant doubts upon the Company's ability to continue as a going concern;

- There has been no material departure from the best practices of corporate governance;
- Information regarding outstanding taxes is given in note 16 to the audited financial statements;
- The pattern of shareholding and the information regarding trading in the shares of the Company by Directors, CEO, CFO, Company Secretary, Appointed Actuary, Executives and their spouses and minor children is given on page 198 of the Annual Report.

## **Board of Directors**

The Board of Directors of the Company comprises of one executive and six non-executive directors. The Board comprising of the following members, completed its term of office on March 30, 2017:

- Mr. Kamal A. Chinoy (Chairman)
- Mr. Aly Noor Mahomed Rattansey
- Mr. John Joseph Metcalf
- Mr. Sultan Ali Allana
- Mr. R. Zakir Mahmood
- Mr. Ayaz Ahmed
- Mr. Javed Ahmed (Managing Director & Chief Executive Officer)

Mr. Aly Noor Mahomed Rattansey did not contest the election held in the Annual General Meeting of the Company and completed his term of office. In his place, Mr. Aryn Currimbhoy was elected a director of the Company. The remaining members of the Board, including the Managing Director and Chief Executive Officer, were reelected to the Board for a fresh term of three years.

Following the election of directors, w.e.f. March 31, 2017, the Board comprises of the following members:

- Mr. Kamal A. Chinoy (Chairman)
- Mr. Aryn Currimbhoy
- Mr. John Joseph Metcalf
- Mr. Sultan Ali Allana
- Mr. R. Zakir Mahmood
- Mr. Ayaz Ahmed (up till December 5, 2017)
- Mr. Javed Ahmed (Managing Director & Chief Executive Officer)

A casual vacancy occurred on December 6, 2017, with the resignation of Mr. Ayaz Ahmed, and as at December 31, 2017, had not been filled in.

On February 6, 2018, in the meeting of the Board Human Resource & Remuneration, Ethics and Nominations Committee, the Committee recommended to the Board for the cooption of Mr. Shahid Ghaffar as a director to fill in the casual vacancy created by the resignation of Mr. Ayaz Ahmed. The Board approved the recommendation, and effective February 8, 2018, Mr. Shahid Ghaffar has been co-opted on the Board as Director, with the approval of the Securities and Exchange Commission of Pakistan.

The Board places on record, its appreciation for the services of the outgoing directors, and their guidance to the management in their respective capacities as the Chairman – Board Audit Committee, and Chairman – Board Finance and Investment Committee.

During the year 2017, six meetings of the Board of Directors were held and attended as follows:

S.NO.	Director's Name	Meetings Attended
1	Mr. Kamal A. Chinoy	6
2	Mr. Aly Noor Mahomed Rattansey (up till March 30, 2017)	1
3	Mr. Aryn Currimbhoy ( w.e.f. March 31, 2017)	4
4	Mr. John Joseph Metcalf	6
5	Mr. Sultan Ali Allana	2
6	Mr. R. Zakir Mahmood	6
7	Mr. Ayaz Ahmed (up till December 5, 2017)	6
8	Mr. Javed Ahmed	6

Four meetings of the Board Audit Committee were held during 2017, and attended as follows:

S.NO.	Director's Name	Meetings Attended
1	Mr. Aly Noor Mahomed Rattansey (up till March 30, 2017)	1
2	Mr. Aryn Currimbhoy ( w.e.f. March 31, 2017)	3
3	Mr. John Joseph Metcalf	4
4	Mr. Ayaz Ahmed (up till December 5, 2017)	4

The Board Human Resource & Remuneration, Ethics & Nominations Committee of the Board held one meeting during 2017, which was attended as follows:

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

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

S.NO.	Director's Name	Meetings Attended
1	Mr. Ayaz Ahmed (up till December 5, 2017)	4
2	Mr. John Joseph Metcalf	4
3	Mr. R. Zakir Mahmood	4
4	Mr. Javed Ahmed	4
5	Ms. Lilly R. Dossabhoy (Management Executive)	4
6	Mr. Shan Rabbani (Management Executive)	4

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

S.NO.	Director's Name	Meetings Attended
1	Mr. John Joseph Metcalf	2
2	Mr. Ayaz Ahmed (up till December 5, 2017)	2
3	Mr. Javed Ahmed	2
4	Mr. Shan Rabbani	2

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

S.NO.	Director's Name	Meetings Attended
1	Mr. John Joseph Metcalf	4
2	Mr. R. Zakir Mahmood	4
3	Mr. Ayaz Ahmed (up till December 5, 2017)	4
4	Mr. Javed Ahmed	4

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

### Management Committee

The Company has, for governance of day to day operations in all functional areas, established an overall Management Committee. This committee meets on monthly basis, and is chaired by the Managing Director and Chief Executive Officer of the Company. Members of the Management Committee are stated on page 10 of the Annual Report.

Other committees include the Investment Management Committee (IMC), and the IT Steering Committee, both of which are chaired by the Managing Director & Chief Executive Officer of the Company. The members of these committees are stated on page 10 of the Annual Report.

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

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

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

Members of these committees are stated on page 10 of the Annual Report.

## Internal Audit Function

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

## Risk and Opportunity Report

The major risks facing the Company, and their mitigation factors, the uncertainties facing the Company, and the opportunities are summarized in the Risk and Opportunity Report as covered on pages 70 to 73 of the Annual Report.

## Key Operating and Financial Information

A summary of the Key operating and financial information of the last six years is shown on page 26 of the Annual Report.

## Retirement Benefits

The fair value of investments made by the staff retirement funds, operated by the Company, as per their respective financial statements as at December 31, 2017, the audits of which are in progress, are as follows:

Provident Fund	Rs.338.43 million
Gratuity Fund	Rs.319.12 million

## Material Changes

There have been no material changes since December 31, 2017 to the date of this report.

## Statutory Auditors

The present Auditors, KPMG Taseer Hadi & Co., Chartered Accountants, retire after the completion of the present term and are eligible for re-appointment.

In line with the requirement of the Code of Corporate Governance, the Board Audit Committee has recommended the appointment of M/s. KPMG Taseer Hadi & Co., Chartered Accountants, as the Auditors of the Company, including as Shariah Compliance Auditors, for the year 2018, and the Board endorses this recommendation.

## Holding Company

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

## Outlook

With the strong growth trajectory shown by the Company, the opportunities for tapping the unpenetrated population of Pakistan, and the enhanced focus of the SECP on an improved regulatory environment, we are confident that the Company will continue to maintain its position as the leading private sector life insurance company of Pakistan.

The Company will continue to follow a strategy of business growth with sustainable profitability.

## Acknowledgement

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

The significant growth and financial strength achieved by the Company since 2003 has been made possible through the dedication and hard work of the management team, ably supported by their colleagues. The Board appreciates their efforts and contribution.

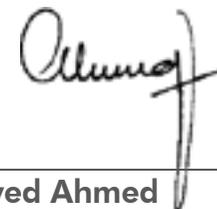
The Board also wishes to acknowledge the contribution of its colleagues who have served on the Committees: Audit; Finance & Investment; Human Resources & Remuneration, Ethics & Nominations; Technical, Risk Management, and Construction Advisory Committee.

The Board also records its 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**



**Aryn Currimbhoy**  
Director



**Javed Ahmed**  
Managing Director & CEO

Karachi, February 15, 2018

# RISK AND OPPORTUNITY REPORT

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

S. No.	Risk	Mitigation Strategy
1	<p><b>Regulatory Risk</b></p> <p>Life insurance industry is a highly regulated industry and subject to frequent changes in applicable laws, rules and regulations. Any omission or failure to meet regulatory compliance may expose the Company to penalties, fines and reputational risks.</p>	<p>Company takes cognizance of these changes through updates from legal services, auditors and tax advisors, websites etc. A summary of significant changes in the regulatory requirement is reported to the Board, whose guidance is sought by the management.</p> <p>Also, the Company interacts with the regulators directly, as well as through the collective forum of the Insurance Association of Pakistan, to ensure that industry views are represented.</p>
2	<p><b>Operational Risks</b></p> <ul style="list-style-type: none"> <li>• <b>Human Resource Risk</b></li> <li>• <b>Business Continuity</b></li> </ul>	<p>The Company provides a congenial working environment and opportunities for professional development and growth to all employees, besides rotation within the departments, to enrich their exposure. A succession plan is in place in respect of the Managing Director and Chief Executive Officer as well as senior executives, to ensure that work does not suffer in case of their departure.</p> <p>Realtime data replication at Disaster Recovery Site/Data Center ensures that business continuity is not endangered in any way. The Company has also developed a Disaster Recovery Plan to take care of any eventuality.</p>

S. No.	Risk	Mitigation Strategy
3	<p><b>Economic / Political Risks</b></p> <p>The economy of Pakistan is subject to significant ups and downs attributed to current account deficit, exchange rates and equity market movements; whilst the political environment is uncertain and lacks stability, hampering the cause of business activities.</p>	<p>A wide product range catering to different classes of risk appetite is available to balance out such variations. Further, the Company follows a prudent and cautious investment policy to safeguard the returns against such volatile situations.</p>
4	<p><b>Underwriting Risks</b></p> <p>These are risks undertaken by the Company via the contracts that it writes, i.e. the possibility of the contingent event occurring, giving rise to the claim for the event insured. The risks in this category are associated with the perils covered (death, accident, catastrophe etc.) and with the specific processes associated with the conduct of life insurance business.</p>	<p>The Company has developed comprehensive Underwriting Guidelines to identify and evaluate this risk. Further, various reinsurance arrangements have been put in place to mitigate the effects of potential loss to the Company from large individual or catastrophic insured events.</p>
5	<p><b>Market Risks</b></p> <p>These are risks arising from movement of financial variables such as interest rates, capital market changes etc.</p>	<p>The Company manages this through a diversified investment portfolio comprising of a combination of equity securities, Government securities, other fixed income securities and money market instruments, taking into account the maturity profile of these assets and that of the liability base. The portfolio is constantly monitored through a management level Investment Management Committee which meets on weekly basis, and through a Board level Finance &amp; Investment Committee, which reviews the same on quarterly basis, or, as required.</p>
6	<p><b>Credit Risks</b></p> <p>These are risks arising due to default by and change in credit rating of those with whom the Company has an exposure, such as banks, brokers, issuers of debt instruments etc. These risks also include external events affecting the credit worthiness of counterparties.</p>	<p>This risk is managed by establishment of counter party limits, by spreading the volume of transactions over various counter parties and monitoring the credit worthiness of counter parties through their rating reports.</p>

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

## Key Opportunities

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

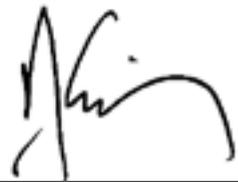
1. Increasing education and awareness regarding life insurance amongst the masses, to enlighten them about the benefits of life insurance coverage and as a savings tool.
2. Increasing outreach across Pakistan through not only the conventional distribution networks, but also using latest technology including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

## Key uncertainties affecting the business

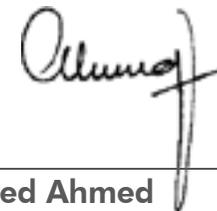
The key sources of uncertainty, which have a significant impact on the business include the following:

- Unexpected changes in claims ratios and trends
- Occurrence of catastrophic event(s)
- Political turmoil affecting the economy, and in particular, the equity market
- Unexpected interest rate movements
- Failure of a major product / distribution channel

On behalf of the Board of Directors



**Aryn Currimbhoy**  
Director



**Javed Ahmed**  
Managing Director & CEO

Karachi, February 15, 2018

# 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 for Insurers, 2016 and Code of Corporate Governance, 2012 as mentioned in the Regulation No. 5.19.24 of the Rule Book of Pakistan Stock Exchange ("PSX") (combined called 'the Code') as prepared by the Board of Directors ("the Board") of Jubilee Life Insurance Company Limited ("the Company") for the year ended December 31, 2017 to comply with the requirements of Listing Regulations of PSX 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 Director's 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 approval of 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, 2017.

Date: 15 February 2018  
Karachi

  
**KPMG Taseer Hadi & Co.**  
Chartered Accountants

# STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR INSURERS, 2016 & CODE OF CORPORATE GOVERNANCE, 2012

For the year ended December 31, 2017

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016 (the Code) for the purpose of establishing a framework of good governance, whereby an insurer is managed in compliance with the best practices of the Code and the Code of Corporate Governance 2012 (CCG 2012) as contained in Chapter 5 (Clause No. 5.19.24) of Rule Book of Pakistan Stock Exchange.

The Company, being an insurer, has applied the principles contained in the Code and the CCG, 2012 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	Names
Independent Directors	Kamal A. Chinoy Amyr Currimbhoy Shahid Ghaffar (w.e.f. February 8, 2018)
Executive Director	Javed Ahmed
Non-Executive Directors	Sultan Ali Allana R. Zakir Mahmood John Joseph Metcalf Ayaz Ahmed (up till December 5, 2017)

The independent directors meet the criteria of independence under the Code and the CCG, 2012.

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 NBFI. None of the directors or their spouses is engaged in business of stock brokerage.
4. A casual vacancy in the Board of Directors occurred on December 6, 2017, with the resignation of Mr. Ayaz Ahmed. The same has been filled in subsequent to the year end, on February 8, 2018, with the approval of the Securities and Exchange Commission of Pakistan.
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 / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

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, and other key officers, 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 notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board has established a system of sound internal controls, which is effectively implemented at all levels within the Company. The Company has adopted and complied with all the necessary aspects of internal controls given in the Code.
10. All Directors of the Company have attended orientation courses to acquaint them with this Code, applicable laws and their duties and responsibilities.
11. The Board has put in place a mechanism for an annual evaluation of the Board's own performance as required under the CCG, 2012.
12. The Board has approved appointment of the Chief Financial Officer, Company Secretary, and Head of Internal Audit, including their remuneration and terms and conditions of employment.
13. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and the CCG, 2012 and fully describes the salient matters required to be disclosed.
14. The financial statements of the Company were duly endorsed by Chief Executive Officer and the Chief Financial Officer before the approval of the Board.

15. The Directors, Chief Executive Officer and executives do not hold any interest in the shares of the Company other than those disclosed in the pattern of shareholding.
16. The Company has complied with all the corporate and financial reporting requirements of the Code and CCG, 2012.
17. The Board has formed the following Management Committees under the Code:

#### **Underwriting & Reinsurance Committee:**

<b>Name of the Member</b>	<b>Category</b>
Javed Ahmed	Chairman
Muhammad Sohail Fakhra	Member
Shan Rabbani	Member
Muhammad Aamir	Member
Raja Naveed	Secretary

#### **Claims Committee:**

<b>Name of the Member</b>	<b>Category</b>
Javed Ahmed	Chairman
Zahid Barki	Member
Farhan Akhter Faridi	Member
Muhammad Munawar Khalil	Member
Muhammad Junaid Ahmed	Secretary

**Risk Management and Compliance Committee:**

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

18. The Board has formed the following Board Committees under the Code / CCG 2012:

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

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

**Board Finance & Investment Committee**

Name of the Member	Category
Ayaz Ahmed (up till December 5, 2017)	Chairman
Shahid Ghaffar (w.e.f. February 8, 2018)	Chairman
R. Zakir Mahmood	Member
John Joseph Metcalf	Member
Javed Ahmed	Member
Shan Rabbani	Member
Lilly R. Dossabhoy	Member / Secretary

19. The Board has formed an Audit Committee. It comprises of three (3) members; all of whom are non-executive Directors and the Chairman of the Committee is an independent director.

The composition of the Audit Committee is as follows:

Name of the Member	Category
Aly Noor Mahomed Rattansey (up till March 30, 2017)	Chairman
Amyn Currimbhoy (w.e.f. March 31, 2017)	Chairman
John Joseph Metcalf	Member
Ayaz Ahmed (uptil December 6, 2017)	Member
Shahid Ghaffar (w.e.f. February 8, 2018)	Member
Najam ul Hassan Janjua (up till February 13, 2018)	Secretary
Adeel Ahmed Khan (w.e.f. February 14, 2018)	Secretary

20. The meetings of the Committees, except for those of the Human Resource & Remuneration, Ethics & Nominations Committee, were held at least once every quarter, prior to the approval of the interim and results of the Company, as required by the Code / CCG, 2012. The terms of references of the Committees have been formed and advised to the committee for compliance.
21. An effective internal audit function is in place.
22. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under the Code. The Appointed Actuary of the Company also meets the conditions as laid down in the said Code. Moreover, the persons heading the underwriting, claims, reinsurance, risk management and grievance functions/departments possess qualification and experience of direct relevance to their respective functions, as required under Section 12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000):

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

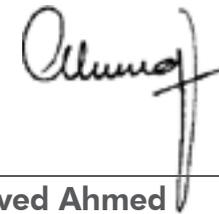
23. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of Section 48 of the Insurance Ordinance, 2000 (Ordinance no. XXXIX of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, 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.
24. 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.
25. The Appointed Actuary of the Company has confirmed that neither he nor his spouse and minor children hold shares of the Company.
26. The Board ensures that the Appointed Actuary complies with the requirements set for him in the Code.
27. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code.
28. The Board ensures that the risk management system of the Company is in place as per the requirements of the Code.
29. The Board has formed a Risk Management Committee, in addition to the management level Risk Management Committee (RMC) as required under the Code, to ensure effective operation of the risk management system, to take decisions in relation to key strategic and operational matters.

30. The Board ensures that as part of the risk management system, the Company gets rated from JCR-VIS, which is being used by its risk management function and the respective committee as a risk monitoring tool. The Insurer Financial Strength (IFS) rating assigned by the said rating agency, as per their notification dated September 23, 2016 is AA+ (Double A Plus) with stable outlook.
31. The Board has set up a grievance department / function, which complies with the requirements of the Code;
32. The Company has not obtained any exemptions from the Securities & Exchange Commission of Pakistan in respect of any of the requirements of the Code;
33. 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 the Pakistan Stock Exchange.
34. Material / price sensitive information has been disseminated among all market participants at once through the Pakistan Stock Exchange.
35. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
36. The Company has continued to present the details of all related party transactions before the Audit Committee and upon their recommendation to the Board for review and approval. The definition of related party used is in accordance with repealed Companies Ordinance, 1984 and applicable financial reporting frame work, as the regulations under Section 208 of the Companies Act, 2017 have not yet been announced.
37. We confirm that all other material principles contained in the Code and in the CCG, 2012 have been complied with.

**By Order of the Board**



**Kamal A. Chinoy**  
Chairman



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

Date: February 15, 2018

# SHARIAH ADVISOR'S REPORT TO THE BOARD OF DIRECTORS

For the year ended December 31, 2017

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

I have reviewed the accompanying financial statements, Takaful products including all related documents, as well as, the Participant Takaful Fund Policy, Investment Policy, Re-Takaful arrangements and the related transactions of **Jubilee Life Insurance - Window Takaful Operations** (hereafter referred to as "Takaful Operator") for the year ended 31 December 2017.

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

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

The primary objective of Shariah Advisor's Report is to inform about the Takaful Operator's compliance with Shariah Guidelines, including the transactions undertaken by the Takaful Operator during the year ended 31 December 2017 and to express his opinion on the transactions and operational aspects of Window Takaful Operations.

## Progress of the Year:

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

1. Alhamdulillah, Jubilee Life - Window Takaful Operations has become the market leader in the Takaful Industry of the country, in terms of new business.
2. Jubilee Life-WTO opened number of dedicated Takaful branches across the country in strategic locations.
3. Significant success was achieved in creating and developing Banca Takaful business.
4. Under the guidance of the undersigned Jubilee Life-WTO has developed & launched different Family Takaful Products, for dedicated & Banca Takaful segment focusing on savings and investment based plans.
5. All the distribution channels of Jubilee Life-WTO including Banca Takaful, Individual and Group Family Takaful segments performed extremely well and underwritten good business in Takaful.

6. During the year a number of Religious Institutions reviewed the Takaful Products of Jubilee Life-WTO and with the grace of Allah they showed full satisfaction of the system & products of Jubilee Life-WTO and issued Shariah Compliance Certificates (Shariah Verdicts) in favor of Jubilee Family Takaful.

### Shariah Certification:

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

- i. Transactions undertaken by the Takaful Operator for the period ended 31 December 2017 were in accordance with guidelines issued by Shariah Advisor as well as the requirements of Takaful Rules 2012;
- ii. The investments have been made from the Participant Takaful Fund (PTF), Participant Investment Fund (PIF) and Operator's Fund, into Shariah Compliant avenues including Islamic Banks, Sukuks and Shariah Compliant Equities, with prior Shariah approval. Further all bank accounts related to Window Takaful Operations have been opened in Islamic Banking Institutions (IBIs) with prior Shariah approval;
- iii. Segregation of Window Takaful Operations is the essential part of valid Takaful contracts. I am pleased to state that Jubilee Life-WTO has realized criticality of this issue and from day one, Alhamdulillah, all the Takaful Funds, Investments, Bank Accounts, Systems and other related issues are kept separate from its conventional insurance business, as per requirement of Shari'ah and Takaful Rules 2012.
- iv. During the year, an amount of Rs. 741,631/- has been realized as charity through dividend-income purification process, out of which Rs. 229,637/- has already been disbursed.
- v. The transactions and activities of Jubilee Life Insurance - Window Takaful Operations are in accordance with the Shariah principles, while considering the accompanying financial statements of the Participants' Takaful Fund (Waqf Fund), Participants' Investment Fund, and the Operator's Sub Fund (OSF).

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

**"And Allah Knows Best"**



**Mufti Zeeshan Abdul Aziz**  
Shariah Advisor

Date: February 8, 2018

# **INDEPENDENT REASONABLE ASSURANCE REPORT TO THE BOARD OF DIRECTORS ON THE STATEMENT OF MANAGEMENT'S ASSESSMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES**

We were engaged by the Board of Directors of Jubilee Life Insurance Company Limited ("the Company") to report on the management's assessment of compliance of the Window Takaful Operations ("Takaful Operations") of the Company, as set out in the annexed statement prepared by the management for the year ended December 31, 2017, with the Takaful Rules, 2012, in the form of an independent reasonable assurance conclusion about whether the annexed statement presents fairly the status of compliance of the Operations with the Takaful Rules, 2012, in all material respects.

## **Applicable Criteria**

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

## **Responsibilities of the Management**

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

The Board of Directors / management of the Company are also responsible for preventing and detecting fraud and for identifying and ensuring that the Takaful Operations comply with laws and regulations applicable to its activities. They are also responsible for ensuring that the management, where appropriate, those charged with governance, and personnel involved with the Takaful Operations compliance with the Takaful Rules, 2012 are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

## **Our Independence and Quality Control**

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

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

## **Our responsibilities**

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance

Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

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

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

The procedures performed included:

- Evaluate the systems, procedures and practices in place with respect to the Takaful operations against the Takaful Rules, 2012 and Shariah Advisor's guidelines;
- Evaluating the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee / Shariah Advisor and the board of directors;
- Test for a sample of transactions relating to Takaful operations to ensure that these are carried out in accordance with the laid down procedures and practices including the regulations relating to Takaful operations as laid down in Takaful Rules, 2012; and
- Review the statement of management's assessment of compliance of the Takaful transactions for the year ended 31 December 2017 with the Takaful Rules, 2012.

## Conclusion

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

In our opinion, the annexed statement, for the year ended 31 December 2017, presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

Date: 15 February 2018  
Karachi

*KPMG Taseer Hadi & Co.*

**KPMG Taseer Hadi & Co.**  
Chartered Accountants

# STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

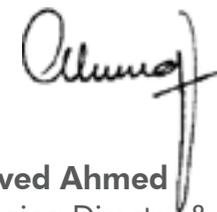
The financial arrangements, contracts and transactions, entered into by Jubilee Life Insurance Company Limited – Window Takaful Operations (the Company) for the year ended December 31, 2017 are in compliance with the Takaful Rules, 2012.

Further we confirm that:

- The Company has developed and implemented all the policies and procedures in accordance with the Takaful Rules, 2012 and rulings of the Shariah Advisor along with a comprehensive mechanism to ensure compliance with such rulings and Takaful Rules, 2012 in their overall operations with zero tolerance. Further, the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee / Shariah Advisor and the Board of Directors have been implemented;
- The Company has imparted trainings / orientations and ensured availability of all manuals / agreements approved by Shariah Advisor / Board of Directors to maintain the adequate level of awareness, capacity and sensitization of the staff, management;
- All the products and policies have been approved by Shariah Advisor and the financial arrangements including investments made, policies, contracts and transactions, entered into by Window Takaful Operations are in accordance with the polices approved by Shariah Advisor;
- The assets and liabilities of Window Takaful Operations (Participant Takaful Fund and Operator's Sub Fund) are segregated from its other assets and liabilities, at all times in accordance with the provisions of the Takaful Rules, 2012.

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

Date: February 7, 2018



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

# INDEPENDENT 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 ("the Company") as at December 31, 2017 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 repealed 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 financial 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 account have been kept by the Company as required by the Insurance Ordinance, 2000 and the repealed 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 repealed Companies Ordinance, 1984, and accurately reflect the books and records of the Company and are further in accordance with accounting policies consistently applied;
- 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, 2017, and of the profit, its cash flows and changes in equity for the year then ended in accordance with approved accounting standards as applicable in Pakistan, and give the information required to be disclosed by the Insurance Ordinance, 2000 and the repealed 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.

Date: 15 February 2018  
Karachi

*KPMG Taseer Hadi & Co.*  
**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
**Syed Iftikhar Anjum**

# Financial Statements

# BALANCE SHEET

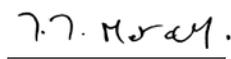
As at December 31, 2017

Notes	Share holder's Fund	Statutory Funds							Aggregate	
		Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life and Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
(Rupees in '000)										
<b>Share capital and reserves</b>										
Authorised share capital 200,000,000 ordinary shares of Rs. 10 each	2,000,000	-	-	-	-	-	-	-	2,000,000	2,000,000
Issued, subscribed and paid-up share capital 79,330,680 (2016: 72,118,800) ordinary shares of Rs. 10 each	6 793,307	-	-	-	-	-	-	-	793,307	721,188
Accumulated surplus	7 5,853,533	-	-	-	-	-	-	-	5,853,533	4,348,344
<b>Net shareholders' equity</b>	<b>6,646,840</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,646,840</b>	<b>5,069,532</b>
<b>Balance of statutory funds [including policyholders' liabilities / technical reserves Rs. 103.22 billion (2016: Rs. 90.38 billion)]</b>	8 -	98,902,385	884,026	1,999,924	120,975	4,911,887	43,992	81,530	106,944,719	93,196,728
<b>Long term liabilities</b>										
Long term loan	10 1,500,000	-	-	-	-	-	-	-	1,500,000	-
<b>Deferred liabilities</b>										
Staff retirement benefits	11 10,262	12,211	2,253	2,000	-	2,681	-	-	29,407	18,275
<b>Creditors and accruals</b>										
Outstanding claims	12 -	386,783	672,937	508,794	23,011	35,399	20,767	16,333	1,664,024	1,013,155
Premium / contribution received in advance	-	592,294	50,932	154,055	-	159,900	729	1,149	959,059	681,986
Amounts due to reinsurers / retakaful	-	-	613	-	2,370	3,172	-	-	6,155	79,186
Amounts due to agents	-	357,318	9,299	20,838	-	288,358	501	6,156	682,470	684,162
Accrued expenses	153,352	760,792	62,519	37,170	29	248,601	118	643	1,263,224	918,341
Taxation - provision less payments	183,210	-	-	-	-	-	-	-	183,210	59,486
Other creditors and accruals	14 43,589	393,247	4,932	20,320	-	37,760	84	512	500,444	245,159
Financial charges payable	13,927	-	-	-	-	-	-	-	13,927	-
Derivative financial instrument	15 27,193	-	-	-	-	-	-	-	27,193	-
Inter-fund payable	-	-	12,628	2,419	22	16,637	365	-	32,071	56,312
<b>Other liability</b>										
Unclaimed dividend	421,271	2,490,434	813,860	743,596	25,432	789,827	22,564	24,793	5,331,777	3,737,787
<b>Total liabilities</b>	<b>1,955,283</b>	<b>101,405,030</b>	<b>1,700,139</b>	<b>2,745,520</b>	<b>146,407</b>	<b>5,704,395</b>	<b>66,556</b>	<b>106,323</b>	<b>113,829,653</b>	<b>96,971,429</b>
<b>Contingencies and commitments</b>	16									
<b>Total equity and liabilities</b>	<b>8,602,123</b>	<b>101,405,030</b>	<b>1,700,139</b>	<b>2,745,520</b>	<b>146,407</b>	<b>5,704,395</b>	<b>66,556</b>	<b>106,323</b>	<b>120,476,493</b>	<b>102,040,961</b>

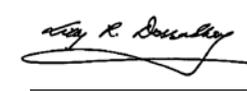
The annexed notes 1 to 46 form an integral part of these financial statements.

  
Kamal A. Chinoy  
Chairman

  
Amin Currimbhoy  
Director

  
John Joseph Metcalf  
Director

  
Javed Ahmed  
Managing Director &  
Chief Executive Officer

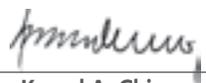
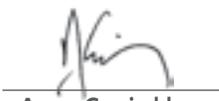
  
Lilly R. Dossabhoy  
Chief Financial Officer

# BALANCE SHEET

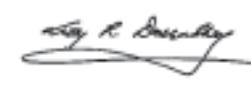
As at December 31, 2017

Notes	Statutory Funds							Aggregate			
	Share holder's Fund	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life and Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016	
	(Rupees in '000)										
<b>Cash and bank deposits</b>	17										
Cash and others		235	25,218	467	498	-	16,094	273	158	42,943	43,308
Current and other accounts		974,472	2,799,478	160,980	210,709	11,498	649,550	17,064	26,481	4,850,232	4,360,753
Deposits maturing within 12 months		-	10,151,000	101,000	100,000	-	775,000	-	-	11,127,000	8,927,000
		<b>974,707</b>	<b>12,975,696</b>	<b>262,447</b>	<b>311,207</b>	<b>11,498</b>	<b>1,440,644</b>	<b>17,337</b>	<b>26,639</b>	<b>16,020,175</b>	<b>13,331,061</b>
<b>Unsecured advances to employees</b>		18,909	-	-	-	-	-	-	-	18,909	9,152
<b>Investments</b>	18										
Government securities		3,851,275	46,698,160	1,020,155	1,923,317	114,339	2,435,940	41,859	50,151	56,135,196	43,640,227
Other fixed income securities		-	973,432	-	-	-	215,286	-	-	1,188,718	1,011,161
Listed equities, closed-ended and open ended mutual funds		199,841	39,591,735	46,085	32,259	-	1,522,675	-	-	41,392,595	41,202,751
Investment in an associate		97,627	-	-	-	-	-	-	-	97,627	86,114
		<b>4,148,743</b>	<b>87,263,327</b>	<b>1,066,240</b>	<b>1,955,576</b>	<b>114,339</b>	<b>4,173,901</b>	<b>41,859</b>	<b>50,151</b>	<b>98,814,136</b>	<b>85,940,253</b>
<b>Deferred taxation</b>	19	33,111	-	-	-	-	-	-	-	33,111	25,686
<b>Other assets - current</b>											
Premiums / Contributions due but unpaid	20	-	-	179,706	396,935	20,570	-	1,331	26,101	624,643	486,491
Investment income due but outstanding		-	52,713	-	-	-	4,750	-	-	57,463	62,417
Investment income accrued		21,220	767,629	17,799	21,785	-	75,390	999	1,142	905,964	939,642
Amounts due from reinsurers / retakaful	21	-	278,858	150,967	27,366	-	456	4,565	-	462,212	51,627
Prepayments		35,976	48,821	-	6,050	-	3,934	-	-	94,781	90,811
Sundry receivables		86,777	10,889	22,980	26,601	-	5,320	465	1,336	154,368	312,918
Inter-fund receivable		24,020	7,097	-	-	-	-	954	-	32,071	56,312
		<b>167,993</b>	<b>1,166,007</b>	<b>371,452</b>	<b>478,737</b>	<b>20,570</b>	<b>89,850</b>	<b>7,360</b>	<b>29,533</b>	<b>2,331,502</b>	<b>2,000,218</b>
<b>Fixed assets</b>	22										
<b>Tangible assets</b>											
Capital work-in-progress		2,408,052	-	-	-	-	-	-	-	2,408,052	152,983
Furniture, fixtures, office equipment, computers and vehicles		603,011	-	-	-	-	-	-	-	603,011	434,186
<b>Intangible assets</b>											
Computer softwares		247,597	-	-	-	-	-	-	-	247,597	147,422
		<b>3,258,660</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,258,660</b>	<b>734,591</b>
<b>Total assets</b>		<b>8,602,123</b>	<b>101,405,030</b>	<b>1,700,139</b>	<b>2,745,520</b>	<b>146,407</b>	<b>5,704,395</b>	<b>66,556</b>	<b>106,323</b>	<b>120,476,493</b>	<b>102,040,961</b>

The annexed notes 1 to 46 form an integral part of these financial statements.


Kamal A. Chinoy  
Chairman

Amyn Currimbhoy  
Director

John Joseph Metcalf  
Director

Javed Ahmed  
Managing Director &  
Chief Executive Officer

Lilly R. Dossabhoy  
Chief Financial Officer

# PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2017

## Investment income not attributable to statutory funds

Return on Government securities  
Return on other fixed income securities and deposits  
Dividend income

## Gain on disposal of investments

## Reversal / (impairment) in the value of investments

Government securities

## Total investment income

Less: Investment related expenses

## Net investment income

## Other revenues

Gain on disposal of fixed assets  
Share in profit of an associate (including exchange gain / (loss))  
Others

## Total investment income and other revenues

Expenses not attributable to statutory funds  
Realized loss on derivative financial instrument  
Unrealized loss on derivative financial instrument  
Other reversals

Profit before appropriation of surplus to shareholders' fund

Surplus appropriated to shareholders' fund from ledger account D

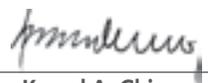
## Profit before tax

## Taxation

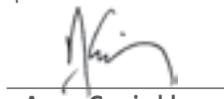
## Profit after tax

## Basic and diluted earnings per share

The annexed notes 1 to 46 form an integral part of these financial statements.



Kamal A. Chinoy  
Chairman



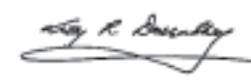
Amyn Currimbhoy  
Director



John Joseph Metcalf  
Director



Javed Ahmed  
Managing Director &  
Chief Executive Officer



Lilly R. Dossabhoy  
Chief Financial Officer

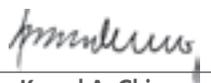
Notes	2017	2016
	..... (Rupees in '000) .....	
	176,894	146,349
	6,756	6,108
	37,157	103,609
	<b>220,807</b>	256,066
	<b>656,581</b>	208,371
	<b>406</b>	(837)
	<b>877,794</b>	463,600
	<b>(225)</b>	(289)
	<b>877,569</b>	463,311
	<b>2,189</b>	9,888
	14,501	5,918
	679	(163)
	<b>17,369</b>	15,643
	<b>894,938</b>	478,954
23	<b>(139,613)</b>	(125,612)
	(17,237)	-
15	<b>(27,193)</b>	-
	-	113,262
	<b>710,895</b>	466,604
8	<b>3,165,000</b>	2,685,000
	<b>3,875,895</b>	3,151,604
24	<b>(1,306,229)</b>	(1,043,706)
	<b>2,569,666</b>	2,107,898
	..... (Rupees) .....	
25	<b>32.39</b>	26.57

# STATEMENT OF CHANGES IN EQUITY

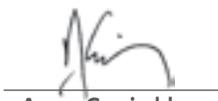
For the year ended December 31, 2017

	Net accumulated surplus				Total
	Share capital	Accumulated surplus	Capital contribution (to) / from statutory funds	Net accumulated surplus	
	(Rupees in '000)				
<b>Balance as at January 1, 2016</b>	<b>721,188</b>	<b>3,439,049</b>	<b>(250,000)</b>	<b>3,189,049</b>	<b>3,910,237</b>
Profit for the year ended December 31, 2016	-	2,107,898	-	2,107,898	2,107,898
<b>Transactions with the owners recorded directly in equity</b>					
Final cash dividend for the year ended December 31, 2015 @ 105% (Rs.10.50 per share)	-	(757,247)	-	(757,247)	(757,247)
Interim dividend for the Half Year ended June 30, 2016 @ 30% (Rs. 3.00 per share)	-	(216,356)	-	(216,356)	(216,356)
Capital contributed to statutory fund - note 8	-	-	(25,000)	(25,000)	(25,000)
Capital returned to Shareholders' fund - note 8	-	-	50,000	50,000	50,000
<b>Balance as at December 31, 2016</b>	<b>721,188</b>	<b>4,573,344</b>	<b>(225,000)</b>	<b>4,348,344</b>	<b>5,069,532</b>
Profit for the year ended December 31, 2017	-	2,569,666	-	2,569,666	2,569,666
<b>Transactions with the owners recorded directly in equity</b>					
Final cash dividend for the year ended December 31, 2016 @ 115% (Rs. 11.50 per share)	-	(829,366)	-	(829,366)	(829,366)
Interim dividend for the half year ended June 30, 2017 @ 30% (Rs. 3.00 per share)	-	(237,992)	-	(237,992)	(237,992)
Issue of bonus shares for the year ended December 31, 2016 @ 10%	72,119	(72,119)	-	(72,119)	-
Capital contributed to statutory fund - note 8	-	-	(55,000)	(55,000)	(55,000)
Capital returned to Share holders' fund - note 8	-	-	130,000	130,000	130,000
<b>Balance as at December 31, 2017</b>	<b>793,307</b>	<b>6,003,533</b>	<b>(150,000)</b>	<b>5,853,533</b>	<b>6,646,840</b>

The annexed notes 1 to 46 form an integral part of these financial statements.



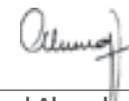
**Kamal A. Chinoy**  
Chairman



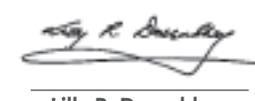
**Aryn Currimbhoy**  
Director



**John Joseph Metcalf**  
Director



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



**Lilly R. Dossabhoy**  
Chief Financial Officer

# CASH FLOW STATEMENT

For the year ended December 31, 2017

	Statutory Funds							Aggregate		
	Share holders' Fund	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life and Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
<b>Operating cash flows</b>	(Rupees in '000)									
<b>a) Underwriting activities</b>										
Premium / contribution received	-	35,113,421	1,831,526	3,270,984	50,075	6,802,986	68,087	119,082	47,256,161	38,195,216
Reinsurance premium / retakaful contribution paid	-	(160,183)	(704,160)	(95,381)	(12,457)	(57,331)	(32,074)	-	(1,061,586)	(956,101)
Claims paid	-	(1,102,438)	(1,305,854)	(2,147,707)	(26,900)	(16,190)	(30,940)	(83,483)	(4,713,512)	(4,001,386)
Surrenders paid	-	(8,870,528)	-	-	-	(86,114)	-	-	(8,956,642)	(6,057,138)
Reinsurance / retakaful and other recoveries received	-	18,068	559,350	36,299	9,224	26,864	21,861	-	671,666	895,955
Commissions paid	-	(4,180,907)	(93,995)	(123,281)	-	(1,605,558)	(1,735)	(10,038)	(6,015,514)	(5,171,810)
Commissions received	-	6,756	8,437	14,515	-	16,559	-	-	46,267	104,449
Net cash inflow from underwriting activities	-	20,824,189	295,304	955,429	19,942	5,081,216	25,199	25,561	27,226,840	23,009,185
<b>b) Other operating activities</b>										
Income tax paid	(1,189,930)	-	-	-	-	-	-	-	(1,189,930)	(1,017,808)
General management expenses paid	(120,372)	(3,296,721)	(79,647)	(286,844)	(1,961)	(596,766)	(7,559)	(25,183)	(4,415,053)	(3,665,015)
Other operating receipts	27,351	408,786	1,273	69,908	1,550	22,621	84	557	532,130	237,887
Other operating payments	(24,789)	-	(11,785)	-	-	(3,538)	(212)	-	(40,324)	(427,619)
Unsecured advances	(9,757)	-	-	-	-	-	-	-	(9,757)	198
Inter-fund transactions	345,066	(264,598)	(20,841)	(12,496)	(3,956)	(37,538)	(1,111)	(4,526)	-	-
Net cash outflow from other operating activities	(972,431)	(3,152,533)	(111,000)	(229,432)	(4,367)	(615,221)	(8,798)	(29,152)	(5,122,934)	(4,872,357)
<b>Total cash (outflow) / inflow from all operating activities</b>	(972,431)	17,671,656	184,304	725,997	15,575	4,465,995	16,401	(3,591)	22,103,906	18,136,828
<b>Investment activities</b>										
Profit / return received	197,343	4,050,219	88,360	129,558	5,743	52,490	987	2,443	4,527,143	4,573,181
Dividends received	38,059	1,509,701	8,371	5,860	-	30,018	-	-	1,592,009	1,576,445
Payments for investments	(9,962,390)	(120,900,168)	(982,326)	(3,911,162)	(266,125)	(5,050,549)	(35,903)	(29,112)	(141,137,735)	(63,086,870)
Proceeds from disposal of investments	9,852,159	102,775,415	787,909	3,350,765	247,217	851,986	1,032	1,032	117,867,515	42,942,432
Fixed capital expenditure	(2,864,822)	-	-	-	-	-	-	-	(2,864,822)	(419,497)
Proceeds from disposal of fixed assets	13,345	-	-	-	-	-	-	-	13,345	20,947
Total cash (outflow) from investing activities	(2,726,306)	(12,564,833)	(97,686)	(424,979)	(13,165)	(4,116,055)	(33,884)	(25,637)	(20,002,545)	(14,393,362)

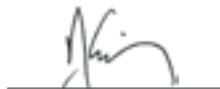
# CASH FLOW STATEMENT

For the year ended December 31, 2017

Notes	Share holders' Fund	Statutory Funds						Aggregate		
		Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life and Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
(Rupees in '000)										
<b>Financing activities</b>	26.1									
Long term loan received		1,500,000	-	-	-	-	-	-	1,500,000	-
Dividend paid		(1,062,247)	-	-	-	-	-	-	(1,062,247)	(969,228)
Capital contributed from shareholders' fund		(55,000)	-	-	-	-	30,000	25,000	-	-
Capital returned to shareholders' fund		130,000	-	-	-	(130,000)	-	-	-	-
Qard-e-Hasna returned to Operators' Sub Fund by PTF		-	-	-	-	12,000	-	-	12,000	31,000
Qard-e-Hasna returned by PTF to Operators' Sub Fund		-	-	-	-	(12,000)	-	-	(12,000)	(31,000)
Qard-e-Hasna received by PTF from Operators' Sub Fund		-	-	-	-	-	23,000	-	23,000	-
Qard-e-Hasna paid by Operators' Sub Fund to PTF		-	-	-	-	-	(23,000)	-	(23,000)	-
Surplus appropriated to shareholders' fund		3,165,000	(2,675,000)	(30,000)	(160,000)	(300,000)	-	-	-	-
<b>Total cash inflow / (outflow) from financing activities</b>		<b>3,677,753</b>	<b>(2,675,000)</b>	<b>(30,000)</b>	<b>(160,000)</b>	<b>(430,000)</b>	<b>30,000</b>	<b>25,000</b>	<b>437,753</b>	<b>(969,228)</b>
<b>Net cash (outflow) / inflow from all activities</b>		<b>(20,984)</b>	<b>2,431,823</b>	<b>56,618</b>	<b>141,018</b>	<b>2,410</b>	<b>(80,060)</b>	<b>12,517</b>	<b>2,539,114</b>	<b>2,774,238</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>995,691</b>	<b>3,742,873</b>	<b>104,829</b>	<b>120,189</b>	<b>9,088</b>	<b>1,045,704</b>	<b>4,820</b>	<b>6,054,061</b>	<b>3,279,823</b>
<b>Cash and cash equivalents at end of the year</b>	26	<b>974,707</b>	<b>6,174,696</b>	<b>161,447</b>	<b>261,207</b>	<b>11,498</b>	<b>965,644</b>	<b>17,337</b>	<b>8,593,175</b>	<b>6,054,061</b>
<b>Reconciliation to profit and loss account</b>										
Operating cash flows									22,103,906	18,136,828
Depreciation expense									(224,423)	(168,135)
Amortisation expense									(105,174)	(45,236)
Share of profit from associate									14,501	5,918
Profit on disposal of fixed assets									2,189	9,888
Increase in assets other than cash									387,098	160,867
(Increase) in liabilities									(15,353,113)	(31,653,360)
Profit / (loss) on sale of investments									2,353,335	2,384,440
Revaluation (loss) / gain on investments									(12,614,173)	7,583,427
Investment income									6,080,520	5,718,261
Capital contributed from shareholders' fund									55,000	25,000
Capital returned to shareholders' fund									(130,000)	(50,000)
<b>Profit after taxation</b>									<b>2,569,666</b>	<b>2,107,898</b>

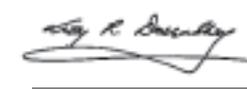
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Kamal A. Chinoy  
Chairman

  
Amyn Currimbhoy  
Director

  
John Joseph Metcalf  
Director

  
Javed Ahmed  
Managing Director &  
Chief Executive Officer

  
Lilly R. Dossabhoy  
Chief Financial Officer

# REVENUE ACCOUNT

For the year ended December 31, 2017

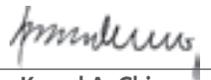
Notes	Statutory Funds						Aggregate		
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life and Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
(Rupees in '000)									
<b>Income</b>									
Premiums / Contributions less reinsurances / retakaful	34,780,369	1,189,534	3,228,115	20,514	6,743,456	37,122	129,575	<b>46,128,685</b>	36,988,234
Net investment (loss) / income	(5,175,120)	80,282	175,481	7,379	(107,490)	1,586	2,530	<b>(5,015,352)</b>	15,256,771
<b>Total net income</b>	<b>29,605,249</b>	<b>1,269,816</b>	<b>3,403,596</b>	<b>27,893</b>	<b>6,635,966</b>	<b>38,708</b>	<b>132,105</b>	<b>41,113,333</b>	52,245,005
<b>Claims and expenditures</b>									
Claims net of reinsurance / retakaful recoveries	9,782,210	935,975	2,288,808	9,790	107,531	25,047	89,411	<b>13,238,772</b>	9,473,846
Management expenses less recoveries	7,681,335	184,910	445,909	2,389	2,520,287	10,670	41,070	<b>10,886,570</b>	9,070,122
<b>Total claims and expenditures</b>	<b>17,463,545</b>	<b>1,120,885</b>	<b>2,734,717</b>	<b>12,179</b>	<b>2,627,818</b>	<b>35,717</b>	<b>130,481</b>	<b>24,125,342</b>	18,543,968
<b>Excess / (deficit) of income over claims and expenditures</b>	<b>12,141,704</b>	<b>148,931</b>	<b>668,879</b>	<b>15,714</b>	<b>4,008,148</b>	<b>2,991</b>	<b>1,624</b>	<b>16,987,991</b>	33,701,037
Add: Policyholders' liabilities / technical reserves at beginning of the year	88,071,291	436,800	769,688	-	1,079,690	1,095	16,515	<b>90,375,079</b>	60,290,220
Less: Policyholders' liabilities / technical reserves at end of the year	97,087,165	390,623	1,015,369	-	4,686,902	3,354	36,310	<b>103,219,723</b>	90,375,079
<b>Surplus / (deficit)</b>	<b>3,125,830</b>	<b>195,108</b>	<b>423,198</b>	<b>15,714</b>	<b>400,936</b>	<b>732</b>	<b>(18,171)</b>	<b>4,143,347</b>	3,616,178
<b>Movement in policyholders' liabilities / technical reserves</b>	<b>9,015,874</b>	<b>(46,177)</b>	<b>245,681</b>	<b>-</b>	<b>3,607,212</b>	<b>2,259</b>	<b>19,795</b>	<b>12,844,644</b>	30,084,859
<b>Transfers (to) / from shareholders' fund</b>									
Surplus appropriated to shareholders' fund	(2,675,000)	(30,000)	(160,000)	-	(300,000)	-	-	<b>(3,165,000)</b>	(2,685,000)
Capital contributed from shareholders' fund	-	-	-	-	-	30,000	25,000	<b>55,000</b>	25,000
Capital returned to shareholders' fund	-	-	-	-	(130,000)	-	-	<b>(130,000)</b>	(50,000)
Qard-e-Hasna returned to Operators' Sub Fund by PTF	-	-	-	-	12,000	-	-	<b>12,000</b>	-
Qard-e-Hasna returned by PTF to Operators' Sub Fund	-	-	-	-	(12,000)	-	-	<b>(12,000)</b>	-
Qard-e-Hasna received by PTF from Operators' Sub Fund	-	-	-	-	-	23,000	-	<b>23,000</b>	31,000
Qard-e-Hasna paid by Operators' Sub Fund to PTF	-	-	-	-	-	(23,000)	-	<b>(23,000)</b>	(31,000)
<b>Net transfer (to) / from shareholders' fund</b>	<b>(2,675,000)</b>	<b>(30,000)</b>	<b>(160,000)</b>	<b>-</b>	<b>(430,000)</b>	<b>30,000</b>	<b>25,000</b>	<b>(3,240,000)</b>	(2,710,000)
<b>Balance of statutory funds at beginning of the year</b>	89,435,681	765,095	1,491,045	105,261	1,333,739	11,001	54,906	<b>93,196,728</b>	62,205,691
<b>Balance of statutory funds at end of the year</b>	<b>98,902,385</b>	<b>884,026</b>	<b>1,999,924</b>	<b>120,975</b>	<b>4,911,887</b>	<b>43,992</b>	<b>81,530</b>	<b>106,944,719</b>	93,196,728

# REVENUE ACCOUNT

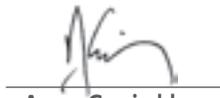
For the year ended December 31, 2017

Note	Statutory Funds						Aggregate		
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life and Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
	(Rupees in '000)								
<b>Represented by:</b>	8								
Capital contributed by shareholders' fund	-	-	-	50,000	130,000	40,000	60,000	280,000	275,000
Capital returned to shareholders' fund	-	-	-	-	(130,000)	-	-	(130,000)	(50,000)
Money ceded to Waqf at the beginning of the year	-	-	-	-	500	-	-	500	500
Policyholders' liabilities / technical reserves	97,087,165	390,623	1,015,369	-	4,686,902	3,354	36,310	103,219,723	90,375,079
Qard-e-Hasna returned to Operators' Sub Fund by PTF	-	-	-	-	12,000	-	-	12,000	-
Qard-e-Hasna returned by PTF to Operators' Sub Fund	-	-	-	-	(12,000)	-	-	(12,000)	-
Qard-e-Hasna received by PTF from Operators' Sub Fund	-	-	-	-	-	23,000	-	23,000	31,000
Qard-e-Hasna paid by Operators' Sub Fund to PTF	-	-	-	-	-	(23,000)	-	(23,000)	(31,000)
Retained earnings on other than participating business	1,815,220	493,403	984,555	70,975	224,485	638	(14,780)	3,574,496	2,596,149
<b>Balance of statutory funds</b>	<b>98,902,385</b>	<b>884,026</b>	<b>1,999,924</b>	<b>120,975</b>	<b>4,911,887</b>	<b>43,992</b>	<b>81,530</b>	<b>106,944,719</b>	93,196,728

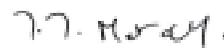
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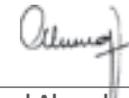
**Kamal A. Chinoy**  
Chairman



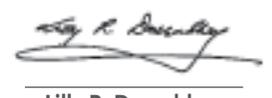
**Amyn Currimbhoy**  
Director



**John Joseph Metcalf**  
Director



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



**Lilly R. Dossabhoy**  
Chief Financial Officer

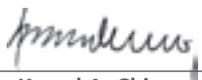
# STATEMENT OF PREMIUMS / CONTRIBUTIONS

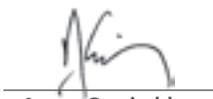
For the year ended December 31, 2017

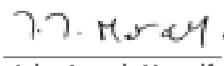
	Statutory Funds						Aggregate		
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life and Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
(Rupees in '000)									
<b>Gross premiums / contributions</b>									
Regular premiums / contributions individual policies *									
First year	7,256,902	264	14,529	-	3,799,227	-	130	<b>11,071,052</b>	9,797,663
Second year renewal	6,680,095	84	863	-	1,087,128	-	-	<b>7,768,170</b>	6,674,597
Subsequent years renewal	17,012,063	762	-	-	8,949	-	-	<b>17,021,774</b>	13,837,907
Single premiums / contributions individual policies	3,964,596	-	-	-	1,899,141	-	-	<b>5,863,737</b>	3,529,822
Group policies without cash values	-	1,867,181	3,296,834	31,408	-	67,639	129,445	<b>5,392,507</b>	4,163,588
<b>Total gross premiums / contributions</b>	<b>34,913,656</b>	<b>1,868,291</b>	<b>3,312,226</b>	<b>31,408</b>	<b>6,794,445</b>	<b>67,639</b>	<b>129,575</b>	<b>47,117,240</b>	38,003,577
<b>Less: Reinsurance premiums / retakaful contribution ceded</b>									
On individual life first year business	(23,666)	(22)	-	-	(33,750)	-	-	<b>(57,438)</b>	(83,360)
On individual life second year business	(18,080)	(8)	-	-	(16,872)	-	-	<b>(34,960)</b>	(38,062)
On individual life subsequent renewal business	(91,541)	(140)	(2)	-	(238)	-	-	<b>(91,921)</b>	(242,506)
On single premiums / contributions individual policies	-	-	-	-	(129)	-	-	<b>(129)</b>	(29)
On group policies	-	(678,587)	(84,109)	(10,894)	-	(30,517)	-	<b>(804,107)</b>	(651,386)
<b>Total reinsurance premiums / retakaful contribution ceded</b>	<b>(133,287)</b>	<b>(678,757)</b>	<b>(84,111)</b>	<b>(10,894)</b>	<b>(50,989)</b>	<b>(30,517)</b>	<b>-</b>	<b>(988,555)</b>	(1,015,343)
<b>Net premiums / contributions</b>	<b>34,780,369</b>	<b>1,189,534</b>	<b>3,228,115</b>	<b>20,514</b>	<b>6,743,456</b>	<b>37,122</b>	<b>129,575</b>	<b>46,128,685</b>	36,988,234

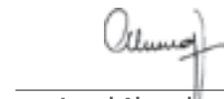
\* Individual policies are those underwritten on an individual basis and include joint life policies underwritten as such.

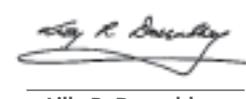
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Kamal A. Chinoy  
Chairman

  
Amyn Currimbhoy  
Director

  
John Joseph Metcalf  
Director

  
Javed Ahmed  
Managing Director &  
Chief Executive Officer

  
Lilly R. Dossabhoy  
Chief Financial Officer

# STATEMENT OF CLAIMS

For the year ended December 31, 2017

	Statutory Funds						Aggregate		
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life and Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
(Rupees in '000)									
<b>Gross claims</b>									
Claims under individual policies									
by death	1,159,722	400	-	-	48,617	-	-	1,208,739	919,558
by insured event other than death	5,322	-	4,158	-	120	-	-	9,600	6,856
by maturity	34,399	-	-	-	-	-	-	34,399	34,942
by surrender	6,774,096	-	-	-	31,600	-	-	6,805,696	4,402,697
by partial withdrawal	2,096,432	-	-	-	54,514	-	-	2,150,946	1,654,441
<b>Total gross individual policy claims</b>	<b>10,069,971</b>	<b>400</b>	<b>4,158</b>	<b>-</b>	<b>134,851</b>	<b>-</b>	<b>-</b>	<b>10,209,380</b>	<b>7,018,494</b>
<b>Claims under group policies</b>									
by death	-	1,421,890	-	3,721	-	49,625	-	1,475,236	1,141,664
by insured event other than death	-	50,427	2,192,005	2,367	-	1,848	89,411	2,336,058	1,987,851
experience refund	-	131,884	155,943	12,522	-	-	-	300,349	120,582
<b>Total group policy claims</b>	<b>-</b>	<b>1,604,201</b>	<b>2,347,948</b>	<b>18,610</b>	<b>-</b>	<b>51,473</b>	<b>89,411</b>	<b>4,111,643</b>	<b>3,250,097</b>
<b>Total gross claims</b>	<b>10,069,971</b>	<b>1,604,601</b>	<b>2,352,106</b>	<b>18,610</b>	<b>134,851</b>	<b>51,473</b>	<b>89,411</b>	<b>14,321,023</b>	<b>10,268,591</b>
<b>Less: Reinsurance / retakaful recoveries</b>									
On individual life first year business claims	(53,111)	-	-	-	(27,320)	-	-	(80,431)	(56,353)
On individual life second year business claims	(50,076)	-	-	-	-	-	-	(50,076)	(21,923)
On individual life renewal business claims	(184,574)	(350)	-	-	-	-	-	(184,924)	(170,064)
On group claims	-	(646,047)	(56,967)	(6,088)	-	(26,426)	-	(735,528)	(530,029)
On experience refund of premiums / contributions	-	(22,229)	(6,331)	(2,732)	-	-	-	(31,292)	(16,376)
<b>Total reinsurance / retakaful recoveries</b>	<b>(287,761)</b>	<b>(668,626)</b>	<b>(63,298)</b>	<b>(8,820)</b>	<b>(27,320)</b>	<b>(26,426)</b>	<b>-</b>	<b>(1,082,251)</b>	<b>(794,745)</b>
<b>Net claims</b>	<b>9,782,210</b>	<b>935,975</b>	<b>2,288,808</b>	<b>9,790</b>	<b>107,531</b>	<b>25,047</b>	<b>89,411</b>	<b>13,238,772</b>	<b>9,473,846</b>

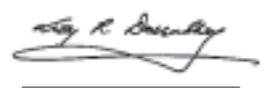
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Director

  
John Joseph Metcalf  
Director

  
Javed Ahmed  
Managing Director &  
Chief Executive Officer

  
Lilly R. Dossabhoy  
Chief Financial Officer

# STATEMENT OF EXPENSES

For the year ended December 31, 2017

Notes	Statutory Funds							Aggregate	
	Individual Life unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life and Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
(Rupees in '000)									
<b>Acquisition costs</b>									
Remuneration to insurance / takaful intermediaries individual policies:									
	2,994,163	40	2,906	-	1,465,750	-	60	4,462,919	4,254,156
	304,552	8	172	-	51,761	-	-	356,493	312,909
	362,901	38	-	-	221	-	-	363,160	296,955
	75,553	-	-	-	37,026	-	-	112,579	66,735
	<b>3,737,169</b>	<b>86</b>	<b>3,078</b>	<b>-</b>	<b>1,554,758</b>	<b>-</b>	<b>60</b>	<b>5,295,151</b>	4,930,755
Remuneration to Insurance / Takaful intermediaries on group policies:									
Commission	-	82,659	134,858	-	-	2,123	13,477	233,117	185,139
<b>Branch overheads</b>	27								
Salaries & allowances and other branch overheads	1,962,426	23,627	108,239	-	592,242	4,378	14,695	2,705,607	1,926,343
<b>Other acquisition costs</b>	27								
Policy stamps	151,686	205	5,737	-	63,077	27	66	220,798	178,606
Others	1,532	604	4,489	-	170	67	224	7,086	3,823
<b>Total acquisition costs</b>	<b>5,852,813</b>	<b>107,181</b>	<b>256,401</b>	<b>-</b>	<b>2,210,247</b>	<b>6,595</b>	<b>28,522</b>	<b>8,461,759</b>	7,224,666
<b>Administration expenses</b>	28								
Salaries, allowances and other benefits	577,008	41,926	102,484	1,482	103,281	1,500	3,268	830,949	682,494
Charge for defined benefit plan	25,278	2,143	5,014	80	5,326	72	149	38,062	29,684
Contribution to defined contribution plan	20,978	1,713	3,941	63	3,524	57	118	30,394	26,111
Travelling expenses	20,414	730	5,018	62	6,266	42	92	32,624	32,633
Auditors' remuneration	1,662	85	157	1	650	14	36	2,605	5,278
Actuary's fees	9,213	1,448	1,068	-	1,574	172	310	13,785	18,313
Medical fees	1,233	751	1,969	-	859	150	321	5,283	6,160
Advertisements	577,518	8,800	13,200	-	125,824	297	3,775	729,414	452,451
Printing and stationery	39,355	1,379	8,920	16	9,506	104	816	60,096	63,238

(Continued...)

# STATEMENT OF EXPENSES

For the year ended December 31, 2017

Notes	Statutory Funds							Aggregate		
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life and Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016	
(Rupees in '000)										
<b>Administration expenses (Continued...)</b>										
Depreciation	22.3	121,240	5,131	11,921	354	15,327	288	871	155,132	113,606
Amortisation	22.5	86,444	5,920	5,028	81	5,062	355	164	103,054	43,607
Rent expense		74,820	3,747	11,685	25	10,655	164	372	101,468	89,310
Legal and professional charges		13,564	1,274	1,330	17	3,286	36	108	19,615	25,298
Supervision fees		37,063	1,982	3,500	31	7,214	72	137	49,999	50,000
Utilities		35,358	1,859	4,121	7	5,400	103	208	47,056	44,556
Entertainment		12,656	572	1,621	10	1,864	36	88	16,847	9,111
Vehicle running		5,584	252	2,244	23	1,471	37	878	10,489	7,958
Repairs and maintenance		71,360	2,352	5,447	71	6,238	123	324	85,915	87,439
Bank charges and brokerage		10,872	340	3,675	17	922	46	169	16,041	14,109
Training expenses		6,515	439	1,258	15	1,119	18	37	9,401	14,626
Postages, telegrams and telephone		67,766	1,597	3,971	17	6,390	57	381	80,179	60,736
Staff welfare		13,421	313	1,005	5	1,599	35	79	16,457	14,403
General insurance		4,426	90	295	11	3,047	38	27	7,934	5,002
Provision for doubtful debts		-	1,276	5,075	-	-	255	(188)	6,418	52,305
Miscellaneous expenses		1,530	47	76	1	195	4	8	1,861	1,477
		<b>1,835,278</b>	<b>86,166</b>	<b>204,023</b>	<b>2,389</b>	<b>326,599</b>	<b>4,075</b>	<b>12,548</b>	<b>2,471,078</b>	1,949,905
		-	-	-	-	-	-	-	-	-
Gross management expenses		<b>7,688,091</b>	<b>193,347</b>	<b>460,424</b>	<b>2,389</b>	<b>2,536,846</b>	<b>10,670</b>	<b>41,070</b>	<b>10,932,837</b>	9,174,571
Commission from reinsurers		(6,756)	(8,437)	(14,515)	-	(16,559)	-	-	(46,267)	(104,450)
<b>Net management expenses</b>		<b>7,681,335</b>	<b>184,910</b>	<b>445,909</b>	<b>2,389</b>	<b>2,520,287</b>	<b>10,670</b>	<b>41,070</b>	<b>10,886,570</b>	9,070,122

The annexed notes 1 to 46 form an integral part of these financial statements.

  
Kamal A. Chinoy  
Chairman

  
Amyn Currimbhoy  
Director

  
John Joseph Metcalf  
Director

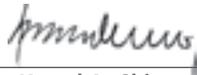
  
Javed Ahmed  
Managing Director &  
Chief Executive Officer

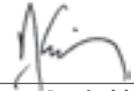
  
Lilly R. Dossabhoy  
Chief Financial Officer

# STATEMENT OF INVESTMENT INCOME

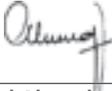
For the year ended December 31, 2017

	Statutory Funds						Aggregate		
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life and Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
	(Rupees in '000)								
<b>Investment income</b>									
Government securities	3,209,870	68,513	111,591	5,283	49,521	1,065	2,296	<b>3,448,139</b>	3,325,935
Other fixed income securities and deposits	736,787	19,396	15,847	460	73,022	760	782	<b>847,054</b>	581,947
Dividends	1,769,465	9,050	6,335	-	40,613	-	-	<b>1,825,463</b>	1,737,966
Gain / (loss) on sale of investments	1,735,092	(28)	(83)	-	(38,225)	(1)	(1)	<b>1,696,754</b>	2,176,069
Amorizatoin of discount / (premium) relative at par	(199,149)	(16,022)	(8,051)	-	(8,221)	(211)	(527)	<b>(232,181)</b>	(241,331)
Unrealised (loss) / gain on investments	(12,033,985)	-	-	-	(216,316)	-	-	<b>(12,250,301)</b>	7,857,902
Other (loss) / income	-	(1,289)	49,743	1,550	-	-	95	<b>50,099</b>	38,904
<b>Total</b>	<b>(4,781,920)</b>	<b>79,620</b>	<b>175,382</b>	<b>7,293</b>	<b>(99,606)</b>	<b>1,613</b>	<b>2,645</b>	<b>(4,614,973)</b>	15,477,392
<b>(Impairment) / Reversal for impairment in the value of available for sale investments</b>									
Government securities	112	1,365	607	86	(1,332)	(27)	(114)	<b>697</b>	(2,724)
Other fixed income securities and deposits	-	-	-	-	32	-	-	<b>32</b>	(479)
Listed equities and closed-ended mutual funds	(118,204)	-	-	-	-	-	-	<b>(118,204)</b>	-
<b>Less: Investment related expenses</b>	<b>(7,104)</b>	<b>(24)</b>	<b>(33)</b>	<b>-</b>	<b>(177)</b>	<b>-</b>	<b>(1)</b>	<b>(7,339)</b>	(4,658)
<b>Less: Tax on dividend under FTR</b>	<b>(268,004)</b>	<b>(679)</b>	<b>(475)</b>	<b>-</b>	<b>(6,407)</b>	<b>-</b>	<b>-</b>	<b>(275,565)</b>	(212,760)
<b>Net investment (loss) / income</b>	<b>(5,175,120)</b>	<b>80,282</b>	<b>175,481</b>	<b>7,379</b>	<b>(107,490)</b>	<b>1,586</b>	<b>2,530</b>	<b>(5,015,352)</b>	15,256,771

  
Kamal A. Chinoy  
Chairman

  
Amyn Currimbhoy  
Director

  
John Joseph Metcalf  
Director

  
Javed Ahmed  
Managing Director &  
Chief Executive Officer

  
Lilly R. Dossabhoy  
Chief Financial Officer

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2017

## 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 (now Companies Act, 2017). Its shares are quoted on the Pakistan Stock Exchange. The Company started its business on June 20, 1996. The addresses of its registered and principal office are 26 - D, 3rd Floor, Kashmir Plaza, Jinnah Avenue, Blue Area, Islamabad and Jubilee Life Insurance Building, 74/1-A, Lalazar, M.T Khan Road, Karachi, respectively.

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

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

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

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

## 2 BASIS OF 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 (IASB) as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 and the Takaful Rules, 2012. In case requirements differ, the provisions of or directives issued thereunder of the repealed Companies Ordinance, 1984, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 and the Takaful Rules, 2012 shall prevail.

The Companies Ordinance 1984, was repealed by enactment of the Companies Act, 2017 on May 30, 2017. The SECP vide its Circular No. 23 of 2017 dated October 4, 2017, has clarified that all those companies whose financial year closes on or before December 31, 2017 shall prepare financial statements in accordance with the provisions of repealed Companies Ordinance, 1984.

The Securities and Exchange Commission of Pakistan (SECP) vide S.R.O. 88(1)/2017 and S.R.O. 89(1)/2017 dated 9 February 2017 has issued the Insurance Accounting Regulations, 2017 and Insurance Rules, 2017 (the new Rules and Regulations). The application of these Regulations and Rules for the purpose of preparation and presentation of the financial statements was effective from 1 April 2017. However, SECP vide letter ID/OSM/JubileeLife/2017/10484, dated 4 August 2017 has granted exemption to the Company to prepare their half yearly accounts for the period ended 30 June 2017, third quarter accounts for the period ended 30 September 2017 and annual audited accounts for the year ending 31 December 2017 in accordance with the requirements of Previous Rules [SEC (Insurance) Rules 2002] and has allowed the application of New Regulations effective from the accounting year commencing from 1 January 2018.

#### 3.1 Standards, interpretations and amendments not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after January 1, 2018:

- Classification and Measurement of Share-based Payment Transactions - amendments to IFRS 2 clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after January 1, 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and / or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.

- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' - effective for annual periods beginning on or after January 1, 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements.
- Annual Improvements to IFRS 2014-2016 Cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures'] (effective for annual periods beginning on or after January 1, 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statements.
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after January 1, 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The application of interpretation is not likely to have an impact on Company's financial statements.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after January 1, 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Company's financial statements.
- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after July 1, 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard.

- IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after July 1, 2018 and January 1, 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Company is currently in the process of analyzing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after January 1, 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company's financial statements.
- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:
- IFRS 3 'Business Combinations' and IFRS 11 'Joint Arrangement' - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- IAS 12 'Income Taxes' - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
- IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are not likely to have an impact on Company's financial statements.

- Amendment to IFRS 4 'Insurance Contracts'- Applying IFRS 9 'Financial Instruments' with IFRS 4 (effective for annual periods beginning on or after July 1, 2018). The amendment address issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 1, 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. The amendments are not likely to have an impact on Company's financial statements.
- In addition, the Companies Act, 2017 was enacted on May 30, 2017 and according to circular referred to in note 3, for financial statements purposes would be applicable for the period after January 1, 2018. The Companies Act, 2017 requires certain additional disclosures.

- As referred to in note 3, the Insurance Accounting Regulations, 2017 and Insurance Rules, 2017 will be effective for the financial statements for the periods commencing January 1, 2018. The new rules have introduced a single profit and loss account, done away with the separate presentation of revenue accounts of statutory fund, incorporated ledger account C & D balances (retained earnings on other than participating business) in capital and reserves attributable to Company's equity holders, require all investments to be valued in accordance with the requirements of the International Financial Reporting Standards and introduced the concept of other comprehensive income.
- The Company has completed an initial assessment of impacts on the accounting and disclosure requirements and estimates that for the year ended / as at December 31, 2017, the impact would be as follows:
  - The value of investments of Shareholders' Fund and non-linked funds will increase by Rs. 69.52 million.
  - Actuarial losses previously charged to profit and loss account would be charged to other comprehensive income. This aggregates to Rs. 24.45 million for the year 2017.
  - Exchange gain on revaluation of investment in associate previously charged in profit and loss account would be charged to other comprehensive income, which, for the year 2017, aggregates to Rs. 5.53 million.
  - Balance in retained earnings in the revenue account aggregating to Rs. 3.57 billion, principally maintained in accordance with the SEC (Insurance) Rules, 2002 to meet solvency margins, including surplus retained in the current year Rs. 978.35 million will be reflected in the shareholders' equity net of deferred tax.
- The regulatory returns to be submitted under section 46 of the Insurance Ordinance, 2000 on quarterly basis shall however, continue to be presented and submitted to the Commission on the existing basis of separate presentations of the Shareholder's Fund and Statutory Funds for the balance sheet, cash flow statement, revenue account, statements of premium, claims, expenses and investment income and such other statements as may be prescribed by the Commission, for the Statutory Funds, and for the Shareholder's Fund, the balance sheet and the profit and loss account, shall be presented.

#### 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 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 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 43 to the financial statements.

#### **4.1 Functional and presentation currency**

These financial statements have been presented in Pak Rupees, 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 accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year. The significant accounting policies adopted in the preparation of these financial statements are set out below:

#### **5.1 Types of Insurance / Window Takaful Operations**

##### **a) Individual life unit linked**

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

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

##### **b) Conventional business**

###### **i) Individual life conventional business**

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

###### **ii) Group life business**

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

**c) Accident & health business**

**i) Individual accident & health business**

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

**ii) Group health business**

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

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

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

**e) Family takaful contracts**

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

The obligation of Waqf for Waqf participants' liabilities is limited to the amount available in the Waqf fund. In case there is a deficit in the Waqf Fund, the Window Takaful Operator shall grant an interest free loan (Qard-e-Hasna) to make good the deficit. The loan shall be repayable from the future surpluses generated in the Waqf Fund, without any excess of the actual amount given to it. Repayment of Qard-e-Hasna shall receive priority over surplus distribution to Participants from the Waqf Fund. The detailed disclosures of window takaful operations are presented in note 35.

**i) Individual takaful contracts unit linked**

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

**ii) Group family takaful**

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

**5.2 Revenue recognition**

**5.2.1 Premiums**

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

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

**5.2.2 Contributions**

**i) Individual Life Family Takaful**

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

**ii) Group Family Takaful**

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

**iii) Accident & Health Family Takaful**

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

### 5.3 Claim expenses

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

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

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

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

### 5.4 Experience refund of premium

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

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

#### a) Individual life unit linked

Policyholders' liabilities constitute the fund value of unit linked contracts as well as non-unit reserves of these linked contracts.

Non-linked reserves constitute liability kept to account for risks such as death, disability, critical illness, etc. Incurred But Not Reported (IBNR) claims and non-linked riders (Accidental Death and Disability, Waiver of Premium, etc.).

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

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

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

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

- Unearned premium and premium deficiency reserve

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

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

## **b) Conventional business**

### **i) Individual life conventional**

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

For base plans, policyholders' liabilities are determined as per the minimum criteria given in Insurance Rules, 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 business**

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

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

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

### - Unearned premium and premium deficiency reserve

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

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

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

## c) **Accident & health business**

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

- Incurred But Not Reported (IBNR) claims

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

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

- Unearned premium and premium deficiency reserve

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

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

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

Policyholder 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 inspite of overall inflation.

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

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

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

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

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

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

**h) Technical Reserves**

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

**5.6 Reinsurance / Retakaful contracts held**

**5.6.1 Conventional**

**Reinsurance premiums**

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

## **Claim recoveries**

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

## **Experience refund of premium**

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

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

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

## **5.6.2 Takaful**

### **Retakaful Contribution**

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

Retakaful contribution is recorded at the time the retakaful is ceded. Surplus from retakaful operator is recognised in the revenue account.

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

### **Retakaful Expenses**

Retakaful expenses are recognized as a liability.

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

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

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

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

## **5.8 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.

The measurement differences representing actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost / income are recognised immediately with a charge or credit to profit and loss and revenue account. The accounting standard requires these to be recognised in other comprehensive income (OCI). However, the format of presentation and disclosure of financial statements notified by SECP does not require preparation of statement of comprehensive income, resultantly the charge / credit has been taken to profit and loss and revenue account.

## **5.9 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.

## **5.10 Accumulated compensated absences**

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

## 5.11 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.

## 5.12 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to the items recognised directly in equity, 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 includes adjustments, where considered necessary, relating to prior years.

### Deferred

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

## 5.13 Investments

### Classification

The Company has classified its investment portfolio except for investment in associate into 'held-to-maturity', 'held for trading' and 'available-for-sale' categories as follows:

- Held-to-maturity – These are securities with fixed or determinable payments and fixed maturity that are held with the intention and ability to hold till maturity.
- Held-for-trading – category represent investment acquired principally for the purpose of selling or repurchasing in the near term. The Company does not hold any portfolio which is held for trading.
- Available-for-sale – These are investments that do not fall under the Held-for-trading or Held-to-maturity categories.

### **Initial recognition**

All investments except for those classified as held for trading classified as above are initially recognised at fair value including acquisition charges associated with the investments. Acquisition charges for held for trading investments are charged to profit and loss account.

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

### **Subsequent measurement**

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

Investments classified as 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 the reduction 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.

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

Associates are those entities in which the company has significant influence, but does not have control, over the financial and operating policies. These financial statements include the company's share of total recognized gains and losses of associates on the equity accounting basis, from the date significant influence commences until the date that significant influence ceases. When the company's

share of losses exceeds its interest in an associate, the investment's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the company has incurred legal or constructive obligation.

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

For investments in Government securities, fair / market value is determined by reference to quotations obtained from Reuters page (PKRV) 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).

## **5.14 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. Assets having cost exceeding the minimum threshold as determined by the management are capitalized. All other assets are charged in the year of acquisition. Cost includes expenditure that is directly attributable to the acquisition of the asset.

### **Subsequent cost**

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.

### **Borrowing costs**

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

### **Depreciation**

Depreciation is charged to profit and loss account using the straight line method at the rates specified in note 22.3 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.

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

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

### **Gains and losses on disposal**

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

### **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.

### **Capital work in progress**

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

## **5.15 Other revenue recognition**

### **Mark-up / Interest**

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

### **Dividends**

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

### **5.16 Acquisition cost**

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

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

### **5.17 Takaful Operator's Fee**

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

### **5.18 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 investment income currently.

The assets and liabilities of foreign operations are translated into Pakistani rupees at exchange rates prevailing at the reporting date. The income and expense of foreign operations (associate) are translated at average rate of exchange for the year. Translation gains and losses arising on the translation of net investment in foreign associate are required to be recognised in other comprehensive income under "Exchange Translation Reserve" and is transferred to profit and loss account on its disposal as per IAS 21. However, the Company recorded exchange loss/gain in profit and loss account directly due to the fact that the format prescribed by SECP does not specify the Other Comprehensive Income statement and therefore, the Company has taken charge of related Other Comprehensive Income items in Profit and Loss Account.

### **5.19 Cash and cash equivalents**

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

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

## 5.20 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.

## 5.21 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.

## 5.22 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 five operating segments for reporting purposes namely; Individual Life Unit Linked, Conventional business, Accident & Health business, Overseas Group Life and Health business, and the Window Takaful Operations. The details of all operating segments are described in note 5.1 to these financial statements.

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

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

### **5.23 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.

### **5.24 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.

### **5.25 Dividend and appropriation to reserves**

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

### **5.26 Derivative Financial Instruments**

Derivative that do not qualify for hedge accounting are recognized in the Balance Sheet at estimated fair value with corresponding effect in the Profit and Loss Account. Derivative financial instruments are carried as assets when fair value is positive, and as liabilities when fair value is negative.

### **5.27 Borrowings**

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

**6 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**

2017	2016		2017	2016
..... (Number of shares in '000) .....			..... (Rupees in '000) .....	
<b>62,712</b>	62,712	Ordinary shares of Rs.10 each fully paid in cash	<b>627,120</b>	627,120
<b>16,619</b>	9,407	Ordinary shares of Rs.10 each issued as fully paid bonus shares	<b>166,187</b>	94,068
<b>79,331</b>	72,119		<b>793,307</b>	721,188

**6.1** As at December 31, 2017 Aga Khan Fund for Economic Development S.A., Switzerland and its nominees held 45,913,037 ordinary shares (2016: 41,739,128 ordinary shares) of Rs.10 each respectively.

**7 ANALYSIS OF ACCUMULATED SURPLUS AS SHOWN IN BALANCE SHEET**

	2017	2016
	..... (Rupees in '000) .....	
Accumulated surplus in statement of changes in equity at beginning of the year	<b>4,348,344</b>	3,189,049
Add: Profit for the year	<b>2,569,666</b>	2,107,898
Less: Dividend	<b>(1,067,358)</b>	(973,603)
Less: Issue of bonus shares	<b>(72,119)</b>	-
Accumulated surplus in statement of changes in equity ignoring effect of capital transfers at end of the year	<b>5,778,533</b>	4,323,344
Capital withdrawn from statutory fund - net	<b>130,000</b>	50,000
Capital transfers to statutory fund - net	<b>(55,000)</b>	(25,000)
Accumulated surplus	<b>5,853,533</b>	4,348,344

## 8 MOVEMENT IN EQUITY OF STATUTORY FUND

	Statutory Funds							Aggregate	
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life and Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
	(Rupees in '000)								
<b>Policyholders' liabilities / Technical reserves</b>									
Balance at beginning of the year	88,071,291	436,800	769,688	-	1,079,690	1,095	16,515	<b>90,375,079</b>	60,290,220
Increase / (decrease) during the year	9,015,874	(46,177)	245,681	-	3,607,212	2,259	19,795	<b>12,844,644</b>	30,084,859
Balance at end of the year - note 9	<b>97,087,165</b>	<b>390,623</b>	<b>1,015,369</b>	<b>-</b>	<b>4,686,902</b>	<b>3,354</b>	<b>36,310</b>	<b>103,219,723</b>	<b>90,375,079</b>
<b>Retained earnings on other than participating business</b>									
Balance at beginning of the year	1,364,390	328,295	721,357	55,261	123,549	(94)	3,391	<b>2,596,149</b>	1,664,971
Surplus / (deficit) for the year	3,125,830	195,108	423,198	15,714	400,936	732	(18,171)	<b>4,143,347</b>	3,616,178
Surplus appropriated to shareholders' fund	(2,675,000)	(30,000)	(160,000)	-	(300,000)	-	-	<b>(3,165,000)</b>	(2,685,000)
Balance at end of the year - note 8.1	<b>1,815,220</b>	<b>493,403</b>	<b>984,555</b>	<b>70,975</b>	<b>224,485</b>	<b>638</b>	<b>(14,780)</b>	<b>3,574,496</b>	<b>2,596,149</b>
<b>Capital contributed by shareholders' fund</b>									
Balance at beginning of the year	-	-	-	50,000	130,000	10,000	35,000	<b>225,000</b>	250,000
Money ceded to Waqf	-	-	-	-	500	-	-	<b>500</b>	500
Capital contributed during the year	-	-	-	-	-	30,000	25,000	<b>55,000</b>	25,000
Capital returned to Shareholders' fund	-	-	-	-	(130,000)	-	-	<b>(130,000)</b>	(50,000)
Qard-e-Hasna returned to Operators' Sub Fund by PTF	-	-	-	-	12,000	-	-	<b>12,000</b>	-
Qard-e-Hasna returned by PTF to Operators' Sub Fund	-	-	-	-	(12,000)	-	-	<b>(12,000)</b>	-
Qard-e-Hasna received by PTF from Operators' Sub Fund	-	-	-	-	-	23,000	-	<b>23,000</b>	31,000
Qard-e-Hasna paid by Operators' Sub Fund to PTF	-	-	-	-	-	(23,000)	-	<b>(23,000)</b>	(31,000)
Balance at end of the year	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>500</b>	<b>40,000</b>	<b>60,000</b>	<b>150,500</b>	<b>225,500</b>
Balance of statutory fund at end of the year	<b>98,902,385</b>	<b>884,026</b>	<b>1,999,924</b>	<b>120,975</b>	<b>4,911,887</b>	<b>43,992</b>	<b>81,530</b>	<b>106,944,719</b>	<b>93,196,728</b>

8.1 Balances in retained earnings are principally maintained in accordance with the SEC Insurance Rules, 2002 to meet solvency margins.

## 9 POLICYHOLDERS' LIABILITIES / TECHNICAL RESERVES'

	Statutory Funds							Aggregate	
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life and Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
							(Rupees in '000)		
<b>Gross of reinsurance / retakaful</b>									
Actuarial liability relating to future events	96,560,392	326,531	706,663	-	4,673,615	6,295	30,159	102,303,655	89,567,121
Provision for outstanding reported claims payable over a period exceeding twelve months	363,483	120,944	-	-	8,592	-	-	493,019	430,362
Provision for incurred but not reported claims	298,681	194,329	316,501	465	50,002	2,348	6,151	868,477	721,077
	<b>97,222,556</b>	<b>641,804</b>	<b>1,023,164</b>	<b>465</b>	<b>4,732,209</b>	<b>8,643</b>	<b>36,310</b>	<b>103,665,151</b>	<b>90,718,560</b>
<b>Net of reinsurance / retakaful</b>									
Actuarial liability relating to future events	96,512,668	137,452	703,007	-	4,643,051	2,238	30,159	102,028,575	89,364,072
Provision for outstanding reported claims payable over a period exceeding twelve months	363,483	120,944	-	-	8,592	-	-	493,019	430,362
Provision for incurred but not reported claims	211,014	132,227	312,362	-	35,259	1,116	6,151	697,664	580,645
	<b>97,087,165</b>	<b>390,623</b>	<b>1,015,369</b>	<b>-</b>	<b>4,686,902</b>	<b>3,354</b>	<b>36,310</b>	<b>103,219,258</b>	<b>90,375,079</b>

## 10 LONG TERM LOAN

Habib Bank Limited

Notes	2017	2016
	(Rupees in '000)	
10.1	1,500,000	-

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

## 11 STAFF RETIREMENT BENEFITS

### 11.1 Defined benefit plan

**11.1.1** As stated in note 5.8, the Company operates an approved funded gratuity scheme for all permanent employees who have completed minimum qualifying eligible service of 5 years.

**11.1.2** Plan assets held in trust are governed by local regulations which mainly include Trust Act, 1882; the Companies Act, 2017, the 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 scheme as at December 31, 2017 was carried out using the Projected Unit Credit Method. The results of actuarial valuation are as follows:

#### 11.1.4 Balance sheet reconciliation

Present value of defined benefit obligation at December 31 - note 11.1.5  
 Fair value of plan assets at December 31 - note 11.1.6  
 Deficit / (surplus)

	2017	2016
	..... (Rupees in '000) .....	
	<b>380,127</b>	306,415
	<b>(350,720)</b>	(288,140)
	<b>29,407</b>	18,275
	<hr/>	
	<b>306,415</b>	248,773
	<b>(6,171)</b>	(18,321)
	<b>43,720</b>	33,554
	<b>1,913</b>	6,510
	<b>28,802</b>	23,960
	<b>5,448</b>	11,939
	<b>380,127</b>	306,415
	<hr/>	
	<b>288,140</b>	227,439
	<b>57,918</b>	55,313
	<b>(6,171)</b>	(18,321)
	<b>29,831</b>	24,623
	<b>(18,998)</b>	(914)
	<b>350,720</b>	288,140

#### 11.1.5 Movement in present value of defined benefit obligation

Balance as at January 1  
 Benefits paid by the plan  
 Current service cost  
 Past service cost  
 Interest cost  
 Remeasurement loss on obligation  
 Closing balance

#### 11.1.6 Movement in fair value of plan assets

Balance at January 1  
 Contributions paid into the plan  
 Benefits paid by the plan  
 Interest income  
 Remeasurement (loss) / gain  
 Balance at December 31

**11.1.7 Expense recognised in profit and loss account**

Current service cost  
Past service cost  
Net interest cost  
Experience losses

2017	2016
(Rupees in '000)	
43,720	33,554
1,913	6,510
(1,029)	(662)
24,446	12,852
<b>69,050</b>	<b>52,254</b>

**11.1.8 Net recognised liability / (asset)**

Net liability / (asset) at beginning of the year  
Expense recognised in profit and loss account  
Contribution made to the fund

18,275	21,334
69,050	52,254
(57,918)	(55,313)
<b>29,407</b>	<b>18,275</b>

**11.1.9 Plan assets comprise of the following:**

Government Securities  
Mutual Funds  
Cash and others

2017		2016	
(Rupees in '000)	%	(Rupees in '000)	%
283,120	80.73	233,691	81.10
35,996	10.26	42,867	14.88
31,604	9.01	11,582	4.02
<b>350,720</b>	<b>100.00</b>	<b>288,140</b>	<b>100.00</b>

**11.1.10 Actuarial assumptions**

Discount rate at December 31  
Future salary increases

2017	2016
%	%
9.50	9.50
9.50	9.50

**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 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 2018 is expected to amount to Rs.50.14 million (2017: Rs.39.64 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.

#### **11.1.14 Sensitivity analysis for actuarial assumptions**

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

	<b>Impact on defined benefit obligation</b>		
	<b>Change in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>
	..... (Rupees in '000) .....		
Discount rate at December 31	1%	(40,248)	47,386
Future salary increases	1%	47,509	(41,095)

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

The above sensitivity analysis is 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.

**11.1.15 Historical information**

	2017	2016	2015	2014	2013
	(Rupees in '000)				
Defined benefit obligation	380,127	306,415	248,773	194,035	142,882
Fair value of plan assets	(350,720)	(288,140)	(227,439)	(202,237)	(106,416)
(Deficit) / surplus	(29,407)	(18,275)	(21,334)	8,202	(36,466)
<b>Experience adjustments</b>					
Loss on obligation	5,448	11,939	15,737	15,564	29,614
(Loss) / gain on plan assets	(18,998)	(914)	(4,939)	(3,956)	(2,654)

**11.1.16** The weighted average duration of the defined benefit obligation is 12 years.

**11.2 Defined Contribution Plan**

The Company's contributions towards the provident fund for the year ended December 31, 2017 amounted to Rs.53.02 million (2016: Rs.44.44 million).

**12 OUTSTANDING CLAIMS**

	2017			2016		
	Gross	Re-insurance	Net	Gross	Re-insurance	Net
	(Rupees in '000)					
<b>Individual Life Unit Linked</b>						
<b>Notified claims at beginning of the year</b>	289,778	(14,730)	275,048	191,495	(8,374)	183,121
Cash paid for claims settled in the year	(9,972,966)	18,068	(9,954,898)	(6,916,874)	241,483	(6,675,391)
Increase / (decrease) in liabilities:						
Arising from current year claims	10,116,330	(302,621)	9,813,709	7,173,578	(252,246)	6,921,332
Arising from prior year claims	(46,359)	14,860	(31,499)	(158,421)	4,407	(154,014)
<b>Notified claims at end of the year</b>	<b>386,783</b>	<b>(284,423)</b>	<b>102,360</b>	<b>289,778</b>	<b>(14,730)</b>	<b>275,048</b>
<b>Conventional Business</b>						
<b>Notified claims at beginning of the year</b>	374,190	100,910	475,100	340,061	(6,171)	333,890
Cash paid for claims settled in the year	(1,305,854)	559,350	(746,504)	(1,199,382)	591,054	(608,328)
Increase / (decrease) in liabilities:						
Arising from current year claims	1,692,960	(675,478)	1,017,482	1,243,477	(489,645)	753,832
Arising from prior year claims	(88,359)	6,852	(81,507)	(9,966)	5,672	(4,294)
<b>Notified claims at end of the year</b>	<b>672,937</b>	<b>(8,366)</b>	<b>664,571</b>	<b>374,190</b>	<b>100,910</b>	<b>475,100</b>

	2017			2016		
	Gross	Re-insurance	Net	Gross	Re-insurance	Net
	(Rupees in '000)					
<b>Accident &amp; Health Business</b>						
<b>Notified claims at beginning of the year</b>	<b>304,395</b>	<b>(4,798)</b>	<b>299,597</b>	257,685	(4,809)	252,876
Cash paid for claims settled in the year	(2,147,707)	36,299	(2,111,408)	(1,910,076)	52,324	(1,857,752)
Increase / (decrease) in liabilities:						
Arising from current year claims	2,498,487	(66,259)	2,432,228	1,998,672	(53,715)	1,944,957
Arising from prior year claims	(146,381)	2,961	(143,420)	(41,886)	1,402	(40,484)
<b>Notified claims at end of the year</b>	<b>508,794</b>	<b>(31,797)</b>	<b>476,997</b>	<b>304,395</b>	<b>(4,798)</b>	<b>299,597</b>
<b>Overseas Group Life and Health Business</b>						
<b>Notified claims at beginning of the year</b>	<b>31,301</b>	<b>(45)</b>	<b>31,256</b>	13,755	(520)	13,235
Cash paid for claims settled in the year	(26,900)	9,224	(17,676)	(1,561)	10,462	8,901
Increase / (decrease) in liabilities:						
Arising from current year claims	18,610	(8,332)	10,278	19,107	(11,705)	7,402
Arising from prior year claims	-	(488)	(488)	-	1,718	1,718
<b>Notified claims at end of the year</b>	<b>23,011</b>	<b>359</b>	<b>23,370</b>	<b>31,301</b>	<b>(45)</b>	<b>31,256</b>
<b>Individual Family Takaful</b>						
<b>Notified claims at beginning of the year</b>	<b>2,852</b>	<b>-</b>	<b>2,852</b>	-	-	-
Cash paid for claims settled in the year	(102,304)	26,864	(75,440)	(485)	500	15
Increase / (decrease) in liabilities:						
Arising from current year claims	134,485	(27,320)	107,165	3,337	(500)	2,837
Arising from prior year claims	366	-	366	-	-	-
<b>Notified claims at end of the year</b>	<b>35,399</b>	<b>(456)</b>	<b>34,943</b>	<b>2,852</b>	<b>-</b>	<b>2,852</b>
<b>Group Family Takaful</b>						
<b>Notified claims at beginning of the year</b>	<b>234</b>	<b>-</b>	<b>234</b>	-	-	-
Cash paid for claims settled in the year	(30,940)	21,861	(9,079)	(30)	132	102
Increase / (decrease) in liabilities:						
Arising from current year claims	51,442	(26,441)	25,001	264	(132)	132
Arising from prior year claims	31	15	46	-	-	-
<b>Notified claims at end of the year</b>	<b>20,767</b>	<b>(4,565)</b>	<b>16,202</b>	<b>234</b>	<b>-</b>	<b>234</b>

	2017			2016		
	Gross	Re-insurance	Net	Gross	Re-insurance	Net
	(Rupees in '000)					
<b>Accident &amp; Health Family Takaful</b>						
<b>Notified claims at beginning of the year</b>	10,405	-	10,405	94	-	94
Cash paid for claims settled in the year	(83,483)	-	(83,483)	(30,119)	-	(30,119)
Increase / (decrease) in liabilities:						
Arising from current year claims	89,771	-	89,771	40,430	-	40,430
Arising from prior year claims	(360)	-	(360)	-	-	-
<b>Notified claims at end of the year</b>	<b>16,333</b>	<b>-</b>	<b>16,333</b>	<b>10,405</b>	<b>-</b>	<b>10,405</b>

## 12.1 UNCLAIMED INSURANCE BENEFIT

Circular 11 of 2014 dated May 19, 2014 issued by the Securities and Exchange Commission of Pakistan (SECP) has established requirement for all insurers to disclose age-wise break up of unclaimed insurance benefits in accordance with format prescribed in the annexure to the said circular.

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

	Age-wise break up					
	Total Amount	1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months
	(Rupees in '000)					
Unclaimed maturity benefits	16,561	7,692	7,798	212	859	-
Unclaimed death benefits	-	-	-	-	-	-
Unclaimed disability benefits	-	-	-	-	-	-
Claims not encashed	10,864	1,474	4,541	3,076	216	1,557
Other unclaimed benefits	-	-	-	-	-	-
<b>Total</b>	<b>27,425</b>	<b>9,166</b>	<b>12,339</b>	<b>3,288</b>	<b>1,075</b>	<b>1,557</b>

## 13 STATUTORY DEPOSITS

The Company has deposited 20 years Pakistan Investment Bonds amounting to Rs.86 million (2016: Rs.86 million) with the State Bank of Pakistan under section 29 of the Insurance Ordinance, 2000.

## 14 OTHER CREDITORS AND ACCRUALS

	Statutory Funds							Aggregate		
	Share holders' Fund	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life and Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
	(Rupees in '000)									
Sundry creditors	43,419	357,617	4,374	19,038	-	23,571	35	137	448,191	181,723
Withholding tax payable	170	34,963	558	1,282	-	14,189	49	375	51,586	62,514
Zakat payable	-	667	-	-	-	-	-	-	667	922
	<b>43,589</b>	<b>393,247</b>	<b>4,932</b>	<b>20,320</b>	<b>-</b>	<b>37,760</b>	<b>84</b>	<b>512</b>	<b>500,444</b>	<b>245,159</b>

## 15 DERIVATIVE FINANCIAL INSTRUMENT

	Note	2017	2016
		(Rupees in '000)	
Unrealised loss on derivative financial instrument	15.1	<b>27,193</b>	-

**15.1** The Company had entered into an interest rate swap arrangement whereby the Company has converted the PKR floating rate liability as discussed in note 10.1 into fixed rate liability. The notional amount against interest rate swap amounted to Rs.1,500 million.

## 16 CONTINGENCIES & COMMITMENTS

### 16.1 Contingencies

#### 16.1.1 Income tax assessments

During the year 2017, the tax authorities issued notices to the Company showing intention to enhance the assessments of the Company for the Tax Years 2011, 2014, 2015 and 2016 and thereafter, proceeded to pass assessment orders under section 122(5A) of the Income Tax Ordinance, 2001, raising tax demands of Rs. 2 million, Rs.108.72 million, Rs.112.74 million, and Rs.79.8 million respectively, mainly by taxing the dividend income at corporate tax rate on account of one basket income rule. It is pertinent to mention that by virtue of an amendment through the Finance Act, 2016, Rule 6B of the Fourth Schedule to the Income Tax Ordinance, 2001, was amended, whereby in determining the income under the Fourth Schedule, dividend income and capital gains in the profit and loss account of the insurer have become taxable at the corporate tax rate. The subsequent amendment in the law substantiated the Company's contention that prior to July 1, 2016, these heads of income were taxable at the lower rates prescribed for them. In addition, the ACIR also made certain arbitrary addbacks to income on account of difference between assumed market value, the sale value recovered from employees in respect of motor vehicles sold to them under Company Car Policy, disallowed provision for

doubtful debts in the Statutory Funds, disallowed provision for impairment in investments held by the Statutory Funds and write off of certain uncollectible receivables in the Statutory Funds, erred in the non-adjustment of determined refund of TY 2013 against the tax liability of TY 2015, and other such arbitrary addbacks/disallowances, including disallowance of money ceded to Waqf Fund upon the launch of Window Takaful Operations in TY 2016. The Company filed an appeal with the Commissioner Inland Revenue - Appeals (CIRA) against all the above addbacks/disallowances, and also obtained stay against the demands for TY 2014 through TY 2016 from the Hon'ble Sindh High Court, and by payment of 25% of the demand for TY 2011.

The CIRA passed orders in favor of Company's plea for TY 2014 through TY 2016 on all the above matters, other than provision of doubtful debts each for the TY 2015 and 2016, provision for impairment in value of shares, which were decided in favour of the tax department and write off of uncollectible receivables which was remanded back to the ACIR for reexamination for the TY 2016, of the statutory Funds. The Company has filed an appeal in the Appellate Tribunal Inland Revenue (ATIR) on these issues, as the treatment is not in line with the 4th Schedule of the Income Tax Ordinance, 2001. The tax authorities have also filed an appeal in the ATIR, challenging the orders passed by CIRA on the issue of chargeability of dividend income under general corporate rate of tax each for the TY 2014 through TY 2016, against deleting addition on account of estimation of fair market value of vehicles sold to employees each for the TY 2015 and TY 2016, and money ceded to the Waqf Fund u/s 21(h) of the Ordinance for the TY 2016. No provision has been made in these accounts, as the Company is confident that the final outcome will be in its favor. For TY 2011, the outcome of the appeal is pending.

### 16.1.2 Sindh Sales Tax on Corporate Health Insurance

The exemption of health insurance from the scope and applicability of Sindh Sales Tax on Services (SST) under the Sindh Sales Tax Act, 2011, granted by the Sindh Revenue Board (SRB), vide notification no. SRB 3-4/7/2013 dated June 13, 2013 and renewed on annual basis, lapsed on July 1, 2016. The matter for renewal of the exemption was taken up at the collective level of the Insurance Association of Pakistan with the SRB through its tax consultants, and, vide notification no. 3-4/3/2017 dated January 12, 2017, the SRB restricted the exemption available to cover only individual health insurance, and made corporate health insurance taxable with effect from July 1, 2016. The insurance industry has since thereafter taken up the matter again with the SRB. In view of the fact that the matter is still under the process of review, the Company and other life / health insurance companies carrying out corporate health insurance have not yet billed their customers for SST for the period from July 1, 2016 to December 31, 2017. The amount not yet billed by the Company works out to Rs.422.33 million (2016: Rs.141.97 million) for the period July 1, 2016 to December 31, 2017 and will be recoverable from the customers.

### 16.2 Commitments in respect of capital expenditure

Not later than one year

2017	2016
..... (Rupees in '000) .....	
<b>31,448</b>	<b>77,069</b>

## 17 CASH AND BANK DEPOSITS

Notes	2017	2016
	(Rupees in '000)	
	42,943	43,308
17.1	4,808,551	4,175,024
	41,681	185,729
	4,850,232	4,360,753
17.2	11,127,000	8,927,000
	16,020,175	13,331,061

17.1 These carry mark-up ranging from 2.95% to 6.6% (2016: 2.95% to 6.05%) per annum.

17.2 The rate of return on these term deposit receipts range between 5.80% to 9.00% (2016 : 5.53% to 11.00%) per annum and will mature between January 20, 2018 and December 26, 2018.

## 18 INVESTMENTS

### 18.1 Government securities

	Statutory Funds							Aggregate		
	Share holders' Fund	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life and Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
(Rupees in '000)										
<b>Held-to-maturity</b>										
20 years Pakistan Investment Bonds	-	-	-	9,966	-	-	-	-	9,966	9,963
15 years Pakistan Investment Bonds	9,990	-	-	-	-	-	-	-	9,990	9,982
	9,990	-	-	9,966	-	-	-	-	19,956	19,945
<b>Available-for-sale</b>										
20 years Pakistan Investment Bonds	-	54,815	36,074	-	-	-	-	-	90,889	91,286
10 years Pakistan Investment Bonds	41,048	-	-	-	-	-	-	-	41,048	93,453
5 years Pakistan Investment Bonds	29,310	6,604,483	-	251,061	-	-	-	-	6,884,854	7,292,845
3 years Pakistan Investment Bonds	652,388	8,878,180	641,303	276,399	-	-	-	-	10,448,270	14,782,494
3 years GoP Ijarah Sukuks	-	249,850	-	-	-	2,437,272	41,886	50,265	2,779,273	153,970
8 years Wapda Sukuk Bonds	-	170,160	-	-	-	-	-	-	170,160	212,572
1 year Treasury Bills	808,930	-	-	-	-	-	-	-	808,930	7,800,530
6 months Treasury Bills	1,695,912	20,654,364	144,431	889,589	74,649	-	-	-	23,458,945	10,319,030
3 months Treasury Bills	614,212	10,086,612	198,510	496,510	39,703	-	-	-	11,435,547	2,877,881
	3,841,800	46,698,464	1,020,318	1,913,559	114,352	2,437,272	41,886	50,265	56,117,916	43,624,061
	3,851,790	46,698,464	1,020,318	1,923,525	114,352	2,437,272	41,886	50,265	56,137,872	43,644,006
Provision for impairment in value of investments - note 18.1.1	(515)	(304)	(163)	(208)	(13)	(1,332)	(27)	(114)	(2,676)	(3,779)
	<b>3,851,275</b>	<b>46,698,160</b>	<b>1,020,155</b>	<b>1,923,317</b>	<b>114,339</b>	<b>2,435,940</b>	<b>41,859</b>	<b>50,151</b>	<b>56,135,196</b>	<b>43,640,227</b>

## 18.1.1 Reconciliation of provision

	Statutory Funds							Aggregate		
	Share holders' Fund	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life and Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
	(Rupees in '000)									
Balance at beginning of the year (Reversal) / provision for impairment in value of investments	921	416	1,528	815	99	-	-	-	3,779	217
Balance at end of the year	(406)	(112)	(1,365)	(607)	(86)	1,332	27	114	(1,103)	3,562
	<b>515</b>	<b>304</b>	<b>163</b>	<b>208</b>	<b>13</b>	<b>1,332</b>	<b>27</b>	<b>114</b>	<b>2,676</b>	<b>3,779</b>

## 18.1.2 Particulars of government securities

Name of the investments	Maturity	Tenor (Years)	Principal payment	Coupon rate p.a. (%)	Coupon payment
<b>Held-to-maturity</b>					
Pakistan Investment Bonds	January 2019 - January 2024	15-20 years	On maturity	9-10	Half-yearly
<b>Available-for-sale</b>					
WAPDA Sukuk Bond	October 2021	8 years	Half-yearly	7.17	Half-yearly
Government of Pakistan - Ijarah Sukuks	February 2019 - June 2020	3 years	On maturity	5.24-6.10	Half-yearly
Pakistan Investment Bonds	March 2018 - January 2024	3-20 years	On maturity	8.75-12.00	Half-yearly
Treasury Bills	April 2018	1 year	On maturity	6.02	On maturity
Treasury Bills	January 2018 - May 2018	3-6 months	On maturity	6.00-6.03	On maturity

## 18.2 Other fixed income securities

## 18.2.1 Available-for-sale

	Statutory Funds							Aggregate		
	Share holders' Fund	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life and Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
	(Rupees in '000)									
Term Finance Certificates	-	726,034	-	-	-	-	-	-	726,034	736,357
Sukuk Certificates	-	247,398	-	-	-	215,733	-	-	463,131	275,283
Less: Provision for impairment in value of investments (note 18.2.2)	-	973,432	-	-	-	215,733	-	-	1,189,165	1,011,640
	-	-	-	-	-	(447)	-	-	(447)	(479)
	-	<b>973,432</b>	-	-	-	<b>215,286</b>	-	-	<b>1,188,718</b>	<b>1,011,161</b>

## 18.2.2 Reconciliation of provision

	Statutory Funds							Aggregate		
	Share holders' Fund	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life and Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
	(Rupees in '000)									
Balance at beginning of the year (Reversal) / provision for impairment in value of investments	-	-	-	-	-	479	-	-	479	-
Balance at end of the year	-	-	-	-	-	447	-	-	447	479

### Particulars of other fixed income securities

	Market Value as at		Maturity year	Tenor (years)	Current Rate of profit p.a. (%)	Profit payment
	December 31, 2017	December 31, 2016				
(Rupees in '000)						
<b>Term Finance Certificates</b>						
Askari Bank Limited	25,028	25,442	2024	10 years	7.36	Half-yearly
Bank Al-Falah Limited	264,119	266,431	2021	8 years	7.40	Half-yearly
Soneri Bank Limited	436,887	444,484	2023	8 years	7.49	Half-yearly
	<b>726,034</b>	<b>736,357</b>				
<b>Sukuk Certificates</b>						
<b>Individual Life Unit Linked</b>						
Hascal Petroleum Limited	201,385	238,427	2022	6 years	7.66	Quarterly
K-Electric Limited (Fourth Issue)	46,013	-	2022	7 years	7.17	Quarterly
	<b>247,398</b>	<b>238,427</b>				
<b>Individual Life Family Takaful</b>						
Albaraka Bank (Pakistan) Limited	8,424	11,089	2021	7 years	7.42	Half-yearly
K-Electric Limited (Fourth Issue)	69,163	25,767	2022	7 years	7.17	Quarterly
Meezan Bank Limited - Tier II	67,926	-	2026	10 years	6.65	Half-yearly
Engro Fertilizer Limited	28,673	-	2019	5 years	7.89	Half-yearly
Fatima Fertilizer Company Limited	41,100	-	2021	5 years	7.28	Half-yearly
	<b>215,286</b>	<b>36,856</b>				

### 18.3 Listed equities, closed-ended and open-ended mutual funds

Note	Share holders' Fund	Statutory Funds							Aggregate		
		Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life and Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016	
(Rupees in '000)											
<b>Available-for-sale</b>											
	Ordinary shares and units of closed-ended mutual funds	199,841	39,709,939	46,085	32,259	-	1,522,675	-	-	41,510,799	39,807,991
	Less: Provision for impairment in value of investments	-	(118,204)	-	-	-	-	-	-	(118,204)	-
18.3.2		<b>199,841</b>	<b>39,591,735</b>	<b>46,085</b>	<b>32,259</b>	<b>-</b>	<b>1,522,675</b>	<b>-</b>	<b>-</b>	<b>41,392,595</b>	39,807,991
	Units of open-ended mutual funds	-	-	-	-	-	-	-	-	-	1,394,760
		<b>199,841</b>	<b>39,591,735</b>	<b>46,085</b>	<b>32,259</b>	<b>-</b>	<b>1,522,675</b>	<b>-</b>	<b>-</b>	<b>41,392,595</b>	41,202,751

#### 18.3.1 Reconciliation of provision

Balance at beginning of the year	-	-	-	-	-	-	-	-	-	-	-
Provision for impairment in value of investments	-	118,204	-	-	-	-	-	-	-	118,204	-
Balance at end of the year	-	<b>118,204</b>	-	-	-	-	-	-	-	<b>118,204</b>	-

**18.3.2** Government Securities, Other fixed income securities and Listed equities and closed-ended mutual funds held under Shareholders' Fund and non-linked funds are stated at lower of cost and market value, the market value of which was Rs.4,094.37 million and Rs.6,273.17 million (December 31, 2016: Rs.3,988.16 million and Rs.4,980.67 million) respectively.

**18.3.3** 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.

## 18.4 Investment in an associate

### 18.4.1 Particulars of investment in an associate - unquoted

Number of shares		Face value per share (KGS)	Name of associate	Nature of Activities	Main area of Operations	Percentage of holding	2017	2016
2017	2016						... (Rupees in '000) ...	
<b>29,250,000</b>	<u>29,250,000</u>	1	Jubilee Kyrgyzstan Insurance Company - CJSC (Incorporated outside Pakistan)	Insurance	Kyrgyzstan	19.5	<b>97,627</b>	<u>86,114</u>

Jubilee Kyrgyzstan Insurance Company (JKIC), Closed Joint Stock Company (CJSC) is considered as an associate because of significant influence the Company is able to exercise over its management and its financial and operating policies. Significant influence is evidenced largely through the representation on the board of directors of the company and participation in the decisions over its financial and operating policies.

**18.4.2** In 2014, the Company invested Rs.43.88 million to acquire 19.5% holding in Jubilee Kyrgyzstan Insurance Company (JKIC), a Closed Joint Stock Company (CJSC). In 2016, the Company made additional investment of Rs.29.187 million to subscribe to 19,143,309 right shares after obtaining necessary approvals from the members of the Company, and the State Bank of Pakistan.

The Break-up value of investment as at December 31, 2017 is Rs.3.10 per share (2016: Rs.2.72 per share). The Company has assessed the recoverable amount of investment in JKIC based on value in use calculation. This calculation has been made on the discounted cash flow methodology considering certain assumptions. Based on valuation, the recoverable amount exceeds the carrying amount and accordingly, no impairment has been recorded.

### 18.4.3 Movement of investment in associate

Balance as at January 1, 2017  
Investment made during the year  
Share in profit for the year  
Dividend received  
  
Exchange gain  
Balance as at December 31, 2017

	2017	2016
	..... (Rupees in '000) .....	
	<b>86,114</b>	51,009
	-	29,187
	<b>8,971</b>	3,284
	<b>(2,988)</b>	-
	<b>92,097</b>	83,480
	<b>5,530</b>	2,634
	<b>97,627</b>	<u>86,114</u>

**18.4.4** Following information has been summarized based on financial statements of Jubilee Kyrgyzstan Insurance Company (JKIC) as at December 31, 2017. The functional and presentation currency of JKIC is Kyrgyz Som. All assets and liabilities for each statement of financial position presented (i.e. including comparatives) have been translated at the closing rate at the date of financial statements and all income and expenses for each statement presenting profit and loss (i.e. including comparatives) have been translated at average rate.

	2017	2016
	(Rupees in '000)	
Total assets	<b>597,777</b>	560,050
Total liabilities	<b>133,180</b>	151,876
Net assets	<b>464,597</b>	408,174
Share of net asset	<b>90,596</b>	79,594
Revenue	<b>66,878</b>	62,718
Profit after tax	<b>46,004</b>	16,843

## 18.5 Movement in investments

	Statutory Fund																Total	
	Shareholders' Fund		Individual Life Unit Linked		Conventional Business		Accident & Health Business		Overseas Group Life and Health Business		Individual Family Takaful		Group Family Takaful		Accident & Health Family Takaful			
	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	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, 2016	9,975	3,220,720	-	53,714,977	-	779,773	9,959	1,194,249	-	67,229	-	2,151	-	-	-	-	-	58,999,033
Movement during the year:																		
Additions	-	3,511,365	-	51,902,610	-	876,249	-	2,016,463	-	140,168	-	633,075	-	7,227	-	-	22,713	59,109,870
Disposals (sale and redemptions)	-	(3,333,100)	-	(33,664,225)	-	(758,034)	-	(1,806,742)	-	(110,738)	-	(81,868)	-	-	-	-	-	(39,754,707)
Amortisation of discount / (premium)	7	(29,118)	-	(219,651)	-	(9,966)	3	(10,498)	-	(1,215)	-	-	-	-	-	-	-	(270,438)
Impairment (losses) / reversal	-	(837)	-	(383)	-	(1,514)	-	(728)	-	(99)	-	(479)	-	-	-	-	-	(4,040)
Unrealised gain	-	-	-	7,806,380	-	-	-	-	-	-	-	51,521	-	-	-	-	-	7,857,901
Exchange loss	-	2,634	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,634
As at December 31, 2016	9,982	3,371,664	-	79,539,708	-	886,508	9,962	1,392,744	-	95,345	-	604,400	-	7,227	-	-	22,713	85,940,253
Movement during the year:																		
Additions	-	9,962,390	-	120,900,168	-	982,326	-	3,911,162	-	266,125	-	4,685,549	-	35,903	-	-	29,112	140,772,735
Disposals (sale and redemptions)	-	(9,195,740)	-	(100,825,322)	-	(787,937)	-	(3,350,848)	-	(247,217)	-	(890,210)	-	(1,032)	-	-	(1,032)	(115,299,338)
Amortisation of discount / (premium)	8	(14,468)	-	(199,150)	-	(16,022)	4	(8,055)	-	-	-	(8,221)	-	(212)	-	-	(528)	(246,644)
Impairment (losses) / reversal	-	406	-	(118,092)	-	1,365	-	607	-	86	-	(1,301)	-	(27)	-	-	(114)	(117,070)
Unrealised gain	-	-	-	(12,033,985)	-	-	-	-	-	-	-	(216,316)	-	-	-	-	-	(12,250,301)
Exchange loss	-	14,501	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,501
As at December 31, 2017	<b>9,990</b>	<b>4,138,753</b>	<b>-</b>	<b>87,263,327</b>	<b>-</b>	<b>1,066,240</b>	<b>9,966</b>	<b>1,945,610</b>	<b>-</b>	<b>114,339</b>	<b>-</b>	<b>4,173,901</b>	<b>-</b>	<b>41,859</b>	<b>-</b>	<b>-</b>	<b>50,151</b>	<b>98,814,136</b>

## 19 DEFERRED TAXATION

### Deductible temporary difference on:

Difference between accounting book value of operating fixed assets and tax base  
Difference between accounting book value of derivative financial instrument and tax base

### Taxable temporary difference on:

Difference between accounting book value of investment in associate and tax base

2017	2016
(Rupees in '000)	
33,647	29,601
6,832	-
(7,368)	(3,915)
<b>33,111</b>	<b>25,686</b>

## 20 PREMIUMS / CONTRIBUTIONS DUE BUT UNPAID

	Statutory Funds					Aggregate		
	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accidental & Health Family Takaful	2017	2016
(Rupees in '000)								
Considered good								
Due from related parties - associates	65,567	15,008	20,570	-	-	-	101,145	80,091
Due from others	114,139	381,139	-	-	1,331	26,101	523,498	406,400
Considered doubtful	2,544	12,485	-	-	256	105	15,390	8,973
	<b>182,250</b>	<b>409,420</b>	<b>20,570</b>	<b>-</b>	<b>1,587</b>	<b>26,206</b>	<b>640,033</b>	<b>495,464</b>
Provision for bad & doubtful receivables - note 20.3	(2,544)	(12,485)	-	-	(256)	(105)	(15,390)	(8,973)
Net premiums / contributions due but unpaid	<b>179,706</b>	<b>396,935</b>	<b>20,570</b>	<b>-</b>	<b>1,331</b>	<b>26,101</b>	<b>624,643</b>	<b>486,491</b>

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

20.2 The carrying value of premiums / contributions due but unpaid which are past due but not impaired amounted to Rs.171.29 million (2016: Rs.77.47 million).

### 20.3 Reconciliation of provision

Balance at beginning of the year	1,268	7,410	-	-	1	294	8,973	5,536
(Reversal) / provision for bad and doubtful receivables	1,276	5,075	-	-	255	(189)	6,417	3,437
Balance at end of the year	<b>2,544</b>	<b>12,485</b>	<b>-</b>	<b>-</b>	<b>256</b>	<b>105</b>	<b>15,390</b>	<b>8,973</b>

**21 AMOUNTS DUE FROM INSURERS / REINSURERS**

	Statutory Funds						Aggregate		
	Individual life unit linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accidental & Health Family Takaful	2017	2016
	(Rupees in '000)								
Reinsurance recoveries against outstanding claims net of reinsurance premium payable	278,858	130,639	27,366	-	456	4,565	-	441,884	29,531
Other reinsurance assets	-	20,328	-	-	-	-	-	20,328	22,096
	<b>278,858</b>	<b>150,967</b>	<b>27,366</b>	<b>-</b>	<b>456</b>	<b>4,565</b>	<b>-</b>	<b>462,212</b>	<b>51,627</b>

**22 FIXED ASSETS**

	Note	2017	2016
	(Rupees in '000)		
Capital work-in- progress	22.1	2,408,052	152,983
Tangible assets	22.3	603,011	434,186
Intangible assets	22.5	247,597	147,422
		<b>3,258,660</b>	<b>734,591</b>
<b>22.1 Capital work in progress</b>			
Leasehold land and building	22.1.1	2,371,196	-
Others		36,856	152,983
		<b>2,408,052</b>	<b>152,983</b>

**22.1.1** This represents the cost of immovable property (leasehold) acquired by the Company during the year for the purpose of construction of its Head Office building thereon. Currently, the process of mutation is in progress. The property is mortgaged to Habib Bank Limited, a related party, as security against the long term finance facility obtained for this purpose. Following the acquisition of the immovable property, the Company has commenced the administrative work required for the upcoming construction of the building.

**22.1.2** During the year borrowing cost capitalized towards the CWIP leasehold land and building aggregated to Rs.67.77 million (2016: Nil).

## 22.2 Movement in capital work-in-progress

Opening balance

### Additions

Leasehold land and building

Others

Transfer to tangible operating assets

Closing balance

2017 2016

(Rupees in '000)

152,983	77,591
2,371,196	-
192,131	210,250
(308,258)	(134,858)
<b>2,408,052</b>	<b>152,983</b>

## 22.3 Tangible operating assets

### Net carrying value basis

#### Year ended December 31, 2017

Opening net book value (NBV)

### Additions

Disposals at NBV - note 22.4

Depreciation charge

Closing NBV

	Leasehold improvements	Furniture, fixtures and fittings	Office equipment	Computers	Motor vehicles	Total
	(Rupees in '000)					
Opening net book value (NBV)	90,548	45,394	56,364	70,091	171,789	434,186
Additions	56,802	43,758	19,438	150,908	134,827	405,733
Disposals at NBV - note 22.4	(13)	(133)	(209)	(1,866)	(8,933)	(11,154)
Depreciation charge	(42,787)	(30,136)	(20,072)	(75,654)	(57,105)	(225,754)
Closing NBV	<b>104,550</b>	<b>58,883</b>	<b>55,521</b>	<b>143,479</b>	<b>240,578</b>	<b>603,011</b>

### Gross carrying value basis

#### At December 31, 2017

Cost

Accumulated depreciation

NBV

Cost	280,334	222,238	177,642	361,950	393,473	1,435,637
Accumulated depreciation	(175,784)	(163,355)	(122,121)	(218,471)	(152,895)	(832,626)
NBV	<b>104,550</b>	<b>58,883</b>	<b>55,521</b>	<b>143,479</b>	<b>240,578</b>	<b>603,011</b>

### Net carrying value basis

#### Year ended December 31, 2016

Opening net book value (NBV)

Additions

Disposals at NBV

Depreciation charge

Closing NBV

Opening net book value (NBV)	89,444	45,589	30,433	65,361	163,590	394,417
Additions	39,128	22,017	44,765	50,195	64,704	220,809
Disposals at NBV	-	(48)	(200)	(431)	(10,345)	(11,024)
Depreciation charge	(38,024)	(22,164)	(18,634)	(45,034)	(46,160)	(170,016)
Closing NBV	<b>90,548</b>	<b>45,394</b>	<b>56,364</b>	<b>70,091</b>	<b>171,789</b>	<b>434,186</b>

### Gross carrying value basis

#### At December 31, 2016

Cost

Accumulated depreciation

NBV

Cost	224,146	183,876	161,114	236,277	285,521	1,090,934
Accumulated depreciation	(133,598)	(138,482)	(104,750)	(166,186)	(113,732)	(656,748)
NBV	<b>90,548</b>	<b>45,394</b>	<b>56,364</b>	<b>70,091</b>	<b>171,789</b>	<b>434,186</b>

Depreciation rate % per annum

20	20	20-33	30	20
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## 22.4 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
<b>Motor vehicles</b>	1,500	1,275	225	225	Company Policy	Mr. Muhammad Junaid Ahmed, House No. 28, Street No.4, Sector 3, HBCHS, Naval Colony Karachi.
	1,419	1,206	213	213	Company Policy	Mr. Akber Sultan, House No. 4A, Platinum Society, Lobo Street Garden West Karachi.
	1,250	1,062	188	188	Company Policy	Mr. Saleem Hashim, Flat No. N502, 5th Floor Zainab Plaza, Block-17, Gulshan-e-Iqbal, Karachi.
	1,750	1,487	263	263	Company Policy	Mr. Muhammad Kashif Nagvi, House No.SU-88, Askari-4, Rashid Minhas Road, Karachi.
	1,498	1,273	225	225	Company Policy	Mr. Inam Ul Haq, Bara Road Noudie, Payan Dist. Tehsil Peshawar.
	950	807	143	143	Company Policy	Mr. Asif Qureshi, House No. 490, Millatabad Orangi Town, Sector 1-D, Karachi.
	1,750	1,487	263	263	Company Policy	Mr. Fareed Mukhtar, Gate No. 3, PAF Colony, Zarrar Shaheed Road, House No. 26, Lahore Cantt.
	2,392	1,627	765	957	Company Policy	Mr. Adeel Ahmed Khan, House No. B-449, Block 13, FB Area, Karachi.
	3,500	1,835	1,665	1,983	Company Policy	Mr. Muhammad Munawar Khalil Shah, House No. 11C, 7th Street, DHA Phase-1, Karachi.
	1,192	1,013	179	179	Company Policy	Mr. Iqbal Hussain, House No. 1, Street No. 3, Sohan, New Azhar Town, Islamabad.
	1,500	1,275	225	186	Company Policy	Mr. Saqib Hayat Mirza, House No. B-286/2, Block No. 15, Gulistan-e-Johar, Karachi.
	1,500	871	629	925	Company Policy	Mr. Asif Ali, 412, Al-Azhar Garden, Scheme-33, Sector 35-B, Gulzar-e-Hijri, Karachi.
	1,000	785	215	150	Company Policy	Mr. Farooq Bari, Hosue No. A-185, Block 15, Gulistan-e-Johar, Karachi.
	2,000	85	1,915	1,900	Company Policy	Ms. Rubina Lakhani, Flat No. 6-A, Rahimabad Kot Building, Nistar Road, Garden West, Karachi.
	1,250	549	701	854	Company Policy	Mr. Mohammad Adil Iqbal, House No. L-57/58, Phase II, KDA Scheme 33, Gulzar-e-Hijri, Off Univeristy Road, Karachi.
	2,425	1,305	1,120	1,542	Company Policy	Mr. Atif Dildar Khan, 26-D, Kashmir Plaza, Jinnah Avenue, Blue Area, Islamabad.
<b>Furniture &amp; Fixture</b>	129	78	51	2	Auction	Mr. M. Aslam, Bara Market, Near Siraiki Chock, Bahawalpur.
<b>Office Equipment</b>	72	14	58	68	Insurance claim	Jubilee General Insurance Company Limited
<b>Computer</b>	3,014	1,479	1,535	1,535	Trade In	Premier System Services (Private) Limited, 2nd Floor, Business Plaza, Mumtaz Hassan Road, I.I. Chundrigar Road, Karachi.
<b>Net book value not exceeding Rs.50,000 each</b>						
Motor vehicles	1	-	1	567		
Computers	24,781	24,452	329	282		
Furniture, fixtures & fittings	2,570	2,485	85	157		
Office equipments	2,515	2,365	150	530		
Leasehold Improvements	581	570	11	10		
	60,539	49,385	11,154	13,347		

## 22.5 Intangible assets - computer software

### Net carrying value basis

Opening net book value (NBV)  
 Additions  
 Amortisation charge  
 Disposals at NBV  
 Closing NBV

### Gross carrying value basis

Cost  
 Accumulated amortisation  
 Closing NBV

Amortisation rate per annum

	2017	2016
	(Rupees in '000)	
	<b>147,422</b>	67,514
	<b>205,377</b>	125,237
	<b>(105,202)</b>	(45,295)
	-	(34)
	<b>247,597</b>	<b>147,422</b>
	<b>479,874</b>	277,965
	<b>(232,277)</b>	(130,543)
	<b>247,597</b>	<b>147,422</b>
	<b>30%</b>	30%

## 22.6 The depreciation and amortisation charge for the year has been allocated as under:

	Statutory Funds							Aggregate		
	Share holders' Fund	Individual Life Unit Linked	Conventional Business	Accident & Health	Overseas Group Life and Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
	(Rupees in '000)									
Administration expenses	9,922	207,684	11,051	16,949	435	20,389	643	1,035	<b>268,108</b>	164,572
Branch overheads	-	35,487	955	4,867	-	19,166	235	779	<b>61,489</b>	48,799
Sharing with an associated company	-	-	-	1,359	-	-	-	-	<b>1,359</b>	1,942
	<b>9,922</b>	<b>243,171</b>	<b>12,006</b>	<b>23,175</b>	<b>435</b>	<b>39,555</b>	<b>878</b>	<b>1,814</b>	<b>330,956</b>	215,313

## 22.7 The tangible assets (note 22.3) include items costing Rs.393.98 million (2016:Rs.299.58 million) which are fully depreciated as of December 31, 2017 but are still in active use.

**23 EXPENSES NOT ATTRIBUTABLE TO STATUTORY FUNDS**

Salaries, allowances and other benefits  
 Travelling expenses  
 Legal and professional charges  
 Depreciation  
 Amortisation  
 Advertisement and publicity  
 Auditors' remuneration  
 Donations  
 Miscellaneous

Note	2017	2016
	..... (Rupees in '000) .....	
	<b>33,451</b>	47,211
	<b>5,552</b>	5,293
	<b>11,933</b>	2,601
	<b>8,029</b>	6,179
	<b>1,893</b>	1,180
	<b>30,243</b>	20,007
29	<b>4,824</b>	983
23.2	<b>23,000</b>	16,500
	<b>20,688</b>	25,658
	<b>139,613</b>	125,612

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

**23.2** The above donations include a donation of Rs.0.5 million to the Aga Khan University Hospital, Stadium Road, P. O. Box 3500, Karachi, in which Mr. R. Zakir Mahmood, Director, is on the Board of Governors (2016: to other related party with common director: Rs.12.5 million).

**24 TAXATION**

For the year  
 Current  
 Prior years  
 Deferred

2017	2016
..... (Rupees in '000) .....	
<b>1,221,584</b>	968,247
<b>92,070</b>	81,049
<b>(7,425)</b>	(5,590)
<b>1,306,229</b>	1,043,706

**24.1 Relationship between tax expense and accounting profit**

Profit before tax

**3,875,895** 3,151,604

Tax at the applicable rate of 30% (2016: 31%)

**1,162,769** 976,997

Tax effect of dividend income being taxable at lower rate and Final Tax Regime

- -

Prior year tax

**92,070** 81,049

Others

**51,390** (14,340)

Tax expense for the year

**1,306,229** 1,043,706

Under section 5A of the Income Tax Ordinance, 2001, as per an amendment introduced through the Finance Act, 2017, for tax year 2017 and onwards, a tax has been imposed @ 7.5% of the accounting profit of every public company (excluding a banking company and a modaraba), that derives profits for a tax year but does not distribute at least 40% of its after tax profits within six months of the end of the tax year, either through cash dividend or bonus shares.

However, no provision has been made for this tax as the Company intends to distribute sufficient cash dividend for the year ended December 31, 2017, so that such tax is not required to be paid.

## 25. BASIC AND DILUTED EARNINGS PER SHARE

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

	Note	2017	2016
		..... (Rupees in '000) .....	
Profit after tax		<u>2,569,666</u>	<u>2,107,898</u>
		..... (Number of shares in '000) .....	
Weighted average number of ordinary shares outstanding as at year end		<u>79,331</u>	<u>79,331</u>
		..... (Rupees) .....	
Basic earnings per share	25.1	<u>32.39</u>	<u>26.57</u>

25.1 Earning per share for the year 2016 has been restated for the effect of bonus shares issued.

## 26 CASH AND CASH EQUIVALENTS

	Statutory Funds							Aggregate		
	Share holders' Fund	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life and Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
	(Rupees in '000)									
Cash at banks										
- in current accounts	23,750	17,462	469	-	-	-	-	-	41,681	185,729
- in savings accounts	950,722	2,782,016	160,511	210,709	11,498	649,550	17,064	26,481	4,808,551	4,175,024
	974,472	2,799,478	160,980	210,709	11,498	649,550	17,064	26,481	4,850,232	4,360,753
Term deposits having maturity of three months	-	3,350,000	-	50,000	-	300,000	-	-	3,700,000	1,650,000
Cash and stamps in hand	235	25,218	467	498	-	16,094	273	158	42,943	43,308
Cash & cash equivalents	974,707	6,174,696	161,447	261,207	11,498	965,644	17,337	26,639	8,593,175	6,054,061
<b>Reconciliation with balance sheet</b>										
Term deposits having maturity from three to twelve months	-	6,801,000	101,000	50,000	-	475,000	-	-	7,427,000	7,277,000
Term deposits having maturity over twelve months	-	-	-	-	-	-	-	-	-	-
	974,707	12,975,696	262,447	311,207	11,498	1,440,644	17,337	26,639	16,020,175	13,331,061

## 26.1 Reconciliation of debt arising from financing activities

	Long term loan received	Unclaimed dividend	2017	2016
	(Rupees in '000)			
Opening balance at January 1, 2017	-	18,639	18,639	14,264
Changes from financing activities				
Loan amount received	1,500,000	-	1,500,000	-
Dividend paid	-	(1,062,247)	(1,062,247)	(969,228)
Other changes				
Final cash dividend for the year ended December 31, 2016 @ 115% (2015: @ 105%)	-	829,366	829,366	757,247
Interim dividend for the half year ended June 30, 2017 @ 30% (2016: @ 30%)	-	237,992	237,992	216,356
<b>Balance at December 31, 2017</b>	<b>1,500,000</b>	<b>23,750</b>	<b>1,523,750</b>	<b>18,639</b>
<b>Total changes from financing cash flows</b>	<b>1,500,000</b>	<b>(1,062,247)</b>	<b>437,753</b>	<b>(969,228)</b>

## 27 BRANCH OVERHEADS

	Statutory Funds						Aggregate		
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life and Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
	(Rupees in '000)								
Salaries, allowances and other benefits	1,353,761	17,057	76,140	-	335,403	3,094	10,312	<b>1,795,767</b>	1,303,150
Charge for defined benefit plan	21,277	766	2,637	-	1,732	110	368	<b>26,890</b>	19,871
Contribution to defined contribution plan	17,056	551	2,208	-	1,249	94	312	<b>21,470</b>	15,991
Overriding commission	304,088	-	-	-	181,466	-	-	<b>485,554</b>	260,840
Travelling expenses	17,393	423	4,554	-	3,806	86	288	<b>26,550</b>	30,641
Advertisements	-	-	-	-	-	-	-	<b>-</b>	14,455
Printing and stationery	15,945	128	2,051	-	3,958	25	85	<b>22,192</b>	25,386
Depreciation	35,306	953	4,858	-	19,132	235	778	<b>61,262</b>	48,350
Amortisation	181	2	9	-	34	-	1	<b>227</b>	449
Rent expense	55,076	138	734	-	7,963	28	92	<b>64,031</b>	51,616
Legal and professional charges	7,717	1,782	8,239	-	2	412	1,373	<b>19,525</b>	15,078
Utilities	23,406	66	219	-	4,228	11	37	<b>27,967</b>	22,799
Entertainment	17,442	267	1,222	-	636	42	170	<b>19,779</b>	13,845
Training expenses	2,233	186	479	-	1,300	24	80	<b>4,302</b>	1,621
Vehicle running	35,290	879	3,331	-	21,224	140	541	<b>61,405</b>	31,511
Repairs and maintenance	8,936	23	160	-	3,440	2	8	<b>12,569</b>	22,614
Postage, telegram and telephone	33,733	319	1,089	-	3,554	42	140	<b>38,877</b>	35,428
Staff welfare	6,435	5	180	-	2,154	1	3	<b>8,778</b>	5,727
General Insurance	5,675	80	124	-	15	32	106	<b>6,032</b>	5,986
Miscellaneous expenses	1,476	2	5	-	946	-	1	<b>2,430</b>	985
	<b>1,962,426</b>	<b>23,627</b>	<b>108,239</b>	<b>-</b>	<b>592,242</b>	<b>4,378</b>	<b>14,695</b>	<b>2,705,607</b>	1,926,343

## 28 ADMINISTRATION EXPENSES

Administration expenses in respect of Accident and Health Fund are net of common costs amounting to Rs.35.55 million (2016: Rs. 33.65 million) shared with Jubilee General Insurance Company Limited, an associated undertaking, on account of joint operating activities.

## 29 AUDITORS' REMUNERATION

	2017	2016
	(Rupees in '000)	
Audit fee	<b>1,840</b>	1,840
Half yearly review	<b>345</b>	345
Shariah Compliance Audit - Window Takaful Operations	<b>500</b>	500
Regulatory reporting and other services	<b>3,601</b>	2,450
Sindh Sales Tax on services	<b>413</b>	415
Out of pocket expenses	<b>730</b>	711
	<b>7,429</b>	6,261

### 30 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

30.1 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:

	2017		2016	
	Chief Executive	Executives	Chief Executive	Executives
	(Rupees in '000)			
Managerial remuneration	26,000	328,178	22,667	249,994
Performance bonus	17,000	128,713	11,000	88,388
Retirement benefits	5,883	69,676	5,008	51,617
House rent allowance	10,400	147,681	9,067	112,497
Utilities	2,600	32,818	2,267	24,999
Medical	15	13,057	40	9,451
Leave passage	-	11,438	1,200	11,573
Commission	-	129,782	-	66,109
Others	-	57,249	-	22,941
	<b>61,898</b>	<b>918,592</b>	<b>51,249</b>	<b>637,569</b>
Number of persons	<b>1</b>	<b>252</b>	<b>1</b>	<b>181</b>

In addition to the above, fee paid to five (2016: four) non-executive directors during the year amounted to Rs.4.2 million (2016: Rs.3.0 million).

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

### 31 INFORMATION ABOUT MAJOR CUSTOMERS

The Company considers its external customers to be individuals and group policyholders. However, premium against individual life unit linked policies, including individual life family takaful policies, from one of the bancassurance arrangements constitutes 76.70% (2016: 66.43%) of the Company's premium from such policies, premium against group life policies from the same bank amounts to 18.9% (2016: 19.7%) and from group health policies contributed 9.6% (2016: 10.27%) of the total premium of the fund. In the Company's overseas business, premium from two policies constitutes 100% of the Overseas group life and health business (2016: 100%).

### 32 TRANSACTIONS WITH RELATED PARTIES

The Company is controlled by Aga Khan Fund for Economic Development, S.A Switzerland, which owns 57.87% (2016: 57.87%) of the Company's shares. Associated undertakings comprise Habib Bank Limited, Jubilee Kyrgyzstan Insurance Company (CJSC) and Jubilee General Insurance Company Limited being under common control of the parent Company. 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	2017	2016
		..... (Rupees in '000) .....	
i. Parent	Cash dividend paid	617,739	563,478
	Bonus shares issued (number of shares: 4,173,909)	-	-
	Individual life premium	15,750	15,683
ii. Associated companies	Group insurance premium	814,316	740,767
	Incurred claims against insurance cover	601,936	602,813
	Rent of building	38,115	35,112
	Payment for premium against general insurance	14,490	11,428
	Claims lodged against general insurance	176	1,674
	Purchase of government securities	25,778,575	22,113,725
	Placement of Term Deposits	1,500,000	750,000
	Sale proceeds of equity securities	1,270,012	366,833
	Agency commission expense	2,738,307	2,685,262
	Interest income on Term Deposits	125,670	16,214
	Interest income on Term Finance Certificates	1,247	-
	Dividend received	119,055	189,856
	Stock dividend received (number of shares: 111,882)	-	-
	Cash dividend paid	274,661	247,638
	Bonus shares issued (number of shares: 1,855,817)	-	-
	Donations	6,000	12,500
Long term loan obtained	1,500,000	-	
Capitalization of borrowing cost	67,778	-	
(Loss) on Interest rate swap	(44,430)	-	
CDC charges	4,119	4,676	
iii. Staff retirement funds	Expense charged for retirement benefit plans	119,528	94,997
	Payments to retirement benefit plans	108,565	98,212
iv. Key management personnel	Salaries and other short-term employee benefits	236,007	216,598
	Post-employment benefits	24,001	21,674
	Cash dividend paid	2,423	2,373
	Bonus shares issued (number of shares: 15,832)	-	-
	Consideration received against sale of assets	3,223	3,697
	Policy premium	5,223	7,599
v. Directors	Director's fee	4,200	3,000
	Cash dividend paid	813	705
	Bonus shares issued (number of shares: 5,175)	-	-

**Relationship with the Company**

## i Associated companies

**Receivable / (payable)**

	2017	2016
	(Rupees in '000)	
Bank account balance	2,717,670	2,785,121
Investment in shares - listed equities	1,327,047	3,454,061
Investment in shares - unlisted equities	97,627	86,114
Interest accrued on term deposits	1,524	1,533
Agency commission payable	(169,609)	(229,395)
Group premium receivable	92,253	74,551
Claims lodged and outstanding	(135,020)	(96,705)
Claims receivable against general insurance policies	88	117
Receivable against common back office operations	2,846	734
Advance against claims administration services	22,755	20,454
Prepaid rent	17,089	16,355
Advance against CDC charges	-	2,499
Term Finance Certificates	25,028	-
Interest receivable on Term Finance Certificates	463	-
Long term loan	(1,500,000)	-
Payable on interest rate swap	(27,193)	-
Interest payable on long term loan	(13,927)	-
	(29,407)	(18,275)
ii Staff retirement funds		
Payable to retirement benefit plans	(29,407)	(18,275)
iii Key management personnel		
Advance against salaries	6,245	1,063
Temporary security deposits	300	300

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

### 33 PROVIDENT FUND RELATED DISCLOSURE

The following information is based on the financial statements of the fund as at December 31, 2017:

Size of the fund - total assets  
Fair value of investment  
Percentage of investment made

	2017 Unaudited	2016 Audited
	(Rupees in '000)	
	<b>417,433</b>	400,886
	<b>417,433</b>	400,886
	<b>100.00%</b>	100.00%

The cost of above investments amounted to Rs.296.15 million (2016: Rs.296.15 million).

#### 33.1 The breakup of fair value of investments is as follows:

	2017	2016	2017	2016
	(Percentage)		(Rupees in '000)	
Government Securities	<b>60%</b>	55%	<b>251,961</b>	220,318
ABL Stock Fund	<b>3%</b>	4%	<b>11,806</b>	14,131
MCB Pakistan Stock Market Fund	<b>3%</b>	3%	<b>12,638</b>	14,148
NAFA Stock Fund	<b>6%</b>	8%	<b>27,394</b>	31,299
NIUT Fund	<b>3%</b>	3%	<b>10,651</b>	13,212
NIT Islamic Growth Fund	<b>2%</b>	3%	<b>8,892</b>	12,149
UBL Stock Advantage Fund	<b>4%</b>	4%	<b>15,088</b>	16,576
Bank Balance and Others	<b>19%</b>	20%	<b>79,003</b>	79,056

#### 33.2 The investments out of provident fund have been made in accordance with the provision of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

### 34 NUMBER OF EMPLOYEES

Number of employees at December 31  
Average number of employees at December 31

	2017	2016
	(Rupees in '000)	
	<b>1,965</b>	1,726
	<b>1,816</b>	1,684

## 35 WINDOW TAKAFUL OPERATIONS

The Statement of financial position of Window Takaful Operations as at December 31, 2017 and its financial performance for the year ended December 31, 2017 are as follows:

	Statutory funds				Aggregate	
	Operator's Sub Fund	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
<b>Balance Sheet</b>						
<b>As at December 31, 2017</b>						
(Rupees in '000)						
<b>Share capital and reserves</b>						
Fund received from Shareholder's fund	150,000	-	-	-	150,000	150,000
Capital returned to Shareholders' fund	(130,000)	-	-	-	(130,000)	-
Accumulated Surplus	245,939	-	-	-	245,939	157,412
Qard-e-Hasna contributed by the Window Takaful Operator	(48,000)	-	-	-	(48,000)	(37,000)
<b>Net shareholders' equity</b>	217,939	-	-	-	217,939	270,412
<b>Balance of statutory fund including Technical Reserves of Rs.3,275.71 million (2016: Rs.1,097.3 million)</b>	-	4,742,195	28,547	48,728	4,819,470	1,129,237
<b>Deferred Liabilities</b>						
Staff retirement benefits	2,681	-	-	-	2,681	397
<b>Creditors and accruals</b>						
Outstanding claims	19	35,380	20,767	16,333	72,499	13,491
Contributions received in advance	159,900	-	729	1,149	161,778	152,346
Amounts due to takaful / re-takaful operators	-	3,172	-	-	3,172	11,071
Amounts due to agents	295,015	-	-	-	295,015	160,462
Accrued expenses	249,362	-	-	-	249,362	83,033
Other creditors and accruals	25,005	13,276	-	75	38,356	15,139
Inter-fund payable	7,293	7,415	485	855	16,048	19,077
	736,594	59,243	21,981	18,412	836,230	454,619
<b>Total liabilities</b>	739,275	4,801,438	50,528	67,140	5,658,381	1,584,253
<b>Total equity and liabilities</b>	<b>957,214</b>	<b>4,801,438</b>	<b>50,528</b>	<b>67,140</b>	<b>5,876,320</b>	<b>1,854,665</b>

**Balance Sheet**  
**As at December 31, 2017**

**Cash and bank deposits**

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

**Investments**

Government securities  
Other fixed income securities  
Listed equities

**Other assets - current**

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

**Total assets**

	Statutory funds				Aggregate	
	Operator's Sub Fund	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
..... (Rupees in '000) .....						
Cash and others	16,525	-	-	-	16,525	10,005
Current and other accounts	221,779	447,216	10,012	14,088	693,095	1,071,386
Deposits maturing within 12 months	15,000	760,000	-	-	775,000	110,000
	253,304	1,207,216	10,012	14,088	1,484,620	1,191,391
Government securities	628,340	1,839,437	33,822	26,351	2,527,950	153,491
Other fixed income securities	47,239	168,047	-	-	215,286	36,856
Listed equities	-	1,522,675	-	-	1,522,675	443,993
	675,579	3,530,159	33,822	26,351	4,265,911	634,340
Contributions due but unpaid	-	-	1,331	26,101	27,432	16,496
Investment income due but outstanding	-	4,750	-	-	4,750	562
Investment income accrued	17,276	58,857	798	600	77,531	6,006
Amounts due from takaful / re-takaful operators	-	456	4,565	-	5,021	-
Prepayments	3,934	-	-	-	3,934	446
Sundry receivable	7,121	-	-	-	7,121	3,323
Inter-fund receivable	-	-	-	-	-	2,101
	28,331	64,063	6,694	26,701	125,789	28,934
<b>Total assets</b>	<b>957,214</b>	<b>4,801,438</b>	<b>50,528</b>	<b>67,140</b>	<b>5,876,320</b>	<b>1,854,665</b>

### 35.1 Revenue Account

For the year ended December 31, 2017

#### 35.1.1 Participants' Investment Fund (PIF)

##### Income

Allocated Contribution  
Takaful Operator's Fee  
Investment income

##### Total net income

##### Less: Claims and Expenditures

Claims net of re-takaful  
Takaful Operator Fee  
Bank charges

##### Total

##### Excess of income over claims and expenditures

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

##### Movement in technical reserves

##### Surplus / (deficit) for the year

##### Movement in Technical reserves

Balance of PIF at beginning of the year

##### Balance of PIF at end of the year

	Statutory Funds			Aggregate	
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
(Rupees in '000)					
Allocated Contribution	3,862,464	-	-	3,862,464	998,270
Takaful Operator's Fee	-	-	-	-	1,149
Investment income	(148,920)	-	-	(148,920)	61,756
<b>Total net income</b>	<b>3,713,544</b>	<b>-</b>	<b>-</b>	<b>3,713,544</b>	<b>1,061,175</b>
Claims net of re-takaful	87,149	-	-	87,149	2
Takaful Operator Fee	70,011	-	-	70,011	8,893
Bank charges	34	-	-	34	11
<b>Total</b>	<b>157,194</b>	<b>-</b>	<b>-</b>	<b>157,194</b>	<b>8,906</b>
<b>Excess of income over claims and expenditures</b>	<b>3,556,350</b>	<b>-</b>	<b>-</b>	<b>3,556,350</b>	<b>1,052,269</b>
Technical reserves at beginning of the year	1,057,352	-	-	1,057,352	5,083
Technical reserves at end of the year	4,613,702	-	-	4,613,702	1,057,352
<b>Movement in technical reserves</b>	<b>(3,556,350)</b>	<b>-</b>	<b>-</b>	<b>(3,556,350)</b>	<b>(1,052,269)</b>
<b>Surplus / (deficit) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Movement in Technical reserves</b>	<b>3,556,350</b>	<b>-</b>	<b>-</b>	<b>3,556,350</b>	<b>1,052,269</b>
Balance of PIF at beginning of the year	1,057,352	-	-	1,057,352	5,083
<b>Balance of PIF at end of the year</b>	<b>4,613,702</b>	<b>-</b>	<b>-</b>	<b>4,613,702</b>	<b>1,057,352</b>

## Revenue Account

For the year ended December 31, 2017

	Statutory Funds			Aggregate	
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
..... (Rupees in '000) .....					
	188,691	37,122	129,575	<b>355,388</b>	103,179
	4,155	1,192	1,668	<b>7,015</b>	1,265
<b>Total net income</b>	<b>192,846</b>	<b>38,314</b>	<b>131,243</b>	<b>362,403</b>	104,444
	20,382	25,047	89,411	<b>134,840</b>	43,397
	60,796	11,416	30,689	<b>102,901</b>	27,473
	1,665	-	-	<b>1,665</b>	161
	3	4	37	<b>44</b>	79
	-	255	(188)	<b>67</b>	294
<b>Total</b>	<b>82,846</b>	<b>36,722</b>	<b>119,949</b>	<b>239,517</b>	71,404
<b>Excess income over claims and expenditures</b>	<b>110,000</b>	<b>1,592</b>	<b>11,294</b>	<b>122,886</b>	33,040
	20,444	797	13,619	<b>34,860</b>	1,638
	67,742	2,288	28,550	<b>98,580</b>	34,860
<b>Movement in technical reserves</b>	<b>(47,298)</b>	<b>(1,491)</b>	<b>(14,931)</b>	<b>(63,720)</b>	(33,222)
<b>Surplus / (Deficit) before distribution</b>	<b>62,702</b>	<b>101</b>	<b>(3,637)</b>	<b>59,166</b>	(182)
<b>Movement in Technical reserves</b>	<b>47,298</b>	<b>1,491</b>	<b>14,931</b>	<b>63,720</b>	33,222
<b>Transfers from (to)</b>					
Qard-e-Hasna contributed by Window Takaful Operator	-	23,000	-	<b>23,000</b>	31,000
Qard-e-Hasna returned to Window Takaful Operator	(12,000)	-	-	<b>(12,000)</b>	-
Balance of PTF at beginning of the year	30,493	3,955	37,434	<b>71,882</b>	7,846
<b>Balance of PTF at end of the year</b>	<b>128,493</b>	<b>28,547</b>	<b>48,728</b>	<b>205,768</b>	71,886

### 35.1.2 Participants' Takaful Fund (PTF)

#### Income

Contribution net of re-takaful

Investment income

**Total net income**

#### Less: Claims and Expenditures

Claims net of re-takaful recoveries

Takaful Operator's Fee

Mudarib Fee

Bank charges

Doubtful debts

**Total**

#### Excess income over claims and expenditures

Technical reserves at beginning of the year

Technical reserves at end of the year

**Movement in technical reserves**

#### Surplus / (Deficit) before distribution

#### Movement in Technical reserves

#### Transfers from (to)

Qard-e-Hasna contributed by Window Takaful Operator

Qard-e-Hasna returned to Window Takaful Operator

Balance of PTF at beginning of the year

**Balance of PTF at end of the year**

**Revenue Account**

For the year ended December 31, 2017

**35.1.3 Operators' Sub Fund (OSF)****Income**

Unallocated contributions  
Takaful Operator's Fee  
Mudarib Fee  
Investment income

**Less: Expenditures**

Acquisition costs  
Administration cost  
**Total Management cost**

**Excess / (deficit) of income over expenditures**

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

**Movement in technical reserves****Surplus / (Deficit) for the year****Movement in technical reserves**

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

	Statutory Funds			Aggregate	
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
(Rupees in '000)					
Unallocated contributions	2,708,860	-	-	<b>2,708,860</b>	1,101,559
Takaful Operator's Fee	130,807	11,416	30,689	<b>172,912</b>	36,366
Mudarib Fee	1,665	-	-	<b>1,665</b>	161
Investment income	37,275	394	862	<b>38,531</b>	9,037
	2,878,607	11,810	31,551	<b>2,921,968</b>	1,147,123
Acquisition costs	2,210,247	6,595	28,522	<b>2,245,364</b>	884,775
Administration cost	326,562	3,816	12,699	<b>343,077</b>	84,756
<b>Total Management cost</b>	2,536,809	10,411	41,221	<b>2,588,441</b>	969,531
<b>Excess / (deficit) of income over expenditures</b>	341,798	1,399	(9,670)	<b>333,527</b>	177,592
Technical reserves at beginning of the year	1,894	298	2,896	<b>5,088</b>	641
Technical reserves at end of the year	5,458	1,066	7,760	<b>14,284</b>	5,088
<b>Movement in technical reserves</b>	(3,564)	(768)	(4,864)	<b>(9,196)</b>	(4,447)
<b>Surplus / (Deficit) for the year</b>	338,234	631	(14,534)	<b>324,331</b>	173,145
<b>Movement in technical reserves</b>	3,564	768	4,864	<b>9,196</b>	4,447
Surplus appropriated to Shareholders' fund	(300,000)	-	-	<b>(300,000)</b>	-
Contribution received from Shareholders' fund	-	30,000	25,000	<b>55,000</b>	25,000
Capital returned to Shareholders' fund	(130,000)	-	-	<b>(130,000)</b>	-
Qard-e-Hasna contributed to the Participants' Takaful Fund	-	(23,000)	-	<b>(23,000)</b>	(31,000)
Qard-e-Hasna returned from Participants' Takaful Fund	12,000	-	-	<b>12,000</b>	-
Balance of Operator's Sub Fund at beginning of the year	245,894	7,046	17,472	<b>270,412</b>	98,820
<b>Balance of Operator's Sub Fund at end of the year</b>	<b>169,692</b>	<b>15,445</b>	<b>32,802</b>	<b>217,939</b>	270,412

**35.2 Statement of Contribution**  
For the year ended December 31, 2017

**Gross Contribution**

Regular contributions- individual policies

First year

Second year renewal

Subsequent years renewal

Single contribution individual policies

Non linked riders

Group policies without Cash values

**Total gross contribution**

**Participants' Investment Fund (PIF)**

Allocated regular contribution

Allocated single contribution

**Total allocated contribution**

**Participants' Takaful Fund (PTF)**

Allocated gross contribution

Add: Retakaful commission

Less: Retakaful contribution ceded

On individual life first year business

On individual life second year business

On individual life subsequent renewal business

On single contributions individual policies

On group policies

**Total retakaful contribution ceded**

**Net risk contribution of PTF**

**Operators' Sub Fund (OSF)**

**Unallocated regular contribution**

	Statutory Funds			Aggregate	
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
(Rupees in '000)					
Regular contributions- individual policies					
First year	3,773,652	-	130	3,773,782	1,619,354
Second year renewal	1,087,128	-	-	1,087,128	9,990
Subsequent years renewal	8,949	-	-	8,949	-
Single contribution individual policies	1,899,141	-	-	1,899,141	504,635
Non linked riders	25,575	-	-	25,575	8,327
Group policies without Cash values	-	67,639	129,445	197,084	72,955
<b>Total gross contribution</b>	<b>6,794,445</b>	<b>67,639</b>	<b>129,575</b>	<b>6,991,659</b>	<b>2,215,261</b>
<b>Participants' Investment Fund (PIF)</b>					
Allocated regular contribution	1,963,323	-	-	1,963,323	493,635
Allocated single contribution	1,899,141	-	-	1,899,141	504,635
<b>Total allocated contribution</b>	<b>3,862,464</b>	<b>-</b>	<b>-</b>	<b>3,862,464</b>	<b>998,270</b>
<b>Participants' Takaful Fund (PTF)</b>					
Allocated gross contribution	223,121	67,639	129,575	420,335	115,432
Add: Retakaful commission	16,559	-	-	16,559	9,069
Less: Retakaful contribution ceded					
On individual life first year business	(33,750)	-	-	(33,750)	(18,918)
On individual life second year business	(16,872)	-	-	(16,872)	(208)
On individual life subsequent renewal business	(238)	-	-	(238)	-
On single contributions individual policies	(129)	-	-	(129)	(19)
On group policies	-	(30,517)	-	(30,517)	(2,177)
<b>Total retakaful contribution ceded</b>	<b>(50,989)</b>	<b>(30,517)</b>	<b>-</b>	<b>(81,506)</b>	<b>(21,322)</b>
<b>Net risk contribution of PTF</b>	<b>188,691</b>	<b>37,122</b>	<b>129,575</b>	<b>355,388</b>	<b>103,179</b>
<b>Operators' Sub Fund (OSF)</b>					
<b>Unallocated regular contribution</b>	<b>2,708,860</b>	<b>-</b>	<b>-</b>	<b>2,708,860</b>	<b>1,101,559</b>

**35.3 Statement of Claims**

For the year ended December 31, 2017

Notes

	Notes	Statutory Funds			Aggregate	
		Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
(Rupees in '000)						
<b>Gross claims</b>						
Claims under individual policies						
by death	35.3.1 & 35.3.2	48,617	-	-	48,617	3,337
by insured event other than death		120	-	-	120	-
by maturity		-	-	-	-	-
by surrender		31,600	-	-	31,600	-
by partial withdrawal		54,514	-	-	54,514	-
<b>Total gross individual policy claims</b>		134,851	-	-	134,851	3,337
<b>Claims under group policies</b>						
by death		-	49,625	-	49,625	-
by insured event other than death		-	1,848	89,411	91,259	40,694
experience refund		-	-	-	-	-
<b>Total group policy claims</b>		-	51,473	89,411	140,884	40,694
<b>Total gross claims</b>		-	51,473	89,411	275,735	44,031
<b>35.3.1 Participants' Investment Fund (PIF)</b>						
Claims under individual policies						
by death		1,035	-	-	1,035	2
by surrender		31,600	-	-	31,600	-
by partial withdrawal		54,514	-	-	54,514	-
		87,149	-	-	87,149	2
<b>35.3.2 Participants' Takaful Fund (PTF)</b>						
<b>Gross claims</b>						
Claims under individual policies - by death		47,582	-	-	47,582	3,335
Claims under individual policies - by insured event other than death		120	-	-	120	-
Claims under group policies - by death		-	49,625	-	49,625	-
Claims under group policies - by insured event other than death		-	1,848	89,411	91,259	40,694
		47,702	51,473	89,411	188,586	44,029
<b>Less: Retakaful recoveries</b>						
On individual life first year business claims		(27,320)	-	-	(27,320)	(500)
On individual life second year business claims		-	-	-	-	-
On individual life renewal business claims		-	-	-	-	-
On group life claims		-	(26,426)	-	(26,426)	(132)
On experience refund of contributions		-	-	-	-	-
		(27,320)	(26,426)	-	(53,746)	(632)
<b>Net claims</b>		20,382	25,047	89,411	134,840	43,397

## 35.4 Statement of Expenses

For the year ended December 31, 2017

### Operators' Sub Fund (OSF)

#### Acquisition costs

##### Remuneration to takaful intermediaries on individual policies

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

##### Remuneration to insurance intermediaries on group policies:

Commission

#### Branch overheads

Salaries & allowances and other branch overheads	
Overriding commission	

#### Other acquisition costs:

Policy stamps	
Others	

#### Total acquisition cost

#### Administration expenses

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

#### Gross management expenses

	Statutory Funds			Aggregate	
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
	(Rupees in '000)				
	1,465,750	-	60	1,465,810	658,575
	51,761	-	-	51,761	911
	221	-	-	221	-
	37,026	-	-	37,026	9,947
	1,554,758	-	60	1,554,818	669,433
	-	2,123	13,477	15,600	3,649
	410,776	4,378	14,695	429,849	151,126
	181,466	-	-	181,466	39,191
	592,242	4,378	14,695	611,315	190,317
	63,077	27	66	63,170	21,341
	170	67	224	461	35
	2,210,247	6,595	28,522	2,245,364	884,775
	103,281	1,500	3,268	108,049	31,803
	5,326	72	149	5,547	1,649
	3,524	57	118	3,699	1,333
	6,266	42	92	6,400	2,232
	650	14	36	700	456
	1,574	172	310	2,056	1,644
	859	150	321	1,330	199
	125,824	297	3,775	129,896	8,090
	9,506	104	816	10,426	4,296
	15,327	288	871	16,486	3,487
	5,062	355	164	5,581	1,139
	10,655	164	372	11,191	3,111
	3,286	36	108	3,430	5,361
	7,214	72	137	7,423	2,915
	5,400	103	208	5,711	1,288
	1,864	36	88	1,988	380
	1,471	37	878	2,386	240
	6,238	123	324	6,685	2,735
	885	42	132	1,059	734
	1,119	18	37	1,174	507
	6,390	57	381	6,828	1,314
	1,599	35	79	1,713	362
	3,047	38	27	3,112	146
	-	-	-	-	8,138
	195	4	8	207	1,197
	326,562	3,816	12,699	343,077	84,756
	2,536,809	10,411	41,221	2,588,441	969,531

### 35.5 Statement of Investment Income

For the year ended December 31, 2017

#### Participants' Investment Fund (PIF)

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

#### Net Investment income of PIF

#### Participants' Takaful Fund (PTF)

Government securities
Other fixed income securities and deposits
(Loss) / gain on sale of investments
Amortisation of premium
Impairment in the value of Investment
Other income

#### Net Investment income of PTF

#### Operators' Sub Fund (OSF)

Government securities
Other fixed income securities and deposits
Gain / (loss) on sale of investments
Amortisation of premium
Impairment in the value of Investment
Government securities
Other fixed income securities and deposits
Investment related expenses

#### Net Investment income of OSF

#### Net Investment Income

	Statutory Funds			Aggregate	
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2017	2016
(Rupees in '000)					
(a)	29,652	-	-	29,652	1,258
	45,275	-	-	45,275	4,942
	40,613	-	-	40,613	4,318
	(36,734)	-	-	(36,734)	395
	(4,845)	-	-	(4,845)	-
	(216,316)	-	-	(216,316)	51,521
	(158)	-	-	(158)	(22)
	(6,407)	-	-	(6,407)	(656)
	(148,920)	-	-	(148,920)	61,756
(b)	2,444	863	1,491	4,798	14
	2,160	510	521	3,191	1,094
	-	-	(1)	(1)	-
	(431)	(166)	(353)	(950)	-
	(18)	(15)	(85)	(118)	-
	-	-	95	95	157
	4,155	1,192	1,668	7,015	1,265
(c)	17,425	202	805	18,432	2,363
	25,587	250	261	26,098	6,960
	(1,491)	(1)	-	(1,492)	198
	(2,945)	(45)	(174)	(3,164)	-
	(1,314)	(12)	(29)	(1,355)	(479)
	32	-	-	32	-
	(19)	-	(1)	(20)	(5)
	37,275	394	862	38,531	9,037
(a+b+c)	(107,490)	1,586	2,530	(103,374)	72,058

## **36 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK**

### **36.1 Insurance Risk**

#### **36.1.1 Individual life unit linked**

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

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

#### **a) Frequency and severity of claims**

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

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

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

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

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

### Benefits assured per life

#### Rupees

0 - 500,000
500,001 - 1,000,000
1,000,001 - 1,500,000
1,500,001 - 2,000,000
More than 2,000,000
<b>Total</b>

#### Assured at the end of 2017 Total benefits assured

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

#### Rupees

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

#### Assured at the end of 2016 Total benefits assured

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
58,879,354	14.77%	57,397,328	20.52%
88,959,214	22.32%	80,115,507	28.64%
59,342,106	14.89%	48,290,680	17.26%
41,787,880	10.48%	29,060,555	10.39%
149,600,957	37.54%	64,852,702	23.19%
<b>398,569,511</b>	<b>100.00%</b>	<b>279,716,772</b>	<b>100.00%</b>

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

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

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

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

**c) Process used to decide on assumptions**

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

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

**d) Changes in assumptions**

The valuation as at December 31, 2017 contain changes in reserving basis. The reserving basis has been revised to maintain an IBNR reserve at target range of adequacy and reduction in re-insurance cession ratio. The change in valuation basis has resulted in decrease in policyholders' liability by Rs.14.24 million with corresponding impact on revenue account of the respective statutory fund.

### 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	Increase in liability
			2017	2016
..... (Rupees in '000) .....				
Worsening of mortality rates for risk policies	295%	10% p.a	93,419	110,700
Worsening of persistency rates for long term individual policies *	-	-	-	-
Increase in expense levels and inflation	201%	10% p.a	131,110	118,500
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.

## 36.1.2 Conventional business

### 36.1.2.1 Individual life conventional business

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

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

**a) Frequency and severity of claims**

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

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

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

**Benefits assured per life**

**Rupees**

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

**Assured at the end of 2017  
 Total benefits assured**

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
9,840	8.07%	6,869	19.72%
3,130	2.57%	2,415	6.93%
1,076	0.88%	28	0.08%
19,963	16.36%	12,551	36.04%
87,977	72.12%	12,962	37.23%
<b>121,986</b>	<b>100.00%</b>	<b>34,825</b>	<b>100.00%</b>

**Rupees**

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

**Assured at the end of 2016  
 Total benefits assured**

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
85,821	45.16%	26,212	49.95%
32,878	17.30%	10,642	20.28%
11,115	5.85%	3,777	7.20%
8,609	4.53%	2,979	5.68%
51,612	27.16%	8,865	16.89%
<b>190,035</b>	<b>100.00%</b>	<b>52,475</b>	<b>100.00%</b>

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

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

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

### c) Process used to decide on assumptions

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

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

### d) Changes in assumptions

The valuation as at December 31, 2017 contain changes in reserving basis. The reserving basis has been revised to maintain an IBNR reserve at target range of adequacy and reduction in re-insurance cession ratio. The change in valuation basis has resulted in decrease in policyholders' liability by Rs.0.78 million with corresponding impact on revenue account of the respective statutory fund.

### 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.

## 36.1.2.2 Group life

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

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

## a) Frequency and severity of claims

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

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

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

### Benefits assured per life

#### Rupees

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

### Assured at the end of 2017 Total benefits assured

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

#### Rupees

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

### Assured at the end of 2016 Total benefits assured

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
359,067,576	39.18%	228,067,857	51.70%
136,092,393	14.85%	68,532,519	15.54%
77,320,001	8.44%	39,481,887	8.95%
70,147,648	7.65%	33,974,976	7.70%
273,810,275	29.88%	71,043,500	16.11%
<b>916,437,893</b>	<b>100.00%</b>	<b>441,100,739</b>	<b>100.00%</b>

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

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

**c) Process used to decide on assumptions**

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

**d) Changes in assumptions**

The valuation as at December 31, 2017 contain changes in reserving basis. The reserving basis has been changed for Employer/ Employee Schemes to maintain the adequacy of IBNR within the target range based on claim development factor. Reserving basis for Depositor / Micro Finance Schemes have remained unchanged. The change in valuation basis has resulted in increase in policyholders' liability by Rs.9.6 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	Increase in liability
		2017	2016
..... (Rupees in '000) .....			
Worsening of mortality rates for risk policies	+10% p.a	3,988	2,399
Increase in reporting lag	+10% p.a	3,988	2,399

**36.1.2.3 Accident & Health**

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

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

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

#### a) Frequency and severity of claims

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

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

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

#### Benefits assured per life

##### Rupees

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

##### Total

#### Assured at the end of 2017 Total benefits assured

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

#### Assured at the end of 2016 Total benefits assured

##### Rupees

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

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
143,560,577	86.61%	141,613,922	87.12%
18,659,727	11.26%	17,405,341	10.71%
3,229,647	1.95%	3,229,647	1.99%
263,669	0.16%	255,020	0.16%
37,302	0.02%	37,303	0.02%
<b>165,750,922</b>	<b>100.00%</b>	<b>162,541,233</b>	<b>100.00%</b>

**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, 2017 contain changes in reserving basis. The reserving basis has been changed for non-micro In-Patient schemes by increasing the buffer margin. For Non-micro insurance / Non-ASO outpatient schemes, the IBNR basis has been revised to target a lower Ultimate Claims Ratio than before. The reserving basis continues to be in the form of a Target Claim Ratio. For Micro Insurance schemes, the IBNR reserves are kept in two segments. One segment accommodates reserves for micro health policies sold to a Micro Finance Institution and the other segment accommodates reserves for all other micro health policies. IBNR reserving basis have been relaxed for the former segment while no change has been made in the IBNR reserving basis for the later segment. The change in valuation basis has resulted in decrease in policyholders' liability by Rs. 10.1 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	Increase in liability
		2017	2016
(Rupees in '000)			
Worsening of morbidity rates for risk policies	+10% p.a	31,650	25,400
Increase in reporting lag	+10% p.a	31,650	25,400
Increase in average claim amount	+10% p.a	31,650	25,400

### 36.1.2.4 Overseas group life and health business

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

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

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

#### a) Frequency and severity of claims

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

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

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

**Benefits assured per life****Rupees**

0 - 500,000
500,001 - 1,000,000
1,000,001 - 1,500,000
1,500,001 - 2,000,000
More than 2,000,000
<b>Total</b>

**Assured at the end of 2017  
Total benefits assured**

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
-	-	-	-
<b>263,472</b>	<b>6.15%</b>	-	-
<b>184,102</b>	<b>4.30%</b>	-	-
<b>113,855</b>	<b>2.66%</b>	-	-
<b>3,720,062</b>	<b>86.89%</b>	-	-
<b>4,281,491</b>	<b>100%</b>	-	-

**Rupees**

0 - 500,000
500,001 - 1,000,000
1,000,001 - 1,500,000
1,500,001 - 2,000,000
More than 2,000,000
<b>Total</b>

**Assured at the end of 2016  
Total benefits assured**

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
17,193	0.40%	-	-
311,457	7.16%	-	-
187,678	4.32%	-	-
110,176	2.53%	-	-
3,722,186	85.59%	-	-
<b>4,348,690</b>	<b>100.00%</b>	-	-

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

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

**c) Process used to decide on assumptions**

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

**d) Changes in assumptions**

There have been no change in assumptions.

### e) Sensitivity analysis

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

### 36.1.3 MANAGEMENT OF TAKAFUL RISK AND FINANCIAL RISK

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

#### Takaful Risk

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

Individual Family Takaful  
Group Family Takaful  
Accident and Health Family Takaful

#### Individual Family Takaful

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

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

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

### a) Frequency and severity of claims

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

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

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

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

#### Benefits covered per Participant

##### Rupees

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

##### Total

#### Assured at the end of 2017 Total benefits covered

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
5,238,058	9.36%	5,214,572	13.91%
8,855,189	15.83%	8,683,453	23.16%
8,208,850	14.68%	7,164,182	19.11%
5,139,300	9.19%	3,927,561	10.48%
28,491,500	50.94%	12,500,626	33.34%
<b>55,932,897</b>	<b>100.00%</b>	<b>37,490,394</b>	<b>100.00%</b>

#### Assured at the end of 2016 Total benefits covered

##### Rupees

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

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
1,362,463	7.46%	1,358,966	11.03%
2,694,801	14.76%	2,675,055	21.70%
2,505,132	13.72%	2,202,947	17.87%
1,719,976	9.42%	1,414,113	11.47%
9,978,193	54.64%	4,674,014	37.93%
<b>18,260,565</b>	<b>100.00%</b>	<b>12,325,095</b>	<b>100.00%</b>

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

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

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

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

## **c) Process used to decide on assumptions**

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

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

## **d) Sensitivity analysis**

The size of the fund is not material enough to enable a credible sensitivity analysis due to this immateriality, sensitivity analysis is not conducted.

## Group Family Takaful

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

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

### a) Frequency and severity of claims

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

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

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

## Benefits covered per Participant

### Rupees

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

### Total

## Assured at the end of 2017 Total benefits covered

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
15,602,469	28.32%	7,801,234	30.11%
26,255,962	47.66%	13,127,981	50.67%
2,659,599	4.83%	1,329,799	5.13%
3,676,586	6.67%	1,838,293	7.09%
6,890,370	12.52%	1,814,000	7.00%
<b>55,084,986</b>	<b>100.00%</b>	<b>25,911,307</b>	<b>100.00%</b>

### Rupees

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

### Total

## Assured at the end of 2016 Total benefits covered

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
2,507,401	41.87%	1,253,700	36.84%
706,670	11.80%	353,335	10.38%
367,297	6.13%	183,649	5.40%
105,431	1.76%	52,715	1.55%
2,302,278	38.44%	1,560,000	45.83%
<b>5,989,077</b>	<b>100.00%</b>	<b>3,403,399</b>	<b>100.00%</b>

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

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

## c) Process used to decide on assumptions

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

## d) 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	Increase in liability
		2017	2016
(Rupees in '000)			
Worsening of morbidity rates for risk policies	+10% p.a	112	-
Increase in reporting lag	+10% p.a	112	-

### Accident & Health Family Takaful

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

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

#### a) Frequency and severity of claims

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

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

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

## Benefits covered per Participant

### Rupees

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

### Total

## Assured at the end of 2017 Total benefits covered

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
5,934,779	81.20%	5,934,779	81.20%
1,373,632	18.80%	1,373,632	18.80%
-	-	-	-
-	-	-	-
-	-	-	-
<b>7,308,411</b>	<b>100.00%</b>	<b>7,308,411</b>	<b>100.00%</b>

### Rupees

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

### Total

## Assured at the end of 2016 Total benefits covered

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
4,132,421	75.30%	4,132,421	75.30%
1,336,345	24.35%	1,336,345	24.35%
19,460	0.35%	19,460	0.35%
-	-	-	-
-	-	-	-
<b>5,488,226</b>	<b>100.00%</b>	<b>5,488,226</b>	<b>100.00%</b>

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

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

## c) Process used to decide on assumptions

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

**d) 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	Increase in liability
		2017	2016
..... (Rupees in '000) .....			
Worsening of morbidity rates for risk policies	+10% p.a	615	-
Increase in reporting lag	+10% p.a	615	-
Increase in average claim amount	+10% p.a	615	-

**36.2 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 35.2.1.

### 36.2.1 Mismatch of interest rate sensitive assets and liabilities / yield / interest rate risk

On-balance sheet financial instruments	Effective yield / interest rate %	Total	2017 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)												
<b>Financial assets</b>												
Cash and others		42,943	-	-	-	-	-	-	-	-	-	42,943
Current and other accounts	2.95 - 6.6	4,850,232	4,808,551	-	-	-	-	-	-	-	-	41,681
Deposits maturing within 12 months	5.80 - 9.00	11,127,000	1,600,000	2,100,000	4,777,000	2,650,000	-	-	-	-	-	-
Deposits maturing over 12 months		-	-	-	-	-	-	-	-	-	-	-
Unsecured advances to employees		18,909	-	-	-	-	-	-	-	-	-	18,909
Investments - net of provision		98,814,137	11,262,244	30,407,220	4,481,050	6,363,629	1,372,916	2,005,796	800,364	630,695	-	41,490,223
Premiums due but unpaid		624,643	-	-	-	-	-	-	-	-	-	624,643
Investment income due but outstanding		57,463	-	-	-	-	-	-	-	-	-	57,463
Investment income accrued		905,964	-	-	-	-	-	-	-	-	-	905,964
Amounts due from other insurers / retakaful		462,212	-	-	-	-	-	-	-	-	-	462,212
Inter-fund receivable		32,071	-	-	-	-	-	-	-	-	-	32,071
Sundry receivable		154,368	-	-	-	-	-	-	-	-	-	154,368
		117,089,942	17,670,795	32,507,220	9,258,050	9,013,629	1,372,916	2,005,796	800,364	630,695	-	43,830,477
<b>Financial liabilities</b>												
Loan	6.14 - 6.16	1,500,000	-	-	-	-	125,000	250,000	500,000	625,000	-	-
Outstanding claims		1,664,024	-	-	-	-	-	-	-	-	-	1,664,024
Amounts due to other insurers / retakaful		6,155	-	-	-	-	-	-	-	-	-	6,155
Amounts due to agents		682,470	-	-	-	-	-	-	-	-	-	682,470
Accrued expenses		1,263,224	-	-	-	-	-	-	-	-	-	1,263,224
Other creditors and accruals		500,444	-	-	-	-	-	-	-	-	-	500,444
Financial charges payable		13,927	-	13,927	-	-	-	-	-	-	-	-
Derivative financial instrument		27,193	-	4,419	-	-	-	-	-	22,774	-	-
Unclaimed dividend		23,750	-	-	-	-	-	-	-	-	-	23,750
Inter-fund payable		32,071	-	-	-	-	-	-	-	-	-	32,071
		5,713,258	-	18,346	-	-	125,000	250,000	500,000	647,774	-	4,172,138
<b>On-balance sheet gap</b>		111,376,684	17,670,795	32,488,874	9,258,050	9,013,629	1,247,916	1,755,796	300,364	(17,079)	-	39,658,339
<b>Off-balance sheet financial instruments</b>												
Commitments		31,448	-	-	-	-	-	-	-	-	-	31,448
<b>Off-balance sheet gap</b>		31,448	-	-	-	-	-	-	-	-	-	31,448
<b>Total yield / interest rate risk sensitivity gap</b>			17,670,795	32,488,874	9,258,050	9,013,629	1,247,916	1,755,796	300,364	(17,079)	-	39,689,787
<b>Cumulative yield / interest rate risk sensitivity gap</b>			17,670,795	50,159,669	59,417,719	68,431,348	69,679,264	71,435,060	71,735,424	71,718,345	71,718,345	

		2016										
On-balance sheet financial instruments	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)										
<b>Financial assets</b>												
Cash and others		43,308	-	-	-	-	-	-	-	-	-	43,308
Current and other accounts	2.95 - 6.05	4,360,753	4,175,024	-	-	-	-	-	-	-	-	185,729
Deposits maturing within 12 months	5.53-11.00	8,927,000	1,050,000	600,000	2,577,000	4,700,000	-	-	-	-	-	-
Deposits maturing over 12 months		-	-	-	-	-	-	-	-	-	-	-
Unsecured advances to employees		9,152	-	-	-	-	-	-	-	-	-	9,152
Investments - net of provision		85,940,764	16,668,933	19,503,839	3,858,009	4,620,608	-	-	-	-	-	41,289,375
Premiums due but unpaid		486,491	-	-	-	-	-	-	-	-	-	486,491
Investment income due but outstanding		62,417	-	-	-	-	-	-	-	-	-	62,417
Investment income accrued		939,642	-	-	-	-	-	-	-	-	-	939,642
Amounts due from other insurers / retakaful		51,627	-	-	-	-	-	-	-	-	-	51,627
Inter-fund receivable		56,312	-	-	-	-	-	-	-	-	-	56,312
Sundry receivable		312,918	-	-	-	-	-	-	-	-	-	312,918
		101,190,384	21,893,957	20,103,839	6,435,009	9,320,608	-	-	-	-	-	43,436,971
<b>Financial liabilities</b>												
Outstanding claims		1,013,155	-	-	-	-	-	-	-	-	-	1,013,155
Amounts due to other insurers / retakaful		79,186	-	-	-	-	-	-	-	-	-	79,186
Amounts due to agents		684,162	-	-	-	-	-	-	-	-	-	684,162
Accrued expenses		918,341	-	-	-	-	-	-	-	-	-	918,341
Other creditors and accruals		245,159	-	-	-	-	-	-	-	-	-	245,159
Unclaimed dividend		18,639	-	-	-	-	-	-	-	-	-	18,639
Inter-fund payable		56,312	-	-	-	-	-	-	-	-	-	56,312
		3,014,954	-	-	-	-	-	-	-	-	-	3,014,954
On-balance sheet gap		98,175,430	21,893,957	20,103,839	6,435,009	9,320,608	-	-	-	-	-	40,422,017
<b>Off-balance sheet financial instruments</b>												
Commitments		77,069	-	-	-	-	-	-	-	-	-	77,069
<b>Off-balance sheet gap</b>		77,069	-	-	-	-	-	-	-	-	-	77,069
<b>Total yield / interest rate risk sensitivity gap</b>			21,893,957	20,103,839	6,435,009	9,320,608	-	-	-	-	-	40,499,086
<b>Cumulative yield / interest rate risk sensitivity gap</b>			21,893,957	41,997,796	48,432,805	57,753,413	57,753,413	57,753,413	57,753,413	57,753,413	57,753,413	

#### 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. 220.65 million (2016: Rs. 339.42 million). The portion of this loss that would be recognised directly in profit and loss account is Rs. 1.43 million (2016: Rs. 12.76 million).

A decrease in 100 basis points in interest yields would result in a gain of Rs. 230.28 million (2016: Rs.357.76 million). The portion of this gain that would be recognised directly in profit and loss account is Rs. 8.48 million (2016: Rs. 13.48 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.

### 37 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.

### 38 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.

### 39 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)										
<b>December 31, 2017</b>											
Debt securities	436,886	264,119	207,986	69,773	201,386	8,568	-	-	-	-	1,188,718
Investment in associate	-	-	-	-	-	-	-	-	-	97,627	97,627
Loans and receivables	-	-	-	-	-	-	-	-	-	154,368	154,368
Cash and bank deposits	6,839,633	4,082,997	1,827,938	2,525,448	79,409	171,939	449,868	-	-	42,943	16,020,175
Government securities	170,160	-	-	-	-	-	-	-	-	55,965,037	56,135,197
Premium due but unpaid	-	-	-	-	-	-	-	-	-	624,643	624,643
Accrued Interest	-	16,073	6,998	6,718	-	167	-	-	-	876,008	905,964
Reinsurance receivable	-	-	-	-	-	-	-	-	-	462,212	462,212
	<u>7,446,679</u>	<u>4,363,189</u>	<u>2,042,922</u>	<u>2,601,939</u>	<u>280,795</u>	<u>180,674</u>	<u>449,868</u>	-	-	<u>58,222,838</u>	<u>75,588,904</u>
<b>December 31, 2016</b>											
Debt securities	-	25,767	25,442	504,378	444,485	11,089	-	-	-	-	1,011,161
Open-end mutual funds	-	-	-	-	-	-	-	-	-	1,394,760	1,394,760
Investment in associate	-	-	-	-	-	-	-	-	-	86,114	86,114
Loans and receivables	-	-	-	-	-	-	-	-	-	312,918	312,918
Cash and bank deposits	7,240,332	1,530,323	1,548,018	1,826,015	586,508	243,643	312,914	-	-	43,308	13,331,061
Government securities	-	-	-	-	-	-	-	-	-	43,640,227	43,640,227
Premium due but unpaid	-	-	-	-	-	-	-	-	-	486,491	486,491
Accrued Interest	26,270	59,850	524	37,767	4,033	4,688	2,874	-	-	803,635	939,641
Reinsurance receivable	-	-	-	-	-	-	-	-	-	51,627	51,627
	<u>7,266,602</u>	<u>1,615,940</u>	<u>1,573,984</u>	<u>2,368,160</u>	<u>1,035,026</u>	<u>259,420</u>	<u>315,788</u>	-	-	<u>46,819,080</u>	<u>61,254,000</u>

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:

	2017	2016
	..... (Rupees in '000) .....	
Cash and bank deposits	16,020,175	13,331,061
Unsecured advances to employees	18,909	9,152
Premiums / Contributions due but unpaid	407,296	378,781
Investment income due but outstanding	57,463	62,417
Investment income accrued	905,964	939,642
Sundry receivable	154,368	312,918
The carrying values of financial assets which are past due but not impaired are as under:		
Premiums / Contributions due but unpaid	171,287	77,473
The carrying values of financial assets which are past due and impaired are as under:		
Premiums / Contributions due but unpaid	46,060	30,237

#### 40 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 policyholders and as a result the Company remains liable for the portion of outstanding claims reinsured to the extent that reinsurer fails to meet the obligation under the reinsurance agreements.

In order to manage this risk, the Company obtains reinsurance cover only from companies with sound financial health.

#### 41 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.

## 42 FAIR VALUE OF FINANCIAL INSTRUMENTS

On balance sheet financial instruments

	2017									
	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>	(Rupees in '000)									
Market treasury bills	-	28,824,247	-	-	-	28,824,247	-	28,824,247	-	28,824,247
Pakistan investment bonds	-	15,537,478	-	-	-	15,537,478	-	15,537,478	-	15,537,478
Listed equities and close ended funds	-	40,765,557	-	-	-	40,765,557	40,765,557	-	-	40,765,557
GOP - Ijara Sukuks	-	2,151,004	-	-	-	2,151,004	2,151,004	-	-	2,151,004
Ijara Sukuks	-	415,446	-	-	-	415,446	-	415,446	-	415,446
Term Finance Certificates	-	726,034	-	-	-	726,034	-	726,034	-	726,034
<b>Financial assets not measured at fair value</b>										
Cash	-	-	-	42,943	-	42,943	-	-	-	42,943
Current & other accounts	-	-	-	4,850,232	-	4,850,232	-	-	-	4,850,232
Deposits maturing within 12 months	-	-	-	11,127,000	-	11,127,000	-	-	-	11,127,000
Market treasury bills	-	6,878,163	-	-	-	6,878,163	-	6,878,163	-	6,878,163
Pakistan investment bonds	-	1,927,396	19,956	-	-	1,947,352	-	1,960,797	-	1,960,797
Listed equities and close ended funds	-	627,038	-	-	-	627,038	684,199	-	-	684,199
GOP - Ijara Sukuks	-	796,952	-	-	-	796,952	-	797,136	-	797,136
Ijara Sukuks	-	47,238	-	-	-	47,238	-	47,253	-	47,253
Shares of unlisted associates	-	97,627	-	-	-	97,627	-	-	-	97,627
Premiums / Contributions due but unpaid	-	-	-	624,643	-	624,643	-	-	-	624,643
Investment income due but outstanding	-	-	-	57,463	-	57,463	-	-	-	57,463
Investment income accrued	-	-	-	905,964	-	905,964	-	-	-	905,964
Amounts due from reinsurers / retakaful	-	-	-	462,212	-	462,212	-	-	-	462,212
Sundry receivables	-	-	-	154,368	-	154,368	-	-	-	154,368
	-	98,794,180	19,956	18,224,825	-	117,038,961	-	-	-	117,038,961
<b>Financial liabilities not measured at fair value</b>										
Policyholders' technical reserves' Liabilities	-	-	-	-	103,219,723	103,219,723	-	-	-	103,219,723
Staff retirement benefits	-	-	-	-	29,407	29,407	-	-	-	29,407
Loan	-	-	-	-	1,500,000	1,500,000	-	-	-	1,500,000
Outstanding claims	-	-	-	-	1,664,024	1,664,024	-	-	-	1,664,024
Premium / contribution received in advance	-	-	-	-	959,059	959,059	-	-	-	959,059
Amounts due to reinsurers / retakaful	-	-	-	-	6,155	6,155	-	-	-	6,155
Amounts due to agents	-	-	-	-	682,470	682,470	-	-	-	682,470
Accrued expenses	-	-	-	-	1,263,224	1,263,224	-	-	-	1,263,224
Other creditors and accruals	-	-	-	-	500,444	500,444	-	-	-	500,444
Financial charges payable	-	-	-	-	13,927	13,927	-	-	-	13,927
Derivative Financial Instrument	-	-	-	-	27,193	27,193	-	-	-	27,193
Unclaimed dividend	-	-	-	-	23,750	23,750	-	-	-	23,750
	-	-	-	-	109,889,376	109,889,376	-	-	-	109,889,376

2016

	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
<b>Financial assets measured at fair value</b>										
Market treasury bills	-	15,945,870	-	-	-	15,945,870	-	15,945,870	-	15,945,870
Pakistan investment bonds	-	20,243,788	-	-	-	20,243,788	-	20,243,787	-	20,243,787
Listed equities and close ended funds	-	38,896,646	-	-	-	38,896,646	38,896,646	-	-	38,896,646
Ijara Sukuks	-	212,572	-	-	-	212,572	-	212,572	-	212,572
Term Finance Certificates	-	974,784	-	-	-	974,784	-	974,784	-	974,784
Open ended mutual funds	-	1,394,760	-	-	-	1,394,760	-	1,394,760	-	1,394,760
<b>Financial assets not measured at fair value</b>										
Cash	-	-	-	43,308	-	43,308	-	-	-	43,308
Current & other accounts	-	-	-	4,360,753	-	4,360,753	-	-	-	4,360,753
Deposits maturing within 12 months	-	-	-	8,927,000	-	8,927,000	-	-	-	8,927,000
Market treasury bills	-	5,049,730	-	-	-	5,049,730	-	5,049,730	-	5,049,730
Pakistan investment bonds	-	2,014,353	19,945	-	-	2,034,298	-	2,066,210	-	2,066,210
Ijara Sukuks	-	153,970	-	-	-	153,970	-	154,890	-	154,890
Listed equities and close ended funds	-	911,346	-	-	-	911,346	1,661,630	-	-	1,661,630
Term Finance Certificate	-	36,377	-	-	-	36,377	-	36,377	-	36,377
Shares of unlisted associates	-	86,114	-	-	-	86,114	-	-	-	86,114
Premiums / Contributions due but unpaid	-	-	-	486,491	-	486,491	-	-	-	486,491
Investment income due but outstanding	-	-	-	62,417	-	62,417	-	-	-	62,417
Investment income accrued	-	-	-	939,642	-	939,642	-	-	-	939,642
Amounts due from reinsurers / retakaful	-	-	-	51,627	-	51,627	-	-	-	51,627
Sundry receivables	-	-	-	312,918	-	312,918	-	-	-	312,918
	-	85,920,311	19,945	15,184,156	-	101,124,412	-	-	-	101,124,412
<b>Financial liabilities not measured at fair value</b>										
Policyholders' technical reserves' Liabilities	-	-	-	-	90,375,079	90,375,079	-	-	-	90,375,079
Staff retirement benefits	-	-	-	-	18,275	18,275	-	-	-	18,275
Outstanding claims	-	-	-	-	1,013,155	1,013,155	-	-	-	1,013,155
Premium / contribution received in advance	-	-	-	-	681,986	681,986	-	-	-	681,986
Amounts due to reinsurers / retakaful	-	-	-	-	79,186	79,186	-	-	-	79,186
Amounts due to agents	-	-	-	-	684,162	684,162	-	-	-	684,162
Other creditors and accruals	-	-	-	-	245,159	245,159	-	-	-	245,159
Unclaimed dividend	-	-	-	-	18,639	18,639	-	-	-	18,639
	-	-	-	-	93,115,641	93,115,641	-	-	-	93,115,641

The fair value of financial assets and liabilities not carried at fair value is not significantly different from their carrying values since assets and liabilities are short term in nature.

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair values estimates.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

## 43 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:

### 43.1 Policyholders' liabilities / technical reserves

#### 43.1.1 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.

#### 43.1.2 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 notification S.R.O 16(1)/2012. However, existing valuation basis is considered to be more prudent than the minimum.

#### 43.1.3 Claims provision

The calculation of Incurred But Not Reported Claims Reserve for both Group Life under Conventional Business and Accident and Health Business 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.

#### 43.1.4 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.

## 43.2 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.

## 43.3 Impairment in respect of listed securities

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

## 44 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The Board of Directors, in their meeting held on February 15, 2018 proposed a final cash dividend of Rs.14.50 per share (2016: Rs.11.50 per share) for the year ended December 31, 2017 amounting to Rs.1,150.29 million (2016: Rs.829.366 million), and a transfer of Rs. Nil (2016: Rs.72.119 million) from accumulated surplus to Reserve for issue of Bonus Shares, for the issuance of Nil 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, 2017 was Rs.3.00 per share (2016: Rs.3.00 per share) amounting to Rs.237.992 million (2016: Rs.216.36 million).

These financial statements do not recognise the proposed final dividend which will be recognized in the financial statements for the year ending December 31, 2018.

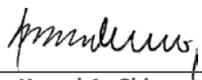
## 45 CORRESPONDING FIGURES

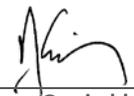
Corresponding figures have been re-arranged and reclassified, wherever necessary for purpose of comparison. However, there were no significant reclassifications in these financial statements.

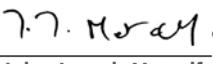
## 46 DATE OF AUTHORISATION FOR ISSUE

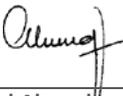
These financial statements were authorised for issue on February 15, 2018 by the Board of Directors of the Company.

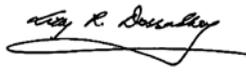


  
Kamal A. Chinoy  
Chairman

  
Amyn Currimbhoy  
Director

  
John Joseph Metcalf  
Director

  
Javed Ahmed  
Managing Director &  
Chief Executive Officer

  
Lilly R. Dossabhoy  
Chief Financial Officer

www.jubileelife.com

# STATEMENT OF DIRECTORS

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

## Section 46(6)

- a) In our opinion, the annual audited financial statements of Jubilee Life Insurance Company Limited for the year ended December 31, 2017, set out in the forms attached to the statements have been drawn up in accordance with the Ordinance and any rules made there under;
- b) Jubilee Life Insurance Company Limited has at all the times in the year complied with the provisions of the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance/ retakaful arrangements; and
- c) As at December 31, 2017, Jubilee Life Insurance Company Limited continues to be in compliance with the provisions of the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance / retakaful arrangements.

## Section 52(2) (c)

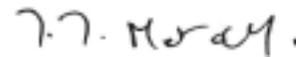
- d) In our opinion, each statutory fund of Jubilee Life Insurance Company Limited complies with the solvency requirements of the Insurance Ordinance, 2000, and the Insurance Rules, 2002.



**Kamal A. Chinoy**  
Chairman



**Aryn Currimbhoy**  
Director



**John Joseph Metcalf**  
Director



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

# STATEMENT OF APPOINTED ACTUARY

Statement by the appointed actuary required under section 52(2) (a) & (b) of the Insurance Ordinance, 2000.

In my opinion:

- (a) the policyholder liabilities / technical liabilities in the balance sheet of Jubilee Life Insurance Company Limited as at 31.12.2017 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.

Date: February 8, 2018



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**Nauman A. Cheema**

Appointed Actuary of the Company  
Fellow of the Society of Actuaries (USA)  
Fellow of the Pakistan Society of Actuaries

# Shareholders Information

# NOTICE OF 23RD ANNUAL GENERAL MEETING

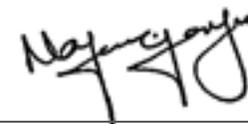
Notice is hereby given that the 23rd Annual General Meeting of the Shareholders of Jubilee Life Insurance Company Limited "Company" will be held on Friday, March 30, 2018 at 11.00 a.m. at the Auditorium, Habib Bank Tower, Jinnah Avenue, Islamabad to transact the following business:

## Agenda

### Ordinary Business

1. To confirm the Minutes of 22nd Annual General Meeting held on March 28, 2017.
2. To consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2017 together with the Chairman's Review, Directors' Report and Auditors' Report thereon.
3. To consider and approve the payment of final cash dividend of 145% (Rs.14.50 per ordinary share of Rs.10 each) for the year ended December 31, 2017 as recommended by the Directors of the Company, in addition to the interim dividend of Rs.3.00 per share i.e. 30% already paid to shareholders, thus making a total of Rs.17.50 per share i.e. 175% for the year ended December 31, 2017.
4. To appoint external auditors and Shariah Compliance Auditors for the Year 2018 and to fix their remuneration. The retiring auditors, M/s KPMG Taseer Hadi & Co., Chartered Accountants, being eligible, offer themselves for re-appointment as Statutory Auditors and Shariah Compliance Auditors.
5. To transact any other business as may be placed before the Meeting with the permission of the Chair.

**By order of the Board**



**Najam ul Hasan Janjua**  
Company Secretary

Dated: March 9, 2018  
Karachi

**Notes:**

1. The Share transfer books of the Company shall remain closed from 24-03-2018 to 30-03-2018 (both days inclusive). Transfers received in order by our registrar, M/s Central Depository Company of Pakistan Limited, CDC Share Registrar Service, CDC House, 99-B, Block-B, SMCHS, Main Sharah-e-Faisal, Karachi-74400, at the close of business on 23-03-2018 will be treated in time for the purpose of attending the meeting.
2. A Member of the company entitled to attend and vote at this Meeting shall be entitled to appoint another member, as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the Meeting as are available to a member.
3. A Member shall not be entitled to appoint more than one proxy to attend any one meeting. If any Member appoints more than one proxy for any one meeting and more than one instruments of proxy are deposited with the Company, all such instruments of proxy shall be rendered invalid.
4. Proxies, in order to be effective, must be received by / lodged with the Company at its Registered Office 26-D, 3rd floor, Kashmir Plaza, Jinnah Avenue, Blue Area, Islamabad not less than 48 hours before the Meeting.
5. Members are requested to immediately notify any change in their addresses.
6. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
7. Shareholders possessing physical shares are requested to immediately send a copy of their Computerized National Identity Card (CNIC) to our Registrar Office, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block B, SMCHS, Main Sharah-e-Faisal, Karachi. Corporate entities are also requested to submit their NTN at the address of our Registrar as given above.
8. Please further note that the rates for deduction of withholding tax on the amount of dividend paid by the companies are @ 15% for filers of income tax returns and @ 20% for non-filers of income tax returns. All members are advised to ensure their names are on Active Tax-payers List (ATL) provided on the website of Federal Board of Revenue (FBR) otherwise tax on dividend will be deducted @20% instead of 15%.

In this regard, all shareholders who hold shares with joint shareholders, are requested to provide shareholding proportions of Principal shareholder and Joint Holder(s) in respect of shares held by them to our Share Registrar, in writing, as follows before 23-03-2018 positively; otherwise it will be assumed that the shares are equally held by principal shareholder and joint holder(s).

Name	Folio / CDS Accounts No.	Total Shares	Principal Shareholder		Joint Shareholding	
			Name & CNIC No.	Shareholding Proportion (No. of Shares)	Name & CNIC No.	Shareholding Proportion (No. of Shares)

## 9. Payment of Cash Dividend Electronically (e-Dividend)

In accordance with the provision of Section 242 of the Companies Act, 2017 (Act) all listed Companies including Jubilee Life Insurance Company Limited are required to pay dividends to the entitled shareholders only through electronic mode directly in the bank account of the said shareholders.

Keeping in view the mandatory requirement of Section 242 of the Act, all listed companies are advised to approach their Shareholders for obtaining electronic dividend mandate, update their bank account records and put a system in place, as all dividend payments with effect from November 01, 2017 shall be paid through electronic mode only. In this regard Company has already issued letters on October 6, 2017 to such shareholders on their addresses available in Company's record through registered post.

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

The Shareholders are advised once again to submit referred form duly filled with the Share Registrar (Central Depository Company of Pakistan Limited) in case of physical holding and in case of CDC account / sub-account to investor Account Services or to their Brokerage firm as the case may be.

### A. FOR ATTENDING THE MEETING:

- (i) In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Regulations shall authenticate his/her original valid Computerized National Identity Card (CNIC) or the original Passport at the time of attending the meeting.
- (ii) The shareholders registered on CDC are also requested to bring their particulars, I.D. numbers and account numbers in CDS.
- (iii) In case of corporate entity, the Board of Directors' resolution/Power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

**B. FOR APPOINTMENT OF PROXIES:**

- (i) In case of individuals, the account holder or sub-account holder and / or the persons whose registration details are uploaded as per the Regulations shall submit the proxy form as per requirement notified by the Company.
- (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- (v) In case of corporate entity being a Member, the Board of Directors' resolution / Power of Attorney with specimen signature of the nominee / attorney shall have to be submitted (unless it has been provided earlier) along with the proxy form to the Company.

# PATTERN OF SHAREHOLDING

As of December 31, 2017

Number of Shareholders	Shareholdings' Slab		Total Shares Held
187	1	to 100	5,670
183	101	to 500	53,716
443	501	to 1000	303,995
326	1001	to 5000	804,811
112	5001	to 10000	800,693
28	10001	to 15000	342,955
12	15001	to 20000	211,961
12	20001	to 25000	267,040
10	25001	to 30000	272,232
5	30001	to 35000	157,766
2	35001	to 40000	72,860
1	40001	to 45000	42,377
1	45001	to 50000	50,000
2	50001	to 55000	106,573
3	55001	to 60000	171,507
1	60001	to 65000	63,855
2	65001	to 70000	133,155
1	70001	to 75000	70,950
1	75001	to 80000	77,443
1	80001	to 85000	81,577
2	85001	to 90000	179,100
1	90001	to 95000	94,875
1	95001	to 100000	100,000
2	100001	to 105000	204,022
1	105001	to 110000	105,107

# PATTERN OF SHAREHOLDING

As of December 31, 2017

Number of Shareholders	Shareholdings' Slab		Total Shares Held
1	125001	to 130000	125,402
1	130001	to 135000	132,327
1	140001	to 145000	140,400
3	145001	to 150000	450,000
1	150001	to 155000	150,287
1	155001	to 160000	158,125
1	185001	to 190000	188,150
1	245001	to 250000	250,000
1	260001	to 265000	261,400
1	310001	to 315000	310,313
1	315001	to 320000	316,671
1	320001	to 325000	324,604
1	380001	to 385000	381,864
1	385001	to 390000	386,589
1	515001	to 520000	517,684
1	620001	to 625000	622,810
1	790001	to 795000	793,327
1	945001	to 950000	949,096
1	1170001	to 1175000	1,170,079
1	1225001	to 1230000	1,226,257
1	5100001	to 5105000	5,101,448
1	14685001	to 14690000	14,689,730
1	45905001	to 45910000	45,909,877
<u>1365</u>			<u>79,330,680</u>

# PATTERN OF SHAREHOLDING

As of December 31, 2017

Categories of Shareholders	No. of Shareholders	Shares held	Percentage
<b>1. Directors, Chief Executive Officer, their spouse and minor children:</b>	<b>7</b>	<b>179,354</b>	<b>0.23%</b>
Kamal A. Chinoy		70,950	
Javed Ahmed		986	
Sultan Ali Allana		632	
R. Zakir Mahmood		547	
John Joseph Metcalf		632	
Amyr Currimbhoy		500	
Hina Javed		105,107	
<b>2. Associated Companies, Undertakings &amp; related parties:</b>		<b>66,323,865</b>	<b>83.60%</b>
Aga Khan Fund for Economic Development S.A. Switzerland*	<b>4</b>	45,909,877	
Habib Bank Limited - Treasury Division		14,689,730	
Jubilee General Insurance Company Limited		5,101,448	
The Aga Khan University Foundation		622,810	
<b>3. NIT and ICP</b>	<b>1</b>	<b>629</b>	
Investment Corporation of Pakistan		629	
<b>4. Public Sector Companies &amp; Corporations</b>	<b>-</b>	<b>-</b>	
<b>5. Banks, Development Financial Institutions &amp; Non Banking Financial Institutions</b>	<b>1</b>	<b>20,148</b>	<b>0.03%</b>
MCB Bank Limited		20,148	
<b>6. Insurance Companies</b>	<b>2</b>	<b>1,170,708</b>	<b>1.48%</b>
EFU General Insurance Limited		1,170,079	
The Premier Insurance Company of Pakistan		629	

\* Excluding 1264 shares held by Nominee Directors

# PATTERN OF SHAREHOLDING

As of December 31, 2017

Categories of Shareholders	No. of Shareholders	Shares held	Percentage
<b>7. Modarbas and Mutual Funds</b>	<b>2</b>	<b>7,124</b>	<b>0.01%</b>
First Equity Modarba		3,777	
CDC - Trustee AKD Index Tracker Fund		3,347	
<b>8. Others</b>	<b>80</b>	<b>1,061,636</b>	<b>1.34%</b>
<b>9. Executives</b>	<b>8</b>	<b>99,895</b>	<b>0.13%</b>
Muhammad Sohail Fakhar		58,700	
Muhammad Munawar Khalil		22,300	
Shan Rabbani		1,952	
Zahid Barki		11,000	
Faisal Qasim		632	
Najam ul Hassan Janjua		11	
Muhammad Aamir		3,300	
Faiz ul Hassan		2,000	
<b>10. General Public - Local</b>	<b>1249</b>	<b>5,735,956</b>	<b>7.23%</b>
<b>- Foreign</b>	<b>11</b>	<b>4,731,365</b>	<b>5.96%</b>
ACACIA Partners LP		1,226,257	
ACACIA Institutional Partners LP		949,096	
ACACIA II Partners LP		793,327	
ACACIA Conservation Fund-Offshore Ltd.		386,589	
Habib Bank AG Zurich, Zurich Switzerland		6,325	
Florida Retirement System		324,604	
Aberdeen Institutional Commingled Funds LLC		517,684	
Aberdeen Global Frontier Markets Equity Fund		316,671	
Aberdeen Frontier Markets Investment Company Limited		188,150	
Mahmood Ahmed Chaudhry		19,500	
Mohammad Ishaque Khan		3,162	
<b>TOTAL</b>	<b>1365</b>	<b>79,330,680</b>	<b>100.00%</b>

# PATTERN OF SHAREHOLDING

As of December 31, 2017

## Categories of Shareholders

### 11. Trading in shares by the Directors, CEO & Spouse and Executives during the year 2017

	Designation	Transaction	No. of Shares
Kamal A. Chinoy	Director	Purchased	14,250
Hina Javed	(Spouse of Mr. Javed Ahmed - MD & CEO)	Purchased	3,000
Amyr Currimbhoy	Director	Purchased	500
Muhammad Sohail Fakhar	Group Head-Corp. Marketing & Admin.	Purchased	1,500
Muhammad Munawar Khalil	Group Head-HR Management & Development	Purchased	20,800
Muhammad Aamir	Department Head Corporate Business	Purchased	3,000
Faiz ul Hasan	Department Head Corporate Sales	Purchased	2,000

### 12. Categories of Shareholders as at December 31, 2017

	No. of Shareholders	Shares Held	Percentage
Individuals	1,264	6,015,205	7.58%
Insurance Companies	3	6,272,156	7.91%
Joint Stock Companies	80	1,061,636	1.34%
Financial Institutions	4	60,620,384	76.41%
Modarbas & Mutual Funds	2	7,124	0.01%
Non Residential Shareholders	11	4,731,365	5.96%
Others	1	622,810	0.79%
<b>TOTAL</b>	<b>1,365</b>	<b>79,330,680</b>	<b>100.00%</b>

### 13. Shareholders holding 5% or more voting interest

Aga Khan Fund for Economic Development S.A., Switzerland	45,909,877	57.87%
Habib Bank Limited Treasury Division	14,689,730	18.52%
Jubilee General Insurance Company Limited	5,101,448	6.43%

# PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_ (full address) being member(s) of Jubilee Life Insurance Company Limited and holder of \_\_\_\_\_ Ordinary Shares as per Share Register Folio No. \_\_\_\_\_ CDC Participant ID \_\_\_\_\_ CDC Account No. \_\_\_\_\_ hereby appoint Mr./Mrs./Miss \_\_\_\_\_ of \_\_\_\_\_ (full address) or failing him / her \_\_\_\_\_ of \_\_\_\_\_ or failing him / her \_\_\_\_\_ of \_\_\_\_\_ as my proxy to vote for me and on my behalf at the Annual General Meeting of the Company to be held on Friday, March 30, 2018 at 11.00 a.m. at Auditorium, Habib Bank Tower, Jinnah Avenue, Islamabad and at any adjournment thereof.

As witness my / our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

\_\_\_\_\_  
Signature and Address of Witness

CNIC / Passport No. \_\_\_\_\_

Please affix

Revenue Stamp

\_\_\_\_\_  
Signature of Member(s)

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

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

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



**Jubilee**  
LIFE INSURANCE

If undelivered please return to:  
**Jubilee Life Insurance Company Limited**  
74/1-A, Lalazar, M. T. Khan Road, Karachi-74000  
Phone : (0092) (21) 35205095  
Fax : (0092) (21) 35610959

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# Branch Network

# BRANCH NETWORK

## INDIVIDUAL LIFE OFFICES

### SOUTH REGION

#### Royal Branch

Office No. 105-A & 106 Asia Pacific Trade Centre, Opposite Drive-In-Cinema, Main Rashid Minhas Road, Karachi.  
021-34663421

#### Liberty Branch

Office No. 105-A & 106 Asia Pacific Trade Centre, Opposite Drive-In-Cinema, Main Rashid Minhas Road, Karachi.  
021-34663421

#### Karachi Indus Branch

Office No. 105-A & 106 Asia Pacific Trade Centre, Opposite Drive-In-Cinema, Main Rashid Minhas Road, Karachi.  
021-34663421

#### Nobel Branch

Office No. 109, Asia Pacific Centre, Sub Plot No. 250/1/9, Block-19, Gulistan-e-Jauhar, Karachi.  
021-34017412

#### Galaxy Branch

B-1 & B-2, Anar Kali Apartment, F.B Area, Block-7, Karachi.  
021-363201613

#### Karachi Shaheen Branch

Office No. 601, 6th Floor, Progressive Centre PECHS Block 6, Karachi.  
021-34322170

#### Alpha Branch

Office No. 601, 6th Floor, Progressive Centre PECHS Block 6, Karachi.  
021-34322170

#### Horizon Branch

Mezzanine Floor, Office No. 3. Sub Plot C-25/1, Muhammadi Center, Waterpump Block 17 F.B.Area Karachi.  
021-36360450

#### Platinum Branch

Mezzanine Floor, Office No. 3. Sub Plot C-25/1, Muhammadi Center, Waterpump Block 17 F.B.Area Karachi.  
021-36360450

#### Imperial Branch

G-5, Adenwella Appartment, GRE325 / 2, Garden East, Karachi.  
021-34322170

#### Gulshan-e-Iqbal Branch

Plot No. 6 / FL-6, 2nd Floor, Block-6, KDA Scheme No. 24, Gulshan-e-Iqbal, Karachi.  
021-34834216

#### Crescent Branch

Office No. 302 & 303, 3rd Floor, Arab Busniess Center, Plot No. 5, Block No. 3, Karachi Cooperative Housing Society, Main Bahadurabad Chowrangi (4 Meenar), Aalamgeer Road Bahadurabad, Karachi.  
021-34123264

#### Civic Branch

1st Floor, Plot No. 20-C, Ittehad Lane-12, D.H.A., Phase-II Extension, Karachi.  
021-34947252

#### United Branch

Office No. 105-A & 106 Asia Pacific Trade Centre, Opposite Drive-In-Cinema, Main Rashid Minhas Road, Karachi.  
021-34017415

#### Diamond Branch

Flat No. 9 Afzal Apartment KDA Scheme 1-A Stadiim Road, Karachi.  
0308-2229415 Syeda Narjid Meraj

#### Thandi Sadak Branch

1st Floor, CC-1 Block, Civic Centre, Thandi Sarak, Hyderabad.  
0222-786194

#### Mirpurkhas City Branch

Adam Tower Mirpur Khas, Plot No. 864/4, Mirpurkhas.  
072-3652191

**Khipro Branch**

Sanghar Road, Opposite Forest office Khipro.  
0235-879969

**Naushehferoz City Branch**

2nd Floor, Near Muhammadi Iron Store &  
Jalbani Petoral Pump, Naushero Feroz.  
024-2448424

**Station Road Branch**

1st Floor, Green Hotel Building,  
Near Mian Chowk, Ghotki.  
072-3600612-3

**Mehar City Branch**

Near United Bank Limited,  
Mehar District Dadu.  
025-4730402

**Panoakil Branch**

Opposite Caltex Petrol Pump,  
Bajji Chowk, National Highway, Panu Aqil.  
071-5691717-8

**Sukkur City Branch**

1st Floor, Lala Azam Plaza,  
Opposite Excise Office, Station Road, Sukkur.  
071-5614261

**Larkana City Branch**

1364/2, Block-C,  
Nawatak Mohallah, Larkana.  
074-4057486-7

**Larkana Royal Branch**

1364/2, Block-C, Nawatak Mohallah,  
Larkana.  
074-4057486-7

Jubilee Life Insurance

**Station Road Branch**

1364/2, Block-C, Nawatak Mohallah,  
Larkana.  
074-4057486-7

**MULTAN REGION****Dera Ghazi Khan Branch**

2nd Floor Ejaz Plaza Block No. 9,  
Urdu bazar, Dera Gazi Khan.  
064-2460250-1

**Abdali Road Branch**

NIPCO Building, 63-Abdali Road, Multan.  
061-4573301-2

**Multan Royal Branch**

NIPCO Building, 63-Abdali Road, Multan.  
061-4573301-2

**Rahim Yar Khan Branch**

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

**Sahiwal Branch**

1st Floor, Alpha Tower, 276/B-1,  
High Street, Sahiwal.  
040-4220503

**CENTRAL REGION****Faisalabad City Branch**

577-B, Peoples Colony, Main Satiana Road,  
Near Saleemi Chowk, Faisalabad.  
041-8720984

**Satiana Road Branch**

577-B, Peoples Colony, Main Satiana Road,  
Near Saleemi Chowk, Faisalabad.  
041-8720984

**G.T. Road Branch 1**

Chughtai Centre, G.T. Road, Shaheenabad,  
Gujranwala.  
055-3824735

**Club Road Branch**

405 Club Road, Sargodha.  
048-3768468-9

**Hafizabad Branch**

House No. A-1481, Post Office Road,  
Aga Khan Laboratory, Hafizabad.  
0547-524879

**Okara Branch**

2nd Floor, Nasir Plaza, Depalpur Chowk,  
Okara.  
044-2520477

**New Cavalry Branch**

3rd Floor, Plot No.79, Commercial Area  
Officers Scheme, Cavalry Ground, Lahore.  
042-6619966

**Ravi Branch**

2nd & 3rd Floor, Plot No. 79, Officers  
Housing Scheme, Cavalry Ground, Lahore.  
042-35941897

**Jinnah Branch**

2nd & 3rd Floor, Plot No. 79, Officers  
Housing Scheme, Cavalry Ground, Lahore.  
042-35941897

**Lahore Pioneer Branch**

1st Floor, 41 Civic Center, Barkat Market,  
New Garden Town, Lahore.  
042-3597189

**Lahore Premier Branch**

Plot No. 43, Block L, M.A. Johar Town,  
Near Emporium Mall, Lahore.  
042-35941897

**Lahore Defence Branch**

1st Floor, 41 Civic Center, Barkat Market,  
New Garden Town, Lahore.  
042-35941896

**Chenab Branch**

B-1 / 421, Iqbal Center, Near Prince Chowk,  
Khawajgan Road, Gujrat.  
0533-535115

**Paris Road Branch**

2nd Floor, Al-Amin Centre, B1-16 S-98 B,  
Paris Road, Sialkot.  
052-4265041

**Jehlum Buraq Branch**

1st & 2nd Floor, Saran Plaza, Near MCB  
bank, G.T. Road, Jada, Jehlum.  
0544-720681-2-3

**NORTH REGION****Twin City Branch**

2nd Floor, Hall No. 3, Bilal Plaza,  
Grindly Market,  
Haider Road, Rawalpindi.  
051-35111335

**Margalla Hills Branch**

Main Civic Centre, 2nd Floor, Kashmir Plaza,  
Blue Area Sector G-6, F-6, Islamabad.  
051-2206934

**Blue Area Branch**

Main Civic Centre, 2nd Floor, Kashmir Plaza,  
Blue area Sector G-6, F-6, Islamabad.  
051-2206934

**Peshawar Cant. Branch**

Office No. UG-422, 1st Floor, Upper Ground  
Deans Trade Centre, Islamia Road,  
Peshawar Cantt.  
091-5253262

**University Road Branch**

Office No. UG-422, 1st Floor, Upper Ground  
Deans Trade Centre, Islamia Road,  
Peshawar Cantt.  
091-5253262

**Peshawar Lions Branch**

Office No. UG-436, Main Lobby, Deans  
Trade Centre, Peshawar Cantt., Peshawar.  
091-5250374

**Chitral Branch**

Ground Floor, Terichmir View Hotel,  
Shahi Qilla Road, Main Bazar, Chitral.  
0943-412207

**Mirpur A.K. Branch**

1st Floor, Bank Square, Allam Iqbal Road,  
Mirpur AK.  
05822-445041 / 44315

**Muzaffarabad Branch**

2nd Floor, Bilal Shopping Plaza, Upper Adha,  
Muzaffarabad.  
05822-445041 / 443315

**Kotli Branch**

2nd Floor, Ghulastan Plaza, Pirdi Road,  
Kotli, Azad Kashmir.  
05826-444475

**Gilgit Branch**

2nd Floor, ZS Plaza, Opposite Radio Pakistan,  
Main Sharah-e-Quaid-e-Azam, Jutial, Gilgit.  
05811-457070

**Hunza Branch**

1st Floor, Gulzar-e-Hunza Market, Bank  
Square, Aga Khan Abad, Ali Abad,  
Main Karakoram Highway, Hunza.  
0581-1450092

**Ghizer Branch**

Shop No. 10 – 17, Ground Floor, Shahbaz  
Market, Raja Bazar, Near DHQ Hospital,  
Gahkuch, Ghizer.  
05814-451511

**Swat Branch**

Zahoor Plaza, 2nd Floor,  
Main Saidu Sharif, Makan Bagh  
Near Bank Alfalah Islamic Branch,  
Mingora, Swat.  
0305-5767879

## BANCASSURANCE OFFICES

### Karachi Bancassurance

Office No. 211, 213, 2nd Floor, Business Avenue, Shahrah-e-Faisal, Karachi.  
021-34374310

### Hyderabad Bancassurance

1st Floor, Noor Place, Near KASB Bank, Saddar, Cantonment, Hyderabad.  
0222-784784

### Sukkur Bancassurance

1st Floor, Bilal Plaza, Opposite Jatoi House, Military Road, Sukkur.  
071-5631169

### Bahawalpur Bancassurance

Shop No. 108, 109 & 110, 1st Floor, Awan Plaza, Andron-e-Ahmed Puri Gate, Bahawalpur.  
062-2882237-9

### Multan Bancassurance

10-A, 1st. Floor, Twin Towers, Tehsil Chowk, Gulgasht Colony, Near Silk Bank, Bosan Road, Multan.  
061-6212052

### Sahiwal Bancassurance

1st Floor, Naveed Plaza, Jinnah Road, High Street, Sahiwal.  
052-4603161

### Faisalabad Bancassurance

3rd Floor, Office No. 09, Legacy Tower, Main Boulevard, Kohinoor City, Faisalabad.  
041-8555061-3

### Lahore Bancassurance

2nd & 3rd Floor, Tufail Plaza, 56 Shadman 1, Post Office Shadman, Lahore.  
042-37529600 / 37421793

### Sargodha Bancassurance

Al-Rehman Trade Centre, 2nd Floor, Office No. 55, Sargodha.  
048-3768646-7

### Gujranwala Bancassurance

3rd Floor, Zaheer Plaza G.T. Road, Gujranwala.  
055-3736611-13

### Jehlum Bancassurance

1st Floor, Mian G.T. Road, Behind Caltex Petrol Pump, Near HBL Jadah Branch, Jehlum.  
0544-720681-83

### Gujrat Bancassurance

Sadiq Centre, Ground Floor Left Wing, (G1, -G2-G3- G4), Rehman Sahaheed Road, Opposite Total Petrol Pump, Gujrat.  
053-3533020-2

### Sialkot Bancassurance

Plot No. 16 S, 71/A/1, Moon Tower, Shop No. 1,2,3, 2nd Floor, Opposite Mission Hospital, Paris Road, Sialkot.  
052-4603161

### Islamabad Bancassurance

1st & 2nd Floor, Plot No. 21, I & T Center, Sector G/6, Main Khayaban-e-Suharwardi, Aabpara, Islamabad.  
051-4602900

### Peshawar Bancassurance

No. 501-502 B, 5th Floor, City Towers, University Road, Peshawar.  
091-5842175-7-9

### Muzaffarabad Bancassurance

D-141, Stree No. 17, Upper Chittar Housing Scheme, Muzaffarabad, Azad Kashmir.  
058-22432195-6

### Mardan Bancassurance

1st Floor, Sheikh Enayat Plaza Opposite Askari Bank, The Mall Road Mardan.  
0321-5168856

### Quetta Bancassurance

1st Floor, A-7, Swiss Plaza, Jinnah Road, Quetta.  
081-2829822 / 2822439

## TAKAFUL FAMILY LIFE OFFICES

**Prime Branch**  
**Johar Branch**  
**Gulshan Branch**  
**Pioneer Branch**  
**United Branch**  
**Falcon Branch**  
**Rehbar Branch**  
**Mehran Branch**

Mezzanine Floor, Alif Residency, SB-8,  
Block-2, Near Rab Medical, Gulshan-e-Iqbal,  
Karachi.  
021-34984617

### **Meezan Branch**

Office No. 601, 6th Floor, Park Avenue,  
PECHS, Block 6 Main Shakra-e-Faisal,  
Karachi.  
021-34326081-8

### **Premier 1 Branch**

Rawal Branch  
Rawalpindi Branch  
B-DD-83, 1st Floor Minhas Shopping Centre  
Shamsabad, Muree Road, Rawalpindi.  
051-4935501-4

### **Khyber Branch**

2nd Floor, Samad Plaza, Tehkal,  
Main University Road, Peshawar.  
091-5850520 / 5842449

### **Northern Branch**

2nd Floor, Samad Plaza, Gap CNG,  
Tehkal, University Road, Peshawar.  
091-5850520 / 5842449

### **Zalmi Branch**

2nd Floor, Samad Plaza, Gap CNG, Tehkal,  
University Road, Peshawar.  
091-5850520 / 5842449

### **Zarrar Branch**

2nd Floor, Samad Plaza, Gap CNG, Tehkal,  
University Road, Peshawar.  
091-5850520 / 5842449

### **Alpha Branch**

2nd Floor, Samad Plaza, Tehkal,  
Main University Road, Peshawar.  
091-5850520 / 5842449

### **Lahore Branch**

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

### **Bahawalpur Branch**

First Floor, Mushtaq Memorial Hospital  
Building, University Chowk, Bahawalpur.  
021-34991848

### **D.G. Khan Branch**

Al-Ajwa Plaza, 1st Floor, Bank Road,  
Block-1, Dera Ghazi Khan.  
064-2470893 / 2466500

### **Gujranwala Branch**

Star Branch  
Shareef Pura Chowk, Upper Story MCB  
Islamic Branch G.T. Road, Gujranwala.  
055-3847301-7 / 9

### **Multan Branch**

6th Floor, Chenone Tower, Abdali Road,  
Multan.  
061-4577102-9

### **Sargodha Branch**

1st Floor, Luqman Center, Plot No. 96,  
Civil Lines, Club Road, Sargodha.  
048-3720281-8

### **Franchise Model Branch**

2nd & 3rd Floor, 56-A, Shadman Commercial  
Market, Tufail Plaza, Lahore.  
042-37529600

### **Lahore Shaheen Branch**

1st Floor, 122-A, MCB ICHRA Branch,  
Ferozpur Road Near ICHRA, Lahore.  
042-37426012-6

### **Lahore Lions Branch**

2nd Floor, Rasheed Arcade, Near Wapda  
Hospital, Rehman Pura Stop, Ichra,  
Ferozpur Road, Lahore.  
042-35973352

### **Lahore Eagle Branch**

Office No. 4, 4th Floor, Malik Tower,  
20-B Defence More, Walton Road,  
Lahore.  
042-36626293-8

### **Lahore City Branch**

122-A, 1st Floor, MCB Ichra Branch,  
Ferozpur Road, Near Ichra, Lahore.  
042-37426012-6

**Bahawalnagar Branch**

First Floor, FW Continental Hotel,  
Kalma Chowk,  
Bahawalnagar.  
0303-6688493

**Gujrat Branch**

Majeed Plaza, Near Kids Galaxy School,  
Rehman Shaheed Road, Gujrat.  
053-3709027

**Sialkot Branch**

Al-Yousuf Plaza, Near Munshi Sweets,  
Ghanta Ghar Chowk, Cantt, Sialkot.  
052-4294641

**Jhelum Branch**

3rd Floor, Paswal arcade, GTS Chowk,  
Jhelum Cantt.  
054-4274131-2

**Chakwal Branch**

2nd Floor, Abbas Arcade, Opposite Alliance  
Travel, Talagang Road, Chakwal.  
054-3552282-4

**Faisalabad Branch**

Office No. 1, 4th Floor, Media Com Plaza  
Jaranwala Road, Near Koh-e-Noor Plaza,  
Faisalabad.  
041-8733305-8

**Eagle Branch**

1st Floor, Al-Razzaq Plaza,  
Opposite Children Complex, Near UBL Bank,  
Abdali Road, Multan.  
061-4589993

**Rajanpur Branch**

1st Floor, Sohail Plaza, Zia Shaheed Road,  
Rajanpur.  
0333-6784747

**Sheikhupura Branch**

Mian Shopping Mall Near Trauma Center,  
Sargodah Road, Sheikhupura.  
056-3613007-9

**Kot Momin Branch**

Al-Aiman Plaza, 1st Floor  
Opposite NBP, Chenab Bazar Tehsil Kot  
Momin District Sargodha.  
048-6681400

**Abbotabad Branch**

1st Floor, Al Murtaza Hajj Umrah Office,  
Khankhail Plaza Mansehra Road, Abbotabad.  
0300-8110436

**Taxila Branch**

1st Floor, Mir Tower, G.T. Road, Taxila.  
0300-5327071 / 0312-5327071

**Sultan Branch**

1st Floor, Mir Tower, G.T. Road, Taxila.  
0300-5327071 / 0312-5327071

**Mian Chunnu Branch**

1st Floor of Super Dooper Store, Liaquat  
Road, Mian Chunnu.  
0300-3446616

**Orangi City Town**

LS-60, Mazenine Floor, Sector No. 5,  
Orangi Town, Karachi.  
0300-3446616

**Hawk Branch**

4th Floor, Malik Tower Office No. 3, Defence  
Mor, Walton Road, Lahore Cantt.  
042-36626453

**Jampur Branch**

Opposite Eidgah, Near BOP, Dera Road,  
Jampur.  
0334-7361122

**CORPORATE OFFICES****Corporate Office Faisalabad**

Saleemi Tower, 1st & 2nd Floor, D Ground,  
Faisalabad  
041-8559849

**Corporate Office Lahore**

2nd & 3rd Floor, Tufail Plaza, 56 Shadman 1,  
Post Office Shadman, Lahore.  
042-7421793

**Corporate Office Multan**

10-A, 1st. Floor, Twin Towers, Tehsil Chowk,  
Gulgasht Colony, Near Silk Bank,  
Bosan Road, Multan.  
061-6212052

**Corporate Office Rawalpindi**

1st & 2nd Floor, DD-79, Asad Plaza,  
Shamsabad, Murree Road.  
051-4935549

**Corporate Office Sialkot**

Right wing, 2nd floor, Moon Tower.  
Opposite DHL office, Paris Road, Sialkot.  
052-4293529

**CSD Center Gilgit**

2nd Floor, ZS-Plaza, Opposite Radio Pakistan,  
Main Sharah-e-Quaid-e-Azam, Jutial, Gilgit  
05811-457070

**CSD Center Peshawar**

2nd Floor, Samad Plaza, Tehkal,  
Main University Road, Peshawar.  
091-5850520 / 5842449

**CSD Center Sukkur**

1st Floor, Lala Azam Plaza, Opposite Excise  
Office, Station Road, Sukkur  
071-5614261

**CORPORATE DISTRIBUTION****Karachi**

2nd Floor, PNSC Building, M.T. Khan Road,  
Lalazar, Karachi.  
021-35657886

**Lahore**

2nd & 3rd Floor, Tufail Plaza, 56 Shadman 1,  
Post Office Shadman, Lahore.  
042-37529600 / 37421793

**Faisalabad**

Saleemi Tower, 1st Floor, D Ground,  
Faisalabad.  
041-8559849

**Rawalpindi**

2nd Floor, DD-79, Asad Plaza, Shamsabad,  
Murree Road.  
051-4935549

**Multan**

10-A, 1st. Floor, Twin Towers, Tehsil Chowk,  
Gulgasht Colony, Near Silk Bank,  
Bosan Road, Multan.  
061-6212052

**Peshawar**

2nd Floor, Samad Plaza, Tehkal,  
Main University Road, Peshawar.  
091-5850520 / 5842449

**Hyderabad**

1st Floor, Noor Place, Near KASB Bank,  
Saddar, Cantonment, Hyderabad.  
0222-784784

**OTHER OFFICES / BACK OFFICES****Head Office**

74/1-A Lalazar M.T. Khan Road.  
021-35205094-5

**PNSC 2nd Floor Karachi**

2nd Floor, PNSC Building, M.T. Khan Road,  
Lalazar, Karachi.  
021-35657886

**PNSC 11th Floor Karachi**

11th Floor PNSC Office Lalazar,  
M.T. Khan Road, Karachi.  
021-35809200

**Lalazar I.T. Office**

36-A/3, 1st floor, Opposite Beach Luxury  
Hotel, Lalazar, M.T. Khan Road, Karachi.  
021-35205096

**I.T. / Call Center / Approval Center at  
Lalazar**

Building No. 36-A/2, (Ground, Mezzanine &  
1st Floor), Lalazar, M.T. Khan Road, Karachi.  
021-35205096

**Retail Business Center (RBC)**

Banglow No. 245/6/2/O, Block-6, PECHS,  
Karachi.  
021-34315970

**Jubilee**  
LIFE INSURANCE

If undelivered please return to:  
**Jubilee Life Insurance Company Limited**  
 74/1-A, Lalazar, M. T. Khan Road, Karachi-74000  
 Phone : (0092) (21) 35205095  
 Fax : (0092) (21) 35610959

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**JUBILEE LIFE INSURANCE COMPANY LIMITED**

74/1-A, Lalazar, M.T. Khan Road,  
Karachi-74000, Pakistan

Phone: (021) 35205094-95  
Fax: (021) 35610959  
UAN: (021) 111-111-554  
SMS: "JUBILEELIFE" to 8398  
E-mail: info@jubileelife.com,  
complaints@jubileelife.com  
Website: www.jubileelife.com

## جائزہ

کمپنی کی جانب سے مستحکم اور شاندار کارکردگی، پاکستان کی وسیع آبادی تک پہنچنے کے مواقع اور SECP کی جانب سے اٹھائے گئے ریگولیٹری کے بہتر اقدامات کے پیش نظر، ہم پر اعتماد ہیں کہ کمپنی اپنی قائمانہ حیثیت کو برقرار رکھتے ہوئے نئی شعبہ میں پاکستان کی سب سے معروف بیمہ زندگی کمپنی کا اعزاز برقرار رکھے گی۔

کمپنی پائیدار منافع اور کاروباری فروغ کے حصول کی حکمت عملی پر کاربند رہے گی۔

## اظہار تشکر

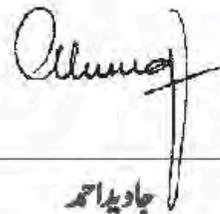
ہم اپنے معزز صارفین اور کاروباری شرکاء کے شکر گزار ہیں کہ انہوں نے ہم پر اعتماد کیا اور ہماری سرپرستی کی اور ہمیں ان کیلئے بہترین انداز میں خدمات فراہم کرنے کے عزم و تقویت دی۔

2003 سے کمپنی کے کاروبار میں مستقل نمایاں اضافہ اور مالیاتی استحکام، اس کی انتظامی ٹیم کی لگن اور سخت محنت کا نتیجہ ہے جس میں ہمارے تمام کارکنوں کا تعاون بھی شامل ہے۔ ہم ان سب کی کاوشوں پر ان کے ممنون ہیں۔

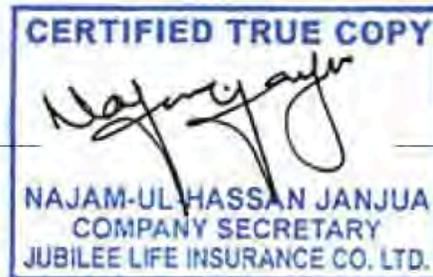
ہم اپنے ان ساتھیوں کا بھی شکریہ ادا کرتا ہے جنہوں نے آڈٹ کمیٹی، مالیاتی اور سرمایہ کاری کمیٹی، ہیومن ریسورس اینڈ ریویو فریشن، انٹیکس اینڈ نو مینیشن کمیٹی، ٹیکنیکل کمیٹی، رسک مینجمنٹ کمیٹی اور کنسرکشن ایڈوائزی کمیٹی میں خدمات انجام دیں۔

ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مثبت ضابطوں کو اپنانے پر بھی ان کے ممنون ہیں جو بیمہ زندگی کے کاروبار کو مضبوط بنیادوں پر فروغ دینے اور جاری رکھنے کیلئے ان کی بہترین کاوش ہے۔

از طرف بورڈ آف ڈائریکٹرز



جاوید احمد  
چیئرمین ڈائریکٹرز اور سی ای او





امین کریم بھٹی  
ڈائریکٹر

کراچی، 15 فروری 2018

## آپریٹنگ اور مالیاتی معلومات

گزشتہ چھ سال کی آپریٹنگ اور مالیاتی معلومات سالانہ رپورٹ کے صفحہ نمبر 24 پر درج ہیں۔

## فوائد بعد از ریٹائرمنٹ (Retirement Benefits)

کمپنی کے پروویڈینٹ فنڈ اور گریجویٹ فنڈ کی سرمایہ کاری کے مناسب قدر، متعلقہ مالیاتی گوشواروں کے مطابق 31 دسمبر 2017 کو، جس کے آڈٹ کا کام جاری ہے، درج ذیل ہیں:

پروویڈینٹ فنڈ: 338.43 ملین روپے  
گریجویٹ فنڈ: 319.12 ملین روپے

## مادی تبدیلیاں

31 دسمبر 2017 سے اس رپورٹ کے آنے کے وقت تک کوئی معنی خیز تبدیلی واقع نہیں ہوئی۔

## آڈیٹرز

موجودہ آڈیٹرز میسرز KPMG ٹاٹا ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس، اپنی موجودہ مدت پوری کرنے کے بعد سبکدوش ہو رہے ہیں اور دوبارہ تقرری کے اہل ہیں۔ سال 2018 کے لئے بورڈ آڈٹ کمیٹی نے میسرز KPMG ٹاٹا ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس کی بطور کمپنی کے آڈیٹرز اور مشیر پر عمل درآمد کے آڈیٹرز کیلئے دوبارہ تقرری کی سفارش کی ہے اور بورڈ نے اس سفارش کی تائید کی ہے۔

## ہولڈنگ کمپنی

کمپنی آغا خان فنڈ برائے معاشی ترقی، ایس۔ اے۔ سوئٹزرلینڈ کی ذیلی کمپنی ہے۔

## کوڈ آف کارپوریٹ گورننس برائے انشورر 2016 کے تحت مینجمنٹ کمیٹیاں

ذکورہ بالا کوڈ آف کارپوریٹ گورننس برائے انشورر 2016 کے تحت درج ذیل کمیٹیاں کام کر رہی ہیں اور ان کی سربراہی کمپنی کے مینجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر کرتے ہیں:

- 1- انڈررائٹنگ اور ری انشورنس کمیٹی
- 2- کلیئر کمیٹی
- 3- رسک مینجمنٹ اینڈ کمپلائنس کمیٹی

ان کمیٹیوں کے ممبران کی تفصیل سالانہ رپورٹ کے صفحہ نمبر 10 پر دی گئی ہے۔

### اندرونی آڈٹ کے امور

کمپنی کا اپنا اندرونی آڈٹ ڈپارٹمنٹ ہے جس کا دائرہ کار (Scope) اور اختیار (Authority) اندرونی محاسبہ چارٹر (Internal Audit Charter) سے باقاعدہ منظور شدہ ہے۔ اندرونی آڈٹ ڈپارٹمنٹ نے داخلی محاسبہ (Internal Audit) کے اہتمام کیلئے خطرے پر مبنی طریقہ کار اختیار کیا ہے (Risk Based Approach) اور یہ اندرونی کنٹرول کی استعداد اور درستی، پالیسیوں اور طریقہ کار پر عمل کے تسلسل اور قواعد و ضوابط کی پیروی کی نگرانی کرتا ہے۔ اندرونی آڈٹ کی رپورٹ کی بنیاد پر عمل کے مالکان اپنے متعلقہ شعبہ میں درستی کے انتظام کرتے ہیں اور اس طرح کنٹرول کو تقویت حاصل ہوتی ہے۔ اپنے مقاصد اور خود مختاری کو برقرار رکھنے کیلئے اندرونی آڈٹ ڈپارٹمنٹ عملی طور پر بورڈ آڈٹ کمیٹی کو اور انتظامی طور پر سی ای او کو رپورٹ کرتا ہے۔

### خطرات اور مواقع کی رپورٹ

کمپنی کو لاحق بڑے خطرات، ان کو حل کرنے کے امور، کمپنی کو لاحق ہونے والے اندیشے اور مواقع سے متعلق معلومات رسک اینڈ اپریچونٹی رپورٹ (Risk and Opportunity Report) میں دی گئی ہے جو سالانہ رپورٹ کے صفحات 70 سے 73 تک دی گئی ہے۔

دوران سال بورڈ کی حکمت عملی کمیٹی کے دو اجلاس منعقد ہوئے جس میں درج ذیل نے شرکت کی:

نمبر شمار	ڈائریکٹرز ایگزیکٹو کا نام	اجلاسات میں حاضری
۱	جناب جان جوزف میٹکاف	2
۲	جناب ایاز احمد (5 دسمبر 2017 تک)	2
۳	جناب جاوید احمد	2
۴	جناب شان ربانی	2

سال 2017 کے دوران بورڈ کی رسک مینجمنٹ کمیٹی کا اجلاس چار بار ہوا جس میں درج ذیل نے شرکت کی:

نمبر شمار	ڈائریکٹرز ایگزیکٹو کا نام	اجلاسات میں حاضری
۱	جناب جان جوزف میٹکاف	4
۲	جناب آرڈا کر محمود	4
۳	جناب ایاز احمد (5 دسمبر 2017 تک)	4
۴	جناب جاوید احمد	4

بورڈ کمیٹیوں کی تفصیلی شرائط کا تعین کارپوریٹ گورننس کے فریم ورک میں دی گئی رہنما ہدایات کے مطابق کیا گیا ہے۔

## انتظامی کمیٹی

کمپنی نے تمام انتظامی شعبوں کے روزمرہ کے معاملات کی نگرانی کے لیے ایک مجموعی انتظامی کمیٹی قائم کی ہے۔ یہ کمیٹی ہر ماہ مینجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر کی سربراہی میں اجلاس منعقد کرتی ہے۔ اس کمیٹی کے ممبران کی تفصیل سالانہ رپورٹ کے صفحہ نمبر 10 پر دی گئی ہے۔

دیگر کمیٹیوں میں انویسٹمنٹ کمیٹی (IMC) اور آئی ٹی سٹیرنگ کمیٹی شامل ہیں جس کی سربراہی بھی مینجنگ ڈائریکٹر کی نگرانی میں ہوتی ہے۔ ان کمیٹی کے ممبران کی تفصیل سالانہ رپورٹ کے صفحہ نمبر 10 پر دی گئی ہے۔

سال 2017 کے دوران بورڈ کی ہیومن ریسورس اینڈ ریویو نریشن، انسٹیکس اینڈ نو مینجمنٹ کمیٹی کا ایک اجلاس ہوا جس میں ڈائریکٹرز کی شرکت درج ذیل تھی:

نمبر شمار	ڈائریکٹر کا نام	اجلاسات میں حاضری
۱	جناب کمال اے چنائے	1
۲	جناب جان جوزف میڈکاف	1
۳	جناب آرڈا کر محمود	1
۴	جناب جاوید احمد	1

اس سال بورڈ مالیاتی اور سرمایہ کاری کمیٹی چار اجلاس ہوئے اور درج ذیل ڈائریکٹرز اور افسران نے شرکت کی:

نمبر شمار	ڈائریکٹر ڈائریکٹرز ایگزیکٹو کا نام	اجلاسات میں حاضری
۱	جناب ایاز احمد (5 دسمبر 2017 تک)	4
۲	جناب جان جوزف میڈکاف	4
۳	جناب آرڈا کر محمود	2
۴	جناب جاوید احمد	4
۵	محترمہ لیلی آرووسا بھوئی (منجمنٹ ایگزیکٹو)	4
۶	جناب شان ربانی (منجمنٹ ایگزیکٹو)	4

سال 2017 کے دوران بورڈ آف ڈائریکٹرز کے 6 اجلاس منعقد ہوئے جن میں درج ذیل ڈائریکٹرز نے شرکت کی:

نمبر شمار	ڈائریکٹر کا نام	اجلاسات میں حاضری
۱	جناب کمال اے چٹائے	6
۲	جناب علی نور محمد تنیسے (30 مارچ 2017 تک)	1
۳	جناب امین کریم بھوئی (31 مارچ 2017 سے)	4
۴	جناب جان جوزف مینکاف	6
۵	جناب سلطان علی الانیہ	2
۶	جناب آرڈا کر محمود	6
۷	جناب ایاز احمد (5 دسمبر 2017 تک)	6
۸	جناب جاوید احمد	6

سال 2017 کے دوران بورڈ آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے جن میں درج ذیل ڈائریکٹرز حاضر ہوئے:

نمبر شمار	ڈائریکٹر کا نام	اجلاسات میں حاضری
۱	جناب علی نور محمد تنیسے (30 مارچ 2017 تک)	1
۲	جناب امین کریم بھوئی (31 مارچ 2017 سے)	3
۳	جناب جان جوزف مینکاف	4
۴	جناب ایاز احمد (5 دسمبر 2017 تک)	4

جناب علی نور محمد رتسے نے کمپنی کے سالانہ اجلاس میں منعقدہ ایکشن میں شمولیت نہیں کی اور اپنی مدت پوری کر لی۔ ان کی جگہ جناب امین کریم بھوٹی کمیٹی کے ڈائریکٹر منتخب ہوئے۔ بورڈ کے باقی تمام ممبران بشمول مسیحنگ ڈائریکٹر اور سی ای او کو تین سال کے نئے اصطلاح کے لیے دوبارہ منتخب کیا گیا۔

31 مارچ 2017 کو ڈائریکٹر کے انتخاب کے بعد بورڈ درج ذیل ممبران پر مشتمل ہے:

- جناب کمال اے چنائے (چیئر مین)
- جناب امین کریم بھوٹی
- جناب جان جوزف میٹکاف
- جناب سلطان علی الائن
- جناب آرڈا کر محمود
- جناب ایاز احمد (5 دسمبر 2017 تک)
- جناب جاوید احمد (میجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر)

6 دسمبر 2017 کو جناب ایاز احمد کے مستعفی ہونے سے خالی ہونے والی جگہ سال کے آخر تک خالی رہی۔ 6 فروری 2018 کو بورڈ ہیومن ریسورس اور ریٹائرمنٹ، انٹیکس اور ٹیکنیشن کمیٹی نے بورڈ کو جناب ایاز احمد کی جگہ جناب شاہد غفار کو ڈائریکٹر منتخب کرنے کی تجویز دی۔ بورڈ نے اس تجویز کو قبول کرتے ہوئے SECP کی منظوری سے جناب شاہد غفار کو 8 فروری 2018 سے کمپنی کا ڈائریکٹر منتخب کر لیا ہے۔

بورڈ تحریری طور پر رخصت ہونے والے دونوں ڈائریکٹرز کی فراہم کردہ قابل ستائش خدمات اور رہنمائی کا معترف ہے جو انہوں نے چیئر مین، بورڈ آڈٹ کمیٹی اور چیئر مین، بورڈ فنانس اینڈ انویسٹمنٹ کمیٹی کے طور پر انجام دیں۔

- کمپنی کے قائم رہنے کی صلاحیت کسی شک و شبہ سے بالاتر ہے۔

- کارپوریٹ گورننس کے بہترین طریقہ کار سے جیسا کہ لسٹنگ کے ضوابط میں درج ہیں، کوئی قابل اثر اندازی انحراف نہیں کیا گیا۔

- واجب الادا ٹیکسز کے بارے میں معلومات آڈٹ شدہ مالیاتی گوشوارے کے نوٹ نمبر 16 میں دی گئی ہیں۔

- حصص کا طرز عمل اور ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری، تقرر کردہ ایگزیکٹو (Appointed Actuary)، ایگزیکٹوز اور ان کے شریک حیات اور نا بالغ بچوں کی کمپنی میں حصص کی تجارت کے بارے میں معلومات، صفحہ نمبر 203 پر درج ہیں۔

## بورڈ آف ڈائریکٹرز

کمپنی کا بورڈ آف ڈائریکٹرز ایک ایگزیکٹو اور چھ نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ درج ذیل بورڈ ممبرز نے 30 مارچ 2017 کو اپنے ٹرم کی تکمیل کی:

- جناب کمال اے چنائے (چیئرمین)

- جناب علی نور محمد ریسے

- جناب جان جوزف میڈکاف

- جناب سلطان علی الانہ

- جناب آرڈا کر محمود

- جناب ایاز احمد

- جناب جاوید احمد (ٹیچنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر)

## بورڈ کی کارکردگی کا سالانہ جائزہ

کمپنی کے بورڈ آف ڈائریکٹرز نے ضابطہ برائے کاروباری نظم و نسق (Code of Corporate Governance 2012) کی پیروی کرتے ہوئے، بورڈ کی کارکردگی کی سالانہ جائزہ کی منظوری دی اور بورڈ اس کو سالانہ انجام دیتا ہے۔

ضابطہ برائے کاروباری نظم و نسق برائے انشوررز، 2016 ضابطہ برائے کاروباری نظم و نسق 2012 اور پی ایس ایکس لسٹنگ 2012 ریگولیشنز

لسٹڈ بیمہ زندگی کی کمپنی ہونے کی حیثیت سے، کمپنی ضابطہ برائے کاروباری نظم و نسق برائے انشوررز 2016 پر عمل کرتی ہے۔ اس کے علاوہ، ضابطہ برائے کاروباری نظم و نسق 2012 اور PSX ضوابط کی پابندی بھی کرتی ہے۔ ان تمام شرائط کے سلسلے میں اسٹیٹنٹ آف کمپلائنس مع بہترین مروجہ کارپوریٹ اصولوں کے بارے میں سالانہ رپورٹ کے صفحہ 75 پر منسلک ہے۔

ڈائریکٹر مندرجہ ذیل امور کی تصدیق کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشواروں میں کمپنی کے معاملات، آپریشنز کے نتائج، رقومات کے بہاؤ اور ایکویٹی میں تبدیلیوں کو شفاف طور پر پیش کیا گیا ہے۔
- کمپنی کے حسابات کو جملہ قواعد و ضوابط کے مطابق تیار کیا گیا ہے۔
- مالیاتی اندازے محتاط روی سے لئے گئے ہیں۔ سالانہ مالیاتی گوشواروں کی تیاری کے لئے مناسب پالیسیاں تسلسل کے ساتھ اپنائی گئی۔
- مالیاتی گوشواروں کی تیاری میں بین الاقوامی حسابات کے معیارات، بین الاقوامی مالیاتی رپورٹنگ کے معیارات یا پاکستان میں لاگو دیگر ضوابط و قوانین (بشمول شریعہ رہنما ہدایات اور اصول، لیکن ان تک محدود نہیں) انشورنس آرڈیننس، 2000 اور SEC رولز 2002 کی پیروی کی گئی ہے اور کہیں ان سے انحراف کیا گیا ہو تو اس کو واضح طور پر ظاہر کیا گیا ہے۔
- داخلی کنٹرول کا نظام مستحکم طور پر ترتیب دیا گیا ہے اور موثر طور پر عمل درآمد کے ساتھ اس کی نگرانی بھی کی جاتی ہے۔

انٹرنیٹ پر انٹرنیٹ چینج پاکستان (ECP) ملک بھر کے لیے انٹرنیٹ اسکول مقابلہ ہے جس میں نوجوانوں کو انٹرنیٹ پر نیوز شپ کی تلاش سے اپنے کیریئر کے تعین کا موقع ملتا ہے۔ یہ ملک بھر کے مختلف اسکول کے 13 سے 16 سال عمر کے سیکنڈری اسکول کے طلباء کو پیش کیا جاتا ہے۔ ECP ایک کاروباری چینج ہے جس میں طلباء ٹیموں کی صورت میں اپنی تخلیقی صلاحیتوں کا اظہار Cyber-scenarios میں کرتے ہیں۔ متعلقہ ماہرین انٹرنیٹ پر انٹرنیٹ کی بنیاد، کاروباری منصوبہ بندی اور مالیات سے متعلق طلباء کی رہنمائی کرتے ہیں۔ اس انٹرنیٹ پر انٹرنیٹ کا مقصد زیادہ سے زیادہ منافع کمانا ہے اور زیادہ سے زیادہ خالص منافع کی حامل ٹیم کو کامیاب قرار دیا جاتا ہے۔ کمپنی نے اس پروجیکٹ میں 4.5 ملین روپے کی سرمایہ کاری کی ہے۔

## • رمضان میں عطیات کی مہم

2017 میں رمضان کے مہینے میں کمپنی نے ایک معروف فلاحی فاؤنڈیشن کیلئے عطیات جمع کرنے کی غرض سے اپنے سوشل میڈیا پلیٹ فارم پر ایک مہم کا آغاز کیا۔ کمپنی نے اس کیلئے سوشل میڈیا پیج پر ہر لائیک، پوسٹ، تبصرہ یا شیئر پر کمپنی نے 50 روپے عطیہ دینے کا عہد کیا۔ اس اقدام سے لوگوں میں امدادی کا جذبہ پیدا ہونے کے ساتھ صحت کی سہولتوں سے محروم افراد کو مدد ملی۔

## ماحول پر اثرات

کمپنی اپنے دفاتر کے ساتھ ساتھ معاشرے میں صفائی ستھرائی اور ماحول دوست فضا کے لیے پرعزم ہے۔ کمپنی کے مرکزی دفتر کے ارد گرد صاف اور ہر اہم ماحول برقرار رکھا جاتا ہے اور انسانی وسائل میں کاغذ کی بچت اور درختوں کے بچاؤ کے لیے ہمت افزائی اور شعور پیدا کیا جاتا ہے۔ اس حوالے سے کمپنی نے پہلے سے ہی ملازمین کے داخلی کاموں کے لیے کاغذ کے بغیر امور کی انجام دہی کا نظام جاری کر دیا ہے تاکہ کاغذ کا استعمال کم ہو، اسٹوریج کی ضروریات میں کمی آئے اور اخراجات پر بھی کنٹرول ہو، اس کے ساتھ کمپنی نے کاغذ اور اسٹیشنری کے ری سائیکل کو بھی فروغ دیا ہے تاکہ اخراجات میں کمی لائی جائے۔

مذکورہ بالا کے علاوہ کمپنی اپنے انسانی وسائل کے لیے صحت افزا اور محفوظ ماحول کو یقینی بناتی ہے۔ اس بات کی بھرپور کوشش کی جاتی ہے کہ آفس کے حدود میں صفائی اور ستھرائی کو یقینی بنایا جائے۔ آگ کے خطرے سے بچنے کے لیے تمام دفاتر میں سموک ڈیکٹرز اور آگ بجھانے کے آلات نصب کیے گئے ہیں۔ کمپنی موثر انداز میں سگریٹ نوشی ناپسند کرتی ہے اور تمام دفاتر کو No Smoking Zone قرار دیا ہے تاکہ انسانی وسائل کو اس کے معتر اثرات سے بچایا جاسکے۔

## کھیلوں کا فروغ

کمپنی کے انسانی وسائل میں کھیل کا جنون پیوست ہے اور کمپنی کی جانب سے کھیل کی حمایت کے لیے اٹھائے گئے اقدامات، شراکت داری کا جذبہ اور کامیابی کی منصوبہ بندی جھلکتی ہیں۔ کمپنی کرکٹ، اسنوکر، گولف اور پولو کے کھیلوں مختلف مقابلوں کو اسپانسر کر کے کھیلوں کو فروغ دیتی ہے۔

## • خوردیہ (Micro Insurance)

کمپنی کے CSR اقدامات کا نتیجہ یہ ہے کہ اپنی بنیادی کاروباری مہارت کا استعمال کرتے ہوئے انتہائی باکفایت قیمت میں ایک مستحکم بیمہ صحت اور زندگی کا حل پیش کیا جائے۔ لہذا کم آمدنی والے ایک بڑے طبقے کو خطرات کے نقصانات کو کم کر کے ان کی زندگیوں کو بہتر بنانے کے عزم کے ساتھ کمپنی نے 2017 میں مائیکرو انشورنس کی سہولت کی گنجائش 3 ملین افراد تک موثر کر دی ہے۔

## • سماجی صحت کے تحفظ کے اقدامات۔ گلگت بلتستان

جون 2016 میں آغا خان فاؤنڈیشن (AKF) کی رہنمائی میں AKHS, AKRSP اور کمپنی پر مشتمل AKDN کنسورٹیم نے حکومت گلگت بلتستان (GB) کے ساتھ مائیکرو انشورنس کے منصوبہ پر دستخط کئے۔ یہ غیر ملکی فنڈنگ پر مبنی 5 سالہ منصوبہ ہے جس میں غیر ملکی فنڈنگ کو مرحلہ وار ادا کر دیا جائے گا اور حکومت اپنے طور پر اس کیلئے فنڈز کا انتظام کرے گی۔ اس کے دوسرے مرحلے پر 2017 کے دوران کمپنی نے 5,200 بیمہ جات اور گلگت بلتستان میں اس اقدام کے حصے کے طور پر 12 ہیلتھ کیسپوں کا اہتمام کیا۔

## • صحت کی آگہی سے متعلق اقدامات

ہر سال مائیکرو انشورنس کے اقدام کو تقویت دینے کیلئے کمپنی صحت کے بارے میں آگہی کی مہمات کا اہتمام بھی کرتی ہے جس کے ذریعہ کم مراعات یافتہ طبقے میں صحت کے مسائل اور صحت مند زندگی کے بارے میں شعور پیدا کیا جاتا ہے۔ اس سلسلے میں مختلف تنظیموں کے اشتراک سے ملک کے چاروں صوبوں اور شمالی علاقہ جات میں، خاص طور پر دیہی علاقوں میں ہیلتھ کیسپس قائم کئے گئے۔ ان ہیلتھ کیسپس کے اخراجات کیلئے کمپنی نے 3 ملین روپے (2016: 2.6 ملین روپے) کی رقم فراہم کی اور کمپنی کے انسانی وسائل نے بھی خدمات انجام دیں۔ کمپنی اپنے انسانی وسائل کی حوصلہ افزائی کرتی ہے کہ وہ اس طرح کی سماجی سرگرمیوں میں اپنا وقت اور علم کی خدمات فراہم کریں۔

## معاشرے کے ساتھ روابط

کمپنی کو اس بات پر فخر ہے کہ یہ معاشرے کے ساتھ مضبوط روابط قائم رکھتی ہے اور ان کی صحت و تعلیم کی ضروریات، دیہی ترقی، ثقافتی ورثہ، سول سوسائٹی، انسانی ہمدردی اور کھیلوں کی ترویج کی خدمات انجام دیتی ہے۔

## • اعتراف یافتہ چیلنج پاکستان (Enterprise Challenge Pakistan)

2017 کے دوران، کمپنی نے پرنس ٹرسٹ انٹرنیشنل پروگرام کے دوسرے اعتراف یافتہ چیلنج پاکستان کے لیے Seed Ventures کے ساتھ اشتراک کیا۔

سے متعلق معلومات ہر مہینے کمپنی کی ویب سائٹ پر اپ لوڈ کر دی جاتی ہے۔ اس کے ساتھ ساتھ ایک خود کار ویب پورٹل، مختلف فورمز سے متعلق معلومات سے بھی بیمہ داران اور شراکت داروں کو آگاہی کے ساتھ کسی بھی شکایت سے متعلق رہنمائی فراہم کی جاتی ہے۔

کمپنی بینکاشورنس، شراکت داروں اور ٹیکرز کے ایک بڑے پینل کی مختلف سرگرمیوں میں مصروف رہتی ہے۔ ان شراکت داروں کے ساتھ مستقل طور پر رابطہ اور اجلاس جاری رہتے ہیں تاکہ متاثر کن کاروباری تعلق اور ایک دوسرے کے لیے خدمات، بشمول بینکاری خدمات میں مزید بہتری ممکن ہو۔

ریگولیٹری اطلاعی معلومات جو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، ٹیکس حکام، پاکستان اسٹاک ایکسچینج اور دیگر اداروں جیسا کہ JCR-VIS ریٹنگ ایجنسی، انشورنس ایسوسی ایشن آف پاکستان، اور سیز انویسٹرز چیمبر آف کامرس اینڈ انڈسٹری (OICCI)، مینجمنٹ ایسوسی ایشن آف پاکستان وغیرہ کے اجلاسوں میں کمپنی شرکت کرتی رہتی ہے۔ ان اجلاسوں میں شرکت کے لیے کمپنی نے اپنی تجربہ کار مینجمنٹ کو منتخب کیا ہوا ہے جو ان کے ساتھ صنعت کے اندر اور باہر کے مختلف معاملات پر تبادلہ خیال کرتے رہتے ہیں۔

ذرائع ابلاغ کے ذریعے مختلف مواقعوں پر جن میں کمپنی کی مایہ ناز کارکردگی، پروڈکٹس اور خدمات کے اجرا کے وقت، شراکت داروں کے ساتھ معاہدوں پر دستخط، کھیلوں کی اسپانسر شپ اور CSR سرگرمیوں کے موقع پر تبادلہ خیال ہوتا رہتا ہے۔ کمپنی کے بااختیار اہلکار اور منظور شدہ میڈیا ایجنسی، کمپنی کی براڈنگ پالیسی کے تحت میڈیا سے تبادلہ خیال کرتے ہیں۔

## کارپوریٹ سماجی ذمہ داری (Corporate Social Responsibility)

کمپنی مستقل طور پر کاروبار میں ہر کام ذمہ داری سے کرنے کے عزم پر کاربند ہے جس سے اسے اپنی وژن کے حصول میں تقویت ملتی ہے۔

کمپنی کی کارپوریٹ سماجی ذمہ داری (CSR) اور عطیات کی پالیسی کمپنی کے وژن کے حصول کیلئے رہنمائی فراہم کرتی ہے۔ اس کے مطابق ایک مضبوط فوکس (Focus) مقرر کر کے کوششوں کو مربوط کیا جاتا ہے جس سے کمپنی کی CSR کی کاوشوں اور عطیات کے عمل پر مثبت اثرات مرتب ہوتے ہیں۔

### • عطیات

منظور شدہ CSR اور عطیات کی پالیسی کے مطابق کمپنی کا 2017 کے لیے کل عطیات کے اخراجات کی رقم 23 ملین روپے ہے (2016: 16.5 ملین روپے) یہ عطیات صحت عامہ کی سہولتوں، تعلیم، دیہی ترقی اور ثقافتی ورثے کے لیے خرچ کئے گئے۔

## ایوارڈز اور اعزازات

اس سال مختلف شعبوں میں کمپنی کی کامیابیوں کو کئی خود مختار اداروں نے سراہا اور کمپنی کو مندرجہ ذیل اعزازات سے نوازا:

- PSX ٹاپ 25 کمپنیز ایوارڈ برائے 2016 جو پاکستان کی ترقی، حصص یافتگان کے اقدار اور معاشرے کی بہبود میں بہترین خدمات پر دیا جاتا ہے۔
- پانچواں FPCGI ایجوٹمنٹ ایوارڈ برائے سال 2016، فیملی کفائل کے میدان میں بیمہ کے ذریعہ بچت کے سلسلے میں شاندار خدمات کے اعتراف میں دیا گیا۔ اس طرح جوہلی لائف، فیملی کفائل یا وڈو فیملی کفائل آپریٹرز کے درمیان یہ امتیاز حاصل کرنے والی پہلی کمپنی ہے۔

## کاروباری ضابطہ اخلاق (Code of Conduct)

کمپنی کے ضابطہ اخلاق میں اعلیٰ ترین معیار کا کاروباری نظم و نسق، اخلاقیات اور عمدہ کاروباری روزمرہ کے امور بنیادی حصہ کے طور پر شامل ہیں جو بورڈ کی جانب سے منظور شدہ ہے۔ بورڈ کی منظوری سے کمپنی میں ضابطہ اخلاق، کاروباری حکمت عملی، وژن، میشن اور بنیادی اقدار کو اختیار کیا گیا ہے۔

ضابطہ میں ہر ایک کے فرائض اور ذمہ داریوں کا تعین کیا گیا ہے، جن میں بورڈ ممبران، تمام انسانی وسائل اور کمپنی کے مختلف اسٹیک ہولڈرز، ایک دوسرے کے ساتھ تعلقات اور مجموعی طور پر پورے معاشرے کے ساتھ تعلقات شامل ہیں۔ کمپنی میں ہر جگہ ان کی پابندی کیلئے ضروری اقدامات اٹھائے گئے ہیں۔ یہ ضابطہ کمپنی کی ویب سائٹ پر بھی دستیاب ہے۔

## شراکت داروں کے ساتھ تعلقات

کمپنی اپنے وسیع شراکت داروں کے ساتھ موثر تعلق اور رابطہ برقرار رکھنے پر بھرپور توجہ دیتی ہے، جس میں ہمارے حصص یافتگان، بیمہ داران، شراکت دار، وینڈرز، کاروباری شراکت دار، بینک، ریگولیٹرز، ریٹنگ ایجنسیز اور میڈیا شامل ہیں۔

بورڈ اور حصص یافتگان کے سالانہ اجلاسوں کا بروقت اہتمام، پاکستان اسٹاک ایکسچینج میں نتائج کا اعلان اور کمپنی کی ویب سائٹ پر سرمایہ کاروں کے سیکشن کی فراہمی کے ساتھ SECP کی ویب سائٹ پر لنک ڈالنے سے شیئر ہولڈرز کو متعلقہ معلومات حاصل ہو جاتی ہے۔ ہماری کارپوریٹ گلائٹس خدمات کو بہتر بنانے کے لیے اور اطمینان کے لیے ملاقاتیں کی جاتی ہیں تاکہ ان سے مختلف مشوروں کا جائزہ لیا جاسکے۔ انفرادی بیمہ پالیسی ہولڈرز اور شراکت داروں کے لیے ہماری سبزیٹیم مستقل طور پر ملاقات کرتی رہتی ہے۔ اس کے علاوہ کمپنی کے کال سینٹر ہر وقت خدمات کی فراہمی کے لیے دستیاب رہتے ہیں۔ کمپنی کے پونٹ سے جڑے فنڈز کی کارکردگی

## انفارمیشن ٹیکنالوجی (IT) اور انتظامی معیار

برتری کا عزم مستقل طور پر توجہ اور ٹیکنالوجی میں بھرپور سرمایہ کاری کا متقاضی ہے۔ مارکیٹ میں برتری کے مقام کو برقرار رکھنے کے لیے، کمپنی اس بات کو بخوبی سمجھتی ہے کہ تیزی سے بدلتی ہوئی دنیا میں جدید خدمات اور نئی اپیلی کیٹسز کو اختیار کرنا ناگزیر ہے۔ گزشتہ سال کمپنی نے مرکزی دفتر (Head Office) کے نئے ڈیٹا سینٹر (Data Center) میں بھی قابل ذکر سرمایہ کاری کی اور اس میں مزید توسیع کے لیے 2017 کے آغاز پر، کنورج ٹیکنالوجی سلوشن (Converge Technology Solution) سے اس کو مزید بہتر کیا جس سے تمام ہارڈ ویئر بشمول سرورز (Servers)، اسٹوریج، نیٹ ورک، ایکویپمنٹ، بیک اپ اپلائمنٹس (Backup Appliances)، مکمل ورچوئلائزیشن سافٹ ویئر (Complete Virtualization Software)، جبکہ ہارڈ ویئر مینجمنٹ ٹولز بھی حاصل ہوئے۔ اس سلوشن سے متواتر بیک اپ کے اخراجات میں واضح کمی آنے کے ساتھ مجموعی طور پر ڈیٹا بیک اپ اور ری اسٹور پروسیس (Restore Process) کی رفتار اور پائیداری میں اضافہ ہوا اور بجلی کے اخراجات میں بھی کمی آئی۔ یہ سلوشن کمپنی کی تین سالہ ضروریات کو پورا کرے گا اور بعد ازاں اس سے استفادہ کی فوائد بھی حاصل ہوں گے۔

2017 کے دوران ٹیکنالوجی کے میدان کی دوسری بڑی کامیابی نئے بیمہ زندگی بزنس ایڈمنسٹریشن سسٹم (Life Insurance Business Administration System) پر عمل درآمد ہے، یہ ایک انشورنس سلوشن فریم ورک (ISF) ہے جو ملائیشیا کے AETINS SDN BHD کا تیار کردہ ہے۔ اس منصوبے کا سب سے بڑا چیلنج ڈیٹا کی بروقت منتقلی اور نئے سسٹم پر کام کی شروعات تھا۔ کمپنی کی آئی ٹی ٹیم نے ایک ہفتے سے بھی کم کی قلیل مدت میں اس کام کو پورا کرتے ہوئے 12 جون 2017 کو پاکستان بھر میں اس نئے سسٹم کا آغاز کر دیا۔ تمام انفرادی بیمہ یونٹ سے جڑا کاروبار (روایتی) ISF سسٹم پر کامیابی کے ساتھ منتقل ہو چکا ہے جبکہ کاروبار کے باقی شعبوں کی منتقلی کا کام بھی جاری ہے اور 2018 میں مختلف مرحلوں میں مکمل کیا جائے گا۔

حسابی نظام کو مزید بہتر کرنے کے لیے ISF سسٹم پر عمل درآمد کے ساتھ کمپنی نے Oracle Financials E-Business Suite R12 پر بھی کام شروع کر دیا، یہ عالمی کاروباری طریقوں پر مبنی ایک سسٹم ہے جس سے بہتر فیصلوں، کم اخراجات اور کارکردگی میں بہتری کو یقینی بناتا ہے۔ اس سسٹم کا آغاز بھی 12 جون 2017 سے ہوا۔

کمپنی کا اندرونی انتظامی معیار بیرونی معیار جتنا ہی ضروری ہے۔ 2017 میں کمپنی نے کاغذ سے پاک ماحول کو حاصل کرنے کے لیے تمام دفاتر میں e-leave اپیلی کیشن پر عمل درآمد شروع کر دیا۔ دوسرے مرحلے میں کمپنی کے تمام انسانی وسائل کے استعمال کے لیے شیئر پوائنٹ (Share Point) اپیلی کیشن پر کام جاری ہے، جس سے کاغذ کے استعمال اور اسٹوریج کے مسائل میں کمی آنے کے ساتھ وقت کی بچت بھی حاصل ہوگی۔

ایک داخلی لرننگ مینجمنٹ سسٹم بھی مرتب اور مکمل کیا گیا ہے۔ پائلٹ پروگرام کے تحت، کمپنی نے نئے آنے والے مینجمنٹ ٹرینرز (Management Trainers) کے لیے LOMA 280 کورس کا اہتمام کیا۔ مینجمنٹ ٹرینرز نے اس سسٹم کو استعمال کیا ہے اور اس پر انہوں نے دو جائزے بھی دیئے ہیں۔

## انشورنس انٹرنیشنل اسٹریٹجی ریٹنگ (IFS Rating)

JCR-VIS کریڈٹ ریٹنگ کمپنی ایسیٹڈ سالانہ بنیادوں پر کمپنی کے IFS ریٹنگ کا جائزہ لیتی ہے۔ 23 ستمبر 2016 کے حالیہ جائزے میں کمپنی نے ”مستحکم جائزے“ کے ساتھ AA+، (ڈبل AA پلس) ریٹنگ برقرار رکھی۔ ریٹنگ سے کمپنی کی صلاحیت کا معلوم ہوتا ہے کہ وہ اپنے منطوب سرمایہ بندی اور درست سیالیت کے ذریعے پروفائل سے بیمہ داران کی واجبات کو کس حد تک پورا کرنے کی طاقت رکھتی ہے۔ خطرات سے متعلق پروفائل کو مثبت سرمایہ کاری اور سرمایہ کاری سے متعلق پالیسیوں کو منظم طریقے سے سرانجام دیا جاتا ہے تاکہ کلیم کی ادائیگی کے باوجود کیش ویلیو میں اضافہ ہوتا رہے۔ اپنی رپورٹ میں JCR-VIS نے تصدیق کی ہے کہ کمپنی کا کاروبار مستحکم سطح پر اور کاروبار میں ترقی اور آمدنی میں اضافہ واقع ہو رہا ہے اور زبرد جائزہ عرصہ کے دوران اقساط بیمہ میں ترقی کی وجہ سے جوہلی لائف انشورنس کمپنی کے مارکیٹ شیئر میں اضافہ ہوا ہے۔

## انتظامی معیار اور امتیاز

پاکستان میں بیمہ زندگی کے نجی شعبے کے رہنما کی حیثیت سے کمپنی اپنے امتیاز کو برقرار رکھنے کا عزم رکھتی ہے کہ اس کا کوئی ٹائی نہ ہو۔ یہی وجہ ہے کہ پاکستان کے 5.3 ملین افراد نے کمپنی پر مکمل اعتماد کا اظہار کیا ہے اور کمپنی سے بیمہ کراتی ہے۔ اسی اعتماد کے پیش نظر کمپنی اپنے بیمہ داران، شرکاء اور شراکت داروں، بینکار شورنس شراکت دار، ہینٹل کے ہسپتالوں، بروکرز اور دیگر شراکت دار کو معیاری خدمات کی فراہمی کے لیے کوشاں ہے۔

کمپنی اپنے کسٹمرز کی ضروریات کے عین مطابق بیمہ پروڈکٹس کی وسیع رینج کی حامل ہے جس میں بچوں کی تعلیم، شادی، ریٹائرمنٹ پلان، سرمایہ جمع کرنا، کارپوریٹ بیمہ زندگی اور بیمہ صحت، خورد بیمہ (Micro Insurance) اور شرعی اصولوں کے مطابق ونڈ و کافل پروڈکٹس شامل ہیں۔ 2017 کے دوران نوجوان نسل کو بیمہ زندگی اور بیمہ صحت کے فوائد سے آگاہ کرنے کے لیے e-portal کے ذریعے آن لائن فروخت کا آغاز کیا گیا، اس کے علاوہ ”Live Free“ کے نام سے موبائل ایپ بھی شروع کی گئی۔ ہر خاص و عام تک اپنی وسعت کو بڑھانے کے لیے تجرباتی طور پر پائلٹ پروجیکٹ (Pilot Project) کی بنیاد پر برانچ لیس ڈسٹری بیوشن (Branchless Distribution) کے ذریعے بھی استعمال کئے جا رہے ہیں جس میں ارزاں بیمہ اور بیمہ صحت تک ہر آدمی کی رسائی سے متعلق آگہی کو عام کیا جاسکے۔

مزید برآں، کمپنی 2 بینکار شورنس شراکت داروں کے ساتھ مصروف عمل ہے اور انہیں اپنے پلیٹ فارم پر لے آئی ہے جس کے بعد بینک کے شراکت داروں کی تعداد 14 ہو گئی ہے۔ ان میں سے کئی تو بھرپور انداز میں دونوں، یعنی روایتی بیمہ زندگی کا کاروبار اور انفرادی فیملی کفال کے کاروبار میں ہمارے ساتھ مصروف عمل ہیں۔ کمپنی اپنے بینکار شورنس پارٹنرز کی جانب سے اپنے برانچ نیٹ ورک کے ذریعے پاکستان بھر میں بیمہ زندگی کے پیغام کو پھیلانے پر ان کا شکریہ ادا کرتی ہے۔

2017 کے دوران کمپنی نے اپنے برانچ نیٹ ورک اور سیلز کے عملے بڑھانے پر بھی توجہ دی۔ دسمبر 2017 کے اختتام پر پاکستان بھر میں کمپنی کی شاخیں 112 تک پہنچ چکی تھیں۔

## انسانی وسائل (Human Resources)

کمپنی اس بات پر پختہ یقین رکھتی ہے کہ کامیابی کے حصول میں انسانی وسائل سب سے بڑی قوت ہیں، لہذا انسانی وسائل اور ان کی تربیت پر سرمایہ کاری کمپنی کی اولین ترجیحات میں شامل ہے۔

کمپنی میں ایک مسلسل تعلیمی ماحول موجود ہے جو کہ اس بات کو یقینی بناتا ہے کہ انسانی وسائل کے کاروباری معلومات اور صلاحیت میں اضافہ کرتا ہے۔ کمپنی اپنی سبزیوں کی تربیت کیلئے خصوصی اہتمام کرتی ہے تاکہ سبزیوں کی ٹیم میں اعلیٰ معیاری اور اصولی سبزیوں کیلئے مطلوبہ صلاحیت پیدا ہو۔

کمپنی اپنے انسانی وسائل کے لیے مختلف تربیت کے اقدامات فراہم کرتی ہے جس میں اعلیٰ انتظامی صلاحیت، عملی اور تکنیکی مہارت کے تربیتی پروگرام شامل ہیں۔ کمپنی اپنے انسانی وسائل کو دنیا کے تسلیم شدہ اداروں کے امتحانات کے ذریعہ پیشہ ورانہ مہارت کے حصول کیلئے ان کی حوصلہ افزائی کرتی ہے، جس میں سوسائٹی آف ایگجیکٹرز (Society of Actuaries, USA)، دی انسٹی ٹیوٹ اینڈ فیکلٹی آف ایگجیکٹرز (The Institute and Faculty of Actuaries, UK) اور دی لائف انسٹی ٹیوٹ اینڈ فیکلٹی آف ایگجیکٹرز (The Life Office Management Association, USA) شامل ہیں۔

کمپنی اپنے انسانی وسائل کی مختلف نوعیت اور ان کی عملی سمجھ بوجھ کو بہتر بنانے کیلئے بھی ڈیوٹیشن کے اقدامات کرتی ہے جس میں ہر سطح پر مختلف شعبوں میں کام کرنے کا موقع (Job Rotation) فراہم کرتی ہے۔

کمپنی خواتین اور حضرات کو یکساں مواقع فراہم کرنے پر فخر کرتی ہے اور انہیں اپنی اہلیت اور مہارت کی بنیاد پر اپنی صلاحیت دکھانے کے مواقع فراہم کرتی ہے۔ کمپنی کے تمام انسانی وسائل بشمول سبزیوں کی ٹیم میں 20 فیصد سے زائد خواتین شامل ہیں جن میں سے کچھ خواتین اعلیٰ عہدوں پر بھی فائز ہیں۔ خواتین کے روزگار کے مواقع کو مزید فروغ دینے کے لیے کمپنی نے OICCI Women سے متعلق معاہدے پر دستخط کئے ہیں تاکہ کمپنی میں صنفی یکسانیت کو فروغ ملے جو کہ اقوام متحدہ کے Women Empowerment Principles سے مطابقت رکھتا ہے۔ کمپنی میں سہ ماہی بنیادوں پر خواتین اراکین کے لیے تربیتی مواقع، ٹیم ملاقات اور دیگر سرگرمیاں شروع کی جا رہی ہیں۔

ہر سال کی طرح 2017 میں بھی کمپنی نے پاکستان کا یوم آزادی پورے جوش و جذبہ کے ساتھ منایا۔ اس تقریب کا آغاز ٹیک کاٹنے اور ملک و قوم کی خوشحالی کی دعاؤں سے کیا گیا۔ مرکزی دفتر کراچی میں تقریب کے اہتمام کے علاوہ، کمپنی کے تمام علاقائی دفاتر (Regional Offices) میں بھی تقاریب ہوئی اور اس کے علاوہ تمام بڑے شہروں، عوامی مقامات اور مشہور مالز میں جشن آزادی کی تقاریب کو اہتمام کیا۔

کمپنی قومی خزانے میں محصولات ادا کرنے کے بڑے ٹیکس دہندگان میں سے ایک ہے۔ 2017 کے دوران کمپنی نے حکومتی خزانے میں براہ راست (direct) اور غیر مستقیم (indirect) محصولات کی مد میں 2,673 ملین روپے (2016: 2,102 ملین روپے) جمع کرائے۔

## فی شیئر آمدنی

اس سال بنیادی (Basic) اور ڈائلوٹڈ (Diluted) آمدنی 32.39 روپے فی حصص (Earnings Per Share) رہی، (2016: 26.57 روپے) یعنی 22% اضافہ ریکارڈ کیا گیا۔

## حصص یافتگان کے لیے تقسیم شدہ منافع

بورڈ آف ڈائریکٹرز نے حتمی نقد تقسیم شدہ منافع بحساب 14.50 روپے فی شیئر یعنی 145% فی شیئر (Share) کا اعلان کیا ہے۔ (2016: 11.50 روپے فی حصص یعنی 115%)۔ اسکے علاوہ دوران سال کمپنی نے عبوری نقد تقسیم شدہ منافع بحساب 3.00 روپے فی حصص (30%) بھی ادا کیا (2016: 3.00 روپے فی حصص یعنی 30%)۔ اس طرح 2017 کیلئے کل نقد تقسیم شدہ منافع 17.50 روپے فی حصص یعنی 175% رہا۔ (2016: 14.50 روپے فی حصص یعنی 145%)۔

## جائیداد کی خریداری

بورڈ آف ڈائریکٹرز اپنے حصص یافتگان کو یہ بتاتے ہوئے خوشی محسوس کرتے ہیں کہ مئی 2017 میں کمپنی نے کراچی میں پلاٹ کی خریداری کر لی ہے جہاں جوہلی لائف کی ہیڈ آفس بلڈنگ تعمیر کی جائے گی۔ پلاٹ شاہراہ فیصل، کراچی پر اہم مقام پر واقع ہے۔

کاروباری معاملات میں تیزی سے ہونے والی ترقی سے بنیادی ڈھانچے اور لاجسٹکس کی بھی ضرورت بڑھتی جا رہی ہے۔ اس وقت کمپنی کے کاروباری معاملات چلانے کے لیے مختلف جگہوں پر دفاتر کرایہ پر ہیں۔ مرکزی دفتر (Head Office) عمارت کی تعمیر سے تمام امور ایک جگہ پر لائے جائیں گے جس سے کام میں مزید اہلیت آئے گی۔

جائیداد کی خریداری کی رقم کچھ تو حصص یافتگان کے اپنے فنڈ سے اور کچھ ایچ بی ایل سے 1.5 ارب روپے کی ٹرم فنانس سہولت (Term Finance Facility) سے ملنے والی رقم سے پوری کی گئی۔ ٹرم فنانس فیسلٹی کا دورانیہ آٹھ سال پر مبنی ہے جو مئی 2025 کو مکمل ہوگا، اس میں اصل رقم کی واپسی کے لیے دو سال کی رعایت دی گئی ہے اور سیکورٹی کے طور پر کمپنی کی جائیداد کو رہن رکھا گیا ہے۔ کمپنی نے ایچ بی ایل کے ساتھ ٹرم فنانس فیسلٹی پر لاگوسود کی شرح کو ہیج (Hedge) کرنے کے لیے آئی آر ایس (IRS) معاہدہ کیا ہے۔ کمپنی اپنا سود بروقت ادا کر رہی ہے اور IRS کی ادائیگیاں بھی وقت پر کی جا رہی ہیں۔

- تمام کاروباری شعبہ جات سے مجموعی طور پر حاصل ہونے والا سرپلس (Surplus) 4,143 ملین روپے ہے جو کہ گذشتہ سال کے سرپلس (Surplus) 3,616 ملین روپے سے 15% زیادہ ہے۔ اس میں سے 3,165 ملین روپے کا سرپلس (2016: 2,685 ملین روپے) آمدنی کے حساب (Revenue Account) سے نفع و نقصان (Profit and Loss Account) کے اکاؤنٹ میں منتقل کیا گیا۔

## سرمایہ کاری کی کارکردگی

سرمایہ کاری سے حاصل شدہ آمدنی کمپنی کے منافع میں اضافہ کا نمایاں عنصر ہے۔ جس کی وجہ سے کمپنی محتاط اور دانشمندانہ سرمایہ کاری کی پالیسی پر عمل درآمد کرتی ہے۔ 2017 کا سال کیمپٹل مارکیٹ کے لیے غیر مستحکم رہا اور پاکستان اسٹاک ایکسچینج (PSX) کو 15% منفی رجحان کا سامنا رہا۔ 31 دسمبر 2016 کو پوائنٹس 47,807 سے شروع ہونے والے انڈیکس کی سطح، MSCI کی ایمرجنگ مارکیٹ (MSCI Emerging Market Index) میں شمولیت اور مثبت بیرونی زرمبادلہ کے سہارے مئی 2017 میں 52,876 پوائنٹس کی اعلیٰ سطح پر پہنچ گیا۔ تاہم 2017 کی دوسری ششماہی کے دوران، سیاسی عدم استحکام اور بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے نے انڈیکس کی سطح میں شدید مندی پیدا کی اور 29 دسمبر 2017 کو انڈیکس 40,471 پوائنٹس پر بند ہوا۔

ایکویٹی مارکیٹ میں واضح مندی کے باوجود، کمپنی کی محتاط سرمایہ کاری کی پالیسی کے ذریعے، نئے اور تجدید کردہ کاروبار سے اضافی رقم (دعووں، دستبرداریوں اور جزوی رقم لگانے کے بعد) سے پونٹ سے جڑے فنڈز کے خالص اثاثہ جات میں 14% اضافہ ہوا جو مجموعی طور پر 31 دسمبر 2017 کو 100.6 ارب روپے تھے، یہ 2017 کے آغاز پر 88.2 ارب روپے کا ریکارڈ کئے گئے تھے۔

ایکویٹی مارکیٹ میں واضح خسارے کے سبب سرمایہ کاری میں 5,015 ملین روپے کا خسارہ ہوا جو کہ 2016 میں 15,257 ملین روپے کا منافع تھا۔ 2018 کے آغاز میں پاکستان اسٹاک ایکسچینج میں بحالی دیکھی جا رہی ہے اور 14 فروری 2018 کو انڈیکس 7 فیصد بحالی کے ساتھ 43,353 پوائنٹس پر بند ہوا۔ انتظامیہ کی نظر میں 2018 انتخابات کا سال ہے اور اس کے بعد سیاسی استحکام آجائے گا جس کی وجہ سے وافر سیالیت کے سبب پیمہ داران کے لیے مثبت تیزی کا رجحان رہے گا۔

کمپنی روایتی بیمہ کاروبار میں انفرادی زندگی کے بیمہ داروں کو چار پونٹ لکنڈ فنڈز (Unit Linked Fund) اور شریعت کے مطابق دو پونٹ لکنڈ فنڈ پیش کرتی ہے۔ یہ فنڈز مختلف سرمایہ کاری خطرات کے حوالے ہیں اور انفرادی بیمہ دار اشراکاء ان کا انتخاب اپنی مرضی کے سے کرتے ہیں۔

## نفع و نقصان کا اکاؤنٹ (Profit & Loss Account)

2017 میں کمپنی کے نفع و نقصان کے اکاؤنٹ (Profit & Loss Account) میں قبل از ٹیکس منافع 3,876 ملین روپے رہا (2016: 3,152 ملین روپے)۔ کل اضافی شرح 23% رہی۔ 2017 میں بعد از ٹیکس منافع کی رقم 2570 ملین رہی جو 2016 کے 2,108 ملین روپے کے مقابلے میں 22% زیادہ ہے۔

- سال کے اختتام پر تھمس یا فنڈنگ کا مالک (Shareholder's Equity) 31% اضافے کے ساتھ 6,647 ملین روپے جو کہ 2016 میں 5,070 ملین روپے تھا۔

- کمپنی نے محتاط رہتے ہوئے فنڈز کی مقدوریت (Solvency Margins) کی صلاحیت کو مطلوبہ قانونی حد سے نمایاں طور پر زیادہ رکھا۔

- JCR-VIS کے 23 ستمبر، 2016 کے جاری کردہ نوٹس کے مطابق کمپنی نے انشورر فنانشل قوت (Insurer Financial Strength) میں اپنی ریٹنگ AA+ (Double A Plus) مع مستحکم جائزہ (Stable outlook) کو برقرار رکھا ہے۔

## کاروباری کارکردگی اور انتظامی نتائج

زیر جائزہ سال کے دوران میں کاروبار کے ہر شعبہ کی کارکردگی تسلی بخش رہی۔ مجموعی انتظامی نتائج مختصر ادرج ذیل ہیں:

- انفرادی بیمہ زندگی یونٹ لنکڈ (Individual Life Unit Linked) 10% اضافے کے ساتھ 31,693 ملین روپے سے بڑھ کر 34,914 ملین روپے ہو گیا اور اس سال 3,126 ملین روپے کی اضافی رقم حاصل ہوئی۔
- کنٹیننٹل بزنس جو زیادہ تر اجتماعی بیمہ پر مشتمل ہے، 13% اضافے کے ساتھ 1,650 ملین روپے سے بڑھ کر 1,868 ملین روپے ریکارڈ کیا گیا جس سے اس سال 195 ملین روپے (2016: 167 ملین روپے) کا سرپلس (Surplus) حاصل ہوا۔
- حادثات اور صحت سے متعلق کاروبار میں 37% کا قابل ذکر اضافہ ہوا جو 2016 کے 2,411 ملین روپے سے بڑھ کر 3,312 ملین روپے ریکارڈ کیا اور اس سال 423 ملین روپے کا سرپلس (Surplus) حاصل کیا (2016: 271 ملین روپے) یعنی 56% اضافہ ہوا۔
- کمپنی کی جانب سے 2015 کی دوسری ششماہی کے دوران ونڈ ونیلی مکافل کا آغاز ہوا اور حوام کو شریعت پر مبنی تمام تین شاخوں، یعنی انفرادی فیملی مکافل، گروپ فیملی مکافل اور حادثات اور صحت فیملی مکافل حاصل کرنے کی پیشکش کی، اس شعبے کو شاندار پذیرائی حاصل ہوئی۔ ونڈ ونیلی مکافل آپریشنز سے جمع ہونے والی شراکت مجموعی طور پر 6,992 ملین روپے رہی (2016: 2,215 ملین روپے) یعنی 215% کا اضافہ ہوا۔ ہم ونڈ ونیلی مکافل کاروبار کے شراکت داروں کی جانب سے ہم پر اعتماد اور بھروسہ کے شکر گزار ہیں۔

## ڈائریکٹرز کی رپورٹ برائے تخصص یافتگان

کمپنی کے ڈائریکٹرز بمسرت، کمپنی کی سالانہ رپورٹ مع کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے مالی سال مختتمہ 31 دسمبر 2017 پیش کرتے ہیں۔

### کامیابیاں

کمپنی نے کامیابی، ترقی اور مستحکم منافع کی بنی منزلوں کی طرف اپنا سفر جاری رکھا۔ 2017 کے دوران کمپنی نے درج ذیل نمایاں کامیابیاں حاصل کیں:

- اقساط بیمہ سے ہونے والی کل آمدنی 47,117 ملین روپے حاصل ہوئی جو گزشتہ سال کے مقابلے میں 24% زیادہ ہے۔ (2016: 38,004 ملین روپے)۔ اس اضافے سے کمپنی نے پاکستان میں نجی شعبہ کی بیمہ کی صنعت میں اپنی قائدانہ حیثیت برقرار رکھی۔
- کمپنی کے کل اعلاجات نے نئی بلنڈیوں کو عبور کیا اور 31 دسمبر 2017 کو 120 ارب روپے ہو گئے جو گزشتہ سال کے 102 ارب روپے کے مقابلے میں 18% زیادہ ہے۔
- کمپنی نے بیمہ بذریعہ بینک کاروبار (Bancassurance) میں بھی اپنی قائدانہ حیثیت برقرار رکھی جس میں اقساط بیمہ برائے انفرادی زندگی (Individual Life) بیمہ کی رقم 34,539 ملین روپے درج کئے گئے۔ (2016: 28,898 ملین روپے)
- کمپنی نے 2017 کے دوران کارپوریٹ سیز میں ایک سنگ میل عبور کرتے ہوئے 5 ارب روپے کی سطح کو عبور کیا، اس دوران اقساط بیمہ 28% اضافے کے ساتھ 5,181 ملین روپے رہی جو 2016 میں 4,061 ملین روپے تھی۔
- بیمہ حادثہ اور صحت کے شعبے میں کمپنی ملک کی سب سے بڑی ذمہ نویس رہی جس کے اقساط بیمہ کی رقم 3,312 ملین روپے رہی، (2016: 2,411 ملین روپے) جو کہ پچھلے سال کے مقابلے میں 37% زائد ہے۔
- کمپنی نے 2016 کے نئے انفرادی فیملی نکافل کے ذریعے تیز ترین 1 ارب روپے کی شراکت حاصل کرنے کا امتیاز حاصل کیا تھا، اس شعبے میں 2017 میں بھی مستحکم ترقی جاری رکھتے ہوئے 133% اضافے کے ساتھ 3,799 ملین روپے کا نیاریکارڈ کیا گیا۔

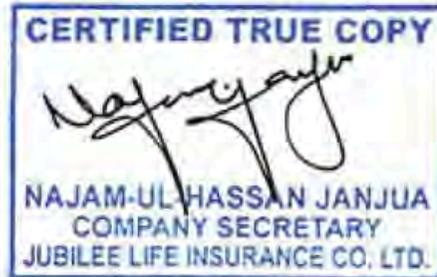
میں تحریری طور پر اپنی اور بورڈ کی جانب سے رخصت ہونے والے دونوں ڈائریکٹرز جناب علی نور محمد رتنے اور جناب ایاز احمد کی قابل ستائش خدمات کا اعتراف کرتا ہوں، بالخصوص انہوں نے انتظامیہ کی رہنمائی کے لیے جو خدمات سرانجام دیں، وہ قابل ذکر ہیں۔

## جائزہ

کمپنی کی جانب سے مستحکم اور شاندار کارکردگی، پاکستان کی وسیع آبادی تک پہنچنے کے مواقع اور ایس ای سی پی کی جانب سے اٹھائے گئے انضباطی کے بہتر اقدامات کے پیش نظر میں پر اعتماد ہوں کہ کمپنی اپنی حیثیت کو برقرار رکھتے ہوئے نجی شعبے میں پاکستان کی معروف بیمہ زندگی کمپنی ہونے کا اعزاز برقرار رکھے گی۔

## اظہار تشکر

بورڈ کی جانب سے میں اپنے حصص داران، بیمہ داران، ونڈ و کافل شراکت داران، کاروباری شراکت داروں، بشمول اپنے بینکرز، سپلائرز اور دیگر شراکت داران، ان کے اعتماد اور بھروسے کے لیے شکریہ ادا کرتا ہوں۔ میں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے بیمہ زندگی کے کاروبار میں اصلاحات لانے کے اقدامات کے لیے کمیشن کے مثبت کردار کو بھی سراہتا ہوں۔ آخر میں، اور عظیم فخر کے ساتھ، میں اپنی کمپنی کے تمام انسانی وسائل کی شراکت کا احترام کرتا ہوں، جنہوں نے کمپنی کی ترقی میں مثبت کردار ادا کیا ہے۔



کمال اے چنائے  
چیئرمین

کراچی، 15 فروری 2018

## مارکیٹنگ پر توجہ

2017 کے دوران کمپنی نے مارکیٹنگ پر بھرپور توجہ مرکوز رکھی اور ملک بھر میں براڈ کے تشخص کو بڑھانے کے لیے قابل قدر سرمایہ کاری کی۔ اس کے ساتھ پاکستان سپر لیگ 2017 (پی ایس ایل 2017) میں شمولیت حاصل کرنے والی ایک ٹیم، کوئٹہ گلیڈی ایٹرز (Quetta Gladiators) جس نے لیگ میں دوسری پوزیشن حاصل کی، اسپانسر شپ کے ذریعے بھرپور مارکیٹنگ مہم چلائی۔ کرکٹ کی شوقین پاکستانی قوم نے ہماری اسپانسر شپ کا خیر مقدم کرتے ہوئے ہمارے براڈ کے تشخص اور آفر کو بہت اہمیت دی۔

## کارپوریٹ سماجی سرگرمیاں (CSR)

بورڈ نے کمپنی کی کارپوریٹ سوشل ریسپانسیبلٹی (سی ایس آر) اور عطیات پالیسی کی منظوری دے دی ہے جس سے کمپنی کے سی ایس آر سے متعلق اقدامات اور تعاون کو مثبت انداز میں جاری رکھنے کے لیے کمپنی نظریہ کے عین مطابق ایک رہنما اصول فراہم ہوگا۔ اس حوالے سے متعلق تفصیلات ڈائریکٹرز رپورٹ میں موجود ہے۔

## بورڈ آف ڈائریکٹرز

ریٹائر ہونے والے بورڈ نے مارچ 2017 میں اپنی مدت مکمل کی اور جناب سلطان علی اللہ، جناب جان جوزف میٹ کاف، جناب آر. ڈاکٹر محمود، جناب ایاز احمد، جناب جاوید احمد اور مجھ سمیت تمام ممبران کو 31 مارچ 2017 سے شروع ہونے والے تین سالہ نئے عرصہ کے لیے دوبارہ منتخب کیا گیا۔ جناب علی نور محمد ریسے نے دوبارہ انتخاب کے لیے درخواست نہیں دی اور ان کی جگہ جناب امین کریم بھوٹی کو ڈائریکٹر کے طور پر منتخب کیا گیا۔

دسمبر 2017 میں جناب ایاز احمد، چیئر مین بورڈ ٹرانس اینڈ انویسٹمنٹ کمپنی کے مستعفی ہونے سے خالی ہونے والی جگہ سال کے آخر تک خالی رہی۔ 6 فروری 2018 کو بورڈ ہیومن ریسورس اور ریٹائرمنٹ، آنٹھکس اور نو مینیشن کمپنی نے بورڈ کو جناب ایاز احمد کی جگہ جناب شاہد غفار کو ڈائریکٹر منتخب کرنے کی تجویز دی۔ بورڈ نے اس تجویز کو قبول کرتے ہوئے SECP کی منظوری سے جناب شاہد غفار کو 8 فروری 2018 سے کمپنی کا ڈائریکٹر منتخب کر لیا ہے۔

ان تبدیلیوں میں انشورنس روز 2017 شامل ہے، جو فروری 2017 سے لاگو ہے اور جس کی وجہ سے SECP انشورنس روز 2002 اور انشورنس روز 2002 منسوخ ہو گئے، انشورنس اکاؤنٹنگ ریگولیشنز 2017، کمپنیز ایکٹ 2017، 30 مئی 2017 سے لاگو ہوا ہے اور لسٹڈ کمپنیز ریگولیشنز، 2017 (کوڈ آف کارپوریٹ گورننس) جو 2017 (1) SRO 1216 بتاریخ 22 نومبر 2017 کے ذریعے یکم جنوری 2018 یا اس کے بعد شروع ہونے والی اکاؤنٹنگ مدت کے لیے مؤثر ہوں گے۔

انشورنس اکاؤنٹنگ ریگولیشنز 2017، بیمہ زندگی اور عمومی بیمہ کمپنیوں کے شائع شدہ مالیاتی گوشواروں کی پیش کش، انٹرنیشنل اکاؤنٹنگ اور رپورٹنگ اسٹینڈرڈز (IFRS) کی پیش کش کے تحت کرتا ہے۔ SECP نے جون 2017 کے ششماہی اسٹیٹمنٹ سے نئی پیش کش کو موثر کیا تھا، تاہم کمپنی اور دیگر بیمہ زندگی کمپنیز نے SECP سے اس پر عمل درآمد کے لیے نئے مالیاتی دورانیہ، یکم جنوری 2018 تک کے لیے مہلت منظور کرائی ہے۔

## کمپنی

میں آپ کو بتاتے ہوئے خوشی محسوس کرتا ہوں کہ کمپنی ہر سال کامیابی اور ترقی کی نئی منزلوں کو طے کر رہی ہے، جس کا ثبوت 24 فیصد اضافے کے ساتھ مجموعی درج اقساط بیمہ 47 ارب روپے (2016: 38 ارب روپے) ہے، اس کے ساتھ اس سال کے دیگر سنگ میل یہ ہیں:

- کارپوریٹ سیکرز میں 5 ارب روپے کی حد عبور کی؛
- انفرادی فیملی کفالت میں، 3.8 ارب روپے کا نیا کاروبار کیا؛
- اشاک مارکیٹ پر مسلسل دباؤ کے باوجود بیمہ داران کے پونٹ لٹکلڈ فنڈز میں 31 دسمبر 2017 تک زیر انتظام مجموعی اثاثہ جات 100 ارب روپے کی سطح عبور کر چکے ہیں۔

## انعامات و اعزازات

2017 کے دوران کمپنی نے کئی حوالوں سے کامیابیاں حاصل کیں اور درج ذیل مایہ ناز ایوارڈز حاصل کئے:

- پاکستان اشاک ایسوسی ایشن کی ٹاپ 25 کمپنیز ایوارڈ برائے 2016 کے لیے انتخاب۔
- فیملی کفالت کے شعبے میں انشورنس سٹیوٹنٹس میں شامہ اہم خدمات کی فراہمی پر پانچویں FPCCI ایجوٹمنٹ ایوارڈ برائے 2016 کا حصول۔

# چیمبر مین کی جائزہ رپورٹ

میں 31 دسمبر 2017 کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ بھد مسرت پیش کرتا ہوں۔

## معیشت

پاکستان کی معاشی ترقی کا سفر جاری ہے اور گزشتہ گیارہ سال میں معیشت بہتری کی بلند ترین سطح حاصل کرنے کی طرف جاری ہے۔ اوسط عنوان افراط زر پیک دولت پاکستان کی پیش گوئی کی سطح کے اندر ہے، لیکن بنیادی افراط زر میں اضافہ جاری ہے۔ برآمدی ترقی میں بہتری آئی ہے اور ترسیلات زر میں بھی معمولی حد تک اضافہ ہوا ہے۔ البتہ، مجموعی طور پر درآمدات کی سطح میں اضافے کی وجہ سے کرنٹ اکاؤنٹ خسارے میں دباؤ برقرار ہے۔ مالی سال 2018 میں مجموعی ملکی پیداوار میں 5.8% تک اضافے کی توقع ہے جو کہ مالی سال 2017 کے مقابلے میں نمایاں طور پر زیادہ ہے۔

## کیپٹل مارکیٹ

سال 2017 میں کیپٹل مارکیٹ کی غیر مستحکم صورتحال کی سب سے بڑی وجہ غیر یقینی سیاسی صورتحال ہے اور پاکستان اسٹاک ایکسچینج 100 انڈیکس میں 15% منفی رجحان پایا گیا ہے۔ 31 دسمبر 2016 کو انڈیکس 47,807 پوائنٹس کی سطح سے شروع ہو کر مئی 2017 میں بلند ترین سطح 52,876 پوائنٹس تک جا پہنچا۔ اس کے بعد سال 2017 کی دوسری ششماہی میں مسلسل مندی کا رجحان رہا، جس کی بڑی وجہ غیر یقینی سیاسی صورتحال اور کرنٹ اکاؤنٹ خسارے سے منسوب کیا جاتا ہے۔ سال کے اختتام پر انڈیکس 40,471 پوائنٹس کی سطح پر آ گیا۔ سال 2018 کا آغاز مثبت انداز میں ہوا ہے، اور 14 فروری 2018 کو پاکستان اسٹاک ایکسچینج 7 فیصد بحالی کے ساتھ 43,353 پوائنٹس پر بند ہوا۔ میں امید کرتا ہوں کہ ایکشن کے بعد سیاسی ماحول میں استحکام اور مارکیٹ میں وافر سیالیت کے سبب بیمہ داران کے لیے مثبت تیزی کا رجحان رہے گا۔

## انضباطی ماحول

سال 2017 میں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے کئی انضباطی تبدیلیاں لائی گئیں جو کہ نہ صرف کمپنی قانون (Company Law) تک محدود تھیں بلکہ خاص طور پر بیمہ کی صنعت سے متعلق بھی تھیں۔

# مختار نامہ (پراسی فارم)

میں ام \_\_\_\_\_ ساکن \_\_\_\_\_ بحیثیت ممبر (رکن) جو ملی لائف انشورنس کمپنی لیمنڈ اور حامل \_\_\_\_\_ عام حصص، بمطابق شیئرز رجسٹر فلیو نمبر اسی ڈی سی اکاؤنٹ اور پارٹسپینٹ آئی ڈی نمبر \_\_\_\_\_ ممبر (رکن) محترم / محترمہ \_\_\_\_\_ فلیو نمبر اسی ڈی سی اکاؤنٹ اور پارٹسپینٹ آئی ڈی نمبر \_\_\_\_\_ کو یا ان کی غیر حاضری میں ممبر (رکن) محترم / محترمہ \_\_\_\_\_ فلیو نمبر اسی ڈی سی اکاؤنٹ اور پارٹسپینٹ آئی ڈی نمبر \_\_\_\_\_ کو اپنے / ہمارے ایما پر بروز جمعہ، ۳۰ مارچ ۲۰۱۸ء، صبح ۱۱ بجے، آڈیٹوریم، حبیب بینک ٹاور، جناح ایونیو، اسلام آباد میں منعقد ہونے والے برائے سالانہ اجلاس عام میں حق رائے وہی استعمال کرنے یا کسی بھی التوا کی صورت میں اپنا ہمارا بطور مختار (پراسی) مقرر کرنا کرتی ہوں کرتے ہیں۔  
آج بروز \_\_\_\_\_ تاریخ \_\_\_\_\_ ۲۰۱۸ء کو دستخط کئے گئے۔

رہیدی نکت پر دستخط

دستخط ممبر (رکن)



گواہان:

\_\_\_\_\_ دستخط

\_\_\_\_\_ گواہ کا پتہ

\_\_\_\_\_ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر

ممبر (رکن) جو اجلاس میں شرکت اور ووٹ دینے کا مجاز ہوا اپنی جگہ اور ممبر (رکن) کو بطور مختار (پراسی) شرکت کرنے اور ووٹ دینے کا حق تفویض کر سکتا ہے۔

سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو مختار نامہ (پراسی) کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی منسلک کرنی ہوگی۔ مختار (پراسی) کو اجلاس کے وقت اپنا کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔

کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر (رکن)، بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد / پاور آف اٹارنی بمعہ نمونہ دستخط ہمراہ مختار نامہ (پراسی فارم) جمع کرانا ہوگا۔

مختار نامہ (پراسی فارم) پر ممبر (رکن) یا ان کے اٹارنی کے دستخط ہونا لازمی ہے۔ کارپوریٹ ادارہ ہونے کی صورت میں مختار نامہ (پراسی فارم) پر کمپنی کی مہر ہونا بھی ضروری ہے۔ مختار نامے (پراسی فارم) بمعہ نامزد کرنے شخص کی تصدیق شدہ پاور آف اٹارنی (حسب ضرورت) کمپنی کے رجسٹرڈ آفس میں اجلاس کے مقرر وقت سے کم از کم ۳۸ گھنٹے جمع کرانا ضروری ہے۔



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