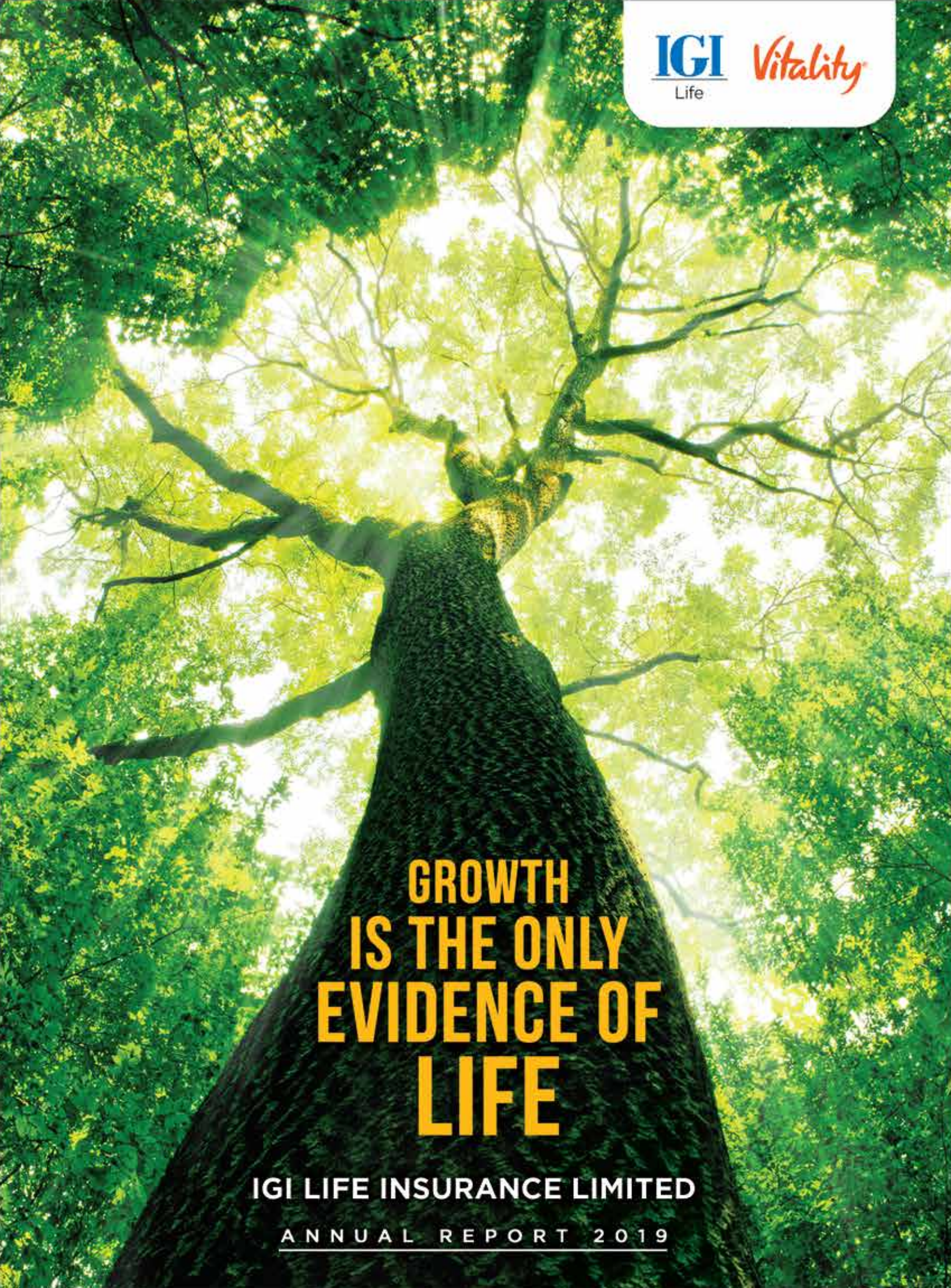


IGI LIFE INSURANCE LIMITED

ANNUAL REPORT 2019

OUR STORY

The IGI brand has been associated with the insurance industry since 1953 making it one of the earliest and most respected insurance providers in the Pakistani market. It falls under the IGI Holdings umbrella which is owned by the Packages Group.

The Packages Group is one of the most well reputed and diversified business conglomerates with investments in packaging, FMCGs, pharmaceutical and financial services sector. The group is also actively involved in and supports the development and nurturing of social, environmental and educational causes.

IGI Life is one of the most recent acquisitions of the group adding further diversity to its financial services portfolio. It was formed with the acquisition of American Life Insurance Company (Pakistan) Limted (Metlife Alico) in 2014 recognized amongst the leading life insurance companies in the private sector. IGI Life is focused on providing innovative products and comprehensive protection solutions.

VISION

Assure financial future today for
a better tomorrow.

MISSION

IGI Life provides innovative life and health insurance as well as investments solutions through ground-breaking innovation and exemplary customer service, leveraging different distribution channels.

Respect

Lead

Honesty

Care

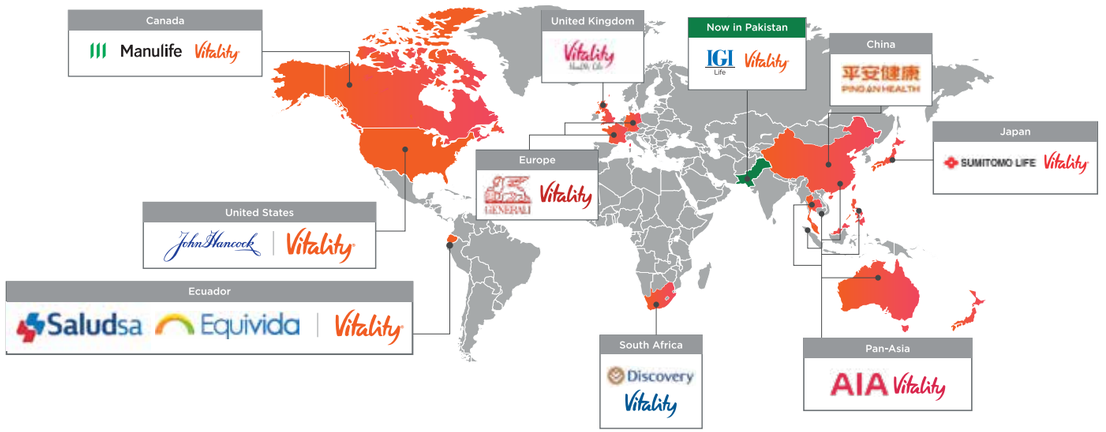
Courage

OUR VALUES

Vitality, the world's first shared-value insurance

In 1997, South Africa's leading insurance company Discovery launched Vitality, the world's first shared-value insurance, a business model that rewards people for adopting a healthy lifestyle. By blending smart tech, data incentives and behavioral science, Vitality brings a global perspective through successful partnerships with the smartest insurers and most forward-thinking employers around the world. More than 10 million people in 22 countries engage with the Vitality programme. For more information, please visit www.vitalitygroup.com.

Vitality across the globe



Global impact of Vitality:

- 34% increase in physical activity among the clients
- More than 6 million exercise goals rewarded every month
- More than 2 billion activities recorded
- More than 200,000 new members worldwide every month

Collaboration between IGI Life and Vitality Group

For the first time ever, IGI Life and IGI Life Window Takaful Operations, part of the Packages Group, collaborated with Vitality Group to enhance and protect lives in Pakistan with a positively different insurance/takaful plans. IGI Life Vitality aims to help people make the most of their health and wealth and incentivizes them through weekly, monthly and annual rewards.

IGI Life Vitality Plan

IGI Life Vitality Plan is an investment plan that is linked to the Vitality programme.

Based on the shared value insurance model, this plan encourages its members to lead a healthier life and offers them rewards for doing so.

The plan consists of two core aspects:

- **Vitality:** focuses on wellness by providing its members with an understanding of their current health status and incentivizes them to improve their health.
- **Insurance/Takaful coverage:** caters to its members; need for financial security and provides investment opportunities.

A Mobile-led Strategy

The programme is based on the shared-value approach that incentivizes members to manage their health. It helps them get healthier by giving them tools, knowledge, access and motivation to improve their health, and is based on a three-pronged approach:

- Know your health
- Improve your health
- Enjoy the rewards

The IGI Life Vitality App is the primary tool for engagement that helps its members achieve their goals by monitoring their activity and allowing them to redeem attractive rewards along the way.

1. Know Your Health

- Vitality Health Check
- Vitality Health Review
- Vitality Nutrition Assessment
- Non-smokers' Declaration
- Vitality Age

3. Enjoy the Rewards

- Weekly Rewards (Active Rewards)
  - Easy Ticket Mobile Top-Up
  - Foodpanda
- Monthly Reward
  - Up to 100% cashback on Samsung Galaxy Watch.
- Annual Reward
  - Integrated Benefit

2. Improve Your Health

- Policyholders/Participants earn physical activity points and get weekly rewards
- Policyholders/Participants receive points for completing the Know Your Health section, falling within the healthy range and completing their physical activity targets. The Vitality Active product consists of 4 statuses:
  - Bronze
  - Silver
  - Gold
  - Platinum

How is IGI Life Vitality Different from Traditional Life Insurance/Family Takaful?

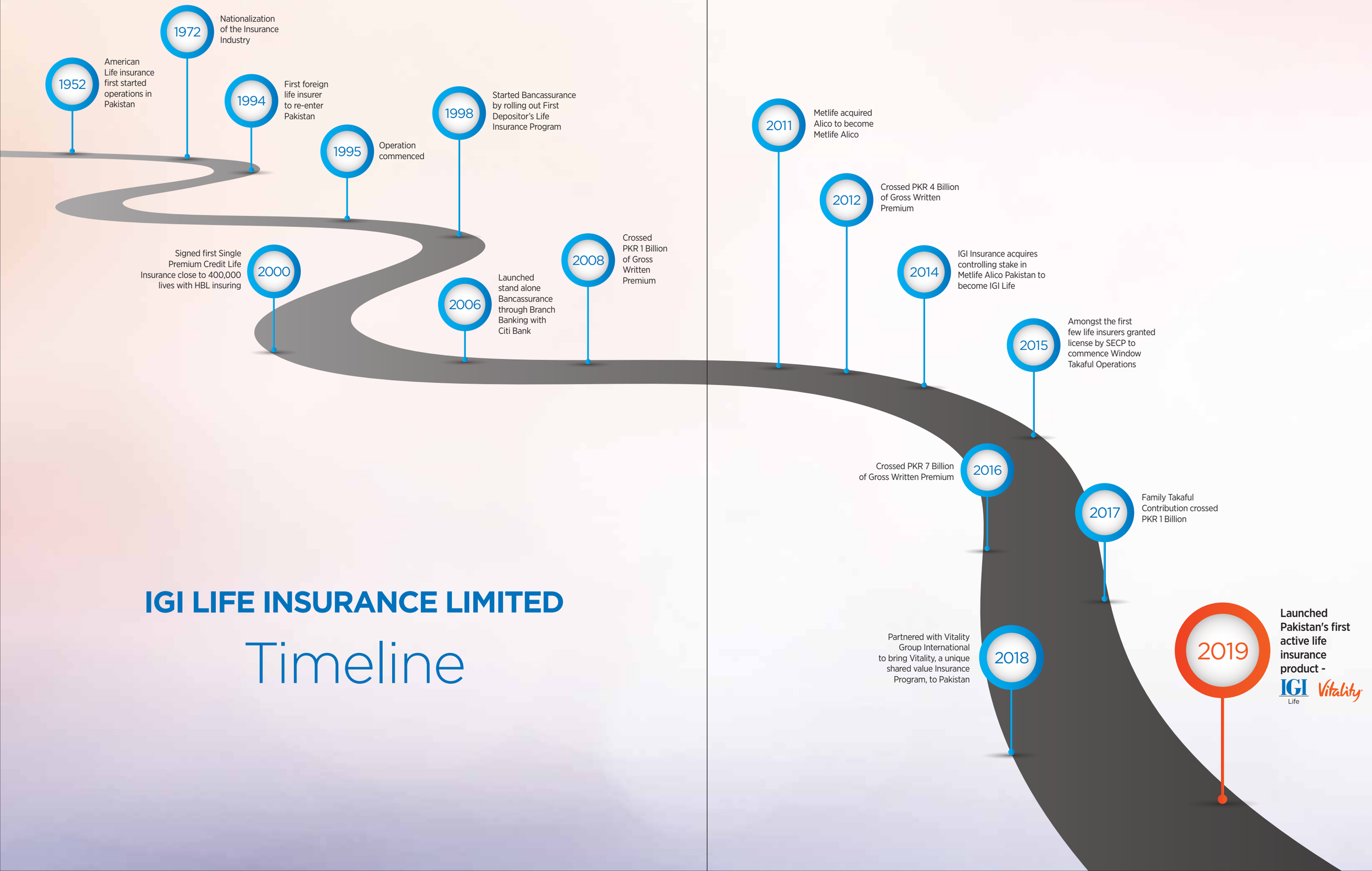
Traditional Life Insurance/Family Takaful	IGI Life Vitality Plan
Focused on fear of death, morbidity/disability	Focused on leading a healthy and active life
Commoditised product (life insurance policy/takaful membership)	Differentiated insurance/takaful plan + healthy and active lifestyle
Long-term investment, no short-term benefit	Long-term investment + Active Rewards on weekly basis + Up to 100% cashback on Samsung Galaxy Watch* + Annual Integrated Benefit*
Protects future of policyholder's/participant's family	Protects future of policyholder's/participant's family + leads to an improved healthy and active lifestyle of the policyholder/participant
Mobile app only for policy/membership details and general information	Mobile-led strategy, IGI Life Vitality App linked to device**
No focus on health	Focuses on health through screening assessments via Vitality Health Check + Vitality Health Review + Vitality Nutrition Assessment + Non-smokers' Declaration + Vitality Age
Low involvement product through yearly transactional relationship only	High involvement product through weekly engagements

*Terms and Conditions apply

** It is recommended to use a wearable device but your mobile can still track your physical activity through Samsung Health App for Android and Health App for iOS. For details, kindly call UAN (+92-21) 111-111-711. Terms and Conditions apply.

IGI LIFE INSURANCE LIMITED

Timeline



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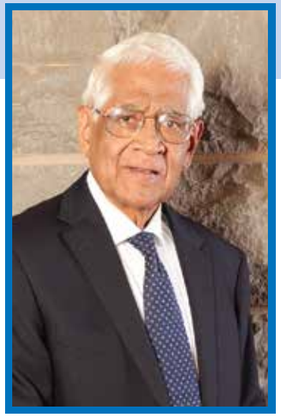
BOARD OF DIRECTORS



Shamim Ahmad Khan
Chairman

Mr. Shamim Ahmad Khan is the Chairman of the Board of Directors of the Company. As a member of Civil Service of Government, he occupied senior positions in the Government particularly in the Ministry of Finance. He retired as Secretary, Ministry of Commerce. For more than ten years, he served the Corporate Law Authority and was its Chairman for six years. The Authority administered all laws which regulated corporate sector in the country. He led the initiative for restructuring it into Securities and Exchange Commission of Pakistan and became its first Chairman. He has undertaken a number of consultancy assignments for the World Bank, ADB and DFID besides authoring papers on Capital Market issues.

Presently, he is serving as non-executive director of Packages Limited, IGI Holdings Limited, IGI General Insurance Limited, Abbott Laboratories Pakistan Limited and Attock Refinery Limited. He is also associated with non-profit organisations as a director of SDPI, a think tank and Karandaaz, promoting SME financing and digital finance. Earlier, he has been non-executive director of ABN Amro Bank and Royal Bank of Scotland as well as that of BOC Pakistan and Pakistan Reinsurance Company Limited.

Syed Hyder Ali
Chief Executive Officer and Executive Director

Syed Hyder Ali is the Chief Executive Officer and Executive Director of the Company. He is also the Chief Executive and Managing Director of Packages Limited, Lahore, Pakistan. He was graduated from University of Michigan, USA with a Bachelor of Science degree in Chemical Engineering in 1979. He completed his Master of Science in June 1981, specializing in Paper Chemistry from The Institute of Paper Chemistry, Lawrence University of Wisconsin, USA. In 1997, Mr. Ali also attended the program for Management Development at the Harvard Business School, Boston, USA.

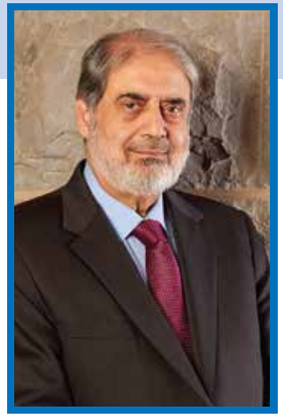
Mr. Ali has wide and varied professional working experience spanning over many years in paper production, conversion and packaging. Mr. Ali has been involved in the development and implementation of processes for the pulp and paper mill at Packages Limited. using wheat straw as a raw material. He is the co-author of two USA patents for the recycling of milk and juice cartons.

Mr. Ali serves on the Board of a number of companies like Bulleh Shah Packaging (Private) Limited, IGI General Insurance Limited, Nestle Pakistan Limited, Packages Lanka (Private) Limited, Sanofi-Aventis (Pakistan) Limited and Tri-Pack Films Limited.

He is a member of the Board of Governors/Directors of Babar Ali Foundation (BAF), National Management Foundation (NMF), Ali Institute of Education (AIE), Pakistan Centre for Philanthropy (PCP), and Pakistan Business Council (PBC). He is also a Member of the Executive/Advisory Committee of Syed Maratib Ali Religious and Charitable Trust Society, Lahore University of Management Sciences (LUMS) and International Chamber of Commerce (ICC) Pakistan.

He is the Honorary Consul General of Sweden in Lahore since 1998. On May 6, 2015, he was conferred, "The Commander of the Grand Cross" by His Majesty, The King of Sweden.

BOARD OF DIRECTORS

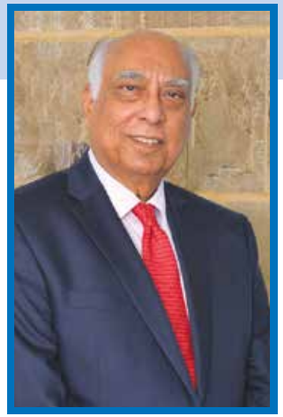


Syed Yawar Ali
Director

Syed Yawar Ali is a Non-Executive Director of the Company. He was educated at Aitchison College Lahore and got his Bachelors in Chemical Engineering and Masters in Management Science from Stevens Institute of Technology in New Jersey (USA). He also completed the Advance Management Program (AMP 111) from Harvard Business School in 1992. He joined his family business i.e. Packages Limited in 1972 and then became the Managing Director of Milk Pak Limited. In 1988, Milk Pak joined hands with Nestle for a very successful Joint Venture.

Syed Yawar Ali is currently the Chairman of Nestle Pakistan Limited, Wazir Ali Industries Limited and Prime Genetics (Private) Limited. He has also been on the Board of Directors of State Bank of Pakistan and Pakistan International Airlines. He has also been the Chairman of Lahore Electric Supply Company, Agricultural Development Bank of Pakistan and Pakistan Dairy Association.

He is the Co-Chair of Pakistan India Joint Business Forum (PIJBF). This committee is notified by Ministry of Commerce (Pakistan) to "Promote Trade with India". He is also a member of United Nations Committee for Contributions, Pakistan Expo (Private) Limited, Special Economic Zones Board of Approvals" Chaired by Prime Minister and Prime Minister Task Force on Science & Technology. He is also the Director of Punjab Board of Investment & Trade. He is also the Chairman of Steering Committee of Dairy & Rural Development Foundation and Pakistan Business Council.



Hasan Askari
Director

Mr. Hasan Askari is a Non-Executive Director of the Company. He is also a Director of IGI Holdings Limited. He was educated at the University of Oxford and has an M.A. in Politics, Philosophy and Economics.

He has been an investment banker since 1975, initially with SG Warburg & Co. Limited. London. (Now UBS Limited) and subsequently with JP Morgan Chase Investment Bank in Hong Kong and Barclays Capital in Tokyo and London. He was most recently at Old Mutual PLC, London as Chief Executive of its business in the United Kingdom, Europe and Asia. He was also Chairman of Old Mutual Asset Managers. Since retirement in 2009, he has been Chairman of Aberdeen India Investment Trust PLC, a company listed on the London Stock Exchange and a Director of the Lloyd George Indian Ocean Fund, Hong Kong.

Past associations include Chairmanship of Aqua Resources Fund Limited, a London listed private equity firm and Directorship of Sun Life of Canada in the United Kingdom. He was appointed a Trustee of the British Museum in 1999 by the Prime Minister of the United Kingdom and of the Great Ormond Street Hospital for Children in London.

BOARD OF DIRECTORS

Khurram Raza Bakhtayari
Director

Mr. Khurram Raza Bakhtayari is associated with the Company as a Non – Executive Director. He did his Bachelors in Commerce in 1997 from the Hailey College of Commerce, University of the Punjab, Lahore. He qualified his Chartered Accountancy in 2002 from the Institute of Chartered Accountants of Pakistan and became the fellow member of the Institute in January 2013. He is the Chief Financial Officer of Packages Limited. He holds directorship of the board of several companies which currently includes, Packages Real Estate (Private) Limited, Anemone Holdings Limited, Bulleh Shah Packaging (Private) Limited, DIC Pakistan Limited, Flexible Packages Convertors (Pty) Limited, Maxim Feeds (Private) Limited, Packages Lanka (Private) Limited, IGI Investments (Private) Limited, OmyaPack (Private) Limited, Tetra Pak Pakistan Limited and Tri-Pack Films Limited.

Mohammad Kamal Syed
Director

Mr. Mohammad Kamal Syed is associated with the Company as an Independent Director. He is also the Managing Director of Coutts & Co and is Head of Natwest Group's Asset Management Business. He has a breadth of international experience spanning Investment Banking and the Fund Management Industry. Prior to Coutts, he was CEO and founder of hedge fund group Axiom, and CEO of a leading multi-family office. He spent several decades working in Investment Banking in senior roles including Managing Director and Regional Head of Barclays Capital. He was also Deputy Head of Global Derivatives and a member of the Management and Operations Committees of Barclays Capital. Subsequently, he ran Bank of Tokyo-Mitsubishi UFJ's Investment Bank and was the Chairman of the Executive Committee and member of the Executive Board.

BOARD OF DIRECTORS

Naz Khan
Director

Ms. Naz Khan is currently the Managing Director of X-Petroleum Limited. Prior to this, she was the Chief Financial Officer of Engro Corporation Limited (Corp). During this period, she was part of the team at Corp that implemented a successful turn-around through several transactions including restructurings, listings and new projects.

Previously, Naz has been involved with the financial and capital markets for over 18 years on the asset management, investment banking and broking sides.

Naz has also served on the Boards of Mutual Fund Association of Pakistan (MUFAP), Young Presidents' Organization (YPO) and several company boards, which currently includes, Shell Pakistan, The Pakistan Stock Exchange Limited, UBL Fund Managers Limited and IGI Life Insurance Limited.

Naz holds a B.A. in Economics from Mount Holyoke College, MA, USA and has attended leadership and management courses at INSEAD, Harvard University and Georgetown University.

Corporate Information

Board of Directors

Shamim Ahmad Khan	Chairman	Khurram Raza Bakhtayari	Director
Syed Hyder Ali	Chief Executive Officer	Ms. Naz Khan	Director
Hasan Askari	Director	Mohammad Kamal Syed	Director
Syed Yawar Ali	Director		

Audit Committee

Mohammad Kamal Syed	Chairman	Khurram Raza Bakhtayari	Member
Hasan Askari	Member	Awais Hanif	Secretary
Syed Yawar Ali	Member		

Claims Settlement Committee

Shamim Ahmad Khan	Chairman	Akif Zia Malik	Member
Syed Yawar Ali	Member	Kashif Qayyum	Secretary

Underwriting & Reinsurance Committee

Hasan Askari	Chairman	Abdul Haseeb	Member
Syed Hyder Ali	Member	Ali Nadim	Member
Mohammad Kamal Syed	Member	Hasham Wajih	Secretary
Tahir Masaud	Member		

Investment Committee

Mohammad Kamal Syed	Chairman	Khurram Raza Bakhtayari	Member
Hasan Askari	Member	Abdul Haseeb	Member
Syed Hyder Ali	Member	Ali Nadim	Member
Syed Yawar Ali	Member	Sajjad Iftikhar	Secretary
Tahir Masaud	Member		

Ethics Human Resources Nomination & Remuneration Committee

Ms. Naz Khan	Chair Person	Syed Hyder Ali	Member
Khurram Raza Bakhtayari	Member	Muhammad Adnan	Secretary
Syed Yawar Ali	Member		

Risk Management and Compliance Committee

Shamim Ahmad Khan	Chairman	Mohammad Kamal Syed	Member
Ms. Naz Khan	Member	Khurram Raza Bakhtayari	Member
Syed Yawar Ali	Member	Ayesha Haq	Secretary

Corporate Information

Head of Business and Operations
Tahir Masaud

Chief Operating Officer
Ali Nadim

Chief Financial Officer
Abdul Haseeb

Head of Internal Audit
Shahzeb Haider

Head of Compliance
Saira Sheikh

Company Secretary
Awais Hanif

Head of Window Takaful Operations
Zurre Atta Hussain

Appointed Actuary
Shujat Siddiqui MA FIA FPSA

Shariah Advisor
Dr. Mufti Ismatullah

Shariah Compliance Officer
Mufti Muhammad Hanif

Legal Advisor
Surridge and Beecheno
HaidermotaBNR & Co.
OrrDignam & Co.

Rating
Rating Agency: PACRA
Insurance Financial Strength (IFS)
Rating: A+
Outlook: Stable

Auditor
A. F. Ferguson & Co.
Chartered Accountant
A member firm of
PricewaterhouseCoopers

Share Registrar
FAMCO Associates
(Private) Limited
8-F next to Hotel Faran,
Nursery, Block 6, P.E.C.H.S.,
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Bank Al-Habib Limited
MCB Islamic Bank Limited
Faysal Bank Limited
Habib Bank Limited
Soneri Bank Limited
MCB Bank Limited
Meezan Bank Limited
Summit Bank Limited
Bank of Punjab Limited
Dubai Islamic Bank Pakistan Limited
Samba Bank Limited
United Bank Limited
Bank Al Baraka Limited
Telenor Microfinance Bank Limited
Mobilink Microfinance Bank Limited
U-Micro Finance Bank Limited
FINCA Microfinance Bank Limited
NRSP Microfinance Bank Limited
First Microfinance Bank Limited
Khushali Microfinance Bank Limited
Silk Bank Limited

Our Nationwide Network

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Our Nationwide Network

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Central Region Kasur

Kasur Branch

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North Region Rawalpindi

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Our Nationwide Network

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North Region Sialkot

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Shahid Iqbal
Group Manager
Floor 3, Ghouri Centre,
G.T. Road, Gujranwala.
Tel: 055-3843586
Email: shahid.iqbal@igi.com.pk

North Region Gujrat

G. T. Road Gujrat Branch

M. Bashir
Group Manager
Floor 2, Faisal Plaza, G. T. Road, Gujrat
Email: muhammad.bashir@igi.com.pk

Muhammad Yousaf
Senior Branch Manager
Floor 2, Faisal Plaza, G. T. Road, Gujrat.
Tel: 0331-6236623
Email: muhammad.yousaf@igi.com.pk

North Region Mirpur

Mirpur Branch

Muhammad Shahzad
Group Manager
Floor 1, Jarral Plaza, Kotli Road, Sector F-1,
Mirpur Azad Kashmir.
Tel: 05827-437126
Email: muhammad.shahzad@igi.com.pk

Our Nationwide Network

North Region Islamabad

Blue Area Islamabad Branch

Masud Ahmed
Zonal Manager
Plot No. 52, Block E, Floor 4, East Dhody Building,
Jinnah Avenue, Blue Area, Islamabad.
Tel: 0321-1684609
Email: masud.ahmed@igi.com.pk

Kahkashan
Group Manager
Plot No. 52, Block E, Floor 4, East Dhody Building,
Jinnah Avenue, Blue Area, Islamabad.
Tel: 0300-2571908
Email: kahkashan@igi.com.pk

Mehmood Uz Zaman Hayder
Group Manager
Plot No. 52, Block E, Floor 4, East Dhody Building,
Jinnah Avenue, Blue Area, Islamabad.
Tel: 0300-5164717
Email: mehmood.zaman@igi.com.pk

Nosheen Aslam
Senior Branch Manager
Plot No. 52, Block E, Floor 4, East Dhody Building,
Jinnah Avenue, Blue Area, Islamabad.
Tel: 0331-5380934
Email: nosheen.aslam@igi.com.pk

South Region Karachi

Regional Office Shahrah-e-Faisal Karachi

Syed Muhammad Abbas Rizvi
Head of Agency Sales - South
Suit no. 701-702,
7th floor Park Avenue,
Main Shahrah e faisal,
Block-6 P.E.C.H.S.,
Karachi.

Adeel Aftab
Zonal Manager
Suite No. 701-702, 7th Floor,
Park Avenue, Main Shahrah-e-Faisal,
Block 6 P.E.C.H.S., Karachi.
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Ali Zer Akram
Group Manager
Suite No. 701-702 7th Floor,
Park Avenue, Main Shahrat
Block 6 P.E.C.H.S., Karachi.
Email: aliakram@igi.com.pk

Ghazala Masood
Senior Branch Manager
Suite No. 701-702 7th Floor,
Park Avenue, Main Shahrah-e-Faisal,
Block 6 P.E.C.H.S., Karachi.
Tel: 0334-3453921
Email: ghazala.masood@igi.com.pk

Muhammad Adeel Alam
Senior Branch Manager
Suit no. 701-702 7th Floor,
Park Avenue, Main Shahrah e faisal,
Block-6, P.E.C.H.S., Karachi
Email: ag.adeel.alam@igi.com.pk

Hassan Mehmood
Senior Branch Manager
Suit no. 701-702 7th Floor,
Park Avenue, Main Shahrah e faisal,
Block-6 P.E.C.H.S.,Karachi
Email: ag.hassan.mehmood@igi.com.pk

Madina Mall Branch

Saima Nadeem
Regional Manager
Suite No. 512, Floor 5,
Madina City Mall, Zainab Market,
Saddar, Karachi.
Tel: 021-35223731
Email: khi.saima@igi.com.pk

Clifton Branch

Syed Asif Ahmed
Zonal Manager
3rd Floor, The Plaza, Office # 307,
Block-9, Clifton, Karachi.
Email: syed.asif@igi.com.pk

Fahad Laique
Group Manager
3rd Floor, The Plaza, Office # 307,
Block-9, Clifton, Karachi.

Tahir Sajjad Ali
Senior Branch Manager
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Block – 9, Clifton, Karachi
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Muhammad Asif
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Suit no. 701-702 7th Floor,
Park Avenue, Main Shahrah e faisal,
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Email: ag.m.asif@igi.com.pk

South Region Hyderabad

Hyderabad Branch

Ali Gohar
Senior Branch Manager
2nd Floor, Badri Manzil,
C-S No.F-17, Risala Road,
Hyderabad.

South Region Sukkur

Sukkur Branch

Kahif Hussain
Zonal Manager
Mazzanine Floor-B,Chamber Plaza,
Near Chamber of Commerce at
Bunder Road, Sukkur.

Mushtaque Ali
Senior Branch Manager
Mazzanine Floor-B,Chamber Plaza,
Near Chamber of Commerce at
Bunder Road, Sukkur.
Email: ag.mushtaque.ali@igi.com.pk

Chairman's Review

I am pleased to present review of IGI Life Insurance Limited as Chairman for the year ended December 31, 2019.

During the year, there was an increase in gross premium. However, the financial performance was adversely impacted by expenses on the introduction of a new product 'Vitality' and implementation of IT based core business application catering to Life insurance businesses. Board of Directors played an active role in guiding the management in the introduction of new products based on Vitality and upgradation of company's IT legacy application.

The Board comprises of directors having varied background and rich experience in the fields of business, insurance, finance and regulations. The Board has provided strategic direction to the management and ensured compliance with all regulatory requirements by the management. The Board has also provided guidance to the management from time to time. As required under the Code of Corporate Governance, the Board has evaluated its own performance through a mechanism developed by it and the Chairman has assessed the performance of each director.

The Board has constituted Audit Committee, Human Resources and Ethics Committee, Claims Settlement Committee, Underwriting and Reinsurance Committee, Investment Committee and Risk Management and Compliance Committee. These committees have met every quarter prior to the meetings of the Board. These committees provided valuable input and assistance to the Board. The Audit Committee particularly focused on effectiveness of internal controls while the Risk and Compliance Committee identified risks and recommended mitigation measures.

Shamim Ahmad Khan
Chairman
Dated: March 06, 2020

Directors' Report to the Members

The Directors of your Company take pleasure in presenting to you the 25th Annual Report of the Company along with the audited financial statements for the year ended December 31, 2019.

The year 2019 was an eventful year for the Company with the launch of our flagship product Vitality. This product is a shared value wellness program, which rewards the policyholder for maintaining a healthier lifestyle. The program branded as "IGI Life Vitality" has been introduced in collaboration with Vitality Group International. The program captures physical activity of the policyholders in real time and qualifies them for both short and long-term rewards upon meeting certain fitness targets. Through Vitality, we aim to promote an active Life Insurance for a healthier Pakistan.

This program required a large investment in our IT systems in addition to payment of franchise fees and building up our distribution platform. Hence, the Board of Directors of the Company, in its meeting held on June 14, 2019, had approved the issuance of right shares amounting to Rs 1 billion. This injection of fresh equity enabled the Company to maintain sufficient solvency margins despite investing in this major project.

The Company believes with this product it is much better equipped to create value for its shareholders and policyholders alike in the years to come.

COMPANY PERFORMANCE REVIEW 2019

GROSS PREMIUM

In 2019, Gross Premium written by your Company (including Takaful Contributions) stood at Rs. 4.81 billion as compared to Rs 4.79 billion in 2018.

Individual life regular premium (including takaful contributions) posted growth of 8% and stood at Rs.2.40 billion from Rs. 2.22 billion in 2018. Renewal premium base increased to Rs. 1.72 billion (2018: Rs. 1.64 billion), registering a growth of 5% from last year.

The Group Life and Health premium (including Takaful Group Family and Health) stood at Rs. 1.97 billion (2018: Rs. 1.66 billion), posting growth of 19% from last year.

Single premium/contribution individual policies declined from Rs 909 million last year to Rs 444 million.

INVESTMENTS

Your Company maintains a strong investment portfolio of Rs. 17.35 billion (2018: Rs 15.68 billion) representing 86% (2018: 84%) of the total assets of the Company. The Company follows a prudent investment policy to protect policyholder funds and ensure stable and consistent investment returns to them.

The Company offers 13 unit-linked funds in the conventional insurance business and 3 unit-linked funds in the Individual Family Takaful. These funds have varying risk exposure catering to return appetite of individual policyholders

During 2019, Stock Market remained volatile due to deteriorating fiscal deficit, currency devaluation, rising interest rate and rising utility prices. On fixed income side, policy rate was increased by the State Bank of Pakistan from 10.0% to 13.25% during 2019.

Conventional Aggressive, Balanced, Secure and Conservative funds have yielded gross returns of 11.69%, 12.05%, 13.50% and 13.30%. respectively during the year.

The Company launched its Window Takaful Operations at the end of 2015 and has built funds under management of Rs. 2.135 billion over the period of four years. Takaful Aggressive, Balanced and Conservative funds have yielded gross returns of 9.28%, 9.47% and 9.24% respectively during 2019.

PROFITABILITY

The summarized view of profit and loss account is as follows:

Profit / Loss	Rupees in 000's 2019	2018
Net loss before tax	(245,797)	(134,076)
Taxation	(69,079)	(39.373)
Net loss after tax	(176,718)	(94,703)
Other comprehensive income / (loss) – net	63,577	(25,164)
Loss per share	(1.29)	(0.78)
Break-up value per share (including amount retained in the statutory funds to meet the requirement of Insurance Ordinance)	13.14	19.19

The Company has recorded a loss after tax of Rs. 176 million in 2019 against loss after tax of Rs. 95 million in 2018 (including surplus/ deficit of statutory funds).

As explained earlier, the major reason for this loss is the launch of 'Vitality' wellness program and implementation of new IT based core business application during the year which required significant expenses to be incurred amounting to Rs. 237.23 million.

CONTINGENCIES AND COMMITMENTS

As disclosed in note 25.1, the Company is of the view that the levy of sales tax on life insurance business needs to be reviewed in the interest of sustainability and growth of Life Insurance business in Pakistan. The matter for the renewal of the exemption has been taken up by the Insurance Association of Pakistan (IAP) with the sales tax authorities. Besides based on legal advice, the Company along with other insurance companies has challenged the levy of sales tax in respective High Courts of Punjab and Sindh. The petitions are pending adjudication.

APPROPRIATIONS AND SOLVENCY MANAGEMENT

On the recommendation of the appointed actuary and with the approval of the Board, the Company has made a surplus transfer of Rs.16.020 million from the Statutory Funds to the Shareholders' Fund.

LIFE PARTICIPATING FUND

Policies sold under the Life Participating Fund entitles the policyholder to participate in the Surplus generated during the period, upto the limits prescribed by SECP. The distribution is made in the form of bonus to policyholders. The bonus so distributed is recommended by the Appointed Actuary and approved by the Board. During the year 2019, bonus of Rs. 144.18 million (2018: Rs. 140.4 million) was distributed among the policyholders.

CLAIMS

Prompt settlement of claims has always remained top priority of the Company. Over the years, your Company has strived to streamline its claims settlement processes in order to reduce turnaround time and strengthening controls over claim administration.

During the year, the Company paid claims amounting to Rs. 1.74 billion (2018: Rs. 1.31 Billion).

PRODUCTS AND DISTRIBUTION CHANNELS

The Company has continued to promote its distinctive product suite. Takaful variants of the products have been launched in both the Banc assurance and Agency distribution channels. The Company has enhanced its digital footprint and has also partnered with multiple aggregators to make the products available via digital platform.

BOARD COMPOSITION AND REMUNERATION

Composition of the Board and the names of Members of the Board sub-committees may be seen at Page No. 18 and 19. As required by the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, your Company has formulated a transparent framework for remuneration of its Directors.

UNDERWRITING, REINSURANCE AND RISK MANAGEMENT

Your Company is following prudent underwriting practices. The Company has made significant investment in its Human Capital, Technology and Infrastructure to support underwriting function.

Your Company follows a policy for optimizing retention of risk through a carefully designed program of reinsurance. The Company has reinsurance treaties with reputable international reinsurers.

CAPITAL MANAGEMENT AND LIQUIDITY

The Company maintains adequate capital to support its existing and planned business activities. The Company's paid-up capital and retained earnings stands at Rs. 1,705 million and Rs. 535 million respectively.

Further, the Company had also issued right shares amounting to Rs. 1 billion to improve its profitability and solvency margins.

The Company has a framework in place to ensure that adequate liquidity is available for payment of claims and meeting operating expenses. The Company's cash and cash equivalents as of December 31, 2019 amounts to Rs. 1.64 billion (2018: Rs. 1.83 billion).

The risks and opportunities associated with the Company and its business along with the mitigation controls implemented are fully disclosed on page 32 and 33 of the report.

INFORMATION TECHNOLOGY AND OPERATIONAL EFFICIENCY

Your Company is continuously striving to provide quality service to its policyholders, participants and other stakeholders.

The Company has implemented new products like IGI Life Vitality on new IT system procured from a globally reputed firm. The new system functionality will help improve operational efficiency and provide better customer service. Also, a number of new Portals and Mobile applications have been launched to service our clients. This also enables IGI to reach the clients at home/office through their personal devices.

Furthermore, your Company has also upgraded the Call Center to provide better client servicing.

RELATED PARTY TRANSACTIONS

At each Board meeting, the Board of Directors approves Company's transactions made with associated companies and related parties based on the recommendations of the Audit Committee. All such transactions are executed at arm's length basis using comparable uncontrolled price method and cost sharing arrangements.

HUMAN RESOURCE MANAGEMENT

During the current year, the Company strengthened its human capital through recruitment of professional and qualified personnel in various departments including in Sales and Marketing, Underwriting, Claims, Finance, Actuarial, Human Resources and Customer Services. During 2019, the Company carried out various training and development programs for the staff and the sales force.

INTERNAL AUDIT

Your Company has an in-house internal audit function which is overseen by the Audit Committee. The Internal Audit function ensures compliance with regulatory obligations.

AUDITORS

Based on the recommendation of the Audit Committee, the Board of Directors has recommended appointment of M/s. A.F. Ferguson and Co. Chartered Accountants as external auditors of the Company.

HOLDING COMPANY

The Company is a subsidiary of IGI Holdings Limited (formerly IGI Insurance Limited) that holds 82.69% (2018: 81.97%) share capital of the Company.

INSURER FINACIAL STRENGTH RATING

During the current year, the Company's has maintained its IFS rating from PACRA. The Company has been given an A+ IFS rating with a stable outlook.

CORPORATE SOCIAL RESPONSIBILTY

As a part of its Corporate Social Responsibilities (CSR), the Company organized a Blood Donation Drive on the occasion of Insurance Day. The activity was conducted in collaboration with Aga Khan University Hospital.

OUTLOOK

With the introduction of a new innovative product, revamping of the IT system and our customer services and managed care call centers, expanded distribution platform and a robust risk management framework, your Company is well poised to capture opportunities in the growing life insurance market.

GRATITUDE

We take this opportunity to express our appreciation to, SECP for their valuable assistance, support and guidance. The Board of Directors would also like to express sincere thanks and appreciation for the contribution made by the employees. Lastly, our thanks goes to our policyholders and shareholders whose continued patronage has been a source of encouragement for the Company.

On behalf of the Board of Directors

Syed Hyder Ali
Chief Executive Officer
Dated: March 06, 2020

Shamim Ahmad Khan
Chairman
Dated: March 06, 2020

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

Statement under the Code of Corporate Governance

The Directors of your Company state as under:

a) The financial statements, prepared by the management of the Company fairly presents the state of affairs, the result of its operations, cash flows and changes in equity.

b) Proper books of account of the Company have been maintained.

c) Appropriate accounting policies have been applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

The financial statements have been prepared in conformity with the Companies Act, 2017 Insurance Ordinance, 2000 International Financial Reporting Standards and other regulations (including but not limited to the Shariah guidelines / principles) as applicable in Pakistan.

d) The internal control system is sound in design and has been effectively implemented and monitored.

e) There is no doubts about the Company's ability to continue as a going concern.

f) There has been no material departure from the best practices of corporate governance, as detailed in Rule Book and Listing Regulations.

g) There are no statutory payments on account of taxes, duties, levies and charges, which are outstanding as at December 31, 2019, except as those disclosed in the financial statements.

h) The value of investments by the staff retirement fund operated as per their respective unaudited financial statements as at December 31, 2019 are as follows:

Employee Provident Fund	Rs. 51.745 million
Employee Gratuity Fund	Rs. 26.650 million

i) At present, all Directors are in compliance with the requirements of the directors training program as stipulated in the regulation.

j) Key operating and financial data for last six years is attached to these financial statements.

As required under the Insurance Ordinance 2000, the Directors confirm that:

- In their opinion and to the best of their belief the annual statutory accounts of the Company set out in forms attached with this statement have been drawn up in accordance with Insurance Ordinance, 2000 and any rules made thereunder;

- The Company has at all times in the year complied with the provisions of the Ordinance and the rules made thereunder relating to the paid-up capital, solvency and re-insurance arrangements on aggregate basis, except for the matter fully disclosed in note 40.1 to these financial statements; and as at the date of the statement, the Company continues to be in compliance with provisions of the Ordinance and the rules thereunder as mentioned above.

Board Meetings and Change in Directorships

The Board of Directors of the company comprises of two independent, one executive and four non-executive directors.

During the year no casual vacancies arose on the board.

Name of Directors	Board Committee
Number of meetings held	5
Shamim Ahmad Khan	4
Syed Hyder Ali	5
Hasan Askari	5
Syed Yawar Ali	4
Mohammad Kamal Syed	4
Khurram Raza Bakhtayari	5
Ms. Naz Khan	4

Meetings of the Board of Directors, Audit, Underwriting, Reinsurance, Claims, Investment and Human Resources and Remuneration Committee were held according to schedule. The details of the meetings held and attendance by each Director in the meeting of the Board and its sub-committees are as follows:

Trade in shares by Directors, executives and their spouses and minor children

During the year, no trading in the shares of the Company was carried out by the Directors, Executives and their spouses and minor children.

Pattern of Shareholding

The pattern of Shareholding as at December 31, 2019 as required under section 227 of the Companies Act, 2017 and the Code of Corporate Governance is included in the annual report.

AUDIT COMMITTEE

The Audit Committee comprises of three non-executive Directors and one independent Director. The terms of reference of the Audit Committee are aligned with the Code of Corporate Governance. The Committee meets at least once in a quarter.

Name of Members	Audit Committee
Number of meetings held	4
Mohammad Kamal Syed	3
Hasan Askari	4
Syed Yawar Ali	4
Khurram Raza Bakhtayari	4

CLAIM SETTLEMENT COMMITTEE

This Committee approves the Claims Settlement policy of the Company. It oversees the claim position of the Company and ensures that adequate claims reserves are maintained. It pays particular attention to extraordinary claim cases. The Claims Settlement Committee ensures prompt settlement and payment of claims. It reviews all outstanding cases including those before the court, Insurance Ombudsman and the tribunal. It also reviews fraudulent claim cases.

Name of Members	Claims Committee
Number of meetings held	4
Shamim Ahmad Khan	4
Syed Yawar Ali	4

UNDERWRITING AND REINSURANCE COMMITTEE

This Committee ensures that adequate reinsurance arrangements are in place. It evaluates the proposed reinsurance arrangements prior to execution, reviews the arrangements from time to time and subject to the consent of the participating reinsurer and makes appropriate adjustments as and when necessary. It also assesses the future effectiveness of the reinsurance program

The Committee also formulates the underwriting policy of the Company. It sets out the criteria for assessing various types of insurance risks. It regularly reviews the underwriting policies with due regard to its business portfolio and the market development.

Name of Members	Underwriting and Reinsurance Committee
Number of meetings held	4
Hasan Askari	4
Syed Hyder Ali	4
Mohammad Kamal Syed	3

ETHICS, HUMAN RESOURCE, NOMINATION & REMUNERATION COMMITTEE:

The Ethics, Human Resources, Nomination and Remuneration Committee is responsible for formulation of Human Resource policies of the Company. It assists the Board in selection, evaluation, compensation of senior officers including Chief Executive Officer, Deputy Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit. It also recommends succession planning of these officers. It regularly reviews the Human Resource policies.

Name of Members	Human Resources & Remuneration Committee
Number of meetings held	3
Ms. Naz Khan	3
Syed Hyder Ali	3
Khurram Raza Bakhtayari	3
Syed Yawar Ali	3

INVESTMENT COMMITTEE

The Investment Committee is responsible for supervising the Investment function to ensure optimum returns and safeguarding the policyholder's funds. The committee review and approve the investment policy for various funds managed by the Company.

Name of Members	Investment Committee
Number of meetings held	4
Mohammad Kamal Syed	3
Syed Hyder Ali	4
Hasan Askari	3
Syed Yawar Ali	4
Khurram Raza Bakhtayari	4

CODE OF CONDUCT

Your Company has been offering traditional life insurance, universal life and unit linked plans to its customers for their future financial security. We strictly comply with the Market Code of Conduct prescribed by SECP and accordingly disclose all the material facts of our products to the prospective clients.

The Company has also introduced Code of Ethics for employees, which they are required to sign each year.

Syed Hyder Ali
Chief Executive Officer
Dated: March 06, 2020

Shamim Ahmad Khan
Chairman
Dated: March 06, 2020

Key Risks and Opportunities

A) RISK AND ITS MITIGATION STRATEGIES:

S.No.	Risk Name	Description of the Risk	Mitigation Strategy / Controls Implemented by the Company
1	**Regulatory and Compliance Risks**	The Company is operating in a regulated environment governed by Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Rules, 2017 and other insurance related regulations issued by the Securities and Exchange Commission of Pakistan (SECP) from time to time. The Company is strictly required to comply with requirements of applicable laws and regulations failure to which may cause penalties and reputational damages.	The Company through its Risk Management and Compliance Committee (Committee) identifies and mitigates the regulatory and compliance related risks. The Committee oversees the Risk and Compliance Function (Function), comprises of team of professionals, which remain cognizant with upcoming changes in the regulatory requirements. The role of the function is to identify and communicate the risks to the Management and the Committee. Moreover, the Company also ensures the continuous training and development of employees with respect to legal and regulatory requirements through its frequent training programs.
2	**Economic and Political Risks**	Historically, the Economy of Pakistan has remained volatile due to political instability, foreign debt burden, current account deficit, significant fluctuations in foreign exchange rates, inflation and related increase changes in interest rates and volatility in equity markets. These have significant impact on the Company.	The Company has an Investment Function (Function) which manages the risk by diversifying the investments portfolio into fixed income securities, money market securities and equity securities and keeping a sight on the political and economic environment of the Country. The function is governed by the Investment Management Committee (Committee) which recommends the Board regarding risks and actions associated with the financial markets due to recent economic and political conditions of Pakistan. The Committee also provides a guideline by forming Prudent Investment Policy which is pro-actively monitored to counter any challenges faced.
3	**Liquidity Risks**	The life and health insurance business is always adhered to financial risks as its primary objective is to provide protection to its policyholders. The unusual claims pattern, impairment of any financial assets, accidents and catastrophes, failure of reinsurers to provide timely coverages, maturity profiles of the financial assets and volatility in the equity and fixed income markets might expose the Company to Financial and Liquidity Risks.	The Finance department in coordination with Investment Function of the Company ensure the availability of sufficient cash and cash equivalents all the time with Company. Furthermore, they also monitor the quality of the assets and its maturity profiles to manage its liquidity risks. The Investment function also ensures the credit worthiness of the financial assets available.
4	**Underwriting and Reinsurance Risks**	The Company operates with Individual Life, Group Life and Health and Unit Linked Insurance products which might expose the Company in failure of meeting the financial liability of the Policyholders. Further, there is also a risk that the cession might not be adequate based the on the risk appetite of the Company or the reinsurer might fails to meet the obligations ceded by the Company.	The Company offers various products suites. These are reviewed internally by the Management as well as approved by the Appointed Actuary. The Management pro-actively monitors the same by maintaining various MIS and corrective actions are taken where ever necessary. Further, the Company also cede its risks with the reinsurers based on the risk appetite of the Company. While selecting the reinsurer, the Company assess its credit worthiness and ratings which is also being continuously monitored periodically.
5	**Credit Risks**	The Company is also exposed to the credit risk as it has an exposure with banks, asset management companies, corporate customers, brokers etc.	The Company has an approved credit policy which provides detailed guidelines regarding the exposure limits and assessment criteria for credit facilities. The management actively monitors the same by party-wise aging analysis and its credit worthiness and timely actions are made to protect the assets of the Company.

Key Risks and Opportunities

A) RISK AND ITS MITIGATION STRATEGIES:

S.No.	Risk Name	Description of the Risk	Mitigation Strategy / Controls Implemented by the Company
6	**Operational Risks**	The operations of the Company are the most important in providing quality services to its Policyholders. The might be exposed to risk that the services of the Company are disrupted due to failure of IT systems, lengthy business processes, excessive usage of resources making expensive and non-compliance with the regulatory requirements.	The Company has an Internal Audit department (Department) oversight by the Board Internal Audit Committee (BAC). The function conducts audit of each operational unit on periodic basis. The function also identifies the gap in the business processes, suggests measures to improves operational efficiencies and recommend the same to the BAC for super visioning. The function also recommends the business processes re-engineering to the redundant processes along with compliance with the regulatory requirement as stipulated. Further, the Company has also invested in its IT infrastructure to ensure better customer services. The Company has also devised a Business Continuity Plan (BCP) to ensure un-interrupted services to its policyholders which is also tested on periodic basis.

B) UNCERTAINITIES FACED BY THE COMPANY:

The key risks identified in the above table might give rise to the following uncertainties to the business of the Company:

1) Adverse changes in the regulatory environment.
2) High mortality and depletion of Asset under Management (AUM).
3) Non-fulfilment of obligations by the reinsurers.
4) Occurrence of catastrophic event(s).
5) Political instability affecting the financial markets.
6) Threats to the national security and peace of the country ultimately affecting economy and business of the Company
7) Failure of any major product suite or business channel.

C) OPPORTUNITIES AVAILABLE:

1) Life Insurance Industry comprises of less than 1% penetration of the total Gross Domestic Product (GDP) of Pakistan. There is a significant opportunity to increase the same by obtaining competitive advantages through offering good product suites, increased/improved distribution channels using technological means to maximize its outreach and educating masses by creating awareness about the importance of the life insurance.
2) Offering Shariah Compliant products through Window Takaful Operations.

For and on behalf of Board of Directors of the Company.

Syed Hyder Ali
Chief Executive Officer
Dated: March 06, 2020

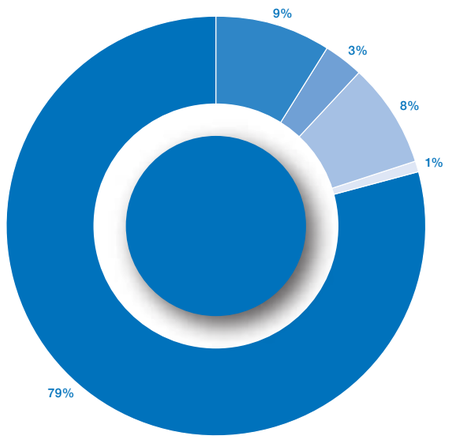
Shamim Ahmad Khan
Chairman
Dated: March 06, 2020

CORPORATE SOLUTIONS

Having large local and multinational conglomerates on-board is a testament of our service standard. We are working constantly with our corporate clientele to enhance their experience. This has proven to be mutually beneficial.

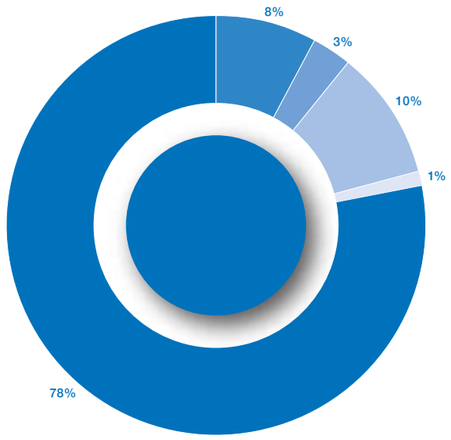
Performance at a Glance

ASSETS 2019



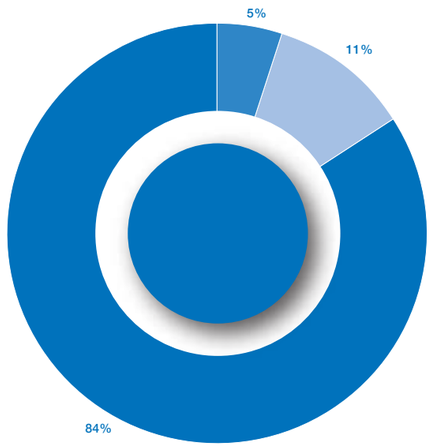
- Cash and cash equivalents
- Secured loans
- Investments
- Current assets
- Fixed Assets - tangible & intangible

ASSETS 2018



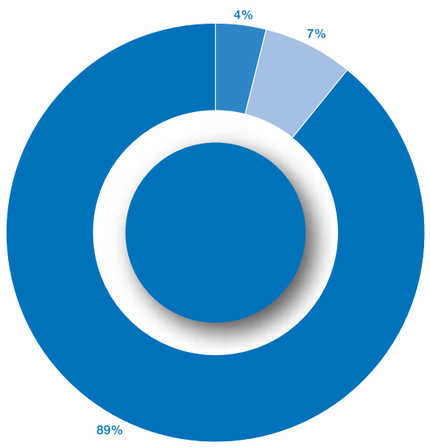
- Cash and cash equivalents
- Secured loans
- Investments
- Current assets
- Fixed Assets - tangible & intangible

EQUITY & LIABILITIES 2019



- Net Shareholders' Equity
- Balance of Statutory Funds
- Other Creditors and accruals

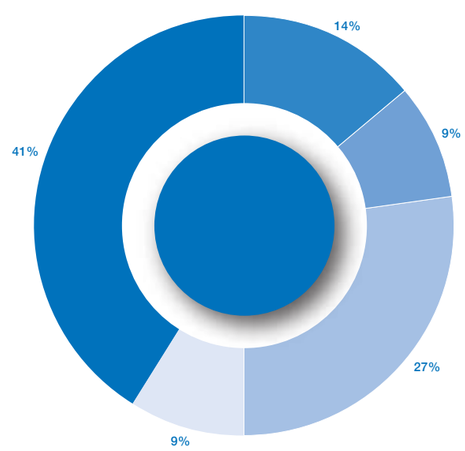
EQUITY & LIABILITIES 2018



- Net Shareholders' Equity
- Balance of Statutory Funds
- Other Creditors and accruals

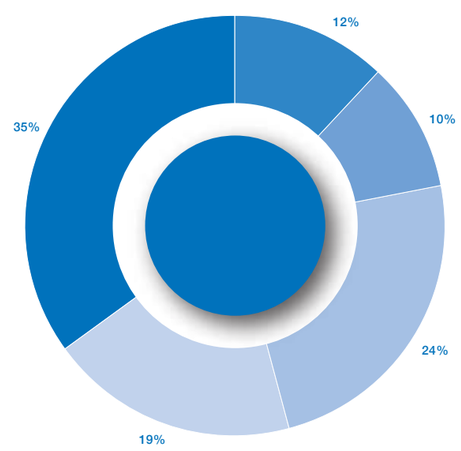
Performance at a Glance

GROSS PREMIUMS / CONTRIBUTIONS 2019



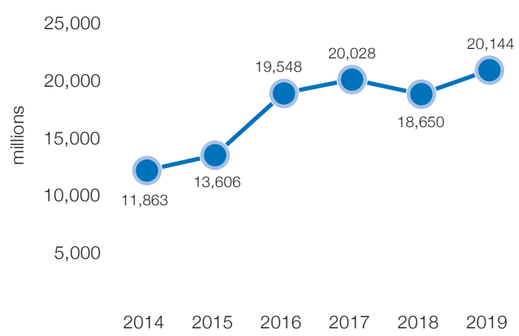
- First year individual policies
- Second year renewal individual policies
- Subsequent year renewal individual policies
- Single premium individual polices
- Group policies

GROSS PREMIUMS / CONTRIBUTIONS 2018

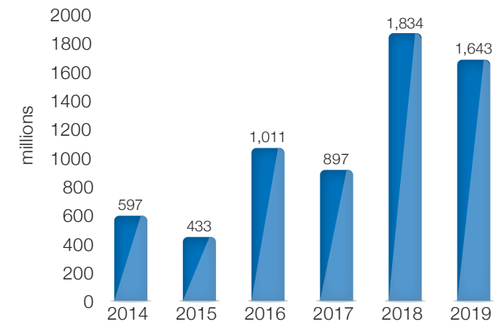


- First year individual policies
- Second year renewal individual policies
- Subsequent year renewal individual policies
- Single premium individual polices
- Group policies

TOTAL ASSETS OVER THE YEARS

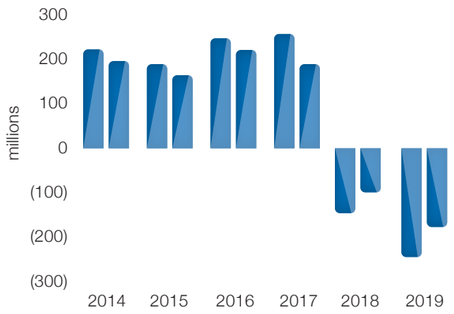


CASH & CASH EQUIVALENTS

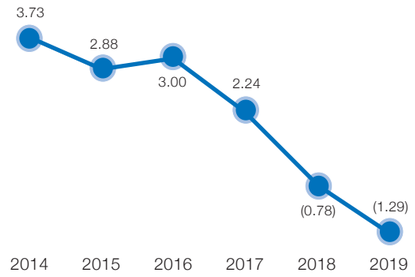


Performance at a Glance

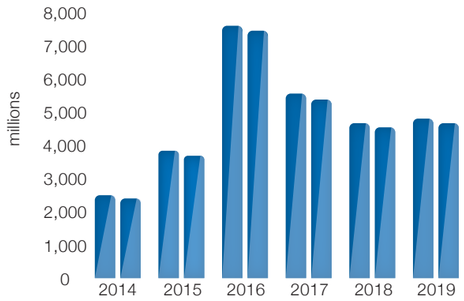
PROFIT BEFORE AND AFTER TAX



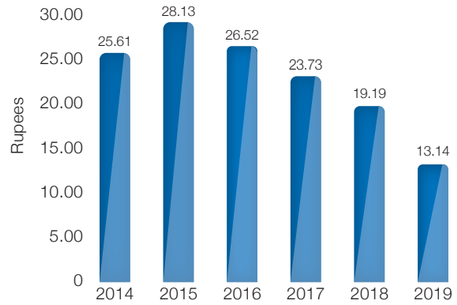
EARNING PER SHARE (EPS)



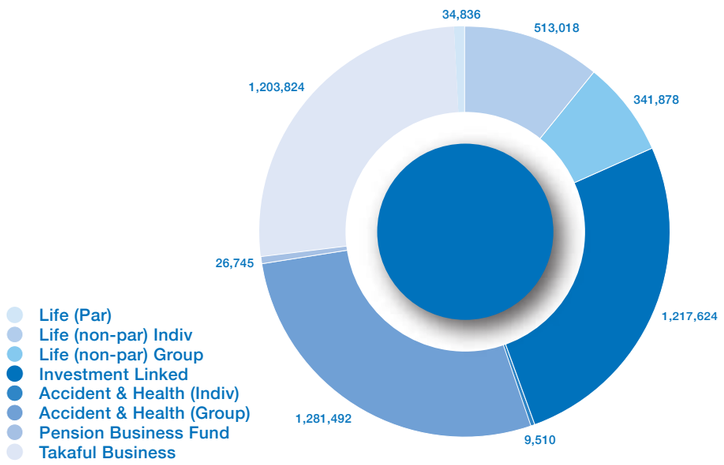
GROSS AND NET PREMIUM / CONTRIBUTION



NET ASSET VALUE PER SHARE



COMPOSITION OF NET PREMIUMS / CONTRIBUTIONS (RUPEES IN '000)



Key Financial Data

Six years at Glance

Financial ratios

Profitibility / Return to shareholders		2019	2018	2017	2016	2015	2014
Profit / (loss) before tax / gross premium / Contributions	%	-5.10%	-2.80%	4.02%	2.93%	4.55%	8.43%
Total Expenses (including claims) / Total Revenue and Incomes	%	106.33%	114.26%	86.29%	43.48%	68.51%	104.09%
Return on assets	%	-0.88%	-0.51%	0.79%	0.93%	1.06%	1.57%
Return on equity	%	-7.89%	-7.00%	10.22%	11.33%	10.25%	14.55%
EPS	Rs.	(1.29)	(0.78)	2.24	3.00	2.88	3.73
Price earning ratio	times	(20.95)	(60.38)	38.46	45.97	55.82	9.74
Net assets per share	Rs.	13.14	19.19	23.73	26.52	28.13	25.61
Market data							
Face value per share	Rs.	10	10	10	10	10	10
Market value per share at year end	Rs.	26.98	47.10	86.0	138.13	160.9	36.3
Highest share price during the year	Rs.	50.00	94.50	119.8	170.78	197.6	36.3
Lowest share price during the year	Rs.	11.50	47.10	45.6	109	36.3	18.3
Market capitalization	'000	4,601,903	3,323,715	6,068,074	8,047,500	1,815,000	1,675,000
Performance / Liquidity							
Earning asset to total asset ratio	%	87.52%	89.18%	93.30%	94.31%	93.16%	93.06%
Net premium / contribution to gross premium / contribution ratio	%	96.14%	96.60%	97.71%	98.05%	96.77%	96.09%
Net claims to net premium / contribution ratio	%	102.44%	110.01%	78.69%	42.86%	67.76%	133.99%
Management expenses to net premium / contribution ratio	%	24.41%	17.41%	11.21%	7.29%	9.20%	17.98%
Current ratio	times	1.09	1.05	1.08	1.08	1.06	1.07
Total assets turnover	times	0.31	0.31	0.32	0.51	0.39	0.35
Fixed assets turnover	times	9.83	10.34	50.21	118.55	71.91	95.35
Equity / total assets	%	11.12%	7.26%	7.71%	8.21%	10.34%	10.79%

Key Financial Data

Six years at Glance

Financial data	2019	2018	2017	2016	2015	2014
	Rupees in '000					
Paid-up capital	1,705,672	705,672	705,672	605,000	500,000	500,000
Retained Earnings and Reserves	535,041	648,182	838,616	999,550	906,374	780,454
Investments	15,818,831	14,616,832	17,620,631	17,271,547	12,094,010	10,308,203
Cash and cash equivalents	1,642,569	1,833,762	897,460	1,010,880	433,202	596,598
Total assets	20,144,099	18,650,377	20,028,295	19,547,892	13,606,156	11,862,586
Operating data						
Gross premium/ contributions	4,814,857	4,793,561	5,617,388	7,584,067	3,962,435	2,535,167
Net premium / contributions	4,628,927	4,630,555	5,488,472	7,436,242	3,834,615	2,435,929
Investments and other income	1,547,348	992,947	1,112,085	2,555,514	1,607,984	1,607,984
Profit before taxation	(245,797)	(134,076)	225,975	222,435	180,166	213,597
Taxation	(69,079)	(39,373)	68,204	40,649	36,046	27,263
Profit after taxation	(176,718)	(94,703)	157,771	181,786	144,120	186,334
EPS	(1)	(1)	2.24	3.00	2.88	3.73
Cash flow summary						
Net cash flow from operating activities	(1,607,511)	(1,990,349)	(411,060)	2,965,665	279,454	(1,880,798)
Net cash flow from investing activities	416,587	2,985,863	387,440	(2,338,107)	(442,850)	2,290,936
Net cash flow from financing activities	999,731	(59,212)	(89,800)	(49,880)	-	-
Net cash flow from all activities	(191,193)	936,302	(113,420)	577,678	(163,396)	410,138
Cash and cash equivalents at the beginning of the year	1,833,762	897,460	1,010,880	433,202	596,598	186,460
Cash and cash equivalents at the end of the year	1,642,569	1,833,762	897,460	1,010,880	433,202	596,598

Balance Sheet and Profit & Loss Analysis

Balance Sheet	2019		2018		2017		2016		2015		2014	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
Net Shareholders' equity	2,240,713	11%	1,353,854	7%	1,544,288	8%	1,604,550	8%	1,406,374	10%	1,280,454	11%
Balance of statutory funds	16,864,180	84%	16,490,600	88%	17,741,157	89%	17,102,179	87%	11,504,382	85%	10,000,901	84%
Deferred Tax liability	-	0%	19,772	0%	60,729	0%	76,016	0%	-	0%	-	0%
Creditors and accruals	1,037,059	5%	783,734	4%	681,024	3%	765,000	4%	695,373	5%	581,204	5%
Dividend	2,147	0%	2,417	0%	1,097	0%	147	0%	27	0%	27	0%
Total equity and liabilities	20,144,099	100%	18,650,377	100%	20,028,295	100%	19,547,892	100%	13,606,156	100%	11,862,586	100%
Cash and cash equivalents	1,642,569	8%	1,833,762	10%	897,460	4%	1,010,880	5%	433,202	3%	596,598	5%
Secured loans	167,965	1%	181,375	1%	167,539	1%	153,456	1%	147,681	1%	134,711	1%
Investments	15,818,831	79%	14,616,832	78%	17,620,631	88%	17,271,547	88%	12,094,010	89%	10,308,203	87%
Current assets	1,872,396	9%	1,464,200	8%	1,214,776	6%	1,027,724	5%	852,161	6%	779,634	7%
Deferred Asset	-	0%	-	0%	-	0%	-	0%	5,543	0%	-	0%
Fixed Assets - tangible & intangible	642,338	3%	554,208	3%	127,889	1%	84,285	0%	73,559	1%	43,440	0%
Total assets	20,144,099	100%	18,650,377	100%	20,028,295	100%	19,547,892	100%	13,606,156	100%	11,862,586	100%
Revenue and Profit & Loss account												
Net Income	6,331,997	100%	5,745,693	100%	6,715,771	100%	9,930,303	100%	5,240,447	100%	3,970,863	100%
Claims and Expenditures	(6,715,943)	-106%	(6,547,485)	-114%	(5,570,027)	-83%	(4,344,280)	-44%	(3,624,728)	-69%	(4,210,257)	-106%
Movement in policy holders' liability	138,149	2%	667,716	12%	(919,769)	-14%	(5,331,770)	-54%	(1,435,553)	-27%	452,991	11%
Surplus / Profit before tax	(245,797)	-4%	(134,076)	-2%	225,975	3%	254,253	3%	180,166	3%	213,597	5%
Taxation	(69,079)	-1%	(39,373)	-1%	(68,204)	-1%	(72,467)	-1%	(36,046)	-1%	(27,263)	-1%
Surplus / Profit after tax	(176,718)	-3%	(94,703)	-2%	157,771	2%	181,786	2%	144,120	3%	186,334	5%

Balance Sheet and Profit & Loss Analysis

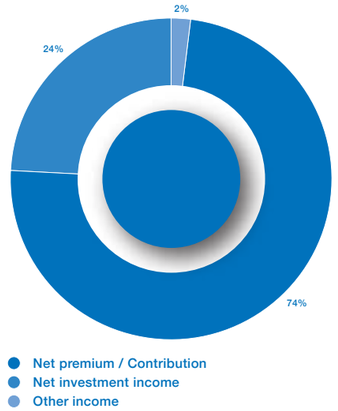
Horizontal Analysis

Balance Sheet	2019	2018	2017	2016	2015	2014	2019	2018	2017	2016	2015	2014
	Rupees in '000						% increase / (decrease) over preceeding year					
Net shareholders' equity	2,240,713	1,353,854	1,544,288	1,604,550	1,406,374	1,280,454	66%	-12%	-4%	14%	10%	48%
Balance of statutory funds	16,864,180	16,490,600	17,741,157	17,102,179	11,504,382	10,000,901	2%	-7%	4%	49%	15%	-6%
Deferred tax liability	-	19,772	60,729	76,016	-	-	-100%	-67%	0%	0%	0%	0%
Creditors and accruals	1,037,059	783,734	681,024	765,000	695,373	581,204	32%	15%	-11%	10%	20%	-7%
Dividend	2,147	2,417	1,097	147	27	27	-11%	120%	646%	444%	0%	0%
Total equity and liabilities	20,144,099	18,650,377	20,028,295	19,547,892	13,606,156	11,862,586	8%	-7%	2%	44%	15%	-2%
Cash and cash equivalents	1,642,569	1,833,762	897,460	1,010,880	433,202	596,598	-10%	104%	-11%	133%	-27%	220%
Secured loans	167,965	181,375	167,539	153,456	147,681	134,711	-7%	8%	9%	4%	10%	26%
Investments	15,818,831	14,616,832	17,620,631	17,271,547	12,094,010	10,308,203	8%	-17%	2%	43%	17%	-8%
Current assets	1,872,396	1,464,200	1,214,776	1,027,724	852,161	779,634	28%	21%	18%	21%	9%	28%
Deferred asset	-	-	-	-	5,543	-	0%	0%	0%	0%	0%	0%
Fixed Assets - tangible & intangible	642,338	554,208	127,889	84,285	73,559	43,440	16%	333%	52%	15%	69%	-2%
Total assets	20,144,099	18,650,377	20,028,295	19,547,892	13,606,156	11,862,586	8%	-7%	2%	44%	15%	-2%
Revenue and Profit & Loss account												
Net Income	6,331,997	5,745,693	6,715,771	9,930,303	5,240,447	3,970,863	10%	-14%	-32%	89%	32%	-27%
Claims and Expenditures	(6,715,943)	(6,547,485)	(5,570,027)	(4,344,280)	(3,624,728)	(4,210,257)	3%	18%	28%	20%	-14%	42%
Movement in policy holders' liability	138,149	667,716	(919,769)	(5,331,770)	(1,435,553)	452,991	-79%	-173%	-83%	271%	-417%	-120%
Surplus / Profit before tax	(245,797)	(134,076)	225,975	254,253	180,166	213,597	83%	-159%	-11%	41%	-16%	-18%
Taxation	(69,079)	(39,373)	(68,204)	(72,467)	(36,046)	(27,263)	75%	-42%	-6%	101%	32%	-28%
Surplus / Profit after tax	(176,718)	(94,703)	157,771	181,786	144,120	186,334	87%	-160%	-13%	26%	-23%	-17%

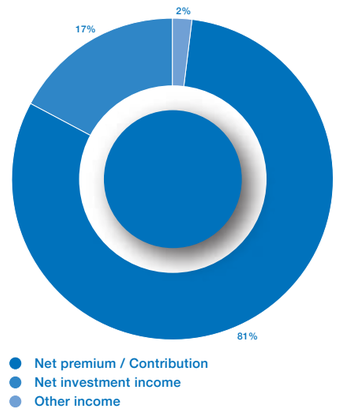
Statement of Value Addition

	2019 Amount (Rupees in '000)	2019 %	2018 Amount (Rupees in '000)	2018 %
WEALTH GENERATION				
Net premium / Contribution	4,656,663	74%	4,656,321	81%
Net investment income	1,547,348	24%	992,947	17%
Other income	111,966	2%	80,821	1%
Wealth generated	6,315,977	100%	5,730,089	100%

WEALTH GENERATION 2019

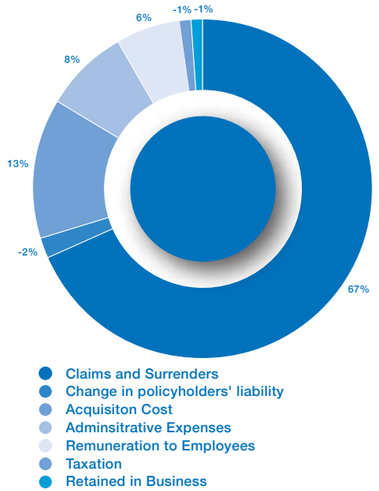


WEALTH GENERATION 2018

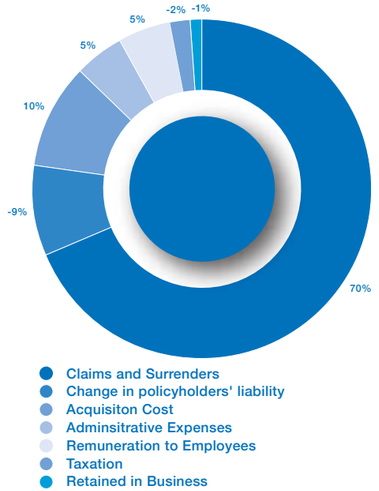


	2019 Amount (Rupees in '000)	2019 %	2018 Amount (Rupees in '000)	2018 %
WEALTH DISTRIBUTION				
Claims and Surrenders	4,770,078	75%	5,122,635	89%
Change in policyholders' liability	(138,149)	-2%	(667,716)	-12%
Acquisiton Cost	927,462	15%	711,544	12%
Adminsitrative Expenses	592,394	9%	337,566	6%
Remuneration to employees	426,009	7%	375,740	7%
Taxation	(69,079)	-1%	(39,373)	-1%
Retained in Business	(176,718)	-3%	(94,703)	-2%
	6,331,997	100%	5,745,693	100%

WEALTH DISTRIBUTION 2019



WEALTH DISTRIBUTION 2018



Financial / Event Calendar

Event	
Results	**Date**
Financials for the three months ended March 31, 2019	25-Apr-2019
Financials for the six months ended June 30, 2019	27-Aug-2019
Financials for the nine months ended September 30, 2019	25-Oct-2019
Financials for the year ended December 31, 2019	06-Mar-2020
Notice to Shareholders with Financial Statements	30-April-2020
Annual General Meeting	21-May-2020

Pattern of Shareholding

as at December 31, 2019

NO. OF SHARESHOLDINGS			
NO OF SHAREHOLDERS	FROM	TO	TOTAL SHARES
395	1	100	6,098
136	101	500	35,565
153	501	1,000	115,140
176	1,001	5,000	422,840
35	5,001	10,000	247,964
20	10,001	15,000	256,724
8	15,001	20,000	141,287
10	20,001	25,000	222,798
10	25,001	30,000	278,944
4	30,001	35,000	132,180
3	35,001	40,000	115,152
1	40,001	45,000	40,261
6	45,001	50,000	291,100
3	50,001	55,000	157,680
2	55,001	60,000	115,652
2	60,001	65,000	124,672
1	65,001	70,000	67,171
2	70,001	75,000	147,512
1	80,001	85,000	80,724
2	85,001	90,000	173,573
1	95,001	100,000	95,929
1	105,001	110,000	106,500
1	115,001	120,000	117,562
1	125,001	130,000	129,635
1	140,001	145,000	144,489
1	185,001	190,000	188,819
1	205,001	210,000	210,000
1	245,001	250,000	247,906
1	300,001	305,000	302,136
1	310,001	315,000	311,483
1	340,001	345,000	343,741
1	505,001	510,000	507,056
1	530,001	535,000	532,968
1	600,001	605,000	604,272
1	690,001	695,000	693,636
1	790,001	795,000	791,780
1	945,001	950,000	948,500
1	1,945,001	1,950,000	1,948,601
1	2,795,001	2,800,000	2,798,469
1	8,490,001	8,495,000	8,490,873
1	9,125,001	9,130,000	9,129,286
1	138,750,001	138,755,000	138,750,522
992			**170,567,200**

Pattern of Shareholding

as at December 31, 2019

Information as required under Code of Corporate Governance

Shareholder's category	Number of Sharehoders	Number of share held
Associated Companies, Undertaking and Related Parties		
M/S. IGI INSURANCE LIMITED (BONUS-SO)	3	2,292,387
IGI HOLDINGS LIMITED.	2	138,750,934
TOTAL >>	**5**	**141,043,321**
Mutual Funds		
TOTAL >>	**-**	**-**
Directors and their spouse		
Mr. Mohammad Kamal Syed	2	703
Mr. Hasan Askari	2	703
Mr. Khurram Raza Bakhtayari	2	703
Mr. Shamim Ahmad Khan	2	703
Ms. Naz Khan	2	703
Syed Hyder Ali	3	792,483
Syed Yawar Ali	3	5,505
Syeda Nighat Ali	1	507,056
Total >>	**17**	**1,308,559**
Executives		
TOTAL >>	**-**	**-**
Public Sector Companies and Corporations		
TOTAL >>	**4**	**122,135**
Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Takaful, Modaraba and Pension Funds		
TOTAL >>	**3**	**8,493,787**
Shareholder Holding five percent or more voting Rights in the Listed Company		
Gregory Alexander	1	9,129,286
IGI Holdings Limited	1	138,750,522
TOTAL >>	**2**	**147,879,808**

Categories of Shareholding

as at December 31, 2019

S. No.	Shareholders Category	No. of Shareholders	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	17	1,308,559	0.77
2	Associated Companies, Undertakings and related Parties	5	141,043,321	82.69
3	NIT and ICP			
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	3	8,493,787	4.98
5	Insurance Companies			
6	Modarabas and Mutual Funds			
7	Share holders holding 10%	1	138,750,522	81.35
8	General Public :			
	a. Local	939	18,499,840	10.85
	b. Foreign	-	-	-
9	Others	28	1,221,693	0.72
	Total (excluding : share holders holding 10%)	**891**	**170,567,200**	**100.00**

Statement of Compliance with the Code of Corporate Governance for Insurers, 2016, and the Listed Companies (Code of Corporate Governance) Regulations, 2019

For the year ended 31st December 2019

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

The Company has applied the principles contained in the Code and the Regulations in the following manner:

1. The total number of directors are seven (7) as per the following:

a) Male: Six (6)
b) Female: One (1)

2. The Company encourages representation of independent, non- executive and executive directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Name
Independent Directors	Mr. Mohammad Kamal Syed Ms. Naz Khan
Executive Director	Syed Hyder Ali
Non-Executive Directors	Syed Yawar Ali Mr. Khurram Raza Bakhtayari Mr. Shamim Ahmad Khan Mr. Hasan Askari

All independent directors meet the criteria of independence as laid down under the Code of Corporate Governance for Insurers, 2016.

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

4. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or NBFI or being a member of stock exchange, has been declared as a defaulter by a stock exchange.

5. During the year no casual vacancies arose on the Board.

6. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

7. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.

8. All powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive directors and the key officers, have been taken by the Board in accordance with the Act and these Regulations.

9. The meetings of the Board were presided over the Chairman and, in his absence, by a director elected by the Board for this purpose 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 (7) days before the meeting. The minutes of the meeting were appropriately recorded and circulated.

10. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company has adopted and complied with all the necessary aspects of internal controls given in the Code.

11. At present, all Directors are in compliance with the requirements of the directors training program as stipulated in the regulation.

12. The Board arranged orientation courses for its Directors during the year to acquaint them with the code, applicable laws and to appraise them with their duties and responsibilities.

13. The Board has approved appointments of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

14. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and the Regulations which fully describes the salient matters required to be disclosed.

15. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

16. The Directors, Chief Executive Officer and Other Executives do not hold any interest in the shares of the Company other than disclosed in the pattern of shareholding.

17. The Company has complied with all the corporate and financial reporting requirements of the Code.

18. The Board has formed the following Management Committees:

UNDERWRITING & REINSURANCE COMMITTEE	
Name of the Member	**Category**
Hasan Askari	Chairman
Syed Hyder Ali	Member
Mohammad Kamal Syed	Member
Tahir Masaud	Member
Abdul Haseeb	Member
Ali Nadim	Member

CLAIM SETTLEMENT COMMITTEE	
Name of the Member	**Category**
Shamim Ahmad Khan	Chairman
Syed Yawar Ali	Member
Akif Zia Malik	Member

RISK MANAGEMENT AND COMPLIANCE COMMITTEE	
Name of the Member	**Category**
Shamim Ahmad Khan	Chairman
Naz Khan	Member
Syed Yawar Ali	Member
Mohammad Kamal Syed	Member
Khurram Raza Bakhtayari	Member

19. The Board has formed the following Board Committees:

ETHICS, HUMAN RESOURCE, NOMINATION & REMUNERATION COMMITTEE	
Name of the Member	**Category**
Naz Khan	Chairman
Syed Yawar Ali	Member
Syed Hyder Ali	Member
Khurram Raza Bakhtayari	Member

INVESTMENT COMMITTEE	
Name of the Member	**Category**
Mohammad Kamal Syed	Chairman
Syed Yawar Ali	Member
Syed Hyder Ali	Member
Hasan Askari	Member
Khurram Raza Bakhtayari	Member
Tahir Masaud	Member
Ali Nadim	Member
Abdul Haseeb	Member

20. The Board has formed an Audit Committee. It comprises of four (4) members, of whom one (1) is an independent director and three (3) are non-executive directors. The Chairman of the Committee is an independent director. The composition of the Audit Committee is as follows:

AUDIT COMMITTEE	
Name of the Member	**Category**
Mohammad Kamal Syed	Chairman
Hasan Askari	Member
Syed Yawar Ali	Member
Khurram Raza Bakhtayari	Member

21. The meetings of the Committees, except Ethics, Human Resources and Remuneration Committee were held at least once every quarter, prior to approval of interim and final results of the Company and as required by the Code. The terms of references of the aforesaid committees have been formed, documented and advised to the Committees for compliance.

22. The Board has set up an effective Internal Audit Function who is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company and they are involved in the internal audit function on a regular basis.

23. 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 of Corporate Governance for Insurers, 2016. The Appointed Actuary of the Company also meets the conditions as laid down in the said Code. Moreover, the persons heading the underwriting, claim, reinsurance, customer service and grievance 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
Syed Hyder Ali	Chief Executive Officer
Tahir Masaud	Head of Business and Operations
Ali Nadim	Chief Operating Officer
Abdul Haseeb	Chief Financial Officer
Hasham Wajih	Head of Actuarial and Reinsurance
Yasir Ali Quraishi	Legal Counsel and Company Secretary*
Shahzeb Haider	Head of Internal Audit
Hammad Iqbal	Head of Underwriting
Muhammad Waqas	Head of Claims
Aijaz Saleem	Head of Customer Services and Grievance
Saira Sheikh	Head of Compliance
Faisal Khan	Head of Risk Management

*Yasir Ali Quraishi has resigned on November 27, 2019.

24. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of section 48 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP), and registered with Audit Oversight Board of Pakistan, 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 the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.

25. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the regulations, listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

26. The Appointed Actuary of the Company has confirmed that he or his spouse and minor children do not hold shares of the Company.

27. The Board ensures that the Appointed Actuary complies with the requirements set out for him in the Code of Corporate Governance for Insurers, 2016.

28. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code of Corporate Governance for Insurers, 2016.

29. The Board ensures that the risk management system of the Company is in place as per the requirement of the Code of Corporate Governance for Insurers, 2016.

30. The Company has set up a risk management function, which carries out its tasks as covered under the Code of Corporate Governance for Insurers, 2016.

31. The Board ensures that as part of the risk management system, the Company gets rated from PACRA, which is being used by its risk management function and respective committee as a risk monitoring tool. The insurer Financial Strength (IFS) rating assigned by the said rating agency, as per their notification dated June 27, 2019 is A+ (A plus) with stable outlook.

32. The Board has set up a grievance department / function, which fully complies with the requirements of the Code of Corporate Governance for Insurers, 2016.

33. The frequency of meetings of the committee were as per following:

    a) Audit Committee : quarterly meetings
    b) Ethics, HR, Nomination and Remuneration Committee: half yearly meetings
    c) Risk Management and Compliance Committee : quarterly meetings

34. Apart from seeking exemption on the requirement for Director's Training Program (DTP) on behalf of two of its Directors, the Company has not obtained any other exemptions from the Securities & Exchange Commission of Pakistan in respect of any of the requirements of the Code.

35. We confirm that all other material principles contained in Code of Corporate Governance for Insurers, 2016 and other requirements of regulation 3,6,7,8,27,32,33 and 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 have been complied with except for the following

I. As per the clause XXXV(C) of Code of Corporate Governance for Insurers,2016, the members of the Claim Settlement Committee, other than the Chief Executive officer, shall not be the members of the Underwriting Committee or the Reinsurance & Co-insurance Committee. However, during the year, Tahir Masaud was a member of both Claim Settlement Committee and Underwriting & Reinsurance Committee. Subsequently this was rectified by re-composition of the claim settlement committee to comply with the requirement of the code.

By order of the Board

Shamim Ahmad Khan
Chairman

Independent Auditor's Review Report

To the members of IGI Life Insurance Limited

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

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

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that 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 requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2019.

Further, we highlight below an instance of non-compliance with the requirement of the Code as reflected in the paragraph reference where it is stated in the Statement of Compliance:

Paragraph Reference	Description
35(I)	As per the clause XXXV(C) of Code of Corporate Governance for Insurers,2016, the members of the Claim Settlement Committee, other than the Chief Executive officer, shall not be the members of the Underwriting Committee or the Reinsurance & Co-insurance Committee. However, during the year Tahir Masaud was a member of both Claim settlement Committee and Underwriting & Reinsurance Committee. Subsequently which was rectified by re-composition of the Claim Settlement Committee to comply with the requirement of the code.

A.F. Ferguson & Co.
Chartered Accountants
Karachi
Date: March 27, 2019

Independent Auditor's Report
To the members of IGI Life Insurance Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of IGI Life Insurance Limited (the Company), which comprise the statement of financial position as at December 31, 2019, and the profit and loss account, the statement of comprehensive income, the statement of changes in equity, the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity, the cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Company's affairs as at December 31, 2019 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 25.1 to the financial statements describing the matter related to provincial sales tax liability on premium charged to the policyholders in respect of group health and life insurance. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Following are the Key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	**Insurance liabilities** (Refer notes 3.2.1 and 18 of the annexed financial statements)	
	Policyholders' liabilities represent the single largest liability of the Company constituting 94% of the total liabilities at December 31, 2019. The Minimum Valuation Basis for determination of actuarial reserve for policyholders' liabilities of a life insurance company is specified under Annexure 5 to Rule 23 of the Insurance Rules, 2017. The Annexure describes the valuation method to be used in determination of the actuarial reserves for policyholders' liabilities with respect to unit linked, universal life and other segments and certain valuation parameters (such as mortality rates, morbidity rates, valuation rates of interest etc.) to be taken into account.	Our audit procedures to assess the determination of actuarial reserve for policyholders' liabilities, amongst others, included the following: • Obtained an understanding from the management of the actuarial assumptions and methodologies used for estimating the policyholders' liabilities at December 31, 2019. • Inquired from the management about the consistency of the method used for calculation of the policyholders' liabilities and assumptions for the valuation parameters at December 31, 2019 to establish whether they had been subject to any arbitrary discontinuities from those used at December 31, 2018.

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	**Insurance liabilities** (Refer notes 3.2.1 and 18 of the annexed financial statements)	
	The appointed actuary of the Company carries out an investigation as at the end of each year into the financial condition of the life insurance business carried on by the Company, including a valuation of its policyholders' liabilities at December 31, 2019 and issues a report thereon to the Board of Directors of the Company before their approval of the financial statements. The determination of policyholders' liabilities is a higher risk area and hence considered a key audit matter.	• Reviewed the report submitted by the appointed actuary to the Board of Directors of the Company expressing his satisfaction over the valuation of policyholders' liabilities in accordance with Annexure 5 to Rule 23 of the Insurance Rules, 2017. • Engaged an independent actuarial expert to assess whether the reserving methodology used with respect to all statutory funds maintained by the Company was in line with the Minimum Valuation Basis given in Annexure 5 to Rule 23 of the Insurance Rules, 2017 and was further in accordance with generally accepted actuarial principles. • Independently verified, on a test basis, the Company's data used by the appointed actuary in the determination of policyholders' liabilities. • Recomputed, on a test basis, the account / cash values of policyholders at December 31, 2019 by applying the relevant parameters (such as management fee charged, cost of insurance charged, return credited etc.) of the respective products. • Recomputed, on a test basis, the element of unearned premium with respect to policies issued under group health and group life business. • Assessed the relevant disclosures made in the financial statements to determine whether they complied with the accounting and reporting standards as applicable in Pakistan.
2	**Valuation of investments** (Refer note 7 to 10 of the annexed financial statements)	
	The investments of Rs 17,351 million as at December 31, 2019 held by the Company constitute the most significant component of total assets of the Company. The proper valuation of investments portfolio of the Company as at December 31, 2019 was considered a significant area of focus and therefore, a key audit matter.	Our audit procedures included the following: • Tested the design and operating effectiveness of the key controls for valuation of investments. • Checked that investments were valued appropriately in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan. • Checked that net unrealized gains / losses arising on the subsequent measurement of investments were appropriately accounted for in the financial statements. • Checked the appropriate recognition of related adjustments to insurance liabilities in other comprehensive income where net unrealized gains / losses on available for sale investments were recognised in other comprehensive income. • Obtained independent confirmations for verifying the existence of the investment portfolio as at December 31, 2019 and reconciled them with the books and records of the Company. • Checked the relevant presentation and disclosures made in the financial statements to determine whether they comply with the accounting and reporting standards as applicable in Pakistan.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

b) the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XIX of 2017), and are in agreement with the books of account;

c) the apportionment of assets, liabilities, revenue and expenses between two or more funds has been performed in accordance with the advice of the appointed actuary;

d) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the company's business; and

e) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

A. F. Ferguson & Co.
Chartered Accountants
Dated: March 27, 2020
Karachi

Management's Statement of Compliance with the Shariah Principles

The financial arrangements, contracts and transactions, entered into by IGI Life Insurance Limited – Window Takaful Operations (the Company) for the year ended December 31, 2019 are in compliance with the Takaful Rules, 2012.

Further we confirm that:

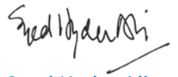
- The Company has developed and implemented all the policies and procedures in accordance with the Takaful Rules, 2012 and rulings of the Shariah Advisor along with a comprehensive mechanism to ensure compliance with such rulings and Takaful Rules, 2012 in their overall operations with zero tolerance. 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 and 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.



Syed Hyder Ali
Chief Executive Officer
Dated: March 06, 2020

FAMILY TAKAFUL

Our Shariah-compliant solutions provide peace of mind for you and your family no matter what season of life you are currently in.

Shariah Review Report to the Board of Directors

For the year ended December 31, 2019

الحمد لله رب العلمين والصّلاة والسّلام على سيّد الأنبياء والمرسلين محمد النبى

الأمى وعلى آله وأصحابه أجمعين، وبعد!

I have examined the accompanying financial statements of IGI Life - Window Takaful Operations (hereafter referred to as "the Window Takaful") for the year ended December 31, 2019.

I acknowledge that as the Shariah Advisor of the Window Takaful, it is my responsibility to ensure that the financial arrangements, contracts and transactions entered into by the Window Takaful with its participants and stakeholders are in compliance with the requirements of Shariah rules and principles. It is the responsibility of the Window Takaful's management to ensure that the rules, principles and guidelines set by the Shariah Advisor are complied with, and that all policies and services being offered are duly approved by the Shariah Advisor.

The primary scope of Shariah Audit is to review the Window Takaful's compliance with Shariah Guidelines, and includes the examination of the appropriate evidence of transactions undertaken by the Window Takaful during the year 2019.

It is the responsibility of the Shariah Advisor to express his opinion on the submitted financial statements. In my opinion, and to the best of my understanding based on the provided information and explanations, below are the findings:

i. Financial transactions undertaken by the Window Takaful for the year ended December 31, 2019 were in accordance with guidelines issued by Shariah Advisor as well as the requirements of Takaful Rules 2012.

ii. Few cases which had some irregularities from the Shariah perspective were discussed with the Management and duly resolved. Furthermore, the management of the Window Takaful has been advised to strictly follow Shariah compliance in future.

iii. Consequently, we have found that the Window Takaful is in accordance with the Shariah principles in all transactional aspects.

"And Allah Knows Best."

Dr. Mufti Ismatullah
Shariah Advisor (IGI Life - Window Takaful Operations)

شریعہ ریویو رپورٹ برائے بورڈ آف ڈائریکٹرز

برائے مالیاتی سال 2019

الحمد لله رب العلمين والصّلاة والسّلام على سيّد الأنبياء والمرسلين محمد النبى

الأمى وعلى آله وأصحابه أجمعين، وبعد!

الحمدللہ، میں نے " آئی جی آئی لائف، ونڈو تکافل آپریشنز" (آئندہ اسے "ونڈو تکافل" کہا جائے گا) کے مالیاتی اسٹیٹمینٹس برائے سال 2019 کا شرعی نقطہ نظر سے جائزہ لیا۔

میں "ونڈو تکافل" کے شریعہ ایڈوائزر کی حیثیت سے اس بات سے بخوبی باخبر ہوں کہ "ونڈو تکافل" کے شرکاء تکافل اور شیئر ہولڈرز کے مابین تمام مالی معاملات اور مختلف عقود و معاہدات کو شرعی قواعد وضوابط کے مطابق یقینی بنانا میری ذمہ داری ہے۔ اسی طرح ونڈو تکافل کی منتظمہ کمیٹی کی بھی یہ ذمہ داری ہے کہ وہ شریعہ ایڈوائزر کی طرف سے جاری کردہ اصول وضوابط اور گائیڈ لائنز پر اہتمام کے ساتھ عمل کرنے کو یقینی بنائے اور تمام تکافل پالیسیاں اور خدمات شرعی قوائد وضوابط کے مطابق اور باقاعدہ شریعہ ایڈوائزر سے منظور شدہ ہوں۔

یہ بات اہم ہے کہ ونڈو تکافل نے ابتداء ہی سے اس بات کا اہتمام کیا ہے کہ شریعہ ایڈوائزر کی جانب سے جاری کردہ ہدایات پر اہتمام سے عمل کیا جائے اور تمام تکافل پالیسیاں، خدمات اور مختلف فنڈز کی سرمایہ کاری شرعی قواعد وضوابط کے مطابق انجام دی جائے اور یہ باقاعدہ شریعہ ایڈوائزر سے منظور شدہ بھی ہوں۔

بہر حال میری معلومات کے مطابق:

1۔ سال 2019 کے اختتام تک ونڈو تکافل کی جانب سے کئے گئے تمام مالی معاملات شریعہ ایڈوائزر کی جانب سے دی گئی گائیڈ لائنز اور تکافل رولز 2012 کے مطابق تھے۔

2۔ البتہ ونڈو تکافل کے چند معاملات ایسے تھے، جو شریعت کی رو سے قابل اصلاح تھے، کمپنی کی منتظمہ کمیٹی سے ان معاملات پر بات چیت کر کے باقاعدہ ان کی اصلاح کر دی گئی ہے اور آئندہ بھی شریعہ گائیڈ لائنز پر اہتمام سے عمل کرنے کی ہدایت کر دی گئی ہے۔

3۔ الحمدللہ، بحیثیت مجموعی ونڈو تکافل کے تمام معاملات کو شریعہ گائیڈ لائنز اور قواعد وضوابط کے مطابق پایا۔

واللہ تعالی اعلم بالصواب و علمہ اتم و احکم

ڈاکٹر مفتی عصمت اللہ
شریعہ ایڈوائزر
آئی جی آئی لائف-ونڈو تکافل آپریشنز

FINANCIALS

Statement of Financial Position

As at December 31, 2019

	Note	2019	2018
		---------- Rupees in 000 ----------	
Assets			
Property and equipment	5	204,875	176,009
Intangible assets	6	437,463	378,199
Investments			
Equity securities	7	86,130	112,535
Mutual funds	7	3,027,759	3,161,127
Government securities	8	12,247,588	11,168,170
Debt securities	9	457,354	175,000
Term deposits	10	1,532,107	1,065,000
		17,350,938	15,681,832
Loans secured against life insurance policies		167,965	181,375
Insurance / takaful / reinsurance / retakaful receivables	11	460,958	430,522
Other loans and receivables	12	647,299	465,855
Taxation - payments less provision		599,667	483,530
Deferred tax asset - net	13	59,797	-
Prepayments	14	104,675	84,293
Cash and bank	15	110,462	768,762
Total assets		20,144,099	18,650,377
Equity and liabilities			
Capital and reserves attributable to Company's equity holders			
Authorised share capital			
(300,000,000 (2018: 100,000,000) ordinary shares of Rs. 10 each)		3,000,000	1,000,000
Issued, subscribed and paid-up capital	16	1,705,672	705,672
Ledger account C & D		(148,245)	71,065
Unappropriated profit		675,543	625,357
Surplus / (deficit) on revaluation of available for sale investments	17	7,743	(48,240)
Total equity		2,240,713	1,353,854
Liabilities			
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	18	16,864,180	16,490,600
Outstanding claims	19	371,060	281,426
Retirement benefit obligations	20	24,109	36,249
Premium received in advance		65,569	48,968
Reinsurance / retakaful payables	22	75,298	20,881
Other creditors and accruals	23	453,603	378,050
Deferred tax liability - net	13	-	19,772
Lease liability against right-of-use assets	24	49,567	20,577
Total liabilities		17,903,386	17,296,523
Total equity and liabilities		20,144,099	18,650,377
Contingencies and commitments	25		

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

Chairman | Director | Director | Chief Executive Officer | Chief Financial Officer

Profit and Loss Account

For the year ended December 31, 2019

	Note	2019	2018
		----------Rupees in 000----------	
Premium / contribution revenue		4,814,857	4,793,561
Less: premium / contribution ceded to reinsurers / retakaful operators		158,194	137,240
Net premium / contribution revenue	26	4,656,663	4,656,321
Investment income	27	1,551,163	1,077,634
Net realised fair value losses on financial assets	28	(3,815)	(84,687)
Other income - net	29	111,966	80,821
		1,659,314	1,073,768
Net income		6,315,977	5,730,089
Insurance benefits	30	4,883,118	5,154,003
Recoveries from reinsurers / retakaful operators	30	(113,040)	(31,368)
Net insurance benefits		4,770,078	5,122,635
		1,545,899	607,454
Change in insurance liabilities (other than outstanding claims)		(138,149)	(667,716)
Acquisition expenses	31	927,462	711,544
Marketing and administration expenses	32	997,898	706,596
Other expenses	33	17,137	5,636
Total expenses		1,804,348	756,060
		(258,449)	(148,606)
Finance costs	34	3,368	1,074
Surplus appropriated to Shareholders' Fund from Ledger Account C		16,020	15,604
Loss before tax		(245,797)	(134,076)
Income tax	35	(69,079)	(39,373)
Loss after tax		(176,718)	(94,703)
		----------Rupees----------	
			(Restated)
Loss per share	36	(1.29)	(0.78)

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

Chairman | Director | Director | Chief Executive Officer | Chief Financial Officer

Statement of Comprehensive Income

For the year ended December 31, 2019

	2019	2018
	----------Rupees in 000----------	
Loss after tax	(176,718)	(94,703)
Other comprehensive income / (loss)		
Change in unrealised income / (loss) on available-for-sale financial assets - net of tax	583,732	(590,710)
Change in insurance liabilities - net	(527,749)	567,237
Actuarial gains / (losses) on retirement benefit scheme	7,594	(1,691)
Other comprehensive income / (loss) for the year	63,577	(25,164)
Total comprehensive loss for the year	(113,141)	(119,867)

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

Chairman | Director | Director | Chief Executive Officer | Chief Financial Officer

Statement of Changes in Equity

For the year ended December 31, 2019

	Attributable to equity holders of the Company				
	Share capital	Un-appropriated profit *	Ledger C & D account	Surplus / (deficit) on revaluation of available for sale investments**	Total
	----------Rupees in 000----------				
Balance as at December 31, 2017	705,672	689,927	173,456	(24,767)	1,544,288
Total comprehensive income / (loss)					
Profit / (loss) for the year ended December 31, 2018	-	5,997	(100,700)	-	(94,703)
Other comprehensive loss for the year ended December 31, 2018	-	-	(1,691)	(23,473)	(25,164)
	-	5,997	(102,391)	(23,473)	(119,867)
Transactions with owners recorded directly in equity					
Final dividend for the year ended December 31, 2017 - Re. 1 per share declared on April 25, 2018	-	(70,567)	-	-	(70,567)
Balance as at December 31, 2018	705,672	625,357	71,065	(48,240)	1,353,854
Total comprehensive income / (loss)					
Profit / (loss) for the year ended December 31, 2019	-	50,186	(226,904)	-	(176,718)
Other comprehensive income for the year ended December 31, 2019	-	-	7,594	55,983	63,577
	-	50,186	(219,310)	55,983	(113,141)
Transactions with owners recorded directly in equity					
Issuance of right shares	1,000,000	-	-	-	1,000,000
Balance as at December 31, 2019	1,705,672	675,543	(148,245)	7,743	2,240,713

* This includes an amount of Rs. 50 million set aside by the Company in respect of Takaful operations.
** This balance is net of related change in insurance liabilities.

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

Chairman | Director | Director | Chief Executive Officer | Chief Financial Officer

Cash Flow Statement

For the year ended December 31, 2019

	Note	2019	2018
		----------Rupees in 000----------	
Operating Cash flows			
(a) Underwriting activities			
Premiums received net of policy transfers		4,883,273	4,607,916
Reinsurance premium paid		(133,435)	(238,558)
Claims paid		(1,647,935)	(1,205,573)
Surrenders paid		(3,178,133)	(3,809,358)
Reinsurance recovery received		30,789	51,056
Commissions paid		(495,079)	(442,114)
Commission received		133,435	97,269
Net cash outflow on underwriting activities		(407,085)	(939,362)
(b) Other operating activities			
Income tax paid		(136,635)	(77,434)
Payment for expenses		(1,250,527)	(967,719)
Other operating receipts		157,186	7,869
Loans advanced		21,666	(10,060)
Loan repayments received		7,884	(3,643)
Net cash outflow on other operating activities		(1,200,426)	(1,050,987)
Total cash outflow on all operating activities		(1,607,511)	(1,990,349)
Investment activities			
Profit / return received		1,391,681	1,133,795
Dividend received		34,299	60,688
Payment for investments		(5,256,433)	(2,250,945)
Proceeds from disposal of investments		4,437,166	4,437,238
Fixed capital expenditure		(578,904)	(28,360)
Capital work in progress		381,242	(367,116)
Proceeds from sale of property and equipment		7,536	563
Total cash inflow from investing activities		416,587	2,985,863
Financing activities			
Issuance of right shares		1,000,000	-
Dividends paid		(269)	(59,212)
Total cash inflow from / (outflow on) financing activities		999,731	(59,212)
Net cash (outflow on) / inflow from all activities		(191,193)	936,302
Cash and cash equivalents at beginning of year		1,833,762	897,460
Cash and cash equivalents at end of year	15.1	1,642,569	1,833,762
Reconciliation to Profit and Loss Account			
Operating cash flows		(1,607,511)	(1,990,349)
Depreciation and amortisation expenses		(126,613)	(46,235)
Gain on disposal of fixed assets		7,890	563
Increase in assets other than cash		267,187	494,740
Decrease in liabilities		(907,566)	996,970
Investment income		2,000,863	349,532
Profit received on bank deposits		173,012	84,472
Surplus appropriated to Shareholders' fund		16,020	15,604
Loss after taxation		(176,718)	(94,703)

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

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 IGI Life Insurance Limited ("the Company") was incorporated in Pakistan on October 9, 1994 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). Its shares are quoted on the Pakistan Stock Exchange Limited. The Company commenced its operations on May 25, 1995 after registration with the Controller of Insurance on April 30, 1995. The registered office of the Company is situated at 7th Floor, The Forum, Suite No. 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi which is also the principal office of the Company.

1.2 The Company is a subsidiary of IGI Holdings Limited ("Holding Company") which holds 82.69% (2018 : 81.97%) share capital of the Company.

1.3 The Company is engaged in life insurance, carrying on both participating and non-participating business. The Company is also engaged in providing Shariah Compliant family takaful products as an approved window takaful operator.

1.4 In accordance with the requirements of the Insurance Ordinance, 2000, the Company established a Shareholders' Fund and Separate Statutory Funds, in respect of each class of life insurance and family takaful business. The Statutory Funds established by the Company, in accordance with the advice of the Appointed Actuary are as follows:

- Life (participating)
- Life (non-participating) – Individual
- Life (non-participating) – Group
- Accident & Health – Individual
- Accident & Health – Group
- Pension Business Fund
- Investment Linked
- Individual Family Takaful
- Group Family Takaful
- Group Health Takaful

1.5 The Board of Directors of the Company in their meeting held on December 23, 2017 had entered into collaboration with Vitality Group International. The collaboration agreement enabled the Company to launch shared value life insurance products in Pakistan. The SECP vide its letter ID/PRDD/048-Registration/2018/16958 dated October 25, 2018 allowed the Company to sell or market its product. During the year, the Company has launched the vitality product on February 01, 2019.

2 BASIS OF PREPARATION

These financial statements have been presented in accordance with the requirements of the Insurance Rules, 2017 issued through S.R.O. 88 (I) / 2017 dated February 09, 2017 by the Securities and Exchange Commission of Pakistan (SECP).

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012.

In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful rules, 2012 shall prevail.

2.2 Standards, interpretations of and amendments to the accounting and reporting standards that are effective in the current year:

The Company has applied the following standards for the first time for their accounting period commencing January 1, 2019:

2.2.1 Effective from January 1, 2019, the Company has adopted IFRS 16: 'Leases' which has replaced IAS 17, 'leases.' The standard addresses recognition and measurement of leases for both lessor and lessee. The impacts of adoption of IFRS 16 are further given in note 4.1 to these financial statements.

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

Further, IFRS 4 provides two alternative options in relation to application of IFRS 9 for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from the effective date to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. The Company has adopted the temporary exemption which allows the Company to defer the application of IFRS 9 until December 31, 2021.

For the companies adopting the temporary exemption, the IFRS 4 requires certain disclosures which have been disclosed in note 2.2.2.1.

2.2.2.1 TEMPORARY EXEMPTION FROM APPLICATION OF IFRS 9

As an insurance company, the management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosures, as required by the IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given below.

Fair value of financial assets as at December 31, 2019 and change in the fair values during the year ended December 31, 2019:

Financial assets with contractual cash flows that meet the SPPI criteria, excluding those held for trading	**Rupees in '000**
Pakistan Investment Bonds - available for sale (refer note 8)	
Opening fair value	9,712,496
Additions / (disposals) during the year	(873,119)
Increase / (decrease) in fair value	396,476
Closing fair value	9,235,853
Treasury Bills - available for sale (refer note 8)	
Opening fair value	1,455,674
Additions / disposals during the year	1,549,903
Increase / (decrease) in fair value	6,158
Closing fair value	3,011,735
Debt Securities - available for sale (refer note 9)	
Opening fair value	175,000
Additions / disposals during the year	282,354
Increase / (decrease) in fair value	-
Closing fair value	457,354
Financial assets that do not meet the SPPI criteria	
Mutual funds - available for sale (refer note 7)	
Opening fair value	3,161,127
Additions / disposals during the year	(616,640)
Increase / (decrease) in fair value	483,272
Closing fair value	3,027,759
Listed equities - available for sale (refer note 7)	
Opening fair value	112,535
Additions / disposals during the year	(49,121)
Increase / (decrease) in fair value	22,716
Closing fair value	86,130

2.2.3 There are certain other new and amended standards and interpretations that are mandatory for the Company's accounting period beginning on or after January 1, 2019, but are considered not to be relevant or do not have any significant effect on the Company's operations and are therefore not detailed in these financial statements.

2.3 Standards, interpretations of and amendments to the accounting and reporting standards that are not yet effective:

The following revised standards, amendments and interpretations with respect to the accounting and reporting standards would be effective for the dates mentioned below against the respective standards, amendments or interpretations:

	Effective date (period beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2020
- IAS 8 - 'Accounting policies, changes in accounting estimates and errors ' (amendments)`	January 1, 2020

The management is in the process of assessing the impact of these amendments on the financial statements of the Company.

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

3 BASIS OF MEASUREMENT

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

3.1 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

3.2 Use of estimates and judgments

The preparation of financial statements in conformity with the requirements of accounting and reporting standards as applicable in Pakistan requires management to make judgments / estimates and associated assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The judgments / estimates and associated assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making estimates about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future periods affected in accordance with the requirements of International Accounting Standard - 8, "Accounting Policies, Changes in Accounting Estimates and Errors".

Significant areas where assumptions and estimates were exercised in application of accounting policies, otherwise that are disclosed in these financial statements, relate to:

3.2.1 Policyholders' liabilities

Mortality and Interest Bases adopted

SECP vide its circular 17/2013 dated September 13, 2013 has stipulated that SLIC(2001:05) Individual Life Mortality Table published by Pakistan Society of Actuaries be used as the minimum valuation basis prescribed under SECP's notification S.R.O 16(1)/2012. A test was previously conducted to compare the existing valuation basis i.e. EFU (1961:66) mortality table with the minimum valuation basis SLIC (2001:05) for the relevant reserves. The test revealed that the existing valuation basis was more prudent than the minimum valuation basis and therefore it was considered to be more appropriate to continue with the existing valuation basis.

The rate of discount was taken as 3.75% in line with the requirements under SECP's notification S.R.O 16(1)/2012, for determining reserves of traditional products and supplementary coverage. Any differential between the assumed rate and the actual rate is intended to be available to the Company for meeting its administrative expenses.

General Principles adopted for valuation

The general principles adopted in the actuarial valuation to estimate policyholders' liabilities as at December 31, 2019 in accordance with the Annexure 5 to Rule 23 of the Insurance Rules, 2017 are as follows:

a) Reserves for Endowment Policies with term not less than 20 years have been calculated using Full Preliminary Term Method with EFU (1961-66) Ultimate Mortality Table at 3.75%.

b) Reserves for Endowment Policies with term less than 20 years have been calculated using combination of Full Preliminary Term Method and Net Level Premium Method with EFU (1961-66) Ultimate Mortality Table at 3.75%.

c) Term Policies are calculated using Net Level Premium Method with EFU (1961-66) Ultimate Mortality Table at 3.75%.

d) Reduced Paidlups and Extended Term insurances have been valued by Net Single Premium Method with EFU (1961-66) Ultimate Mortality Table at 3.75%.

e) Bonus Reserves have been valued by Net Single Premium Method with EFU (1961-66) Ultimate Mortality Table at 3.75%.

f) Loyalty Bonus Reserves have been valued by Net Single Premium Method at 3.75% for active policies.

g) In respect of Unit Linked policies, the reserve for bid value of allocated units is calculated using the latest bid value of units and the total number of units belonging to policyholders' accounts as at the valuation date. The amount is held as a reserve since it represents the current value of amounts that will be payable to policyholders at the time when a maturity, death or surrender claim is filed. The latest bid value is the last "announced" bid price before the valuation date.

h) Universal Life business has been valued using full account values. No deduction has been made for surrender charges.

i) An 'Asset Liability mismatch reserve' has been kept in the Individual Life Non - Participating Fund as a result of the ALM exercise carried out to assess the interest rate risk, credit risk and equity risk.

j) Group Life Insurance, Individual Accident & Health Insurance and Group Accident & Health have been valued using Unearned Gross Premium.

k) Pension business has been valued using full account values.

l) Unearned premium reserves have been maintained for all riders except Level Term rider reserve which is calculated using Net Level Premium Method with EFU (1961-66) Ultimate Mortality Table at 3.75%.

m) Reinsurance premium reserves have been maintained on an unearned premium basis.

n) Reserves have been maintained for Incurred But Not Reported (IBNR) claims which were determined using the Chain-Ladder method based on the claims lag pattern experienced over the past few years.

o) Reserves for claims payable in instalments have been kept at 3.75%.

p) Unearned Premium Reserve is kept as half month of Cost of Insurance (COI) for Cost of Insurance (COI) of Universal Life and Unit Linked Policies.

q) No policy is treated as an asset and in the system if the reserve is negative, the negative value is excluded and the reserves for the policies is set equal to zero.

r) The Company does not have any insurance policy which is denominated in foreign currency.

s) Reinstatement reserve have been maintained on universal life and ordinary life policies.

The principles adopted in this valuation were same as those followed in previous valuation as at December 31, 2018.

Surrenders

For the purpose of conventional and annuity 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.

Claims provision

a) Reserves have been made in respect of all intimated claims. Most claims require lump sum payments, and reserves have been maintained in each Statutory Fund, where applicable. In a small number of cases, claims are payable in instalments over a period of more than twelve months after the valuation date. In respect of all such claims, reserves have been calculated using the minimum valuation basis.

b) Adequate reserves have also been maintained for Incurred But Not Reported (IBNR) claims which were determined using the Chain and Ladder Method.

3.2.2 Classification of investment and provisions for impairment there against

The Company determines that available for sale equity investments are impaired when there has been significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Company evaluates among other factors, the normal volatility in prices. In addition, impairment against investments may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology and operational and financing cash flows.

The Company has determined fair value of certain investments by using quotations from active market. Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matter of judgment (e.g. valuation, interest rates, etc.) and therefore, cannot be determined with precision.

3.2.3 Income tax

In making the estimates for income taxes currently payable by the Company, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past.

3.2.4 Tangible and intangible assets, depreciation and amortisation

In making estimates of the depreciation / amortisation method, the management uses the method which reflects the pattern in which economic benefits are expected to be consumed by the Company. The method applied is reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the method would be changed to reflect the change in pattern.

The carrying amounts are reviewed at each reporting date to assess whether these are recorded in excess of their recoverable amounts, and where carrying values exceed estimated recoverable amount, assets are written down to their estimated recoverable amounts.

During the year, the Management has revised its estimates of the useful life of owned and leased motor vehicles. Previously, assets under these categories were depreciated over 3 years and now these are being depreciated over the useful life of 5 years.

The revision has been accounted for as a change in accounting estimate in accordance with the requirements of International Accounting Standards (IAS) - 8 'Accounting policies, changes in accounting estimates and errors'. Had the revision in useful lives of these assets not been made, the depreciation expense for the year would have been higher by Rs. 6.475 million and consequently, loss before tax would have been higher by the same amount.

3.2.5 Defined benefits plans and other benefits

Liability / asset is determined on the basis of actuarial valuation carried out using the Projected Unit Credit Method.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented except for the changes in the accounting policies described in note 4.1 below:

4.1 'Effective from January 1, 2019, the Company has adopted IFRS 16, "Leases" which replaces existing guidance on accounting for leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains a Lease', SIC-15 'Operating Leases- Incentive and SIC-27 'Evaluating the substance of transactions involving the legal form of a Lease'. IFRS 16 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. During the year the Company has changed its accounting policy with respect to finance leases in accordance with IFRS 16 - "Leases".

For leases previously classified as finance leases the Company recognised the carrying amount of the lease assets and lease liability immediately before transition as the carrying amount of the right-of-use assets and the lease liability at the date of initial application. The measurement principles of IFRS 16 are applied only after that date. The remeasurements to the lease liabilities are recognised as adjustments to the related right-of-use assets immediately after the date of initial application as disclosed in note 4.1.1.

4.1.1 **Impact of IFRS 16**

	December 31, 2018	Change	January 1, 2019
	----------'Rupees. in '000----------		
Impact on statement of financial position			
Decrease in vehicles - leased	23,043	(23,043)	-
Increase in right-of-use assets	-	23,043	23,043

The revised accounting policies are disclosed in note 4.11.2 to these financial statements.

On adoption of IFRS 16, the Company has recognised liabilities in respect of leases which had previously been classified as operating leases under IAS 17 except for certain short term leases in accordance with IFRS 16. These liabilities were initially measured at the present value of the remaining lease payments, discounted using the Company's incremental weighted average borrowing rate of 10.55% per annum as of January 1, 2019. The lease liability is subsequently measured at amortised cost using the effective interest rate method.

	2019 (Rupees in '000)
Total lease liability recognised	49,567

The expense relating to the aforementioned leases amounts to Rs 1.681 million.

On adoption of IFRS 16, the associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of prepaid lease payments recognised in the statement of financial position immediately before the date of initial application.

The right-of-use assets recognised subsequent to the adoption are measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use assets are depreciated on a straight line basis over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use assets are reduced by impairment losses, if any, and adjusted for certain remeasurements of lease liability.

The recognised right-of-use assets relate to the following type of asset:	2019 (Rupees in '000)
Property	17,078

The effects of this change in accounting policy are as follows:

Impact on statement of financial position	
Increase in right-of-use assets	17,078
Decrease in prepayments	(2,444)
Increase in total assets	14,634
Increase in borrowings- lease liability against right-of-use assets	15,279
Decrease in net assets	(645)
Impact on profit and loss account	
Increase in finance costs	1,680
(Increase) / decrease in management expenses:	
- Depreciation on right-of-use assets	13,101
- Rent, rates and taxes	(14,136)
Decrease in profit before tax	645
Decrease in earning per share	0.005

Practical expedients applied

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
- the accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases; and
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its arrangement made applying IAS 17 for determining whether an arrangement contains a Lease.

4.2 **Insurance / Takaful contracts**

Conventional Business

Insurance contracts represent contracts with policy holders and reinsurers.

Those contracts including riders where the Company (the insurer) accepts significant insurance risk from another party i.e. group and individual policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders are insurance policy contracts.

Those insurance contracts that are issued by one insurer (the reinsurer) to compensate another insurer (the cedant) for losses on one or more contracts issued by the cedant are reinsurance contracts. The Company enters into reinsurance contracts with foreign reinsurers in the normal course of business in order to limit the potential for losses arising from certain exposures.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its period, even if the insurance risk reduces significantly during this period, unless all rights and liabilities are extinguished or expired.

The Company enters into insurance contracts with policyholders which are divided into following major categories:

Group Insurance contracts

The Company offers Group Life, Group Accident & Health and Pension Business to its clients. The Company also underwrites business for consumer banking related schemes. The risk underwritten is mainly death, hospitalisation and disability. The group insurance contracts are issued typically on Yearly Renewable Term basis (YRT). This business is written through direct sales force as well as bancassurance.

Individual Insurance Contracts

The Company offers Individual Life (Participating), Individual Life (Non-Participating), Individual Accident & Health and Investment Unit Linked Plans which provide the financial protection; protection against the financial consequences of death, disease and disability caused by accidents, sickness or old age and a substantial return at maturity. Investment Unit Linked policies are regular life policies, where policy value is determined as per the underlying assets' value. Various types of riders (Accidental Death, Income Benefit, etc.) are also sold along with the basic policies. Some of these riders are charged through deduction from policyholders' fund value, while others are conventional i.e., additional premium is charged there against. This business is written through direct sales force as well as bancassurance.

Takaful Business

The takaful contracts are based on the principles of Wakala Waqf Model. Takaful is a programme based on Shariah compliant, approved concept funded on the principles of mutual cooperation, solidarity and brotherhood. The obligation of Waqf for Waqf participants' liabilities is limited to the amount available in the Waqf fund. In the event where there are insufficient funds in Waqf to meet their current payments less receipts, the deficit is funded by way of an interest free loan (Qard-e-Hasna) from the operators' sub fund to the statutory fund (Takaful Business Statutory Funds). The amount of Qard-e-Hasna is refundable to the operators' sub fund.

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.

Group Takaful Contracts

The Company offers Group Family, Group Accident and Health takaful policies to its clients. The Group Takaful contracts are issued typically on yearly renewable term basis.

Individual Family Takaful Contracts - unit linked

The Company offers Unit Linked Takaful Plans which provide Shariah compliant financial protection and investment vehicle to individual participants. These plans carry cash value which is determined as per the underlying asset's value. The death benefit design is based on Constant Sum Risk approach i.e. the sum cover is paid in addition to the cash value. The plans offer investment choices to the customer to direct their investment related contribution based on their risk / return objectives. No investment guarantees are offered. The investment risk is borne by the participants. Various type of supplemental benefits (accidental death, disability, income benefit, etc) are also sold along with basic policies.

4.2.1 Premiums / Contributions

Conventional Business

- First year individual life premium is recognised when the policy is issued after receipt of that premium. Subsequent premiums falling due under the policy are recognised if received before expiry of the grace period, or if advanced by the Company under the Automatic Premium Loan (APL). Single premiums and top-up premiums are recognised once the related policies are issued against the receipt of premium.
- Group premiums are recognised when due.

Receivables under insurance contracts are recognised when due, at the fair value of the consideration receivable less provision for doubtful debts, if any. If there is objective evidence that the receivable is impaired, the Company reduces the carrying amount of the receivable accordingly and recognises it as impairment loss.

Takaful Business

- First year individual life contribution is recognised when the policy is issued after receipt of that contribution. Subsequent contributions falling due under the policy are recognised if received before expiry of the grace period, or if advanced by the Company under the Automatic Contribution Loan (ACL). Single contributions and top-up contributions are recognised once the related policies are issued against the receipt of contribution.
- Group contributions are recognised when due.

Receivables under takaful contracts are recognised when due, at the fair value of the consideration receivable less provision for doubtful debts, if any. If there is objective evidence that the receivable is impaired, the Company reduces the carrying amount of the receivable accordingly and recognises it as impairment loss.

4.2.2 Reinsurance / Retakaful contracts held

Conventional Business

Reinsurance premiums are recognised in accordance with the pattern of recognition of related premium. It is measured in line with the terms and conditions of the reinsurance treaty.

Reinsurance liabilities represent balances due to reinsurance companies. Balances payable are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the provision for outstanding claims or settled claims associated with the reinsurance policies and are in accordance with the related reinsurance contract.

Reinsurance assets are not offset against related insurance liabilities. Income or expenses from reinsurance contracts are not offset against expenses or income from related insurance assets as required by the Insurance Ordinance, 2000.

The Company assesses its reinsurance assets for impairment on reporting date. If there is an objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises it as impairment loss.

Takaful Business

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

Retakaful Contribution

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

Retakaful Expenses

Retakaful expenses are recognised as a liability in accordance with the pattern of recognition of related contribution.

Retakaful Assets and Liabilities

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

Retakaful liabilities represent balances due to retakaful operator. Amounts payable are calculated 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 Insurance Ordinance, 2000.

4.2.3 Receivables and payables related to insurance contract

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

4.2.4 Claims

Conventional Business

Claim expense

Insurance claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims and any adjustments to claims outstanding from previous years. Claims are recognised at the earlier of when the policy ceases to participate in the earnings of the fund or insured event occurs.

The outstanding claims liability includes amounts relating to unpaid reported claims and expected claims settlement costs. Full provision is made for the estimated cost of claims incurred to the date of the statement of financial position. The liability for claims expenses relating to "Incurred But Not Reported"(IBNR) is included in policyholders' liabilities.

Claim recoveries

Claims recoveries receivable from reinsurers are recognised as assets at the same time when the corresponding claims are recorded in accordance with the terms of the re-insurance contracts.

Experience refund of premium

Experience refund of premium payable / receivable to / from Individual and Group policyholders is presented in the statement of financial position.

Takaful Business

Claims expense include all claims occurring during the year, whether reported or not, internal and external claim handling costs that are directly related to the processing and settlement of claims and other recoveries, and any adjustments to claims outstanding from previous years.

The outstanding claims liability includes amounts relating to unpaid reported claims and expected claims settlement costs. Full provision is made for the estimated cost of claims incurred to the date of statement of financial position. The liability for claims expenses relating to "Incurred But Not Reported"(IBNR) is included in technical reserves.

4.2.5 Policyholders' liabilities

Policyholders' liabilities including IBNR are stated at a value determined by the appointed actuary through an actuarial valuation / advice carried out at each reporting date, in accordance with section 50 of the Insurance Ordinance, 2000. In determining the value both acquired policy values as well as estimated values which will be payable against risks which the Company underwrites are considered. The basis used are applied consistently from year to year.

As permitted under IFRS 4, related adjustments to policyholders' liabilities are recognised in other comprehensive income, if the unrealised gains or losses on investments are recognised in other comprehensive income.

4.2.6 Acquisition cost

These comprise commission and other costs incurred in acquiring and maintaining insurance policies and include without limitation all forms of remuneration paid to insurance intermediaries.

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

4.2.7 Takaful Operator's Fee

The shareholders of the Company manage the family takaful operations for the participants and act as Wakeel of the Waqf fund. The Company is entitled for the wakala fee for the management of takaful operation under Waqf fund to meet its management expenses.

4.3 Staff retirement benefits

4.3.1 Defined benefit plan

The Company operates an approved defined benefit gratuity scheme for all its permanent employees who attain the minimum qualification period for entitlement to gratuity. Contributions to the Fund are made based on actuarial valuation provided by management's expert.

Past service costs, gains or losses on settlements, and net interest income (expense) are recognised in profit and loss account in the period in which they occur. The measurement differences representing actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost / income are recognised immediately with a charge or credit to other comprehensive income (OCI).

4.3.2 Defined contribution plan

The Company operates an approved contributory provident fund which covers all permanent employees. Equal monthly contributions are made both by the Company and the employees to the Fund at the rate of 10 percent of basic salary.

During the year, Rs. 14.871 million (2018: Rs. 15.488 million) has been recognised in the profit and loss account in respect of defined contribution plan.

4.4 Employees' compensated absences

The Company accounts for the liability in respect of employees' compensated absences in the period in which employees become entitled.

4.5 Cash and cash equivalents

For the purposes of cash flow statement cash and cash equivalents include the following:

- cash and stamps in hand
- cash at bank in current and other accounts
- deposits with original maturity of three months or less

4.6 Loans secured against life insurance policies

Interest bearing loans are available to policyholders of the Company to the extent of ninety percent of cash values built in their policies. These are recognised on disbursement.

4.7 Investments

4.7.1 Classification

Investments with fixed or determinable payments and fixed maturity, where the Company has positive intent and ability to hold to maturity, are classified as Held-to-Maturity. Investments designated at fair value through profit or loss represent investments acquired principally for the purpose of generating profits from short term fluctuations in market prices, interest rate movement, or dealer's margin. Available for sale investments are those investments that do not fall under either fair value through profit or loss or held to maturity categories.

4.7.2 Initial recognition

All investments are initially recognised at cost, being the fair value of the consideration given and includes transaction costs except for investments designated at fair value through profit or loss in which transaction cost is charged to profit and loss account.

4.7.3 Subsequent measurement

Held to maturity

Subsequently, these are measured at amortised cost less provision for impairment, if any. Any premium paid or discount availed on acquisition of held to maturity investment is deferred and amortised over the term of investment using the effective interest method.

Available-for-sale

Investments classified as available-for-sale are subsequently measured at market value in accordance with the requirements of the Insurance Accounting Regulations, 2017 and the unrealised gain or loss is recognised in other comprehensive income.

Fair value through profit and loss

Investments classified 'at fair value through profit or loss' category at inception, are subsequently measured at their fair value and gains and losses arising from changes in fair value are included in the profit and loss account.

Fair / market value measurement

For investments in government securities, fair / market value is determined by reference to quotations obtained from Financial Market Association of Pakistan (FMAP) (PKRV) where applicable. The fair / market value of mutual fund units and listed equity securities is determined as per the rates announced by the Mutual Funds Association of Pakistan (MUFAP) and Pakistan Stock Exchange (PSX) respectively.

Date of recognition

Regular way purchases and sales of investments that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is a date on which a trade (bonds, equities, foreign exchange, commodities, etc.) is executed i.e. the day when transaction is entered into.

4.10 Taxation

Income tax 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.

4.10.1 Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing laws for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalised during the current year for such years.

4.10.2 Deferred

Deferred tax is accounted for using the balance sheet method in respect of all temporary differences at the reporting date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to equity in which case it is included in equity.

4.11 Fixed assets

4.11.1 Tangible

These are initially stated at cost and subsequently at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged over the estimated useful life of the asset on a systematic basis to income applying the straight line method at the rates specified in note 5.1 to the financial statements, after taking into account residual value and charged to profit and loss account.

Depreciation on additions is charged from the month in which the asset is available for use and on disposal, upto the month the asset is in use.

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

An item of tangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year the asset is derecognised.

The assets residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

4.11.2 Right-of-use assets and their related lease liability

Right-of-use assets

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

Right-of-use assets are subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenure.

Right-of-use assets are depreciated over their expected useful lives using the straight-line method. Depreciation on additions (new leases) is charged from the month in which leases are entered into. No depreciation is charged in month in which the leases mature or are terminated.

Lease liability against right-of-use assets

The lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also measured to reflect any remeasurement or change in lease terms. These remeasurement of lease liabilities are recognised as adjustments to the carrying amount of related right-of-use assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the statement of comprehensive income as financial charges over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

4.11.3 Capital work in progress

Capital work in progress is stated at cost less any impairment in value. It includes advances to suppliers in respect of tangible fixed assets.

4.11.4 Intangible

These are stated at cost less accumulated amortisation and impairment loss, if any. Amortisation is charged over the estimated useful life of the asset on a systematic basis to income applying the straight line method at the rates specified in note 6 to the financial statements.

Amortisation on additions is charged from the month in which the asset is acquired or capitalised and on disposal up to the month the asset is in use.

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

4.12 Impairment of non-financial assets

The carrying amount of assets (other than deferred tax asset) are reviewed at each reporting 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, as appropriate. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

4.13 Provisions

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

4.14 Investment income

- Income from held to maturity / available for sale investments is recognised using effective interest method. The difference between the redemption value and the purchase price of the held to maturity investments is amortised over the term of the investment and is taken to the profit and loss account.

- Dividend income on investments is recognised when the Company's right to receive the payment is established.

- Gain or loss on sale of investments is included in profit and loss account.

- Return on bank deposits, loans to employees and loans to policyholders are recognised on a time proportionate basis taking into account the effective yield.

- Revaluation gain / loss on investments held 'at fair value through profit or loss' is recognised as income / expense in the profit and loss account.

4.15 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

4.16 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components.

All operating segments' results are reviewed regularly by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The chief operating decision maker has been identified as the Chief Executive Officer.

The Company presents segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Takaful Rules, 2012. The Company has 9 Operating segments for reporting purposes namely; a) Individual Life participating business, b) Individual Life non-participating business, c) Investment linked d) Accidental & health e) Group Life, f) Group health, g) Pension business h) Individual family takaful, i) Group family takaful and j) Accident & health family takaful.

- The Life (participating) segment provides life insurance coverage to individuals under individual life policies that are entitled to share in the surplus earnings of the statutory fund to which they are referable.

- The Life (non-participating) segment provides life insurance coverage to individuals under individual life policies that are not entitled to share in the surplus earnings of the statutory fund to which they are referable.

- The Life (non-participating) Group segment provides life insurance coverage to employer-employee (and similar) groups of employees / members under a single life policy issued to the employer. The Group policy is not entitled to share in the surplus earnings of the statutory fund to which it is referable.

- The Investment Linked business segment provides life insurance coverage to individuals, whereby the benefits are expressed in terms of units, the value of which is related to the market value of specified assets.

- The Accident and Health - Individual segment provides fixed pecuniary benefits or benefits in the nature of indemnity or a combination of both in case of accident or sickness to individuals.

- The Accident and Health - Group segment provides fixed pecuniary benefits or benefits in the nature of indemnity or a combination of both in case of accident or sickness to employer-employee (and similar) groups of employees / members under a single policy issued to the employer.

- The Pension Fund segment provides coverage for the purposes of a pension or a retirement scheme with or without the payments being guaranteed for a minimum period.

Family Takaful

- The individual family takaful business segment provides family takaful coverage to individuals under unit-linked policies issued by the Company.

- The Group Family Takaful business segments provides family takaful coverage to members of business enterprises, corporate entities and common interest groups under group family takaful scheme operated by the Company.

- The Group Health Takaful provides fixed pecuniary benefits or benefits in the nature of indemnity or a combination of both in case of accident or sickness to employer-employee (and similar) groups of employees / members under a single policy issued to the employer.

Actuarial valuation of life insurance business is required to be carried out annually at the balance sheet date. Policyholders' liabilities included in the statutory funds are based on the actuarial valuation carried out by the Appointed Actuary as at December 31, 2019.

The Company reviews the basis of estimation used in respect of allocation of assets, liabilities, income and expenses not referable to specific fund with the consultation of Company's appointed actuary.

4.17 Foreign currency transactions and translations

Foreign currency transactions are translated into Pak Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the exchange rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. Exchange gains or losses are included in income currently.

4.18 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 usually referable to respective statutory funds, however, where these are not referable to statutory funds, these are allocated to 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.

4.19 Financial instruments

Financial instruments carried on the balance sheet include cash and bank deposits, loans secured against other assets, investment in government securities and listed securities, premiums due but unpaid, amount due from / to agents, sundry receivables, accrued interest, accrued expenses, other creditors and accruals, and dividend payable.

All the financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and derecognised when the Company loses control of contractual rights that comprises the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. At the time of initial recognition all financial assets and financial liabilities are measured at cost, which is the fair value of the consideration given or received for it. These financial assets and liabilities are subsequently measured at fair market value or amortised cost as the case may be. Any gain or loss on derecognition of financial assets and financial liabilities is taken to profit and loss account.

4.2 Offsetting of financial assets and liabilities

Financial assets and financial 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 to settle the liabilities simultaneously.

4.21 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4.22 Dividend and appropriation of reserve

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

5 PROPERTY AND EQUIPMENT

		2019	2018
		-------- (Rupees in '000) --------	
Tangible assets (including right-of-use-asset)	5.1	203,138	158,157
Capital work in progress	5.2	1,737	17,852
		204,875	176,009

5.1 Operating assets

	2019								
	Cost			Accumulated depreciation				Net book value as at December 31	Depreciation Rate
	As at January 01	Additions / (disposals)	As at December 31	As at January 01	Charge for the year	Disposals	As at December 31		
	---------- Rupees in (000) ----------								%
Leasehold improvements	73,376	24,165 -	97,541	32,595	6,197	-	38,792	58,749	10
Computer equipment	111,804	6,905 (4,680)	114,029	71,736	19,191	(3,080)	87,847	26,182	20 - 33.33
Vehicles owned	52,990	57 (16,611)	36,436	52,599	169	(16,611)	36,157	279	20
Right-of-use asset									
- Vehicles	37,020	28,321 (3,549)	61,792	13,977	7,732	(3,176)	18,533	43,259	20
- Property	17,893	12,286 -	30,179	-	13,101	-	13,101	17,078	5 - 80
	54,913	37,058	91,971	13,977	20,833	(3,176)	31,634	60,337	
Furniture and fixtures	56,014	6,296 -	62,310	25,571	4,185	-	29,756	32,554	10
Office equipment	39,430	5,007 -	44,437	15,999	3,401	-	19,400	25,037	10
	388,527	**83,037 (24,840)**	**446,724**	**212,477**	**53,976**	**(22,867)**	**243,586**	**203,138**	

	2018								
	Cost			Accumulated depreciation				Net book value as at December 31	Depreciation Rate
	As at January 01	Additions/ (disposals)/ adjustments	As at December 31	As at January 01	Charge for the year	Disposals/ Adjustment	As at December 31		
	Rupees in (000)								%
Leasehold improvements	57,223	15,111 - 1,042	73,376	28,266	5,445	- (1,116)	32,595	40,781	10
Computer equipment	67,443	42,510 - 1,851	111,804	55,479	21,610	- (5,353)	71,736	40,068	20 - 33.33
Vehicles									
- Owned	54,618	- (2,414) 786	52,990	48,493	10,473	(2,414) (3,953)	52,599	391	33.33
- Leased	25,691	13,844 - (2,515)	37,020	5,644	4,667	- 3,666	13,977	23,043	33.33
Furniture and fixtures	47,552	8,404 - 58	56,014	23,044	5,030	- (2,503)	25,571	30,443	10
Office equipment	30,769	8,467 - 194	39,430	12,681	1,474	- 1,844	15,999	23,431	10
	283,296	88,336 (2,414) 1,416	370,634	173,607	48,699	(2,414) (7,415)	212,477	158,157	

5.1.1 The cost of fully depreciated tangible assets still in use amounts to Rs. 151.431 million (2018: Rs. 154.468 million).

5.1.2 **Disposal of tangible assets**

Disposal of tangible assets during the year 2019 having net book value exceeding Rs. 50 thousand rupees:

Particulars of asset	Cost	Accumulated Depreciation	Net Book Value	Sale proceed	Net gain	Mode of disposal	Name of buyer
	Rupees in (000)						
Vehicles - Toyota Corrolla	1,675	1,675	-	414	414	Company policy	Muhammad Shaukat (Ex - employee)
Vehicles - Toyota Corrolla	1,880	1,880	-	94	94	Company policy	Nadeem Rehman Malik (Ex - employee)
Vehicles - Toyota Corrolla	1,608	1,608	-	535	535	Company policy	Muhammad Wasif Ali (Ex - employee)
Vehicles - Toyota Corrolla	2,208	2,208	-	294	294	Company policy	Dr. Bakht Jamal Shaikh (Ex - employee)
Vehicles - Toyota Corrolla	1,726	1,726	-	839	839	Company policy	Syed Sabeeh Haider Jaffery (Ex - employee)
Vehicles - Toyota Corrolla	1,680	1,680	-	877	877	Company policy	Imran Ahmed (Ex - employee)
Vehicles - Honda City	1,063	1,063	-	534	534	Company policy	Muhammad Yousuf Ansari (Ex - employee)
Vehicles - Honda City	1,732	1,732	-	1,322	1,322	Company policy	Saima Zafar (Ex - employee)
Vehicles - Honda Civic	2,129	2,129	-	213	213	Company policy	Syed Fahad Subhan (Ex - employee)
Vehicles - Honda Civic	2,623	2,623	-	831	831	Company policy	Nadeem Rehman Malik (Ex - employee)
Vehicles - Suzuki Cultus	1,138	920	218	643	425	Company policy	Roshail Khalid (Ex - employee)
Vehicles - Suzuki Mehran	698	543	155	466	311	Company policy	Syed Hammad Ali (Ex - employee)
Mobiles / Tablets	4,680	3,080	1,600	2,801	1,201	Negotiations	Various persons
2019	24,840	22,867	1,973	9,863	7,890		
2018	2,414	(2,414)	-	563	563		

		2019	2018
5.2	**Capital work in progress**	-------- (Rupees in '000) --------	
	Opening balance	17,852	15,863
	Additions during the year	66,922	16,732
	Transfers during the year	(83,037)	(14,743)
	Closing balance	1,737	17,852

6 INTANGIBLE ASSETS

Computer softwares	6.1	437,463	13,072
Capital work in progress	6.2	-	365,127
		437,463	378,199

6.1 **Computer softwares**

	Cost			Accumulated amortisation				Net book value as at December 31	Amortisation Rate
	As at January 01	Additions / (Dispoal)	As at December 31	As at January 01	Charge for the year	Disposals	As at December 31		
	Rupees in (000)								%
Computer software	25,505	497,028 -	522,533	12,433	72,637	-	85,070	437,463	33.33
2019	25,505	497,028 -	522,533	12,433	72,637	-	85,070	437,463	33.33
2018	10,762	14,743	25,505	8,425	2,558	1,450	12,433	13,072	33.33

6.1.1 The cost of fully amortised intangible assets still in use amounts to Rs. 9.458 million (2018: Rs. 8.968 million).

		2019	2018
6.2	**Capital work in progress**	-------- (Rupees in '000) --------	
	Opening balance	365,127	-
	Additions during the year	131,901	379,870
	Transfers during the year	(497,028)	(14,743)
	Closing balance	-	365,127

7 INVESTMENTS IN EQUITY SECURITIES

	Note	2019 Carrying amount	2019 Market value	2019 Surplus on revaluation of investments	2018 Carrying amount	2018 Market value	2018 Deficit on revaluation of investments
		(Rupees in '000)					
Available for sale:							
Listed equity securities	7.1	82,078	86,130	4,052	131,199	112,535	(18,664)
Listed Mutual Funds	7.2	2,844,251	3,027,759	183,508	3,460,891	3,161,127	(299,764)
		2,926,329	3,113,889	187,560	3,592,090	3,273,662	(318,428)

7.1 **Details of listed equity securities**

	2019	2018
Particulars of scrip	-------- (Rupees in '000) --------	
Automobile assembler		
Honda Atlas Cars Limited	285	-
Indus Motors Limited	-	73
Millat Tractors Limited	211	333
Thal Limited	981	1,155

Particulars of scrip	2019	2018
	-------- (Rupees in '000) --------	
Cement		
Attock Cement Pakistan Limited	12	14
Cherat Cement Company Limited	-	1,121
D.G Khan Cement Limited	-	176
Kohat Cement Limited	619	127
Lucky Cement Limited	3,749	5,694
Maple Leaf Cement Limited	806	1,992
Pioneer Cement Limited	-	524
Fauji Cement Limited	78	-
Chemicals		
Engro Polymer and Chemicals Limited	2,126	4,240
Sitara Chemical Limited	-	120
Commercial Banks		
Allied Bank Limited	2,304	2,314
Askari Bank Limited	-	574
Bank Alfalah Limited	5,130	7,245
Bank AlHabib Limited	4,227	3,852
Bank of Punjab	1,241	2,238
Faysal Bank Limited	5	133
Habib Bank Limited	4,376	4,975
Habib Metropolitan Bank Limited	-	115
MCB Bank Limited	2,090	4,104
Meezan Bank Limited	447	14
United Bank Limited	4,047	7,739
National Bank of Pakistan	1,342	-
Engineering		
Amreli Steels Limited	433	-
International Industries Limited	-	1,386
International Steels Limited	243	868
Mughal Steels Mills Limited	881	344
Pak Elektron Limited	-	261
Pakistan National Shipping Corporation	517	-
Fertilizer		
Engro Corporation Limited	4,454	9,227
Engro Fertilizers Limited	2,533	3,680
Fauji Fertilizer Bin Qasim Limited	2	432
Fauji Fertilizer Limited	2,182	882
Dynea Pakistan Limited	371	-
Glass and ceramics		
Tariq Glass Industries Limited	535	174
Insurance		
Adamjee Insurance Company Limited	1,179	1,471
Oil and gas exploration companies		
Mari Petroleum Limited	4,470	3,615
Oil and Gas Development Company Limited	5,394	8,230
Pakistan Oilfields Limited	2,926	4,295
Pakistan Petroleum Limited	6,048	7,317
Oil and gas marketing companies		
Attock Petroleum Limited	178	207
HASCOL Petroleum Limited	-	122
Pakistan State Oil Limited	2,352	4,113
Sui Northern Gas Pipeline Limited	2,270	493
Paper and board		
Century Paper & Board Mills Limited	-	55
Cherat Packaging Limited	-	493
Pharmaceuticals		
Abbott Laboratories (Pakistan) Limited	156	221
AGP Limited	-	836
Glaxosmithkline (Pakistan) Limited	289	124
The Searle Limited	1,246	1,271
HIGHNOON Laboratories	806	-
Power generations and distribution		
Hub Power Company Limited	6,560	5,980
K-electric Limited	428	722
Kot Addu Power Company Limited	236	100
Pakgen Power Limited	-	460
Saif Power Limited	272	334
Refinery		
Attock Refinery Limited	11	15
Synthetic and Rayon		
Synthetic Products Enterprise Limited	4	125
ICI Pakistan Limited	1,080	-
Technology and telecommunication		
Systems Limited	752	1,351
Textile		
Gul Ahmed Textile Mills Limited	1,233	633
Kohinoor Textile Mills Limited	5	208
Nishat Chunian Limited	213	607
Interloop Limited	310	-
Nishat Mills Limited	1,485	3,011
	86,130	112,535

7.2 Details of listed mutual funds

Al Ameen Islamic Aggressive Income Fund	31,579	29,050
Al Ameen Islamic Cash Fund	26,194	39,444
Al Ameen Shariah Stock Fund	179,715	133,928
Alfalah GHP Alpha Fund	19,127	17,027
Alfalah GHP Islamic Income Fund	43,017	173,369
Alfalah GHP Islamic Stock Fund	151,212	126,449
Alfalah GHP Money Market Fund	340,124	203,472
Alfalah GHP Stock Fund	86,456	100,792
Allied Finergy Fund	-	24,043
Atlas Islamic Income Fund	-	27,541
Atlas Islamic Stock Fund	131,942	106,877
Atlas Money Market Fund	-	32,669
Atlas Stock Market Fund	121,758	139,894
HBL Islamic Income Fund	-	20,660
HBL Islamic Stock Fund	181,662	138,606
HBL Stock Fund	182,968	169,862
HBL Government Securities Fund	1,390	-
MCB Islamic Income Fund	52,241	75,639
MCB Pakistan Income Fund	2,342	2,129
MCB Pakistan Islamic Stock Fund	213,880	151,509
MCB Pakistan Stock Market Fund	325,170	295,259
Meezan Islamic Fund	275	-
Meezan Cash Fund	15,262	16,718
Meezan Islamic Income Fund	46,989	42,864

	2019	2018
	-------- (Rupees in '000) --------	
Meezan Islamic Stock Fund	56,377	-
NBP Islamic Savings Fund	-	3,504
NBP Islamic Stock Fund	177,519	136,665
NBP Money Market Fund	132	37,050
NBP Riba Free Savings Fund	-	20,717
NBP Stock Fund	171,013	169,015
UBL Growth & Income Fund	-	100
UBL Money Market Fund	7,393	16,848
UBL Stock Advantage Fund	462,022	709,427
	3,027,759	3,161,127

8 INVESTMENTS IN GOVERNMENT SECURITIES

	Note	2019 Carrying amount	2019 Market value	2019 Surplus on revaluation of investments	2018 Carrying amount	2018 Market value	2018 Deficit on revaluation of investments
		---------- (Rupees in '000) ----------					
Available for sale:							
Pakistan Investment Bonds	8.1 & 8.2	8,991,933	9,235,853	243,920	9,865,052	9,712,496	(152,556)
Market Treasury Bills	8.3	3,005,634	3,011,735	6,101	1,455,731	1,455,674	(57)
		11,997,567	12,247,588	250,021	11,320,783	11,168,170	(152,613)

8.1 The effective yield on Pakistan Investment Bonds ranges from 6.60% to 14.97% (2018: 6.16% to 14.10%) per annum. The market yield ranges from 11% to 13.44% (2018: 8.53% to 12.74%) per annum.

8.2 The Company has deposited 5 years Pakistan Investment Bonds amounting to Rs. 192.34 million (2018: Rs. 71.34 million) with State Bank of Pakistan under section 29 of Insurance Ordinance, 2000.

8.3 The effective yield on Market Treasury Bills ranges from 13.15% to 14.19% (2018: 10.27%) per annum. The market yield ranges from 13.25% to 13.44% (2018: 10.30%) per annum.

8.4 Particulars of Government Securities

	Tenure	Maturity year	Rate of return (%) per annum	Profit payment	Market value 2019	Market value 2018
					----------Rupees in '000----------	
Pakistan Investment Bonds	10 year	2019	12.00%	Semi-annual	-	320,192
Pakistan Investment Bonds	10 year	2020	12.00%	Semi-annual	496,433	503,805
Pakistan Investment Bonds	15 year	2019	9.00%	Semi-annual	-	10,990
Pakistan Investment Bonds	5 year	2019	11.50%	Semi-annual	-	361,612
Pakistan Investment Bonds	5 year	2020	9.25%	Semi-annual	861,568	854,198
Pakistan Investment Bonds	10 year	2024	12.00%	Semi-annual	43,912	41,202
Pakistan Investment Bonds	5 year	2024	9.50%	Semi-annual	1,276,855	-
Pakistan Investment Bonds	4 year	2021	7.25%	Semi-annual	253,748	-
Pakistan Investment Bonds	5 year	2021	7.75%	Semi-annual	142,048	138,862
Pakistan Investment Bonds	5 year	2023	8.00%	Semi-annual	2,418,596	-
Pakistan Investment Bonds	3 year	2019	7.00%	Semi-annual	-	3,849,788
Pakistan Investment Bonds*	10 year	2028	13.20%	Semi-annual	800,883	619,187
Pakistan Investment Bonds*	10 year	2028	13.77%	Semi-annual	629,500	2,239,283
Pakistan Investment Bonds*	10 year	2028	14.64%	Semi-annual	2,312,310	773,377
					9,235,853	9,712,496
Treasury Bills	3 months	2019	10.27%	On maturity	-	1,455,674
Treasury Bills	3 months	2020	13.40%	On maturity	152,780	-
Treasury Bills	6 months	2020	13.41%	On maturity	471,200	-
Treasury Bills	1 year	2020	13.25%	On maturity	2,387,755	-
					3,011,735	1,455,674
					12,247,588	11,168,170

* These represent floating rate PIB's issued by the SBP.

9 INVESTMENTS IN DEBT SECURITIES

	Note	2019 Carrying amount	2019 Market value	2019 Surplus / (deficit) on revaluation of investments	2018 Carrying amount	2018 Market value	2018 Surplus / (deficit) on revaluation of investments
		---------- (Rupees in '000) ----------					
Available for sale:							
Unlisted term finance certificates	9.1	225,000	225,000	-	175,000	175,000	-
Unlisted commercial paper	9.1	232,354	232,354	-	-	-	-
		457,354	457,354	-	175,000	175,000	-

9.1 Particulars of debt securities

	2019 Number of certificates	2019 Tenure	2019 Coupon rate	2019 Profit payment	2019 Market Value	2018 Number of certificates	2018 Tenure	2018 Coupon rate	2018 Profit payment	2018 Market Value
					Rupees in '000					Rupees in '000
Unlisted Term Finance Ceritificates										
Bank Alfalah Limited	10,000	5 years	3 months Kibor plus 1.50%	Semi annual	50,000	10,000	5 years	3 months Kibor plus 1.50%	Semi annual	50,000
Soneri Bank Limited	10,000	5 years	6 months Kibor plus 2%	Semi annual	50,000	10,000	5 years	6 months Kibor plus 2%	Semi annual	50,000
UBL Bank Limited	15,000	5 years	3 months Kibor plus 1.55%	Quarterly	75,000	15,000	5 years	3 months Kibor plus 1.55%	Quarterly	75,000
Habib Bank Limited	10,000	Perpetual	3 months Kibor plus 1.60%	Quarterly	50,000	-	-	-	-	-
	45,000				225,000	35,000				175,000
Unlisted Commercial Paper										
Hub Power Company Limited	2,500,000	1 year	15.40%	Maturity	232,354	-	-	-	-	-
	2,500,000				232,354					
	2,545,000				457,354	35,000				175,000

10 INVESTMENTS IN TERM DEPOSITS

	2019 Principal amount	2019 Rate	2018 Principal amount	2018 Rate
	Rupees in 000		Rupees in 000	
Deposits maturing within 12 months	1,532,107	11.75% to 13.50% per annum	1,065,000	8.75% to 9.4% per annum

11 INSURANCE / TAKAFUL / REINSURANCE / RETAKAFUL RECEIVABLES

	2019	2018
	-------- (Rupees in '000) --------	
Due from insurance / takaful contract holders - unsecured - Considered good	278,230	330,045
Due from other insurers / reinsurers / retakaful - unsecured - Considered good	182,728	100,477
	460,958	430,522
Less: provision for impairment of receivables from Insurance contract holders	-	-
	460,958	430,522

		Note	2019	2018
			-------- (Rupees in '000) --------	
12	**OTHER LOANS AND RECEIVABLES**			
	Security deposit		14,962	11,237
	Advances to agents		-	8,550
	Loans to agents		278	374
	Receivable against claim administration services		186,758	144,773
	Experience refund receivables		32,165	-
	Accrued income		381,044	237,246
	Other receivables		32,092	63,675
			647,299	465,855
13	**DEFERRED TAX ASSET / (LIABILITY) - NET**			
	Deferred tax (liability) / asset arising in respect of:			
	Unrealised (losses) / gains on investments classified as available for sale	17	(754)	9,254
	Deferred tax asset / (liability) arising in respect of:			
	On Ledger D account balances		60,551	(29,026)
			59,797	(19,772)
14	**PREPAYMENTS**			
	Prepaid rent		4,209	2,276
	Prepaid commission		85,294	77,396
	Others		15,172	4,621
			104,675	84,293
15	**CASH AND BANK**			
	Cash in hand		774	616
	Cash at bank			
	- Savings accounts	15.1	109,688	768,146
			110,462	768,762

15.1 These accounts carry profit at rates ranging from 10% to 12% (2018: 4% to 6.5%).

15.1 Cash and cash equivalents

		2019	2018
		-------- (Rupees in '000) --------	
Cash and bank		110,462	768,762
Term deposit receipts (with original maturity of less than 3 months)	10	1,532,107	1,065,000
		1,642,569	1,833,762

16 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

16.1 Issued, subscribed and paid-up share capital

2019	2018		2019	2018
(Number of shares)			-------- (Rupees in '000) --------	
70,567,200	70,567,200	Ordinary shares of Rs. 10 each fully paid in cash	705,672	705,672
100,000,000	-	Issuance of right shares at Rs.10 each fully paid in cash	1,000,000	-
170,567,200	70,567,200		1,705,672	705,672

16.2 During the year, the Board of Directors of the Company, in its meeting held on June 14, 2019, approved the issuance of right shares amounting to Rs. 1 billion. The subscription of right shares was completed on August 26, 2019 and the shares were issued on September 26, 2019.

16.3 IGI Holdings Limited (Holding Company) held 141,043,321 (2018 : 57,846,319) shares representing 82.69% (2018 : 81.97%) of the Company's shares as at December 31, 2019. These include 824,910 shares in respect of withholding tax on bonus shares issued by the Company. These shares have not been released by the Company to the Government Treasury based on a stay order issued by the Honorable High Court of Sindh.

		Note	2019	2018
			-------- (Rupees in '000) --------	
17	**SURPLUS / (DEFICIT) ON REVALUATION OF AVAILABLE FOR SALE INVESTMENTS**			
	Deficit on revaluation of available for sale investments at January 1		(57,494)	(34,886)
	Surplus arising on revaluation of available for sale investments during the year		34,507	2,975
	Less: Surplus / (deficit) arising on revaluation of available for sale investments during the year on non-participating fund		31,484	(25,583)
			8,497	(57,494)
	Less : related deferred tax (liability) / asset	13	(754)	9,254
	Surplus / (deficit) on revaluation of available for sale investments at December 31		7,743	(48,240)
18	**INSURANCE LIABILITIES**			
	Incurred but not reported claims	18.1	221,007	186,721
	Investment component of unit-linked and account value policies	18.2	7,967,418	7,749,892
	Liabilities under individual conventional insurance contracts	18.2	6,785,242	6,949,696
	Liabilities under group insurance contracts	18.3	292,730	282,030
	Other insurance liabilities	18.4	1,188,543	992,200
	Ledger account A and B		409,240	330,061
			16,864,180	16,490,600

18.1 Incurred but not reported claims

	2019	2018
	-------- (Rupees in '000) --------	
Gross of reinsurance	221,462	187,832
Reinsurance recoveries	(455)	(1,111)
Net of reinsurance	221,007	186,721

18.2 Investment component of unit-linked and account value policies

	2019	2018
	-------- (Rupees in '000) --------	
Investment component of unit-linked policies	7,967,418	7,749,892
Investment component of account value policies	6,785,242	6,949,696
	14,752,660	14,699,588

18.3 Liabilities under group insurance contracts

	2019	2018
	-------- (Rupees in '000) --------	
Gross of reinsurance	329,146	310,255
Reinsurance credit	(36,416)	(28,225)
Net of reinsurance	292,730	282,030

18.4 Other insurance liabilities

	2019	2018
	-------- (Rupees in '000) --------	
Gross of reinsurance	1,129,339	1,091,931
Reinsurance	59,204	(99,731)
Net of reinsurance	1,188,543	992,200

19 OUTSTANDING CLAIMS

		2019	2018
		-------- (Rupees in '000) --------	
Opening balance		281,426	230,477
Total gross claims	30	4,883,118	5,154,003
Claims paid /settled		(4,793,484)	(5,103,054)
Closing balance		371,060	281,426

20 RETIREMENT BENEFIT OBLIGATIONS

20.1 DEFINED BENEFIT PLAN - GRATUITY FUND

The Company offers an approved gratuity fund for all eligible employees. Annual contributions are made to the fund on the basis of actuarial recommendations. The gratuity scheme is governed under the Trust Act, 1882, Trust Deed and Rules of the Fund, the Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002.

The Company faces the following risks on account of gratuity fund:

Final salary risks

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

Asset volatility

Most assets are invested in risk free investments. However, investments in shares, are subject to adverse fluctuation as a result of change in market price.

Discount rate fluctuation

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plan's bond holdings.

Investment risks

The risk of the investment underperforming and not being sufficient to meet the liabilities. The risk is mitigated by closely monitoring the performance of investments.

Mortality risks

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Withdrawal risks

The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

20.2 Valuation results

Actuarial valuation is carried out every year and the latest valuation was carried out as at December 31, 2019. The information provided in notes 20.3 to 20.15 has been obtained from the actuarial valuation carried out as at December 31, 2019. The following significant assumptions have been used for valuation of this scheme:

		2019	2018
		Per annum	
a)	Expected rate of increase in salary level	11.75%	13.25%
b)	Discount rate	11.75%	13.25%
c)	Expected return on plan assets	9.00%	9.00%
d)	Normal retirement age	65 years	65 years

e) Assumptions regarding future mortality experience are based on actuarial recommendations and published statistics.

20.3 Amounts recognised in the statement of financial position:

	Note	2019	2018
		(Rupees in '000)	
Present value of defined benefit obligation	20.5	50,759	80,357
Less: fair value of plan assets	20.5	(26,650)	(44,108)
		24,109	36,249

20.4 Movement in liability / (asset) during the year

	Note	2019	2018
		(Rupees in '000)	
Obligation at the beginning of the year	20.5	36,249	22,377
Charge to profit and loss account	20.6	16,642	13,623
Contribution to the fund during the year		-	(1,442)
Benefits paid by the Company		(21,188)	-
Actuarial (gains) / losses on defined benefit liability	20.7	(7,594)	1,691
Obligation at the end of the year		24,109	36,249

20.5 Movement in defined benefit obligation

	2019		
	Present Value of Obligation	Fair value of plan assets	Total
	(Rupees in '000)		
As at January 1	80,357	(44,108)	36,249
Current service cost	12,000	-	12,000
Interest expense / (income)	8,089	(3,447)	4,642
	100,446	(47,555)	52,891
Remeasurements:			
- Gain from change in financial assumptions	(344)	-	(344)
- Gain from change in experience adjustments	(7,144)	(106)	(7,250)
	(7,488)	(106)	(7,594)
Benefit payments by the fund	(21,011)	21,011	-
Benefit payments made by the Company	(21,188)	-	(21,188)
As at December 31	50,759	(26,650)	24,109

	2018		
	Present Value of Obligation	Fair value of plan assets	Total
	(Rupees in '000)		
As at January 1	67,072	(44,695)	22,377
Current service cost	11,566	-	11,566
Interest expense / (income)	2,084	(27)	2,057
	80,722	(44,722)	36,000
Remeasurements:			
- Loss from change in financial assumptions	606	-	606
- Loss / (gain) from change in experience adjustments	2,906	(1,821)	1,085
	3,512	(1,821)	1,691
Contributions during the year	-	(1,442)	(1,442)
Benefit payments	(3,877)	3,877	-
As at December 31	80,357	(44,108)	36,249

20.6 Amounts recognised in the profit and loss account:

	2019	2018
	(Rupees in '000)	
Current service cost	12,000	11,566
Interest cost	4,642	2,057
Expense for the year	16,642	13,623

20.7 Amounts recognised in other comprehensive income:

(Gain) / loss from change in financial assumptions	(344)	606
(Gain) / loss from change in experience adjustments	(7,250)	1,085
	(7,594)	1,691

20.8 Actual return on plan assets

Expected return on assets	3,447	27
Actuarial gain	106	1,821
	3,553	1,848

20.9 Analysis of present value of defined benefit obligation

Split by vested / non-vested		
(i) Vested benefits	49,975	78,993
(ii) Non-vested benefits	784	1,364
	50,759	80,357

20.10 Sensitivity analysis

Particulars	2019			2018		
	Change in assumption	Increase / (decrease) in present value of defined benefit obligation		Change in assumption	Increase / (decrease) in present value of defined benefit obligation	
		(%)	Rupees in '000		(%)	Rupees in '000
Discount rate	+1%	-35.02%	(28,140)	+1%	-49.36%	(33,110)
	-1%	42.61%	34,238	-1%	59.71%	40,047
Salary increase rate	+1%	42.76%	34,358	+1%	59.92%	40,188
	-1%	-34.83%	(27,991)	-1%	-49.11%	(32,938)

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 assumptions, 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.

20.11 Plan assets comprise of the following:

	2019 (Rupees '000)	Percentage composition	2018 (Rupees '000)	Percentage composition
Cash and bank balances	26,650	100.00%	14,760	33.46%
Government Securities	-	-	29,348	66.54%
Fair value of plan assets	26,650	100.00%	44,108	100.00%

20.12 As per the actuarial recommendations, the expected return on plan assets was taken as 9% (2018: 9%), which is representative of yields on long-term government bonds.

20.13 Based on actuarial advice, the Company intends to charge an amount of Rs. 13.436 million in the financial statements for the year ending December 31, 2020.

20.14 Expected maturity analysis of undiscounted defined benefit obligation for the gratuity scheme is as follows:

At December 31, 2019	Less than a year	Between 1-2 Years	Between 2-5 years	Over 5 years	Total
	(Rupees in '000)				
Gratuity	2,098	9,319	63,791	1,685,897	1,761,105

20.15 5 year data on the deficit / (surplus) of the plan is as follows:

	2019	2018	2017	2016	2015
	(Rupees in '000)				
Present value of defined benefit obligation	50,759	80,357	67,072	62,674	78,182
Fair value of plan assets	(26,650)	(44,108)	(44,695)	(39,455)	(83,725)
Deficit / (surplus)	24,109	36,249	22,377	23,219	(5,543)

21 DEFINED CONTRIBUTION PLAN - PROVIDENT FUND

The Company has set up a provident fund for its permanent employees and contributions were made by the Company to the Trust in accordance with the requirements of Section 218 of the Companies Act, 2017. The total charge against provident fund for the year ended December 31, 2019 was Rs. 14.871 million (2018: Rs. 15.488 million).

	2019 (unaudited)		2018 (unaudited)	
	Rupees in '000	% of the size of the fund	Rupees in '000	% of the size of the fund
Balances with Banks	51,745	94.12%	49,329	98.31%
Other assets	3,232	5.88%	847	1.69%
	54,977	100.00%	50,176	100.00%

21.1 Number of employees

	2019	2018
Number of employees at the end of the year	211	207
Average number of employees during the year	209	189

22 REINSURANCE / RETAKAFUL PAYABLES

	Note	2019	2018
		(Rupees in '000)	
Due to other insurers / reinsurers		75,298	20,881

23 OTHER CREDITORS AND ACCRUALS

	Note	2019	2018
		(Rupees in '000)	
Commission payable		60,849	55,194
Payable to workers' welfare fund	23.1	-	14,554
Payable to vendors		3,279	3,715
Withholding tax payable		18,617	14,664
Surrender payable		11,733	26,616
Experience refund payables		98,106	98,525
Payable to related party		6,652	42,684
Accrued expenses		141,506	34,404
Unclaimed dividend		2,147	2,417
Other liabilities		110,714	85,277
		453,603	378,050

23.1 The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all industrial establishments whose income exceeded Rs. 0.5 million in a tax year were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever was higher. In light of this, the Company filed a constitutional petition in the Honourable Sindh High Court (SHC) challenging the applicability of WWF which is pending adjudication. However, these decisions were challenged in the Supreme Court of Pakistan.

On November 10, 2016 the Supreme Court of Pakistan (SCP) passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments were struck down by the SCP. The Federal Board of Revenue filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed on the matter are still pending before the SHC, the Company has taken legal and tax opinions on the impact of the SCP judgment on the petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the Company. Therefore, there was no longer any liability against the Company under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed off in light of the earlier judgment of the SCP.

In the current year, based on the facts above and the advice sought from tax consultants, the management of the Company decided to reverse the provision against WWF amounting to Rs 14.554 million.

24 LEASE LIABILITY AGAINST RIGHT-OF-USE-ASSETS

	2019	2018
	(Rupees in '000)	
Lease liability against right-of-use assets - motor vehicle	34,288	20,577
Lease liability against right-of-use assets - property	15,279	-
	49,567	20,577
Present value of minimum lease payments	49,567	20,577
Less: Current portion	(18,481)	(5,336)
	31,086	15,241

	2019			2018		
	Minimum lease payments	Financial charges for future payments	Principal outstanding	Minimum lease payments	Financial charges for future payments	Principal outstanding
Not later than one year	18,481	(1,920)	20,401	5,336	(1,164)	6,500
Later than one year and not later than five years	31,086	(9,353)	40,439	15,241	(3,367)	18,608
	49,567	(11,273)	60,840	20,577	(4,531)	25,108

25 CONTINGENCIES AND COMMITMENTS

25.1 With effect from November 1, 2018, the Punjab Revenue Authority (PRA), withdrew the exemption on both, life and health insurance, and subjected the same to the levy of Punjab Sales Tax (PST). Previously, the Sindh Revenue Board (SRB) had withdrawn similar exemptions granted in Sindh. However, during 2019, the Sindh Revenue Board, vide notification no. SRB 3-4/5/2019 dated May 8, 2019, restored the exemption on both, life and health insurance business uptil June 30, 2019.

With effect from July 1, 2019, in Sindh, the SRB extended the exemption to health insurance upto June 30, 2020, and for individual life insurance, prescribed a reduced rate of 3% on GWP. The exemption to Group Life insurance lapsed on June 30, 2019. Hence, Group Life Insurance was made taxable at the full rate of 13%.

This being a collective issue of the industry, the Insurance Association of Pakistan (IAP) had taken up the matter extensively with PRA and SRB for restoration of the exemptions that were withdrawn, besides seeking legal advice. The legal advisors of the IAP/Company have confirmed the contention of the Company that insurance is not a service, but infact, in sum and substance, a contingent contract under which payment is made on the occurrence of an event, specified in the terms of contract or policy, and is thus a financial arrangement. Superior courts in foreign jurisdictions have held that insurance is not a service.

The legal advisors have also raised the important question of constitutionality of the levy of provincial sales tax on life insurance, which is a Federal subject, and have expressed the view that under Article 142 of the Constitution of Pakistan, only those matters which are not enumerated in the Federal Legislative List, may be legislated upon by the provinces. In their view, since the Federation has retained a legislative mandate over all laws relating to insurance, therefore, only the Federation is entitled to levy any tax in relation to insurance business

Without prejudice to the main contentions as stated above, even otherwise, the legal advisors have expressed in their opinion a further flaw in the context of the manner in which the entire premium payment, i.e. Gross Written Premium (GWP) is being charged to the levy of provincial sales tax. This is despite the fact that there are two distinct elements of GWP (i) the amount allocated towards the policy holders' investment, which belongs to them and (ii) the difference between the GWP charged and the investment amount allocated. Thus, in their view, if the entire GWP is subjected to provincial sales tax, then this is akin to a direct tax on policy holders, in the nature of income tax, wealth tax, or capital value tax, all of which fall exclusively within the domain of Federal Legislature.

Based on the above contentions, the Company and other life insurance / health insurance companies challenged the levy of PST on life and health insurance in the Punjab through a writ petition in the Hon'ble Lahore High Court (LHC) in September 2019. Subsequent to the filing of the petition, in October 2019, the PRA issued a show cause notice to the Company and other life insurance companies, attempting to levy PST on the Pan Pakistan GWP, i.e. beyond their jurisdiction, and for the entire calendar year 2018, besides other inaccuracies. The Company and other life insurance companies have filed further Writ Petitions in the Honourable Lahore High Court against the same. The petition is pending adjudication.

In Sindh, extensive discussions were held at the collective level of IAP with the SRB for the restoration of exemption on life insurance, which remained inconclusive. In November 2019, the Company, and other life insurance companies received show cause notices from the SRB, requiring the companies to deposit the SST on life insurance. Based on the same contentions as PST, the Company and other life insurance companies, have filed a Petition in the Hon'ble Sindh High Court (SHC) in November 2019, challenging the levy of SST. The Hon'ble SHC, in their interim order dated December 2, 2019, directed that the request of the petitioners, seeking exemption in terms of Section 10 of the SST Act, 2011, shall be considered by the SRB in accordance with the law. The Petition is pending adjudication.

In January 2020, the SRB, PRA and BRA invited the IAP and insurance industry to hold a dialogue for an amicable settlement of the matter. The Company, along with the IAP and other insurance companies participated in the meeting convened by Chairman SRB, and will continue its efforts to convince the provincial revenue authorities about the merits of the case.

The legal advisors, in their opinion, have expressed the view that the Company has a reasonably strong case on the merits of the Petitions filed in both, the Hon'ble LHC and Hon'ble SHC, against the imposition of the provincial sales taxes on life and health insurance in the Punjab, and on life insurance in Sindh.

Had the sales tax liability on life insurance and health insurance premium been recorded, the loss after tax and loss per share would have been higher by Rs. 130.154 million and Rs. 0.95 respectively while sales tax liability as at December 31, 2019 would have been higher by Rs. 183.315 million.

26 NET PREMIUM / CONTRIBUTION REVENUE

	2019	2018
	---------(Rupees in '000)---------	
Gross premiums / contribution:		
Regular premium / contribution individual policies*		
First year	680,919	579,696
Second year renewal	417,049	474,773
Subsequent year renewal	1,304,185	1,168,913
Single premium / contribution individual policies	443,605	909,348
Group policies without cash value	1,969,099	1,660,831
Total gross premiums / contribution	4,814,857	4,793,561
Less: reinsurance premium / contribution ceded		
On individual life first year business	25,819	29,955
On individual life second year business	8,306	8,295
On individual life renewal business	34,262	26,845
On single premium policies	5,387	8,652
On group policies	112,156	89,259
Less: commission from reinsurers	(27,736)	(25,766)
	158,194	137,240
Net premium / contribution	4,656,663	4,656,321

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

27 INVESTMENT INCOME

	Note	2019	2018
		---------(Rupees in '000)---------	
Income from equity securities - available for sale			
Dividend income		34,299	60,688
Income from debt securities - available for sale			
Return on government securities		1,321,736	1,017,320
Amortisation of (discount) / premium		24,180	(52,836)
Profit on debt securities		46,799	8,768
Income from term deposits - held to maturity			
Profit on term deposit receipts		124,149	43,694
		1,551,163	1,077,634

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

Available for sale financial assets			
Realised gains on:			
Mutual funds		8,650	13,717
Realised losses on:			
Equity securities		(10,900)	(6,594)
Debt securities		(1,565)	(91,810)
		(3,815)	(84,687)

29 OTHER INCOME - NET

Return on bank balances		48,863	40,778
Gain on sale of fixed assets	5.1.2	7,890	563
Return on loan to employees		3	15
Return on loan to policyholders		16,044	18,390
Fee for claim administration services		22,882	18,406
Reversal of Workers' Welfare Fund	23.1	14,554	-
Miscellaneous income		1,730	2,669
		111,966	80,821

	Note	2019	2018
		(Rupees in '000)	
30 NET INSURANCE BENEFITS			
Gross claims			
Claims under individual policies			
by death		166,549	99,114
by maturity		11,605	13,564
by surrender		3,178,133	3,809,358
experience refund		(15,498)	-
Total gross individual policy claims		3,340,789	3,922,036
Claims under group policies			
by death		303,702	170,712
by insured event other than death		1,274,251	1,042,197
experience refund		(35,624)	19,058
Total gross group policy claims		1,542,329	1,231,967
Total gross policy claims		4,883,118	5,154,003
Less: Reinsurance recoveries			
On individual life claims		47,502	19,025
On group life claims		65,538	12,343
		113,040	31,368
Net insurance benefit expense		4,770,078	5,122,635

30.1 Claim Development

The following table shows the development of claims over a period of time on gross basis for group life and individual life business:

Accident Year	2015	2016	2017	2018	2019
	Rupees in 000				
Group Life					
Estimate of Ultimate Claims Costs:					
At the end of the year	61,949	72,207	83,387	127,512	224,468
1 year later	72,899	79,636	99,622	161,390	-
2 years later	72,899	79,736	100,222	-	-
3 years later	72,899	79,736	-	-	-
4 years later	72,899	-	-	-	-
Current estimates of cumulative claim	72,899	79,736	100,222	162,272	255,767
Cumulative payments to date	55,047	27,670	68,134	80,419	82,123
Liability recognised in statement of financial position	-	-	-	882	31,299
Individual Life					
Estimate of Ultimate Claims Costs:					
At the end of the year	45,996	110,727	103,339	45,371	102,784
1 year later	62,391	126,294	131,457	85,340	-
2 years later	65,630	127,795	136,396	-	-
3 years later	70,058	128,858	-	-	-
4 years later	70,226	-	-	-	-
Current estimates of cumulative claim	70,226	128,858	136,396	85,340	121,181
Cumulative payments to date	60,508	72,444	170,346	65,910	112,883
Liability recognised in statement of financial position	-	-	-	-	18,397

		2019	2018
		(Rupees in '000)	
31 ACQUISITION EXPENSES			
Remuneration to insurance intermediaries on individual policies:			
- Commission on first year premiums / contribution		264,540	235,270
- Commission on second year premiums / contribution		20,129	18,103
- Commission on subsequent renewal premiums / contribution		41,098	41,574
- Commission on single premiums / contribution		13,760	27,798
- Other benefits to insurance intermediaries		300,786	179,350
		640,313	502,095
Remuneration to insurance intermediaries on group policies:			
- Commission		165,688	109,630
- Other benefits to insurance intermediaries		3,529	3,410
		169,217	113,040
Branch overheads :			
- Salaries and other benefits		33,814	26,108
- Printing and stationery		3,647	2,547
- Utilities		8,855	6,259
- Repairs and maintenance		15,975	8,593
- Communication		6,427	7,463
- Entertainment		753	510
- Rent		39,163	38,580
- Others		2,800	2,783
		111,434	92,843
Other acquisition cost :			
- Policy stamps		6,498	3,566
		927,462	711,544
32 MARKETING AND ADMINISTRATION EXPENSES			
Salaries, allowances & other benefits		394,496	346,629
Employee benefit cost		31,513	29,111
Travelling expenses		20,444	15,158
Directors' fees		7,254	5,358
Regulators fee	32.1	27,377	19,474
Actuary's fees		8,692	6,042
Medical fees		-	1,041
Advertisement and publicity		62,230	28,578
Printing and stationery		16,681	19,995
Depreciation		53,976	43,677
Amortisation		72,637	2,558
Rent		27,277	22,392
Vehicles and general repair and maintenance		23,372	20,444
Systems maintenance cost		126,160	-
Utilities-electricity, water and gas		11,459	9,793
Transportation		6,706	6,921
Communication		34,301	34,268
Consultancy fee		16,940	20,503
Training and workshop		1,157	6,165
Legal and professional charges		4,095	5,915
Insurance		7,077	5,498
Interest on premium deposit in advance		1,382	1,770
Social security		1,594	1,511
Entertainment		8,293	17,637
Books and subscriptions		22	268
Bank Charges		4,494	3,917
Miscellaneous expenses		28,269	31,973
		997,898	706,596

32.1 This includes penalty amounting to Rs. 30,000 and Rs. 500,000 imposed by the Securities and Exchange Commission of Pakistan (SECP) against certain non-compliances identified during on-site inspection conducted during the year.

33 OTHER EXPENSES

	Note	2019	2018
		(Rupees in '000)	
Auditors' remuneration	33.1	7,577	4,500
Others		9,560	1,136
		17,137	5,636

33.1 Auditors' remuneration

	2019	2018
Audit fee	1,500	1,500
Fee for review of half yearly financial information	500	500
Certifications and other services	4,850	1,850
Out of pocket expenses	727	650
	7,577	4,500

34 FINANCE COSTS

	2019	2018
Markup on finance lease	3,368	1,074

35 TAXATION

	2019	2018
Current		
- for the year	20,498	2,449
Deferred		
- for the year	(89,577)	(41,822)
	(69,079)	(39,373)
Relationship between tax expense and accounting profit		
Loss before tax	(245,797)	(134,076)
Tax at the applicable rate of 29% (2018: 29%)	(71,281)	(38,882)
Effect of:		
- other adjustment	2,202	(491)
Tax charge for the year	(69,079)	(39,373)

35.1 As per Income Tax Ordinance, 2001, the current tax expense is chargeable to income attributable to shareholder's fund only. During the year ended December 31, 2019, the shareholder's fund reflected a profit before tax of Rs. 70.684 million resulting in current tax amounting to Rs. 20.498 million.

35.2 The Income Tax Ordinance, 2000 requires insurance companies to charge tax on the surplus transferred to shareholder's fund. However, due to application of the Insurance Accounting Regulations, 2017, the surplus generated by statutory funds (other than participating fund) of the Company are also presented in profit and loss account on aggregate basis. Therefore the company has recognised deferred tax of Rs. 60.551 million (2018: Rs. 29.026 million) in this respect.

36 LOSS PER SHARE - basic and diluted

	2019	2018
	(Rupees in '000)	
Loss for the year	(176,718)	(94,703)
	(Number of shares)	
Weighted average number of ordinary shares	137,253,033	120,935,890
	(Rupees)	-Restated-
Loss per share	(1.29)	(0.78)

36.1 Diluted earnings per share has not been presented as the Company has not issued any instrument which would have any impact on basic earnings per share when exercised.

37 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES

	2019				2018			
	Chief Executive	Executives	Directors	Total	Chief Executive	Executives	Directors	Total
	(Rupees in '000)							
Fee for attending Board Meetings	-	-	7,255	7,255	-	-	5,358	5,358
Consultancy fee (note 37.2)	-	-	1,500	1,500	-	-	1,350	1,350
Managerial remuneration	19,759	211,293	-	231,052	16,914	232,000	-	248,914
Bonus and housing	2,000	5,509	-	7,509	6,532	14,439	-	20,971
Contribution to defined contribution plan	971	8,890	-	9,861	1,356	14,583	-	15,939
Utilities / telephone	-	422	-	422	-	105	-	105
Other benefits	-		-	-	-	75	-	75
	22,730	**226,114**	**8,755**	**257,599**	**24,802**	**261,202**	**6,708**	**292,712**
	(Number)							
Number of persons, including those who worked part of the year	1	59	7	67	1	56	7	64

37.1 In addition to the above remuneration, the three executives have been provided with Company maintained cars while thirteen executives have been provided with Company cars maintained by them.

37.2 This represents amount paid to one of the directors in respect of legal and professional consultancy provided under group shared services agreement.

38 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of holding company, associated companies, retirement benefit funds, directors and key management personnel of the Company. Remuneration to the key personnel is determined in accordance with the terms of their appointments. All transactions involving related parties arise in the normal course of business. Transactions with the key management personnel are made under their terms of employment / entitlements. Contributions to the employee retirement benefits are made in accordance with the terms of employee retirement benefit schemes and actuarial advice.

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

	Holding Company		Post Employment Benefit Plans		Key Management Personnel		Other Related Parties	
	2019	2018	2019	2018	2019	2018	2019	2018
	(Rupees in '000)							
Transactions								
Premium underwritten	-	-	-	-	3,511	1,125	76,342	73,166
Premium paid for general insurance	-	-	-	-	-	-	4,776	4,076
Claims paid	-	-	-	-	-	-	33,406	46,517
Claims received	-	-	-	-	-	-	802	885
Charge for administrative services received	616	-	-	-	-	-	67,308	59,710
Charge for administrative services provided	10,056	-	-	-	-	-	7,704	7,307
Rent expense	-	-	-	-	-	-	38,356	22,441
Charge in respect of provident fund	-	-	14,871	15,488	-	-	-	-
Dividend paid	-	57,841	-	-	-	529	-	-
Balances								
(Receivable) / payable for group shared services	(10,056)	-	-	-	-	-	16,813	42,684
Receivable)/ payable for general insurance premium	-	-	-	-	-	-	(140)	-
Premium receivable	-	-	-	-	-	-	2,346	8,614
(Receivable) / payable to employee provident fund	-	-	(850)	5,631	-	-	-	-

39 SEGMENT INFORMATION

Each class of business has been identified as a reportable segment. The following is a schedule of class of business wise assets, liabilities, revenues and results have been disclosed in accordance with the requirements of the Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017:

39.1 Revenue Account by Statutory Funds

2019	CONVENTIONAL - STATUTORY FUNDS							TAKAFUL - STATUTORY FUNDS			Total
	Life (Participating)	Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	Individual Family	Group Family	Group Health	
		Individual	Group		Individual	Group					
	(Rupees in '000)										
INCOME											
Premiums / contribution less reinsurances / retakaful	34,836	513,018	341,878	1,217,624	9,510	1,281,492	26,745	996,996	30,171	176,657	4,628,927
Net investment income	223,503	846,426	10,794	737,834	1,034	783	15,323	100,589	911	1,201	1,938,398
Other income - net	7,601	19,286	4,169	20,807	1,475	35,097	1,796	104,399	2,907	6,074	203,611
Total net income	265,940	1,378,730	356,841	1,976,265	12,019	1,317,372	43,864	1,201,984	33,989	183,932	6,770,936
CLAIMS AND EXPENDITURE											
Claims, including bonuses, net of reinsurance recoveries	176,621	1,055,231	233,052	1,729,664	4,205	1,027,008	1,468	327,566	9,884	205,379	4,770,078
Management expenses less recoveries	5,365	113,733	111,961	786,518	26,463	302,316	-	477,718	12,960	33,196	1,870,230
Total claims and expenditure	181,986	1,168,964	345,013	2,516,182	30,668	1,329,324	1,468	805,284	22,844	238,575	6,640,308
Excess of income over claims and expenditure	83,954	209,766	11,828	(539,917)	(18,649)	(11,952)	42,396	396,700	11,145	(54,643)	130,628
Add: Policyholders' liabilities at beginning of the year	1,569,863	6,075,027	98,103	6,219,006	10,020	320,265	106,582	1,721,067	7,529	33,077	16,160,539
Less: Policyholders' liabilities at end of the year	(1,558,617)	(6,093,433)	(99,126)	(5,934,041)	(14,841)	(352,032)	(146,962)	(2,238,892)	(19,872)	2,877	(16,454,939)
Movement in policyholders' liabilities	11,246	(18,406)	(1,023)	284,965	(4,821)	(31,767)	(40,380)	(517,825)	(12,343)	35,954	(294,400)
Surplus / (deficit) before tax	95,200	191,360	10,805	(254,952)	(23,470)	(43,719)	2,016	(121,125)	(1,198)	(18,689)	(163,772)
Taxation	-	(46,365)	(589)	75,110	6,916	13,420	(584)	35,602	450	5,617	89,577
Surplus / (deficit) after tax	95,200	144,995	10,216	(179,842)	(16,554)	(30,299)	1,432	(85,523)	(748)	(13,072)	(74,195)
Movement in policyholders' liabilities	(11,246)	18,406	1,023	(284,965)	4,821	31,767	40,380	517,825	12,343	(35,954)	294,400
Transfers (to) or from shareholders' fund											
- Capital contributions from shareholders' fund	-	-	-	-	10,000	-	-	10,000	-	75,000	95,000
- Qard-e-Hasna from Operators' Sub Fund to PTF	-	-	-	-	-	-	-	-	-	(45,000)	(45,000)
- Qard-e-Hasna received from PTF to Operators' Sub Fund	-	-	-	-	-	-	-	-	-	45,000	45,000
- Capital returned to shareholder's fund	-	-	-	-	-	-	-	-	-	-	-
- Surplus appropriated to shareholders' fund	(16,020)	-	-	-	-	-	-	-	-	-	(16,020)
	(16,020)	-	-	-	10,000	-	-	10,000	-	75,000	78,980
Balance of statutory fund at beginning of the year	1,899,924	6,395,448	180,223	6,345,275	5,926	374,405	112,551	1,717,526	11,222	19,182	17,061,682
Balance of statutory fund at end of the year	**1,967,858**	**6,558,849**	**191,462**	**5,880,468**	**4,193**	**375,873**	**154,363**	**2,159,828**	**22,817**	**45,156**	**17,360,867**
Represented by:											
Capital contributed by shareholders' fund	-	197,552	-	242,100	12,000	4,300	6,000	101,500	1,200	77,500	642,152
Policyholders' liabilities / PTF	1,558,617	6,093,433	99,126	5,934,041	14,841	352,032	146,962	2,238,892	19,872	(2,877)	16,454,939
Retained earnings attributable to policyholders (Ledger Account A)	372,690	-	-	-	-	-	-	-	-	-	372,690
Retained earnings on par business attributable to shareholders - undistributable (Ledger Account B)	36,551	-	-	-	-	-	-	-	-	-	36,551
Retained earnings on other than participating business (Ledger Account D) / PTF	-	261,966	92,219	(293,946)	(22,595)	18,980	1,401	(179,030)	1,826	(29,065)	(148,244)
Surplus / (deficit) on revaluation of available for sale investments	-	5,898	117	(1,727)	(53)	561	-	(1,534)	(81)	(402)	2,779
BALANCE OF STATUTORY FUND	**1,967,858**	**6,558,849**	**191,462**	**5,880,468**	**4,193**	**375,873**	**154,363**	**2,159,828**	**22,817**	**45,156**	**17,360,867**

2018	CONVENTIONAL - STATUTORY FUNDS							TAKAFUL - STATUTORY FUNDS			Total
	Life (Participating)	Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	Individual Family	Group Family	Group Health	
		Individual	Group		Individual	Group					
	(Rupees in '000)										
INCOME											
Premiums / contribution less reinsurances / retakaful	45,230	612,810	258,604	1,320,836	10,581	1,113,993	37,486	1,069,526	15,889	145,600	4,630,555
Net investment income	66,518	204,583	2,238	142,151	797	3,955	(4,156)	(73,606)	(399)	(1,022)	341,059
Other income - net	5,269	22,651	4,813	23,533	434	29,753	260	29,103	194	1,078	117,088
Total net income	117,017	840,044	265,655	1,486,520	11,812	1,147,701	33,590	1,025,023	15,684	145,656	5,088,702
CLAIMS AND EXPENDITURE											
Claims, including bonuses, net of reinsurance recoveries	150,295	729,933	159,072	2,878,952	2,365	931,954	-	141,466	6,147	122,451	5,122,635
Management expenses less recoveries	11,275	114,193	64,169	583,757	18,064	208,465	529	347,672	4,410	25,182	1,377,716
Total claims and expenditure	161,570	844,126	223,241	3,462,709	20,429	1,140,419	529	489,138	10,557	147,633	6,500,351
Excess of income over claims and expenditure	(44,553)	(4,082)	42,414	(1,976,189)	(8,617)	7,282	33,061	535,885	5,127	(1,977)	(1,411,649)
Add: Policyholders' liabilities at beginning of the year	1,573,079	6,119,617	75,342	8,109,869	11,624	262,524	74,927	1,111,274	5,397	10,502	17,354,155
Less: Policyholders' liabilities at end of the year	(1,569,863)	(6,075,027)	(98,103)	(6,219,006)	(10,020)	(320,265)	(106,582)	(1,721,067)	(7,529)	(33,077)	(16,160,539)
Movement in policyholders' liabilities	3,216	44,590	(22,761)	1,890,863	1,604	(57,741)	(31,655)	(609,793)	(2,132)	(22,575)	1,193,616
Surplus / (deficit) before tax	(41,337)	40,508	19,653	(85,326)	(7,013)	(50,459)	1,406	(73,908)	2,995	(24,552)	(218,033)
Taxation	-	(19,166)	(7,472)	25,772	2,013	14,537	(408)	20,720	(989)	6,815	41,822
Surplus / (deficit) after tax	(41,337)	21,342	12,181	(59,554)	(5,000)	(35,922)	998	(53,188)	2,006	(17,737)	(176,211)
Movement in policyholders' liabilities	(3,216)	(44,590)	22,761	(1,890,863)	(1,604)	57,741	31,655	609,793	2,132	22,575	(1,193,616)
Transfers (to) or from shareholders' fund											
- Capital contributions from shareholders' fund	-	-	-	-	-	-	-	-	-	-	-
- Qard-e-Hasna from Operators' Sub Fund to PTF	-	-	-	-	-	-	-	-	(900)	(10,500)	(11,400)
- Qard-e-Hasna received from PTF to Operators' Sub Fund	-	-	-	-	-	-	-	-	900	10,500	11,400
- Capital returned to shareholder's fund	-	-	-	-	-	-	-	-	-	-	-
- Surplus appropriated to shareholders' fund	(15,604)	-	-	-	-	-	-	-	-	-	(15,604)
	(15,604)	-	-	-	-	-	-	-	-	-	(15,604)
Balance of statutory fund at beginning of the year	1,960,081	6,418,696	145,281	8,295,692	12,530	352,586	79,898	1,160,921	7,084	14,344	18,447,113
Balance of statutory fund at end of the year	**1,899,924**	**6,395,448**	**180,223**	**6,345,275**	**5,926**	**374,405**	**112,551**	**1,717,526**	**11,222**	**19,182**	**17,061,682**
Represented by:											
Capital contributed by shareholders' fund	-	197,552	-	242,100	2,000	4,300	6,000	91,500	1,200	2,500	547,152
Policyholders' liabilities / PTF	1,569,863	6,075,027	98,103	6,219,006	10,020	320,265	106,582	1,721,067	7,529	33,077	16,160,539
Retained earnings attributable to policyholders (Ledger Account A)	301,428	-	-	-	-	-	-	-	-	-	301,428
Retained earnings on par business attributable to shareholders - undistributable (Ledger Account B)	28,633	-	-	-	-	-	-	-	-	-	28,633
Retained earnings on other than participating business (Ledger Account D) / PTF	-	148,453	90,778	(110,056)	(5,663)	51,838	(31)	(91,867)	2,927	(15,314)	71,065
Surplus / (deficit) on revaluation of available for sale investments	-	(25,584)	(8,658)	(5,775)	(431)	(1,998)	-	(3,174)	(434)	(1,081)	(47,135)
BALANCE OF STATUTORY FUND	**1,899,924**	**6,395,448**	**180,223**	**6,345,275**	**5,926**	**374,405**	**112,551**	**1,717,526**	**11,222**	**19,182**	**17,061,682**

39.2 Segmental Results by Line of Business

	2019					
	Ordinary Life		Group		Others	Total
	Direct Sales force	Bancassurance	Group Life	Group Health		
	(Rupees in '000)					
Gross Premiums						
- First Year Individual Regular Premiums	321,606	359,313	-	-	-	680,919
- Individual Renewal Premiums	758,070	963,164	-	-	-	1,721,234
- Individual Single Premiums	82,821	360,784	-	-	-	443,605
- Group Premiums	-	-	478,209	1,464,145	26,745	1,969,099
Total Gross Premiums	1,162,497	1,683,261	478,209	1,464,145	26,745	4,814,857
Reinsurance Premiums						
- Individual	48,892	24,882	-	-	-	73,774
- Group	-	-	106,160	5,996	-	112,156
Total Reinsurance Premiums	48,892	24,882	106,160	5,996	-	185,930
Net Premium Revenues	1,113,605	1,658,379	372,049	1,458,149	26,745	4,628,927
Net Investment Income	767,069	1,142,317	11,705	1,984	15,323	1,938,398
Other Income	61,694	91,874	7,076	41,171	1,796	203,611
Total Net Income	1,942,368	2,892,570	390,830	1,501,304	43,864	6,770,936
Claims and Expenditures						
Claims, including bonuses, net of reinsurance recoveries	826,527	2,466,760	242,936	1,232,387	1,468	4,770,078
Management expenses less recoveries	658,003	751,794	124,921	335,512	-	1,870,230
	1,484,530	3,218,554	367,857	1,567,899	1,468	6,640,308
Excess of Income over claims and expenditure	457,838	(325,984)	22,973	(66,595)	42,396	130,628
Add: Policyholders' liabilities at beginning of the year	6,840,541	8,754,442	105,632	353,342	106,582	16,160,539
Less: Policyholders' liabilities at end of the year	(7,433,269)	(8,406,555)	(118,998)	(349,155)	(146,962)	(16,454,939)
Movement in policyholders' liabilities	(592,728)	347,887	(13,366)	4,187	(40,380)	(294,400)
Surplus / (deficit) before tax	(134,890)	21,903	9,607	(62,408)	2,016	(163,772)

	2018					
	Ordinary Life		Group		Others	Total
	Direct Sales force	Bancassurance	Group Life	Group Health		
	(Rupees in '000)					
Gross Premiums						
- First Year Individual Regular Premiums	248,428	331,268	-	-	-	579,696
- Individual Renewal Premiums	754,551	889,135	-	-	-	1,643,686
- Individual Single Premiums	159,608	749,740	-	-	-	909,348
- Group Premiums	-	-	362,115	1,261,230	37,486	1,660,831
Total Gross Premiums	1,162,587	1,970,143	362,115	1,261,230	37,486	4,793,561
Reinsurance Premiums						
- Individual	50,698	23,049	-	-	-	73,747
- Group	-	-	87,622	1,637	-	89,259
Total Reinsurance Premiums	50,698	23,049	87,622	1,637		163,006
Net Premium Revenues	1,111,889	1,947,094	274,493	1,259,593	37,486	4,630,555
Net Investment Income	123,745	216,698	1,839	2,933	(4,156)	341,059
Other Income	29,439	51,551	5,007	30,831	260	117,088
Total Net Income	1,265,073	2,215,343	281,339	1,293,357	33,590	5,088,702
Claims and Expenditures						
Claims, including bonuses, net of reinsurance recoveries	878,148	3,024,863	165,219	1,054,405	-	5,122,635
Management expenses less recoveries	640,260	434,701	68,579	233,647	529	1,377,716
	1,518,408	3,459,564	233,798	1,288,052	529	6,500,351
Excess of Income over claims and expenditure	(253,335)	(1,244,221)	47,541	5,305	33,061	(1,411,649)
Add: Policyholders' liabilities at beginning of the year	6,808,198	10,117,265	80,739	273,026	74,927	17,354,155
Less: Policyholders' liabilities at end of the year	(6,840,541)	(8,754,442)	(105,632)	(353,342)	(106,582)	(16,160,539)
Movement in policyholders' liabilities	(32,343)	1,362,823	(24,893)	(80,316)	(31,655)	1,193,616
Surplus / (deficit) before tax	(285,678)	118,602	22,648	(75,011)	1,406	(218,033)

39.3 Segmental statement of financial position

	2019		
	Shareholders' Fund	Statutory Funds	Total
	(Rupees in '000)		
Assets			
Property and equipment	124,913	79,962	204,875
Intangible assets	437,463	-	437,463
Investments			
Equity securities	-	86,130	86,130
Mutual funds	-	3,027,759	3,027,759
Government securities	308,046	11,939,542	12,247,588
Debt securities	-	457,354	457,354
Term deposits	396,257	1,135,850	1,532,107
Loans secured against life insurance policies	-	167,965	167,965
Insurance / takaful / reinsurance / retakaful receivables	-	460,958	460,958
Other loans and receivables	22,411	624,888	647,299
Taxation - payments less provision	599,667	-	599,667
Deferred tax asset - net	59,797	-	59,797
Prepayments	19,381	85,294	104,675
Cash and bank	19,485	90,977	110,462
Total assets	1,987,420	18,156,679	20,144,099
Liabilities			
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	-	16,864,180	16,864,180
Outstanding claims	-	371,060	371,060
Retirement benefit obligations	961	23,148	24,109
Premium received in advance	-	65,569	65,569
Reinsurance / retakaful payables	-	75,298	75,298
Other creditors and accruals	217,294	236,309	453,603
Liabilities against right-of-use-assets	49,567	-	49,567
Total liabilities	267,822	17,635,564	17,903,386

	2018		
	Shareholders' Fund	Statutory Funds	Total
	(Rupees in '000)		
Assets			
Property and equipment	130,424	45,585	176,009
Intangible assets	378,199	-	378,199
Investments			
Equity securities	-	117,835	117,835
Mutual funds	-	3,155,827	3,155,827
Government securities	108,267	11,059,903	11,168,170
Debt securities	-	175,000	175,000
Term deposits	-	1,065,000	1,065,000
Loans secured against life insurance policies	-	181,375	181,375
Insurance / takaful / reinsurance / retakaful receivables	-	430,522	430,522
Other loans and receivables	14,249	451,606	465,855
Taxation - payments less provision	483,530	-	483,530
Prepayments	-	84,293	84,293
Cash and bank	5,185	763,577	768,762
Total assets	1,119,854	17,530,523	18,650,377
Liabilities			
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	-	16,490,600	16,490,600
Outstanding claims	-	281,426	281,426
Retirement benefit obligations	-	36,249	36,249
Premium received in advance	-	48,968	48,968
Reinsurance / retakaful payables	-	20,881	20,881
Other creditors and accruals	76,515	301,535	378,050
Deferred tax liability - net	19,772	-	19,772
Liabilities against assets subject to finance lease	20,577	-	20,577
Total liabilities	116,864	17,179,659	17,296,523

40 STATEMENT OF SOLVENCY

	CONVENTIONAL - STATUTORY FUNDS					TAKAFUL - STATUTORY FUNDS			2019
	SHARE HOLDERS' FUND	Life Participating	Life (Non-participating) Investment Linked	Accident & Health Individual	Accident & Health Group	Pension Business Fund	Individual Family	Group Family	Group Health	
	(Rupees in '000)									
Assets										
Property and equipment	124,913	8,569	25,702	5,711	4,282	-	-	-	-	204,875
Intangible assets	437,463	-	-	-	-	-	-	-	-	437,463
Investments										
Equity securities	-	-	86,130	-	-	-	-	-	-	86,130
Mutual funds	-	-	69,262	1,091	13,802	-	1,074,744	4,801	12,263	3,027,759
Government securities	308,046	1,850,808	6,015,153	7,504	155,797	117,921	-	-	-	12,247,588
Debt securities	-	-	-	-	-	-	-	-	-	457,354
Term deposits	396,257	-	-	-	-	-	1,083,819	10,406	41,625	1,532,107
Inter-fund balances	174,428	(25,227)	117,224	19,965	(209,531)	7,386	(10,694)	6,808	(40,705)	-
Loans secured against life insurance policies	-	81,456	86,509	-	-	-	-	-	-	167,965
Insurance / takaful / reinsurance / retakaful receivables	-	20,457	33,434	-	221,735	-	-	(193)	22,576	493,123
Other loans and receivables	22,411	49,003	218,204	361	181,945	3,964	27,033	283	9,100	615,134
Taxation - payments less provision	599,667	-	-	-	-	-	-	-	-	599,667
Deferred tax asset - net	59,797	-	-	-	-	-	-	-	-	59,797
Prepayments	19,381	-	-	-	55,422	-	-	4,145	725	104,675
Cash and bank	(130,515)	-	-	-	-	25,000	74,065	13,000	10,000	110,462
Total Assets (A)	2,011,848	1,985,066	6,651,618	34,632	423,452	154,271	2,248,967	39,250	55,584	20,144,099
Total Inadmissible Assets										
Other Loans and receivables	-	-	-	151	16,057	-	-	-	-	16,208
Insurance / takaful / reinsurance / retakaful receivables	-	-	-	-	84,246	-	-	-	20,215	219,189
Prepayments	-	-	-	-	36,628	-	-	3,004	-	55,061
Property and equipment	81,985	5,044	15,127	3,361	2,520	-	-	-	-	129,048
Intangible assets	437,463	-	-	-	-	-	-	-	-	437,463
Deferred tax asset - net	59,797	-	-	-	-	-	-	-	-	59,797
Interfund balances	174,428	(25,227)	117,224	19,965	(209,531)	7,386	(10,694)	6,808	(40,705)	-
Total Inadmissible Assets (B)	753,673	(20,183)	132,351	23,477	(70,080)	7,386	(10,694)	9,812	(20,490)	916,766
Total Admissible Assets (C=A-B)	1,258,175	2,005,249	6,519,267	11,155	493,532	146,885	2,259,661	29,438	76,074	19,227,333
Liabilities										
Insurance liabilities	-	1,558,617	6,093,433	14,841	352,032	146,962	2,238,892	19,872	(2,877)	16,454,939
Outstanding claims	-	14,966	65,916	14,006	167	-	9,901	1,984	-	371,060
Retirement benefit obligations	961	112	1,384	407	4,452	-	4,134	87	609	24,109
Premium received in advance	-	1,024	13,543	331	-	-	19,023	-	-	65,569
Reinsurance / retakaful payables	-	-	-	14,278	48,658	-	7,281	5,081	-	75,298
Other creditors and accruals	217,294	1,106	11,926	1,417	(5,698)	(92)	48,800	9,281	9,819	453,603
Liabilities against assets subject to finance lease	49,567	-	-	-	-	-	-	-	-	49,567
Total Liabilities (D)	267,822	1,575,825	6,186,202	45,280	399,611	146,870	2,328,031	36,305	7,551	17,494,145
Total net admissible assets (E=C-D)	990,353	429,424	333,065	(34,125)	93,921	15	(68,370)	(6,867)	68,523	1,733,188
Margin for solvency										
Shareholders' fund	165,000	-	-	-	-	-	-	-	-	165,000
Statutory fund	-	65,333	254,496	2,968	254,019	5,878	27,150	5,384	35,704	857,072
Solvency margins (F)	165,000	65,333	254,496	2,968	254,019	5,878	27,150	5,384	35,704	1,022,072
Excess of minimum solvency requirements	825,353	364,091	78,569	(37,093)	(160,098)	(5,863)	(95,520)	(12,251)	32,819	711,116

40.1 The Company had obtained a specific approval vide letter ID/SUP/SLV/01/4170 dated July 26, 2012 from the Securities and Exchange Commission of Pakistan (the SECP) to manage its solvency on aggregate basis.

41 REVENUE ACCOUNT - WINDOW TAKAFUL OPERATIONS

41.1 Participants' Investment Fund (PIF)

	TAKAFUL - STATUTORY FUNDS			AGGREGATE	
	Individual Family	Group Family	Group Health	2019	2018
	(Rupees in '000)				
Income					
Allocated contribution	733,363	-	-	733,363	817,754
Net investment income	77,315	-	-	77,315	(59,106)
Other income	93,372	-	-	93,372	1,290
Total net income	904,050	-	-	904,050	759,938
Less: Claims and Expenditure					
Surrenders / partial surrenders	323,334	-	-	323,334	138,548
Risk contributions	31,178	-	-	31,178	18,848
Wakalat-ul-Istismar	26,793	-	-	26,793	22,426
Policy admin fee	14,031	-	-	14,031	10,602
	395,336	-	-	395,336	190,424
Excess of Income over Claims and expenditure	508,714	-	-	508,714	569,514
Add: Technical reserves at the beginning of the year	1,624,708	-	-	1,624,708	1,055,194
Less: Technical reserves at the end of the year	(2,133,422)	-	-	(2,133,422)	(1,624,708)
	(508,714)	-	-	(508,714)	(569,514)
Surplus	-	-	-	-	-
Movement in technical reserves	508,714	-	-	508,714	569,514
Balance of PIF at the beginning of the year	1,624,708	-	-	1,624,708	1,055,194
Balance of PIF at the end of the year	2,133,422	-	-	2,133,422	1,624,708

41.2 Participants' Takaful Fund (PTF)

Income					
Contribution net of retakaful	10,383	19,910	168,700	198,993	144,068
Net investment income	-	-	-	-	-
Other income	3,612	647	2,586	6,845	2,657
	13,995	20,557	171,286	205,838	146,725
Less: Claims and Expenditure					
Claims	4,193	9,884	205,379	219,456	131,516
Wakala fee	-	-	-	-	-
	4,193	9,884	205,379	219,456	131,516
Excess of Income over Claims and expenditure	9,802	10,673	(34,093)	(13,618)	15,209
Add : Technical reserves at the beginning of the year	12,784	4,218	29,989	46,991	20,638
Less : Technical reserves at the end of the year	(14,825)	(12,319)	(35,801)	(62,945)	(43,728)
Add : Deficit retained in technical reserve	-	-	39,905	39,905	-
	(2,041)	(8,101)	34,093	23,951	(23,090)
Surplus	7,761	2,572	-	10,333	(7,881)
Movement in technical reserves	2,041	8,101	(34,093)	(23,951)	23,090
Qard-e-Hasna contributed by Window Takaful Operator	-	-	45,000	45,000	11,400
Balance of PTF at the beginning of the year	12,784	4,365	31,398	48,547	21,938
Balance of PTF at the end of the year	22,586	15,038	42,305	79,929	48,547

	TAKAFUL - STATUTORY FUNDS			AGGREGATE	
	Individual Family	Group Family	Group Health	2019	2018
	(Rupees in '000)				
41.3 Operators' Sub Fund (OSF)					
Income					
Allocation fee	275,905	10,261	7,957	294,123	282,848
Investment income	23,274	911	1,201	25,386	13,165
Other income	9,087	2,260	3,488	14,835	-
Wakala fee - PTF	8,523	-	-	8,523	5,193
Policy admin fee	14,031	-	-	14,031	10,602
Takaful operator fee	-	-	-	-	-
Wakalat-ul-Istismar	26,793	-	-	26,793	22,426
	357,613	13,432	12,646	383,691	334,234
Less: Expenses					
Acquisition cost	287,266	8,907	4,717	300,890	205,034
Administration expenses	156,561	3,603	22,862	183,026	148,342
	443,827	12,510	27,579	483,916	353,376
Excess of (expenditure)/over income	(86,214)	922	(14,933)	(100,225)	(19,142)
Add : Technical reserves at the beginning of the year	83,575	3,311	3,088	89,974	51,341
Less : Technical reserves at the end of the year	(82,884)	(4,981)	(1,227)	(89,092)	(89,974)
	691	(1,670)	1,861	882	(38,633)
Surplus / (Deficit)	(85,523)	(748)	(13,072)	(99,343)	(57,775)
Movement in technical reserves	(691)	1,670	(1,861)	(882)	38,633
Capital Contribution during the year	10,000	-	75,000	85,000	-
Qard-e-Hasna contributed to the Participants Takaful Fund	-	-	(45,000)	(45,000)	(11,400)
Balance of OSF at the beginning of the year	80,034	6,857	(12,216)	74,675	105,217
Balance of OSF at the end of the year	3,820	7,779	2,851	14,450	74,675
Balance of Family Takaful statutory fund	2,159,828	22,817	45,156	2,227,801	1,747,930

41.4 ASSETS AND LIABILITIES OF SHARE HOLDER'S FUND

	2019		
	Conventional	Takaful	Total
	(Rupees in '000)		
LIABILITIES			
Other creditors and accruals	217,294	-	217,294
Liabilities against right-of-use-asset	46,999	2,568	49,567
Retirement benefit obligations	961	-	961
Total liabilities	265,254	2,568	267,822
ASSETS			
Property and equipment	121,198	3,715	124,913
Intangible assets	437,463	-	437,463
Investments			
Government securities	308,046	-	308,046
Term deposits	200,857	195,400	396,257
Other loans and receivables	22,411	-	22,411
Taxation - payments less provision	599,667	-	599,667
Deferred tax asset - net	(25,278)	85,075	59,797
Prepayments	18,760	621	19,381
Cash and bank	12,052	7,433	19,485
Total Assets	1,695,176	292,244	1,987,420

42 MANAGEMENT OF INSURANCE AND FINANCIAL RISK

The Company issues contracts that transfer insurance risk or financial risk or both. This section summarises these risks and the way the Company manages them.

42.1 Insurance risk

42.1.1 Individual Life (Unit Linked Policies, Universal Life Policies and Traditional Policies)

This section discusses the exposure of insurance risk to the Company under Life Participating, Life Non-participating and Investment Linked statutory funds and the process adopted by the Company to manage these risks.

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.
- 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:

- **Pricing:**

All products of this nature are designed by the Actuarial Department along with input from relevant sales team members. Profit testing is conducted for all new products and it is also reviewed by the Appointed Actuary. Embedded value analysis is conducted on a quarterly basis to ensure reasonableness of premiums charged. Additionally, the Company reserves the right to review the charges deductible under the contracts, thus limiting the risk of under-pricing.

- **Underwriting:**

Adequate underwriting policies and controls have been put in place which cover various aspects like health, location, nature of work of the insured etc. before issuance of policy. Appropriate underwriting authority limits have been assigned to individual underwriters by the underwriting committee. Furthermore, Underwriting & Reinsurance Committee reviews the underwriting performance of the Company on a quarterly basis.

- **Reinsurance:**

Company has entered into both excess of loss and quota share reinsurance agreements covering its individual life products and supplementary riders. Since the Company has liaison with the best reinsurers in the world, it does not only limit the insurance risks but also the credit risk associated with them. Underwriting & Reinsurance Committee reviews, every quarter, the performance of the treaties to ensure that sound reinsurance arrangements are in place.

- **Claims handling policy:**

The Company through its claims-handling policies has procedures and controls in place to ensure that payment of fraudulent claims is avoided. Detailed investigation of all material and doubtful claims is conducted. Moreover, Claims Committee has assigned claims process authority limits for processing of claims. Claims Committee meets on a quarterly basis to review the claims department's performance and ensures that adequate claims controls are in place.

- **Persistency:**

The Company applies controls to curb mis-selling to customers. Persistency for each product, branch and partner bank is closely monitored by the Company and remedial actions are taken immediately upon identifying when persistency level for a distribution channel drops below a certain threshold. Continuous efforts are made to increase and/or maintain the persistency levels for all distribution channels.

a) Frequency and severity of claims

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

In order to cover it's mortality risk, the Company makes adequate deductions from the insurance contracts. The Company manages these risks through its systematic underwriting processes and adequate 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.

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

Individual Life Participating

Benefits assured per life	Assured at the end of 2019			
	Total benefits assured			
	Before reinsurance		After reinsurance	
Rupees	(Rupees in '000)	%	(Rupees in '000)	%
0 - 200,000	83,577	1.53%	83,527	2.10%
200,001 - 400,000	254,887	4.66%	254,365	6.38%
400,001 - 800,000	590,152	10.79%	565,158	14.19%
800,001 - 1,000,000	340,224	6.22%	308,472	7.74%
More than 1,000,000	4,199,969	76.80%	2,772,312	69.59%
Total	**5,468,810**	**100.00%**	**3,983,834**	**100.00%**

Individual Life Non - Participating

Benefits assured per life	Assured at the end of 2019			
	Total benefits assured			
	Before reinsurance		After reinsurance	
Rupees	(Rupees in '000)	%	(Rupees in '000)	%
0 - 200,000	274,158	1.21%	273,822	1.91%
200,001 - 400,000	1,109,473	4.89%	1,105,694	7.71%
400,001 - 800,000	3,099,765	13.66%	3,041,516	21.20%
800,001 - 1,000,000	1,545,420	6.81%	1,461,131	10.19%
More than 1,000,000	16,668,773	73.44%	8,462,314	58.99%
Total	**22,697,588**	**100.00%**	**14,344,477**	**100.00%**

Investment Linked

Benefits assured per life	Assured at the end of 2019			
	Total benefits assured			
	Before reinsurance		After reinsurance	
Rupees	(Rupees in '000)	%	(Rupees in '000)	%
0 - 200,000	326,101	1.71%	324,129	4.02%
200,001 - 400,000	610,021	3.20%	602,774	7.48%
400,001 - 800,000	1,698,788	8.91%	1,547,748	19.21%
800,001 - 1,000,000	966,078	5.07%	723,230	8.98%
More than 1,000,000	15,458,103	81.11%	4,857,480	60.30%
Total	**19,059,091**	**100.00%**	**8,055,361**	**100.00%**

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

Uncertainty in the estimation of future benefit payments and premium receipts for long term unit linked and universal life insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and variability in policyholder's behavior (this primarily impacts persistency).

For this purpose, the Company carried out a Liability Adequacy test, details are provided below, and it was found that the recognised liabilities are adequate and no further provision is required.

c) Process used to decide on assumptions

- **Mortality:** The expected mortality is assumed at 85% of 1975-80 US SOA Select and Ultimate Mortality Table.
- **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.

- **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 assumptions are based on assets backing the portfolio.

- **Liability Adequacy Test**

Liability adequacy test is applied in order to ensure that the liability calculated using conservative assumptions is sufficient in comparison to the liability determined using best estimate assumptions.

To determine the adequacy of liabilities, assumptions must be based on realistic best estimates. Company used EFU (61-66) mortality table to determine the conservative liabilities. Since the data is insufficient to conduct a detailed mortality study, Company believes that SLIC (2001-05) table better reflects the mortality rates in Pakistan.

The investment return assumed for valuation is 3.75% per annum. This rate is prescribed by law. On a more realistic basis, for Conventional line of business, Company expects to earn a long term return of 12.50% based on Pakistan Investment Bond (PIB) rates as at December 31, 2019. For Takaful line of business, Company expects to earn 14.30%, which is based on the 3-Month KIBOR rate as on December 31, 2019 plus 100bps. Liabilities are also determined on this rate of return assumption for Liability Adequacy Test.

The table below shows the liability held as at December 31, 2019 and the liability determined through best estimate assumptions:

	Liability Held as at December 31, 2019	Best Estimate Liability
	----------Rupees----------	
Mortality	16,485,783,709	16,464,494,906
Investment	16,485,783,709	16,405,313,060

Liability adequacy shows that the liability held as at December 31, 2019 is adequate in comparison to the best estimate liability.

d) Change in Assumptions

There has been no material change in assumptions.

42.1.2 Group Life

The main risk written by the Company under the Group Life business is mortality. The Company is 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, and 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.

The Company manages these risks through its:

- **Pricing and Underwriting:**

All products of this nature are prepared by the Group Underwriting Department along with input from relevant sales team members which is then reviewed by the Appointed Actuary.

Pricing is done in line with the actual experience of the Company. The premium charged takes into account the actual historical experience as well as the future expected mortality, considering various characteristics of the client.

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.

Also, Underwriting and Reinsurance Committee reviews the underwriting performance of the Company on a quarterly basis and tracks the adequacy of premium charged.

- **Reinsurance:**

Reinsurance agreements are in place to limit the mortality risk exposure. The Company also has a catastrophe cover reinsurance agreement covering group life business. Underwriting & Reinsurance Committee reviews every quarter the performance of the treaties.

- **Claims handling policy:**

The Company through its claims-handling policies has procedures and controls in place to ensure that payment of any fraudulent claims is avoided. Detailed investigation of all material and doubtful claims is conducted. Moreover, Claims committee has assigned claims process authority limits for processing of claims. Claims committee meets on a quarterly basis to review the claims departments' performance and ensures that adequate claims controls are in place.

a) Frequency and severity of claims

The Company has a good spread of business throughout the country thereby ensuring diversification across geographical regions. However, there still is a risk accumulation resulting from catastrophic events which the company mitigates through a catastrophe reinsurance cover.

The following table presents the concentration of insured benefits across six 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.

Group Life

Benefits assured per life	**Assured at the end of 2019**			
	Total benefits assured			
	Before reinsurance		**After reinsurance**	
Rupees	**(Rupees in '000)**	**%**	**(Rupees in '000)**	**%**
0-500,000	19,650,233	5.82%	19,650,233	7.09%
500,001-1.000,000	24,883,542	7.37%	24,883,542	8.98%
1,000,001-1,500,000	41,292,499	12.23%	41,292,499	14.90%
1,500,001-2,000,000	25,356,228	7.51%	25,356,228	9.15%
2,000,001-2,500,000	20,933,238	6.20%	20,933,238	7.55%
More than 2,500,000	205,517,124	60.87%	144,987,085	52.32%
Total	**337,632,864**	**100.00%**	**277,102,825**	**100.00%**

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

Other than conducting a liability adequacy for unearned premium reserve, 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

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 has been no material 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.

	Change in variable	**Increase in Liability 2019**
		Rupees in '000
Worsening of mortality rates for risk policies	10%	3,081,991
Increase in reporting lag	10%	3,081,991

42.1.3 Accident & Health

The products in this fund provide cover against accidental death, disability, sickness and critical illness and are mainly offered as yearly renewable plans. The Company may be exposed to the risk of unexpected claim severity or frequency. This can be a result of fraudulent claims and catastrophic event.

The Company manages these risks through its:

- **Pricing and Underwriting:**

Products of this nature are prepared by the Actuarial department along with input from relevant sales team members which is then reviewed by the Appointed Actuary.

Pricing is done after analysing the actual experience of the Company as well as future expectations. The rates are certified by the Appointed Actuary.

Also, Underwriting Committee reviews the underwriting performance of the Company on a quarterly basis.

- **Claims handling policy:**

The Company has procedures in place to ensure that payment of any fraudulent claims is avoided. Detailed investigation of all material and apparently doubtful claims is conducted.

- **Reinsurance:**

The Company has reinsurance arrangement in place covering A&H business; the treaty's results are reviewed by the Underwriting and Reinsurance Committee on a quarterly basis.

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.

The following table presents the concentration of insured benefits across five bands of insured benefits. 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.

Individual Accident and Health

Benefits assured per life	**Assured at the end of 2019**			
	Total benefits assured			
	Before reinsurance		**After reinsurance**	
Rupees	**(Rupees in '000)**	**%**	**(Rupees in '000)**	**%**
0 - 200,000	1,269	0.02%	1,269	0.02%
200,001 - 400,000	897,855	11.35%	897,605	14.32%
400,001 - 800,000	676,320	8.55%	676,320	10.79%
800,001 - 1,000,000	541,900	6.85%	541,400	8.61%
More than 1,000,000	5,796,036	73.24%	4,150,768	66.25%
Total	**7,913,380**	**100.00%**	**6,267,550**	**100.00%**

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

Other than conducting a liability adequacy for unearned premium reserve, 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

The assumptions are set using the data available.

d) Changes in assumptions

There has been no material change in the assumptions.

42.1.4 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 summarises 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
- Group Health Takaful

42.1.4.1 Individual Family Takaful

These risks are managed along similar lines as explained for individual life unit linked and universal life business.

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. 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 fixed term.

Moreover, the Company manages these risks through its underwriting strategy and the results are revised quarterly by the Underwriting and Reinsurance Committee.

The table below presents the concentration of covered benefits across five bands of benefits 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 membership.

Benefits assured per life	Assured at the end of 2019			
	Total benefits assured			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	%	(Rupees in '000)	%
0 - 200,000	126,596	1.00%	126,596	2.35%
200,001 - 400,000	641,834	5.05%	641,834	11.92%
400,001 - 800,000	1,527,514	12.03%	1,470,430	27.31%
800,001 - 1,000,000	1,634,911	12.88%	966,533	17.95%
More than 1,000,000	8,766,307	69.04%	2,178,653	40.46%
Total	**12,697,162**	**100.00%**	**5,384,046**	**100.00%**

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

Uncertainty in the estimation of future benefit payments and contribution receipts for long term takaful contracts arises from the unpredictability of long-term changes in overall levels of mortality and variability in participants' behavior (this primarily impacts persistency).

c) Process used to decide on assumptions

- Mortality: The expected mortality is assumed at 85% of 1975-80 US SOA Select and Ultimate Mortality Table.
- Persistency: A periodic analysis of the Company's recent and historic experience is performed and persistency is calculated every month. Persistency rates vary by products and more importantly the 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 membership expenses. Expense inflation is assumed in line with assumed investment return.
- Investment returns: The investment returns assumptions are based on the assets backing the portfolio.

d) Changes in assumptions

There has been no change in assumptions.

42.1.4.2 Group Life Family Takaful

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, and 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 contribution in due time.

The Company manages these risks through its:

a) Pricing and Underwriting:

All products of this nature are prepared by the Group Underwriting Department along with input from relevant sales team members which is then reviewed by the Appointed Actuary.

Pricing is done in line with the actual experience of the Company. The contribution charged takes into account the actual experience of the client and the nature of mortality exposure the group faces.

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.

Furthermore, the Company also maintains various MIS that are shared with relevant management to track the adequacy of the contribution charged.

Also, Underwriting & Reinsurance Committee reviews the underwriting performance of the Company on a quarterly basis.

b) Retakaful:

Retakaful agreements are in place to limit the mortality exposure. Underwriting & Reinsurance Committee reviews every quarter the performance of the treaties to ensure that adequate retakaful coverage is in place.

c) Claims handling policy:

The Company has procedures in place to ensure that payment of any fraudulent claims is avoided. Detailed investigation of all material and apparently doubtful claims is conducted. Moreover, Claims committee has assigned claims process authority limits for processing of claims. Claims committee meets on a quarterly basis to review the claims department's performance and to make sure that adequate claims controls are in place.

d) 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 retakaful agreement which protects the waqf fund from exposure to the catastrophic events.

The concentration of risk for these policies is mentioned in note 42.1.4.4.

	Covered at the end of 2019			
	Total takaful benefits			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	%	(Rupees in '000)	%
0-500,000	807,575	6.59%	807,575	6.71%
500,001-1,000,000	59,504	0.49%	52,004	0.43%
1,000,001-1,500,000	1,243,401	10.15%	1,243,401	10.33%
1,500,001-2,000,000	1,467,182	11.98%	1,371,182	11.40%
2,000,001-2,500,000	2,015,003	16.45%	1,926,503	16.01%
More than 2,500,000	6,657,619	54.35%	6,631,119	55.11%
Total	**12,250,284**	**100.00%**	**12,031,784**	**100.00%**

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

Other than conducting a liability adequacy for unearned contribution reserve, there is no need to estimate mortality for future years because of the short duration of the contracts.

f) Process used to decide on assumptions

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.

h) Changes in assumptions

There has been no material change in assumptions.

i) Sensitivity analysis

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

	Change in variable	Increase in Liability 2019
		Rupees in '000
Worsening of mortality rates	10%	102,021
Increase in reporting lag	10%	102,021

42.1.4.3 Group Health Takaful

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 region, 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 contribution in due time.

The Company manages these risks through its:

a) Pricing and Underwriting:

Products of this nature are prepared by Group Underwriting Department along with input from relevant sales team members and Actuarial Department which is then reviewed by the Appointed Actuary.

Pricing is done in line with the actual experience of the Company. The contribution 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.

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.

Furthermore, the Company also maintains various MIS that are shared with relevant management to track the adequacy of the contribution charged.

Also, Underwriting & Reinsurance Committee reviews the underwriting performance of the Company on a quarterly basis.

b) Claims handling policy:

The Company has procedures in place to ensure that payment of any fraudulent claims is avoided. Detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. Also, the claims are reviewed and managed by technical staff and doctors while an on-site monitoring and checking is performed.

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.

Moreover, Claims committee has assigned claims process authority limits for processing of claims. Claims committee meets on a quarterly basis to review the claims department's performance and make sure that adequate claims controls are in place.

c) Concentration Risk:

The Company has a good spread of business throughout the country thereby ensuring diversification across geographical regions.

d) 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.

Increase in claims severity due to medical inflation is a risk which is being strictly monitored by the Company through annual claims studies and trend analysis. Such trend analysis is also incorporated in Group Health takaful pricing.

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

Other than conducting a liability adequacy for unearned contribution reserve, there is no need to estimate mortality for future years because of the short duration of the contracts.

f) Process used to decide on assumptions

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.

An investigation into group's experience is performed periodically, and statistical methods are used to adjust the rates to a best estimate of morbidity. 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.

g) Changes in assumptions

There has been no material change in assumptions.

42.1.4.4 Concentration of insurance risk

A concentration of risk may arise from a single insurance contract issued to a particular type of policyholder, within a geographical location or to types of commercial business. The Company minimises its exposure to significant losses by obtaining reinsurance from foreign reinsurers.

To optimise benefits from the principle of average and law of large numbers, geographical spread of risk is of extreme importance. There are a number of parameters which are significant in assessing the accumulation of risks e.g. financial underwriting ensuring a reasonable relationship between the income and insurance amount of insured, determination of insurance amount through some mechanism which precludes individual choices and anti-selection.

The concentration of risk by type of contracts is summarised below by reference to liabilities.

	Gross sum insured		Reinsurance / Retakaful		Net	
	2019	2018	2019	2018	2019	2018
	(Rupees in million)					
Life (participating)	5,469	6,398	1,485	1,780	3,984	4,619
Life (non-participating) – Individual	22,698	26,012	8,354	9,636	14,344	16,376
Life (non-participating) – Group	337,633	125,709	60,530	46,684	277,103	79,025
Investment Linked	19,059	17,602	11,004	10,127	8,055	7,475
Accident & Health – Individual	7,913	9,348	1,645	1,886	6,268	7,462
Family Takaful - Individual	12,697	9,236	7,313	4,910	5,384	4,326
Family Takaful - Group	12,250	6,459	218	-	12,032	6,459
	417,719	200,764	90,549	75,023	327,170	125,742

42.1.5 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 is 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 Breakup					
	Total Amount	1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months
	---Rs in '000---					
Unclaimed maturity benefits	790	-	127	467	196	-
Unclaimed death benefits	-	-	-	-	-	-
Unclaimed disability benefits	-	-	-	-	-	-
Claims not encashed	18,617	-	6,231	1,632	4,089	6,665
Others unclaimed benefits	-	-	-	-	-	-
Total	19,407	-	6,358	2,099	4,285	6,665

42.1.6 Assets - liabilities matching

	2019								
	Fixed and guaranteed insurance and investment contracts	Contract with PDF		Unit-linked contracts			Corporate		Total
		Insurance contract	Investment contract	Insurance contract	Investment contract	Short-term insurance contracts	Other financial assets and liabilities	Other assets and liabilities	
	---(Rupees in '000)---								
Debt securities									
Available for sale - unlisted securities	6,015,153	1,850,808	-	4,137,054	-	-	701,927	-	12,704,942
Equity securities									
Available for sale - listed securities	155,392	-	-	2,919,149	-	-	39,348	-	3,113,889
Loans and receivables									
-Loans secured against life insurance policies	86,509	81,456	-	-	-	-	-	-	167,965
-Others at amortised cost	-	-	-	-	-	-	278	-	278
Reinsurance / retakaful assets	33,434	20,457	-	33,946	-	-	94,891	-	182,728
Cash and cash equivalents	-	-	-	1,276,796	-	-	365,773	-	1,642,569
Other assets	361,130	32,345	-	64,049		-	1,874,204	-	2,331,728
Total assets	6,651,618	1,985,066	-	8,430,994	-	-	3,076,421	-	20,144,099
Long-term insurance contracts and investment contracts with DPF:									
-Insurance contracts	6,093,433	1,967,858	-	8,172,933	-	-	-	-	16,234,224
Short-term insurance contracts	-	-	-	-	-	-	629,956	-	629,956
Amounts due to related parties, trade payables, and other provisions at amortised cost	-	-	-	7,281	-	-	68,017	-	75,298
Other liabilities	92,769	17,208	-	274,505	-	-	579,426	-	963,908
Total liabilities	6,186,202	1,985,066	-	8,454,719	-	-	1,277,399	-	17,903,386

	2018								
	Fixed and guaranteed insurance and investment contracts	Contract with PDF		Unit-linked contracts			Corporate		Total
		Insurance contract	Investment contract	Insurance contract	Investment contract	Short-term insurance contracts	Other financial assets and liabilities	Other assets and liabilities	
Debt securities									
Available for sale - unlisted securities	5,710,212	1,572,655	-	3,777,036		-	108,267	-	11,168,170
Equity securities									
Available for sale - listed securities	282,409	-	-	3,166,253		-	-	-	3,448,662
Loans and receivables									
-Loans secured against life insurance	99,368	82,007	-	-		-	-	-	181,375
-Others at amortised cost	-	-	-	-		-	374		374
Reinsurance assets	100,477	-	-	-		-	-	-	100,477
Cash and cash equivalents	675,000	-	-	1,153,577		-	5,185	-	1,833,762
Other assets	741,170	216,730	-	171,237		-	775,348	13,072	1,917,557
Total assets	7,608,636	1,871,392	-	8,268,103	-	-	889,174	13,072	18,650,377
Long-term insurance contracts and investment contracts with DPF:									
-Insurance contracts	6,075,027	1,569,863	-	-	7,940,073	-	-	-	15,584,963
Short-term insurance contracts	468,994	-	-	-	-	-	-	-	468,994
Amounts due to related parties, trade payables, and other provisions at amortised cost	20,881	-	-	-	-	-	-	-	20,881
Other liabilities	425,262	351,529	-	-	328,030	-	116,864	-	1,221,685
Total liabilities	6,990,164	1,921,392	-	-	8,268,103	-	116,864	-	17,296,523

42.2 Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Foreign currency risk

Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Audit Committee is assisted in its oversight role by Internal Audit function. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

42.2.1 Credit risk

Credit risk is the risk that 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. The Company attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counterparties in various industries and by continually assessing the credit worthiness of counterparties.

42.2.1.1 Exposure to credit risk

Credit risk of the Company arises principally from the investments (except for government securities), premium due but unpaid, amount due from other insurers / reinsurers , reinsurance recoveries. To reduce the credit risk the Company has developed a formal approval process whereby credit limits are applied to its policyholders and other insurers / reinsurers. The management continuously monitors the credit exposure towards the policyholders and other insurers / reinsurers and makes provision against those balances considered doubtful of recovery.

The carrying amount of financial assets represent the maximum credit exposure, as specified below:

	2019	2018
	-------- (Rupees in '000) --------	
Cash and bank	109,688	768,146
Investments		
Mutual funds	3,027,759	3,161,127
Government securities	12,247,588	11,168,170
Debt securities	457,354	175,000
Term deposits	1,532,107	1,065,000
Loans secured against life insurance policies	167,965	181,375
Insurance / takaful / reinsurance / retakaful receivables	460,958	430,522
Other loans and receivables	647,299	465,855
	18,650,718	17,415,195

The credit quality of Company's Government securities, term finance certificates, open ended mutual funds, term deposit receipts and bank balances can be assessed with reference to external credit ratings as follows:

	Rating		Rating Agency
	Short term	Long term	
Albaraka Bank (Pakistan) Limited	A-1	A+	VIS
Bank Al-Habib Limited	A1+	AA+	PACRA
Bank Alfalah Limited	A-1+	AA+	VIS
Bank of Punjab	AA	A1+	PACRA
The First Microfinance Bank Limited	A+	A-1	VIS
Khushali Microfinance Bank Limited	A+	A-1	VIS
Dubai Islamic Bank Pakistan Limited	A-1	AA-	VIS
Faysal Bank Limited	A-1+	AA	VIS
FINCA Microfinance Bank Limited	A-1	A	VIS
Habib Bank Limited	A-1+	AAA	VIS
Meezan Bank Limited	A-1+	AA+	VIS
MCB Bank Limited	A1+	AAA	PACRA
MCB Islamic Bank Limited	A1	A	PACRA
Mobilink Microfinance Bank Limited	A1	A	PACRA
NRSP Microfinance Bank Limited	A1	A	PACRA
Samba Bank Limited	A-1	AA	VIS
Silk Bank Limited	A-2	A-	VIS
Soneri Bank Limited	A1+	AA-	PACRA
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA
Summit Bank Limited	A-1	A-	VIS
Telenor Microfinance Bank Limited	A1	A+	PACRA
U Microfinance Bank Limited	A-2	A	VIS
United Bank Limited	A-1+	AAA	VIS

The credit quality of Company's bank balances and investment in government securities, debt securities and mutual funds is categorised as follows:

Rating	Government securities	Debt Securities	Open end mutual funds	Term deposit receipts	Cash and cash Equivalents	Total
	----------(Rupees in '000)----------					
AAA	-	-	-	-	-	-
AA+ / AM2++	-	457,354	-	824,250	-	1,281,604
AA / AM2+	-	-	389,105	-	300	389,405
AA-	-	-	95,258	-	57,727	152,985
A+ / AM1	-	-	2,464,828	507,000	-	2,971,828
A	-	-	46,989	200,857	51,661	299,507
A-	-	-	-	-	-	-
BBB+	-	-	31,579	-	-	31,579
BBB	-	-	-	-	-	-
Not Rated	12,247,588	-	-	-	-	12,247,588
	12,247,588	**457,354**	**3,027,759**	**1,532,107**	**109,688**	**17,374,496**

Premiums / contribution due but unpaid

Concentration of credit risk

Concentration of credit risk occurs when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would effect their ability to meet contractual obligations in similar manner. Sector-wise analysis of premium due but unpaid at the reporting date was:

	2019		2018	
	Rupees in '000	%	Rupees in '000	%
Banks	61,833	22.22%	34,365	10.41%
Insurance	1,114	0.40%	113	0.04%
Textiles	5,053	1.82%	8,546	2.59%
Food and allied industries	19,067	6.85%	44,159	13.38%
Chemical and pharmaceuticals	24,425	8.78%	37,569	11.38%
Technology & Communication	16,960	6.10%	41,457	12.56%
Oil and gas	4,308	1.55%	11,277	3.42%
Miscellaneous	145,470	52.28%	152,559	46.22%
	278,230	100.00%	330,045	100.00%

The age of premium due but unpaid at the reporting date is less than one year.

Amount due from other insurers / reinsurers / retakaful

The Company enters into re-insurance arrangements with re-insurers having sound credit ratings accorded by reputed credit rating agencies. The Company is required to comply with the requirements of Circular No. 32 / 2009 dated 27 October 2009 issued by SECP which requires an insurance company to place at least 80% of their outward treaty cessions with reinsurers rated 'A' or above by Standard & Poors with the balance being placed with entities rated at least 'BBB' by reputable ratings agency. All reinsurance assets relating to outward treaty cessions are with reinsurer with rating of "A" or above:

Rating	Amounts due from reinsurers net of recoveries
	(Rupees in '000)
A or Above	182,728
BBB	-
Others	-

The age of amount due from other insurers / reinsurers at the reporting date is less than one year.

In respect of the insurance and reinsurance assets, the Company takes in to account its past history / track record of recoveries and financial position of the counterparties while creating provision for impairment. Further, reinsurance recoveries are made when corresponding liabilities are settled.

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

	2019	2018
	(Rupees in '000)	
Cash and bank	109,688	768,146
Term deposit receipts	1,532,107	1,065,000
Debt securities	457,354	175,000
Loans secured against life insurance policies	167,965	181,375
Insurance / takaful / reinsurance / retakaful receivables	460,958	430,522
Other loans and receivables	647,299	465,855
The carrying value of the financial assets which are past due but not impaired are as under:		
Premiums / contribution due but unpaid	133,871	182,202

42.2.1.2 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value of investments is determined as follows:

- Fair value of listed equity securities is determined on the basis of closing market prices quoted on the Pakistan Stock Exchange.
- Fair value of mutual funds is determined on the basis of closing net assets value (NAV) per unit published by Mutual Fund Association of Pakistan (MUFAP).
- Fair values of Treasury Bills and Pakistan Investment Bonds are derived using the PKRV rates (Reuters page).
- The fair value of all other financial assets and financial liabilities of the Company approximate their carrying amounts due to short term maturities of these instruments.

42.2.1.3 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities (Level 1)
- 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 2).
- Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) (Level 3).

As at December 31, 2019, the Company held the following financial instruments measured at fair value:

	As at December 31, 2019		
	Level 1	Level 2	Level 3
	Rupees in '000		
Assets carried at fair value			
Available-for-sale investments	86,130	15,732,701	-

	As at December 31, 2018		
	Level 1	Level 2	Level 3
	Rupees in '000		
Assets carried at fair value			
Available-for-sale investments	112,535	14,504,297	-

42.2.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash on demand to meet expected operational requirements. The Company also manages this risk by investing in deposit accounts that can be readily encashed. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

The following are the contractual maturities of financial liabilities:

	2019			2018		
Non-derivative financial liabilities	Carrying Amount	Contractual cash flows upto one year	Contractual cash flows for more than one year	Carrying Amount	Contractual cash flows upto one year	Contractual cash flows for more than one year
	(Rupees in '000)					
Outstanding claims	371,060	371,060	-	281,426	281,426	-
Reinsurance / retakaful payables	75,298	75,298	-	20,881	20,881	-
Other creditors and accruals	434,986	434,986	-	360,969	360,969	-
Liabilities against right-of-use-assets	49,567	18,481	31,086	20,577	5,336	15,241
	930,911	899,825	31,086	683,853	668,612	15,241

42.2.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All transactions are carried in Pak Rupees therefore, the Company is not exposed to any significant foreign exchange risk. The Company invests in government securities, debt securities, open ended mutual funds and listed equity securities which are accounted for at fair value, therefore the change in market prices does affect equity of the Company.

42.2.4 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from investment in government securities and balances held in profit and loss sharing accounts with reputable banks. At the reporting date the detailed interest rate profile of the Company's interest-bearing financial instruments is disclosed in note 42.2.4.1. The table below summarises Company's interest rate risk as of December 31, 2019 and 2018 and shows the effects of a hypothetical 1% increase and a 1% decrease in interest rates as at the year end.

Cash flow sensitivity analysis for fixed rate instruments	Profit and loss	
	Increase	Decrease
	(Rupees in '000)	
As at December 31, 2019		
Cash flow sensitivity - Fixed rate financial assets	3,631	(3,631)
As at December 31, 2018		
Cash flow sensitivity - Fixed rate financial assets	2,319	(2,319)

Cash flow sensitivity analysis for variable rate instruments	Profit and loss	
	Increase	Decrease
	(Rupees in '000)	
As at December 31, 2019		
Cash flow sensitivity - Variable rate financial assets	179	(179)
As at December 31, 2018		
Cash flow sensitivity - Variable rate financial assets	53	(53)

42.2.4.1 Interest rate profile

At the balance sheet date the interest rate profile of the Company's interest-bearing financial instruments based on their maturities is:

		2019					
	Effective Yield / Interest rate %	Total	Upto one year	Over one year upto five years	Over five years upto ten years	Over ten years	Non-interest bearing financial instruments
		(Rupees in '000)					
Statement of financial position - financial instruments							
Financial Assets							
Cash and others		774	-	-	-	-	774
Current and other accounts	10 - 12	109,688	109,688	-	-	-	-
Equity securities		86,130	-	-	-	-	86,130
Mutual funds		3,027,759	-	-	-	-	3,027,759
Government securities	6.60 - 14.97	12,247,588	7,077,674	1,496,865	3,673,049	-	-
Debt securities	14.89 - 15.40	457,354	232,354	225,000	-	-	-
Term deposits	11.75 - 13.50	1,532,107	1,532,107	-	-	-	-
Loans secured against life insurance policies	9 - 11	167,965	167,965	-	-	-	-
Insurance/takaful/reinsurance/retakaful receivables		460,958	-	-	-	-	460,958
Other loans and receivables		647,299	-	-	-	-	647,299
		18,737,622	9,119,788	1,721,865	3,673,049	-	4,222,920
Financial Liabilities							
Outstanding claims		371,060	-	-	-	-	371,060
Reinsurance / retakaful payables		75,298	-	-	-	-	75,298
Other creditors and accruals		434,986	-	-	-	-	434,986
Liabilities against right-of-use-assets	14.25 - 14.50	49,567	18,481	31,086	-	-	-
		930,911	18,481	31,086	-	-	881,344
Balance sheet gap		17,806,711	9,101,307	1,690,779	3,673,049	-	3,341,576
Total yield / interest rate risk sensitivity gap			9,101,307	1,690,779	3,673,049	-	
Cumulative yield / interest rate risk sensitivity gap			9,101,307	10,792,086	14,465,135	14,465,135	

		2018					
	Effective Yield / Interest rate %	Total	Upto one year	Over one year upto five years	Over five years upto ten years	Over ten years	Non-interest bearing financial instruments
		(Rupees in '000)					
Statement of financial position - financial instruments							
Financial Assets							
Cash and others		616	-	-	-	-	616
Current and other accounts	4 - 6.5	768,146	768,146	-	-	-	-
Equity securities		112,535	-	-	-	-	112,535
Mutual funds		3,161,127	-	-	-	-	3,161,127
Government securities	6.16 - 14.10	11,168,170	5,998,256	1,496,865	3,673,049	-	-
Debt securities	9.50 - 12.54	175,000	-	175,000	-	-	-
Term deposits	8.25 - 12.00	1,065,000	1,065,000	-	-	-	-
Loans secured against life insurance policies	9 - 11	181,375	181,375	-	-	-	-
Insurance/takaful/reinsurance/retakaful receivables		430,522	-	-	-	-	430,522
Other loans and receivables		465,855	-	-	-	-	465,855
		17,528,346	8,012,777	1,671,865	3,673,049	-	4,170,655
Financial Liabilities							
Outstanding claims		281,426	-	-	-	-	281,426
Reinsurance / retakaful payables		20,881	-	-	-	-	20,881
Other creditors and accruals		348,832	-	-	-	-	348,832
Liabilities against assets subject to finance lease	9.25 - 9.30	20,577	5,336	15,241	-	-	-
		671,716	5,336	15,241	-	-	651,139
Balance sheet gap		16,856,630	8,007,441	1,656,624	3,673,049	-	3,519,516
Total yield / interest rate risk sensitivity gap			8,007,441	1,656,624	3,673,049	-	
Cumulative yield / interest rate risk sensitivity gap			8,007,441	9,664,065	13,337,114	13,337,114	

42.2.5 Foreign Currency Risk

As at reporting 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.

42.3 FINANCIAL INSTRUMENTS BY CATEGORY

	2019	2018
	(Rupees in '000)	
Financial assets and financial liabilities		
Financial assets		
Loans and receivables - amortised cost		
Cash and bank	110,462	768,762
Term deposit receipts	1,532,107	1,065,000
Loans secured against life insurance policies	167,965	181,375
Insurance / takaful / reinsurance / retakaful receivables	460,958	430,522
Other loans and receivables	647,299	465,855
	2,918,791	2,911,514
Investments - available for sale		
Equity securities	86,130	112,535
Mutual funds	3,027,759	3,161,127
Government securities	12,247,588	11,168,170
Debt securities	457,354	175,000
	15,818,831	14,616,832
Financial Liabilities		
Amortised cost		
Outstanding claims	371,060	281,426
Retirement benefit obligations	24,109	36,249
Amount due to other insurers / reinsurers / retakaful	75,298	20,881
Other creditors and accruals	434,986	348,832
Liabilities against right-of-use-assets	49,567	20,577
	955,020	707,965

43 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.

44 GENERAL

All figures have been rounded off to the nearest of thousand, except otherwise stated.

45 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, wherever necessary. There has been no significant reclassification during the year except for the following:

Reclassification on statement of financial position	2018 previously reported	Change	2018 adjusted
	Rupees in 000		
Property and equipment	365,127	(365,127)	-
Intangible assets	-	365,127	365,127

46 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on March 06, 2020 by the Board of Directors of the Company.

Chairman | Director | Director | Chief Executive Officer | Chief Financial Officer

Statement of Directors

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

Section 46 (6)

a) In our opinion the annual statutory accounts of the IGI Life Insurance Limited set out in the forms attached to the statement have been drawn up in accordance with the Ordinance and any rules made thereunder;

b) IGI Life Insurance Limited has at all times in the year complied with the provisions of the Ordinance and the rules made thereunder relating to paid-up capital, solvency and reinsurance arrangements; and

c) As at December 31, 2019, IGI Life Insurance Limited continues to be in compliance with the provisions of the Ordinance and the rules made thereunder relating to paid-up capital, solvency and reinsurance arrangements.

Section 52 (2)

c) In our opinion each statutory fund of IGI Life Insurance Limited complies with the solvency requirements of Insurance Ordinance, 2000 on aggregate basis based on the approval granted by Securities and Exchange Commission of Pakistan.

Chairman	Director	Director	Chief Executive Officer

Statement of Actuary

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

In my opinion:

a) the policyholder liabilities included in the balance sheet of IGI Life Insurance Limited as at December 31, 2019 have been determined in accordance with the provisions of the Insurance Ordinance, 2000; and

b) with reference to SECP letter dated July 26, 2012 (ref: ID/SUP/SLV/01) granting permission to IGI Life Insurance Limited to maintain solvency margin in aggregate, the Shareholders' Fund and the Statutory fund of the Company meet the solvency requirements of the Insurance Ordinance, 2000 as on December 31, 2019.

Shujat Siddiqui
MA, FIA, FPSA
Appointed Actuary
IGI Life Insurance Limited

Notice of Annual General Meeting

Notice is hereby given that the 25th Annual General Meeting of IGI Life Insurance Limited (the "Company") will be held on Thursday, May 21, 2020 at 10:00 a.m. to transact the following business:

(In wake of the recent outbreak of COVID-19, there will be no venue to the meeting and shareholders are advised to attend through video-link only as mentioned below)

Ordinary Business

1. To confirm the minutes of the last Annual General Meeting (AGM) of the Company held on April 26, 2019.

2. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2019 together with the Chairman's Review Reports and Directors' and Auditors' Report thereon.

3. To elect seven (7) Directors as fixed by the Board under Section 159 (1) of the Companies Act, 2017 for a period of three (3) years commencing from May 22, 2020. The names of the retiring directors are:

    1. Mr. Shamim Ahmad Khan
    2. Syed Hyder Ali
    3. Syed Yawar Ali
    4. Mr. Khurram Raza Bakhtayari
    5. Mr. Mohammad Kamal Syed

The Board of Directors, in its meeting held on March 06, 2020, has fixed the number of Directors to be elected at this meeting. The retiring Directors are eligible for re-election.

The Company has received Notices as well as consent from Mr. Shamim Ahmad Khan, Syed Yawar Ali, and Mr. Khurram Raza Bakhtayari of their intention to offer themselves for election as directors of the Company for a term of three years in accordance with the provisions of Section 159.

4. To appoint auditors for the year 2020 and fix their remuneration. The current Auditors, M/s. A.F. Ferguson & Co. (Chartered Accountants) have consented to be appointed as auditors and the Board of Directors has recommended their appointment.

5. To transact any other business with the permission of the Chairman.

April 30, 2020
Karachi

By order of the Board
Company Secretary

COVID-19 CONTINGENCY PLANNING FOR 25TH ANNUAL GENERAL MEETING OF IGI LIFE INSURANCE LIMITED

In view of the recent outbreak of COVID-19, the steps taken by the Government to avoid large public gathering at one place and the circular No. EMD/MISC/82/2012 notified by the Securities and Exchange Commission of Pakistan (SECP) dated March 17, 2020, require companies to modify their usual planning for annual general meetings for the well-being of the shareholders and to avoid large gatherings by provision of video link facilities. The Company will follow the best practices and comply with the instructions of Government and SECP to ensure protective measures for wellbeing of the shareholders. In the event that there are any further instructions or notifications from the SECP and/or the Pakistan Stock Exchange or any change for the AGM, the Company will announce the same at the Pakistan Stock Exchange through PUCARS system.

Accordingly, considering the restriction imposed by the Government on public gatherings and SECP's directives, there will be no venue to the meeting and all participants will attend through video link.

Notice of Annual General Meeting

The Members are requested to attend and participate in the AGM through video link facility. To attend through video-link, Members can download the app/software through https://zoom.us/download and login via video-link to participate in the AGM proceedings.

In the event of voting required during AGM, Members can exercise their right to vote on the AGM date by logging into FAMCO's portal: www.famco.com.pk/evoting.html

The Members/Proxies registering to connect through video-link facility are required to mention their Name, Folio Number and CNIC Number in an email to igilifeagm@igi.com.pk with subject 'Registration for IGI Life AGM'. Video-link and login credentials will be shared with the Members/Proxies whose email containing all the required particulars and is received at the given email address before 05:00 p.m. on May 19, 2020.

The Members can also provide their comments and questions for the agenda items of the AGM on WhatsApp Number [+92-309-1125015] and email: igilifeagm@igi.com.pk.

NOTES

1. The Share Transfer Books of the Company will remain closed from May 14, 2020 to May 21, 2020 (both days inclusive).

2. A Member entitled to attend and vote at the Annual General Meeting and is entitled to appoint another person as a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. The proxy forms duly completed and signed by the member appointing the proxy must be deposited with the Company's Share Registrar, FAMCO Associates (Private) Limited, 8F, next to Hotel Faran, Nursery Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi, not later than forty-eight (48) hours before the time appointed for the Meeting.

3. Shareholders (Non-CDC) are requested to promptly notify the Company's Share Registrar of any change in their addresses and also provide their email address, if possible.

4. Any individual beneficial owner having an account or sub-account with the Central Depository Company ("CDC"), entitled to vote at this Meeting, must provide his/her Computerized National Identity Card ("CNIC") to prove his/her identity, and in case of proxy must enclose an attested copy of his/her CNIC. The representatives of corporate bodies should provide attested copies of board of directors' resolution/powers of attorney and/or all such documents as are required under Circular No.1 dated January 26, 2000 issued by the Securities Exchange Commission of Pakistan for the purpose.

5. Pursuant to Section 223 (7) of the Companies Act, 2017, the financial statements and reports have been placed on website of the Company.

   Members are hereby informed that in pursuant to SECP's S.R.O. 787(1)/2014 dated September 8, 2014 and Companies Act, 2017, companies have been allowed to circulate the Annual Report to members through email. For this purpose, we have attached the request form in the Annual Report and also uploaded on our company's website: www.igilife.com.pk. Members who want to avail this facility are requested to submit the request form duly filled to the Share Registrar.

6. Further, in accordance with SRO 470(I) / 2016 dated May 31, 2016, through which SECP has allowed companies to circulate the annual audited accounts to its members through CD/DVD/USB instead of transmitting the hard copies at their registered addresses, subject to consent of shareholders and compliance with certain other conditions.

7. The SECP vide Circular No.10 of 2020 dated April 1, 2020 has given regulatory relief to dilute impact of Coronavirus (COVID-19) for corporate sector and the resultant lockdown imposed by the Government. Accordingly, the Annual Report for 2019 of the Company shall not be dispatched to the shareholders through CD or printed copies but shall only be electronically available on the PUCARS system of the Pakistan Stock Exchange Limited and the Company's website (www.igilife.com.pk). Shareholders are requested to provide the Company their email addresses at igilifeagm@igi.com.pk if they wish to obtain the Annual Report 2019 over the email.

Notice of Annual General Meeting

8. In accordance with the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay the cash dividend to shareholders only through electronic mode directly into the bank account designated by the entitled shareholders. In order to receive your dividends directly into your Bank account, please complete the particulars in E-Credit Dividend Mandate Form. The dividend mandate form has been attached in the Annual Report and also uploaded on our Company's website - www.igilife.com.pk

9. In the absence of a member's valid bank account details and/or IBAN, the Company will be constrained to withhold the payment of dividend to such members till provision of prescribed details.

10. The members who hold shares in dematerialized form are requested to submit the dividend bank mandate form duly filled to their participant/investor account services in the CDC.

11. The Government of Pakistan through Finance Act, 2019 has made certain amendments in the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These rates are as under:

(a) For filers of income tax returns	15%
(b) For non-filers of income tax returns	30%

    To enable the Company to make tax deductions on the amount of cash dividend @15% instead of 30% all the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into the ATL before the book closure of the Company, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

12. Shareholders are advised to ensure that they have provided their Passport / NTN / CNIC / Tax Exemption Certificates (for tax exemption, where applicable) and valid Zakat Declaration under Zakat & Ushr Ordinance, 1980 (for Zakat Exemption) to their respective Participant/CDC Investor Account Services/Company's Share Registrar.

13. For shareholders holding their shares jointly as per the clarification issued by the Federal Board of Revenue, withholding tax will be determined separately on "Filer / Non-Filer" status of the principal shareholder as well as joint-holder(s) based on their shareholding proportions. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of the principal shareholder and Joint-holder(s) in respect of shares held by them to the Share Registrar, in writing as follows:

Company Name	Folio / CDC Account No.	Total shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

NOTE: In the event of non-receipt of the information by May 13, 2020, each shareholder will be assumed to have equal proportion of shares and the tax will be deducted accordingly.

For any query/problem/information, the investors may contact the Company and/or the Share Registrar at the following phone numbers or email addresses: -

Contact Persons:

Uzzma Rahman (Secretarial Affairs)
Phone: +92-309-1125015
igilifeagm@igi.com.pk

Salman Rauf (Registrar)
Tel : +92-21-34380101-4
+92-21-34384621-3

Notice of Annual General Meeting

14. A valid tax exemption certificate is necessary for exemption from the deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001. Members who qualify under Income Tax Ordinance, 2001 and wish to seek exemption must provide a copy of their valid tax exemption certificate to the Shares Registrar prior to the date of book closure otherwise tax will be deducted according to applicable law.

15. Shareholders who could not collect their dividend /physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend and shares outstanding for a period of three (3) years or more from the date due and payable shall be deposited to the credit of the Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

16. If Members holding ten (10) percent of the total paid up capital, reside in a city, such Members, may demand the Company to provide them the facility of video-link for attending the Meeting. If you wish to take benefit of this facility, please fill and send a request in the below terms to the Company at its registered address at least seven (7) days prior to the date of the Meeting:

I/We, _____of _____, being a member of IGI Life

Insurance Limited, holder of _____ ordinary share(s) as per Registered Folio/CDC

Account No. _____ hereby opt for video link facility at _____.

_____

Signature of Member

Members who have not yet submitted photocopy of their Computerized National Identity Cards to the Company are requested to send the same at the earliest.

17. In accordance with the Companies (Postal Ballot) Regulations, 2018, for any agenda item subject to the requirements of Section 143 and 144 of the Companies Act, 2017, shareholders will be allowed to exercise their right of vote through postal ballot i.e. by post or e-voting, in the manner and subject to the conditions contained in the aforesaid regulations.

Procedure Election of Directors:

Any person who seeks to contest the election to the office of a director, whether s/he is a retiring director or otherwise, shall file the following documents with the Company at least fourteen (14) days before the Annual General Meeting:

a. Notice of his/her intention to offer him/herself for the election to the office of director in terms of Section 159(3) of the Companies Act, 2017.

b. Consent to act as director of the Company along with consent on Form 28 prescribed under the Companies Act, 2017.

c. A detailed profile along with his/her office address as required under SRO 1196(1)/2019 dated October 3, 2019 issued by the Securities and Exchange Commission of Pakistan ("SECP") for placement on the Company's website.

Notice of Annual General Meeting

d. Declarations confirming that:

- He/she is aware of the duties of the directors under the Companies Act, 2017, the Memorandum and Articles of Association of the Company and Listing Regulations of the Pakistan Stock Exchange.

- He/she is compliant with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, Code of Corporate Governance for Insurers, 2016 and the eligibility criteria as set out in the Companies Act, 2017.

- He/she is not serving as director, including as an alternate director, in more than seven (7) listed companies simultaneously.

- 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.

Independent director(s) will be elected through the process of election of directors in terms of Section 159 of the Companies Act, 2017 and they shall meet the criteria laid down under Section 166(2) of the Companies Act, 2017 and the Companies (Manner and Selection of Independent Directors) Regulations 2018, accordingly the following additional documents are to be submitted by the candidates intending to contest election of directors as an independent director:

a. Declarations under Clause 6(3) of the Listed Companies (Code of Corporate Governance) Regulations 2019 and Clause 4 of the Code of Corporate Governance for Insurers, 2016.

b. Undertaking on a non-Judicial stamp paper that he/she meets the requirements of sub-regulation (1) of Regulation 4 of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

Statement under Section 166 (3) of the Companies Act, 2017

Pursuant to Section 166 (3) of the Companies Act, 2017, Independent Directors will be elected through the process of election of directors in terms of Section 159 of the Companies Act, 2017. Independent Directors shall meet the criteria laid down under Section 166 (2) of the said Act.

Justification for selecting independent directors: The criteria for selection of Independent Directors is same as criteria of independence set out under Section 166 (2) of the Companies Act, 2017. The independent directors selected are listed on the databank of Independent Directors maintained by the Pakistan Institute of Corporate Governance duly authorized by the SECP under Section 166 (1) of the said Act. Their selection has been made due to their respective competencies, skill, knowledge and experience.

The current directors of the Company have no interest in the above said business except being eligible for re-election as director of the Company.

Request for Annual Report and Notices Through E-Mail

The Registrar
FAMCO Associates (Pvt.) Limited,
8-F, Next to Hotel Faran
Block-6, Nursery, P.E.C.H.S.
Shahrah-e-Faisal
Karachi-74000

Email: igilifeagm@igi.com.pk

Dear Sir,

I hereby request you to send me from now onwards the Annual Reports of IGI Life Insurance Limited and all notices under the Companies Act, 2017 at my e-mail address given below:

_____

(E-mail address of the shareholder)

The above email address will be recorded in the members register maintained under section 119 of the Companies Act, 2017. I will inform the Company and the Registrar about any change in my e-mail address immediately. Henceforth, I will receive the Accounts and Notices only on the above email address, unless a hard copy has been specifically requested by me.

Regards.

(Signature)
Name of the Shareholders

Folio No:
(In case of physical shareholding)

CDC Account No.:_
Note: Individual CDC Account holders should submit copy of their renewed Computerized National Identity Card (CNIC) alongwith this request form.

درخواست برائے سالانہ رپورٹ اور نوٹسیز بذریعہ ای میل

دی رجسٹرار
فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ
ایف-8، نزد ہوٹل فاران
نرسری بلاک-6، پی ای سی ایچ ایس
شاہراہ فیصل، کراچی
ای میل: igilifeagm@igi.com.pk

عزیز محترم

میں بذریعہ ہذا آپ سے درخواست کرتا ہوں کہ اب سے تمام آئی جی آئی لائف انشورنس لمیٹڈ کی سالانہ رپورٹ اور تمام نوٹسیز کمپنیز ایکٹ 2017 کے تحت میرے درج ذیل ای میل ایڈریس پر ارسال کئے جائیں۔

(شیئر ہولڈر کا ای میل ایڈریس) _____

مذکورہ بالا ای میل ایڈریس کمپنیز ایکٹ 2017 کے سیکشن 119 کے تحت تیار کردہ ممبران کے رجسٹر میں ریکارڈ کرلیا جائے۔ میں کمپنی اور رجسٹرار کو اپنے ای میل ایڈریس میں کسی بھی تبدیلی کے بارے میں فوری طور پر اطلاع کردوں گا/گی۔ اس کے مطابق میں حسابات اور نوٹسیز صرف مذکورہ بالا ای میل ایڈریس پر وصول کروں گا تاوقتیکہ میری جانب سے خصوصی طور پر ہارڈ کاپی کے لئے درخواست نہ کی جائے۔

منجانب

(دستخط) _____
شیئر ہولڈر کا نام _____
فولیو نمبر: _____
(فزیکل شیئر ہولڈنگ کی صورت میں)

سی ڈی سی اکاؤنٹ نمبر: _____
نوٹ: انفرادی سی ڈی سی اکاؤنٹ ہولڈرز کو اس درخواست فارم کے ساتھ اپنے تجدید شدہ کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) کی کاپی جمع کرانی ہوگی۔

ج- امیدوار کا تفصیلی پروفائل بشمول اس کے دفتر کا پتہ جو کہ کمپنی کی ویب سائٹ پر فراہم کیا جائیگا جیسا کہ ایس ای سی پی کے SRO نمبر 1196(1) مجریہ 2019ء بتاریخ 3 اکتوبر 2019ء کے تحت درکار ہے۔

د- ڈیکلریشنز جس میں تصدیق کی گئی ہو کہ:

- وہ کمپنیز ایکٹ 2017ء کے تحت ڈائریکٹرز کے فرائض سے واقف ہو، کمپنی کے میمورنڈم اور آرٹیکل آف ایسوسی ایشن اور پاکستان اسٹاک ایکسچینج کی فہرست شدہ ضوابط سے بخوبی آگاہ ہو۔
- وہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورنینس) ریگولیشنز 2019ء، انشورنس کمپنیوں کے کوڈ آف کارپوریٹ گورنس مجریہ 2016ء اور کمپنیز ایکٹ مجریہ 2017ء میں طے شدہ اہلیت کے معیار کے مطابق ہے۔
- وہ بیک وقت سات سے زائد لسٹڈ کمپنیز میں بطور ڈائریکٹر، بشمول متبادل ڈائریکٹر کی حیثیت سے خدمات انجام نہیں دے رہا/رہی۔
- ایس ای سی پی کے ذریعہ ایس آر او 15(1)/2012 بتاریخ 9 جنوری 2012ء اور ایس آر او 1165(I)/2016 بتاریخ 22 دسمبر 2016ء کو اعلان کردہ، انشورنس کمپنیز (سالوئنڈ اینڈ پروڈینٹ مینجمنٹ) ریگولیشنز 2012ء کے تحت مطلوبہ ضمیمہ-A سے متعلق معلومات اور ضمیمہ-بی اور سی پر حلف نامے۔

کمپنیز ایکٹ مجریہ 2017ء کی دفعہ (2)166 کی تعمیل میں، جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورنینس) ریگولیشنز 2019ء اور کمپنیز (میز اینڈ سلیکشن آف انڈیپینڈنٹ ڈائریکٹرز) ریگولیشنز 2018ء کے تحت درکار انڈیپینڈنٹ ڈائریکٹر کے طور پر تقرری کا ڈکلریشن (ان افراد کیلئے قابل اطلاق ہے جنہوں نے بطور کمپنی کے آزاد ڈائریکٹرز کام کرنے کی رضامندی جمع کرادی ہے)

وہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورنینس) ریگولیشنز 2019ء، انشورنس کمپنیوں کے کوڈ آف کارپوریٹ گورنس مجریہ 2016ء اور کمپنیز ایکٹ مجریہ 2017ء میں طے شدہ اہلیت کے معیار کے مطابق ہے۔

کمپنیز ایکٹ مجریہ 2017ء کی دفعہ 159 کے مطابق آزاد ڈائریکٹر(ز) کا انتخاب ڈائریکٹرز کے انتخاب کے عمل کے ذریعے کیا جائے گا اور وہ کمپنیز ایکٹ مجریہ 2017ء کی دفعہ 166(2) اور کمپنیز (میز اینڈ سلیکشن آف انڈیپینڈنٹ ڈائریکٹرز) ریگولیشنز 2018ء میں مندرجہ طے شدہ اہلیت کے معیار سے واقف ہے، اس کے مطابق ایسے امیدواروں جو جو ڈائریکٹرز کا انتخاب میں بطور ایک آزاد ڈائریکٹر حصہ لینے کے خواہشمند ہیں ان کی جانب سے مندرجہ ذیل اضافی دستاویزات جمع کرادئے جائیں۔

الف - لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورنینس) ریگولیشنز مجریہ 2019ء کی شق (3)6 اور کوڈ آف کارپوریٹ گورنینس برائے بیمہ کار مجریہ 2016ء کی شق 4 کے تحت اعلامیے۔

ب - غیر عدالتی اسٹامپ پیپر پر بیان حلفی کہ وہ کمپنیز (میز اینڈ سلیکشن آف انڈیپینڈنٹ ڈائریکٹرز) ریگولیشنز 2018ء کے ضابطہ 4 کے ذیلی ضابطہ (1) کی ضروریات بھرپور آگاہ ہو۔

کمپنیز ایکٹ مجریہ 2017ء کی دفعہ (3)166 کے تحت بیانیہ

کمپنیز ایکٹ مجریہ 2017ء کی دفعہ (3)166 کی تعمیل میں، آزاد ڈائریکٹرز کا انتخاب کمپنیز ایکٹ مجریہ 2017ء کی دفعہ 159 کے تحت ڈائریکٹرز کے انتخاب کے عمل کے ذریعے کیا جائے گا۔ آزاد ڈائریکٹرز مذکورہ ایکٹ کی دفعہ 166(2) کے تحت وضع کردہ معیار پر پورا اتریں گے۔

آزاد ہدایت کاروں کے انتخاب کا جواز:

آزاد ڈائریکٹرز کے انتخاب کا معیار کمپنیز ایکٹ مجریہ 2017ء کی دفعہ (2)166 کے مطابق کیا جائے گا اور منتخب ہونے والے آزاد ڈائریکٹر(ز) مذکورہ ایکٹ کی دفعہ 166(1) کے تحت ایس ای سی پی کے مجاز پاکستان انسٹیٹیوٹ آف کارپوریٹ گورنس کے زیر انتظام آزاد ڈائریکٹرز ڈیٹا بینک میں درج ہیں اور ان کا انتخاب ان کی متعلقہ قابلیت، مہارت، علم اور تجربے کی بنیاد پر کیا جائے گا۔

کمپنی کے موجودہ ڈائریکٹرز کو مذکورہ بالا امور میں کوئی دلچسپی نہیں ہے ماسوائے اس کے کہ کمپنی کے ڈائریکٹر کی حیثیت سے دوبارہ انتخاب کے اہل ہیں۔

نوٹ: مورخہ 13 مئی 2020ء تک مطلوبہ معلومات کی عدم وصولی کی صورت میں، ہر شیئر ہولڈرز کے حصص کے تناسب کو مساوی تصور کیا جائے گا اور اس کے مطابق ٹیکس میں کٹوتی کی جائے گی۔

کسی بھی سوال/مسئلہ/معلومات کیلئے سرمایہ کار درج ذیل فون نمبروں یا ای میل پتوں پر کمپنی اور/یا شیئر رجسٹرار سے رابطہ کر سکتے ہیں۔

متعلقہ افراد:

عظمیٰ رحمٰن (سیکرٹریل امور)	سلمان رؤف (رجسٹرار)
فون: +92-309-1125015	ٹیلیفون نمبر: +92-21-34380101-4
igilifeagm@igi.com.pk	+92-21-34384621-3

14- انکم ٹیکس آرڈیننس مجریہ 2001ء کے دفعہ 150 کے تحت ود ہولڈنگ ٹیکس پر استثناء کے دعوے کیلئے ایک مستند ٹیکس استثنائی سرٹیفکیٹ لازمی ہے- وہ ممبران جو انکم ٹیکس آرڈیننس مجریہ 2001ء کے زمرے میں آتے ہوں اور استثنیٰ حاصل کرنا چاہتے ہوں ان کو کتب بندش کی تاریخ سے قبل شیئرز رجسٹرار کو اپنے کارآمد ٹیکس استثنائی سرٹیفکیٹ کی ایک عدد نقل فراہم کرنا ہوگی بصورت دیگر مروجہ قانون کے مطابق ٹیکس کٹوتی کر لی جائے گی-

15- ایسے شیئر ہولڈرز جو اپنے منافع منقسمہ/فزیکل شیئرز وصول نہیں کر سکے ہیں تو انہیں ہدایت دی جاتی ہے کہ وہ اپنے غیر دعویٰ شدہ منافع منقسمہ یا حصص، اگر ہوں تو، کی وصولی کے بارے میں معلومات کیلئے ہمارے شیئر رجسٹرار سے رابطہ کریں کمپنیز ایکٹ مجریہ 2017ء کی دفعہ 244 پر عمل درآمد کے تحت مقررہ طریقہ کار کی تکمیل کے بعد تین سال یا زائد مدت سے واجب الادا اور قابل ادائی تمام منافع منقسمہ اور حصص کو وفاقی حکومت کے پاس جمع کرادیا جائیگا اور غیر دعویٰ شدہ منافع منقسمہ اور حصص کی صورت میں انہیں ایس ای سی پی کے سپرد کر دیا جائیگا۔

16- اگر ممبران مجموعی ادا شدہ سرمایہ کا (10) دس فیصد حصہ رکھتے ہوں، اسی شہر میں مقیم ہوں، تو ایسے ممبران کمپنی سے اجلاس میں شرکت کیلئے ویڈیو لنک کی سہولت فراہم کرنے کا مطالبہ کر سکتے ہیں۔ اگر آپ مذکورہ سہولت سے فائدہ اٹھانا چاہتے ہیں تو براہ کرم اجلاس ہٰذا کی تاریخ سے کم از کم سات (7) یوم قبل کمپنی کو اس کے رجسٹرڈ پتہ پر درج ذیل شرائط میں ایک درخواست پُر کریں اور بھیجیں:

میں/ہم _____ بابت _____ بحیثیت آئی جی آئی لائف انشورنس لمیٹڈ کا ایک رکن ہونے کے ناطے _____ عمومی شیئرز (حصص) بمطابق رجسٹرڈ فولیو/سی ڈی سی اکاؤنٹ نمبر _____ بذریعہ ہٰذا مقام _____ پر ویڈیو لنک سہولت کا انتخاب کرتا ہوں۔

_____
ممبر کے دستخط

جن ممبران نے کمپنی کو تاحال اپنے کمپیوٹرائزڈ قومی شناختی کارڈز کی فوٹو کاپی جمع نہیں کرائی ہے ان سے درخواست کی جاتی ہے کہ وہ اسے جلد از جلد ارسال کر دیں۔

17- کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018ء کے مطابق، کسی بھی ایجنڈے آئٹم کیلئے، کمپنیز ایکٹ مجریہ 2017ء کی دفعات 143 اور 144 کی ضروریات سے مشروط، شیئر ہولڈرز کو مذکورہ ضوابط میں شامل شرائط کے مطابق پوسٹل بیلٹ یعنی پوسٹ یا ای ووٹنگ کے ذریعے اپنے ووٹ کا حق استعمال کرنے کی اجازت ہوگی۔

ڈائریکٹرز کے انتخاب کا طریقہ کار:

کوئی بھی فرد جو ڈائریکٹرز کے انتخاب میں حصہ لینے کا خواہشمند ہو، چاہے وہ کوئی سبکدوش ہونے والا ڈائریکٹر ہو یا کوئی دیگر، اسے کمپنی کے پاس اس کے رجسٹرڈ آفس میں مذکورہ سالانہ اجلاس عام کی تاریخ سے کم از کم چودہ (14) دن قبل درج ذیل دستاویزات داخل کرانے ہونگے۔

الف کمپنیز ایکٹ مجریہ 2017ء کی دفعہ (3)159 کی شرائط کے مطابق ڈائریکٹرز کے انتخاب کیلئے خود کو پیش کرنے کے ارادے کا نوٹس۔

ب کمپنیز ایکٹ مجریہ 2017ء کے تحت تجویز کردہ فارم 28 پر رضامندی کے ساتھ کمپنی کے ڈائریکٹر کی حیثیت سے کام کرنے کی رضامندی۔

پھیلاؤ کے اثر کو کم کرنے اور اس کے نتیجے میں حکومت کی جانب سے عائد کردہ لاک ڈاؤن کی وجہ سے باقاعدہ ریلیف دیا ہے۔جس کے مطابق، کمپنی کی سالانہ رپورٹ برائے 2019 شیئر ہولڈرز کو بذریعہ سی ڈی یا چھپی ہوئی کاپیاں فراہم نہیں کی جائیگی بلکہ وہ صرف پاکستان اسٹاک ایکسچینج لمیٹڈ کے PUCARS سسٹم اور کمپنی کی ویب سائٹ (www.igilife.com.pk) پر الیکٹرانک طور پر دستیاب ہوگی۔شیئر ہولڈرز جو کہ سالانہ رپورٹ 2019 بذریعہ ای میل وصول کرنا چاہیں تو ان سے درخواست ہے کہ کمپنی کو اپنا ای میل ایڈریس igilifeagm@igi.com.pk پر فراہم کردیں۔

8- کمپنیز ایکٹ 2017 کی دفعہ 242 کے تحت لسٹڈ کمپنی کیلئے ضروری ہے کہ کوئی بھی واجب الادا نقد منافع منقسمہ صرف برقی طریقہ کار کے مطابق براہ راست اہل شیئر ہولڈرز کے نامزد بینک اکاؤنٹ میں منتقل کی جائے- اپنے منافع منقسمہ کو براہ راست اپنے بینک اکاؤنٹ میں وصول کرنے کیلئے براہ کرم ای کریڈٹ ڈیوڈنڈ مینڈیٹ فارم میں تفصیلات مکمل کریں۔ڈیوڈنڈ مینڈیٹ فارم سالانہ رپورٹ میں منسلک ہے اور ہماری کمپنی کی ویب سائٹ www.igilife.com.pk پر بھی اپ لوڈ کیا جاچکا ہے۔

9- کسی ممبر کے کارآمد بینک اکاؤنٹ کی تفصیلات اور/ یا IBAN کی عدم موجودگی میں کمپنی ایسے ممبران کو منافع منقسمہ کی ادائیگی کو طے شدہ تفصیلات کی فراہمی تک روکنے کی پابند ہوگی۔

10- غیر مقفولہ شکل میں شیئر ہولڈنگ رکھنے والے ممبران سے گزارش ہے کہ وہ باقاعدہ پُر شدہ ڈیویڈنڈ بینک مینڈیٹ فارم سی ڈی سی میں اپنے شرکاء/سرمایہ کار اکاؤنٹ سروسس کو جمع کرادیں۔

11- حکومت پاکستان نے فنانس ایکٹ مجریہ 2019 کے توسط سے انکم ٹیکس آرڈیننس مجریہ 2001 میں کچھ ترامیم کی ہیں جس کے تحت کمپنیز کے ذریعے ادا کیے جانے والے منافع منقسمہ رقم کی ادائیگیوں پر ود ہولڈنگ ٹیکس کی کٹوتی کے لئے مختلف نرخوں کا تعین کیا جاتا ہے۔

یہ شرحیں حسب ذیل ہیں:

(الف)	انکم ٹیکس گوشواروں کے فائلرز کیلئے ٹیکس کٹوتی	15 فیصد
(ب)	انکم ٹیکس گوشواروں کے نان۔فائلرز کیلئے ٹیکس کٹوتی	30 فیصد

کمپنی کو نقد منافع منقسمہ کی رقم پر 30 فیصد کی بجائے 15 فیصد کی شرح پر ٹیکس کٹوتی کرنے کے قابل بنانے کیلئے ایسے شیئر ہولڈرز جن کے ناموں کا اندراج ایف بی آر کی ویب سائٹ پر فراہم کردہ فعال ٹیکس دہندگان کی فہرست (اے ٹی ایل) میں موجود نہیں ہے۔اس امر کے باوجود کہ وہ فائلرز ہیں، انہیں مشورہ دیا جاتا ہے کہ کمپنی کی کتب بندش ہونے سے قبل اپنے ناموں کا اے ٹی ایل میں اندراج کرالیں، بصورت دیگر ان کے نقد منافع منقسمہ پر ٹیکس کی کٹوتی 15 کی بجائے 30 فیصد کی شرح سے منہا کی جائے گی۔

12- شیئر ہولڈرز کو یہ مشورہ دیا جاتا ہے کہ وہ اطمینان کرلیں کہ اپنے پاسپورٹ/ این ٹی این/ سی این آئی سی/ ٹیکس استثنائی سرٹیفکیٹس (برائے ٹیکس استثنیٰ جہاں قابل اطلاق ہو) اور زکوۃ وعشر آرڈیننس مجریہ 1980 کے تحت کارآمدز کوۃ اعلامیہ (برائے زکوۃ استثنیٰ) اپنے متعلقہ شرکاء/سی ڈی سی انویسٹر اکاؤنٹ سروسز/کمپنی کے شیئر رجسٹرار کو فراہم کردیں۔

13- فیڈرل بورڈ آف ریونیو کی جاری کردہ وضاحت کے مطابق مشترکہ طور پر اپنے حصص رکھنے والے شیئر ہولڈرز کے ود ہولڈنگ ٹیکس کا مرکزی شیئر ہولڈر کی حیثیت سے ''فعال /غیر فعال ٹیکس دہندگان'' کے طور پر الگ الگ تعین کے ساتھ ساتھ مشترکہ ہولڈر (ز) کی صورت میں شیئر ہولڈنگ تناسب کی بنیاد پر منحصر ہوگا۔لہذا ایسے تمام شیئر ہولڈرز جو مشترکہ طور پر حصص حاملین ہیں وہ پرنسپل شیئر ہولڈر کا شیئر ہولڈنگ تناسب اور مشترکہ ہولڈر (ز) کے پاس موجود شیئرز کی تعداد ہمارے شیئر رجسٹرار کو تحریری طور حسب ذیل مہیا کردیں۔

کمپنی کا نام	فولیو/سی ڈی سی اکاؤنٹ نمبر	مجموعی حصص	پرنسپل شیئر ہولڈر		مشترکہ ہولڈر	
			نام اور سی این آئی سی نمبر	شیئر ہولڈنگ کا تناسب (حصص کی تعداد)	نام اور سی این آئی سی نمبر	شیئر ہولڈنگ کا تناسب (حصص کی تعداد)

اس کے مطابق، حکومت کی طرف سے عائد عوامی اجتماعات پر پابندی اور ایس ای سی پی کی ہدایت پر غور کرتے ہوئے، اجلاس کسی مقام پر منعقد نہیں ہوگا اور تمام شیئر ہولڈرز ویڈیو لنک کے ذریعے شرکت کریں گے۔ممبران سے گزارش ہے کہ وہ ویڈیو لنک سہولت کے ذریعہ اے جی ایم میں شرکت اور حصہ لیں۔ویڈیو لنک کے ذریعے شرکت کرنے کے لئے ممبران https://zoom.us/download کے ذریعے ایپ/ سافٹ ویئر ڈاؤن لوڈ کرسکتے ہیں اور ویڈیو لنک کے ذریعے لاگ ان کرکے اے جی ایم کی کارروائی میں حصہ لے سکتے ہیں۔

اے جی ایم کے دوران ووٹنگ کے موقع پر، اراکین فیمکو کے پورٹل میں لاگ ان کر کے اے جی ایم کی تاریخ پر اپنا حق رائے دہی استعمال کرسکتے ہیں: www.famco.com.pk/evoting.html

جو ممبران/ پراکسیز ویڈیو لنک سہولت کے ذریعہ رابطہ قائم کرنے کے لئے اندراج کرنے کے خواہاں ہیں ان کیلئے لازم ہے کہ وہ اپنا نام، فولیو نمبر، اور شناختی کارڈ نمبر (CNIC) بعنوان "رجسٹریشن برائے آئی جی آئی لائف اے جی ایم" درج کرکے igilifeagm@igi.com.pk پر ای میل کریں۔ویڈیو لنک اور لاگ ان کی اسناد ان ممبروں/ پراکسیوں کو فراہم کی جائیں گی جن کے ای میل میں تمام مطلوبہ تفصیلات شامل ہوں اور مذکورہ ای میل ایڈریس پر مورخہ 19 مئی 2020ء تک شام 05:00 بجے سے قبل موصول ہوجائیں گی۔

ممبران اے جی ایم کے ایجنڈا آئٹمز کیلئے اپنے تاثرات اور سوالات واٹس ایپ نمبر [+92-309-1125015] اور ای میل igilifeagm@igi.com.pk پر بھی فراہم کرسکتے ہیں۔

گزارشات:

1- کمپنی کی حصص منتقلی کی کتب (شیئر ٹرانسفر بکس) مورخہ 14 مئی 2020ء تا 21 مئی 2020ء تک بند رہیں گی (بشمول دونوں ایام)۔

2- سالانہ اجلاس عام میں شرکت اور رائے دہی کا/کی اہل ممبر اپنی جانب سے شرکت کرنے اور رائے دہی کے لئے دوسرے فرد کو بطور پروکسی مقرر کرسکتا/سکتی ہے۔پراکسی کا کمپنی کے ممبر ہونا ضروری نہیں ہے۔پراکسی مقرر کرنے والے ممبر کے ذریعہ باقاعدہ طور پر مکمل اور دستخط شدہ پراکسی فارم کمپنی کے شیئر رجسٹرار، میسرز فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، 8 ایف، ہوٹل فاران، نرسری بلاک 6، پی ای سی ایچ ایس، شاہراہ فیصل کراچی میں اجلاس ہٰذا کے انعقاد سے کم از کم اڑتالیس (48) گھنٹے قبل موصول ہوجانی چاہئیں۔

3- شیئر ہولڈرز (غیر سی ڈی سی) سے گزارش ہے کہ ڈاک کی فراہمی یقینی بنانے کے لئے وہ کمپنی کے شیئر رجسٹرار کو اپنے رہائشی پتوں میں کسی قسم کی تبدیلی کے بارے میں فوری طور پر مطلع کریں۔

4- انفرادی بینی فیشل اونرز (Beneficial Owner)/ممبران جن کے اکاؤنٹ یا سب اکاؤنٹ سینٹرل ڈپازٹری کمپنی ("سی ڈی سی") کے پاس ہوں، جو اجلاس ہٰذا عام میں ووٹ ڈالنے کے اہل ہیں وہ اپنی شناخت کیلئے اپنا اصل شناختی کارڈ فراہم کریں، اور پراکسی (شیئر ہولڈرز) کی صورت میں اپنی اصل شناختی کارڈ کی تصدیق شدہ ایک عدد کاپی لازمی منسلک کریں۔جبکہ اس مقصد کی حصولی کے لئے کارپوریٹ ممبران کے نمائندگان سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے سرکلر نمبر 1 بتاریخ 26 جنوری 2000 کے مطابق اپنے بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی اور/ یا ایسے تمام دستاویزات کی تصدیق شدہ نقل فراہم کردیں۔

5- کمپنیز ایکٹ مجریہ 2017 کی دفعہ (7)223 کے تحت مالیاتی گوشوارے اور رپورٹس کمپنی کی ویب سائٹ پر فراہم کردیے گئے ہیں۔

ممبران کو آگاہ کیا جاتا ہے کہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے ایس آر او 787(1)/2014 بتاریخ 8 ستمبر 2014ء اور کمپنیز ایکٹ مجریہ 2017 کے تحت، کمپنیوں کو ممبران کو ای میل کے ذریعے سالانہ رپورٹ بھیجنے کی اجازت دی گئی ہے۔

اس مقصد کے لئے ہم نے درخواست فارم کو سالانہ رپورٹ کے ساتھ منسلک کیا ہے اور اپنی کمپنی کی ویب سائٹ www.igilife.com.pk پر بھی اپ لوڈ کردیا ہے۔وہ ممبران جو اس سہولت سے فائدہ اٹھانا چاہتے ہیں ان سے گزارش ہے کہ وہ درخواست فارم باقاعدگی سے مکمل کرکے شیئر رجسٹرار کو جمع کروادیں۔

6- مزید براں 31 مئی 2016ء کے ایس آر او 470(I) / 2016 کے تحت جس میں سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے کمپنیز کو اپنے ممبران کو شیئر ہولڈرز کی رضامندی کی فراہمی اور کچھ دیگر شرائط کی تعمیل کے عوض اپنے رجسٹرڈ شدہ پتوں پر ہارڈ کاپیاں ترسیل کرنے کے بجائے سی ڈی/ ڈی وی ڈی/ یو ایس بی کے ذریعہ سالانہ آڈٹ شدہ اکاؤنٹس ارسال کی اجازت دی ہے۔

7- سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے جاری کردہ سرکلر نمبر 10/2017 بتاریخ یکم اپریل 2020 میں کارپوریٹ سیکٹر کے لئے COVID-19 کے

اطلاع برائے سالانہ اجلاس عام

بذریعہ ہذا اطلاع دی جاتی ہے کہ آئی جی آئی لائف انشورنس لمیٹڈ (" کمپنی") کا پچیسواں سالانہ اجلاس عام مورخہ 21 مئی 2020ء بروز جمعرات بوقت صبح 10:00 بجے مندرجہ ذیل امور کی انجام دہی کیلئے منعقد کیا جائے گا۔

(COVID-19 کے حالیہ پھیلاؤ کے تناظر میں، اجلاس کسی مقام پر منعقد نہیں ہوگا اور شیئر ہولڈرز کو مطلع کیا جاتا ہے کہ وہ صرف ویڈیو لنک کے ذریعے شرکت فرمائیں، جیسا کہ ذیل میں درج ہے۔)

عمومی کاروائی:

1- کمپنی کے گزشتہ سالانہ اجلاس عام منعقدہ مورخہ 26 اپریل 2019ء کی کارروائی کی توثیق۔

2- مورخہ 31 دسمبر 2019ء کو ختم ہونے والے گزشتہ سال کے لئے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں معہ چیئرمین رپورٹس، آڈیٹرز اور ڈائریکٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری۔

3- مورخہ 22 مئی 2020ء سے شروع ہونے والی آئندہ تین سالہ مدت کیلئے کمپنیز ایکٹ مجریہ 2017ء کی دفعہ 159(1) کے مطابق بورڈ میں مقرر کردہ سات (7) ڈائریکٹرز کا انتخاب۔ سبکدوش ہونے والے ڈائریکٹرز کے نام یہ ہیں:

1۔ جناب شمیم احمد خان
2۔ سید حیدر علی
3۔ سید یاور علی
4۔ جناب خرم رضا بختیاری
5۔ جناب محمد کمال سید

بورڈ آف ڈائریکٹرز نے مورخہ 06 مارچ 2020ء کو اپنے اجلاس میں اس اجلاس عام میں منتخب ہونے والے ڈائریکٹرز کی تعداد مقرر کی تھی۔ سبکدوش ہونے والے ڈائریکٹران دوبارہ انتخابات کے اہل ہیں۔ کمپنی کو جناب شمیم احمد خان، سید یاور علی اور جناب خرم رضا بختیاری کی جانب سے دفعہ 159 کے مطابق آئندہ تین سالہ مدت کیلئے بحیثیت ڈائریکٹر کے انتخاب کیلئے خود کی پیشکش کے ارادے کا نوٹس اور رضامندی موصول ہو چکے ہیں۔

4- سال 2020 کیلئے آڈیٹرز کی تقرری اور ان کے معاووضے کا تعین۔ موجودہ آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹ) نے آڈیٹر کے طور پر تقرری کیلئے رضامندی ظاہر کی ہے اور بورڈ آف ڈائریکٹرز نے ان کی تقرری کی سفارش کی ہے۔

5- چیئرمین کی اجازت سے کسی بھی دیگر امور کی انجام دہی۔

مورخہ 30 اپریل 2020
کراچی

بحکم بورڈ
کمپنی سیکرٹری

COVID-19 کے تسلسل میں آئی جی آئی لائف انشورنس لمیٹڈ کے 25 ویں سالانہ اجلاس عام کیلئے منصوبہ بندی

COVID-19 کے حالیہ پھیلاؤ کے تناظر میں،، حکومت سندھ کی جانب سے کسی بھی بڑے اجتماع سے گریز کرنے کے لئے اٹھائے جانے والے اقدامات اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے ذریعہ بتاریخ 17 مارچ 2020ء کو اعلان کردہ سرکلر نمبر EMD/MISC/82/2012 کے تحت، اقدامات کو کمپنیوں کے سالانہ اجلاس عام کیلئے اپنی معمول کی منصوبہ بندی میں شیئر ہولڈرز کی فلاح و بہبود اور ویڈیو لنک سہولیات کی فراہمی کے ذریعہ بڑے اجتماعات سے بچنے کیلئے ترمیم کرنے کی ضرورت ہے۔ کمپنی بہترین طریقہ کار پر عمل پیراں ہوگی اور حکومت سندھ اور ایس ای سی پی کی ہدایات پر عمل کرے گی تاکہ شیئر ہولڈرز کی فلاح و بہبود کے لئے حفاظتی اقدامات کو یقینی بنایا جاسکے۔ ایس ای سی پی اور/ یا پاکستان اسٹاک ایکسچینج کی جانب سے مزید ہدایات یا اطلاعات جاری ہونے یا سالانہ اجلاس عام میں ترمیم کی صورت میں، کمپنی اسٹاک ایکسچینج کے PUCARS سسٹم کے ذریعے اس کا اعلان کرے گی۔

ری انشورر کی رضامندی سے معاہدوں میں تبدیلیاں، اگر ضروری ہوں یا ضرورت ہو، کرتی ہے۔ یہ کمیٹی انشورنس پروگرام کی مستقبل میں موثریت کی بھی جانچ کرتی ہے۔ یہ کمیٹی کیلئے انڈر رائٹنگ پالیسی بھی تشکیل دیتی ہے۔ یہ کمیٹی مختلف انشورنس رسکس کے معیار کی بھی تشخیص کرتی ہے۔ یہ کمیٹی اپنے بزنس پورٹ فولیو اور مارکیٹ ڈویلپمنٹ کے لحاظ سے انڈر رائیٹنگ پالیسیوں کا متواتر جائزہ بھی لیتی رہتی ہے۔

اراکین کے نام	انڈر رائیٹنگ اینڈ انشورنس کمیٹی
منعقدہ اجلاس کی تعداد	4
حسن عسکری	4
سید حیدر علی	4
محمد کمال سید	3

اخلاقیات، انسانی وسائل، نامزدگیاں اور مشاہرے کی کمیٹی:

یہ کمیٹی کیلئے انسانی وسائل کی پالیسیاں مرتب کرنے کی ذمہ دار ہے۔ یہ کمیٹی بورڈ کے سینئر آفیسرز بشمول چیف ایگزیکٹو آفیسر، ڈپٹی چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، کمپنی سیکریٹری اور ہیڈ آف انٹرنل آڈٹ کے انتخاب، جانچ اور مشاہروں کے تعین کے سلسلے میں معاونت فراہم کرتی ہے۔ یہ کمیٹی ان افسران کی سکشیشن پلاننگ کی بھی سفارش کرتی ہے۔ یہ انسانی وسائل کی پالیسیوں کا متواتر جائزہ لیتی ہے۔

اراکین کے نام	انسانی وسائل اور معاوضہ کمیٹی
منعقدہ اجلاس کی تعداد	3
محترمہ ناز خان	3
سید حیدر علی	3
خرم رضا بختیاری	3
سید یاور علی	3

انوسٹمنٹ کمیٹی

سرمایہ کاری کمیٹی زیادہ سے زیادہ منافع کو یقینی بنانے اور پالیسی ہولڈر کے فنڈز کی حفاظت کے لئے انویسٹمنٹ فنکشن کی نگرانی کی ذمہ دار ہے۔ کمیٹی کمپنی کے زیر انتظام مختلف فنڈز کے لئے سرمایہ کاری کی پالیسی پر نظر ثانی اور منظوری دیتی ہے۔

اراکین کے نام	انوسٹمنٹ کمیٹی
منعقدہ اجلاس کی تعداد	4
محمد کمال سید	3
سید حیدر علی	4
حسن عسکری	3
سید یاور علی	4
خرم رضا بختیاری	4

ضابطہ اخلاق

آپ کی کمپنی اپنی کسٹمرز کو ان کے مستقبل کی مالی ضروریات پورا کرنے کیلئے روایتی لائف انشورنس، یونیورسل لائف اور یونٹ لنکڈ پلان پیش کر رہی ہے۔ ہم نہایت سختی کی ساتھ SECP کی جانب سے رائج ضابطہ اخلاق پر عمل درآمد کرتے ہیں اور اپنی پروڈکٹس کے تمام ضروری حقائق اپنے ممکنہ صارفین کے ساتھ شیئر کرتے ہیں۔

کمپنی نے اپنے ملازمین کے لئے اخلاقیات کے اصول بھی متعارف کروائے ہیں جس پر عمل درآمد لازمی ہے اور ملازمین کو ہر سال اس دستاویز پر دستخط کرنے ہوتے ہیں۔

سید حیدر علی
چیف ایگزیکٹو آفیسر
تاریخ: 06 مارچ 2020

شمیم احمد خان
چیئرمین
تاریخ: 06 مارچ 2020

ڈائریکٹرز کا نام	بورڈ کمیٹی
منعقدہ اجلاس کی تعداد	5
شمیم احمد خان	5
سید حیدر علی	5
حسن عسکری	5
سید یاور علی	5
محمد کمال سید	5
خرم رضا بختیار	5
محترمہ ناز خان	5

بورڈ آف ڈائریکٹرز، آڈٹ، انڈر رائٹنگ، انشورنس، کلیمز ، انویسٹمنٹ اور انسانی وسائل اور مشاہرے کی کمیٹیوں کے اجلاس شیڈول کے مطابق منعقد کئے گئے۔ منعقد کیے گئے اجلاسوں اور ڈائریکٹرز کی بورڈ اور اس کی ذیلی کمیٹیوں میں حاضریوں کی تفصیلات مندرجہ ذیل ہے۔

ڈائریکٹرز، ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں کے ذریعہ حصص کی تجارت۔

ایک سال کے دوران، ڈائریکٹرز، ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں کے ذریعہ کمپنی کے حصص میں کوئی کاروبار نہیں ہوا۔

پیٹرن آف شیئر ہولڈنگ

کمپنیز ایکٹ 2017 کے سیکشن 227 اور کوڈ آف کارپوریٹ گورننس کے تحت 31 دسمبر 2019 تک کا پیٹرن آف شیئر ہولڈنگ اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

آڈٹ کمیٹی

آڈٹ کمیٹی تین (3) نان ایگزیکٹو اور ایک آزاد ڈائریکٹر پر مشتمل ہے۔ آڈٹ کمیٹی کے حوالہ کی شرائط کوڈ آف کارپوریٹ گورننس کے ساتھ منسلک ہیں۔ کمیٹی ایک سہ ماہی میں کم از کم ایک بار ملتی ہے۔

ممبران کے نام	آڈٹ کمیٹی
منعقدہ اجلاس کی تعداد	4
محمد کمال سید	3
حسن عسکری	4
سید یاور علی	4
خرم رضا بختیاری	4

کلیم سیٹلمنٹ کمیٹی

یہ کمیٹی کمپنی کے کلیمز کی سیٹلمنٹ کی پالیسی کی منظوری دیتی ہے۔ یہ کلیم کے سلسلے میں کمپنی کی پوزیشن کا جائزہ لیتی ہے اور اس بات کو یقینی بناتی ہے کہ کمپنی نے کلیمز کے لئے مناسب ریزرو برقرار رکھا ہوا ہے۔ یہ غیر معمولی کلیمز پر بطور خاص توجہ مرکوز رکھتی ہے۔ کلیمز سیٹلمنٹ کمیٹی کلیم کے فوری حل اور ادائیگی کو یقینی بناتی ہے۔ یہ کمیٹی عدالت، انشورنس محتسب اور ٹریبونل میں پیش ہونے والے پیچیدہ کیس بھی دیکھتی ہے۔ یہ کمیٹی دھوکہ دہی پر مبنی کیس کا جائزہ بھی لیتی ہے۔

ممبران کے نام	کلیمز کمیٹی
منعقدہ اجلاس کی تعداد	4
شمیم احمد خان	4
سید یاور علی	4

انڈر رائٹنگ اور ری انشورنس کمیٹی

یہ کمیٹی اس بات کو یقینی بناتی ہے کہ ری انشورنس کے تمام انتظامات بالکل موزوں ہوں۔ یہ کمیٹی تجویز کردہ ری انشورنس معاہدوں کی جانچ، وقتاً فوقتاً انتظامات کی نگرانی،

کارپوریٹ اور فنانشل رپورٹنگ کا فریم ورک

کوڈ آف کارپوریٹ گورننس کے تحت اسٹیٹمنٹ

آپ کی کمپنی کے ڈائریکٹرز نے کی رائے میں:

a) کمپنی کی مینجمنٹ کی جانب سے تیار کردہ مالیاتی گوشوارے، کمپنی کے معاملات، اس کے آپریشن کے نتائج، کیش فلوز اور ایکویٹی میں تبدیلی کو منصفانہ انداز میں پیش کیا گیا ہے۔

b) کمپنی کے اکاؤنٹ کی کتب کو باقاعدگی سے برقرار رکھا گیا ہے۔

c) مالیاتی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیز کا اطلاق کیا گیا ہے اور اکاؤنٹنگ کا تخمینہ معقول اور دانشمندانہ فیصلے پر مبنی ہے۔

d) مالیاتی گوشواروں کمپنیز ایکٹ 2017، انشورنس آرڈیننس 2000، مالیاتی گوشواروں کے انٹرنیشنل اسٹینڈرڈ اینڈ دیگر ریگولیشن (بشمول شرعی ہدایات/ اصولوں تک محدود نہیں) جو کہ پاکستان میں لاگو ہوتے ہیں، ان اصولوں کے مطابق تیار کیا گیا ہے۔

e) انٹرنل کنٹرول سسٹم ڈیزائن کے لحاظ سے بہترین ہے اور اس کا موثر طریقے سے نفاذ اور نگرانی کی گئی ہے۔

f) کمپنی کے آپریشنز کو مستقبل میں بھی جاری رکھنے کیلئے کمپنی کی صلاحیتوں میں کوئی شک نہیں ہے۔

g) کارپوریٹ گورننس کی بیسٹ پریکٹس سے انحراف نہیں کیا گیا ، جیسا کہ رول بک اور ریگولیشن کی فہرست میں واضح کیا گیا ہے۔

h) مورخہ 31 دسمبر 2019 تک ٹیکسز، ڈیوٹیز، لیویز اور چارجز کی صورت میں کسی قسم کی قانونی ادائیگی واجب الادا نہیں ہے۔ سوائے اس کے جس کا مالیاتی گوشواروں میں ذکر کیا گیا ہے۔

i) اسٹاف ریٹائرمنٹ فنڈ کے تحت کئے جانے والی انویسٹمنٹ کی قیمت 31 دسمبر 2019 تک غیر پڑتال شدہ مالیاتی گوشواروں کے مطابق مندرجہ ذیل ہے:

ملازمین کا پروویڈنٹ فنڈ	51.745 ملین روپے۔
ملازمین کا گریجوئٹی فنڈ	26.650 ملین روپے۔

j) فی الحال تمام ڈائریکٹرز نے ریگولیشن کے متعین کیے گئے ڈائریکٹر ٹریننگ پروگرام کو مکمل کیا ہوا ہے۔

k) گزشتہ چھ 6 سالوں کا اہم آپریشنل اور مالیاتی ڈیٹا، مالیاتی گوشواروں کے ساتھ موجود ہے۔

جیسے کہ انشورنس آرڈیننس 2000 کے مطابق درکار ہے، ڈائریکٹرز تصدیق کرتے ہیں:

۔ ان کی رائے اور یقین کے مطابق مالیاتی گوشوارے جو اس اسٹیٹمنٹ کے ساتھ منسلک ہیں وہ انشورنس آرڈیننس 2000 اور اس کے تحت دیگر قوانین کے مطابق بنائے گئے ہیں۔

۔ کمپنی نے پیڈ اپ کیپٹل، سولوینسی اور مجموعی بنیاد پر ری انشورنس سے متعلق آرڈیننس اور اس کے دیگر قوانین پر اس سال کے دوران عمل کیا ہے، سوائے اس معاملے کے جس کا ذکر مالیاتی گوشواروں کے نوٹ 40.1 میں ذکر کیا گیا ہے، اور اس اسٹیٹمنٹ کے دن تک کمپنی اس آرڈیننس اور اس کے وضع کیے ہوئے قوانین پر عمل کرنے میں مصروف عمل ہے۔

بورڈ میٹنگز اور ڈائریکٹرشپ میں تبدیلی

کمپنی کے بورڈ آف ڈائریکٹرز میں دو آزاد، ایک ایگزیکٹو اور چار نان ایگزیکٹو ڈائریکٹرز شامل ہیں۔

سال کے دوران بورڈ پر کسی بھی طرح کی آسامیاں خالی نہیں ہوئیں۔

آڈیٹرز

آڈٹ کمیٹی کی تجویز پر، بورڈ آف ڈائریکٹرز نے اے۔ایف فرگوسن اور کو چارٹرڈ اکاؤنٹینٹس کی بطور کمپنی کے ایکسٹرنل آڈیٹرز تقرری کی ہے۔

ہولڈنگ کمپنی

یہ کمپنی آئی جی آئی ہولڈنگ لمیٹڈ (سابقہ آئی جی آئی انشورنس لمیٹڈ) کا ذیلی ادارہ ہے جو کمپنی کے 82.69 فیصد حصص حاصل کیئے ہوئے ہے۔(2018۔81.97فیصد)

انشورر کی مالیاتی استحکام کی ریٹنگ

اس سال کے دوران، کمپنی نے اپنی IFS ریٹنگ کو PACRA سے برقرار رکھا ہے۔ کمپنی کو مستحکم نقطہ نظر کے ساتھ IFS A+ ریٹنگ دی گئی ہے۔

کارپوریٹ سماجی ذمہ داریاں

کمپنی نے اس سال انشورنس کے دن کے موقع پر بلڈ ڈونیشن ڈرائیو کا انعقاد کیا جو کمپنی کی کارپوریٹ سماجی ذمہ داریوں (CSR) کا حصہ تھا۔ یہ سرگرمی آغا خان اسپتال کے تعاون کے ساتھ منعقد کی گئی تھی۔

آؤٹ لک

جدید نئے پروڈکٹ کے تعارف، آئی ٹی سسٹم کی تجدید کاری، کسٹمر سروس اور مینجڈ کیئر کال سینٹر کی بہتری، تقسیم کاری میں توسیع اور مضبوط رسک مینجمنٹ فریم ورک کی مدد سے آپ کی کمپنی مارکیٹ میں آنے والے نئے مواقعوں سے فائدہ اٹھانے کے لئے تیار ہے۔

اظہار تشکر

ہم اس موقع پر SECP کا ان کی قیمتی حمایت، مدد اور رہنمائی کے لئے بھرپور شکریہ ادا کرتے ہیں۔ بورڈ آف ڈائریکٹرز اپنے تمام ملازمین کی جانب سے ادا کئے گئے کردار کے لئے مخلصانہ شکریہ ادا کرتی ہے۔ آخر میں کمپنی اپنے پالیسی ہولڈرز اور شیئر ہولڈرز کا شکر ادا کرتی ہے جن کے لامحدود بھروسے سے ہماری حوصلہ افزائی ہوئی ہے۔

Syed Haider Ali

سید حیدر علی
چیف ایگزیکٹو آفیسر
تاریخ: 06 مارچ 2020

S Shamim Khan

شمیم احمد خان
چیئرمین
تاریخ: 06 مارچ 2020

بورڈ کے خدوخال اور مشاہرہ

بورڈ کے خدوخال اور بورڈ کی ذیلی کمیٹیوں کے ممبران کے نام صفحہ 18 اور 19 پر دیکھے جاسکتے ہیں کمپنیز ایکٹ 2017 اور فہرست شدہ کمپنیز (کارپوریٹ گورننس کے ضابطے) 2017 کے قوانین کے مطابق آپ کی کمپنی نے اپنے ڈائریکٹر کے مشاہرے کے لئے شفاف فریم ورک وضع کیا ہوا ہے۔

انڈر رائٹنگ، ری انشورنس اور رسک مینجمنٹ:

آپ کی کمپنی انڈر رائٹنگ کے محتاط طریقوں پر عمل داری کی پیروی کرتی ہے۔ کمپنی نے ہیومن کیپٹل، ٹیکنالوجی اور انڈر رائٹنگ فنکشن کو تعاون فراہم کرنے والے انفراسٹرکچر میں اہم سرمایہ کاری کی ہے۔

آپ کی کمپنی ری انشورنس پر احتیاط کے ساتھ ڈیزئن کردہ پروگرام کے ذریعے، لاحق خطرات پر ردعمل کو تیز کرنے کی پالیسی پر کاربند ہے۔ کمپنی نے قابل اعتماد انٹرنیشنل ری انشورنس کے معاہدے ہوئے ہیں تاکہ کمپنی کو نقصان اور ہمارے اوپر موجود خطرات سے بچا جاسکے۔

کیپٹل مینجمنٹ اور لیکیوڈیٹی

کمپنی اپنے موجودہ اور مستقبل کی سرگرمیوں کی منصوبہ بندی کی مدد کے لئے اطمینان بخش سرمایہ برقرار رکھتی ہے۔ کمپنی کے پیڈ اپ کیپٹل اور حاصل سرمایہ بالترتیب 1,705 ملین روپے اور 535 ملین روپے پر موجود ہے۔

2019 میں کمپنی نے اپنے منافع اور سولوینسی بہتر کرنے کے لئے ایک ارب روپے کے رائٹ اشو کیا ہے۔

کمپنی میں کلیمز کی ادائیگیوں اور آپریٹنگ اخراجات کو پورا کرنے کے لئے مناسب لیکیوڈیٹی کو یقینی بنانے کا فریم ورک موجود ہے۔ 31 دسمبر 2019 تک کمپنی کا کیش اور کیش مساوی 1.64 بلین روپے ہے جو 2018 میں 1.83 بلین روپے تھے۔

انفرمیشن ٹیکنالوجی اور اپریشنل صلاحیت

آپ کی کمپنی مسلسل اس امر کے لئے کوشاں ہے کہ اپنے بیمہ داروں، حصہ داروں اور اسٹیک ہولڈرز کو بہترین خدمات فراہم کی جائیں۔

کمپنی نے ایک علمی شہرت یافتہ فرم سے حاصل کیئے گئے جدید آئی ٹی سسٹم کے ذریعے اپنی نئی پروڈکٹ 'IGI Life Vitality' کو متعارف کروایا ہے۔ نیا سسٹم عملی طور پر اپریشنل صلاحیتوں اور کسٹمر سروس کو بہتر بنانے میں مدد دے گا۔

مزید براں، کمپنی نے اپنے صارفین کو بہترین خدمات فراہم کرنے کے لئے بہت سے نئے پورٹلز اور موبائل اپلیکیشن متعارف کروائی ہیں جس نے گھر بیٹھے صارفین تک رسائی ممکن بنائی ہے۔

علاوہ ازیں، خدمات کی بہترین کیلئے کال سنٹر کو اپ ڈیٹ کیا گیا ہے۔

متعلقہ پارٹی کو ٹرانزیکشنز

ہر بورڈ کی میٹنگ میں، بورڈ آف ڈائریکٹرز کمپنی کی ان ٹرانزیکشنز کی منظوری دیتے ہیں جو شریک کمپنیوں اور متعلقہ پارٹیوں کے ساتھ کی گئی ہیں جن کی سفارش آڈٹ کمیٹی کرتی ہے۔ ایسی تمام ٹرانزیکشنز آرمز لینتھ میتھڈ پر انجام دی جاتی ہیں۔ اس طریقے کار کو موازنے کے قابل لاگتی اشتراک کے انتظامات کی بنیاد پر طے کیا جاتا ہے۔

ہیومن ریسورس مینجمنٹ

موجودہ سال کے دوران، کمپنی نے اپنے ہیومن کیپٹل کو مختلف محکموں میں، جن میں سیلز اور مارکیٹنگ، کلیمز، انڈر رائٹنگ، ایکچوریل، ہیومن ریسورس اور کسٹمر سروس شامل ہیں، پیشہ ور اور تعلیم یافتہ افراد کی بھرتیوں سے مضبوط کیا ہے۔ سال 2019 کے دوران، کمپنی نے اسٹاف اور سیلز فورس کے لئے ٹریننگ کے لئے متعدد پروگرام منعقد کیئے ہیں۔

انٹرنل آڈٹ

آپ کی کمپنی میں انٹرنل آڈٹ کا فنکشن موجود ہے جس کی نگرانی آڈٹ کمیٹی کرتی ہے۔ یہ انٹرنل آڈٹ فنکشن ریگولیٹری ذمہ داریوں پر عمل کرنے کی یقین دہانی کرتا ہے۔

ڈائریکٹر رپورٹ برائے ممبران

کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ 31 دسمبر 2019ء کو ختم ہونے والے مالیاتی سال کے لئے کمپنی کی پچیسویں سالانہ رپورٹ بمعہ آڈیٹڈ مالیاتی بیانات پیش کرتے ہیں۔

سال 2019 ہماری کمپنی کے لئے اہم سال تھا جس نے ہمارے فلیگ شپ پروڈکٹ ''Vitality'' کو لانچ کیا ہے۔ اس پروگرام کا نام ''IGI Life Vitality'' ہے۔ جو ویٹیلیٹی گروپ انٹرنیشنل کے اشتراک سے پیش کیا گیا ہے۔ یہ پروڈکٹ پالیسی ہولڈرز کی جسمانی سرگرمیوں کا بروقت ریکارڈ مرتب کرتے ہوئے انہیں مختصر اور طویل مدت کے انعامات کا حقدار قرار دیتا ہے جو کہ ہدف پورا کرنے پر منحصر ہے۔ ہمارا عزم ہے کہ Vitality کے ذریعے ہم صحت مند پاکستان کے لئے ''چست و چوبند لائف انشورنس'' کو فروغ دیں۔

اس پروڈکٹ کے لئے نئے آئی ٹی سسٹم کے ساتھ ساتھ فرنچائز فیس کی ادائیگی اور ترسیلی پلیٹ فارم کو بڑھانے کے لئے بڑی سرمایہ کاری کی ضرورت تھی۔ لہٰذا، کمپنی کے بورڈ آف ڈائریکٹرز نے 14 جون 2019ء کو ہونے والی میٹنگ میں ایک بلین روپے کے رائٹ ایشو کی منظوری دی۔ ایکویٹی سے حاصل ہونے والے سرمایے کی وجہ سے کمپنی نے اتنی بڑی سرمایہ کاری کرنے کے باوجود بھی معقول سولوینسی مارجن برقرار رکھا۔

کمپنی یقین رکھتی ہے کہ آنے والے سالوں میں اس کے حصص یافتگان اور پالیسی ہولڈروں کے لئے یہ ایک بہترین پروڈکٹ ہے۔

کمپنی کی کارکردگی کا جائزہ 2019ء

مجموعی پریمیئم

سال 2019 میں کمپنی کا تحریر شدہ مجموعی پریمیئم (بشمول تکافل شراکت داری) 4.81 بلین روپے رہا۔ جو 2018 میں 4.79 بلین روپے تھا۔

انفرادی لائف ریگولر پریمیئم (بشمول تکافل شراکت داری) 8 فیصد بڑھاوے کے بعد 2.40 بلین روپے رہا جو کہ 2018 میں 2.22 بلین روپے تھا۔ رینیویل پریمیئم میں 5 فیصد بڑھ کر 1.72 بلین روپے رہا (2018۔1.64 بلین روپے)

گروپ لائف اینڈ ہیلتھ پریمیئم (بشمول تکافل گروپ ہیلتھ اینڈ فیملی) 2019 میں پچھلے سال کے مقابلے میں 19 فیصد بڑھنے کے بعد 1.97 بلین روپے رہا۔ (2018۔1.66 بلین روپے)

سنگل پریمیئم پالیسیاں پچھلے سال سے کم ہوکر 440 ملین روپے رہیں۔ (2018۔909 ملین روپے)

سرمایہ کاریاں

آپ کی کمپنی نے اس سال 17.35 بلین روپے کے انوسٹمنٹ پورٹ فولیو کو برقرار رکھا ہے (2018۔15.68 بلین روپے) جو کہ کمپنی کے مجموعی اثاثوں کا 86 فیصد (2018۔84%) ہے۔ کمپنی پالیسی ہولڈرز کے فنڈز کو محفوظ بنانے اور سرمایہ کاری پر بہترین منافع کے یقینی حصول کے لئے محتاط اور محفوظ سرمایہ کاری پالیسی اپنائے ہوئے ہے۔

کمپنی اپنے صارفین کو کنونشنل میں 13 یونٹ لنکڈ فنڈز اور انفرادی فیملی تکافل آپریشنز میں شرکاء کو 3 یونٹ لنکڈ فنڈز پیش کرتی ہے ان تمام فنڈز سے متعلق رسک اور خدشات مختلف ہیں اور اس کا انحصار صارفین پر ہوتا ہے کہ وہ اپنے فنڈز کے لئے کس حد تک منافع اور رسک کا سامنا کرنے کو تیار ہیں۔

2019 کے دوران، مالیاتی خسارے، کرنسی کی قدر میں کمی، شرح سود میں اضافے اور یوٹیلیٹیز کی بڑھتی ہوئی قیمتوں کی وجہ سے اسٹاک مارکیٹ غیر مستحکم رہی۔ 2019ء کے دوران فکسڈ انکم کی جانب، اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ 10 فیصد سے بڑھا کر 13.25 فیصد کر دیا۔ کنونشنل، ایگریسو، بیلنسڈ، سیکیو راور کنزرویٹیو فنڈز نے اس سال کے دوران بالترتیب 11.69 فیصد، 12.05 فیصد، 13.50 فیصد اور 13.30 فیصد مجموعی سالانہ منافع کمایا ہے۔

کمپنی نے سال 2015 کے اختتام پر اپنے ونڈو تکافل آپریشنز کا آغاز کیا تھا اور چار سال کی مدت میں 2.135 بلین روپے کے فنڈز قائم کیئے ہیں۔ تکافل ایگریسو، بیلنسڈ اور کنزرویٹیو فنڈز نے بالترتیب 9.28 فیصد، 9.47 فیصد اور 9.24 فیصد منافع کمایا ہے۔

منافع

پروفٹ اور لاس کے اکاؤنٹ کا خلاصہ مندرجہ ذیل ہے۔

منافع/ نقصان	2019	2018
خالص خسارہ از ٹیکس	(245,797)	(134,076)
ٹیکس	(69,079)	(39,373)
خالص خسارہ بعد از ٹیکس	(176,718)	(94,703)
دیگر خالص آمدنی / (نقصان)	63,577	(25,164)
نقصان فی حصص	(1.29)	(0.78)
بریک اپ ویلیو فی حصص (اس میں وہ رقم شامل ہے جو انشورنس آرڈیننس کی ضروریات پوری کرنے کیلئے اسٹیچوری فنڈز میں موجود رہتی ہے)۔	13.14	19.19

اس سال کمپنی کا بعد از ٹیکس نقصان 176 ملین روپے رہا جو کہ 2018 میں 95 ملین روپے تھا۔ (بشمول اسٹیچوری فنڈز سرپلس/نقصان)

جیسا کہ پہلے بھی ذکر کیا گیا ہے اس سال کے نقصان کی بڑی وجہ Vitality پروگرام کا آغاز اور نئے IT سسٹم کا نفاذ ہے، جس کی لاگت 237.23 ملین روپے ہے۔

ہنگامی مالی زمہ داریاں

جیسا کہ نوٹ 25.1 میں ذکر کیا گیا ہے، انشورنس کے کاروبار پر موجود سیلز ٹیکس کا بغور جائزہ لینے کی ضرورت ہے تاکہ پاکستان میں لائف انشورنس کے بزنس میں پائیدار اور مستحکم ترقی ممکن ہو سکے۔ انشورنس ایسوسی ایشن آف پاکستان نے استثنیٰ کی تجدید سے متعلق معاملے کو سیلز ٹیکس اتھارٹیوں کے سامنے اٹھایا ہے۔ علاوہ ازیں، قانونی مشورے کی بنیاد پر، دیگر انشورنس کمپنیوں کے ساتھ مل کے ہماری کمپنی نے معاملے کو سندھ اور پنجاب ہائی کورٹ میں چیلنج کیا ہے جس کا فیصلہ زیر التوا ہے۔

تصرفات اور فرض ادا کرنے کی صلاحیت

تقرر شدہ قانونی مشیر کی تجویز اور بورڈ کی منظوری پر کمپنی نے قانونی فنڈز سے شیئر ہولڈرز کے فنڈ میں 16.20 ملین روپے سرپلس منتقل کیئے ہیں۔

لائف پارٹیسپیٹنگ فنڈ

لائف پارٹیسپیٹنگ فنڈ کے تحت فروخت کی جانے والی پالیسیاں، پالیسی ہولڈرز کو اس مدت کے دوران SECP کی جانب سے مقرر کردہ حد تک کمائے ہوئے سرپلس میں حصہ لینے کا حقدار بناتا ہے۔ اس سرپلس کی تقسیم پالیسی ہولڈر کو بونس کی شکل میں کی جاتی ہے۔ تقسیم کیا جانے والا بونس مقرر کردہ بیمہ ماہر کی جانب سے تجویز کردہ اور بورڈ کی جانب سے منظور شدہ ہوتا ہے۔ سال 2019 کے دوران، پولیسی ہولڈرز کو تقسیم کیا جانے والا بونس 144.18 ملین روپے تھا۔ (2018۔140.4 ملین روپے)

کلیمز

کلیمز پر بروقت اور موثر کارروائی ہمیشہ سے کمپنی کو پہلی ترجیح ہے۔ سالہا سال سے کمپنی کی یہی کوشش رہی ہے کہ اپنے کلیم اسٹیبلشمنٹ پروسس کو بہتر سے بہتر بنایا جائے تاکہ کلیم پروسیسنگ کے دورانیہ کو کم کیا جا سکے۔ اس سلسلے میں کلیم کی انتظامیہ کو موثر اختیارات بھی تفویض کیئے گئے ہیں۔

اس سال کمپنی نے 1.74 بلین روپے (2018۔1.31 بلین روپے) کے کلیم ادا کیے۔

پروڈکٹس اور ڈسٹری بیوشن چینلز

کمپنی اس سال بھی اپنی منفرد مصنوعات کے فروغ کو جاری رکھے ہوئے ہے۔ تکافل والی مصنوعات بیکا انشورنس اور ایجنسی طرز تزسیل میں متعارف کرائی جا چکی ہے۔ کمپنی نے اپنی ڈیجیٹل رسائی کو مزید بہتر بناتے ہوئے کئی جمع کنندگان کے ساتھ شراکت داری بھی کی ہے تاکہ ان مصنوعات کو ڈیجیٹل پلیٹ فارمز پر پیش کیا جا سکے۔

Notes

Proxy Form

Shareholder's Folio No. _____ Number of shares held _____ I/We _____ of (full address) _____ being a member of IGI Life Insurance Limited, hereby appoint Mr./Ms. _____ of (full address) _____ _____ or failing him/her Mr./ Ms. _____ of (full address) _____ _____ as my/our proxy in my/our absence to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, May 21, 2020 at 10:00 am, through video con facility as notified in the AGM Notice and at any adjournment thereof.

Signed this_____ day of_____ 2020

Signed by the member(s) in the presence of;

Signature(s) of Member(s)

Witness: _____

Address: _____

CNIC No.: _____

Witness: _____

Address: _____

CNIC No.: _____

NOTES:

General:

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a person as proxy to attend and vote instead of him/her.
2. The instrument appointing a proxy should be signed by the appointer or his/her attorney duly authorised in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
3. The Proxy Form, duly completed together with Power of Attorney, if any, under which it is signed or a notarially certified copy thereof should be deposited at the Registrar of the Company "FAMCO Associates (Pvt.) Ltd", at 8-F, next to Hotel Faran, Nursery, Block - 6, P.E.C.H.S, Shahrah-e-Faisal, Karachi as soon as possible but not later than forty-eight (48) hours before the time of holding the Meeting.
4. If a member appoints more than one proxy, and more than one instrument of proxy are deposited by a member with the Registrar, all such instruments of proxy shall be rendered invalid.
5. Applicable stamp duty shall be paid/affixed on the proxy form in accordance with the place of execution.

For CDC Account Holders:

1. The proxy form shall be witnessed by two persons whose names, addresses and CNIC / Passport No. shall be mentioned on the form.
2. Attested copies of CNIC or the Passport of the beneficial owners of the proxy shall be furnished with the proxy form.
3. The proxy shall produce his/her original CNIC or original Passport at the time of the Meeting.
4. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

پراکسی فارم

شیئر ہولڈر کا فولیو نمبر _____ موجودہ شیئرز کی تعداد _____

میں/ہم _____ (مکمل پتہ) _____

آئی جی آئی انشورنس لمیٹڈ کے ممبر کی حیثیت سے، جناب/محترمہ _____ (مکمل پتہ) _____

یا ان کی غیر حاضری میں جناب/محترمہ _____ (مکمل پتہ) _____

کو اپنا /ہمارا پراکسی مقرر کرتا / کرتی ہوں، جو میری/ہماری غیر موجودگی میں کمپنی کے سالانہ اجلاس میں میری /ہماری جگہ شرکت اور ووٹ کریں گے جو بروز جمعرات مورخہ 21 مئی 2020ء کو صبح 10:00 بجے ویڈیو کانفرنس کے ذریعے منعقد ہو رہا ہے۔ (جس کا ذکر، سالانہ اجلاس عام نوٹس میں کیا گیا ہے)۔

دستخط بتاریخ _____

گواہوں کی موجودگی میں ممبر کے ذریعہ دستخط

گواہ _____

پتہ _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____

گواہ _____

پتہ _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____

برائے مہربانی 5 روپے کی
ریونیو اسٹمپ چسپاں کریں
ممبر کے دستخط

نوٹس:

جنرل:

1۔ عام اجلاس میں شرکت کرنے اور ووٹ دینے اہل ممبر بطور پراکسی کسی فرد کو منتخب کرنے کے حقدار ہونگے جو ان کی جگہ اجلاس میں شرکت کرنے اور ووٹ ڈالنے کا حقدار ہوگا/ہوگی۔

2۔ پراکسی کو مقرر کرنے کیلئے لازمی ہے کہ اٹارنی کی جانب سے دستخط شدہ تحریری اجازت نامہ مہیا کیا جائے گا، کارپوریٹ ادارہ کی صورت میں اس ادارے کی مہر یا آفیسر یا اٹارنی کی دستخط لازمی ہونی چاہئیں۔

3۔ پاور آف اٹارنی کے ساتھ مکمل کیا جانے والا پراکسی فارم،، اگر کوئی ہو تو، جس کے تحت اس پر دستخط یا تصدیق کی ہوئی سرٹیفائیڈ کاپی ضروری ہے کہ کمپنی کے رجسٹرار'' فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ'' بمقام 8۔ایف، متصل ہوٹل فاران، نرسری، بلاک۔6، پی ای سی ایچ ایس، شہرہ فیصل، کراچی کو فوری طور پر یا اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل جمع کرادیا جائے۔

4۔ اگر کوئی ممبر ایک سے زیادہ پراکسی مقرر کرتا ہے، اور ایک سے زائد کی درخواست رجسٹرار کے پاس جمع کرواتا ہے تو ایسی صورت میں تمام پراکسی مسترد تصور کئے جائیں گے۔

5۔ عملدرآمد کی جگہ کے مطابق پراکسی فارم پر لاگو اسٹیمپ ڈیوٹی ادا/ چسپاں کیا جانا ضروری ہے۔

سی ڈی سی اکاؤنٹ ہولڈرز کے لئے:

1۔ پراکسی فارم کا دو افراد کی جانب سے مشاہدہ کیا جائے گا، جن کے نام، پتے اور شناختی کارڈ/ پاسپورٹ نمبر فارم میں درج کئے جائیں گے۔

2۔ پراکسی کے بینیفیشل آنرز کے تصدیق شدہ شناختی کارڈ یا پاسپورٹ کی کاپی پراکسی فارم کے ساتھ لگانا لازمی ہے۔

3۔ پراکسی جناب/محترمہ کا اصل شناختی کارڈ یا اصل پاسپورٹ اجلاس کے وقت بھی مہیا کرسکتا ہے۔

4۔ ایک کارپوریٹ ادارے کی صورت میں، کمپنی کو پراکسی فارم کے ساتھ (اگر یہ پہلے فراہم نہیں کیا گیا ہو) تو بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی نمونہ دستخط کے ساتھ جمع کیا جائے گا۔

IGI Life Vitality®

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