

**Jubilee**  
LIFE INSURANCE



CELEBRATING LIFE  
FOR 20 YEARS



ANNUAL REPORT  
**2016**





# CELEBRATING LIFE FOR 20 YEARS

2016 has been a special year for Jubilee Life, completing twenty years of successful protection of the financial future of over 5 million lives, including 2.8 million through micro insurance. Starting from modest beginnings, today, Jubilee Life has its footprints entrenched in every corner of Pakistan, having attained the position of the leading private sector life and health insurance company of Pakistan. This has only been attained through the trust and confidence reposed in us by our valued policy holders, the support of all our stakeholders, and the team work of our human resources. We dedicate the Annual Report 2016 to all our stakeholders who made this journey possible – our policy holders, partner banks, panel of hospitals, shareholders, and our human resources, whose endless efforts over these eventful years have made the impossible, possible. We reaffirm our commitment to our policy holders to provide them the highest levels of excellence and service, and look forward to celebrating many more anniversaries together. We invite you to join us in reading through our journey of excellence.

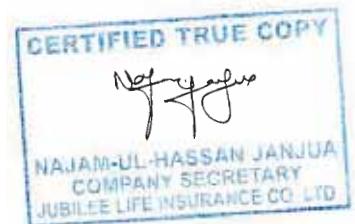
# 20 Years' Celebration Event



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## Our Vision

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Enabling people to overcome uncertainty.

## Our Mission

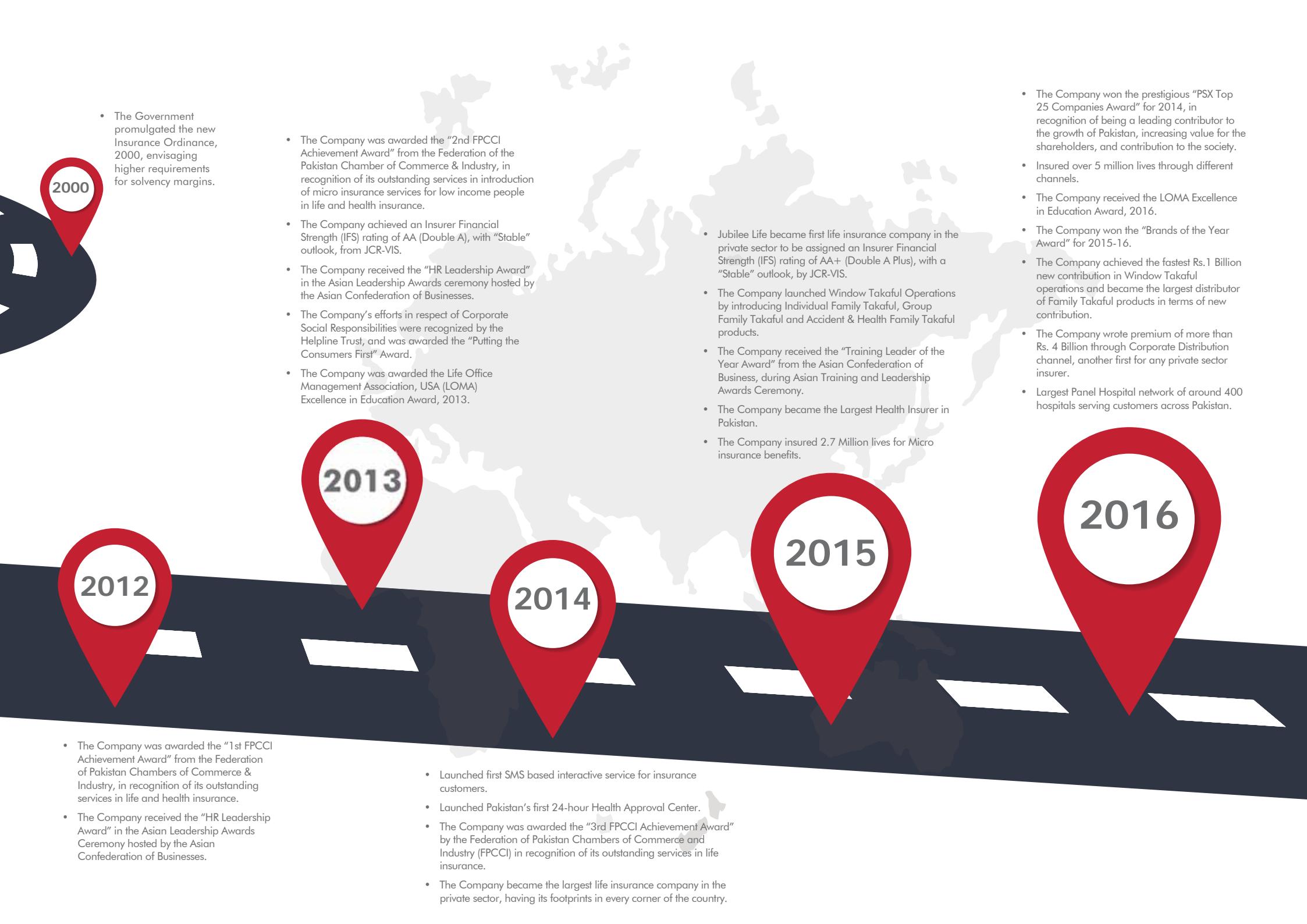
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To provide solutions that protect the future of our customers.

## Our Core Values

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- Teamwork
  - Integrity
  - Excellence
  - Passion





# Code of Conduct

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

## Corporate Strategy

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



# Company Information

## Board of Directors

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

**R. Zakir Mahmood**  
Director (Non Independent Non Executive Director)

**Aly Noor Mahomed Rattansey**  
Director (Independent Non Executive Director)

**Ayaz Ahmed**  
Director (Non Independent Non Executive Director)

**John Joseph Metcalf**  
Director (Non Independent Non Executive Director)

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

**Sultan Ali Akbar Allana**  
Director (Non Independent Non Executive Director)

## Board Committees

### Audit Committee

<b>Aly Noor Mahomed Rattansey</b>	Chairman
<b>John Joseph Metcalf</b>	Member
<b>Ayaz Ahmed</b>	Member
<b>Najam Ul Hassan Janjua</b>	Secretary

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

<b>Kamal A. Chinoy</b>	Chairman
<b>John Joseph Metcalf</b>	Member
<b>R. Zakir Mahmood</b>	Member
<b>Javed Ahmed</b>	Member
<b>Muhammad Munawar Khalil</b>	Secretary

### Finance & Investment Committee

<b>Ayaz Ahmed</b>	Chairman
<b>R. Zakir Mahmood</b>	Member
<b>John Joseph Metcalf</b>	Member
<b>Javed Ahmed</b>	Member
<b>Shan Rabbani</b>	Member
<b>Lilly R. Dossabhoy</b>	Member/Secretary

### Risk Management Committee

<b>John Joseph Metcalf</b>	Chairman
<b>Ayaz Ahmed</b>	Member
<b>R. Zakir Mahmood</b>	Member
<b>Javed Ahmed</b>	Member
<b>Shan Rabbani</b>	Secretary

### Technical Committee

<b>John Joseph Metcalf</b>	Chairman
<b>Ayaz Ahmed</b>	Member
<b>Javed Ahmed</b>	Member
<b>Shan Rabbani</b>	Member/Secretary

The above information is as at February 16, 2017.

## Management

### Javed Ahmed

Managing Director & Chief Executive Officer

### Muhammad Sohail Fakhar

Group Head Corporate, Marketing & Administration

### Farhan Akhter Faridi

Group Head Retail Distribution

### Muhammad Kashif Naqvi

Head of Technology, Data Management, Planning & Execution

### 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. Dossabhoj

Chief Financial Officer

### Zahid Barki

Group Head Technology, Quality Assurance & Projects

### Muhammad Munawar Khalil

Group Head Human Resource Management & Development

### Shan Rabbani

Head of Retail Operations, Product Management & Actuarial

### Nadym Chandna

Head of Takaful

### Faisal Qasim

Head of Information Security & Quality Assurance

## Company Secretary / Compliance Officer

## Head of Internal Audit

### Najam ul Hassan Janjua

### Adeel Ahmed Khan

The above information is as at February 16, 2017.

## Management Committees

### Management Committee

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

### Claims Committee

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

### Underwriting & Reinsurance Committee

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

### Risk Management & Compliance Committee

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

### Procurement Committee

Lilly R. Dossabhoy	Chairperson
Muhammad Sohail Fakhar	Member
Muhammad Munawar Khalil	Member
Kashif Naqvi	Member
Najam ul Hassan Janjua	Member/Secretary

### Investment Management Committee

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

The above information is as at February 16, 2017.

### **Appointed Actuary**

#### **Nauman Associates**

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

### **Auditors**

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

Engagement Partner: Syed Iftikhar Anjum  
Sheikh Sultan Trust Building No. 2, Beaumont Road, Karachi-75530, Pakistan.  
Telephone : +92 (21) 35685847 Fax: +92 (21) 35685095  
Web: [www.kpmg.com.pk](http://www.kpmg.com.pk)

### **Registered Office**

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

### **Head Office**

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

### **Bankers**

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

### **Registrar & Share Transfer Office**

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

### **Shariah Advisor**

**Mufti Zeeshan Abdul Aziz**

### **Legal Advisors**

#### **Kabraji & Talibuddin**

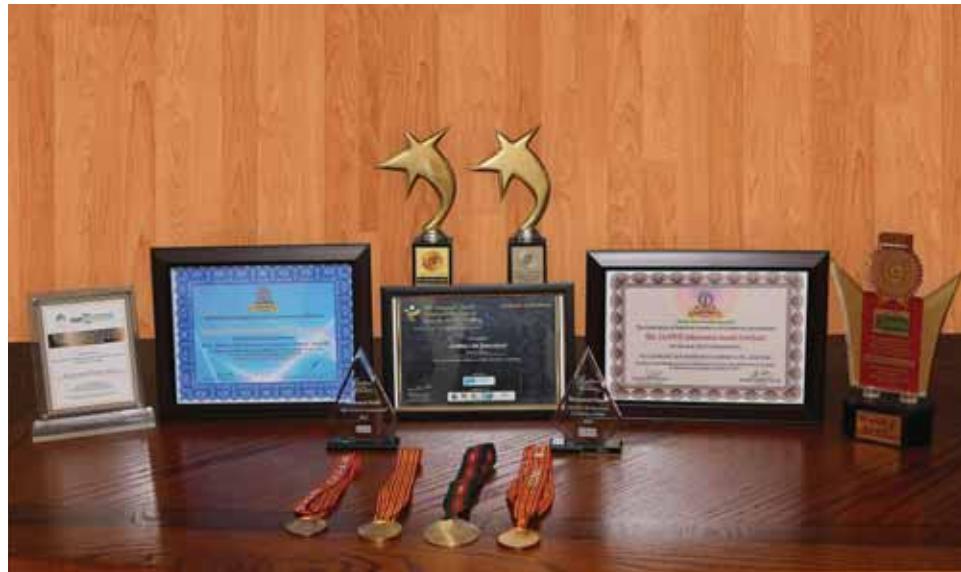
Advocates & Legal Counsellors, 406-407, 4th Floor, The Plaza at Do Talwar, Block 9, Clifton, Karachi-75600  
Tel:(0092)(21) 35838871-6 Fax:(0092)(21)35838879

The above information is as at Februry 16, 2017.

## Awards and Accolades

Jubilee Life's twenty years of excellence have been well recognized by various independent bodies in a multitude of fields – corporate performance, excellence in HR as well as in CSR. These awards include:

- PSX Top 25 Companies Award, 2014
  - 1st, 2nd & 3rd FPCCI Achievement Awards, 2012, 2013 & 2014
  - Putting the Consumers First Award, 2013
  - Brands of the Year Award, 2015-16
  - HR Leadership Award, 2012
  - HR Leadership Award, 2013
  - LOMA - Excellence in Education Award, 2013
  - Training Leader of the Year Award, 2015
  - LOMA – Excellence in Education Award, 2016
- 
- PSX Top 25 Companies Award, 2014



## 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' Profile



**Kamal A. Chinoy**  
Chairman

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

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

Mr. Kamal 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 is also serving 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 of Philanthropy, Pakistan Security Printing Corporation, Atlas Battery Ltd., Atlas Insurance Ltd., and First International Investment Bank (an Amex JV). 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.



**Aly Noor Mahomed Rattansey**  
Director

Mr. Aly Noor Mahomed Rattansey is a fellow member of the Institute of Chartered Accountants (England & Wales) and also in Pakistan. He was associated with A. F. Ferguson & Co. Chartered Accountants, a member firm of PricewaterhouseCoopers, as a partner from 1984 to 2007. He has over 40 years of experience in the fields of audit, accounting, taxation and corporate consultancy.

He has had significant exposure to the corporate sector in Pakistan, including subsidiaries of leading multinational companies operating in Pakistan; and considerable liaison with related regulatory agencies and the government.

Mr. Rattansey is currently on the Board of Directors of Jubilee General Insurance Company Limited, Chairman of the Aga Khan Rural Support Program and a member of the Board of Rural Support Program Network. He has previously served as a director on the Islamabad Stock Exchange, Askari Bank Limited and International Industries Limited.



**John Joseph Metcalf**  
Director

Mr. John Joseph Metcalf is a Chartered Insurer and Fellow of the Chartered Insurance Institute of UK, and 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 comprising of 10 insurance operations in 7 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 Akbar Allana**  
Director

Mr. Sultan Ali Akbar Allana has been Chairman of the Board of Directors of Habib Bank Limited since February 2004. He has over 32 years of experience in the financial and banking industry.

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

Mr. Allana also serves on the Boards of The Aga Khan Fund for Economic Development, Tourism Promotion Services Pakistan Limited, Jubilee Holdings Limited (East Africa), Jubilee Life Insurance Company Limited and Industrial Promotion Services (Pakistan) Limited.

# Board of Directors' Profile



**Ayaz Ahmed**  
Director

Mr. Ayaz Ahmed is currently a Director of Jubilee Life Insurance Company Limited, Central Depository Company of Pakistan Limited, IT Minds (Private) Limited, Kyrgyz Investment and Credit Bank, CJSC, and First Micro Finance Bank, Tajikistan. He has previously been a Director of Habib Allied Bank Plc, UK, HBL Asset Management Company Limited, HBL Currency Exchange (Pvt.) Limited, Chairman of 1Link (the National Switch) and NIFT (the National Cheque Clearing Company).

He joined HBL in 2000, and has worked at various senior positions in the Bank including over 15 years as its CFO. He was also the Chief Information Officer at HBL for several years and was involved in the large scale technology and process reengineering in the Bank. His area of expertise is in supply chain and straight through processing.

Before joining HBL, he has worked with HSBC for five years. At HSBC, he was the CFO for Pakistan and then moved to Hong Kong with their international operations for the Asia Pacific Region. His responsibilities there as Manager Finance Planning were to manage and advise on structural and risk related issues for the 22 countries in the region.

Prior to joining HSBC, Mr. Ayaz Ahmed was the Commercial Manager for Detergents / Personal Products Business at Unilever Pakistan Limited, where apart from accounting, he was also in charge of Logistics and Planning of its own and seven third party operated production facilities. He has also worked for five years at a Merchant Bank (Morgan Grenfell & Co) in London, looking after the middle office of the Asset Management business.

He is an Alumni of Harvard Business School, Boston (AMP 188). He is a Senior Member of the Institute of Chartered Accountants of Scotland (since 1984), having trained with Arthur Andersen and has completed his schooling and his Bachelors of Science in Accounting and Electrical Engineering from the University of Strathclyde in Glasgow, UK.

Mr. Ayaz Ahmed is an active member of professional bodies e.g. ICAP, PBA and IBP where he has served on several committees including the Professional Standards and Technical Committee and as a member of the Quality Assurance Board of ICAP.



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

Prior to joining HBL, Mr. R. 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 & Chief Executive Officer

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 2003 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.

## Key Financial Data



# Statement of Value Addition

For the Year ended December 31, 2016

## WEALTH GENERATED

Net premium / contribution  
Investment income  
Other income  
Net Wealth

	2016	2015
	Amount	%
	(Rupees in '000)	
Net premium / contribution	<b>36,988,234</b>	<b>70.16</b>
Investment income	<b>15,681,178</b>	<b>29.74</b>
Other income	<b>54,547</b>	<b>0.10</b>
<b>Net Wealth</b>	<b>52,723,959</b>	<b>100.00</b>
	<b>35,456,473</b>	<b>100.00</b>

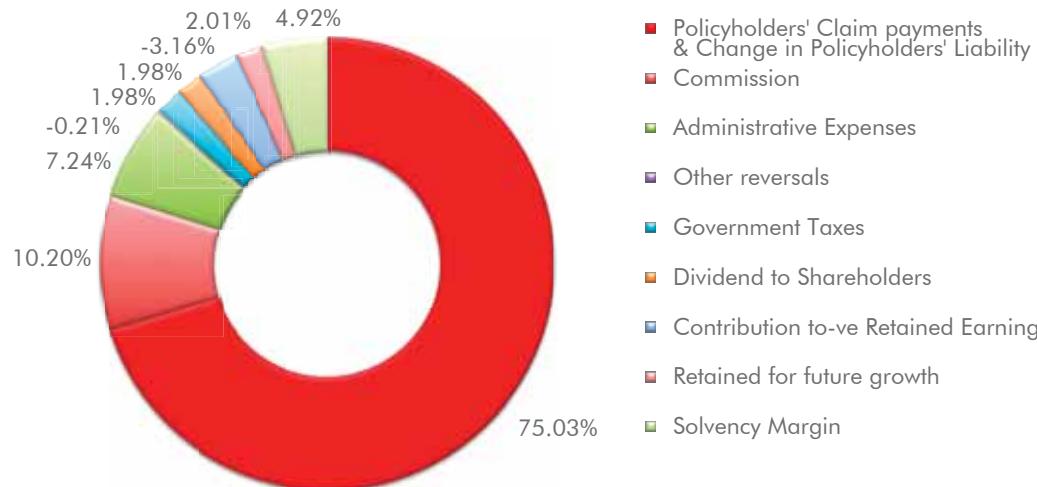
## DISTRIBUTION OF WEALTH

Claims and surrenders  
Change in Policyholders liabilities / Technical reserves  
Commission expense  
Administrative expenses  
Other reversals  
Government Taxes  
Proposed Dividend to Shareholders  
Contribution to / (from) opening Retained Earnings  
Retained for future growth  
Solvency Margin  
Total

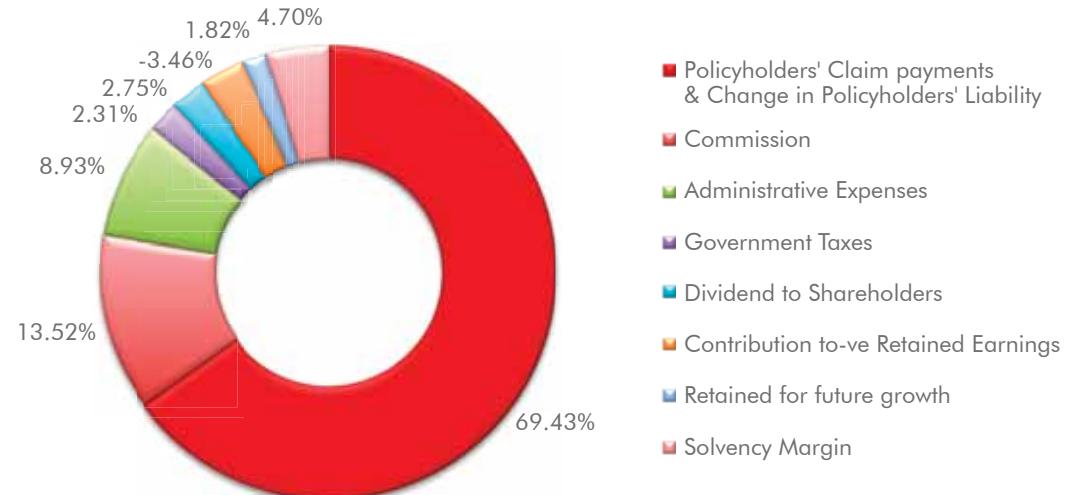
Claims and surrenders	<b>9,473,846</b>	<b>17.97</b>	7,021,641	19.80
Change in Policyholders liabilities / Technical reserves	<b>30,084,859</b>	<b>57.06</b>	17,597,155	49.63
Commission expense	<b>5,376,734</b>	<b>10.20</b>	4,793,834	13.52
Administrative expenses	<b>3,819,000</b>	<b>7.24</b>	3,165,179	8.93
Other reversals	<b>(113,262)</b>	<b>(0.21)</b>	-	-
Government Taxes	<b>1,043,706</b>	<b>1.98</b>	820,000	2.31
Proposed Dividend to Shareholders	<b>1,045,722</b>	<b>1.98</b>	973,604	2.75
Contribution to / (from) opening Retained Earnings	<b>(1,664,971)</b>	<b>(3.16)</b>	(1,227,867)	(3.46)
Retained for future growth	<b>1,062,176</b>	<b>2.01</b>	647,956	1.82
Solvency Margin	<b>2,596,149</b>	<b>4.93</b>	1,664,971	4.70
<b>Total</b>	<b>52,723,959</b>	<b>100.00</b>	<b>35,456,473</b>	<b>100.00</b>

# Statement of Value Addition

**Distribution of Wealth 2016**



**Distribution of Wealth 2015**



# Key Operating & Financial Data

## Six Years Summary

	2016	2015	2014	2013	2012	2011
		(Rupees in '000)				
Gross Premium / Contribution	<b>38,003,577</b>	29,929,196	21,823,383	17,076,588	12,080,180	8,215,262
<b>Revenue and P&amp;L Account</b>						
Premium / Contribution - net of reinsurance / retakaful	<b>36,988,234</b>	29,120,815	21,085,925	16,349,900	11,501,196	7,756,624
Net Investment income	<b>15,256,771</b>	5,982,333	6,053,374	3,549,912	2,667,925	1,257,908
Total inflow	<b>52,245,005</b>	35,103,148	27,139,299	19,899,812	14,169,121	9,014,532
Total outgo	<b>48,628,827</b>	32,446,044	24,878,673	18,296,038	13,267,817	8,387,165
Surplus in Revenue Account	<b>3,616,178</b>	2,657,104	2,260,626	1,603,774	901,304	627,367
Surplus transfer to P&L	<b>2,685,000</b>	2,220,000	1,880,000	1,273,000	650,000	530,000
Profit / (loss) before tax per P&L Account	<b>3,151,604</b>	2,441,560	2,001,463	1,389,941	808,669	582,356
Income tax expense	<b>(1,043,706)</b>	(820,000)	(639,931)	(448,470)	(255,296)	(207,763)
Profit after tax as per P&L Account	<b>2,107,898</b>	1,621,560	1,361,532	941,471	553,373	374,593
<b>Balance Sheet</b>						
Investments including bank deposits	<b>94,867,253</b>	64,499,033	45,308,749	32,719,956	21,955,492	14,780,198
Other assets	<b>6,439,117</b>	4,185,379	3,814,993	1,193,739	1,271,761	799,823
Fixed assets	<b>734,591</b>	539,522	489,761	376,905	320,487	207,587
Total assets	<b>102,040,961</b>	69,223,934	49,613,503	34,290,600	23,547,740	15,787,608
Issued, subscribed and Paid up capital	<b>721,188</b>	721,188	721,188	627,120	627,120	627,120
Accumulated surplus / (deficit)	<b>4,348,344</b>	3,189,049	2,438,677	1,616,002	1,168,515	803,278
Statutory funds	<b>93,196,728</b>	62,205,691	44,020,932	29,914,579	19,853,501	12,844,091
Other liabilities	<b>3,774,701</b>	3,108,006	2,432,706	2,132,899	1,898,604	1,513,119
Total equity & liabilities	<b>102,040,961</b>	69,223,934	49,613,503	34,290,600	23,547,740	15,787,608

# Key Operating & Financial Data

## Six Years Summary

	2016	2015	2014	2013	2012	2011
(Rupees in '000)						
<b>Financial Ratios</b>						
<b>Profitability</b>						
Profit Before Tax / Gross Premium / Contribution	<b>8%</b>	8%	9%	8%	7%	7%
Profit Before Tax / Net Premium / Contribution	<b>9%</b>	8%	9%	9%	7%	8%
Profit After Tax / Gross Premium / Contribution	<b>6%</b>	5%	6%	6%	5%	5%
Profit After Tax / Net Premium / Contribution	<b>6%</b>	6%	6%	6%	5%	5%
Net claims / Net premium / Contribution	<b>26%</b>	24%	24%	22%	20%	23%
Commission expenses / Net premium / Contribution	<b>15%</b>	16%	18%	20%	24%	25%
Administration Expenses / Net premium / Contribution	<b>10%</b>	11%	11%	11%	14%	15%
Change in PHL / Technical Reserves / Net Inflow	<b>58%</b>	50%	50%	49%	48%	40%
Net investment income / Net premium / Contribution	<b>41%</b>	21%	29%	22%	23%	16%
<b>Return to Shareholders</b>						
Return on equity	<b>42%</b>	41%	43%	42%	31%	26%
Earnings / per share (pre-tax)	<b>43.70</b>	33.85	27.75	22.16	12.89	9.29
Earnings / per share (after-tax)	<b>29.23</b>	22.48	18.88	15.01	8.82	5.97
Price Earning Ratio - PAT	<b>20</b>	22	23	11	11	10
Net Assets per share	<b>70.29</b>	54.22	43.81	35.77	28.63	22.81
Return on assets	<b>2%</b>	2%	3%	3%	2%	2%

# Key Operating & Financial Data

## Six Years Summary

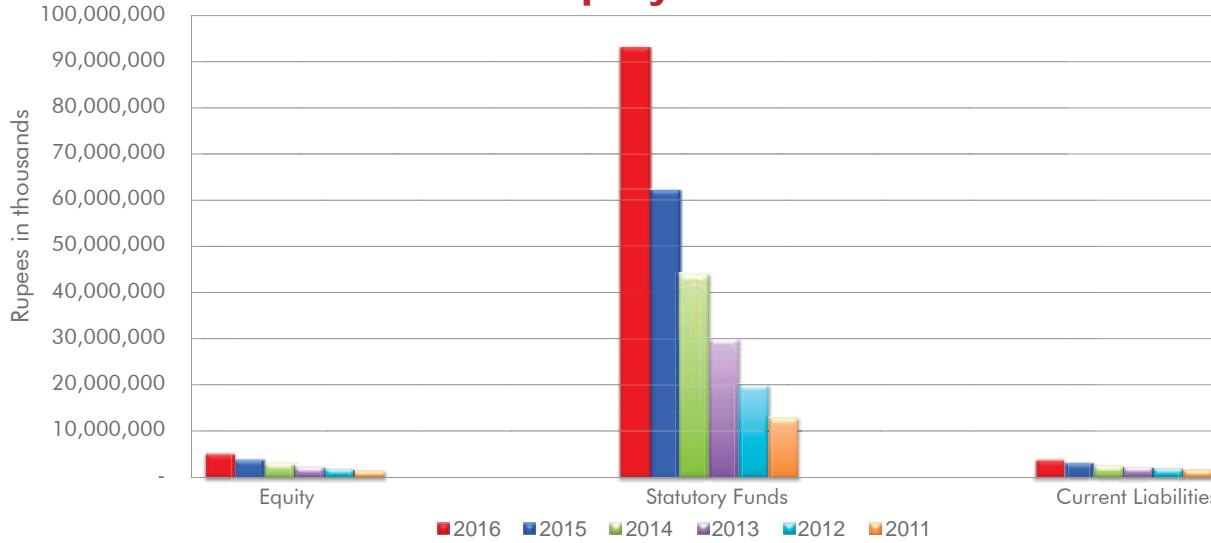
	2016	2015	2014	2013	2012	2011
(Rupees in '000)						
<b>Market Value</b>						
Face value per share (Rs.)	<b>10</b>	10	10	10	10	10
Break up value per share (Rs.)	<b>70.29</b>	54.22	43.81	35.77	28.63	22.81
Market price per share at the end of the year (Rs.)	<b>569.99</b>	504.00	436.50	164.90	92.95	62.39
Cash dividend per share	<b>14.50</b>	13.50	9.50	6.00	4.50	3.00
Cash dividend	<b>145%</b>	135%	95%	60%	45%	30%
Dividend yield	<b>3%</b>	3%	2%	4%	5%	5%
Dividend payout	<b>50%</b>	60%	50%	40%	51%	50%
Dividend cover - (Times)	<b>2.02</b>	1.67	1.99	2.50	1.96	1.99
Issue of Bonus shares	<b>10%</b>	-	-	15%	-	-
<b>Performance Liquidity</b>						
Current Ratio - (Times)	<b>1.04</b>	1.05	1.06	1.06	1.07	1.09
Total Liabilities / Equity - (Times)	<b>19</b>	17	15	14	12	10
Return on Capital employed	<b>62%</b>	62%	63%	62%	45%	41%
Paid up capital / Total Assets	<b>1%</b>	1%	1%	2%	3%	4%
Equity / Total Assets	<b>5%</b>	6%	6%	7%	8%	9%
<b>Cash Flows</b>						
Net cash flow from operating activities	<b>18,136,828</b>	14,024,645	9,457,705	7,390,766	5,092,687	3,304,453
Net cash flow from investing activities	<b>(14,393,362)</b>	(12,999,941)	(9,535,174)	(7,342,780)	(1,523,263)	(3,845,494)
Net cash flow from financing activities	<b>(969,228)</b>	(715,821)	(396,847)	(435,169)	(187,138)	(93,470)
Net change in cash and cash equivalent	<b>2,774,238</b>	308,883	(474,316)	(387,183)	3,382,286	(634,511)

# Vertical Analysis

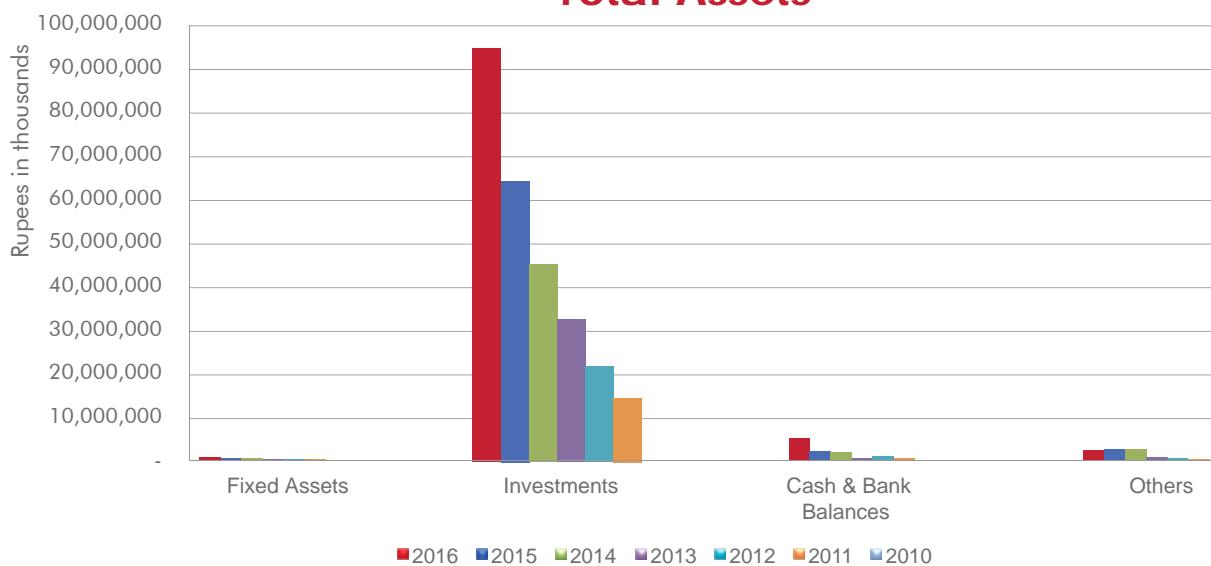
	2016		2015		2014		2013		2012		2011	
	Rupee in '000	%	Rupee in '000	%	Rupee in '000	%	Rupee in '000	%	Rupee in '000	%	Rupee in '000	%
<b>Balance Sheet</b>												
Net equity	<b>5,069,532</b>	<b>4.97</b>	3,910,237	5.65	3,159,865	6.37	2,243,122	6.54	1,795,635	7.63	1,430,398	9.06
Statutory funds	<b>93,196,728</b>	<b>91.33</b>	62,205,691	89.86	44,020,932	88.73	29,914,579	87.24	19,853,501	84.31	12,844,091	81.36
Current liabilities	<b>3,774,701</b>	<b>3.70</b>	3,108,006	4.49	2,432,706	4.90	2,132,899	6.22	1,898,604	8.06	1,513,119	9.58
<b>Total equity and Liabilities</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>15,787,608</b>	<b>100.00</b>
Total non-current assets including deferred tax	<b>760,277</b>	<b>0.75</b>	559,617	0.81	505,780	1.02	385,350	1.12	321,993	1.37	209,996	1.33
Investments	<b>94,867,253</b>	<b>92.97</b>	64,499,033	93.17	45,308,749	91.32	32,719,956	95.42	21,955,492	93.24	14,780,198	93.62
Current assets	<b>6,413,431</b>	<b>6.29</b>	4,165,284	6.02	3,798,974	7.66	1,185,294	3.46	1,270,255	5.39	797,414	5.05
<b>Total assets</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>15,787,608</b>	<b>100.00</b>
<b>Revenue and Profit &amp; Loss Account</b>												
Net Income	<b>52,723,959</b>	<b>100.00</b>	35,456,473	100.00	27,355,124	100.00	20,076,747	100.00	14,357,686	100.00	9,098,044	100.00
Claims, Expenditures and PHL / Technical Reserves	<b>(39,558,705)</b>	<b>(75.03)</b>	(24,618,796)	(69.43)	(18,763,331)	(68.59)	(18,356,032)	(91.43)	(13,297,713)	(92.62)	(8,418,321)	(92.53)
Contribution to / (from) opening Retained Earnings	<b>1,664,971</b>	<b>3.16</b>	1,227,867	3.46	847,241	3.10	516,467	2.57	265,163	1.85	167,796	1.84
Solvency Margin	<b>(2,596,149)</b>	<b>(4.92)</b>	(1,664,971)	(4.70)	(1,227,867)	(4.49)	(847,241)	(4.22)	(516,467)	(3.60)	(265,163)	(2.91)
Profit before tax	<b>3,151,604</b>	<b>5.98</b>	2,441,560	6.89	2,001,463	7.32	1,389,941	6.92	808,669	5.63	582,356	6.40
Income tax expense	<b>(1,043,706)</b>	<b>(1.98)</b>	(820,000)	(2.31)	(639,931)	(2.34)	(448,470)	(2.23)	(255,296)	(1.78)	(207,763)	(2.28)
Profit for the year	<b>2,107,898</b>	<b>4.00</b>	1,621,560	4.57	1,361,532	4.98	941,471	4.69	553,373	3.85	374,593	4.12

# Vertical Analysis

## Total Equity & Liabilities



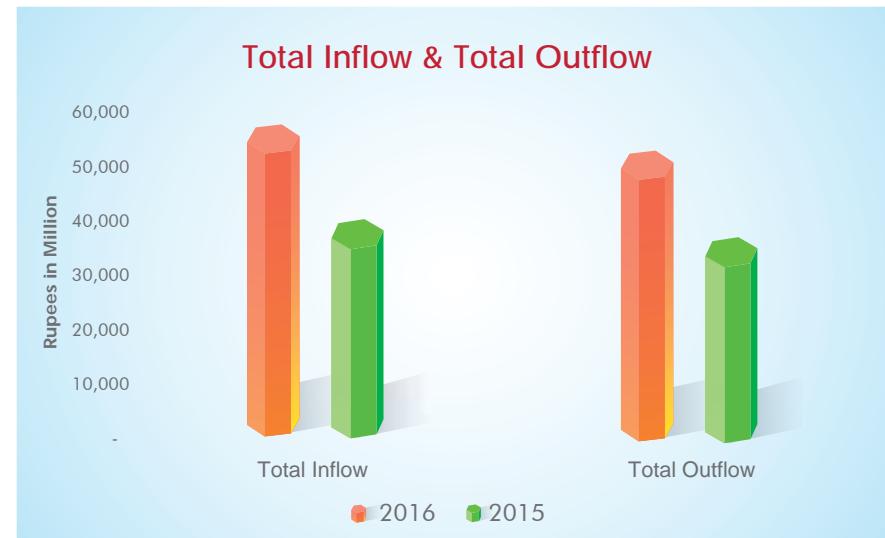
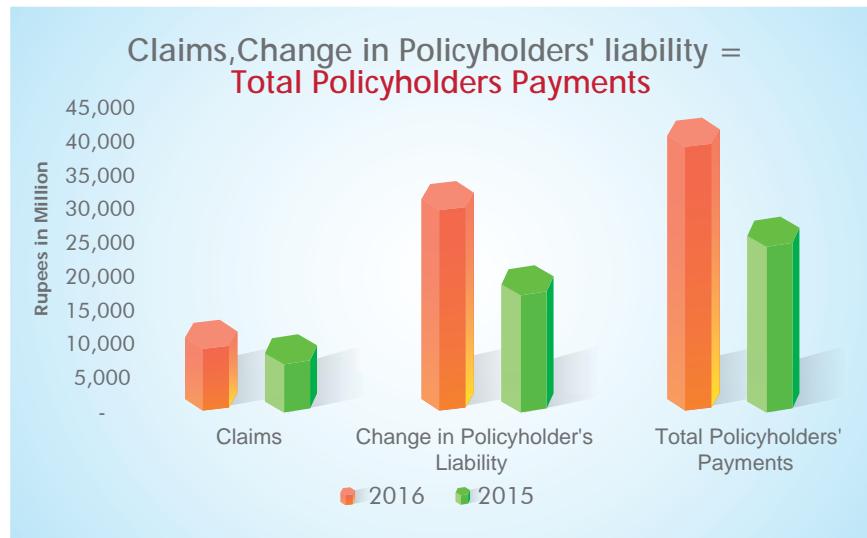
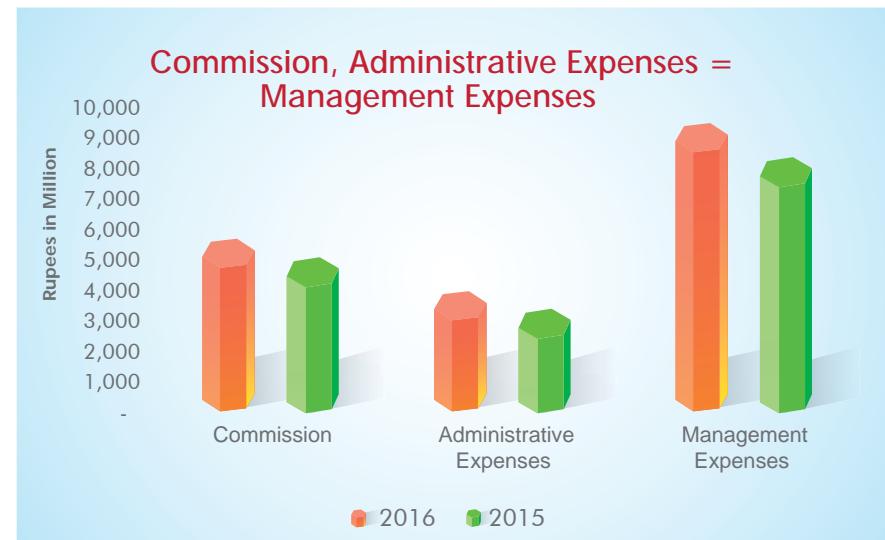
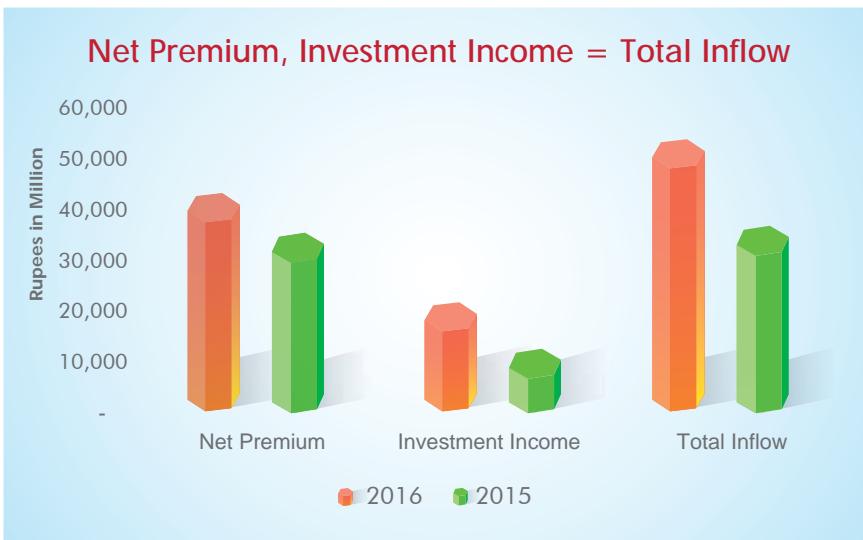
## Total Assets



## Horizontal Analysis

	2016	2015	2014	2013	2012	2011	2016	2015	2014	2013	2012	2011	
		Rupee in '000						% increase / (decrease) over preceeding year					
<b>Balance Sheet</b>													
Net equity	<b>5,069,532</b>	3,910,237	3,159,865	2,243,122	1,795,635	1,430,398	<b>29.65</b>	23.75	40.87	24.92	25.53	24.40	
Statutory funds	<b>93,196,728</b>	62,205,691	44,020,932	29,914,579	19,853,501	12,844,091	<b>49.82</b>	41.31	47.16	50.68	54.57	40.46	
Current liabilities	<b>3,774,701</b>	3,108,006	2,432,706	2,132,899	1,898,604	1,513,119	<b>21.45</b>	27.76	14.06	12.34	25.48	43.50	
<b>Total equity and Liabilities</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>15,787,608</b>	<b>47.41</b>	<b>39.53</b>	<b>44.69</b>	<b>45.62</b>	<b>49.15</b>	<b>39.12</b>	
Total non-current assets	<b>760,277</b>	559,617	505,780	385,350	321,993	209,996	<b>35.86</b>	10.64	31.25	19.68	53.33	27.15	
Investments	<b>94,867,253</b>	64,499,033	45,308,749	32,719,956	21,955,492	14,780,198	<b>47.08</b>	42.35	38.47	49.03	48.55	42.84	
Current assets	<b>6,413,431</b>	4,165,284	3,798,974	1,185,294	1,270,255	797,414	<b>53.97</b>	9.64	220.51	(6.69)	59.30	(4.65)	
<b>Total assets</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>15,787,608</b>	<b>47.41</b>	<b>39.53</b>	<b>44.69</b>	<b>45.62</b>	<b>49.15</b>	<b>39.12</b>	
<b>Revenue and Profit &amp; Loss Account</b>													
Net Income	<b>52,723,959</b>	35,456,473	27,355,124	20,076,747	14,357,686	9,098,044	<b>48.70</b>	29.62	36.25	39.83	57.81	33.82	
Claims, Expenditures and PHL / Technical Reserves	<b>(39,558,705)</b>	(24,618,796)	(18,763,331)	(18,356,032)	(13,297,713)	(8,418,321)	<b>60.68</b>	31.21	2.22	38.04	57.96	34.35	
Contribution to / (from) opening Retained Earnings	<b>1,664,971</b>	1,227,867	847,241	516,467	265,163	167,796	<b>35.60</b>	44.93	64.05	94.77	58.03	(213.57)	
Solvency Margin	<b>(2,596,149)</b>	(1,664,971)	(1,227,867)	(847,241)	(516,467)	(265,163)	<b>55.93</b>	35.60	44.93	64.05	94.77	58.03	
Profit before tax	<b>3,151,604</b>	2,441,560	2,001,463	1,389,941	808,669	582,356	<b>29.08</b>	21.99	44.00	71.88	38.86	168.04	
Income tax expense	<b>(1,043,706)</b>	(820,000)	(639,931)	(448,470)	(255,296)	(207,763)	<b>27.28</b>	28.14	42.69	75.67	22.88	194.63	
Profit for the year	<b>2,107,898</b>	1,621,560	1,361,532	941,471	553,373	374,593	<b>29.99</b>	19.10	44.62	70.13	47.73	155.26	

# Horizontal Analysis



# Horizontal Analysis



# 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, 2016.

## Achievements

The year 2016 was a landmark year for the Company, which completed twenty years of excellence in operations, and continued to achieve new levels of success, growth, and sustainable profitability. The significant achievements of the Company during 2016 include the following:

- The gross written premium amounted to Rs.38,004 million, an increase of 27% over the previous year (2015: Rs.29,929 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 crossed new heights of strength, aggregating to Rs.102 billion.
- The Company further consolidated its leadership position in Bancassurance business by writing individual life premium of Rs.28,898 million (2015: Rs.22,061 million), an increase of 31%.
- The Company continued to be the largest underwriter of Health Insurance business in the country with a premium of Rs.2,411 million (2015: Rs.2,198 million), representing an increase of 10%.
- The Company achieved the distinction of writing the fastest Rs.1 billion contribution through Window Family Takaful Operations, by introducing Individual Family Takaful, Group Family Takaful and Accident & Health Family Takaful products.
- The Company achieved a new landmark and wrote a premium of Rs.4,061 million in corporate sales during the year, as against Rs.3,776 million during 2015.

- The Shareholders' equity crossed the Rs.5 billion mark and was recorded at Rs.5,070 million at year end, as compared to level of Rs.3,910 million in 2015, an increase of 30%.
- 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 21%, from Rs.26,091 million to Rs.31,693 million and generated a surplus of Rs.2,991 million this year, an increase of 24%.
- Conventional Business, which comprises mainly Group Life Insurance, grew by 5%, from Rs.1,578 million to Rs.1,650 million. A surplus of Rs.167 million (2015: Rs.130 million) was achieved this year.
- Accident and Health business recorded a growth of 10%, from Rs. 2,198 million to Rs.2,411 million. A surplus of Rs.271 million was achieved (2015: Rs.141 million), i.e. a growth of 92%.
- Overseas Group Life and Group Health business, which is a small captive business, generated a premium of Rs.34 million which was almost stagnant over the previous year. A surplus of Rs.14 million was achieved from this line of business during 2016 (2015: Rs.19 million).
- The Company launched Window Family Takaful Operations during 2015 and offered to the public, the Shariah Compliant option in all three lines, i.e.

Individual Family Takaful, Group Family Takaful, and Accident & Health Family Takaful. During 2016, both, Individual Family Takaful and Accident & Health Family Takaful lines became profitable and recorded surpluses of Rs.169 million and Rs.4 million respectively. The third line, Group Family Takaful had a minor deficit of Rs.0.05 million, and is expected to achieve profitability during 2017.

- The overall surplus from all business lines was recorded at Rs.3,616 million, an increase of 36% from the overall surplus of Rs.2,657 million in 2015. A surplus transfer of Rs.2,685 million (2015: Rs.2,220 million), has been made from the Revenue Account to the P&L Account.

The Company continues to look for opportunities to increase its foot-prints in insurance, both within Pakistan and overseas. In 2014, the Company had made an investment of Rs.44 million representing a 19.50% shareholding in Jubilee Kyrgyzstan Insurance Company Limited, CJSC, (JKIC) which was supplemented in 2016 with a subscription to a rights issue by the JKIC, aggregating to Rs.29 million, aimed at assisting JKIC in launching new lines of business and in meeting the regulatory requirements of increased share capital in Kyrgyzstan. The investment was made after obtaining necessary approvals from the members of the Company and the State Bank of Pakistan.

### **Investment Performance**

Investment Income is a significant element contributing to the profitability of the Company. The Company pursues a prudent investment policy. 2016 was a good year for the Pakistan Stock Exchange, which outperformed the majority of regional markets, and stood out as the fifth best performing market in the world in 2016, amongst the countries tracked by the MSCI. The KSE 100 index recorded a return of 46% in 2016, closing at an all-time high of 47,807 points. This strong performance of the PSX offered a good opportunity to increase the returns, and the Company recorded an investment income of Rs.15,726 million during the year, as against Rs.6,331 in 2015, an increase of 148% over the prior year. This was achieved mainly on the strong performance of the PSX. Capital gains both, on the policy holders funds and the profit and loss account aggregated to Rs.2,384 million, as against Rs.426 million in 2015, an increase of over three times. Despite a buoyant

stock market, however, the Company follows a prudent and cautious approach to investments. The flow of funds for individual life policyholders also continues to grow significantly from the plough-back of investment income and additional cash inflow from New and Renewal Business; net of Claims and Surrenders.

The substantial portion of this income is attributable to individual life policyholders. 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. The rate of return of these Funds for the calendar year 2016 ranges from 9.54% to 42.15% (2015: 5.80% to 19.53%).

The Company's largest fund, the Managed Fund closed the year end with a fund size of Rs.67,175 million (2015: Rs.47,785 million) and recorded an annual return of 18.14% for the year.

The Capital Growth Fund (CGF) grew by over 200% to Rs.9,272 million (2015: Rs.2,938 million) at the end of 2016 and earned a return of 42.15% for the year.

The Meesaq Fund recorded a growth of 39% YoY basis, with a fund size of Rs.9,287 million (2015: Rs.6,680 million). The return for the year was 23.91%.

The Yaqeen Growth Fund, with a fund size of Rs.1,436 million (2015: Rs.1,155 million) earned a return of 9.54% during the year.

Under the Individual Family Takaful Operations, the Company offers its participants a choice of two funds – the Managed Takaful Fund, and the Capital Growth Takaful Fund. This was the first full year of operations for both the funds, which were launched in July 2015.

The Managed Takaful Fund, with a fund size of Rs.469 million (2015: Rs.21.2 million) earned a return of 15.19% during the year.

The Capital Growth Takaful Fund, with a fund size of Rs.589 million (2015: Rs.21.3 million) earned a return of 26.4% during the year.

## Profit & Loss Account

The Profit & Loss Account of the Company shows a pre-tax profit of Rs.3,152 million for 2016, (2015: Rs. 2,442 million) including the share in the profit of an associated company, representing an increase of 29%. The after tax profit for the year 2016 is Rs.2,108 million as compared to Rs.1,622 million in 2015, an increase of 30%.

## Earnings per Share

The basic and diluted earnings per share for the year amount to Rs.29.23 (2015: Rs.22.48), an increase of 30%.

## Dividends / Bonus to Shareholders

The Board of Directors have recommended a final cash dividend of Rs.11.50 per share, i.e. 115% per share, [2015: Rs.10.50 per share (105%)]. The Company had paid an interim cash dividend of Rs.3.00 per share (30%) during the year, [2015: Rs.3.00 per share (30%)], thereby making a total cash dividend of Rs.14.50 per share, i.e. 145% for the year 2016 (2015: Rs.13.50 per share i.e. 135%). In addition, the Board of Directors has also recommended the issue of 10 bonus shares for every 100 shares held, i.e. 10%, (2015: Nil), subject to the approval of the shareholders at the Annual General Meeting of the Company.

## Human Resources

For the Company, its human resources are its biggest pillar of strength behind achieving success, hence, investment in Human Resources and their training is one of its highest priorities.

Development of business knowledge and skills through a continuous learning environment within the Company, accentuated with trainings ensures that the employees build their business knowledge quickly. The Company carries out extensive sales trainings to equip its sales force with skills required for high quality and ethical sales.

The Company provides various developmental initiatives including training programs in management excellence, functional and technical proficiencies. The Company encourages its employees to pursue professional excellence by striving towards membership 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), (LOMA).

The Company also undertakes developmental initiatives of providing employees diverse exposure and improving their functional intellect through job rotations at all levels.

## Awards and Accolades

The Company's achievements in various areas were well recognized by independent bodies during the year. During 2016, the Company received the following awards:

- The PSX Top 25 Companies Award for 2014, for achieving excellence in contribution to Pakistan's growth, shareholders' value, and society's welfare;
- Brands of the Year Award for 2015-16 awarded by Brands Foundation, Pakistan; and
- LOMA Excellence in Education Award, 2016, awarded by the Life Office Management Association, USA.

## Corporate Governance

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.

### **Board Evaluation Mechanism**

During 2015, the Board of Directors of the Company approved the mechanism for the annual evaluation of the Board's performance, as envisaged under the Code of Corporate Governance, 2012. The Board carries out the evaluation exercise on annual basis.

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

In November 2016, the Securities & Exchange Commission of Pakistan implemented the Code of Corporate Governance for Insurers, 2016, applicable to all insurance companies. In addition, the Company, being a listed company on the PSX, is also required to comply with 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 44 of this report.

The Directors are pleased to confirm the following:

- The Financial Statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in the preparation of 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 Guidelines / principles) as applicable in Pakistan, the Insurance Ordinance, 2000 and SEC Rules, 2002 have been followed in the preparation of the financial statements and any departure there from has been adequately disclosed;

- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the Company's ability to continue as a going concern;
- There has been no material departure from the best practices of corporate governance;
- Information regarding outstanding taxes is given in note 14 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 156 of this report.

### **Board of Directors**

The Board of Directors of the company comprises of one executive and six non-executive directors. There was no casual vacancy during the year.

The Board currently comprises of the following:

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

During the year 2016, five meetings of the Board of Directors were held and attended as follows:

S. No.	Director's Name	Meetings Attended
1	Mr. Kamal A. Chinoy	5
2	Mr. Aly Noor Mahomed Rattansey	5
3	Mr. John Joseph Metcalf	4
4	Mr. Sultan Ali Akbar Allana	2
5	Mr. R. Zakir Mahmood	5
6	Mr. Ayaz Ahmed	5
7	Mr. Javed Ahmed	5

Four meetings of the Board Audit Committee were held during 2016, and attended as follows:

S. No.	Director's Name	Meetings Attended
1	Mr. Aly Noor Mahomed Rattansey	4
2	Mr. John Joseph Metcalf	3
3	Mr. Ayaz Ahmed	4

The Board Human Resource & Remuneration, Ethics & Nominations Committee held two meetings during 2016, which were attended as follows:

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

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	4
2	Mr. John Joseph Metcalf	3
3	Mr. Sultan Ali Akbar Allana (Uptil April 25, 2016)	Nil
4	Mr. R. Zakir Mahmood (w.e.f. April 26, 2016)	2
4	Mr. Javed Ahmed	4
5	Mr. Nurallah Merchant (Management Executive) (until February 28, 2016 – retired)	1
7	Ms. Lilly R. Dossabhoy (Management Executive)	4
8	Mr. Shan Rabbani (Management Executive )	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.

### Internal Audit Function

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

### The Key Operating and Financial Information

A summary of the Key operating and financial information of the last six years is shown on page 22 of this 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 31 December, 2016, the audits of which are in progress, are as follows:

Provident Fund	Rs.321.83 million
Gratuity Fund	Rs.288.14 million

### Material Changes

There have been no material changes since December 31, 2016 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 Audit Committee has recommended the appointment of M/s. KMPG Taseer Hadi & Co., Chartered Accountants, as the Auditors of the Company, including as Shariah Compliance Auditors, for the year 2017, and the Board endorses this recommendation.

### Holding Company

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

### 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 its vision by creating a strong focus and channelizing efforts that positively impact Company's CSR endeavours and donations.

The essence of Jubilee Life's CSR initiatives is to leverage on its core business expertise to create and provide sustainable life and health micro-insurance solutions at highly affordable cost. With an aim of improving quality of lives by reducing vulnerability of greater section of low-income population, the Company enhanced its provision of micro-insurance facilities to over 2.8 million persons during 2016.

The Company also 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 were held in liaison with other organizations as well, 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.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.

### • Social Health Protection Initiative – Gilgit Baltistan

In June 2016, an Aga Khan Foundation (AKF) led AKDN consortium which includes AKRSP, AKHS and the Company, has signed a microinsurance project with the Government of Gilgit-Baltistan (GB). It is a foreign funding based 5 years' project where the foreign funding will gradually be dried out and ultimately, all the funding will be done by the government on its own. The pilot project has been commenced in Gilgit city where the lowest 21% population as per the data of BISP's poverty score card will be given insurance by Company and the premium will be funded by Government of GB. In the next phase, the consortium will develop and market a Micro Insurance health product and insure 29% population within 5 years. The premium of the 21% population which is being borne by the Government, covers around 37,000 lives spread over 5,200 households, is estimated at around Rs.9 million.

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

### 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 and humanitarian assistance are facilitated.

### • Ramadan donation campaign

In 2016, during the month of Ramadan, Company launched a digital campaign on its social media platform to collect donations for a well reputed hospital. The purpose of the campaign was not only to collect funds for the hospital but also to develop empathy for those who are deprived of quality health care services through an interactive campaign on the Company's social media page, and for every like, comment or share of a post, the Company pledged to donate Rs.10. The initiative resulted in evoking empathy from general public and supporting the cause of medical care.

### • Collaborative Libraries Project

Also, during 2016, the Company sponsored an educational initiative in partnership with the Charter for Compassion, Pakistan, under the "Collaborative Libraries Project". The project successfully established a network of 30 schools (15 privileged and 15 underprivileged), setting up 15 libraries in underprivileged areas of Karachi, aimed at enhancing literacy skills, and teaching compassionate values through the process of reading. The investment in the society for this project was over Rs.5 million.

### • Independence Day celebrations

Last but not the least, occasions of national celebration are celebrated with enthusiasm by the Company and its employees. Like every year, Independence Day is celebrated with fervor, and this year, the Company complimented its employee based celebrations with a tribute of thanks to the nation, by co-sponsoring a national song "Shukriah Pakistan" sung by a well renowned singer, which was aired on both, TV and Radio media all over the country. The national song was well received by the general public.

### Twenty Years of Excellence

During 2016, the Company successfully completed twenty years of protecting the financial future of over 5 million lives. To celebrate the landmark occasion, the Company held a corporate event in January 2017, to extend its appreciation to all its business partners and valued policy holders. The event highlighted the growth and achievement of the Company through twenty years, starting from a modest beginning, and today, being the leading private sector insurance company in Pakistan, with its footprints in every corner of Pakistan, a network that boasts of over four thousand bank branches through fifteen partner banks, and over four hundred panel hospitals on its network for health insurance.

### On behalf of the Board of Directors



KAMAL A. CHINOY  
Chairman

Date: February 16, 2017

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### Future Outlook

The continuation of economic reforms, growth expectations fueling from the China Pakistan Economic Corridor (CPEC), and its related positive impact on the economy, are expected to boost business confidence. Increasing levels of income and low inflation have resulted in an increase in the individuals' disposable income, enabling the potential customers to allocate funds for purchase of life insurance and Family Takaful. These factors, together with Pakistan's increasing population and low level of life insurance penetration present a good opportunity for business growth.

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

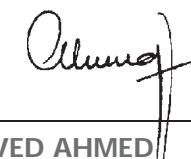
### Acknowledgements

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 their colleagues who have served on the Board Committees: Audit; Finance & Investment, Human Resources & Remuneration, Ethics & Nomination; Technical, and Risk Management.

The Board also records their appreciation of the positive regulatory role adopted by the Securities & Exchange Commission of Pakistan for their continuing efforts in promoting the growth and functioning.



JAVED AHMED  
Managing Director &  
Chief Executive Officer

# Social Health Protection Initiative – Gilgit Baltistan



# Collaborative Libraries Project



# Independence Day Celebration 2016



# Corporate Governance

# Financial Calendar

## Results

First quarter ended 31 March 2016	Announcement date	April 26, 2016
Half year ended 30 June 2016	Announcement date	August 25, 2016
Third quarter ended 30 September 2016	Announcement date	October 27, 2016
Year ended 31 December 2016	Announcement date	February 16, 2017

## Dividends and Bonus

Final 2016 (Cash Dividend: 115% and Bonus Shares 10% )	Announcement date	February 16, 2017
Entitlement date	March 21, 2017	
Statutory limit upto which payable	April 27, 2017	

Interim Cash 2016 (30%)	Announcement date	August 25, 2016
	Payment date	October 6, 2016

Final Cash 2015 (105%)	Announced on	February 23, 2016
	Payment date	April 26, 2016

Issuance of Annual Report		March 7, 2017
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Annual General Meeting		March 28, 2017
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# 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, 2016 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, 2016.



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

Date: February 16, 2017

Karachi

# Statement of Compliance with the Code of Corporate Governance

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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 corporate governance and the Code of Corporate Governance 2012 (CCG 2012) as contained in Regulation No.5.19.24 of the Listing Regulations of the Pakistan Stock Exchange.

The Company, being an insurer, has applied the principles contained in the Code and 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	Name
Independent Directors	Kamal A. Chinoy Aly Noor Mahomed Rattansey
Executive Director	Javed Ahmed
Non-Executive Directors	Sultan Ali Akbar Allana R. Zakir Mahmood John Joseph Metcalf Ayaz Ahmed

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. No casual vacancy occurred on the Board during the year.
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 level 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:**

Name of the Member	Category
Javed Ahmed	Chairman
Shan Rabbani	Member
Muhammad Sohail Fakhar	Member
Muhammad Aamir	Member
Raja Naveed	Secretary

#### **Claims Committee:**

Name of the Member	Category
Javed Ahmed	Chairman
Zahid Barki	Member
Farhan Akhter Faridi	Member
Muhammad Munawar Khalil	Member
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
Muhammad Munawar Khalil	Secretary

As permitted under the Code, the Board has revised the terms of reference of the Board Human Resource & Remuneration & Ethics Committee to cover those relating to the Nominations Committee, and combined the two Committees into one. The Chairman of the Committee is an independent director, whilst three (3) out of four (4) members are non-executive directors.

### Board Finance & Investment Committee

Name of the Member	Category
Ayaz Ahmed	Chairman
R. Zakir Mahmood	Member
John Joseph Metcalf	Member
Javed Ahmed	Member
Shan Rabbani	Member
Lilly R. Dossabhoj	Member / Secretary

### Board Audit Committee

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	Chairman
John Joseph Metcalf	Member
Ayaz Ahmed	Member
Najam ul Hassan Janjua	Secretary

20. The meetings of the Committees, except for those of the Human Resource & Remuneration, Ethics and 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 person heading the underwriting, claims, reinsurance, risk management and grievance functions / departments possess qualification and experience of direct relevance to their respective functions, as required under section 12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000):

Name of the Person	Designation
Javed Ahmed	Managing Director & Chief Executive Officer
Lilly R. Dossabhoj	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 Management & 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. We confirm that all other material principles contained in the Code and in the CCG, 2012 have been complied with.

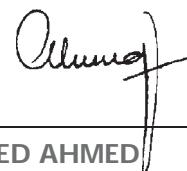
**On behalf of the Board of Directors**



**KAMAL A. CHINOY**  
Chairman

Date: February 16, 2017

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**JAVED AHMED**  
Managing Director &  
Chief Executive Officer

# Shariah Advisor's Report to the Board of Directors

For the Year ended December 31, 2016

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 December 31, 2016.

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, 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 December 31, 2016 and to express his opinion on the transactions and operational aspects of Window Takaful Operations.

الحمد لله رب العالمين و الصلاة والسلام على سيد الأنبياء والمرسلين وبعد

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 year ended December 31, 2016 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 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. during the year, an amount of Rs.28,392/- has been realized as charity, as part of dividend-income purification process.
- iv. 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).

"And Allah Knows Best"



**Mufti Zeeshan Abdul Aziz**  
Shariah Advisor

Date: February 09, 2017

# 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 December 31, 2016, 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 and 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/ Shari'ah 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 during the year ended December 31, 2016 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 2016, presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.



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

Date: February 16, 2017

Karachi

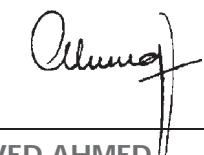
# Management's Statement of Compliance with the Shariah Principles

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, 2016 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.



JAVED AHMED  
Managing Director &  
Chief Executive Officer

Date: February 07, 2017

# 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, 2016 together with the notes forming part thereof, for the year then ended.

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

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 Companies Ordinance, 1984;
- b) the financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Ordinance, 1984, and accurately reflect the books and records of the Company and are further in accordance with accounting policies consistently applied;
- 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, 2016, 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 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.



**KPMG Taseer Hadi & Co.**

Chartered Accountants

Syed Iftikhar Anjum

Date: February 16, 2017  
Karachi

# Financial Statements

For the year ended December 31, 2016



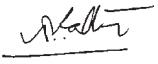
# Balance Sheet

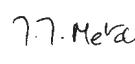
As at December 31, 2016

	Note	Share holders' Fund	Statutory Funds							Aggregate	
			Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	2015
			-	-	-	-	-	-	-		
<b>Share capital and reserves</b>											
Authorised share capital 200,00,000 ordinary shares of Rs. 10 each		2,000,000	-	-	-	-	-	-	-	<b>2,000,000</b>	2,000,000
Issued, subscribed and paid-up share capital 72,118,800 (2015: 72,118,800) ordinary shares of Rs. 10 each	6	721,188	-	-	-	-	-	-	-	<b>721,188</b>	721,188
Accumulated surplus	7	4,348,344	-	-	-	-	-	-	-	<b>4,348,344</b>	3,189,049
<b>Net shareholders' equity</b>		<b>5,069,532</b>	-	-	-	-	-	-	-	<b>5,069,532</b>	3,910,237
Balance of statutory funds [including policyholders' liabilities / technical reserves Rs. 90.38 billion (2015: Rs. 60.29 billion)]	8	-	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
Shareholders' fund unit holding in PIF		-	-	-	-	-	-	-	-	-	40,000
<b>Deferred Liabilities</b>											
Staff retirement benefits	10	7,625	7,094	1,795	1,364	-	397	-	-	<b>18,275</b>	21,334
<b>Creditors and accruals</b>											
Outstanding claims	11	-	289,778	374,190	304,395	31,301	2,852	234	10,405	<b>1,013,155</b>	803,090
Premium / contribution received in advance		-	392,529	49,913	87,198	-	151,359	74	913	<b>681,986</b>	468,079
Amounts due to reinsurers / retakaful		-	26,896	26,016	11,270	3,933	9,514	1,557	-	<b>79,186</b>	19,942
Amounts due to agents		-	496,968	20,549	6,183	-	157,692	113	2,657	<b>684,162</b>	479,239
Accrued expenses		126,971	639,213	44,004	25,084	36	82,919	8	106	<b>918,341</b>	879,075
Taxation - provision less payments		59,486	-	-	-	-	-	-	-	<b>59,486</b>	27,997
Other creditors and accruals		43,431	167,849	3,659	15,081	-	15,139	-	-	<b>245,159</b>	324,256
Inter-fund payable		-	14,330	21,463	-	3,543	14,620	598	1,758	<b>56,312</b>	30,730
<b>Other liabilities</b>										<b>3,737,787</b>	3,032,408
Unclaimed dividend		18,639	-	-	-	-	-	-	-	<b>18,639</b>	14,264
<b>Total liabilities</b>		256,152	91,470,338	1,306,684	1,941,620	144,074	1,768,231	13,585	70,745	<b>96,971,429</b>	65,313,697
<b>Contingency &amp; commitments</b>	14	-	-	-	-	-	-	-	-	-	-
<b>Total equity and liabilities</b>		<b>5,325,684</b>	<b>91,470,338</b>	<b>1,306,684</b>	<b>1,941,620</b>	<b>144,074</b>	<b>1,768,231</b>	<b>13,585</b>	<b>70,745</b>	<b>102,040,961</b>	<b>69,223,934</b>

The annexed notes 1 to 44 form an integral part of these financial statements.

  
Kamal A. Chinoy  
Chairman

  
Aly Noor Mahomed Rattansey  
Director

  
John Joseph Metcalf  
Director

  
Javed Ahmed  
Managing Director &  
Chief Executive Officer  
[www.jubileelife.com](http://www.jubileelife.com)

# Balance Sheet

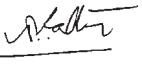
As at December 31, 2016

	Note	Share holders' Fund	Statutory Funds							Aggregate	
			Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	(Rupees in '000)	2016
Cash and bank deposits	15										
Cash and others		593	31,561	290	859	9,088	9,941	-	64	43,308	33,077
Current and other accounts		995,098	2,161,312	54,539	69,330	-	1,035,763	-	30,803	4,360,753	1,846,746
Deposits maturing within 12 months		-	8,566,000	151,000	100,000	-	110,000	-	-	8,927,000	4,700,000
Deposits maturing over 12 months		-	-	-	-	-	-	-	-	-	800,000
		<b>995,691</b>	<b>10,758,873</b>	<b>205,829</b>	<b>170,189</b>	<b>9,088</b>	<b>1,155,704</b>	<b>4,820</b>	<b>30,867</b>	<b>13,331,061</b>	<b>7,379,823</b>
Unsecured advances to employees		9,152	-	-	-	-	-	-	-	<b>9,152</b>	9,350
Investments	16										
Government securities		2,462,530	38,717,512	840,423	1,370,447	95,345	124,030	7,227	22,713	43,640,227	37,337,295
Other fixed income securities		833,002	974,784	46,085	32,259	-	36,377	-	-	1,011,161	707,492
Listed equities and closed-ended mutual funds		86,114	38,452,652	-	-	-	443,993	-	-	39,807,991	19,691,814
Investment in an associate		-	1,394,760	-	-	-	-	-	-	86,114	51,009
Open-ended mutual funds		-	-	-	-	-	-	-	-	1,394,760	1,211,423
		<b>3,381,646</b>	<b>79,539,708</b>	<b>886,508</b>	<b>1,402,706</b>	<b>95,345</b>	<b>604,400</b>	<b>7,227</b>	<b>22,713</b>	<b>85,940,253</b>	<b>58,999,033</b>
Deferred taxation	17	25,686	-	-	-	-	-	-	-	<b>25,686</b>	20,095
Other assets - current											
Premiums / Contributions due but unpaid	18	-	60,953	141,922	288,836	39,237	-	1,124	15,372	486,491	464,230
Investment income due but outstanding		902	871,191	18,250	23,905	-	562	161	507	62,417	10,046
Investment income accrued		20,291	9,165	41,691	367	404	5,337	-	-	939,642	1,423,380
Amounts due from reinsurers / retakaful		-	-	-	-	-	-	-	-	51,627	152,838
Shareholders' fund unit holding in PIF		-	-	-	-	-	-	-	-	-	40,000
Prepayments		47,005	36,171	-	7,189	-	446	-	-	90,811	63,369
Sundry receivables		61,309	194,277	12,484	41,527	-	1,782	253	1,286	312,918	91,518
Inter-fund receivable		49,411	-	-	6,901	-	-	-	-	56,312	30,730
		<b>178,918</b>	<b>1,171,757</b>	<b>214,347</b>	<b>368,725</b>	<b>39,641</b>	<b>8,127</b>	<b>1,538</b>	<b>17,165</b>	<b>2,000,218</b>	<b>2,276,111</b>
Fixed assets	20	-	-	-	-	-	-	-	-	-	-
Tangible assets											
Capital work-in-progress		152,983	-	-	-	-	-	-	-	152,983	77,591
Furniture, fixtures, office equipment, computers and vehicles		434,186	-	-	-	-	-	-	-	434,186	394,417
Intangible assets											
Computer softwares		147,422	-	-	-	-	-	-	-	147,422	67,514
Total assets		<b>5,325,684</b>	<b>91,470,338</b>	<b>1,306,684</b>	<b>1,941,620</b>	<b>144,074</b>	<b>1,768,231</b>	<b>13,585</b>	<b>70,745</b>	<b>102,040,961</b>	<b>69,223,934</b>

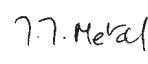
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Kamal A. Chinoy  
Chairman



Aly Noor Mahomed Rattansey  
Director



John Joseph Metcalf  
Director



Javed Ahmed  
Managing Director &  
Chief Executive Officer

# Profit and Loss Account

For the year ended December 31, 2016

	Note	2016	2015
.....(Rupees in '000).....			
<b>Investment income not attributable to statutory funds</b>			
Return on Government securities		<b>146,349</b>	167,860
Return on other fixed income securities and deposits		<b>6,108</b>	5,578
Dividend income		<b>103,609</b>	126,528
		<b>256,066</b>	299,966
<b>Gain on disposal of investments</b>		<b>208,371</b>	45,853
(Impairment) / Reversal of impairment in the value of investments		<b>(837)</b>	(83)
Government securities			
<b>Total investment income</b>		<b>463,600</b>	345,736
Investment related expenses		<b>(289)</b>	(184)
<b>Net investment income</b>		<b>463,311</b>	345,552
<b>Other revenues</b>			
Gain on disposal of fixed assets		<b>9,888</b>	4,208
Share in profit of an associate (including exchange gain / (loss))		<b>5,918</b>	2,932
Others		<b>(163)</b>	633
		<b>15,643</b>	7,773
<b>Total investment income and other revenues</b>		<b>478,954</b>	353,325
Expenses not attributable to statutory funds	21	<b>(125,612)</b>	(131,765)
Other reversals	13.1	<b>113,262</b>	-
Profit before appropriation of surplus to shareholders' fund		<b>466,604</b>	221,560
Surplus appropriated to shareholders' fund from ledger account D	8	<b>2,685,000</b>	2,220,000
Profit before tax		<b>3,151,604</b>	2,441,560
Taxation	22	<b>(1,043,706)</b>	(820,000)
Profit after tax		<b>2,107,898</b>	1,621,560
(Rupees)			
<b>Basic and diluted earnings per share</b>	23	<b>29.23</b>	22.48

The annexed notes 1 to 44 form an integral part of these financial statements.

Kamal A. Chinoy  
Chairman

Aly Noor Mahomed Rattansey  
Director

John Joseph Metcalf  
Director

Javed Ahmed  
Managing Director &  
Chief Executive Officer

# Statement of Changes in Equity

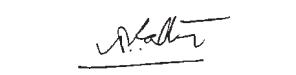
For the year ended December 31, 2016

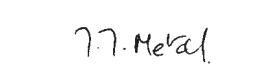
	Share capital	Accumulated surplus	Capital contribution (to) / from statutory funds (Rupees in '000)	Net accumulated surplus	Total
<hr/>					
<b>Balance as at January 1, 2015</b>	<b>721,188</b>	<b>2,538,677</b>	<b>(100,000)</b>	<b>2,438,677</b>	<b>3,159,865</b>
Profit for the year ended December 31, 2015	-	1,621,560	-	1,621,560	1,621,560
<b>Transactions with the owners recorded directly in equity</b>					
Final dividend for the year ended December 31, 2014 @ 70% (Rs.7.00 per share)	-	(504,832)	-	(504,832)	(504,832)
Interim dividend for the year ended December 31, 2015 @ 30% (Rs.3.00 per share)	-	(216,356)	-	(216,356)	(216,356)
Capital contributed to statutory fund - note 8	-	-	(150,000)	(150,000)	(150,000)
<b>Balance as at December 31, 2015</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 dividend for the year ended December 31, 2015 @ 105% (Rs.10.50 per share)	-	(757,247)	-	(757,247)	(757,247)
Interim dividend for the year ended December 31, 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 withdrawn from statutory 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>

The annexed notes 1 to 44 form an integral part of these financial statements.

  
**Kamal A. Chinoy**  
 Chairman

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**Aly Noor Mahomed Rattansey**  
 Director

  
**John Joseph Metcalf**  
 Director

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

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# Cash Flow Statement

For the year ended December 31, 2016

Note	Share holders' Fund	Statutory Funds								Aggregate		
		Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful		2016	2015	
(Rupees in '000)												
<b>Operating cash flows</b>												
a) Underwriting activities												
Premium / contribution received	-	31,671,918	1,644,899	2,503,666	30,632	2,286,554	4,374	53,173	<b>38,195,216</b>	30,000,446		
Reinsurance premium / retakaful contribution paid	-	(326,043)	(546,517)	(64,134)	(8,886)	(9,791)	(730)	-	<b>(956,101)</b>	(809,676)		
Claims paid	-	(859,735)	(1,199,382)	(1,910,075)	(1,561)	(485)	(30)	(30,118)	<b>(4,001,386)</b>	(3,242,982)		
Surrenders paid	-	(6,057,138)	-	-	-	-	-	-	<b>(6,057,138)</b>	(4,302,578)		
Reinsurance / retakaful and other recoveries received	-	241,483	591,054	52,324	10,462	500	132	-	<b>895,955</b>	654,146		
Commissions paid	-	(4,420,532)	(108,874)	(84,646)	-	(556,878)	(97)	(783)	<b>(5,171,810)</b>	(4,885,027)		
Commissions received	-	73,486	10,084	11,810	-	9,069	-	-	<b>104,449</b>	77,964		
Net cash inflow from underwriting activities	-	<b>20,323,439</b>	<b>391,264</b>	<b>508,945</b>	<b>30,647</b>	<b>1,728,969</b>	<b>3,649</b>	<b>22,272</b>	<b>23,009,185</b>	17,492,293		
b) Other operating activities												
Income tax paid		(1,017,808)	-	-	-	-	-	-	<b>(1,017,808)</b>	(944,978)		
General management expenses paid		(8,383)	(3,089,348)	(79,762)	(235,588)	(3,567)	(225,858)	(3,034)	<b>(3,665,015)</b>	(2,713,678)		
Other operating receipts		48,952	16,903	2,639	31,231	-	124,205	991	<b>237,887</b>	205,170		
Other operating payments		(193,335)	(155,041)	(10,397)	(13,834)	(99)	(54,913)	-	<b>(427,619)</b>	(11,011)		
Unsecured advances		198	-	-	-	-	-	-	<b>198</b>	(3,151)		
Inter-fund transactions		187,206	(189,975)	12,196	(13,018)	3,037	(1,922)	157	2,319	-		
Net cash outflow from other operating activities		<b>(983,170)</b>	<b>(3,417,461)</b>	<b>(75,324)</b>	<b>(231,209)</b>	<b>(629)</b>	<b>(158,488)</b>	<b>(1,886)</b>	<b>(4,190)</b>	<b>(4,872,357)</b>	(3,467,648)	
Total cash (outflow) / inflow from all operating activities		<b>(983,170)</b>	<b>16,905,978</b>	<b>315,940</b>	<b>277,736</b>	<b>30,018</b>	<b>1,570,481</b>	<b>1,763</b>	<b>18,082</b>	<b>18,136,828</b>	14,024,645	
<b>Investment activities</b>												
Profit / return received		212,233	4,103,504	94,405	144,225	7,097	11,243	111	363	<b>4,573,181</b>	3,877,371	
Dividends received		102,707	1,456,485	8,325	5,828	-	3,100	-	-	<b>1,576,445</b>	1,091,942	
Payments for investments		(3,511,365)	(55,688,610)	(927,249)	(2,066,463)	(140,168)	(723,075)	(7,227)	(22,713)	<b>(63,086,870)</b>	(35,220,836)	
Proceeds from disposal of investments		3,544,761	36,636,690	759,425	1,808,359	110,737	82,460	-	-	<b>42,942,432</b>	17,484,996	
Fixed capital expenditure		(419,497)	-	-	-	-	-	-	-	<b>(419,497)</b>	(247,232)	
Proceeds from disposal of fixed assets		20,947	-	-	-	-	-	-	-	<b>20,947</b>	13,818	
Total cash (outflow) / inflow from investing activities		<b>(50,214)</b>	<b>(13,491,931)</b>	<b>(65,094)</b>	<b>(108,051)</b>	<b>(22,334)</b>	<b>(626,272)</b>	<b>(7,116)</b>	<b>(22,350)</b>	<b>(14,393,362)</b>	(12,999,941)	

# Cash Flow Statement

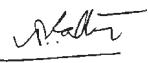
For the year ended December 31, 2016

	Note	Share holders' Fund	Statutory Funds							Aggregate	
			Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	2015
(Rupees in '000)											
Financing activities											
Dividend paid		(969,228)	-	-	-	-	-	-	-	(969,228)	(716,321)
Capital contributed from shareholders' fund		(25,000)	-	-	-	-	-	-	25,000	-	-
Capital returned to shareholders' fund		50,000	-	-	(50,000)	-	-	-	-	-	-
Money ceded to Waqf		-	-	-	-	-	-	-	-	-	500
Qard-e-Hasna received from Operators' Sub Fund by PTF		-	-	-	-	-	10,000	-	21,000	31,000	6,000
Qard-e-Hasna from Operators' Sub Fund to PTF		-	-	-	-	(10,000)	-	-	(21,000)	(31,000)	(6,000)
Surplus appropriated to shareholders' fund		2,685,000	(2,530,000)	(155,000)	-	-	-	-	-	-	-
Total cash inflow / (outflow) from financing activities		1,740,772	(2,530,000)	(155,000)	(50,000)	-	-	-	25,000	(969,228)	(715,821)
Net cash (outflow) / inflow from all activities		707,388	884,047	95,846	119,685	7,684	944,209	(5,353)	20,732	2,774,238	308,883
Cash and cash equivalents at beginning of the year		288,303	2,858,826	8,983	504	1,404	101,495	10,173	10,135	3,279,823	2,970,940
Cash and cash equivalents at end of the year	24	995,691	3,742,873	104,829	120,189	9,088	1,045,704	4,820	30,867	6,054,061	3,279,823
Reconciliation to profit and loss account											
Operating cash flows										18,136,828	14,024,645
Depreciation expense										(168,135)	(149,524)
Amortisation expense										(45,236)	(38,337)
Share of profit from associate										5,918	2,932
Profit on disposal of fixed assets										9,888	4,208
Increase / (decrease) in assets other than cash										160,867	159,176
(Increase) in liabilities										(31,653,360)	(18,855,192)
Profit / (loss) on sale of investments										2,384,440	425,888
Revaluation gain / (loss) on investments										7,583,427	925,623
Investment income										5,718,261	4,971,641
Money ceded to waqf										-	500
Capital contributed from shareholders' fund										25,000	150,000
Capital returned to shareholders' fund										(50,000)	-
Profit after taxation										2,107,898	1,621,560

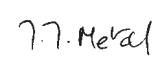
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Managing Director &  
Chief Executive Officer

# Revenue Account

For the year ended December 31, 2016

Note	Statutory Funds								Aggregate	
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	(Rupees in '000)	2016	2015
<b>Income</b>										
Premiums / Contributions less reinsurances / retakaful	31,348,246	1,083,812	2,340,241	21,999	2,123,158	3,137	67,641	36,988,234	29,120,815	
Net investment income	14,936,970	82,456	160,499	4,788	70,761	272	1,025	15,256,771	5,982,333	
<b>Total net income</b>	<b>46,285,216</b>	<b>1,166,268</b>	<b>2,500,740</b>	<b>26,787</b>	<b>2,193,919</b>	<b>3,409</b>	<b>68,666</b>	<b>52,245,005</b>	<b>35,103,148</b>	
<b>Claims and expenditures</b>										
Claims net of reinsurance / retakaful recoveries	6,767,317	749,537	1,904,473	9,120	2,837	132	40,430	9,473,846	7,021,641	
Management expenses less recoveries	7,585,395	193,528	327,604	3,897	947,745	2,396	9,557	9,070,122	7,827,248	
<b>Total claims and expenditures</b>	<b>14,352,712</b>	<b>943,065</b>	<b>2,232,077</b>	<b>13,017</b>	<b>950,582</b>	<b>2,528</b>	<b>49,987</b>	<b>18,543,968</b>	<b>14,848,889</b>	
<b>Excess / (deficit) of income over claims and expenditures</b>	<b>31,932,504</b>	<b>223,203</b>	<b>268,663</b>	<b>13,770</b>	<b>1,243,337</b>	<b>881</b>	<b>18,679</b>	<b>33,701,037</b>	<b>20,254,259</b>	
Add: Policyholders' liabilities / technical reserves at beginning of the year	59,129,854	380,915	772,089	-	5,663	161	1,538	60,290,220	42,693,065	
Less: Policyholders' liabilities / technical reserves at end of the year	88,071,291	436,800	769,688	-	1,079,690	1,095	16,515	90,375,079	60,290,220	
<b>Surplus / (deficit)</b>	<b>2,991,067</b>	<b>167,318</b>	<b>271,064</b>	<b>13,770</b>	<b>169,310</b>	<b>(53)</b>	<b>3,702</b>	<b>3,616,178</b>	<b>2,657,104</b>	
<b>Movement in policyholders' liabilities / technical reserves</b>	<b>28,941,437</b>	<b>55,885</b>	<b>(2,401)</b>	<b>-</b>	<b>1,074,027</b>	<b>934</b>	<b>14,977</b>	<b>30,084,859</b>	<b>17,597,155</b>	
<b>Transfers (to) / from shareholders' fund</b>										
Surplus appropriated to shareholders' fund	(2,530,000)	(155,000)	-	-	-	-	-	(2,685,000)	(2,220,000)	
Capital contributed from shareholders' fund	-	-	-	-	-	-	25,000	25,000	150,000	
Capital returned to shareholders' fund	-	-	(50,000)	-	-	-	-	(50,000)	-	
Money ceded to Waqf	-	-	-	-	-	-	-	-	500	
Qard-e-Hasna from Operators' Sub Fund to PTF	-	-	-	-	(10,000)	-	(21,000)	(31,000)	(6,000)	
Qard-e-Hasna received from Operators' Sub Fund by PTF	-	-	-	-	10,000	-	21,000	31,000	6,000	
<b>Net transfer (to) / from shareholders' fund</b>	<b>(2,530,000)</b>	<b>(155,000)</b>	<b>(50,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>(2,710,000)</b>	<b>(2,069,500)</b>	
<b>Balance of statutory funds at beginning of the year</b>	<b>60,033,177</b>	<b>696,892</b>	<b>1,272,382</b>	<b>91,491</b>	<b>90,402</b>	<b>10,120</b>	<b>11,227</b>	<b>62,205,691</b>	<b>44,020,932</b>	
<b>Balance of statutory funds at end of the year</b>	<b>89,435,681</b>	<b>765,095</b>	<b>1,491,045</b>	<b>105,261</b>	<b>1,333,739</b>	<b>11,001</b>	<b>54,906</b>	<b>93,196,728</b>	<b>62,205,691</b>	

# Revenue Account

For the year ended December 31, 2016

Note	Statutory Funds							Aggregate	
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	2015
(Rupees in '000)									
Represented by:									
Capital contributed by shareholders' fund	-	-	50,000	50,000	130,000	10,000	35,000	275,000	250,000
Capital returned to shareholders' fund	-	-	(50,000)	-	-	-	-	(50,000)	-
Money ceded to Waqf at the beginning of the period	-	-	-	-	500	-	-	500	500
Policyholders' liabilities / technical reserves'	88,071,291	436,800	769,688	-	1,079,690	1,095	16,515	90,375,079	60,290,220
Qard-e-Hasna from Operators' Sub Fund to PTF	-	-	-	-	(10,000)	-	(21,000)	(31,000)	(6,000)
Qard-e-Hasna received from Operators' Sub Fund by PTF	-	-	-	-	10,000	-	21,000	31,000	6,000
Retained earnings on other than participating business	1,364,390	328,295	721,357	55,261	123,549	(94)	3,391	2,596,149	1,664,971
<b>Balance of statutory funds</b>	<b>89,435,681</b>	<b>765,095</b>	<b>1,491,045</b>	<b>105,261</b>	<b>1,333,739</b>	<b>11,001</b>	<b>54,906</b>	<b>93,196,728</b>	<b>62,205,691</b>

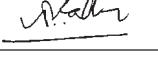
The annexed notes 1 to 44 form an integral part of these financial statements.




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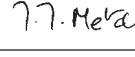
Kamal A. Chinoy  
Chairman

[www.jubileelife.com](http://www.jubileelife.com)




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Aly Noor Mahomed Rattansey  
Director




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John Joseph Metcalf  
Director




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Javed Ahmed  
Managing Director &  
Chief Executive Officer

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# Statement of Premiums

For the year ended December 31, 2016

	Statutory Funds							Aggregate	
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	2015
(Rupees in '000)									
<b>Gross premiums / contributions</b>									
Regular premiums / contributions individual policies *									
First year	8,166,260	91	3,634	-	1,627,678	-	-	<b>9,797,663</b>	7,972,191
Second year renewal	6,664,539	68	-	-	9,990	-	-	<b>6,674,597</b>	5,222,367
Subsequent years renewal	13,836,825	1,067	15	-	-	-	-	<b>13,837,907</b>	10,700,246
Single premiums / contributions individual policies	3,025,187	-	-	-	504,635	-	-	<b>3,529,822</b>	2,223,188
Group policies without cash values	-	1,649,150	2,407,187	34,296	-	5,314	67,641	<b>4,163,588</b>	3,811,204
<b>Total gross premiums / contributions</b>	<b>31,692,811</b>	<b>1,650,376</b>	<b>2,410,836</b>	<b>34,296</b>	<b>2,142,303</b>	<b>5,314</b>	<b>67,641</b>	<b>38,003,577</b>	29,929,196
<b>Less: Reinsurance premiums / Retakaful contribution ceded</b>									
On individual life first year business	(64,431)	(11)	-	-	(18,918)	-	-	<b>(83,360)</b>	(49,322)
On individual life second year business	(37,845)	(9)	-	-	(208)	-	-	<b>(38,062)</b>	(23,137)
On individual life subsequent renewal business	(242,289)	(216)	(1)	-	-	-	-	<b>(242,506)</b>	(242,212)
On single premiums / contributions individual policies	-	-	(10)	-	(19)	-	-	<b>(29)</b>	(4)
On group policies	-	(566,328)	(70,584)	(12,297)	-	(2,177)	-	<b>(651,386)</b>	(493,706)
<b>Total reinsurance premiums / retakaful contribution ceded</b>	<b>(344,565)</b>	<b>(566,564)</b>	<b>(70,595)</b>	<b>(12,297)</b>	<b>(19,145)</b>	<b>(2,177)</b>	<b>-</b>	<b>(1,015,343)</b>	(808,381)
<b>Net premiums / contributions</b>	<b>31,348,246</b>	<b>1,083,812</b>	<b>2,340,241</b>	<b>21,999</b>	<b>2,123,158</b>	<b>3,137</b>	<b>67,641</b>	<b>36,988,234</b>	29,120,815

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

The annexed notes 1 to 44 form an integral part of these financial statements.

Kamal A. Chinoy  
Chairman

Aly Noor Mahomed Rattansey  
Director

John Joseph Metcalf  
Director

Javed Ahmed  
Managing Director &  
Chief Executive Officer

# Statement of Claims

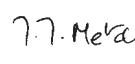
For the year ended December 31, 2016

	Statutory Funds							Aggregate	
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	2015
(Rupees in '000)									
<b>Gross claims</b>									
Claims under individual policies									
by death	916,221	-	-	-	3,337	-	-	919,558	630,136
by insured event other than death	6,856	-	-	-	-	-	-	6,856	3,836
by maturity	34,942	-	-	-	-	-	-	34,942	15,131
by surrender	4,402,697	-	-	-	-	-	-	4,402,697	3,027,505
by partial withdrawal	1,654,441	-	-	-	-	-	-	1,654,441	1,275,073
<b>Total gross individual policy claims</b>	<b>7,015,157</b>	-	-	-	<b>3,337</b>	-	-	<b>7,018,494</b>	4,951,681
Claims under group policies									
by death	-	1,138,998	-	2,666	-	-	-	1,141,664	949,069
by insured event other than death	-	19,685	1,922,414	5,058	-	264	40,430	1,987,851	1,589,768
bonus in cash	-	-	-	-	-	-	-	-	2,387
experience refund	-	74,827	34,372	11,383	-	-	-	120,582	146,439
<b>Total group policy claims</b>	<b>-</b>	<b>1,233,510</b>	<b>1,956,786</b>	<b>19,107</b>	<b>-</b>	<b>264</b>	<b>40,430</b>	<b>3,250,097</b>	2,687,663
<b>Total gross claims</b>	<b>7,015,157</b>	<b>1,233,510</b>	<b>1,956,786</b>	<b>19,107</b>	<b>3,337</b>	<b>264</b>	<b>40,430</b>	<b>10,268,591</b>	7,639,344
<b>Less: Reinsurance / retakaful recoveries</b>									
On individual life first year business claims	(55,853)	-	-	-	(500)	-	-	(56,353)	(17,144)
On individual life second year business claims	(21,923)	-	-	-	-	-	-	(21,923)	(21,556)
On individual life renewal business claims	(170,064)	-	-	-	-	-	-	(170,064)	(131,707)
On group claims	-	(469,860)	(52,313)	(7,724)	-	(132)	-	(530,029)	(405,051)
On experience refund of premiums / contributions	-	(14,113)	-	(2,263)	-	-	-	(16,376)	(42,245)
<b>Total reinsurance / retakaful recoveries</b>	<b>(247,840)</b>	<b>(483,973)</b>	<b>(52,313)</b>	<b>(9,987)</b>	<b>(500)</b>	<b>(132)</b>	<b>-</b>	<b>(794,745)</b>	<b>(617,703)</b>
<b>Net claims</b>	<b>6,767,317</b>	<b>749,537</b>	<b>1,904,473</b>	<b>9,120</b>	<b>2,837</b>	<b>132</b>	<b>40,430</b>	<b>9,473,846</b>	<b>7,021,641</b>

The annexed notes 1 to 44 form an integral part of these financial statements.

  
Kamal A. Chinoy  
Chairman

  
Aly Noor Mahomed Rattansey  
Director

  
John Joseph Metcalf  
Director

  
Javed Ahmed  
Managing Director &  
Chief Executive Officer

# Statement of Expenses

For the year ended December 31, 2016

	Note	Statutory Funds							Aggregate	
		Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	2015
(Rupees in '000)										
<b>Acquisition costs</b>										
Remuneration to insurance / takaful intermediaries individual policies:										
Commission on first year premiums / contributions		3,594,840	14	727	-	658,575	-	-	<b>4,254,156</b>	3,746,487
Commission on second year premiums / contributions		311,991	7	-	-	911	-	-	<b>312,909</b>	256,741
Commission on subsequent renewal premiums / contributions		296,952	-	3	-	-	-	-	<b>296,955</b>	191,406
Commission on single premiums / contributions		56,788	-	-	-	9,947	-	-	<b>66,735</b>	41,763
		4,260,571	21	730	-	669,433	-	-	<b>4,930,755</b>	4,236,397
Remuneration to insurance / takaful intermediaries on group policies:										
Commission		-	101,894	79,596	-	-	210	3,439	<b>185,139</b>	314,305
<b>Branch overheads</b>	25									
Salaries & allowances and other branch overheads		1,619,020	37,254	79,752	-	188,054	618	1,645	<b>1,926,343</b>	1,539,966
<b>Other acquisition costs:</b>										
Policy stamps		156,296	90	878	-	21,304	1	37	<b>178,606</b>	134,745
Others		971	23	2,795	-	34	-	-	<b>3,823</b>	2,451
		6,036,858	139,282	163,751	-	878,825	829	5,121	<b>7,224,666</b>	6,227,864
<b>Administration expenses</b>	26									
Salaries, allowances and other benefits		524,803	33,362	90,200	2,327	29,530	638	1,634	<b>682,494</b>	633,400
Charge for defined benefit plan		22,165	1,616	4,139	115	1,544	29	76	<b>29,684</b>	26,938
Contribution to defined contribution plan		19,858	1,364	3,456	101	1,242	25	65	<b>26,111</b>	22,231
Travelling expenses		23,476	1,277	5,555	93	2,152	26	54	<b>32,633</b>	29,550
Auditors' remuneration	27	4,509	95	204	14	393	12	51	<b>5,278</b>	5,464
Actuary's fees		14,086	941	1,172	470	1,409	47	188	<b>18,313</b>	12,437
Medical fees		3,460	880	1,621	-	148	13	38	<b>6,160</b>	5,635
Advertisements		431,621	3,042	9,694	4	8,038	13	39	<b>452,451</b>	364,154
Printing and stationery		47,833	770	10,276	63	3,587	109	600	<b>63,238</b>	68,379
Depreciation	20.2	95,538	5,636	8,603	342	2,695	304	488	<b>113,606</b>	99,294
Amortisation	20.4	38,316	1,408	2,733	11	1,007	49	83	<b>43,607</b>	36,352
Rent expense		72,756	3,749	9,617	77	2,916	52	143	<b>89,310</b>	73,157
Legal and professional charges		19,002	454	463	18	5,264	21	76	<b>25,298</b>	14,879
Supervision fees		41,713	2,170	3,168	35	2,819	7	89	<b>50,000</b>	49,981

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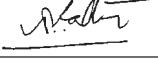
# Statement of Expenses

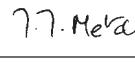
For the year ended December 31, 2016

Note	Statutory Funds								Aggregate	
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	(Rupees in '000)	2016	2015
<b>Administration expenses (Continued...)</b>										
Utilities	37,788	1,497	3,953	30	1,187	29	72	44,556	43,011	
Entertainment	7,262	248	1,205	16	336	10	34	9,111	10,520	
Vehicle running	5,245	432	2,007	34	217	9	14	7,958	9,580	
Repairs and maintenance	76,578	2,574	5,489	63	2,438	93	204	87,439	66,025	
Bank charges and brokerage	10,407	347	2,527	6	740	19	63	14,109	10,239	
Training expenses	12,233	524	1,317	45	468	11	28	14,626	7,886	
Postages, telegrams and telephone	53,669	1,681	4,055	17	1,220	34	60	60,736	63,520	
Staff welfare	13,006	251	769	15	323	10	29	14,403	12,451	
General insurance	4,555	85	216	-	130	5	11	5,002	6,208	
Doubtful debts	40,830	(101)	3,143	-	8,138	1	294	52,305	4,449	
Miscellaneous expenses	1,314	28	81	1	48	1	3	1,476	1,608	
	<b>1,622,023</b>	<b>64,330</b>	<b>175,663</b>	<b>3,897</b>	<b>77,989</b>	<b>1,567</b>	<b>4,436</b>	<b>1,949,905</b>	<b>1,677,348</b>	
<b>Gross management expenses</b>	<b>7,658,881</b>	<b>203,612</b>	<b>339,414</b>	<b>3,897</b>	<b>956,814</b>	<b>2,396</b>	<b>9,557</b>	<b>9,174,571</b>	<b>7,905,212</b>	
Commission from reinsurers	(73,486)	(10,084)	(11,810)	-	(9,069)	-	-	(104,450)	(77,964)	
<b>Net management expenses</b>	<b>7,585,395</b>	<b>193,528</b>	<b>327,604</b>	<b>3,897</b>	<b>947,745</b>	<b>2,396</b>	<b>9,557</b>	<b>9,070,122</b>	<b>7,827,248</b>	

The annexed notes 1 to 44 form an integral part of these financial statements.


  
Kamal A. Chinoy  
Chairman

[www.jubileelife.com](http://www.jubileelife.com)

  
Aly Noor Mahomed Rattansey  
Director


  
John Joseph Metcalf  
Director


  
Javed Ahmed  
Managing Director &  
Chief Executive Officer

# Statement of Investment Income

For the year ended December 31, 2016

	Statutory Funds							Aggregate	
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	2015
(Rupees in '000)									
<b>Investment income</b>									
Government securities	3,131,840	68,779	115,934	5,747	3,616	5	14	3,325,935	3,273,322
Other fixed income securities and deposits	542,730	15,478	10,288	455	11,872	268	856	581,947	430,480
Dividends	1,718,348	9,000	6,300	-	4,318	-	-	1,737,966	1,084,293
Gain on sale of investments	2,172,464	1,391	1,621	-	593	-	-	2,176,069	380,035
Amortisation of premium	(219,651)	(9,966)	(10,499)	(1,215)	-	-	-	(241,331)	16,446
Unrealised gain on investments	7,806,381	-	-	-	51,521	-	-	7,857,902	907,392
Other income	794	(21)	38,073	(99)	-	-	157	38,904	7,403
<b>Total</b>	<b>15,152,906</b>	<b>84,661</b>	<b>161,717</b>	<b>4,888</b>	<b>71,920</b>	<b>273</b>	<b>1,027</b>	<b>15,477,392</b>	<b>6,099,371</b>
<b>Reversal for impairment in the value of available for sale investments</b>									
Government securities	(383)	(1,514)	(728)	(99)	-	-	-	(2,724)	1,333
Other fixed income securities and deposits	-	-	-	-	(479)	-	-	(479)	-
Less: Investment related expenses	(4,597)	(16)	(17)	(1)	(24)	(1)	(2)	(4,658)	(2,486)
Less: Tax on dividend under FTR	(210,956)	(675)	(473)	-	(656)	-	-	(212,760)	(115,885)
<b>Net investment income</b>	<b>14,936,970</b>	<b>82,456</b>	<b>160,499</b>	<b>4,788</b>	<b>70,761</b>	<b>272</b>	<b>1,025</b>	<b>15,256,771</b>	<b>5,982,333</b>

The annexed notes 1 to 44 form an integral part of these financial statements.

Kamal A. Chinoy  
Chairman

Aly Noor Mahomed Rattansey  
Director

John Joseph Metcalf  
Director

Javed Ahmed  
Managing Director &  
Chief Executive Officer

# Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2016

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## 1 STATUS AND NATURE OF BUSINESS

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

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

- Individual life unit linked
- Conventional business
- Accident & health
- Overseas group life and health business
- Individual Family Takaful (note 1.2)
- Group Family Takaful (note 1.2)
- Accident & Health Family Takaful (note 1.2)

**1.2** The Company was issued the Certificate of authorization for commencement of Window Takaful Operations under Rule 6 of the Takaful Rules, 2012 by the Securities and Exchange Commission of Pakistan (SECP) vide Authorization Reference no. 7 dated June 17, 2015 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 Companies Ordinance, 1984, provisions of and directives issued under the 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 Companies Ordinance, 1984, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 and the Takaful Rules, 2012 shall prevail.

### 3.1 Standards, interpretations and amendments effective in current year

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after January 1, 2017:

#### New, Amended and Revised Standards and Interpretations of IFRSs

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after January 1, 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have an impact on Company's financial statements.
- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after January 1, 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.
- Amendments to IFRS 2 - Share-based Payment 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 standards 2014-2016 cycle. The new cycle of improvements addresses improvements to following approved accounting standards:
  - Amendments to IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after January 1, 2017) clarify that the requirements of IFRS 12 apply to an entity's interests that are classified as held for sale or discontinued operations in accordance with IFRS 5 – 'Non-current Assets Held for Sale and Discontinued Operations'. The amendments are not likely to have an impact on Company's financial statements.
  - 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 amendments are not likely to have an impact on Company's financial statements.

#### **4 BASIS OF MEASUREMENT**

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

The preparation of financial statements in conformity with the approved accounting standards as applicable in Pakistan 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.

Rewards 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 41 to the financial statements.

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

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

#### **5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The 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

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

#### 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

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 are 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 33.

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 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 cease to participate in the earnings of the fund and the date insured event is intimated.

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

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

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

### 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 polices. For riders, there is no need to hold a PDR since these maintain very reasonable claim ratios.

**b) Conventional business**

**i) Individual life conventional**

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

For base plans, policyholders' liabilities are determined as per the minimum criteria given in Insurance Rules, 2002. Discount rate used in this calculation is 3.75% and the mortality rates assumed are those according to EFU (61-66) table. For critical illness policies, the future incidence of critical illness is according to a percentage of reinsurer's risk premium rates for this coverage.

- Incurred But Not Reported (IBNR) claims

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

- Unearned premium and premium deficiency reserve

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

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

**ii) Group life**

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

- Incurred But Not Reported (IBNR) claims

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

- Unearned premium and premium deficiency reserve

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

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

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

c) Accident & health

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

- Incurred But Not Reported (IBNR) claims

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

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

- Unearned premium and premium deficiency reserve

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

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

d) Overseas group life and health

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

- Incurred But Not Reported (IBNR) claims

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

- Unearned premium and premium deficiency reserve

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

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

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

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

f) Reserve for unearned contribution - Takaful Contracts

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

g) Contribution Deficiency Reserve - Takaful Contracts

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

### 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.

## 5.10 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.

## 5.11 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.

## 5.12 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.
- Available-for-sale – These are investments that do not fall under the Held-for-trading or Held-to-maturity categories.
- Held for trading – Category represents investments 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.

### 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).

## 5.13 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.

### Depreciation

Depreciation is charged to profit and loss account using the straight line method at the rates specified in note 20.2 on all assets available for use at the end of each month. When parts of an item of asset have different useful lives, they are accounted for as separate fixed assets items.

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.

## 5.14 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.

## 5.15 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.

## 5.16 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.

## 5.17 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.

## 5.18 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

## 5.19 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.

## 5.20 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.

## 5.21 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, Overseas Group Life & Health, 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 - 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 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.

## 5.22 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.

## 5.23 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.

## 5.24 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.

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

2016	2015		2016	2015
(Number of shares in '000)			..... (Rupees in '000) .....	
<b>72,119</b>	<b>72,119</b>	Ordinary shares of Rs. 10 each fully paid in cash	<b>721,188</b>	<b>721,188</b>

- 6.1 As at December 31, 2016 Aga Khan Fund for Economic Development S.A., Switzerland and its nominees held 41,739,128 ordinary shares (2015: 41,739,128 ordinary shares) of Rs.10 each respectively.

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

Accumulated surplus in statement of changes in equity at beginning of the year	<b>3,189,049</b>	2,438,677
Add: Profit for the year	<b>2,107,898</b>	1,621,560
Less: Dividend	<b>(973,603)</b>	(721,188)
Accumulated surplus in statement of changes in equity ignoring effect of capital transfers at end of the year	<b>4,323,344</b>	3,339,049
Capital withdrawn from statutory fund - net	<b>50,000</b>	-
Capital transfers to statutory fund - net	<b>(25,000)</b>	(150,000)
Accumulated surplus	<b>4,348,344</b>	3,189,049

## 8 MOVEMENT IN EQUITY OF STATUTORY FUND

	Statutory Funds							Aggregate	
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	2015
(Rupees in '000)									
<b>Policyholders' liabilities / Technical reserves</b>									
Balance at beginning of the year	59,129,854	380,915	772,089	-	5,663	161	1,538	<b>60,290,220</b>	42,693,065
Increase during the year	28,941,437	55,885	(2,401)	-	1,074,027	934	14,977	<b>30,084,859</b>	17,597,155
Balance at end of the year - note 9	<b>88,071,291</b>	<b>436,800</b>	<b>769,688</b>	-	<b>1,079,690</b>	<b>1,095</b>	<b>16,515</b>	<b>90,375,079</b>	60,290,220
<b>Retained earnings on other than participating business</b>									
Balance at beginning of the year	903,323	315,977	450,293	41,491	(45,761)	(41)	(311)	<b>1,664,971</b>	1,227,867
Surplus / (deficit) for the year	2,991,067	167,318	271,064	13,770	169,310	(53)	3,702	<b>3,616,178</b>	2,657,104
Surplus appropriated to shareholders' fund	(2,530,000)	(155,000)	-	-	-	-	-	<b>(2,685,000)</b>	(2,220,000)
Balance at end of the year - note 8.1	<b>1,364,390</b>	<b>328,295</b>	<b>721,357</b>	<b>55,261</b>	<b>123,549</b>	<b>(94)</b>	<b>3,391</b>	<b>2,596,149</b>	1,664,971
<b>Capital contributed by shareholders' fund</b>									
Balance at beginning of the year	-	-	50,000	50,000	130,000	10,000	10,000	<b>250,000</b>	100,000
Money ceded to Waqf	-	-	-	-	500	-	-	<b>500</b>	500
Capital contributed during the year	-	-	-	-	-	-	25,000	<b>25,000</b>	150,000
Capital returned during the year	-	-	(50,000)	-	-	-	-	<b>(50,000)</b>	-
Qard-e-Hasna from Operator's Sub Fund to PTF	-	-	-	-	(10,000)	-	(21,000)	<b>(31,000)</b>	(6,000)
Qard-e-Hasna received from Operator's Sub Fund by PTF	-	-	-	-	10,000	-	21,000	<b>31,000</b>	6,000
Balance at end of the year	-	-	-	50,000	130,500	10,000	35,000	<b>225,500</b>	250,500
<b>Balance of statutory fund at end of the year</b>									
	<b>89,435,681</b>	<b>765,095</b>	<b>1,491,045</b>	<b>105,261</b>	<b>1,333,739</b>	<b>11,001</b>	<b>54,906</b>	<b>93,196,728</b>	62,205,691

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 & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	2015
(Rupees in '000)									
<b>Gross of reinsurance / retakaful</b>									
Actuarial liability relating to future events	87,638,066	316,872	522,711	-	1,076,639	1,268	11,565	<b>89,567,121</b>	59,661,089
Provision for outstanding reported claims payable over a period exceeding twelve months	292,728	137,153	-	-	481	-	-	<b>430,362</b>	354,379
Provision for incurred but not reported claims	281,978	159,329	254,416	350	18,906	1,148	4,950	<b>721,077</b>	506,318
	<b>88,212,772</b>	<b>613,354</b>	<b>777,127</b>	<b>350</b>	<b>1,096,026</b>	<b>2,416</b>	<b>16,515</b>	<b>90,718,560</b>	<b>60,521,786</b>
<b>Net of reinsurance / retakaful</b>									
Actuarial liability relating to future events	87,593,199	172,537	519,403	-	1,066,836	532	11,565	<b>89,364,072</b>	59,515,446
Provision for outstanding reported claims payable over a period exceeding twelve months	292,728	137,153	-	-	481	-	-	<b>430,362</b>	354,379
Provision for incurred but not reported claims	185,364	127,110	250,285	-	12,373	563	4,950	<b>580,645</b>	420,395
	<b>88,071,291</b>	<b>436,800</b>	<b>769,688</b>	<b>-</b>	<b>1,079,690</b>	<b>1,095</b>	<b>16,515</b>	<b>90,375,079</b>	<b>60,290,220</b>

## 10 STAFF RETIREMENT BENEFITS

### 10.1 Defined benefit plan

**10.1.1** 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.

**10.1.2** Plan assets held in trust are governed by local regulations which mainly include Trust Act, 1882; the Companies Ordinance, 1984, Income Tax Rules, 2002 and Rules under the Trust Deed of the plan. Responsibility for governance of the plans, including investment decisions and contribution schedules, lies with the Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

**10.1.3** The latest actuarial valuation of the scheme as at December 31, 2016 was carried out using the Projected Unit Credit Method. The results of actuarial valuation are as follows:

2016	2015
.....(Rupees in '000).....	

#### 10.1.4 Balance sheet reconciliation

Present value of defined benefit obligation at December 31 - note 10.1.5  
 Fair value of plan assets at December 31 - note 10.1.6  
 (Surplus) / deficit

<b>306,415</b>	248,773
<b>(288,140)</b>	(227,439)
<b>18,275</b>	21,334

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

Balance as at January 1	<b>248,773</b>	194,035
Benefits paid by the plan	<b>(18,321)</b>	(10,689)
Current service cost	<b>33,554</b>	26,576
Past service cost	<b>6,510</b>	-
Interest cost	<b>23,960</b>	23,114
Remeasurement loss on obligation	<b>11,939</b>	15,737
Closing balance	<b>306,415</b>	248,773

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

Balance at 1 January	<b>227,439</b>	202,237
Contributions paid into the plan	<b>55,313</b>	15,544
Benefits paid by the plan	<b>(18,321)</b>	(10,689)
Interest income	<b>24,623</b>	25,286
Remeasurement gain / (loss)	<b>(914)</b>	(4,939)
Balance at December 31	<b>288,140</b>	227,439

#### 10.1.7 Expense recognised in profit and loss account

Current service cost	<b>33,554</b>	26,576
Past service cost	<b>6,510</b>	-
Net interest cost	<b>(662)</b>	(2,172)
Experience losses	<b>12,852</b>	20,676
	<b>52,254</b>	45,080

#### 10.1.8 Net recognised liability / (asset)

Net liability / (asset) at beginning of the year	<b>21,334</b>	(8,202)
Expense recognised in profit and loss account	<b>52,254</b>	45,080
Contribution made to the fund	<b>(55,313)</b>	(15,544)
	<b>18,275</b>	21,334

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

Government Securities  
Mutual Funds  
Cash and others

	<b>2016</b>	2015	
	(Rupees in '000)	%	(Rupees in '000)
Government Securities	<b>233,691</b>	<b>81.1%</b>	192,208
Mutual Funds	<b>42,867</b>	<b>14.9%</b>	18,947
Cash and others	<b>11,582</b>	<b>4.0%</b>	16,284
	<b>288,140</b>	<b>100%</b>	227,439
			100%

**10.1.10 Actuarial assumptions**

Discount rate at December 31  
Future salary increases

	<b>2016</b>	2015	
	%	%	%
Discount rate at December 31	<b>9.50%</b>	10.00%	
Future salary increases	<b>9.50%</b>	10.00%	

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

**10.1.12** 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.

**10.1.13** 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 2017 is expected to amount to Rs. 39.64 million (2016: Rs. 52.25 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.

#### 10.1.14 Sensitivity analysis for actuarial assumptions

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

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	(Rupees in '000)		
Discount rate at December 31	1%	272,779	346,128
Future salary increases	1%	346,229	272,072

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

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

#### 10.1.15 Historical information

	2016	2015	2014	2013	2012
..... (Rupees in '000) .....					
Defined benefit obligation	<b>306,415</b>	248,773	194,035	142,882	92,242
Fair value of plan assets	<b>(288,140)</b>	(227,439)	(202,237)	(106,416)	(89,704)
Surplus / (deficit)	<b>(18,275)</b>	(21,334)	8,202	(36,466)	(2,538)
<b>Experience adjustments</b>					
Loss on obligation	<b>11,939</b>	15,737	15,564	29,614	5,651
(Loss) / Gain on plan assets	<b>(914)</b>	(4,939)	(3,956)	(2,654)	1,735

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

#### 10.2 Defined Contribution Plan

The Company's contributions towards the provident fund for the year ended December 31, 2016 amounted to Rs. 44.44 million (2015: Rs. 37 million).

## 11 OUTSTANDING CLAIMS

### Individual Life Unit Linked

#### Notified claims at beginning of the year

Cash paid for claims settled in the year

Increase / (decrease) in liabilities:

Arising from current year claims

Arising from prior year claims

#### Notified claims at end of the year

### Conventional Business

#### Notified claims at beginning of the year

Cash paid for claims settled in the year

Increase / (decrease) in liabilities:

Arising from current year claims

Arising from prior year claims

#### Notified claims at end of the year

### Accident & Health

#### Notified claims at beginning of the year

Cash paid for claims settled in the year

Increase / (decrease) in liabilities:

Arising from current year claims

Arising from prior year claims

#### Notified claims at end of the year

### Overseas Group Life and Health Fund

#### Notified claims at beginning of the year

Cash paid for claims settled in the year

Increase / (decrease) in liabilities:

Arising from current year claims

Arising from prior year claims

#### Notified claims at end of the year

### Individual Family Takaful

#### Notified claims at beginning of the year

Cash paid for claims settled in the year

Increase / (decrease) in liabilities:

Arising from current year claims

Arising from prior year claims

#### Notified claims at end of the year

	2016			2015		
	Gross	Re-insurance	Net	Gross	Re-insurance	Net
(Rupees in '000)						
<b>Individual Life Unit Linked</b>						
Notified claims at beginning of the year	191,495	(8,374)	183,121	124,208	1,346	125,554
Cash paid for claims settled in the year	(6,916,874)	241,483	(6,675,391)	(4,884,069)	163,639	(4,720,430)
Increase / (decrease) in liabilities:						
Arising from current year claims	7,173,578	(252,246)	6,921,332	4,970,502	(177,814)	4,792,688
Arising from prior year claims	(158,421)	4,407	(154,014)	(19,146)	4,455	(14,691)
Notified claims at end of the year	289,778	(14,730)	275,048	191,495	(8,374)	183,121
<b>Conventional Business</b>						
Notified claims at beginning of the year	340,061	(6,171)	333,890	354,086	(225,551)	128,535
Cash paid for claims settled in the year	(1,199,382)	591,054	(608,328)	(1,113,002)	636,871	(476,131)
Increase / (decrease) in liabilities:						
Arising from current year claims	1,243,477	(489,645)	753,832	1,084,967	(420,923)	664,044
Arising from prior year claims	(9,966)	5,672	(4,294)	14,010	3,432	17,442
Notified claims at end of the year	374,190	100,910	475,100	340,061	(6,171)	333,890
<b>Accident &amp; Health</b>						
Notified claims at beginning of the year	257,685	(4,809)	252,876	215,484	(1,960)	213,524
Cash paid for claims settled in the year	(1,910,076)	52,324	(1,857,752)	(1,528,758)	14,717	(1,514,041)
Increase / (decrease) in liabilities:						
Arising from current year claims	1,998,672	(53,715)	1,944,957	1,601,514	(16,595)	1,584,919
Arising from prior year claims	(41,886)	1,402	(40,484)	(30,555)	(971)	(31,526)
Notified claims at end of the year	304,395	(4,798)	299,597	257,685	(4,809)	252,876
<b>Overseas Group Life and Health Fund</b>						
Notified claims at beginning of the year	13,755	(520)	13,235	15,528	(17,498)	(1,970)
Cash paid for claims settled in the year	(1,561)	10,462	8,901	(19,531)	26,548	7,017
Increase / (decrease) in liabilities:						
Arising from current year claims	19,107	(11,705)	7,402	17,758	(9,570)	8,188
Arising from prior year claims	-	1,718	1,718	-	-	-
Notified claims at end of the year	31,301	(45)	31,256	13,755	(520)	13,235
<b>Individual Family Takaful</b>						
Notified claims at beginning of the year	-	-	-	-	-	-
Cash paid for claims settled in the year	(485)	500	15	-	-	-
Increase / (decrease) in liabilities:						
Arising from current year claims	3,337	(500)	2,837	-	-	-
Arising from prior year claims	-	-	-	-	-	-
Notified claims at end of the year	2,852	-	2,852	-	-	-

	2016			2015		
	Gross	Re-insurance	Net	Gross	Re-insurance	Net
(Rupees in '000)						
<b>Group Family Takaful</b>						
<b>Notified claims at beginning of the year</b>	-	-	-	-	-	-
Cash paid for claims settled in the year	(30)	132	102	-	-	-
Increase / (decrease) in liabilities:						
Arising from current year claims	264	(132)	132	-	-	-
Arising from prior year claims	-	-	-	-	-	-
<b>Notified claims at end of the year</b>	<b>234</b>	-	<b>234</b>	-	-	-
<b>Accident &amp; Health Family Takaful</b>						
<b>Notified claims at beginning of the year</b>	94	-	94	-	-	-
Cash paid for claims settled in the year	(30,119)	-	(30,119)	(200)	-	(200)
Increase / (decrease) in liabilities:						
Arising from current year claims	40,430	-	40,430	294	-	294
Arising from prior year claims	-	-	-	-	-	-
<b>Notified claims at end of the year</b>	<b>10,405</b>	-	<b>10,405</b>	94	-	94

## 11.1 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	9,193	1,899	6,435	859	-	-
Unclaimed death benefits	-	-	-	-	-	-
Unclaimed disability benefits	-	-	-	-	-	-
Claims not encashed	9,003	5,150	2,043	252	525	1,033
Other unclaimed benefits	-	-	-	-	-	-
<b>Total</b>	<b>18,196</b>	7,049	8,478	1,111	525	1,033

## 12 STATUTORY DEPOSITS

The Company has deposited 20 years Pakistan Investment Bonds amounting to Rs. 86 million (2015: Rs. 86 million) with the State Bank of Pakistan under section 29 of the Insurance Ordinance, 2000.

## 13 OTHER CREDITORS AND ACCRUALS

	Note	Share holders' Fund	Statutory Funds						Aggregate		
			Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	2015
..... (Rupees in '000) .....											
Sundry creditors		39,530	116,647	2,856	13,675	-	9,015	-	-	181,723	185,167
Withholding tax payable		3,901	50,280	803	1,406	-	6,124	-	-	62,514	25,458
Payable to Workers' Welfare Fund	13.1	-	-	-	-	-	-	-	-	-	113,262
Zakat payable		-	922	-	-	-	-	-	-	922	369
		<b>43,431</b>	<b>167,849</b>	<b>3,659</b>	<b>15,081</b>	<b>-</b>	<b>15,139</b>	<b>-</b>	<b>-</b>	<b>245,159</b>	<b>324,256</b>

- 13.1** During the current year, the Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the Worker's Welfare Fund (WWF) Ordinance made through Finance Acts of 2006 and 2008 were not lawful as WWF is not a tax and therefore could not have been passed through the money bill. Accordingly, the Company, on the advice of its legal counsel has reversed the provision on account of WWF amounting to Rs. 113.26 million in respect of years 2008 to 2015. The amount paid in respect of tax years 2008 to 2014, amounting to Rs. 46.63 million has not been recorded as receivable, pending the establishment of these refunds.

## 14 CONTINGENCIES & COMMITMENTS

### 14.1 Contingencies

#### 14.1.1 Income tax assessments

While finalising the Company's income tax assessment for the accounting years ended December 31, 2012 (Tax Year 2013) and December 31, 2011 (Tax year 2012), the taxation officer raised additional tax demand of Rs. 8.27 million and Rs. 9.86 million on the Company on account of non-deduction of withholding tax under section 151(1)(d) of the Income Tax Ordinance, 2001 on the amount of surrenders paid during the respective years. The Company filed an appeal with the Commissioner Inland Revenue Appeals (CIRA) contesting that the tax officer had misunderstood the contracts of life insurance, against which the CIRA passed an order rejecting the Company's plea. The Company had filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) challenging the order passed by CIRA. Subsequent to the year end, the ATIR, in their order dated January 25, 2017, has decided both the appeals in favour of the Company and annulled the impugned orders passed by the CIRA.

In December 2016, the Additional Commissioner Inland Revenue (ACIR) issued notices showing intention to amend the assessments of the Company for TY 2014 and TY 2015. Subsequent to the year end, in February 2017, the ACIR has passed assessment orders under section 122(5A) of the Income Tax Ordinance, 2001 for the TY 2014 and TY 2015, raising tax demands of Rs.100.42 million and Rs.85.42 million respectively, mainly by taxing the dividend income at corporate tax rates, on account of one basket income rule. In this context, 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 been made taxable at the corporate tax rates. The subsequent amendment in the law substantiates 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 and the sale value recovered from employees in respect of motor vehicles sold to them under Company Car Policy, provision for doubtful debts in the Statutory Funds disallowed, and write off of certain uncollectible receivables disallowed. For the TY 2015, the ACIR also erred in not adjusting the determined refund of TY 2013 therein. The Company is in the process of filing an appeal with the CIR Appeals, as well as obtaining stay of demand, and has also filed a rectification application in respect of the apparent mistake. No provision has been made in these accounts as the Company is confident that the final outcome will be in its favour.

#### **14.1.2 Sindh Sales Tax on Corporate Health Insurance**

The Sindh Revenue Board (SRB), vide notification no. SRB 3-4/7/2013 dated June 13, 2013, had exempted life and health insurance from the scope of applicability of Sindh Sales Tax on Services (SST), under the Sindh Sales Tax Act, 2011. This exemption was subsequently renewed by the SRB on an annual basis, the latest exemption lapsed on July 1, 2016. The matter for renewal of the exemption had been taken up at the collective level of the Insurance Association of Pakistan with the SRB through tax consultants, and on January 12, 2017, the SRB issued notification no. SRB 3-4/2/2017 exempting life insurance with effect from July 1, 2016, from the scope of SST, until June 30, 2017. However, in respect of corporate health insurance, 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 taken up the matter again with the SRB and has also approached the Hon'ble Chief Minister, Sindh, for resolution of the matter. In view of the fact that the matter is still under the process of review, the Company and other insurance companies carrying out corporate health insurance have not yet billed their customers for SST for the period from July 2016 to December 2016. The amount not yet billed by the Company works out to Rs.141.97 million for the period July 1, 2016 to December 31, 2016 and would be recoverable from the customers.

#### **14.2 Commitments in respect of capital expenditure**

	<b>2016</b>	2015
	(Rupees in '000)	
Not later than one year	<b>77,069</b>	163,684

## 15 CASH AND BANK DEPOSITS

	Note	2016	2015
		(Rupees in '000)	
<b>Policy stamps in hand</b>		<b>43,308</b>	33,077
<b>Current and other accounts</b>			
Cash at bank - PLS saving accounts	15.1	<b>4,175,024</b>	1,622,041
Cash at Bank - Current accounts		<b>185,729</b>	224,705
		<b>4,360,753</b>	1,846,746
<b>Deposits maturing within 12 months</b>			
Term deposit receipts	15.2	<b>8,927,000</b>	4,700,000
<b>Deposits maturing over 12 months</b>			
Certificate of Islamic Investment		<b>-</b>	800,000
		<b>13,331,061</b>	7,379,823

**15.1** These carry mark-up ranging from 2.95 % to 6.05% (2015: 4.0% to 6.0%) per annum.

**15.2** The rate of return on these term deposit receipts range between 5.53% to 11.00% (2015: 6.10% to 9.60%) per annum and will mature between January 20, 2017 and December 26, 2017.

## 16 INVESTMENTS

### 16.1 Government securities

Shareholders' Fund	Statutory Funds								Aggregate	
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	2015	
(Rupees in '000)										
<b>Held-to-maturity</b>										
20 years Pakistan Investment Bonds	-	-	9,963	-	-	-	-	<b>9,963</b>	9,959	
15 years Pakistan Investment Bonds	9,982	-	-	-	-	-	-	<b>9,982</b>	9,975	
	<b>9,982</b>	-	<b>9,963</b>	-	-	-	-	<b>19,945</b>	19,934	
<b>Available-for-sale</b>										
20 years Pakistan Investment Bonds	-	55,203	36,083	-	-	-	-	<b>91,286</b>	88,509	
10 years Pakistan Investment Bonds	93,453	-	-	-	-	-	-	<b>93,453</b>	96,188	
5 years Pakistan Investment Bonds	30,786	7,008,812	-	253,247	-	-	-	<b>7,292,845</b>	7,449,100	
3 years Pakistan Investment Bonds	663,138	13,179,773	657,316	282,267	-	-	-	<b>14,782,494</b>	24,902,470	
3 years GoP Ijarah Sukus	-	-	-	-	-	-	-	<b>153,970</b>	-	
8 years Wapda Bonds	-	212,572	-	-	-	-	-	<b>212,572</b>	236,621	
1 year Treasury Bills	489,936	6,932,452	-	312,477	65,665	-	-	<b>7,800,530</b>	3,995,335	
6 months Treasury Bills	1,176,156	8,620,337	98,817	393,941	29,779	-	-	<b>10,319,030</b>	299,650	
3 months Treasury Bills	-	2,708,779	49,735	119,367	-	-	-	<b>2,877,881</b>	249,705	
	<b>2,453,469</b>	<b>38,717,928</b>	<b>841,951</b>	<b>1,361,299</b>	<b>95,444</b>	<b>124,030</b>	<b>7,227</b>	<b>22,713</b>	<b>43,624,061</b>	37,317,578
	<b>2,463,451</b>	<b>38,717,928</b>	<b>841,951</b>	<b>1,371,262</b>	<b>95,444</b>	<b>124,030</b>	<b>7,227</b>	<b>22,713</b>	<b>43,644,006</b>	37,337,512
Provision for impairment in value of investments - note 16.1.1	(921)	(416)	(1,528)	(815)	(99)	-	-	(3,779)	(217)	
	<b>2,462,530</b>	<b>38,717,512</b>	<b>840,423</b>	<b>1,370,447</b>	<b>95,345</b>	<b>124,030</b>	<b>7,227</b>	<b>22,713</b>	<b>43,640,227</b>	37,337,295

### 16.1.1 Reconciliation of provision

Share holders' Fund	Statutory Funds							Aggregate	
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	2015
(Rupees in '000)									
Balance at beginning of the year	83	33	14	87	-	-	-	217	1,405
Provision for impairment in value of investments	1,004	449	1,542	902	99	-	-	3,996	1,622
Balance at end of the year	<u>921</u>	<u>416</u>	<u>1,528</u>	<u>815</u>	<u>99</u>	<u>-</u>	<u>-</u>	<u>3,779</u>	<u>217</u>

### 16.1.2 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 Bonds	October 2021	8 years	Half-yearly	7.06	Half-yearly
Government of Pakistan-Ijarah Sukuks	October 2019	3 years	On maturity	6.10	Half-yearly
Pakistan Investment Bonds	July 2017 - January 2024	3 - 20 years	On maturity	8.75 - 12.00	Half-yearly
Treasury Bills	March 2017 - August 2017	1 year	On maturity	5.97-6.04	On maturity
Treasury Bills	January 2017 - April 2017	3-6 months	On maturity	4.19-6.00	On maturity

### 16.2.1 Other fixed income securities

Share holders' Fund	Statutory Funds							Aggregate	
	Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	2015
(Rupees in '000)									

### 16.2.1 Available-for-sale

Term Finance Certificates	-	736,357	-	-	-	-	-	736,357	707,492
Sukuk Certificates	-	238,427	-	-	-	-	-	275,283	-
(Rupees in '000)									
Less: Provision for impairment in value of investments (note 16.2.2)	-	974,784	-	-	-	-	-	1,011,640	707,492
	-	(479)	-	-	-	-	-	(479)	-
	-	974,784	-	-	-	-	-	1,011,161	707,492

## 16.2.2 Reconciliation of provision

	Share holders' Fund	Statutory Funds							Aggregate	
		Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	2015
		(Rupees in '000)								
Balance at beginning of the year	-	-	-	-	-	-	-	-	-	-
Provision for impairment in value of investment	-	-	-	-	-	479	-	-	479	-
Balance at end of the year	-	-	-	-	-	479	-	-	479	-

## 16.2.3 Particulars of other fixed income securities

	Market Value as at December 31, December 31, 2016 2015		Maturity year	Tenor (Years)	Current Rate of profit p.a.	Profit payment				
	----- (Rupees in 000) -----									
	2016	2015								
<b>Term Finance Certificates</b>										
Askari Bank Limited	25,442	-	2024	10 years	7.26	Half-yearly				
Bank Al-Falah Limited	266,431	218,674	2021	8 years	7.28	Half-yearly				
Bank Al Habib Limited (Fourth Issue)	-	46,872	Matured during the year							
Pakistan Mobile Communication (Private) Limited (Seventh Issue)	-	14,006	Matured during the year							
Soneri Bank Limited	444,484	427,940	2023	8 years	7.41	Half-yearly				
	736,357	707,492								
<b>Individual Life Unit Linked</b>										
Hascol Petroleum Limited	238,427	-	2022	6 years	7.53	Quarterly				
<b>Individual Life Family Takaful</b>										
Albaraka Bank (Pakistan) Limited	11,089	-	2021	7 years	7.31	Half-yearly				
K-Electric Limited (Fourth Issue)	25,767	-	2022	7 years	7.03	Quarterly				
	36,856	-								

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

	Share holders' Fund	Statutory Funds							Aggregate						
		Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	2015					
<b>Available-for-sale</b>							(Rupees in '000)								
Ordinary shares and units of closed-ended mutual funds	16.3.1	833,002	38,452,652	46,085	32,259	-	443,993	-	39,807,991	19,691,814					
Units of open-ended mutual funds	16.3.2	-	1,394,760	-	-	-	-	-	1,394,760	1,211,423					
		833,002	39,847,412	46,085	32,259	-	443,993	-	41,202,751	20,903,237					

- 16.3.1** The cost of ordinary shares and unit of closed ended mutual funds as at December 31, 2016 is Rs. 28,049.96 million (2015: Rs. 15,896.69 million).
- 16.3.2** The cost of units of open-ended mutual funds as at December 31, 2016 was Rs. 760.40 million (2015: Rs. 897.71 million).
- 16.3.3** 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.

#### 16.4 Investment in an associate

##### 16.4.1 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	2016	2015
<b>2016</b>	2015						<b>2016</b>	2015
							(Rupees in '000)	
<b>29,250,000</b>	<u>10,106,691</u>	<u>1</u>	Jubilee Kyrgyzstan Insurance Company - CJSC (Incorporated outside Pakistan)	Insurance	Kyrgyzstan	19.5	<b>86,114</b>	<u>51,009</u>

Jubilee Kyrgyzstan Insurance 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.

- 16.4.2** 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) . During the year, 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, 2016 is Rs.2.72 per share (2015: Rs. 4.30 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.

##### 16.4.3 Movement of investment in associate

Balance as at January 1	
Investment made during the year	
Share in profit for the year	
Less: Exchange gain / (loss)	
Closing balance as at December 31, 2016	

	2016	2015
.....(Rupees in '000).....		
<b>51,009</b>	48,077	
<b>29,187</b>	-	
<b>3,284</b>	13,947	
<b>83,480</b>	62,024	
<b>2,634</b>	(11,015)	
<b>86,114</b>	51,009	

**16.4.4** Following information has been summarized based on financial statements of Jubilee Kyrgyzstan Insurance Company (JKIC) as at December 31, 2016 (2015: December 31, 2015). 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.

	2016 Un-audited	2015 Audited
.....(Rupees in '000).....		
Total assets	<b>560,050</b>	354,539
Total liabilities	<b>151,876</b>	131,272
Net assets	<b>408,174</b>	223,267
Share of net asset	<b>79,594</b>	43,537
Revenue	<b>62,718</b>	49,772
Profit after tax	<b>16,843</b>	71,524

## 16.5 Movement in investments

	Statutory Funds														Total	
	Shareholders' fund		Individual Life Unit Linked		Conventional Business		Accident & Health		Overseas Group Life & 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, 2015	9,969	2,203,933	-	38,160,411	-	632,455	9,956	836,169	-	55,856	-	-	-	-	-	41,908,749
Movement during the year:																
Additions	-	1,461,099	-	29,887,745	-	640,131	-	1,140,821	-	88,958	-	2,083	-	-	-	33,220,837
Disposals (sale and redemptions)	-	(433,909)	-	(15,257,276)	-	(493,702)	-	(782,762)	-	(77,678)	-	-	-	-	-	(17,045,327)
Amortisation of discount / (premium)	6	529	-	16,744	-	(502)	3	108	-	93	-	-	-	-	-	16,981
Impairment (losses) / reversal	-	83	-	29	-	1,391	-	(87)	-	-	-	-	-	-	-	1,416
Unrealised gain	-	-	-	907,324	-	-	-	-	-	-	-	68	-	-	-	907,392
Exchange loss	-	(11,015)	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,015)
As at December 31, 2015	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 <b>59,109,870</b>
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	-	-	-	<b>7,857,901</b>
Exchange gain	-	2,634	-	-	-	-	-	-	-	-	-	-	-	-	-	2,634
As at December 31, 2016	<b>9,982</b>	<b>3,371,664</b>	-	<b>79,539,708</b>	-	<b>886,508</b>	<b>9,962</b>	<b>1,392,744</b>	-	<b>95,345</b>	-	<b>604,400</b>	-	<b>7,227</b>	-	<b>22,713 <b>85,940,253</b></b>

**17 DEFERRED TAXATION**
**Deductible temporary difference on:**

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

	2016	2015
	(Rupees in '000)	
	<b>29,601</b>	22,235
	<b>(3,915)</b>	(2,140)
	<b>25,686</b>	20,095

**Taxable temporary difference on:**

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

**18 PREMIUMS / CONTRIBUTIONS DUE BUT UNPAID**

Considered good							
Due from related parties - associates	24,785	16,069	39,237	-	-	-	80,091
Due from others	117,137	272,767	-	-	1,124	15,372	406,400
Considered doubtful	1,268	7,410	-	-	1	294	8,973
Provision for bad & doubtful receivables - note 18.1	143,190	296,246	39,237	-	1,125	15,666	495,464
(1,268) (7,410)	(1,268)	(7,410)	(1,268)	(1)	(294)	(8,973)	(5,536)
Net premium due but unpaid	<b>141,922</b>	<b>288,836</b>	<b>39,237</b>	<b>-</b>	<b>1,124</b>	<b>15,372</b>	<b>486,491</b>

- 18.1** There are no trade debts receivable from related party that are past due or impaired.
- 18.2** The carrying value of premiums / contributions due but unpaid which are past due but not impaired amounting to Rs. 77.47 million (2015: 97.18 million).

**18.3 Reconciliation of provision**

Balance at beginning of the year	1,369	4,167	-	-	-	-	5,536	5,408
(Reversal) / provision for bad and doubtful receivables	(101)	3,243	-	-	1	294	3,437	4,450
Receivable written off during the year	-	-	-	-	-	-	-	(4,322)
Balance at end of the year	<b>1,268</b>	<b>7,410</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>294</b>	<b>8,973</b>	<b>5,536</b>

## 19 AMOUNTS DUE FROM INSURERS / REINSURERS

	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	2016	2015
..... (Rupees in '000) .....									
Reinsurance recoveries against outstanding claims net of reinsurance premium payable	9,165	20,871	367	(872)	-	-	-	<b>29,531</b>	122,089
Other reinsurance assets	-	20,820	-	1,276	-	-	-	<b>22,096</b>	30,749
	<b>9,165</b>	<b>41,691</b>	<b>367</b>	<b>404</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,627</b>	152,838

## 20 FIXED ASSETS

		Note	(Rupees in '000)
Capital work-in- progress		20.1	<b>152,983</b>
Tangible assets		20.2	<b>434,186</b>
Intangible assets		20.4	<b>147,422</b>
			<b>734,591</b>
20.1 Capital work-in-progress			539,522
Opening balance			<b>77,591</b>
Additions			<b>210,250</b>
Transfer to tangible operating assets			<b>(134,858)</b>
Closing balance			<b>152,983</b>

## 20.2 Tangible operating assets

### Net carrying value basis

Year ended December 31, 2016

	Leasehold improvements	Furniture, fixtures and fitting	Office equipment	Computers	Motor vehicles	Total
..... (Rupees in '000) .....						
Opening net book value (NBV)	89,444	45,589	30,433	65,361	163,590	<b>394,417</b>
Additions	39,128	22,017	44,765	50,195	64,704	<b>220,809</b>
Disposals at NBV - note 20.3	-	(48)	(200)	(431)	(10,345)	<b>(11,024)</b>
Depreciation charge	(38,024)	(22,164)	(18,634)	(45,034)	(46,160)	<b>(170,016)</b>
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

	224,146	183,876	161,114	236,277	285,521	1,090,934
Cost	(133,598)	(138,482)	(104,750)	(166,186)	(113,732)	<b>(656,748)</b>
Accumulated depreciation						
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>

Net carrying value basis	Leasehold improvements	Furniture, fixtures and fitting	Office equipment	Computers	Motor vehicles	Total
Year ended December 31, 2015				(Rupees in '000)		
Opening net book value (NBV)	91,592	44,472	35,929	58,193	130,102	360,288
Additions	32,341	23,914	12,062	46,069	80,785	195,171
Disposals at NBV	(1,168)	(849)	(476)	(192)	(6,911)	(9,596)
Depreciation charge	(33,321)	(21,948)	(17,082)	(38,709)	(40,386)	(151,446)
Closing NBV	<u>89,444</u>	<u>45,589</u>	<u>30,433</u>	<u>65,361</u>	<u>163,590</u>	<u>394,417</u>
<b>Gross carrying value basis</b>						
At December 31, 2015						
Cost	196,221	166,935	119,641	200,242	266,367	949,406
Accumulated depreciation	(106,777)	(121,346)	(89,208)	(134,881)	(102,777)	(554,989)
NBV	<u>89,444</u>	<u>45,589</u>	<u>30,433</u>	<u>65,361</u>	<u>163,590</u>	<u>394,417</u>
Depreciation rate % per annum	<u>20</u>	<u>20</u>	<u>20-33</u>	<u>30</u>	<u>20</u>	

### 20.3 Details of disposals of fixed assets

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

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	
	(Rupees in '000)					
Motor vehicles	534	454	80	347	External-Vehicle Auction	Mr.Usmal Shahid Hosue No. B-6 Sector 11-B North Karachi
	1,200	1,020	180	180	Company Policy	Mr.Oabd Ur Rehman House No. 14-A, Street No.1 Salahuddin Avenue Faisal Colony, Rawalpindi
	495	421	74	115	Company Policy	Mr.Amin Mohammad Flat No. I547 Sultanabad Colony Gulbar Police Station Golimar, Karachi
	1,200	1,020	180	180	Company Policy	Syed Israr Haider Naqvi Street No.10 Haidri Road, Gulgash Colony, Multan
	1,428	1,214	214	214	Company Policy	Mr. Allauddin Shah H.No: 21-C, Block C, Satellite Town, Islamabad
	1,500	1,275	225	225	Company Policy	Mr.Tahir Mahmood Sani Kachri Bazar, House No. 148, BII 2R,E Block, Okara
	1,200	1,020	180	180	Company Policy	Mr.Shahid Masood House No 114-A Block-B Kazimabad Model Colony, Malir Cantt, Karachi
	1,200	1,071	129	180	Company Policy	Mr.Khwaja Nisar Iqbal Ward No.11, Opposite Army Masjid, Center Plate Filed Area, Muzaffarabad
	1,200	1,020	180	180	Company Policy	Mr.Santosh Kumar, House No.100, Naseerabad, Qambar, Shahdad Kot
	1,200	1,020	180	180	Company Policy	Mr.Farhan Umar Hosue No D-29 Block -9, Gulshan Iqbal, Karachi
	1,500	1,275	225	225	Company Policy	Ms. Rubina Lokhani, Flat No. 6-A Rahimabad Kot building, Nistar Road Garden West , Karachi
	1,500	1,254	246	250	Company Policy	Mr.Fasihuddin Amjad House No. R-218, Abid Town, Gulshan-e-Iqbal, Block-2, Karachi
	1,200	952	248	260	Company Policy	Mr.M.Adnan Qadir House No.21-C, Street of Khayaban-Sehar Phase DHA-6, Karachi
	1,845	1,568	277	277	Company Policy	Mr.Imran Uddin Usmani House No.LA-1/A-55, Center Point Federal B Area, Karachi
	1,250	1,125	125	508	External-Vehicle Auction	Mr.Naveed Rouf House No 16/2 Sector-11 Nazimabad, Karachi
	625	542	83	381	External-Vehicle Auction	Ms. Sabrina Abdul Khaliq, House No C-45, China House, Kutchi Memon Society, Karachi
	742	494	248	114	Company Policy	Mr. Arif Khan House No.93-A Main Markaz Road Sector F-10/D, Islamabad
	1,500	1,225	275	962	External-Vehicle Auction	Mr.M.Idrees House No. 2-4, Street No-3, Gulistan Colony Behar Colony Liyari Block AK-14, Karachi
	612	418	194	366	External-Vehicle Auction	Ms. Sabrina Abdul Khaliq, House No C-45, China House, Kutchi Memon Society, Karachi
Balance carried forward	21,931	18,388	3,543	5,324		

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal
(Rupees in '000)					
Balance brought forward	21,931	18,388	3,543	5,324	
Motor vehicles					
	1,000	581	419	517	Company Policy
	5,000	1,700	3,300	3,500	Company Policy
	2,000	793	1,207	1,133	Company Policy
	1,374	1,168	206	206	Company Policy
	1,200	1,020	180	180	Company Policy
	2,000	510	1,490	1,400	Insurance claim
Computers					
	92	35	58	58	Insurance claim
	93	28	65	65	Insurance claim
	93	37	56	56	Insurance claim
	70	5	65	65	Insurance claim
Net book value not exceeding Rs. 50,000 each					
Motor vehicles	11,046	11,046	-	7,252	
Computers	13,812	13,624	188	174	
Furniture, fixtures & fittings	5,076	5,028	48	205	
Office equipment	3,293	3,093	200	384	
Leasehold Improvements	11,203	11,203	-	387	
	<b>79,283</b>	<b>68,258</b>	<b>11,025</b>	<b>20,906</b>	

## 20.4 Intangible assets - computer software

	2016	2015
<b>Net carrying value basis</b>		
<b>Year ended December 31, 2016</b>		
Opening net book value (NBV)	<b>67,514</b>	64,107
Additions	<b>125,237</b>	41,887
Amortisation charge	<b>(45,295)</b>	(38,466)
Disposals at NBV	<b>(34)</b>	(14)
Closing NBV	<b>147,422</b>	<u>67,514</u>
<b>Gross carrying value basis</b>		
<b>At December 31, 2016</b>		
Cost	<b>277,965</b>	154,944
Accumulated amortisation	<b>(130,543)</b>	(87,430)
Closing NBV	<b>147,422</b>	<u>67,514</u>
Amortisation rate per annum	<b>30%</b>	<u>30%</u>

**20.5 The depreciation and amortisation charge for the year has been allocated as under:**

	Share holders' Fund	Statutory Funds							Aggregate	
		Individual Life Unit Linked	Conventional Business	Accident & Health Business	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	2015
(Rupees in '000)										
Administration expense	7,359	133,854	7,044	11,336	353	3,702	353	571	<b>164,572</b>	138,869
Branch overheads	-	39,989	2,185	4,540	-	1,928	44	113	<b>48,799</b>	48,992
Sharing with an associated company	-	-	-	1,942	-	-	-	-	<b>1,942</b>	2,051
	<b>7,359</b>	<b>173,843</b>	<b>9,229</b>	<b>17,818</b>	<b>353</b>	<b>5,630</b>	<b>397</b>	<b>684</b>	<b>215,313</b>	<b>189,912</b>

**20.6** The tangible assets (note 20.2) include items costing Rs. 299.58 million (2015: Rs. 244.72 million) which are fully depreciated as of December 31, 2016 but are still in active use.

	Note	2016		2015
		(Rupees in '000)		
<b>21 EXPENSES NOT ATTRIBUTABLE TO STATUTORY FUNDS</b>				
Salaries, allowances and other benefits		<b>47,211</b>	18,727	
Travelling expenses		<b>5,293</b>	3,262	
Legal and professional charges		<b>2,601</b>	4,518	
Workers' Welfare Fund		-	49,828	
Depreciation		<b>6,179</b>	2,390	
Amortisation		<b>1,180</b>	833	
Advertisement and publicity		<b>20,007</b>	17,696	
Auditors' remuneration		<b>983</b>	281	
Donations	21.2	<b>16,500</b>	16,500	
Money Ceded to Waqf Fund		-	500	
Miscellaneous		<b>25,658</b>	17,230	
		<b>125,612</b>	131,765	

- 21.1** The above expenses represent allocation in accordance with the advice of appointed actuary as approved by the Board of Directors.
- 21.2** The above donations include a donation of Rs. 12.5 million to Aga Khan Rural Support Program in which Mr. Aly Noor Mahomed Rattansey, Independent Director, is the Chairman (2015: Rs. 5 million ).

**22 TAXATION**

	<b>2016</b>	2015
.....(Rupees in '000) .....		
For the year		
Current	<b>968,247</b>	761,249
Prior Years	<b>81,049</b>	62,828
Deferred	<b>(5,590)</b>	(4,077)
	<b>1,043,706</b>	820,000

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

Profit before tax	<b>3,151,604</b>	2,441,560
Tax at the applicable rate of 31% (2015: 32%)	<b>976,997</b>	781,299
Tax effect of dividend income being taxable at lower rate and Final Tax Regime	-	(28,153)
Prior year tax	<b>81,049</b>	62,828
Others	<b>(14,340)</b>	4,026
Tax expense for the year	<b>1,043,706</b>	820,000

Finance Act, 2015 has introduced a new tax under the section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or a Modarba, that derives profits for a tax year but does not distribute cash dividend within six months of the end of the said tax year (requisite time) or distributes dividends to such an extent that its reserves, after such distribution, are in excess of hundred percent of its paid up capital. Such company is liable to pay tax at the rate of ten percent on undistributed reserve that exceeds hundred percent of its paid up capital. The said provision shall not apply to public company which distributes profit equal to either forty percent after tax profits or fifty percent of its paid up capital, whichever is less, within six months of end of the tax year.

The Company's undistributed reserves are in excess of its paid up capital. However, no provision has been made for tax on undistributed reserves as the Company intends to distribute sufficient cash dividend for the year ending December 31, 2016, so that such tax is not required to be paid.

**23 BASIC AND DILUTED EARNINGS PER SHARE**

	<b>2016</b>	2015
.....(Rupees in '000) .....		
There is no dilutive effect on the basic earnings per share of the Company, which is based on:		
Profit after tax	<b>2,107,898</b>	1,621,560
	<b>(Number of shares in '000)</b>	
Weighted average number of ordinary shares outstanding as at year end	<b>72,119</b>	72,119
	<b>(Rupees)</b>	
Basic earnings per share	<b>29.23</b>	22.48

## 24 CASH AND CASH EQUIVALENTS

	Share holders' Fund	Statutory Funds							Aggregate	
		Individual Life Unit Linked	Conventional Business	Accident & Health	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	2015
(Rupees in '000)										
Cash at banks										
- in current accounts	18,639	151,289	15,801	-	9,088	1,035,763	4,820	30,803	185,729	224,705
- in savings accounts	976,459	2,010,023	38,738	69,330	9,088	1,035,763	4,820	30,803	4,175,024	1,622,041
	995,098	2,161,312	54,539	69,330	9,088	1,035,763	4,820	30,803	4,360,753	1,846,746
Term deposits having maturity of three months	-	1,550,000	50,000	50,000	-	-	-	-	1,650,000	1,400,000
Cash and stamps in hand	593	31,561	290	859	-	9,941	-	64	43,308	33,077
Cash & cash equivalents	995,691	3,742,873	104,829	120,189	9,088	1,045,704	4,820	30,867	6,054,061	3,279,823
<b>Reconciliation with balance sheet</b>										
Term deposits having maturity from three to twelve months	-	7,016,000	101,000	50,000	-	110,000	-	-	7,277,000	3,300,000
Term deposits having maturity over twelve months	-	-	-	-	-	-	-	-	-	800,000
	<b>995,691</b>	<b>10,758,873</b>	<b>205,829</b>	<b>170,189</b>	<b>9,088</b>	<b>1,155,704</b>	<b>4,820</b>	<b>30,867</b>	<b>13,331,061</b>	<b>7,379,823</b>

## 25 BRANCH OVERHEADS

	Individual Life Unit Linked	Statutory Funds							Aggregate	
		Conventional Business	Accident & Health	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	2015	
(Rupees in '000)										
Salaries, allowances and other benefits	1,103,000	24,480	50,707	-	123,557	353	1,053	1,303,150	999,852	
Charge for defined benefit plan	16,527	1,036	2,200	-	48	15	45	19,871	16,730	
Contribution to defined contribution plan	13,297	842	1,772	-	32	12	36	15,991	13,752	
Overriding commission	221,649	-	-	-	39,191	-	-	260,840	243,132	
Travelling expenses	26,082	1,087	2,885	-	528	15	44	30,641	7,300	
Advertisements	10,729	545	2,530	-	634	4	13	14,455	13,890	
Printing and stationery	15,724	692	1,496	-	7,376	68	30	25,386	24,427	
Depreciation	39,582	2,172	4,517	-	1,923	44	112	48,350	47,840	
Amortisation	407	13	23	-	5	-	1	449	1,152	

(Continued...)

**25 BRANCH OVERHEADS (Continued)**

	Share holders' Fund	Statutory Funds							Aggregate	
		Individual Life Unit Linked	Conventional Business	Accident & Health	Overseas Group Life & Health Business	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	2015
(Rupees in '000)										
Rent expense	47,156	333	693	-	3,412	6	16	<b>51,616</b>	47,121	
Legal and professional charges	4,530	3,216	7,108	-	-	56	168	<b>15,078</b>	2,308	
Utilities	20,904	113	219	-	1,556	2	5	<b>22,799</b>	20,050	
Entertainment	13,167	89	215	-	369	1	4	<b>13,845</b>	12,307	
Training expenses	1,404	57	105	-	52	1	2	<b>1,621</b>	2,108	
Vehicle running	21,336	1,778	3,443	-	4,855	25	74	<b>31,511</b>	26,694	
Repairs and maintenance	19,966	49	93	-	2,503	1	2	<b>22,614</b>	8,975	
Postage, telegram and telephone	32,275	641	1,334	-	1,141	9	28	<b>35,428</b>	37,211	
Staff welfare	5,005	9	153	-	560	-	-	<b>5,727</b>	4,614	
General Insurance	5,467	98	251	-	152	6	12	<b>5,986</b>	7,207	
Miscellaneous expenses	813	4	8	-	160	-	-	<b>985</b>	3,296	
	<b>1,619,020</b>	<b>37,254</b>	<b>79,752</b>	<b>-</b>	<b>188,054</b>	<b>618</b>	<b>1,645</b>	<b>1,926,343</b>	<b>1,539,966</b>	

**26 ADMINISTRATION EXPENSES**

Administration expenses in respect of Accident and Health Fund are net of common costs amounting to Rs. 33.65 million (2015: Rs. 35.26 million) shared with Jubilee General Insurance Company Limited, an associated undertaking, on account of joint operating activities.

**27 AUDITORS' REMUNERATION**

	2016	2015
.....(Rupees in '000) .....		
Audit fee	<b>1,840</b>	1,600
Half Yearly review	<b>345</b>	300
Shariah Compliance Audit - Window Takaful Operations	<b>500</b>	400
Certification Charges & other Advisory Services	<b>2,450</b>	2,300
Sindh Sales Tax on services	<b>415</b>	371
Out of pocket expenses	<b>711</b>	774
	<b>6,261</b>	5,745

## 28 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive	Executives	2016	2015
.....(Rupees in '000).....				
Managerial remuneration	<b>22,667</b>	<b>249,994</b>	19,200	212,814
Performance bonus	<b>11,000</b>	<b>88,388</b>	8,450	77,144
Retirement benefits	<b>5,008</b>	<b>51,617</b>	4,235	44,729
House rent allowance	<b>9,067</b>	<b>112,497</b>	7,680	95,766
Utilities	<b>2,267</b>	<b>24,999</b>	1,920	21,281
Medical	<b>40</b>	<b>9,451</b>	28	7,104
Leave passage	<b>1,200</b>	<b>11,573</b>	600	7,277
Commission	-	<b>66,109</b>	-	74,736
Others	-	<b>22,941</b>	-	6,470
	<b>51,249</b>	<b>637,569</b>	42,113	547,321
Number of persons	<b>1</b>	<b>181</b>	1	142

In addition to the above, fee paid to four (2015: four) non-executive directors during the year amounted to Rs. 3.0 million (2015: Rs. 2.3 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.

## 29 INFORMATION ABOUT MAJOR CUSTOMERS

The Company considers its external customers to be individuals and group policyholders. However, premium against individual life unit linked policies, including individual life family takaful policies, from one of the bancassurance arrangements constitutes 66.43% (2015: 67.1%) of the Company's premium from such policies, premium against group life policies from the same bank amounts to 19.7% (2015: 17.8%). Moreover, premium from one of the customers of Accident and Health fund contributed 10.27% (2015: 16.1%) of the total premium of the fund and Company's overseas business from two policies constitutes 100% of the Overseas group life and health business (2015: 100%).

## 30 TRANSACTIONS WITH RELATED PARTIES

The Company is controlled by Aga Khan Fund for Economic Development, S.A Switzerland, which owns 57.87% (2015: 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	2016	2015
		.....(Rupees in '000).....	.....(Rupees in '000).....
i. Parent	Cash dividend	<b>563,478</b>	417,391
	Individual Life Premium	<b>15,683</b>	15,285
ii Associated companies	Group insurance premium	<b>740,767</b>	512,065
	Incurred claims against insurance cover	<b>602,813</b>	417,362
	Rent of building	<b>35,112</b>	31,484
	Payment for premium against general insurance	<b>11,428</b>	14,419
	Claims lodged against general insurance	<b>1,674</b>	995
	Purchase of government securities	<b>22,113,725</b>	8,480,581
	Sale proceeds of government securities	-	7,696,828
	Sale proceeds of equity securities	<b>366,833</b>	-
	Agency commission	<b>2,685,262</b>	2,422,299
	Interest income on term deposits	<b>16,214</b>	36,508
	Dividend received	<b>189,856</b>	162,110
	Cash dividend	<b>247,638</b>	181,471
	Donations	<b>12,500</b>	5,000
	Payment for rent of vehicle	-	396
	CDC charges	<b>4,676</b>	2,477
iii Staff retirement funds	Expense charged for retirement benefit plans	<b>94,997</b>	80,736
	Payments to retirement benefit plans	<b>98,212</b>	50,786
iv Key management personnel	Salaries and other short-term employee benefits	<b>216,598</b>	208,935
	Post-employment benefits	<b>21,674</b>	20,597
	Cash dividend	<b>2,373</b>	2,489
	Consideration received for vehicle sold	<b>3,697</b>	2,453
	Policy premium	<b>7,599</b>	7,745
v Directors	Director's fee	<b>3,000</b>	2,325
	Cash dividend	<b>705</b>	453

Relationship with the Company	Receivable / (Payable)	2016	2015
		(Rupees in '000)	
i Parent Company	Receivable from AKFED	-	315
ii Associated companies			
	Bank account balance	<b>2,785,121</b>	1,586,652
	Investment in shares-Listed equities	<b>3,454,061</b>	2,504,605
	Investment in shares-Unlisted equities	<b>86,114</b>	51,009
	Interest accrued on term deposits	<b>1,533</b>	2,274
	Agency commission payable	(229,395)	(181,259)
	Group premium	<b>74,551</b>	51,223
	Claims lodged & outstanding	(96,705)	(62,325)
	Claims receivable against general insurance policies	<b>117</b>	135
	Receivable against common back office operations	<b>734</b>	1,441
	Advance against claims administration services	<b>20,454</b>	3,880
	Prepaid rent	<b>16,355</b>	14,436
	Advance against CDC charges	<b>2,499</b>	1,175
iii Staff retirement funds	Payable to / receivable from retirement benefit plans	(18,275)	(21,753)
iv Key management personnel			
	Advance against salary	<b>1,063</b>	1,516
	Temporary Security Deposit	<b>300</b>	300

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

## 31 PROVIDENT FUNDS RELATED DISCLOSURE

The following information is based on the financial statements of the fund as at December 31, 2016:

	2016 (Un-audited)	2015 (Audited)
	.....(Rupees in '000) .....	
Size of the fund - total assets	<b>380,119</b>	334,239
Fair value of investment	<b>321,833</b>	237,294
Percentage of investment made	<b>84.67%</b>	71.00%

The cost of above investments amounted to Rs.296,149 million (2015: Rs.231.28 million).

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

	2016	2015	2016	2015
	Percentage		.....(Rupees in '000) .....	
Government securities	<b>68%</b>	92%	<b>220,318</b>	218,413
ABL Stock Fund	<b>4%</b>	-	<b>14,131</b>	-
MCB Pakistan Stock Market Fund	<b>4%</b>	-	<b>14,148</b>	-
NAFA Stock Fund	<b>10%</b>	-	<b>31,299</b>	-
NIUT Fund	<b>4%</b>	4%	<b>13,212</b>	9,544
NIT Islamic Growth Fund	<b>4%</b>	4%	<b>12,149</b>	9,337
UBL Stock Advantage Fund	<b>5%</b>	-	<b>16,576</b>	-

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

## 32 NUMBER OF EMPLOYEES

	2016	2015
	.....(Numbers) .....	
Number of employees at December 31	<b>1,726</b>	1,699
Average number of employees at December 31	<b>1,684</b>	1,697

## WINDOW TAKAFUL OPERATIONS

The Statement of financial position of Window Takaful Operations as at December 31, 2016 and its financial performance for the year ended December 31, 2016, (2015: for the period from July 1, 2015 to December 31, 2015) is as follows:

<b>Balance Sheet</b> As at December 31, 2016	<b>Operator's Sub Fund</b>	<b>Statutory Funds</b>			<b>Aggregate</b>	
		<b>Individual Family Takaful</b>	<b>Group Family Takaful</b>	<b>Accident &amp; Health Family Takaful</b>	<b>2016</b>	<b>2015</b>
(Rupees in '000)						
<b>Share capital and reserves</b>						
Funds received from Shareholder's Fund	150,000	-	-	-	<b>150,000</b>	150,000
Accumulated Surplus / (Deficit)	157,412	-	-	-	<b>157,412</b>	(45,180)
Qard-e-Hasna contributed by the Window Takaful Operator	(37,000)	-	-	-	<b>(37,000)</b>	(6,000)
Shareholders' Fund units in PIF	-	-	-	-	-	40,000
<b>Net shareholders' equity</b>	270,412	-	-	-	<b>270,412</b>	138,820
<b>Balance of statutory funds including Technical Reserves of Rs. 1,097.3 million (2015: Rs. 7.362 million)</b>	-	1,087,843	3,956	37,438	<b>1,129,237</b>	12,929
<b>Deferred Liabilities</b>						
Staff retirement benefits	397	-	-	-	<b>397</b>	318
<b>Creditors and accruals</b>						
Outstanding claims	18	2,834	234	10,405	<b>13,491</b>	94
Contributions received in advance	151,259	100	74	913	<b>152,346</b>	7,154
Amounts due to takaful / re-takaful operators	-	9,514	1,557	-	<b>11,071</b>	269
Amounts due to agents	160,462	-	-	-	<b>160,462</b>	5,947
Accrued expenses	83,033	-	-	-	<b>83,033</b>	9,782
Other creditors and accruals	15,121	18	-	-	<b>15,139</b>	766
Inter-fund payable	16,264	-	-	2,813	<b>19,077</b>	13,099
	426,157	12,466	1,865	14,131	<b>454,619</b>	37,111
<b>Total liabilities</b>	696,966	1,100,309	5,821	51,569	<b>1,854,665</b>	189,178
<b>Commitments</b>	-	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>696,966</b>	<b>1,100,309</b>	<b>5,821</b>	<b>51,569</b>	<b>1,854,665</b>	189,178

## Balance Sheet

As at December 31, 2016

	Operator's Sub Fund	Statutory Funds			Aggregate		
		Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	2015	
		(Rupees in '000)					
<b>Cash and bank deposits</b>							
Cash and others	10,005	-	-	-	<b>10,005</b>	4,151	
Current and other accounts	513,294	541,520	1,187	15,385	<b>1,071,386</b>	117,652	
Deposits maturing within 12 months	-	110,000	-	-	<b>110,000</b>	20,000	
	523,299	651,520	1,187	15,385	<b>1,191,391</b>	141,803	
<b>Investments</b>							
Government securities	131,295	-	3,097	19,099	<b>153,491</b>	-	
Other fixed income securities	36,856	-	-	-	<b>36,856</b>	-	
Listed equities	-	443,993	-	-	<b>443,993</b>	2,151	
	168,151	443,993	3,097	19,099	<b>634,340</b>	2,151	
<b>Other assets - current</b>							
Contributions due but unpaid	-	-	1,124	15,372	<b>16,496</b>	150	
Investment income due but outstanding	-	562	-	-	<b>562</b>	-	
Investment income accrued	3,288	2,222	69	427	<b>6,006</b>	1,091	
Prepayments	446	-	-	-	<b>446</b>	576	
Sundry receivable	1,782	-	255	1,286	<b>3,323</b>	15	
Shareholders' Fund units in PIF	-	-	-	-	<b>-</b>	40,000	
Inter-fund receivable	-	2,012	89	-	<b>2,101</b>	3,392	
	5,516	4,796	1,537	17,085	<b>28,934</b>	45,224	
<b>Total assets</b>	<b>696,966</b>	<b>1,100,309</b>	<b>5,821</b>	<b>51,569</b>	<b>1,854,665</b>	189,178	

### 33.1 Revenue Account

For the year ended December 31, 2016

	Statutory Funds			Aggregate	
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	For the Period from July 1, 2015 to December 31, 2015
..... (Rupees in '000) .....					
<b>33.1.1 Participants' Investment Fund (PIF)</b>					
<b>Income</b>					
Allocated Contribution	998,270	-	-	<b>998,270</b>	5,066
Takaful Operator's Fee	1,149	-	-	<b>1,149</b>	886
Investment income	61,756	-	-	<b>61,756</b>	80
<b>Total net income</b>	1,061,175	-	-	<b>1,061,175</b>	6,032
<b>Less: Claims and Expenditures</b>					
Claims net of re-takaful	2	-	-	<b>2</b>	-
Takaful Operator Fee	8,893	-	-	<b>8,893</b>	58
Bank Charges	11	-	-	<b>11</b>	5
<b>Total</b>	8,906	-	-	<b>8,906</b>	63
<b>Excess of income over claims and expenditures</b>	1,052,269	-	-	<b>1,052,269</b>	5,969
Technical reserves at beginning of the year	5,083	-	-	<b>5,083</b>	-
Technical reserves at end of the year	1,057,352	-	-	<b>1,057,352</b>	5,083
<b>Movement in technical reserves</b>	(1,052,269)	-	-	<b>(1,052,269)</b>	(5,083)
<b>Surplus / (Deficit)</b>	-	-	-	-	886
<b>Movement in Technical reserves</b>	1,052,269	-	-	<b>1,052,269</b>	5,083
Balance of PIF at beginning of the year	5,083	-	-	<b>5,083</b>	-
<b>Balance of PIF at end of the year</b>	<b>1,057,352</b>	-	-	<b>1,057,352</b>	5,969

**Revenue Account**  
For the year ended December 31, 2016

	Statutory Funds			Aggregate	
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	For the Period from July 1, 2015 to December 31, 2015
..... (Rupees in '000) .....					
<b>33.1.2 Participants' Takaful Fund (PTF)</b>					
<b>Income</b>					
Contribution net of re-takaful	32,401	3,137	67,641	<b>103,179</b>	2,522
Investment income	403	106	756	<b>1,265</b>	7
<b>Total net income</b>	<b>32,804</b>	<b>3,243</b>	<b>68,397</b>	<b>104,444</b>	2,529
<b>Less: Claims and Expenditures</b>					
Claims net of re-takaful recoveries	2,835	132	40,430	<b>43,397</b>	294
Takaful Operator's Fee	12,132	1,246	14,095	<b>27,473</b>	886
Mudarib Fee	161	-	-	<b>161</b>	3
Other Charges	26	11	336	<b>373</b>	-
<b>Total</b>	<b>15,154</b>	<b>1,389</b>	<b>54,861</b>	<b>71,404</b>	1,183
<b>Excess income over claims and expenditures</b>	<b>17,650</b>	<b>1,854</b>	<b>13,536</b>	<b>33,040</b>	1,346
Technical reserves at beginning of the year	454	102	1,082	<b>1,638</b>	-
Technical reserves at end of the year	20,444	797	13,619	<b>34,860</b>	1,638
<b>Movement in technical reserves</b>	<b>(19,990)</b>	<b>(695)</b>	<b>(12,537)</b>	<b>(33,222)</b>	(1,638)
<b>Surplus / (Deficit) before distribution</b>	<b>(2,340)</b>	<b>1,159</b>	<b>999</b>	<b>(182)</b>	(292)
<b>Movement in Technical reserves</b>	<b>19,990</b>	<b>695</b>	<b>12,537</b>	<b>33,222</b>	1,638
Transfers from (to)					
Money ceded to Waqf	-	-	-	-	500
Qard-e-Hasna contributed by Window Takaful Operator	10,000	-	21,000	<b>31,000</b>	6,000
Balance of PTF at beginning of the year	2,842	2,102	2,902	<b>7,846</b>	-
<b>Balance of PTF at end of the year</b>	<b>30,492</b>	<b>3,956</b>	<b>37,438</b>	<b>71,886</b>	7,846

**Revenue Account**  
For the year ended December 31, 2016

	Statutory Funds			<b>Aggregate</b>  <b>2016</b>	For the Period from July 1, 2015 to December 31, 2015
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful		
..... (Rupees in '000) .....					

**33.1.3 Operators' Sub Fund**

**Income**

Unallocated contributions	1,101,559	-	-	<b>1,101,559</b>	19,193
Takaful Operator Fee	21,025	1,246	14,095	<b>36,366</b>	946
Mudarib Fee	161	-	-	<b>161</b>	3
Investment income	8,602	166	269	<b>9,037</b>	2,497
	1,131,347	1,412	14,364	<b>1,147,123</b>	22,639
<b>Less: Expenditures</b>					
Acquisition costs	878,825	829	5,121	<b>884,775</b>	21,448
Administration cost	79,105	1,555	4,096	<b>84,756</b>	46,371
<b>Total</b>	957,930	2,384	9,217	<b>969,531</b>	67,819
<b>Excess / (deficit) of income over expenditures</b>	173,417	(972)	5,147	<b>177,592</b>	(45,180)
Technical reserves at beginning of the year	126	59	456	<b>641</b>	-
Technical reserves at end of the year	1,894	298	2,896	<b>5,088</b>	641
<b>Movement in technical reserves</b>	(1,768)	(239)	(2,440)	<b>(4,447)</b>	(641)
<b>Surplus / (Deficit) for the year</b>	171,649	(1,211)	2,707	<b>173,145</b>	(45,821)
<b>Movement in technical reserves</b>	1,768	239	2,440	<b>4,447</b>	641
Contribution received from Shareholders' Fund	-	-	25,000	<b>25,000</b>	150,000
Qard-e-Hasna contributed to the Participants' Takaful Fund	(10,000)	-	(21,000)	<b>(31,000)</b>	(6,000)
Balance of Operator Sub Fund at beginning of the year	82,477	8,018	8,325	<b>98,820</b>	-
<b>Balance of Operator's Sub Fund at end of the year</b>	<b>245,894</b>	<b>7,046</b>	<b>17,472</b>	<b>270,412</b>	98,820

### 33.2 Statement of Contribution

For the year ended December 31, 2016

	Statutory Funds			Aggregate	
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	For the Period from July 1, 2015 to December 31, 2015
..... (Rupees in '000) .....					
<b>Gross Contribution</b>					
Regular Contributions- individual policies					
First year	1,619,354	-	-	<b>1,619,354</b>	24,523
Second year renewal	9,990	-	-	<b>9,990</b>	-
Subsequent years renewal	-	-	-	<b>-</b>	-
Single Contribution individual policies	504,635	-	-	<b>504,635</b>	-
Non Linked Riders	8,327	-	-	<b>8,327</b>	505
Group policies without Cash values	-	5,314	67,641	<b>72,955</b>	2,021
<b>Total Gross Contribution</b>	<b>2,142,303</b>	<b>5,314</b>	<b>67,641</b>	<b>2,215,261</b>	<b>27,049</b>
<b>Participants' Investment Fund (PIF)</b>					
Allocated Regular Contribution	493,635	-	-	<b>493,635</b>	5,066
Allocated Single Contribution	504,635	-	-	<b>504,635</b>	-
<b>Total Allocated Contribution</b>	<b>998,270</b>	-	-	<b>998,270</b>	<b>5,066</b>
<b>Participants' Takaful Fund (PTF)</b>					
Allocated gross contribution	42,477	5,314	67,641	<b>115,432</b>	2,526
Add: Retakaful Commission	9,069	-	-	<b>9,069</b>	-
Less: Retakaful contribution ceded					
On individual life first year business	(18,918)	-	-	<b>(18,918)</b>	(263)
On individual life second year business	(208)	-	-	<b>(208)</b>	-
On individual life subsequent renewal business	-	-	-	<b>-</b>	-
On single contributions individual policies	(19)	-	-	<b>(19)</b>	-
On group policies	-	(2,177)	-	<b>(2,177)</b>	(110)
<b>Total retakaful contribution ceded</b>	<b>(19,145)</b>	<b>(2,177)</b>	-	<b>(21,322)</b>	<b>(373)</b>
<b>Net risk contribution of PTF</b>	<b>32,401</b>	<b>3,137</b>	<b>67,641</b>	<b>103,179</b>	<b>2,153</b>
<b>Operators' Sub Fund</b>					
<b>Unallocated regular contribution</b>	<b>1,101,559</b>	-	-	<b>1,101,559</b>	<b>19,193</b>

### 33.3 Statement of Claims

For the year ended December 31, 2016

	33.3.1 & 33.3.2	Statutory Funds			Aggregate	
		Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	2016	For the Period from July 1, 2015 to December 31, 2015
..... (Rupees in '000) .....						
<b>Gross claims</b>						
Claims under individual policies						
by death		3,337	-	-	<b>3,337</b>	-
by insured event other than death		-	-	-	-	-
by maturity		-	-	-	-	-
by surrender		-	-	-	-	-
by partial withdrawal		-	-	-	-	-
<b>Total gross individual policy claims</b>		3,337	-	-	<b>3,337</b>	-
<b>Claims under group policies</b>						
by death		-	-	-	-	-
by insured event other than death		-	264	40,430	<b>40,694</b>	-
bonus in cash		-	-	-	-	-
experience refund		-	-	-	-	-
<b>Total group policy claims</b>		-	264	40,430	<b>40,694</b>	-
<b>Total gross claims</b>		<b>3,337</b>	<b>264</b>	<b>40,430</b>	<b>44,031</b>	-
<b>33.3.1 Participants' Investment Fund</b>						
Claim under individual policies by death		2	-	-	<b>2</b>	-
<b>33.3.2 Participants' Takaful Fund (PTF)</b>						
<b>Gross claims</b>						
Claims under individual policies - by death		3,335	-	-	<b>3,335</b>	-
Claims under group policies -by insured other than death		-	264	40,430	<b>40,694</b>	-
<b>Less: Retakaful recoveries</b>		<b>3,335</b>	<b>264</b>	<b>40,430</b>	<b>44,029</b>	-
On individual life first year business claims		(500)	-	-	<b>(500)</b>	-
On individual life second year business claims		-	-	-	-	-
On individual life renewal business claims		-	-	-	-	-
On group life claims		-	(132)	-	<b>(132)</b>	-
On experience refund of contributions		-	-	-	-	-
<b>Net claims</b>		<b>(500)</b>	<b>(132)</b>	<b>-</b>	<b>(632)</b>	-
		<b>2,835</b>	<b>132</b>	<b>40,430</b>	<b>43,397</b>	-

### 33.4 Statement of Expenses

For the year ended December 31, 2016

#### Operators' Sub Fund

##### Acquisition cost

###### 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

	Statutory Funds			Aggregate For the Period from July 1, 2015 to December 31, 2015
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful	
(Rupees in '000)				

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

- Commission

658,575	-	-	<b>658,575</b>	12,417
911	-	-	<b>911</b>	-
-	-	-	<b>-</b>	-
9,947	-	-	<b>9,947</b>	12
669,433	-	-	<b>669,433</b>	12,429

##### Branch overheads

- Salaries & allowances and other branch overheads
- Overriding commission

148,863	618	1,645	<b>151,126</b>	6,541
39,191	-	-	<b>39,191</b>	1,092
188,054	618	1,645	<b>190,317</b>	7,633

##### Other acquisition cost:

- Policy stamps
- Others

21,304	1	36	<b>21,341</b>	1,363
34	-	1	<b>35</b>	23
878,825	829	5,121	<b>884,775</b>	21,448

##### Total acquisition cost

##### Administration expenses

- Salaries, allowances and other benefits
- Charge for defined benefit plan
- Contribution to defined contribution plan

29,531	638	1,634	<b>31,803</b>	19,366
1,544	29	76	<b>1,649</b>	831
1,243	25	65	<b>1,333</b>	461

(Continued...)

### 33.4 Statement of Expenses (Continued...)

	Statutory Funds			2016	For the Period from July 1, 2015 to December 31, 2015
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful		
(Rupees in '000)					
Travelling expenses	2,152	26	54	<b>2,232</b>	488
Auditors' fee	393	12	51	<b>456</b>	761
Actuary's fee	1,409	47	188	<b>1,644</b>	24
Medical fee	148	13	38	<b>199</b>	17
Advertisements	8,038	13	39	<b>8,090</b>	12,498
Printing and stationery	3,587	109	600	<b>4,296</b>	3,468
Depreciation	2,695	304	488	<b>3,487</b>	1,315
Amortisation	1,007	49	83	<b>1,139</b>	446
Rent expense	2,916	52	143	<b>3,111</b>	1,170
Legal and professional charges	5,264	21	76	<b>5,361</b>	1,349
Supervision fee	2,819	7	89	<b>2,915</b>	45
Utilities	1,187	29	72	<b>1,288</b>	612
Entertainment	336	10	34	<b>380</b>	955
Vehicle running	217	9	14	<b>240</b>	71
Repairs and maintenance	2,438	93	204	<b>2,735</b>	1,340
Bank charges and brokerage	705	9	20	<b>734</b>	19
Training expenses	468	11	28	<b>507</b>	122
Postages, telegrams and telephone	1,220	34	60	<b>1,314</b>	749
Staff welfare	323	10	29	<b>362</b>	143
General insurance	130	5	11	<b>146</b>	117
Doubtful debts	8,138	-	-	<b>8,138</b>	-
Miscellaneous expenses	1,197	-	-	<b>1,197</b>	61
	79,105	1,555	4,096	<b>84,756</b>	46,428
<b>Gross management expenses</b>	<b>957,930</b>	<b>2,384</b>	<b>9,217</b>	<b>969,531</b>	67,876

**33.5 Statement of Investment Income**  
For the year ended December 31, 2016

	Statutory Funds			<b>2016</b>	For the Period from July 1, 2015 to December 31, 2015		
	Individual Family Takaful	Group Family Takaful	Accident & Health Family Takaful				
.....(Rupees in '000).....							
<b>Participants' Investment Fund (PIF)</b>							
Government securities	1,258	-	-	<b>1,258</b>	-		
Other fixed income securities and deposits	4,942	-	-	<b>4,942</b>	-		
Dividends	4,318	-	-	<b>4,318</b>	12		
Gain on sale of investments	395	-	-	<b>395</b>	68		
Unrealised gain on investments	51,521	-	-	<b>51,521</b>	-		
Less: Investment related expenses	(22)	-	-	<b>(22)</b>	-		
Less: Tax on dividend under FTR	(656)	-	-	<b>(656)</b>	-		
<b>Net Investment income of PIF</b>	(a) 61,756	-	-	<b>61,756</b>	80		
<b>Participants' Takaful Fund (PTF)</b>							
Government securities	-	2	12	<b>14</b>	-		
Other fixed income securities and deposits	403	104	587	<b>1,094</b>	7		
Other income	-	-	157	<b>157</b>	-		
<b>Net Investment income of PTF</b>	(b) 403	106	756	<b>1,265</b>	7		
<b>Operators' Sub Fund</b>							
Government securities	2,358	3	2	<b>2,363</b>	-		
Other fixed income securities and deposits	6,527	164	269	<b>6,960</b>	2,489		
Dividend Income	-	-	-	<b>-</b>	9		
Gain / (Loss) on sale of investments	198	-	-	<b>198</b>	-		
<b>Impairment in the value of Investment</b>							
Other fixed income securities and deposits	(479)	-	-	<b>(479)</b>	-		
Less: Investment related expenses	(2)	(1)	(2)	<b>(5)</b>	(1)		
<b>Net Investment income of OSF</b>	(c) 8,602	166	269	<b>9,037</b>	2,497		
<b>Net Investment Income</b>	(a+b+c) <b>70,761</b>	<b>272</b>	<b>1,025</b>	<b>72,058</b>	<b>2,584</b>		

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

### **34.1 Insurance Risk**

#### **34.1.1 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 - 200,000  
200,001 - 400,000  
400,001 - 800,000  
800,001 - 1,000,000  
More than 1,000,000  
  
Total

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

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
8,281,463	2.08%	8,114,721	2.90%
31,157,079	7.82%	30,408,165	10.87%
65,400,776	16.41%	61,389,309	21.95%
42,999,249	10.79%	37,600,641	13.44%
250,730,944	62.90%	142,203,936	50.84%
<b>398,569,511</b>	<b>100.00%</b>	<b>279,716,772</b>	<b>100.00%</b>

#### Assured at the end of 2015 Total benefits assured

Rupees

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

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
6,133,507	1.68%	6,053,689	2.40%
28,174,204	7.73%	27,569,338	10.92%
57,184,947	15.68%	53,386,897	21.15%
39,885,492	10.94%	34,695,533	13.74%
233,247,116	63.97%	130,767,434	51.79%
<b>364,625,266</b>	<b>100.00%</b>	<b>252,472,891</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**

There has been no change in assumptions for calculation of Reserves. However, an additional Reserve has been created to account for the probability of reinstatements of lapsed units with respect to policies lapsed within two years of inception.

The above change in valuation bases has resulted in an increase in policyholder liabilities by Rs. 147.3 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 2016	Increase in liability 2015
..... (Rupees in '000) .....				
Worsening of mortality rates for risk policies	300%	+10% p.a.	110,700	51,400
Worsening of persistency rates for long term individual policies *	-	-	-	-
Increase in expense levels and inflation	204%	+10% p.a.	118,500	76,300
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.

### **34.1.2 Conventional business**

#### **34.1.2.1 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 - 200,000  
200,001 - 400,000  
400,001 - 800,000  
800,001 - 1,000,000  
More than 1,000,000

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

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
11,206	5.90%	4,983	9.50%
40,372	21.24%	11,678	22.25%
50,255	26.45%	14,662	27.94%
16,865	8.87%	5,531	10.54%
71,337	37.54%	15,621	29.77%
<b>190,035</b>	<b>100.00%</b>	<b>52,475</b>	<b>100.00%</b>

**Assured at the end of 2015**  
**Total benefits assured**
**Rupees**

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

Total

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
12,612	5.71%	5,683	8.31%
49,391	22.35%	15,730	22.99%
60,211	27.25%	14,821	21.66%
15,842	7.17%	5,729	8.37%
82,911	37.52%	26,466	38.67%
<b>220,967</b>	<b>100.00%</b>	<b>68,429</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**

There have been no change in assumptions.

**e) Sensitivity analysis**

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

**34.1.2.2 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 - 200,000  
200,001 - 400,000  
400,001 - 800,000  
800,001 - 1,000,000  
More than 1,000,000  
Total

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

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
197,472,038	21.55%	141,381,196	32.05%
85,193,974	9.30%	43,441,923	9.85%
122,048,530	13.32%	66,975,301	15.18%
90,445,427	9.87%	44,801,956	10.16%
421,277,924	45.96%	144,500,363	32.76%
<b>916,437,893</b>	<b>100.00%</b>	<b>441,100,739</b>	<b>100.00%</b>

**Rupees**

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

**Assured at the end of 2015**  
**Total benefits assured**

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
192,884,519	24.48%	142,407,833	33.43%
92,886,618	11.79%	47,886,275	11.24%
127,121,324	16.13%	99,162,066	23.28%
61,500,080	7.81%	31,394,206	7.37%
313,491,440	39.79%	105,134,190	24.68%
<b>787,883,981</b>	<b>100.00%</b>	<b>425,984,570</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**

There have been no change in assumptions.

### e) Sensitivity analysis

The table below shows the level of respective variation in liabilities for change in each assumption while holding all other assumptions constant.

Variables	Change in Variable	Increase in liability 2016	Increase in liability 2015
		.....(Rupees in '000).....	
Worsening of mortality rates for risk policies	+10% p.a.	2,399	1,779
Increase in reporting lag	+10% p.a.	2,399	1,779

#### 34.1.2.3 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 - 200,000  
200,001 - 400,000  
400,001 - 800,000  
800,001 - 1,000,000  
More than 1,000,000  
  
Total

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

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
60,146,067	36.29%	60,144,487	37.00%
64,401,137	38.85%	63,039,653	38.79%
35,359,647	21.33%	33,521,670	20.62%
2,313,453	1.40%	2,313,453	1.42%
3,530,618	2.13%	3,521,970	2.17%
<b>165,750,922</b>	<b>100.00%</b>	<b>162,541,233</b>	<b>100.00%</b>

**Assured at the end of 2015**  
**Total benefits assured**
**Rupees**

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

Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
62,114,852	44.78%	62,114,752	45.16%
39,933,617	28.78%	39,920,247	29.03%
33,121,245	23.87%	31,929,580	23.22%
1,293,072	0.93%	1,293,072	0.94%
2,275,662	1.64%	2,267,020	1.65%
<b>138,738,448</b>	<b>100.00%</b>	<b>137,524,671</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 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, 2016, contains a change in reserving basis for non-microinsurance/ non-outpatient schemes. The reserving basis has been revised to maintain an IBNR reserve as a combination of a percentage of Earned Premium and a Claim Development/ lag Factor

approach. This has introduced simplicity in the method of IBNR estimation and also improved the accuracy of results. For Non-microinsurance/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 Ultimate Claims Ratio. For Microinsurance schemes, the IBNR reserves are kept in two segments. One segment accommodates reserves for micro health policies sold to customers of a Micro Finance Institution and the other segment accommodates reserves for all other micro health policies. No change has been made to the reserving basis of the former segment, while the IBNR reserving basis has been slightly relaxed for the latter segment to accommodate an improvement in the claims reporting pattern.

The above change in valuation bases has resulted in a decrease in policyholder's liability by Rs. 0.3 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 2016	Increase in liability 2015
		..... (Rupees in '000) .....	
Worsening of morbidity rates for risk policies	+10% p.a.	25,400	20,700
Increase in reporting lag	+10% p.a.	25,400	20,700
Increase in average claim amount	+10% p.a.	25,400	20,700

#### 34.1.2.4 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	Assured at the end of 2016		Assured at the end of 2015	
	Total benefits assured (Rupees in '000)	%	Total benefits assured (Rupees in '000)	%
0 - 200,000	-	-	-	-
200,001 - 400,000	-	-	-	-
400,001 - 800,000	247,507	12.21%	222,955	11.24%
800,001 - 1,000,000	69,866	3.45%	83,864	4.23%
More than 1,000,000	1,708,895	84.34%	1,676,881	84.53%
Total	2,026,268	100.00%	1,983,700	100%

Benefits assured per life Rupees	Assured at the end of 2016		Assured at the end of 2015	
	Total benefits assured (Rupees in '000)	%	Total benefits assured (Rupees in '000)	%
0 - 200,000	-	-	-	-
200,001 - 400,000	-	-	-	-
400,001 - 800,000	247,507	12.21%	222,955	11.24%
800,001 - 1,000,000	69,866	3.45%	83,864	4.23%
More than 1,000,000	1,708,895	84.34%	1,676,881	84.53%
Total	2,026,268	100.00%	1,983,700	100%

**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 reinsurance its underwritten risks and therefore a sensitivity analysis has not been conducted.

### **34.1.3 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 - 200,000  
200,001 - 400,000  
400,001 - 800,000  
800,001 - 1,000,000  
More than 1,000,000  
  
Total

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

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
60,215	0.33%	59,422	0.48%
508,476	2.78%	506,339	4.11%
2,177,235	11.92%	2,171,290	17.62%
1,311,338	7.18%	1,296,969	10.52%
14,203,301	77.79%	8,291,075	67.27%
<b>18,260,565</b>	<b>100.00%</b>	<b>12,325,095</b>	<b>100.00%</b>

**Assured at the end of 2015  
Total benefits Covered**
**Rupees**

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

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
415	0.06%	415	0.08%
2,786	0.39%	2,786	0.55%
35,053	4.86%	35,053	6.94%
46,713	6.48%	46,713	9.26%
635,632	88.21%	419,868	83.17%
<b>720,599</b>	<b>100.00%</b>	<b>504,835</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 Life Family Takaful**

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

The Company manages these risks through underwriting, retakaful, effective claims handling and other related controls. The Company has a well defined medical under-writing policy and avoids writing business for groups with overly hazardous exposure. Pricing is done in line with the actual experience of the PTF. The premium charged takes into account the actual experience of the client and the nature of mortality exposure the group faces. The rates are certified by the appointed actuary for large groups. The Company also maintains an MIS to track the adequacy of the takaful contribution charged. Retakaful contracts have been purchased by the Company to limit the maximum mortality exposure of the PTF. The Company is also contemplating a catastrophe excess of loss cover for the Group Family Takaful Business. The intent of the cover is to limit the liability of the PTF in a single happening that results in multiple claims. At the same time, due caution is applied in writing business in areas of high probability of terrorism. The Company ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor exposure. Writing business of known hazardous groups is also avoided. On the claims handling side, the Company ensures that payment of any fraudulent claims is avoided. For this, a claims committee reviews all large claims for verification. Strict monitoring is in place at the Board of Directors level in order to keep the outstanding balances of 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 - 200,000  
200,001 - 400,000  
400,001 - 800,000  
800,001 - 1,000,000  
More than 1,000,000  
  
Total

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

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
160,000	2.67%	80,000	2.35%
1,003,900	16.76%	501,950	14.75%
1,916,238	32.00%	958,119	28.15%
133,932	2.24%	66,966	1.97%
2,775,007	46.33%	1,796,364	52.78%
<b>5,989,077</b>	<b>100.00%</b>	<b>3,403,399</b>	<b>100.00%</b>

Rupees

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

#### Assured at the end of 2015 Total benefits Covered

Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
-	-	10,400	13.12%
20,800	11.18%	44,716	56.39%
89,432	48.08%	16,176	20.40%
24,000	12.90%	8,000	10.09%
51,772	27.84%	-	-
<b>186,004</b>	<b>100.00%</b>	<b>79,292</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 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 size of the fund is not material enough to enable a credible sensitivity analysis due to this immateriality, sensitivity analysis is not conducted.

**Accident & Health Family Takaful**

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

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

**a) Frequency and severity of claims**

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

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

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

**Benefits covered per Participant**

Rupees	Assured at the end of 2016			
	Total benefits Covered			
	Before retakaful (Rupees in '000)	%	After retakaful (Rupees in '000)	%
0 - 200,000	869,290	15.85%	869,290	15.85%
200,001 - 400,000	1,820,144	33.16%	1,820,144	33.16%
400,001 - 800,000	2,696,033	49.12%	2,696,033	49.12%
800,001 - 1,000,000	83,300	1.52%	83,300	1.52%
More than 1,000,000	19,459	0.35%	19,459	0.35%
Total	5,488,226	100.00%	5,488,226	100.00%

Rupees	Assured at the end of 2015			
	Total benefits Covered			
	Before retakaful (Rupees in '000)	%	After retakaful (Rupees in '000)	%
0 - 200,000	350	0.45%	350	0.45%
200,001 - 400,000	349	0.45%	349	0.45%
400,001 - 800,000	67,063	86.26%	67,063	86.26%
800,001 - 1,000,000	9,986	12.84%	9,986	12.84%
More than 1,000,000	-	-	-	-
Total	77,748	100.00%	77,748	100.00%

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

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

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

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

**d) 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.

## **34.2 Financial risk**

### **Liquidity risk**

Liquidity risk is the risk that the Company will be unable to meet its funding requirements. To guard against the risk, the Company has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily marketable securities. The maturity profile is monitored to ensure that adequate liquidity is maintained.

### **Interest rate risk**

The Company invests in securities and has deposits that are subject to interest rate risk. Interest rate risk to the Company is the risk of changes in market interest rates reducing the overall return on its interest bearing securities. The Company limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash and investments are denominated. The Company's interest rate sensitivity and liquidity positions based on maturities is given in note 33.2.1.

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

On-balance sheet financial instruments	Effective yield / interest rate %	Total	2016										Non-interest bearing financial instruments	
			Exposed to yield/ interest rate risk											
			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)														
Financial assets														
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	-	-	-	-	-	-	-	-	-	-	-	-	9,152	
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	4.19-12.00	939,642	-	-	-	-	-	-	-	-	-	-	939,642	
Amounts due from other insurers / reinsurers	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	
Financial liabilities														
Outstanding claims		1,013,155	-	-	-	-	-	-	-	-	-	-	1,013,155	
Amounts due to other insurers / reinsurers		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	
Off-balance sheet financial instruments														
Commitments		77,069	-	-	-	-	-	-	-	-	-	-	77,069	
Off-balance sheet gap		77,069	-	-	-	-	-	-	-	-	-	-	77,069	
Total yield / interest rate risk sensitivity gap			21,893,957	20,103,839	6,435,009	9,320,608	-	-	-	-	-	-	40,499,086	
Cumulative yield / interest rate risk sensitivity gap			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	57,753,413	77,069	

		Effective yield / interest rate %	Total	2015										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			
On-balance sheet financial instruments				(Rupees in '000)											
<b>Financial assets</b>															
Cash and others		33,077	-	-	-	-	-	-	-	-	-	-	-	33,077	
Current and other accounts	4.0 - 6.0	1,846,746	1,622,041	-	-	-	-	-	-	-	-	-	-	224,705	
Deposits maturing within 12 months	6.1 - 9.6	4,700,000	700,000	700,000	850,000	2,450,000	-	-	-	-	-	-	-	-	
Deposits maturing over 12 months	6.7 - 6.8	800,000	-	-	-	-	800,000	-	-	-	-	-	-	-	
Unsecured advances to employees		9,350	-	-	-	-	-	-	-	-	-	-	-	9,350	
Investments - net of provision		58,999,033	23,572,122	11,515,954	1,724,701	1,232,010	-	-	-	-	-	-	-	20,954,246	
Premiums due but unpaid		464,230	-	-	-	-	-	-	-	-	-	-	-	464,230	
Investment income due but outstanding		10,046	-	-	-	-	-	-	-	-	-	-	-	10,046	
Investment income accrued	8.31 - 15	1,423,380	-	-	-	-	-	-	-	-	-	-	-	1,423,380	
Amounts due from other insurers / reinsurers		152,838	-	-	-	-	-	-	-	-	-	-	-	152,838	
Inter-fund receivable		30,730	-	-	-	-	-	-	-	-	-	-	-	30,730	
Sundry receivable		91,518	-	-	-	-	-	-	-	-	-	-	-	91,518	
		68,560,948	25,894,163	12,215,954	2,574,701	3,682,010	800,000	-	-	-	-	-	-	23,394,120	
<b>Financial liabilities</b>															
Outstanding claims		803,090	-	-	-	-	-	-	-	-	-	-	-	803,090	
Amounts due to other insurers / reinsurers		19,942	-	-	-	-	-	-	-	-	-	-	-	19,942	
Amounts due to agents		479,239	-	-	-	-	-	-	-	-	-	-	-	479,239	
Accrued expenses		879,075	-	-	-	-	-	-	-	-	-	-	-	879,075	
Other creditors and accruals		324,256	-	-	-	-	-	-	-	-	-	-	-	324,256	
Unclaimed dividend		14,264	-	-	-	-	-	-	-	-	-	-	-	14,264	
Inter-fund payable		30,730	-	-	-	-	-	-	-	-	-	-	-	30,730	
		2,550,596	-	-	-	-	-	-	-	-	-	-	-	2,550,596	
<b>On-balance sheet gap</b>		66,010,352	25,894,163	12,215,954	2,574,701	3,682,010	800,000	-	-	-	-	-	-	20,843,524	
<b>Off-balance sheet financial instruments</b>															
Commitments		163,684	-	-	-	-	-	-	-	-	-	-	-	163,684	
<b>Off-balance sheet gap</b>		163,684	-	-	-	-	-	-	-	-	-	-	-	163,684	
<b>Total yield / interest rate risk sensitivity gap</b>			25,894,163	12,215,954	2,574,701	3,682,010	800,000	-	-	-	-	-	-	21,007,208	
<b>Cumulative yield / interest rate risk sensitivity gap</b>			25,894,163	38,110,117	40,684,818	44,366,828	45,166,828	45,166,828	45,166,828	45,166,828	45,166,828	45,166,828	45,166,828	45,166,828	163,684

**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. 339.42 million (2015: Rs. 592.14 million). The portion of this loss that would be recognised directly in profit and loss account is Rs.12.76 million (2015: Rs.13.75 million).

A decrease in 100 basis points in interest yields would result in a gain of Rs.357.76 million (2015: Rs.507.52 million). The portion of this gain that would be recognised directly in profit and loss account is Rs.13.48 million (2015: Rs.14.19 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.

**35 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.

**36 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.

## 37 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, 2016</b>											
Debt securities	-	25,767	25,442	504,857	444,485	11,089	-	-	-	-	1,011,640
Open-end mutual funds	-	-	-	-	-	-	-	-	-	1,394,760	1,394,760
Investment in associate	-	-	-	-	-	-	-	-	-	86,114	86,114
Loans and receivables	-	-	-	-	-	-	-	-	-	941,847	941,847
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
	<b>7,240,332</b>	<b>1,556,090</b>	<b>1,573,460</b>	<b>2,330,872</b>	<b>1,030,993</b>	<b>254,732</b>	<b>312,914</b>	-	-	<b>2,466,029</b>	<b>16,765,422</b>
<b>December 31, 2015</b>											
Debt securities	-	-	46,872	232,680	427,940	-	-	-	-	-	707,492
Open-end mutual funds	-	-	1,138,072	-	-	73,351	-	-	-	-	1,211,423
Investment in associate	-	-	-	-	-	-	-	-	-	51,009	51,009
Loans and receivables	-	-	-	-	-	-	-	-	-	771,955	771,955
Cash and bank deposits	1,474,784	1,547,815	2,564,056	1,117,565	521,252	53,651	67,623	-	-	33,076	7,379,823
	<b>1,474,784</b>	<b>1,547,815</b>	<b>3,749,000</b>	<b>1,350,246</b>	<b>949,192</b>	<b>127,002</b>	<b>67,623</b>	-	-	<b>856,040</b>	<b>10,121,702</b>

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:

	<b>2016</b>	2015
	.....(Rupees in '000) .....	
Cash and bank deposits	<b>13,331,061</b>	7,379,823
Unsecured advances to employees	<b>9,152</b>	9,350
Premiums / Contributions due but unpaid	<b>378,781</b>	356,581
Investment income due but outstanding	<b>62,417</b>	10,046
Investment income accrued	<b>939,642</b>	1,423,380
Sundry receivable	<b>312,918</b>	91,518

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

Premiums / Contributions due but unpaid	<b>77,473</b>	97,181
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The carrying values of financial assets which are past due and impaired are as under:

Premiums / Contributions due but unpaid	<b>30,237</b>	10,468
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## 38 REINSURANCE RISK

In order to minimise the financial exposure arising from large claims, the Company, in the normal course of business, enters into agreement with other reinsurers.

Reinsurance ceded does not relieve the Company from its obligation to policy holders and as a result the Company remains liable for the portion of outstanding claims reinsurance 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.

## 39 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.

## FAIR VALUE OF FINANCIAL INSTRUMENTS

On balance sheet financial instruments

	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
GOP-Ijarah 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	-	-	-	-
Current & other accounts	-	-	-	4,360,753	-	4,360,753	-	-	-	-
Deposits maturing within 12 months	-	-	-	8,927,000	-	8,927,000	-	-	-	-
Market treasury bills	-	5,051,572	-	-	-	5,051,572	-	5,049,730	-	5,049,730
Pakistan investment bonds	-	2,016,290	19,945	-	-	2,036,235	-	2,066,210	-	2,066,210
GOP - Ijarah 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 Certificates	-	36,856	-	-	-	36,856	-	36,377	-	36,377
Shares of unlisted associates	-	86,114	-	-	-	86,114	-	-	-	-
Premiums / Contributions 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 reinsurers / retakaful	-	-	-	51,627	-	51,627	-	-	-	-
Sundry receivables	-	-	-	312,918	-	312,918	-	-	-	-
	-	85,924,568	19,945	15,184,156	-	101,128,669	540,558,276	46,078,980	-	86,637,256
<b>Financial liabilities not measured at fair value</b>										
Policyholders' Liabilities / technical reserves	-	-	-	-	90,375,079	90,375,079	-	-	-	-
Staff retirement benefits	-	-	-	-	18,275	18,275	-	-	-	-
Outstanding claims	-	-	-	-	1,013,155	1,013,155	-	-	-	-
Premium / contribution received in advance	-	-	-	-	681,986	681,986	-	-	-	-
Amounts due to reinsurers / retakaful	-	-	-	-	79,186	79,186	-	-	-	-
Amounts due to agents	-	-	-	-	684,162	684,162	-	-	-	-
Other creditors and accruals	-	-	-	-	245,159	245,159	-	-	-	-
Unclaimed dividend	-	-	-	-	18,639	18,639	-	-	-	-
	-	-	-	-	93,115,641	93,115,641	-	-	-	-

2015

	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	-	3,504,231	-	-	-	3,504,231	-	3,504,231	-	3,504,231
Pakistan investment bonds	-	28,010,175	-	-	-	28,010,175	-	28,010,175	-	28,010,175
Listed equities and close ended funds	-	18,367,395	-	-	-	18,367,395	18,367,395	-	-	18,367,395
Ijarah Sukus	-	236,621	-	-	-	236,621	-	236,621	-	236,621
Term Finance Certificates	-	707,492	-	-	-	707,492	-	707,492	-	707,492
Open ended mutual funds	-	1,211,423	-	-	-	1,211,423	-	1,211,423	-	1,211,423
<b>Financial assets not measured at fair value</b>										
Cash	-	-	-	33,077	-	33,077	-	-	-	-
Current & other accounts	-	-	-	1,846,746	-	1,846,746	-	-	-	-
Deposits maturing within 12 months	-	-	-	4,700,000	-	4,700,000	-	-	-	-
Deposits maturing over 12 months	-	-	-	800,000	-	800,000	-	-	-	-
Market treasury bills	-	1,040,267	-	-	-	1,040,267	-	1,040,281	-	1,040,281
Pakistan investment bonds	-	4,526,066	19,935	-	-	4,546,001	-	4,600,674	-	4,600,674
Listed equities and close ended funds	-	1,324,419	-	-	-	1,324,419	2,031,044	-	-	2,031,044
Shares of unlisted associates	-	51,009	-	-	-	51,009	-	-	-	-
Premiums / Contributions due but unpaid	-	-	-	464,231	-	464,231	-	-	-	-
Investment income due but outstanding	-	-	-	10,046	-	10,046	-	-	-	-
Investment income accrued	-	-	-	1,423,380	-	1,423,380	-	-	-	-
Amounts due from reinsurers / retakaful	-	-	-	152,838	-	152,838	-	-	-	-
Sundry receivables	-	-	-	91,518	-	91,518	-	-	-	-
	-	58,979,098	19,935	9,521,836	-	68,520,869	20,398,439	39,310,897	-	59,709,336
<b>Financial liabilities not measured at fair value</b>										
Policyholders' Liabilities / technical reserves	-	-	-	-	60,290,220	60,290,220	-	-	-	-
Staff retirement benefits	-	-	-	-	21,334	21,334	-	-	-	-
Outstanding claims	-	-	-	-	803,090	803,090	-	-	-	-
Premium / contribution received in advance	-	-	-	-	468,079	468,079	-	-	-	-
Amounts due to reinsurers / retakaful	-	-	-	-	19,942	19,942	-	-	-	-
Amounts due to agents	-	-	-	-	479,239	479,239	-	-	-	-
Other creditors and accruals	-	-	-	-	324,256	324,256	-	-	-	-
Unclaimed dividend	-	-	-	-	14,264	14,264	-	-	-	-
	-	-	-	-	62,420,424	62,420,424	-	-	-	-

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).

## **41 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:

### **41.1 Policyholders' liabilities / technical reserves**

#### **41.1.1 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.

#### **41.1.2 Mortality assumption**

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

#### **41.1.3 Claims provision**

The calculation of Incurred But Not Reported Claims Reserve for both Group Life under Conventional Business and Accident and Health lines has been based on the assumption that the claims lag pattern would follow the trend experienced over the past 3 years.

The reserving basis has been formulated on the recent claims lag pattern and experience of the Company for each line of business separately. Appropriate margins have been added to ensure that the reserve set aside is resilient to changes in the experience.

#### **41.1.4 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.

#### **41.2 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.

#### **41.3 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.

### **42 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

The Board of Directors, in their meeting held on February 16, 2017 proposed a final cash dividend of Rs.11.50 per share (2015: Rs. 10.50 per share) for the year ended December 31, 2016 amounting to Rs.829.366 million (2015: Rs. 757.247 million), and a transfer of Rs.72.119 million (2015: Nil) from accumulated surplus to Reserve for issue of Bonus Shares, for the issuance of 10 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, 2016 was Rs. 3.00 per share (2015: Rs.3.00 per share) amounting to Rs. 216.36 million (2015: 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, 2017.

#### 43 CORRESPONDING FIGURES

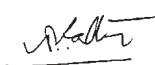
Corresponding figures have been re-arranged and reclassified, wherever necessary for purpose of comparison. However, there were no significant reclassifications in these financial statements.

#### 44 DATE OF AUTHORISATION FOR ISSUE

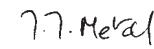
These financial statements were authorised for issue on February 16, 2017 by the Board of Directors of the Company.



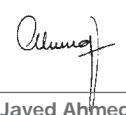
Kamal A. Chinoy  
Chairman



Aly Noor Mahomed Rattansey  
Director



John Joseph Metcalf  
Director



Javed Ahmed  
Managing Director &  
Chief Executive Officer

# Statement of Directors

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

## Section 46(6)

- a) In our opinion, the annual audited financial statements of Jubilee Life Insurance Company Limited for the year ended December 31, 2016, 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, 2016, 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.

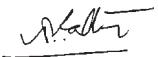
Date: February 16, 2017

Karachi



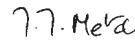
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Kamal A. Chinoy  
Chairman



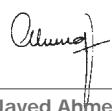
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Aly Noor Mahomed Rattansey  
Director



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John Joseph Metcalf  
Director



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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 reserves in the balance sheet of Jubilee Life Insurance Company Limited as at December 31, 2016 have been determined in accordance with the provisions of the Insurance Ordinance, 2000; and
- (b) each statutory fund of the Jubilee Life Insurance Company Limited complies with the solvency requirements of the Insurance Ordinance, 2000.



NAUMAN A. CHEEMA

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

Date: February 8, 2017



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- Risk profiler\*
- Financial calculator
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\*Mobile apps are also available for download for android and iOS devices.

Jubilee  
LIFE INSURANCE

# Annual General Meeting / Shareholders' Information

# Notice of 22nd Annual General Meeting

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Notice is hereby given that the 22nd Annual General Meeting of the Shareholders of Jubilee Life Insurance Company Limited "Company" will be held on Tuesday, March 28, 2017 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 9th Extraordinary General Meeting held on November 4, 2016.
2. To consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2016 and the Directors' and Auditors' Report thereon.
3. To consider and approve the payment of final cash dividend of 115% (Rs.11.50 per ordinary share of Rs.10 each) for the year ended December 31, 2016 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.14.50 per share i.e. 145% for the year ended December 31, 2016.
4. To appoint external auditors and Shariah Compliance Auditors for the Year 2017 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 elect seven (7) Directors of the Company as fixed by the Board in the meeting held on October 27, 2016 in accordance with the provision of Section 178 of the Companies Ordinance, 1984 for a period of three (3) years commencing from March 31, 2017 in place of retiring directors, namely:
  - i) Mr. Kamal A. Chinoy
  - ii) Mr. Sultan Ali Akbar Allana
  - iii) Mr. Aly Noor Mahomed Rattansey
  - iv) Mr. Ayaz Ahmed
  - v) Mr. R. Zakir Mahmood
  - vi) Mr. John Joseph Metcalf, and
  - vii) Mr. Javed Ahmed

The retiring Directors are eligible for re-election.

## Special Business

1. To authorize the issuance of Bonus Shares in the proportion of 10 shares for every 100 shares held, to the shareholders whose names appear in the Register of Members at close of business on March 21, 2017, and to approve the disposal of fractional shares created out of the issuance of bonus shares.

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

### Resolved that:

- i. Ordinary Shares of Rs.10 each be issued as Bonus Shares and that the said shares be allotted as fully paid Ordinary Shares to the Members of the Company whose names appear on the Register of Members as at the close of the business on March 21, 2017 in the proportion of 10 Bonus Shares for every 100 Shares held, and that such Bonus Shares shall rank pari passu in future as regards dividends and in all other respects with the existing Ordinary Shares of the Company.
  - ii. In the event of any Member becoming entitled to a fraction of a share, the Directors be and are hereby authorized to consolidate all such fractions and sell the shares so constituted on the Stock Market and to pay the proceeds thereof to the Members entitled to the fraction in proportion to their respective entitlements.
  - iii. For the purpose of giving effect to the foregoing, the Managing Director & Chief Executive Officer and / or the Company Secretary be and are hereby singly authorized to do and cause to be done all acts, deeds and things that may be necessary and to settle any question or difficulties that may arise in regard to the allotment and the distribution of the said Bonus Shares and in regard to fractional entitlements and the sale of consolidated shares and the distribution of the sale proceeds of the consolidated shares to those entitled to fractional entitlements, as is thought fit.
2. To transact any other business as may be placed before the Meeting with the permission of the Chair.

By order of the Board



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Najam Ul Hasan Janjua  
Company Secretary

Dated: March 7, 2017  
Karachi

### Notes:

1. Any person who seeks to contest the election of directors shall, whether he is retiring or otherwise, file with the Company the following documents at its registered office not later than fourteen days before the above said meeting his / her intention to offer himself / herself for the election of the Directors in terms of Section 178(3) of the Companies Ordinance, 1984 together with:
  - i. Notice of his / her intention to offer himself / herself for the election of directors in terms of Section 178 (3) of the Companies Ordinance, 1984.
  - ii. Consent to act as director in Form-28 under Section 184 of the Companies Ordinance, 1984.
  - iii. Detailed profile along with his / her office address as required under SRO 1222(I) 2015 dated December 10, 2015 of the Securities and Exchange Commission of Pakistan (SECP).
  - iv. Signed declarations in respect of being compliant with the requirements of the Code of Corporate Governance for Insurers, 2016 and the eligibility criteria as set out in the Companies Ordinance, 1984 to act as director of a listed company.
  - v. Information on Annexure-A and affidavits on Annexure-B & C required under the Insurance Companies (Sound and Prudent Management) Regulations 2012 notified by the SECP vide SRO 15(1) / 2012 dated January 9, 2012 and SRO 1165(I)/2016 dated December 22, 2016. Annexure-A, B and C are available at SECP website and can also be obtained from the registered office of the Company.
2. Approval from Securities and Exchange Commission of Pakistan is needed to become a director of the Company.
3. The Share transfer books of the Company shall remain closed from 22-03-2017 to 28-03-2017 (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 21-03-2017 will be treated in time for the purpose of attending the meeting.
4. 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.
5. 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.
6. 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.
7. Members are requested to immediately notify any change in their addresses.
8. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
9. In pursuance with the Securities & Exchange Commission of Pakistan (SECP) notification No. SRO 779(1)/2011 dated August 18, 2011 and SRO. 831 (1)/2012 dated July 05, 2012, the shareholders possessing physical shares are requested to immediately send a copy of their Computerized National Identity Card (CNIC) to our

Registrar Office, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block B, SMCHS, Main Sharah-e-Faisal, Karachi for printing / insertion of CNIC number on respective Dividend Warrant. In case of non-receipt of the copy of valid CNIC and non-compliance of the above requirement, the Company will be constrained to withhold dispatch of Dividend Warrants to such shareholders. Corporate entities are also requested to submit their NTN at the address of our Registrar as given above.

10. Please further note that the rates for deduction of withholding tax on the amount of dividend paid by the companies are @ 12.5% 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 12.5%.

In this regard, all shareholders who hold shares with joint shareholders, are requested to provide shareholding proportions of Principal shareholder and Joint Holder(s) in respect of shares held by them to our Share Registrar, in writing as follow before 21-03-2017 positively; otherwise it will be assumed that the shares are equally held by principal shareholder and joint holder(s).

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

#### 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 at December 31, 2016

Number of Shareholders	Shareholdings' Slab		Total Shares held
	From	To	
166	1	to 100	5,509
182	101	to 500	55,909
439	501	to 1000	287,778
299	1001	to 5000	713,321
93	5001	to 10000	627,098
22	10001	to 15000	274,716
12	15001	to 20000	219,462
8	20001	to 25000	179,089
8	25001	to 30000	212,964
3	30001	to 35000	97,374
2	35001	to 40000	74,425
1	40001	to 45000	44,850
3	45001	to 50000	145,647
3	50001	to 55000	152,640
1	55001	to 60000	58,050
2	60001	to 65000	121,325
2	70001	to 75000	145,225
2	80001	to 85000	164,605
1	85001	to 90000	86,250
3	90001	to 95000	278,300
1	95001	to 100000	100,000
1	110001	to 115000	114,523

Number of Shareholders	Shareholdings' Slab		Total Shares held
	From	To	
1	120001	to 125000	120,298
1	135001	to 140000	136,625
1	140001	to 145000	143,750
1	190001	to 195000	191,500
1	195001	to 200000	200,000
1	275001	to 280000	279,400
1	350001	to 355000	353,050
1	365001	to 370000	368,700
1	400001	to 405000	402,650
1	495001	to 500000	500,000
1	500001	to 505000	500,159
1	565001	to 570000	566,191
1	690001	to 695000	694,350
1	720001	to 725000	724,500
1	865001	to 870000	866,755
1	1060001	to 1065000	1,063,709
1	1115001	to 1120000	1,119,870
1	4635001	to 4640000	4,637,680
1	13350001	to 13355000	13,354,300
1	41730001	to 41735000	41,736,253
<b>1274</b>			<b>72,118,800</b>

# Pattern of Shareholding

As at December 31, 2016

Categories of Shareholders	Number of Shareholders	Shares held	Percentage
<b>1. Directors, Chief Executive Officer, their spouse and minor children:</b>	<b>8</b>	<b>147,697</b>	<b>0.20%</b>
Kamal A. Chinoy		50,250	
Hina Javed		92,825	
Javed Ahmed		897	
Sultan Ali Akbar Allana		575	
R. Zakir Mahmood		500	
Ayaz Ahmed		1000	
John Joseph Metcalf		575	
Aly Noor Mahomed Rattansey		1075	
<b>2. Associated Companies, Undertakings &amp; related parties:</b>	<b>4</b>	<b>60,294,424</b>	<b>83.60%</b>
Aga Khan Fund for Economic Development S.A., Switzerland*		41,736,253	
Habib Bank Limited - Treasury Division		13,354,300	
Jubilee General Insurance Company Limited		4,637,680	
The Aga Khan University Foundation		566,191	
<b>3. NIT and ICP</b>	<b>1</b>	<b>575</b>	
Investment Corporation of Pakistan		575	
<b>4. Public Sector Companies &amp; Corporations</b>	<b>-</b>		
<b>5. Banks, Development Financial Institutions &amp; Non Banking Financial Institutions</b>	<b>1</b>	<b>18,400</b>	<b>0.03%</b>
MCB Bank Limited		18,400	
<b>6. Insurance Companies</b>	<b>2</b>	<b>1,064,284</b>	<b>1.48%</b>
EFU General Insurance Limited		1,063,709	
The Premier Insurance Company of Pakistan		575	

# Pattern of Shareholding

As at December 31, 2016

Categories of Shareholders	Number of Shareholders	Shares held	Percentage
<b>7. Modarbas and Mutual Funds</b>	<b>2</b>	<b>6,550</b>	<b>0.01%</b>
First Equity Modarba		3,450	
CDC - Trustee AKD Index Tracker Fund		3,100	
<b>8. Others</b>	<b>24</b>	<b>740,517</b>	<b>1.03%</b>
<b>9. Executives</b>	<b>6</b>	<b>64,610</b>	<b>0.09%</b>
Muhammad Sohail Fakhar		52,000	
Muhammad Munawar Khalil		250	
Shan Rabbani		1,775	
Zahid Barki		10,000	
Faisal Qasim		575	
Najam ul Hassan Janjua		10	
<b>10. General Public - Local</b>	<b>1217</b>	<b>5,746,093</b>	<b>7.97%</b>
<b>- Foreign</b>	<b>9</b>	<b>4,035,650</b>	<b>5.60%</b>
ACACIA Partners LP		1,119,870	
ACACIA Institutional Partners LP		866,755	
ACACIA II Partners LP		724,500	
ACACIA Conservation Fund - Offshore Ltd.		353,050	
Habib Bank AG Zurich, Zurich, Switzerland		5,750	
Mohammad Ishaq Khan		2,875	
Florida Retirement System		191,500	
Aberdeen Institutional Commingled Funds LLC		368,700	
Aberdeen Global Frontier Markets Equity Fund		402,650	
<b>TOTAL</b>	<b>1,274</b>	<b>72,118,800</b>	<b>100.00%</b>

\* Excluding 2,875 shares held by Nominee Directors

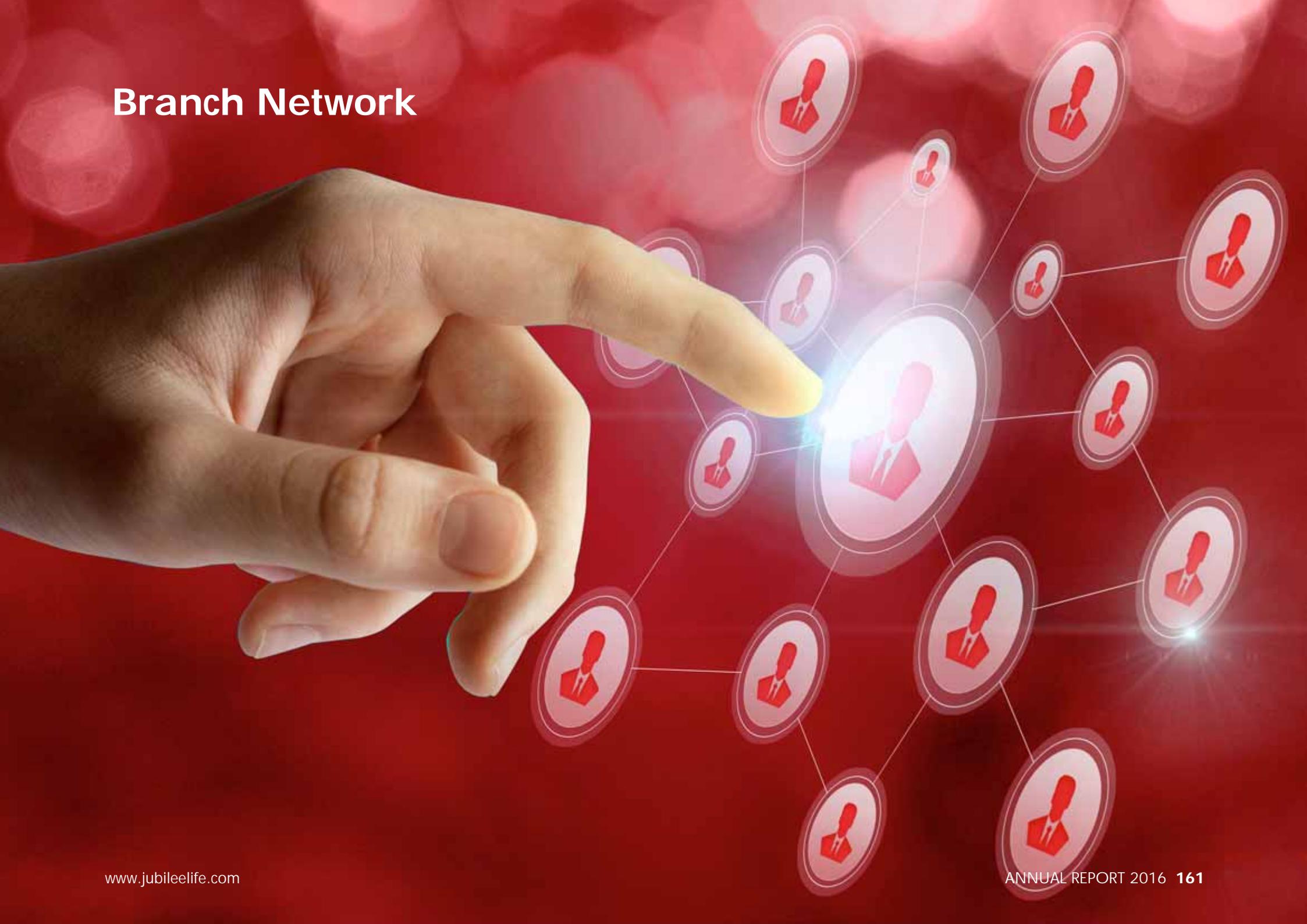
Categories of Shareholders	Number of Shareholders	Shares held	Percentage
<b>11. Trading in shares by the Directors, CEO &amp; Spouse and Executives during the year 2016</b>			
Muhammad Sohail Fakhar	Group Head, Corporate, Marketing & Administration	Purchased	4,000
Muhammad Sohail Fakhar	Group Head, Corporate, Marketing & Administration	Sold	1,000
Shan Rabbani	Department Head, Retail Operations, Product Management & Actuarial	Purchased	1,000
Shan Rabbani	Department Head, Retail Operations, Product Management & Actuarial	Sold	29,500
Najam Ul Hassan Janjua	Company Secretary & Head of Legal Department	Purchased	10
<b>12. Categories of Shareholders as at December 31, 2016</b>	<b>No. of Shareholders</b>	<b>Shares Held</b>	<b>Percentage</b>
Individuals	1,231	5,958,400	8.26%
Insurance Companies	3	5,701,964	7.91%
Joint Stock Companies	24	740,517	1.03%
Financial Institutions	4	55,109,528	76.41%
Modarbas & Mutual Funds	2	6,550	0.01%
Non Residential Shareholders	9	4,035,650	5.60%
Others	1	566,191	0.79%
<b>TOTAL</b>	<b>1,274</b>	<b>72,118,800</b>	<b>100.00%</b>

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

Aga Khan Fund for Economic Development S.A., Switzerland	41,736,253	57.87%
Habib Bank Limited Treasury Division	13,354,300	18.52%
Jubilee General Insurance Company Limited	4,637,680	6.43%



# Branch Network



# Branch Network

## SOUTH REGION

### Royal Branch Karachi

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

### Alpha Branch Karachi

Office No. 601, 6th floor Progressive Center, PECHS Block 6, Karachi.  
021-34322170

### Karachi Central

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

### Nobel Branch Karachi

Office # 109, Asia Pacific Centre, Sub Plot # 250/1/9, Block-19, Gulistan-e-Jauhar, Karachi.  
021-34017412

### Shaheen Branch Karachi

Office No. 601, 6th Floor, Progressive Centre PECHS Block 6, Karachi.  
021-34322170

### Horizon Branch

G-5, Adenwella Apartment, GRE325 / 2, Garden East, Karachi.  
021-32259552-3

### Platinum Branch

G-5, Adenwella Apartment, GRE325 / 2, Garden East, Karachi.  
021-32259552-3

### Imperial Branch Karachi

G-5, Adenwella Apartment, GRE325 / 2, Garden East, Karachi.  
021-32259552-3

### Gulshan-e-Iqbal Branch

Plot # 6 / FL-6, 2nd Floor, Block -6, KDA Scheme # 24, Gulshan-e-Iqbal, Karachi.  
021-34834216

### Galaxy Branch Karachi

Plot # 6 / FL-6, 2nd Floor, Block -6, KDA Scheme # 24, Gulshan-e-Iqbal, Karachi.  
021-34834216

### Crescent Branch Karachi

Office # 302 & 303, 3rd Floor, Arab Busniess Center, Plot # 5, Block # 3, Karachi Cooperative Housing Society, Main Bahadurabad Chowrangi(4 Meenar), Alamgeer Road Bahadurabad, Karachi.  
021-34123264

### Civic Branch

Flat No. 9 Afzal Apartment KDA Scheme 1-A Staduim Road, Karachi.  
021-34947252

### Thandi Sadak Branch, Hyderabad

1st Floor, CC-1 Block, Civic Centre, Thandi Sarak, Hyderabad.  
0222-786194

### Mirpurkhas City Branch

Adam Tower Mirpur Khas, Plot No. 864/4, Mirpurkhas.  
072-3652191

### Khipro Branch

Sanghar Road, Opposite Forest Office, Khipro.  
0235-879969

### Naushahro Feroze City Branch

2nd Floor, Property located at near Muhammadi Iron Store & Jalbani Petrol Pump, Naushahro Feroze.  
024-2448424

### Station Road Branch Ghotki

At 1st Floor , Green Hotel Building near Mian Chowk, Ghotki.  
072-3600612 - 3

### Mehar City Branch

Near United Bank Limtied, Mehari District Dadu.  
025-4730402

### Panu Aqil Branch

Opposite Caltex Petrol Pump, Baiji Chowk, National Highway, Panu Aqil.  
071-5691717 - 8

### Sukkur City Branch

1st Floor, Lala Azam Plaza,Opposite Excise Office, Station Road, Sukkur.  
071-5614261

### Larkana City Branch

NJI Life Building, Near Lal Eye Medical Center, Behind City Bakers, Station Road Branch Larkana.  
074-4057486-7

### Larkana Royal Branch

NJI Life Building, Near Lal Eye Medical Center, Behind City Bakers, Station Road Branch Larkana.  
074-4057486-7

### **Station Road Branch Larkana**

NJI Life Building, Near Lal Eye Medical Center, Behind City Bakers, Station Road Branch Larkana.  
074-4057486-7

### **MULTAN REGION**

#### **Dera Ghazi Khan Branch**

Al-Ajwa Plaza, 1st Floor, Bank road, Block-1, Dera Ghazi Khan.  
064-2466500 - 064-2463994 - 064-2470893

#### **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

#### **Okara Branch**

2nd Floor, Nasir Plaza, Depalpur Chowk, Okara.  
044-2520477

### **CENTRAL REGION**

#### **Faisalabad City Branch**

577-B, Peoples Colony, Main Satiana Road, Near Saleemi Chowk, Faisalabad.  
041-8554681-2

#### **Satiana Road Branch**

577-B, Peoples Colony, Main Satiana Road, Near Saleemi Chowk, Faisalabad.  
041-8554681-2

#### **GT. Road Branch 1**

1st Floor Chughtai Center, Shaheenabad Main G.T. Road, Gujranwala.  
055-3824733

#### **Club Road Branch Sargodha**

405 Club Road, Sargodha.  
048-3768468 - 9

#### **Hafizabad Branch**

House # A-1481, Post Office Road, above Aga Khan Laboratory.  
0547-524879

#### **New Cavalry Branch**

2nd & 3rd Floor, Plot # 79, AL-Fajar Plaza Officers Housing Scheme, Cavalry Ground, Lahore.  
042-36619965

#### **Ravi Branch Lahore**

2nd & 3rd Floor, Plot # 79, AL-Fajar Plaza Officers Housing Scheme, Cavalry Ground, Lahore.  
042-36619961

### **Jinnah Branch**

2nd & 3rd Floor, Plot # 79, AL-Fajar Plaza Officers Housing Scheme, Cavalry Ground, Lahore.  
042-36619961

#### **Lahore Pioneer Branch**

1st Floor, 41 Civic Center, Barkat Market, New Garden Town, Lahore.  
042-35941893

#### **Premier Branch Lahore**

1st Floor, 41 Civic Center, Barkat Market, New Garden Town, Lahore.  
042-35941893

#### **Chenab Branch Gujrat**

B-1 / 421, Iqbal Center, Near Prince Chowk, Khawajgan Road, Gujrat.  
053-3525115

#### **Paris Road Branch**

2nd Floor, Al Amin Center Opposite Sialkot Chamber of Commerce & Industry Paris Road Sialkot.  
052-4265041

#### **Defence Branch Lahore**

1st Floor, 41 Civic Center, Barkat Market, New Garden Town, Lahore.  
042-35941896

### **NORTH REGION**

#### **Jehlum Buraq Branch**

1st and 2nd floor, Saran plaza, Near MCB bank, G.T road, Jada, Jehlum.  
0544-720681-2-3

### **Twin City Branch**

2nd Floor, Hall # 3, Bilal Plaza, Grindly Market, Haider Road, Rawalpindi .  
051-35111335

#### **Margalla Hills Branch Islamabad**

D-26,2nd Floor, Kashmir Plaza,Blue Area, Sector G-6, Islamabad.  
051-2206934

#### **Blue Area Branch Islamabad**

D-26,2nd Floor, Kashmir Plaza,Blue Area, Sector G-6, Islamabad.  
051-2206934

#### **Cantt. Branch Peshawar**

Office # UG-422, 1st Floor, Upper Ground Deans Trade Centre, Islamia Road, Peshawar Cantt.  
091-5253262

#### **University Road Branch**

Office # UG-422, 1st Floor, Upper Ground Deans Trade Centre, Islamia Road, Peshawar Cantt.  
091-5253262

#### **Lakki Marwat (Sub Office)**

Upper Ground Floor, Asmat Ali Market, Mian Wali Road, near Kargal Chowk, Lakki Marwat.  
0969-512006

### **Chitral Branch**

Ground Floor, Terichmir View Hotel,  
Shahi Qila Road, Main Bazar,  
Chitral.  
0943-412207

### **Kohat (Sub-Office)**

Al-Madina Plaza, Pehzati Chikarkot,  
Bannu Road, Kohat.  
091-5270344

### **Mirpur A.K. Branch**

1st Floor, Bank Square, Allam Iqbal  
Road, Mirpur A.K.  
05822-445041 - 44315

### **Muzaffarabad Branch**

2nd Floor, Bilal Shopping Plaza,  
Upper Adha, Muzaffarabad.  
05822-445041 - 443315

### **Kotli Branch**

2nd Floor, Ghulastan Plaza, Pindi  
Road, Kotli Azad Kashmir.  
05826-444475

### **Karakoram Branch 2**

2nd Floor, ZS-Plaza, in front of Radio  
Pakistan, Main  
Sharah-e-Quaid-e-Azam, Jutial, Gilgit.  
05811-457070

### **Hunza Branch**

1st Floor, Gulzar-e-Hunza Market,  
Bank Square, Aga Khan Abad, Ali  
Abad, Main Karakoram Highway,  
Hunza.  
0581-1450092

### **Ghizer Branch**

Shop # 10 – 17, Ground Floor,  
Shahbaz Market, Raja Bazar, Near  
DHQ Hospital, Gahkuch Ghizer.  
05814- 451511

### **BANCASSURANCE OFFICES**

#### **Karachi Bancassurance**

Office # 211, 213, 2nd Floor,  
Business Avenue, Shahrah-e-Faisal,  
Karachi.  
021-34374310

#### **Bahawalpur Bancassurance**

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

#### **Retail Business Center (RBC)**

Banglow # 245/6/2/O, Block -6,  
P.E.C.H.S., Karachi.  
021- 34315970

#### **Hyderabad Bancassurance**

1st Floor, Noor Place, near KASB  
Bank, Saddar, Cantonment,  
Hyderabad.  
0222-784784

#### **Multan Bancassurance**

10-A, 1st Floor, Twin Towers, Tehsil  
Chowk, Gulgasht Colony, Near Silk  
Bank, Bosan Road, Multan.  
061-6212052

### **Hyderabad Bancassurance**

Building # 97, Mezzanine Floor, Opp.  
Bank Al-Habib, Doctor Line, Saddar  
Bazar.  
0222-786084

### **Sahiwal Bancassurance**

1st Floor, Naveed Plaza, Jinnah  
Road, High Street, Sahiwal.  
052-4603161

### **Faisalabad Bancassurance**

3rd Floor, Office # 09, Legacy  
Tower, Main Boulevard, Kohinoor  
City Faisalabad.  
041-8555061-63

### **Lahore Bancassurance**

2nd & 3rd Floor, Tufail Plaza, 56  
Shadman 1, Post Office Shadman,  
Lahore.  
042-37529600 - 37421793

### **Sukkur Bancassurance**

1st Floor, Bilal Plaza, Opposite Jatoi  
House, Military Road Sukkur.  
071-5631169

### **Gujranwala Bancassurance**

3rd Floor, Zaheer Plaza G.T Road,  
Gujranwala.  
055-3736611-13

### **Jehlum Bancassurance**

1st Floor, Main GT Road, Behind  
Caltex Petrol Pump, Near HBL Jada  
Branch, Jehlum.  
0544-720681-83

### **Gujrat Bancassurance**

Sadiq Centre, Ground Floor Left  
Wing, (G1-G2-G3-G4), Rehman  
Sahaheed Road, Opposite Total  
Petrol Pump, Gujrat.  
053-3533020-2

### **Sialkot Bancassurance**

Plot # 16 S, 71/A/1, Moon Tower,  
Shop # 1-2-3, 2nd Floor, Opp.  
Mission Hospital, Paris Road, Sialkot.  
052-4603161

### **Sargodha Bancassurance**

Al-Rehman Trade Centre, 2nd Floor,  
Office # 55, Sargodha.  
048-3768646-7

### **Islamabad Bancassurance**

1st & 2nd Floor, Plot # 21, I & T  
Center, Sector G/6, Main  
Khayaban-e-Suharwardi, Aabpara,  
Islamabad.  
051-4602900

### **Peshawar Bancassurance**

No. 501-502 B, 5th Floor, City  
Towers, University Road, Peshawar.  
091- 5842175-7 & 9

### **Muzaffarabad Bancassurance**

D-141, Street # 17, Upper Chittar  
Housing Scheme, Muzaffarabad,  
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**
**Takaful Rawalpindi Branch**

B-DD-83, 1st Floor Minhas Shopping  
Centre Shamsabad Muree Road  
Rawalpindi.  
051-4935501-4

**Khyber Branch Takaful**

2nd Floor, Samad Plaza, Tehkal,  
Main University Road, Peshawar.  
091-5850520 / 5842449

**Premier 1 Branch Rawalpindi**

B-DD-83, 1st Floor Minhas Shopping  
Centre Shamsabad Muree Road  
Rawalpindi.  
051-4935501-4

**Takaful Rawal Branch**

B-DD-83, 1st Floor Minhas Shopping  
Centre Shamsabad Muree Road  
Rawalpindi.  
051-4935501-4

**Takaful Jhelum**

Ist Floor, Mujahidabad, GT Road,  
Opposite Ufone Office, Jhelum.  
0300-9585111

**Takaful Gujrat**

Majeed Plaza, Near Kids Galaxy  
School, Rehman Shaheed Road,  
Gujrat.  
0321-8232959

**Takaful Sialkot**

Al-Yousuf Plaza, Near Munshi  
Sweets, Ghanta Ghar Chowk, Cantt,  
Sialkot.  
0333-8124647

**Takaful D.G. Khan**

Al-Ajwa Plaza, 1st Floor, Bank road,  
Block-1, Dera Ghazi Khan.  
064-2470893, 2466500

**Takaful Shaikupura**

Mian Shopping Mall Near Trama  
Center Lahore Sargodah Road  
Sheikhupura.  
0300-4283484

**Takaful Hasilpur Branch**

Upper Floor NBP  
Opposite Vegetable Market,  
Bahawalpur Road, Hasilpur.  
0300-7850653/03006801309

**Takaful Bahawalpur Branch**

First Floor, Mushtaq Memorial  
Hospital Building  
University Chowk, Bahawalpur.  
062-2201620, 062-2740317

**Takaful Sukkur**

3rd Floor, Bilal Building  
Military Road Near City point,  
Sukkur.  
0300-8310604

**Takaful Lahore**

Plot # 217-218 BP GESH Lahore, 1st  
Floor on Punjab Bank, Model Town,  
Link Road, Lahore.  
042-35970127

**Karachi, Prime Branch Takaful**

Mezzanine Floor, Alif Residency,  
SB-8, Block-2, Near Rab Medical,  
Gulshan-e-Iqbal, Karachi.  
021-34984617

**Takaful Johar Branch**

Mezzanine Floor, Alif Residency,  
SB-8, Block-2, Near Rab Medical,  
Gulshan-e-Iqbal, Karachi.  
021-34984617

**Takaful Gulshan Branch**

Mezzanine Floor, Alif Residency,  
SB-8, Block-2, Near Rab Medical,  
Gulshan-e-Iqbal, Karachi.  
021-34984617

**Takaful Pioneer**

Mezzanine Floor, Alif Residency,  
SB-8, Block-2, Near Rab Medical,  
Gulshan-e-Iqbal, Karachi.  
021-34984617

**Takaful Karachi United Branch**

Mezzanine Floor, Alif Residency,  
SB-8, Block-2, Near Rab Medical,  
Gulshan-e-Iqbal, Karachi.  
021-34984617

**Karachi Falcon Branch**

Mezzanine Floor, Alif Residency,  
SB-8, Block-2, Near Rab Medical,  
Gulshan-e-Iqbal, Karachi.  
021-34984617

**Takaful Karachi Rehbar Branch**

Mezzanine Floor, Alif Residency,  
SB-8, Block-2, Near Rab Medical,  
Gulshan-e-Iqbal, Karachi.  
021-34984617

**Chichawatni Branch**

39/12-L Road, Near Govt. high  
school, Chichawatni.  
0301-8698770

**Takaful Gujranwala**

Office # 9B, 5th Floor, Bhutta Center  
Nigar Chowk GT Road Gujranwala.  
0321-6455819

**Star Branch**

Office # 9B, 5th Floor, Bhutta Center  
Nigar Chowk GT Road Gujranwala.  
0302-8722284

**Multan Branch**

Twin Tower, 2nd Floor, Silk Bank,  
Tehsil Chowk, Main Bosan Road.  
0302-8422245

### Lions Branch

2nd Floor, Rasheed Arcade, Near Wapda hospital, Rehman Pura Stop, Ichra, Ferozpur Road Lahore.  
0300-8400643

### Takaful Chakwal

2nd Floor, Abbas Arcade, Opposite Allieance travell, Talagang road Chakwal.  
0333-5340595

### Takaful Faisalabad

Off # 1, 4th Floor, Media Com Plaza Jaranwala Road, Near Koh-e-Noor Plaza, Faisalabad.  
041-8733308

### Takaful Kot Momin Branch

Al-Aiman Plaza, 1st Floor  
Opposite NBP, Chenab Bazar Tehsil  
Kot Momin District Sargodha.  
0346-8721301

### Takaful Vehari Branch

Operations 2nd Floor, Awais City Center Karkhana Bazar Upper Al-Wasam Travel Agency Vehari.  
0345-7053595

### Takaful Royal Branch

Operations Office No. 9 B, 5th Floor Bhutta Center Nigar Chowk GT Road Gujranwala.  
0300-6434701

### CORPORATE OFFICES

#### Corporate Office, Faisalabad

7-D 2nd Floor, Saleemi Tower,  
D-Ground, Faisalabad.  
041-8559845

#### Corporate Office, Lahore

2nd & 3rd Floor, Tufail Plaza, 56  
Shadman 1, Post Office Shadman,  
Lahore.  
042-37529600

#### Corporate Office Multan

10-A, 1st Floor, Twin Towers, Tehsil  
Chowk, Gulgasht Colony, Near Silk  
Bank, Bosan Road, Multan.  
061-6212052

#### Corporate Office Rawalpindi

1st & 2nd Floor, DD-79, Asad Plaza,  
Shamsabad, Murree Road.  
051- 4935549

#### Corporate Office Sialkot

Right wing, 2nd floor, Moon Tower.  
Opp DHL office, Paris Road, Sialkot.  
052-4293529

#### CSD Center Gilgit

2nd Floor, ZS-Plaza, in front of Radio  
Pakistan, Main  
Sharah-e-Quaid-e-Azam, Jutial,  
Gilgit.  
05811-457070

#### CSD Center Peshawar

2nd Floor, Samad Plaza, Tehkal,  
Main University Road,Peshawar.  
091-5850520 / 5842449

#### CSD Center Sukkur

1st Floor, Lala Azam Plaza,Opposite  
Excise Office, Station Road, Sukkur.  
071-5614261

### CORPORATE DISTRIBUTION

#### Karachi

2nd Floor, PNSC Building, M.T. Khan  
Road, Lalazar, Karachi.  
021- 35657886

#### Lahore

2nd & 3rd Floor, Tufail Plaza, 56  
Shadman 1, Post Office Shadman,  
Lahore.  
042-37529600 & 37421793

#### Faisalabad

Saleemi Tower, 2nd Floor, D Ground,  
Faisalabad.  
041-8559849

#### Rawalpindi

1st & 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

### OTHER OFFICES / BACK OFFICES

#### Head Office

74/1-A Lalazar M.T. Khan Road,  
Karachi.  
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 # 36-A/2, (Ground,  
Mezzanine & 1st Floor), Lalazar,  
M.T.Khan Road, Karachi.  
021 - 35205096

## اعلیٰ مہارت کے بیس سال

کمپنی پاائدار منافع اور کاروباری فروغ کے حصول کی حکمت عملی پر کاربندر ہے گی۔

### اظہارِ تشكیر

ہم اپنے معزز صارفین اور کاروباری شرکاء کے شکرگزار ہیں کہ انہوں نے ہم پر اعتماد کیا اور ہماری سرپرستی کی اور ہمیں ان کیلئے بہترین انداز میں خدمات فراہم کرنے کے عزم کو 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 منون ہیں۔

ہم اپنے ان ساتھیوں کا بھی شکر یاد کرتے ہیں جنہوں نے آڈٹ کمیٹی، مالیاتی اور سرمایہ کاری کمیٹی، انسانی وسائل اور معاوضہ، اخلاقیات اور نامزدگی کمیٹی، تکنیکی کمیٹی اور رسک میخیمیٹ کمیٹی میں خدمات انجام دیں۔

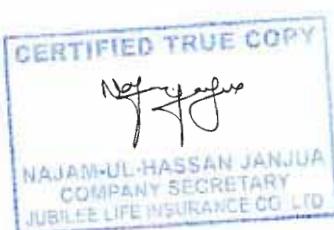
ہم سیکورٹیز ایڈ آپ چین کمپنی آف پاکستان کے ثبت ضابطوں کو اپنانے پر بھی ان کے منون ہیں جو یہ زندگی کے کاروبار کو مضبوط بنیادوں پر فروغ دینے اور جاری رکھنے کیلئے ان کی بہترین کاوش ہے۔

2016 میں کمپنی نے 5 ملین سے زائد افراد کا مالی مستقبل محفوظ کرتے ہوئے کامیابی سے بیس سال مکمل کئے۔ اس اہم موقع پر کمپنی نے اپنے تمام کاروباری ساتھیوں اور معزز پالیسی ہولڈرز کے تعاون کے اعتزاز میں جنوری 2017 میں ایک اجتماعی تقریب کا اہتمام کیا۔ اس تقریب میں کمپنی کی کامیابی کے بیس سال کا مختصر جائزہ پیش کیا گیا جس میں ایک عام کمپنی کے طور پر آغاز سے آج پاکستان کی نجی شعبہ میں یہ کمپنی کی صنعت کی سب سے بڑی کمپنی کی حیثیت کے حصول تک کے سفر پر وہشی ڈائی گئی اور آج پاکستان کے ہر گوشه میں اس کی خدمات، 15 پارٹنر ٹینکوں کے ذریعہ چار ہزار سے زائد ٹینکوں پر پھیلنے والے ورک اور ہمیلتھ انشورس کیلئے اپنے پینٹل پر چارسو سے زائد پہتاں والی موجودگی کا ذکر کیا گیا۔

### مستقبل کے امکانات

معاشی اصلاحات کے تسلسل، چاننا پاکستان اکنامک کوریڈور (CPEC) کے ذریعہ پیدا ہونے والے ترقی کے امکانات اور اس کے ملکی میഷٹ پر ثابت اثرات کی بناء پر کاروبار میں اعتماد کی فضائی قائم ہوئی ہے۔ اس سال افریط از مریں بھی کمی آتی ہے جس کے نتیجے میں عام آدمی کی بچت میں اضافہ ہوا جس سے وہ بیسے زندگی اور فیلی ہٹکافل خریدنے کے قابل ہوا۔ ان حقائق اور پاکستان کی بڑھتی ہوئی آبادی، ہمارے کاروبار کے فروغ کیلئے بہترین موقع فراہم کرے گی۔

ازطرف بورڈ آف ڈائریکٹرز



جاوید احمد  
میجنگ ڈائریکٹر اور سی ای او

کمال اے چنانے  
چیئرمین

کراچی، 16 فروری 2017

ترقی، ثقافتی و رشد، سول سوسائٹی اور انسانی ہمدردی کی خدمات انجام دیتی ہے۔  
**رمضان میں عطیات کی مہم**

2016 میں رمضان کے میئنے میں کمپنی نے ایک معروف ہسپتال کیلئے عطیات جمع کرنے کی غرض سے اپنے سو شل میڈیا پلیٹ فارم پر ایک مہم کا آغاز کیا۔ اس مہم کا مقصد صرف ہسپتال کے لئے فنڈ جمع کرنا نہیں تھا بلکہ کمپنی کے سو شل میڈیا کے صفحہ پر چلانی جانے والی ہم کے ذریعہ ان نادار افراد کی طرف توجہ لانا بھی تھا جو محنت کی معیاری سہولتوں سے محروم ہیں۔ اس کیلئے سو شل میڈیا ٹیچ پر ہر لائیک، پوسٹ، تبصرہ یا شیئر پر کمپنی کی جانب سے 10 روپے کا عطیہ شامل کیا گیا۔ اس اقدام سے محنت کی سہولتوں سے محروم افراد کو مدد ملی۔

#### (Collaborative Libraries Project)

2016 ہی میں کمپنی نے چارڑا ف کمپیشن، پاکستان کے اشتراک سے "لاجبریوں کی معاونت کے منصوبے" کے تحت تعلیمی اقدام کی معاونت کی۔ اس منصوبے کے تحت 30 اسکولوں (15 مراعات یافتہ اور 15 غیر مراعات یافتہ) کے نیٹ ورک کا میابی کیسا تھا قائم کئے جا چکے ہیں اور کراچی کے نیمر مراعات یافتہ علاقے کے اسکولوں میں 15 لاجبریوں قائم کی جا چکی ہیں۔ ان کا مقصد خواندگی کی صلاحیت میں اضافہ کرنا اور پڑھنے کے عمل کے ذریعے باہمی اخلاق و مرتوت کی تعلیم دینا ہے۔ معاشرتی خدمت کے اس منصوبے کیلئے 5 ملین روپے سے زیادہ کی سرمایہ کاری کی گئی ہے۔

#### قومی تہوار

مندرجہ بالا کے علاوہ کمپنی، قومی تہوار کو بھرپور طریقے سے منانے میں بھی شہپر پیش رہتی ہے۔ ہر سال، پاکستان کا یوم آزادی پورے جوش و جذبہ کے ساتھ منایا جاتا ہے۔ اس سال کمپنی نے یوم آزادی کی تقریب کے علاوہ، ملک و قوم کیلئے شکریہ کا نذرانہ پیش کیا اور ایک مشہور گلوکار کے نغمہ "شکریہ پاکستان" کے اسپانسرز میں شریک ہوئی۔ یہ نغمہ ملک بھر میں ریڈ یا اورٹی وی چینلز پر نشر ہوا اور اس کو عوام نے بے حد سارا۔

ماکرو انشوہرنس کے اقدام کو تقویت دینے کیلئے کمپنی نے صحت کے بارے میں آگہی کی مہمات کا اہتمام بھی کیا جس کے ذریعہ کم مراعات یافتہ طبقے میں صحت کے مسائل اور صحت مدد زندگی کے بارے میں شعور پیدا کیا جاسکے۔ اس سلسلے میں مختلف تنظیموں کے اشتراک سے ملک کے چاروں صوبوں اور شامی علاقہ جات میں، خاص طور پر دیہی علاقوں میں ہمیلتھ کمپنی پس قائم کئے گئے۔ ان ہمیلتھ کمپنی پس کے اخراجات کیلئے کمپنی نے 2.6 ملین روپے کی رقم فراہم کی اور اس کے انسانی وسائل نے بھی خدمات انجام دیں۔ کمپنی اپنے ملازمین کی حوصلہ افزائی کرتی ہے کہ وہ اس طرح کی سماجی سرگرمیوں میں ضرور شرکت کریں۔

#### سماجی صحت کے تحفظ کے اقدامات - گلگت بلستان

جون 2016 میں آغا خان فاؤنڈیشن (AKF) کی رہنمائی میں AKHS، AKRSP اور کمپنی پر مشتمل AKDN کنسورٹیم نے حکومت گلگت بلستان (GB) کے ساتھ ماکرو انشوہرنس کے منصوبہ پر دشخutz کئے۔ یہ غیر ملکی فنڈنگ پر مبنی 5 سالہ منصوبہ ہے جس میں غیر ملکی فنڈنگ کو مرحلاً وارثت کر دیا جائے گا اور حکومت اپنے طور پر اس کیلئے فنڈ رکا انتظام کرے گی۔ اس سلسلے میں گلگت شہر میں پائلٹ پروجیکٹ کا آغاز کر دیا گیا ہے جہاں BISP کے غربت کی سطح کی معلومات کے مطابق سب سے کم شرح والی 21% آبادی کو کمپنی کی جانب سے بینہ کی سہولت دی جائے گی جس کا نیمہ گلگت بلستان کی حکومت ادا کرے گی۔ اگلے مرحلے میں کنسورٹیم ماکرو انشوہرنس ہمیلتھ پروڈکٹ کی تکمیل اور مارکیٹنگ کرے گا اور 5 سال کے عرصے میں 29% آبادی کا نیمہ کیا جائے گا۔ اس نیمہ میں 21% آبادی میں 5,200 سے زائد گھرانوں کے تقریباً 37,000 افراد شامل ہیں، جن کا نیمہ حکومت ادا کرے گی، جس کی کل رقم 9 ملین روپے کے لگ بھگ ہے۔

منظور شدہ CSR اور عطیات کی پالیسی کے مطابق، 2016 کے دوران کمپنی کے عطیات کے اخراجات 16.5 ملین روپے ہے، جو کہ صحت کی دلکشی بھاں، تعلیم، دینی ترقی، ثقافتی و رشد، سول سوسائٹی اور انسانی امداد کی مدد میں دیے گئے۔

#### 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، دینی

## اندرونی آڈٹ کے امور

موجودہ آڈیٹرز KPMG تا شیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس، اپنی موجودہ مدت پوری کرنے کے بعد سبکدوش ہو رہے ہیں اور دوبارہ تقری کے اہل ہیں۔ سال 2017 کے لئے بورڈ آڈٹ کمیٹی نے میسرز KPMG تا شیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس کی بطور کمپنی کے آڈیٹر اور شریعہ پر عمل درآمد کے آڈیٹر کیلئے دوبارہ تقری کی سفارش کی ہے اور بورڈ نے اس سفارش کی تائید کی ہے۔

## ہولڈنگ کمپنی

جو بیلی لاکف، آخان فنڈ برائے معاشی ترقی، ایس۔ اے۔ سوئٹر لینڈ کی ذیلی کمپنی ہے۔

## (Corporate Social Responsibilities)

کمپنی مستقل طور پر اپنے کاروبار میں ہر کام ذمہ داری سے کرنے کے عزم پر کاربنڈ ہے جس سے اسے 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 کوششوں اور عطیات کے عمل پر ثابت اثرات مرتب ہوتے ہیں۔

جو بیلی لاکف کے CSR کے اقدامات کا نچوڑی یہ ہے کہ اپنی بنیادی کاروباری مہارت کا استعمال کرتے ہوئے انتہائی باکافایت قیمت میں ایک مستحکم لاکف اینڈ ہیلٹھ ماکرو انشورنس 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 2016 میں ماکرو انشورنس کی سہولت کی گنجائش 2.8 ملین سے زیادہ لوگوں تک بڑھادی ہے۔

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 طریقے کاراخیار کیا ہے (Risk Based Approach) اور یہ اندرونی کنٹرول کی استعداد اور درستی، پالیسیوں اور طریقے 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 اسی ای اوکور پورٹ کرتا ہے۔

## آپرینگ اور مالیاتی معلومات

گزشتہ چھ سال کی آپرینگ اور مالیاتی معلومات اس رپورٹ کے صفحہ نمبر 22 پر درج ہیں۔

## پروویڈینٹ اور گریپجوئی فنڈز

کمپنی کے پروویڈینٹ اور گریپجوئی فنڈز کی سرمایہ کاری کے مناسب قدر، متعلقہ مالیاتی گوشواروں کے مطابق 31 دسمبر 2016 کو، جس کے آڈٹ کا کام جاری ہے، درج ذیل ہیں:

پروویڈینٹ فنڈ 321.83 ملین روپے

گریپجوئی فنڈ 14.288 ملین روپے

## مادی تبدیلیاں

31 دسمبر 2016 سے اس رپورٹ کے آنے کے وقت تک کوئی معنی خیز تبدیلی واقع نہیں ہوئی۔

سال 2016 کے دوران بورڈ کی انسانی وسائل اور معاوضہ، اخلاقیات اور نامزدگی کمیٹی کے دو اجلاس ہوئے جن میں ڈائریکٹر زکی حاضری درج ذیل تھی:

نمبر شمار	ڈائریکٹر کا نام	اجلاسات میں حاضری
۱	جناب کمال اے چنانے	2
۲	جناب جان جوزف میٹکاف	2
۳	جناب آرڈا کر محمود	2
۴	جناب جاوید احمد	2

بورڈ مالیتی اور سرمایہ کاری کمیٹی کے سال 2016 میں چار اجلاس ہوئے اور درج ذیل ڈائریکٹرز اور افسران نے شرکت کی:

نمبر شمار	ڈائریکٹر کا نام	اجلاسات میں حاضری
۱	جناب ایاز احمد	4
۲	جناب جان جوزف میٹکاف	3
۳	جناب سلطان علی اکبر الانہ (25 اپریل، 2016 تک)	-
۴	جناب آرڈا کر محمود (26 اپریل، 2016 سے)	2
۵	جناب جاوید احمد	4
۶	جناب نور اللہ مرچنٹ (مینجنٹ ایگزیکیٹو) (28 فروری 2016 تک) (ریٹرٹ)	1
۷	محترمہ لی آردو سما پھوئی (مینجنٹ ایگزیکیٹو)	4
۸	جناب شان ربانی (مینجنٹ ایگزیکیٹو)	4

بورڈ کمیٹیوں کی تفصیلی شرائط کا تعین کا پوریٹ گورننس کے فریم ورک میں دی گئی رہنمادیات کے مطابق کیا گیا ہے۔

سال 2016 کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے جن میں درج ذیل ڈائریکٹر زنے شرکت کی:

نمبر شمار	ڈائریکٹر کا نام	اجلاسات میں حاضری
۱	جناب کمال اے چنانے	5
۲	جناب علی نور محمد رنسے	5
۳	جناب جان جوزف میٹ کاف	4
۴	جناب سلطان علی اکبر الاء	2
۵	جناب آرڈا کرمود	5
۶	جناب ایاز احمد	5
۷	جناب جاوید احمد	5

سال 2016 کے دوران بورڈ آف ڈائریکٹیوں کے چار اجلاس منعقد ہوئے جن میں درج ذیل ڈائریکٹر ز حاضر ہوئے:

نمبر شمار	ڈائریکٹر کا نام	اجلاسات میں حاضری
۱	جناب علی نور محمد رنسے	4
۲	جناب جان جوزف میٹ کاف	3
۳	جناب ایاز احمد	4

- کارپوریٹ گورننس کے بہترین طریقہ کار سے جیسا کہ لسٹنگ کے ضوابط میں درج ہیں، کوئی قابل اثر اندازی انحراف نہیں کیا گیا۔
- واجب الاداٹیکسز کے بارے میں معلومات آڈٹ شدہ مالیاتی گوشوارے کے نوٹ نمبر 14 میں دی گئی ہیں۔
- حص کا طریقہ عمل اور ڈائریکٹرز، ای او، ای ایف او، کمپنی سیکرٹری، تقرر کردہ اپکوئری (Appointed Actuary)، ایکسٹریمیوز اور ان کے شریک حیات اور نابالغ بچوں کی کمپنی میں حص کی تجارت کے بارے میں معلومات، صفحہ نمبر 156 پر درج ہیں۔

### **بورڈ آف ڈائریکٹرز**

کمپنی کا بورڈ آف ڈائریکٹرز ایک ایگزیکٹیو اور چہنان ان ایگزیکٹیو ڈائریکٹرز پر مشتمل ہے۔ سال کے دوران میں کوئی عارضی اسامی نہیں تھی۔ موجودہ بورڈ درج ذیل افراد پر مشتمل ہے:

- جناب کمال اے چنائے (چیرمن)
- جناب علی نور محمد رنسے
- جناب جان جوزف میٹ کاف
- جناب سلطان علی اکبر اللہ
- جناب آزاد اکرم محمود
- جناب ایاز احمد
- جناب جاوید احمد (میجرنگ ڈائریکٹر اور چیف ایگزیکٹیو آفیسر)

### **ضابطہ برائے کاروباری نظم و نقد**

نومبر 2016 میں سیکورٹیز ایڈاپکچن کمیشن آف پاکستان نے ضابطہ برائے کاروباری نظم و نقد برائے انشورز 2016 نافذ کیا جو تمام یہ کمپنیوں پر لاگو ہے۔ اس کے علاوہ PSX میں لیٹڈ کمپنی ہونے کے ناتے، ضابطہ برائے کاروباری نظم و نقد 2012 اور PSX ضوابط کی پابندی بھی لازمی ہے۔ ان تمام شرائط کے سلسلے میں ایمنٹ آف کمپلائنس مع بہترین مروجہ کارپوریٹ اصولوں کے بارے میں اس روپورٹ کے صفحہ نمبر 44 پر منسلک ہے۔

ڈائریکٹر مندرجہ ذیل امور کی تصدیق کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے میں کمپنی کے معاملات، آپریشنز کے نتائج، رقمات کے بھاؤ اور ایکوئی میں تبدیلیوں کو شفاف طور پر پیش کیا گیا ہے۔
- کمپنی کے حسابات کو جملہ قوانین و ضوابط کے مطابق تیار کیا گیا ہے۔
- مالیاتی اندازے محتاط روی سے لئے گئے ہیں۔ سالانہ مالیاتی گوشاروں کی تیاری کے لئے مناسب پالیسیاں تسلسل کے ساتھ اپنائی گئی ہیں۔
- مالیاتی گوشاروں کی تیاری میں بین الاقوامی حسابات کے معیارات، بین الاقوامی مالیاتی روپورٹنگ کے معیارات یا پاکستان میں لاگو دیگر ضوابط و قوانین (بیشمول شریعہ رہنماءہیات اور اصول، لیکن ان تک محدود نہیں) انشورز 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 مگر انی بھی کی جاتی ہے۔
- کمپنی کے قائم رہنے کی صلاحیت کسی شک و شبہ سے بالاتر ہے۔

## انسانی وسائل

- برانڈز آف دی یئر ایوارڈ (Brands of the Year Award) برائے 2015-16 جو باریلز فاؤنڈیشن (Brands Foundation Pakistan) نے ایوارڈ کیا۔
- لوما ایکسی لینس ان ایکیو کیشن ایوارڈ 2016، یعنی (LOMA Excellence in Education award) جو لائف آفس مینیجمنٹ تنظیم، امریکہ (Life Office Management Association, USA) کی جانب سے دیا گیا۔

### کاروباری ضابطہ اخلاق (Code of Conduct)

کمپنی کے ضابطہ اخلاق میں اعلیٰ ترین معیار کا کاروباری نظم و نت، 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، وزن، مشن اور بنیادی اقدار کو اختیار کیا گیا ہے۔

ضابطہ میں ہر ایک کے فرائض اور ذمہ دار یوں کا تعین کیا گیا ہے، جن میں بورڈ کے ممبر، تمام انسانی وسائل اور کمپنی کے مختلف اسٹیک ہولڈرز، ایک دوسرے کے ساتھ تعلقات اور مجموعی طور پر پورے معاشرے کے لوگ 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۔

### بورڈ کی کارکردگی کا سالانہ جائزہ

سال 2015 کے دوران میں کمپنی کے بورڈ آف ڈائریکٹرز نے ضابطہ برائے کاروباری نظم و نت 2012 (Code of Corporate Governance 2012) کی پیروی کرتے ہوئے، بورڈ کی کارکردگی کی سالانہ جائزہ کی منظوری دی اور اس کو سالانہ انجام دیتا ہے۔

کمپنی اس بات پر پچھہ لیقین 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 کے اندر مستقل سیکھنے کے ماحول کے ذریعہ اپنے انسانی وسائل کی کاروباری معلومات اور صلاحیت میں اضافہ کرتی ہے اور اس کے ساتھ ساتھ تربیت سے ان کو اپنی کاروباری الیت کو بہتر بنانے میں مدد دیتی ہے۔ کمپنی اپنی سیلز ٹیم کی تربیت کیلئے خصوصی اہتمام کرتی ہے تاکہ سیلز ٹیم میں اعلیٰ معیاری اور اصولی سیلز کیلئے مطلوبہ صلاحیت پیدا ہو۔

کمپنی کی طرح کے تربیت کے اقدامات پیش 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 پیش و راجحة مہارت کے حصول کیلئے ان کی حوصلہ افزائی کرتی ہے، جیسے سوسائٹی آف ایکچریز (Society of Actuaries, USA)، دی انسٹی ٹیوٹ اینڈ فیکٹری آف ایکچریز (The Institute and Faculty of Actuaries, UK) اور دی لائف آفس مینیجمنٹ ایسوی ایشن (The Life Office Management Association, USA)۔

کمپنی اپنے انسانی وسائل کی مختلف نویعت کی اور ان کی عملی سمجھ بوجھ کو بہتر بنانے کیلئے بھی تربیت کے اقدامات کرتی ہے جس میں ہر سطح پر مختلف شعبوں میں کام کرنے کا موقع (Job Rotation) بھی دیا جاتا ہے۔

### ایوارڈ زاورا عزازات

- کئی خود مختار اداروں نے کمپنی کے مختلف شعبوں کی کامیابیوں کو سراہا۔ سال 2016 میں کمپنی کو درج ذیل ایوارڈز سے نواز گیا:
- PSX ناپ 25 کمپنیز ایوارڈ برائے 2014 (PSX Top 25 Companies Award)، جو پاکستان کی ترقی، شیئر ہولڈرز کی اقدار اور معاشرے کی بہبود میں بہترین خدمات پر دیا گیا۔

کیپٹل گروچہ تکافل فنڈ کے خالص اٹاٹھ جات 589 ملین روپے (2015: 21.3 ملین روپے) ریکارڈ کئے گئے اور اس مدت کیلئے منافع (Return) کی شرح 26.4% رہی۔

### نفع نقصان کا اکاؤنٹ (Profit & Loss Account)

2016 میں کمپنی کے نفع نقصان کے اکاؤنٹ (Profit & Loss Account) میں قبل از ٹکس منافع 3,152 ملین روپے پر ہا انتظام پر 67,175 ملین روپے ریکارڈ کئے گئے (2015: 47,785 ملین روپے) اور سالانہ منافع (return) کی شرح 18.14% تھی۔ 2016 میں ایک ایسوی ایڈٹ کمپنی کا حصہ بھی شامل تھا۔ کل اضافی کی شرح 29% رہی۔ 2015 میں بعد از ٹکس منافع کی رقم 2,108 ملین روپے رہی جو 2015 کے 1,622 ملین روپے کے مقابلے میں 30% زیادہ ہے۔

### فی شیر آمدنی

اس سال بنیادی (Basic) اور دائلیڈ (Diluted) آمدنی 29.23 روپے فی شیر (Earnings Per Share) رہی، (2015: 22.48 روپے) یعنی 30% اضافہ ریکارڈ کیا گیا۔

### حصص یافتگان کیلئے تقسیم شدہ منافع

بورڈ آف ڈائریکٹرز نے ہتمی نقد تقسیم شدہ منافع بحساب 11.50 روپے فی شیر (یعنی 115% فی شیر) (Share) کا اعلان کیا ہے۔ (2015: 10.50 روپے فی شیر (یعنی 105%)۔ اسکے علاوہ کمپنی نے عبوری نقد تقسیم شدہ منافع بحساب 3.00 روپے فی شیر (30%) بھی ادا کیا (2015: 3.00 روپے فی شیر (یعنی 30%))۔ اس طرح 2016 کیلئے کل نقد تقسیم شدہ منافع 14.50 روپے فی شیر (یعنی 145%) رہا۔ (2015: 13.50 روپے فی شیر (یعنی 135%))۔

اس کے علاوہ بورڈ آف ڈائریکٹرز نے ہر تجویل شدہ 100 شیرز کیلئے 10 بُونس شیرز (یعنی 10%) کے اجراء کی سفارش کی ہے جو کمپنی کے سالانہ اجلاس عام میں حصص یافتگان کی منظوری سے مشروط ہے۔

سرمایہ کاری خطرات کے حوالے میں اور انفرادی بیمه دار اشرکاء ان کا انتخاب اپنی مرضی کے مطابق کرتے ہیں۔ سال 2016 کیلئے ان فنڈز کے ریٹرن (return) کی شرح 9.54% سے لے کر 42.15% تک رہی۔ (2015: 19.53% سے 5.80%)

کمپنی کے سب سے بڑے فنڈ، مینجڈ فنڈ (Managed Fund) کے خالص اٹاٹھ جات (Net Assets) سال کے انتظام پر 9,272 ملین روپے ریکارڈ کئے گئے (2015: 6,680 ملین روپے) اور سالانہ منافع (return) کی شرح 42.15% میں 18.14% تھی۔

2016 کے انتظام پر کیپٹل گروچہ فنڈ (CGF) کے خالص اٹاٹھ جات (Net Assets) دوسرا بڑھ کر 9,272 ملین روپے ریکارڈ کئے گئے (2015: 2,938 ملین روپے) اور اس سال کیلئے 42.15% منافع (return) حاصل کیا۔

یثاق فنڈ (Meesaq Fund) کے خالص اٹاٹھ جات میں 39% اضافہ ہوا اور 2016 کے انتظام پر فنڈ کا جمجمہ 9,287 ملین روپے ریکارڈ کیا گیا۔ (2015: 6,680 ملین روپے)۔ 2016 کیلئے منافع (return) کی شرح 23.91% رہی۔

2016 کے دوران یقین گروچہ فنڈ (Yaqeen Growth Fund) کے خالص اٹاٹھ جات 1,436 ملین روپے (2015: 1,155 ملین روپے) ریکارڈ کئے گئے اور 9.54% منافع (Return) حاصل ہوا۔

انفرادی فیملی تکافل کاروبار کی مدد میں کمپنی اپنے شرکاء کو انتخاب کیلئے دو فنڈز پیش کرتا ہے۔ مینجڈ تکافل فنڈ (Managed Takaful Fund) اور کیپٹل گروچہ تکافل فنڈ (Capital Growth Takaful Fund)۔ جولائی 2015 میں متعارف کرائے جانے کے بعد ان دونوں فنڈز کے آپریشنز کا یہ پہلا مکمل سال تھا۔

مینجڈ تکافل فنڈ 469 ملین روپے (2015: 21.2 ملین روپے) کے خالص اٹاٹھ جات پر بند ہوا اور اس عرصے میں 15.19% منافع (Return) حاصل کیا۔

نظام کی مطلوبہ شرائط کو پورا کرنا تھا۔ یہ سرمایہ کاری کمپنی کے ممبران اور اسٹیٹ بینک آف پاکستان سے منظوری حاصل کرنے کے بعد کی گئی۔

## سرمایہ کاری کی کارکردگی

سرمایہ کاری سے حاصل شدہ آمدنی کمپنی کے منافع میں اضافہ کا نمایاں غصہ ہے۔ کمپنی محتاط اور داشمندانہ سرمایہ کاری کی پالیسی پر عمل پیرا ہے۔ 2016 کا سال پاکستان اسٹاک ایچیچن (PSX) کیلئے بہت اچھا ثابت ہوا جس میں اس نے علاقائی مارکیٹوں کی اکٹھیت کے مقابلے میں غیر معمولی کارکردگی کا مظاہرہ کیا۔ مزید یہ کہ MSCI کی دنیا کے مختلف ممالک کی جانچ کے بعد، PSX کو 2016 میں دنیا کی پانچویں بہترین کارکردگی والی مارکیٹ کا درجہ دیا گیا۔ KSE 100 Index 2016 میں 46% منافع ریکارڈ کیا جو 47,807 پاؤنس کی بلند ترین سطح پہنچ گئی۔ PSX کی اس بھرپور کارکردگی سے منافع میں اضافہ کا ایک اچھا موقع ملا اور اس سال کمپنی نے سرمایہ کاری کے ذریعہ 15,726 میلن روپے کی آمدنی حاصل کی جب کہ 2015 میں یہ آمدنی 6,331 میلن روپے تھی جو کہ گزشتہ سال کے مقابلے میں 148% اضافہ ہے۔ اس کامیابی کی سب سے بڑی وجہ PSX کی بھرپور کارکردگی ہے۔ پالیسی ہولڈرز فنڈز (Revenue Account) اور کمپنی کے نفع سے بڑی وجہ PSX کی بھرپور کارکردگی ہے۔

نقضان اکاؤنٹ (Profit & Loss Account)، دونوں پر حاصلات سرمایہ 2015 کے 426 میلن روپے کے مقابلے میں اس سال جمیع طور پر 2,384 میلن روپے رہا جو کہ تین گناہے زیادہ اضافہ ہے۔ ایک حوصلہ افزائش اسٹاک مارکیٹ کے باوجود کمپنی سرمایہ کاری کیلئے ایک محتاط اور داشمندانہ روؤیہ اختیار کرتی ہے۔ انفرادی زندگی کے پالیسی ہولڈرز کیلئے فنڈز کے بہاؤ میں بھی اضافہ کا عمل جاری ہے جو خاص طور پر سرمایہ کی آمدنی کے دوبارہ کاروبار میں لگانے اور نئے اور تجدیدی اقساط کے کاروبار، دعوے (claims) اور سرٹنڈرز (surrenders) کو علیحدہ کرنے کے بعد، حاصل ہوا ہے۔

اس آمدنی کا سب سے بڑا حصہ انفرادی زندگی کے بیمه داروں سے حاصل ہوا۔ آپ کی کمپنی روایتی بیمه کاروبار میں انفرادی زندگی کے بیمه داروں کو چار یونٹ لائف فنڈز (Unit Linked Funds) اور وِنڈو تکافل آپریشنز (Window Takaful Operations) کے انفرادی شرکاء کو دو یونٹ لائف فنڈ پیش کرتی ہے۔ یہ فنڈز مختلف

- حاویات اور صحت سے متعلق کاروبار میں 10% اضافہ ہوا جو 2,198 میلن روپے سے بڑھ کر 2,411 میلن روپے ہو گیا اور اس سال 271 میلن روپے کا سرپلس (Surplus) حاصل کیا (141 میلن روپے) یعنی 92% اضافہ ہوا۔

- بیرون ملک گروپ لاٹ اور گروپ ہیلتھ کاروبار، جو ایک پابند نویعت کا کاروبار ہے، اس سے 34 میلن روپے کا پریمیم حاصل ہوا جو کہ گزشتہ سال کی سطح پر برقرار رہا۔ اس سال اس شعبہ کے کاروبار سے 14 میلن روپے سرپلس (Surplus) حاصل ہوا (19 میلن روپے)

- کمپنی نے 2015 میں وِنڈو فیلی تکافل کا آغاز کیا اور عوام کو شریعہ پرینی تین شاخوں، یعنی انفرادی فیلی تکافل، گروپ فیلی تکافل اور حاویات اور صحت فیلی تکافل حاصل کرنے کی پیشکش کی۔ 2016 میں انفرادی فیلی تکافل اور حاویات اور صحت فیلی تکافل دونوں شانخیں منافع بخش رہیں اور ان میں بالترتیب 169 میلن روپے اور 4 میلن روپے کا سرپلس (Surplus) ریکارڈ کیا گیا، جبکہ تیری شاخ یعنی گروپ فیلی تکافل میں 0.05 میلن روپے کا معمولی خسارہ رہا۔ تاہم 2017 میں اس میں بھی منافع کی توقع ہے۔

- تمام کاروباری شعبہ جات سے مجموعی طور پر حاصل ہونے والا سرپلس (Surplus) 3,616 میلن روپے ہے جو کہ گزشتہ سال کے سرپلس (Surplus) 2,657 میلن روپے سے 36% زیادہ ہے۔ اس میں سے 2,685 میلن روپے کا سرپلس (Surplus) (2015 : 2,220 میلن روپے) آمدنی کا حساب نفع نقضان کے اکاؤنٹ (P&L Account) میں منتقل کیا گیا۔

کمپنی بیمه کے میدان میں مزید استحکام کیلئے پاکستان میں اور بیرون ملک موقع کی تلاش جاری رکھتی ہے۔ 2014ء میں کمپنی نے جو بلی کر غست انشوئنس کمپنی لمبیڈ CJSC، JKIC (JK) کے 19.50% حصہ کی خریداری کے ذریعہ 44 میلن روپے کی سرمایہ کاری کی جس میں 2016ء میں JKIC کی جانب سے رائٹس ایشیو (rights issue) میں مزید سرمایہ کاری کر کے 29 میلن روپے شامل کئے۔ اس کا مقصد JKIC کو کاروبار کی نئی شاخوں کے آغاز میں مدد دینا اور کر غست انے انصباتی

## ڈائریکٹری رپورٹ برائے حصہ یافتگان

سے تیز 1 بیلین روپے کی شراکت حاصل کرنے کا امتیاز حاصل کیا ہے۔

- کمپنی نے ایک اور نیا سگ میں عبور کیا اور کار پوریٹ میز میں 2015 کے 3,776 میلین روپے کے مقابلے میں اس سال کے دوران 4,061 میلین روپے کا تحریری یہی حاصل کیا۔

- حصہ یافتگان کا ماکاچ (Shareholder's Equity) 5,070 میلین روپے کے ساتھ اب تک کی سب سے بلند سطح پہنچ گیا جو کہ 2015 کی رقم 3,910 میلین روپے کے مقابلے میں 30% زیادہ ہے۔

- کمپنی کے فنڈز کی مقدوریت (Solvency Margins) کی صلاحیت مطلوبہ قانونی مدد سے نمایاں طور پر زیادہ ہے۔

- JCR-VIS کے 23 ستمبر، 2016 کے جاری کردہ نوٹس کے مطابق کمپنی نے انشور فناشل قوت (Double A Plus) AA+ (Insurer Financial Strength) میں اپنی رینگ (Insurer Financial Strength) مع 'Stable outlook' کو برقرار کھا ہے۔

### کاروباری کارکردگی کا جائزہ

زیرِ جائزہ سال کے دوران میں کاروبار کے ہر شعبہ کی کارکردگی تسلی بخش رہی۔ مجموعی نتائج منحصر اور جزوی ذیل ہیں:

- انفرادی یہیہ زندگی (Individual Life Unit Linked) 21% اضافہ کے ساتھ 26,091 میلین روپے سے بڑھ کر 31,693 میلین روپے ہو گیا اور اس سال 2,991 میلین روپے کی اضافی رقم حاصل ہوئی یعنی 24% اضافہ۔
- گروپ لائف (Conventional Business) 5% اضافہ کے ساتھ 1,578 میلین روپے سے بڑھ کر 1,650 میلین روپے ہو گیا۔ اس سال 167 میلین روپے (2015: 130 میلین روپے) کا سرپلس (Surplus) حاصل ہوا۔

کمپنی کے ڈائریکٹری بھرست، کمپنی کی سالانہ رپورٹ مع کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے مالی سال اختتامہ 31 دسمبر 2016 پیش کرتے ہیں۔

### کامیابیاں:

2016 کا سال کمپنی کیلئے ایک سگ میل کا سال تھا کہ اس سال کمپنی نے آپریشنز میں اعلیٰ مہارت کے بیس سال مکمل کر لئے اور کامیابی، ترقی اور مستحکم منافع کی نئی منزلوں کی طرف اپنا سفر جاری رکھا۔ 2016 کے دوران کمپنی کی نمایاں کامیابیوں میں درج ذیل کامیابیاں شامل ہیں:

- اقسامِ یہیہ سے ہونے والی کل آمدی 38,004 میلین روپے حاصل ہوئی جو گذشتہ سال کے مقابلے میں 27% زیادہ ہے۔ (2015: 29,929 میلین روپے)۔ اس اضافہ سے کمپنی نے پاکستان میں نجی شعبہ کی یہیہ کی صنعت میں اپنی قائدانہ حیثیت برقرار رکھی۔

- کمپنی کے کل اٹاؤں (assets) نے نئی بلندیوں کو عبور کیا اور 31 دسمبر 2016 کو 102 بیلین روپے ہو گئے۔
- مزید برآں کمپنی نے بینکا شورنس بنس میں بھی اپنی قائدانہ حیثیت برقرار رکھی جس میں انفرادی زندگی (Individual Life) اقسامِ یہیہ کی رقم 28,898 میلین روپے ریکارڈ کی گئی۔ (2015: 22,061 میلین روپے) اضافہ: 31%۔

- حادثے اور صحت (Accident and Health) کے شعبے میں کمپنی ملک کی سب سے بڑی انٹر رائٹر رہی جس کے اقسامِ یہیہ کی رقم 2,411 میلین روپے رہی، (2015: 2,198 میلین روپے) جو کہ پچھلے سال کے مقابلے میں 10% اضافہ ہے۔

- کمپنی نے ونڈ و فیلی ٹکا فل آپریشنز (Window Family Takaful Operations) کی مد میں متعارف کرائے جانے والے انفرادی فیلی ٹکا فل، گروپ لائف ٹکا فل اور صحت فیلی ٹکا فل پر اڈکشنس کے ذریعے سب

## مختارنامہ (پرائسی فارم)

میں اہم ..... ساکن ..... بھیتیت ممبر (رکن) جو بلی لائف انشوئس کمپنی لمیڈ اور حامل ..... عام حص، برتاق شیئر رجسٹر فولیونبر اسی ڈی سی اکاؤنٹ اور پارٹیپنٹ آئی ڈی نمبر ..... ممبر (رکن) محترم / محترمہ ..... فولیونبر اسی ڈی سی اکاؤنٹ اور پارٹیپنٹ آئی ڈی نمبر ..... کو یا ان کی غیر حاضری میں ممبر (رکن) محترم / محترمہ ..... فولیونبر اسی ڈی سی اکاؤنٹ اور پارٹیپنٹ آئی ڈی نمبر ..... کو اپنے / ہمارے ایماء پر بروز منگل، ۲۸ مارچ ۱۷، صبح الیجے، آڈیٹوریم، حبیب بینک ٹاور، جناح ایونیو، اسلام آباد میں منعقد ہونے والے برائے غیر معمولی اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التواکی صورت میں اپنا ہمارا بطور مختار (پرائسی) مقرر کرتا / کرتی ہوں / کرتے ہیں۔ آج بروز ..... بتارخ ..... ۲۰۱۷ء کو دستخط کئے گئے۔

رسیدی ٹکٹ پر دستخط

دستخط ممبر (رکن)

گواہان:

دستخط

گواہ کا پتہ

کمپیوٹر ایڈیشنل شاخی کارڈ یا پاپ سپورٹ نمبر ..... ممبر (رکن) جو اجلاس میں شرکت اور ووٹ دینے کا مجاز ہوا ہی جگہ اور ممبر (رکن) کو بطور مختار (پرائسی) شرکت کرنے اور ووٹ دینے کا حق تفویض کر سکتا ہے۔ سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو مختارنامہ (پرائسی) کے ہمراہ کمپیوٹر ایڈیشنل شاخی کارڈ یا پاپ سپورٹ کی مصدقہ نقول بھی مسلک کرنی ہوگی۔ مختار (پرائسی) کو اجلاس کے وقت اپنا کمپیوٹر ایڈیشنل شاخی کارڈ یا پاپ سپورٹ پیش کرنا ہوگا۔

کارپوریٹ ادارہ ہونے کی صورت میں بھیتیت ممبر (رکن)، بورڈ آف ڈائریکٹر زکی منظور شدہ قرارداد اپار آف اٹارنی بمعہ نمونہ دستخط ہمراہ مختارنامہ (پرائسی فارم) جمع کرانا ہوں گے۔

مختارنامہ (پرائسی فارم) پر ممبر (رکن) یا ان کے اٹارنی کے دستخط ہونا لازمی ہے۔ کارپوریٹ ادارہ ہونے کی صورت میں مختارنامہ (پرائسی فارم) پر کمپنی کی مہر ہونا بھی ضروری ہے۔ مختارنامے (پرائسی فارم) بمعہ نامزد کرنے شخص کی تصدیق شدہ پاوار آف اٹارنی (حصہ ضرورت) کمپنی کے رجسٹرڈ آفس میں اجلاس کے مقرر وقت سے کم از کم ۲۸ گھنٹے جمع کرانا ضروری ہے۔

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If undelivered please return to:

Jubilee Life Insurance Company Limited

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

Phone : (0092) (21) 35205095

Fax : (0092) (21) 35610959

Fold : Here

Fold : Here

# Proxy Form

I/We \_\_\_\_\_ of \_\_\_\_\_ (full address) being member (s) of Jubilee Life Insurance Company Limited and holder of \_\_\_\_\_. Ordinary Shares as per Share Register Folio No. \_\_\_\_\_ CDC Participant ID \_\_\_\_\_ CDC Account No. \_\_\_\_\_ hereby appoint Mr./Mrs./Miss \_\_\_\_\_ of \_\_\_\_\_ (full address) or failing him / her \_\_\_\_\_ of \_\_\_\_\_ or failing him / her \_\_\_\_\_ of \_\_\_\_\_ as my proxy to vote for me and on my behalf at the Annual General Meeting of the Company to be held on Tuesday, March 28, 2017 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 \_\_\_\_\_ 2017.

---

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.

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JUBILEELIFE.COM

**JUBILEE LIFE INSURANCE COMPANY LIMITED**

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