



**IGI Life Insurance Limited**

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IGI Life Insurance Limited  
Annual Report 2022

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Annual Report 2022



**AJJ KA SOCHO  
TOMORROW IS TAKEN CARE OF**

**ANNUAL  
REPORT**  
2022





## 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 was acquired with a view to further diversify its financial services portfolio. It was formed with the acquisition of American Life Insurance Company (Pakistan) Limited (Metlife Alico) in 2014 recognized amongst the notable 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

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





## OUR VALUES

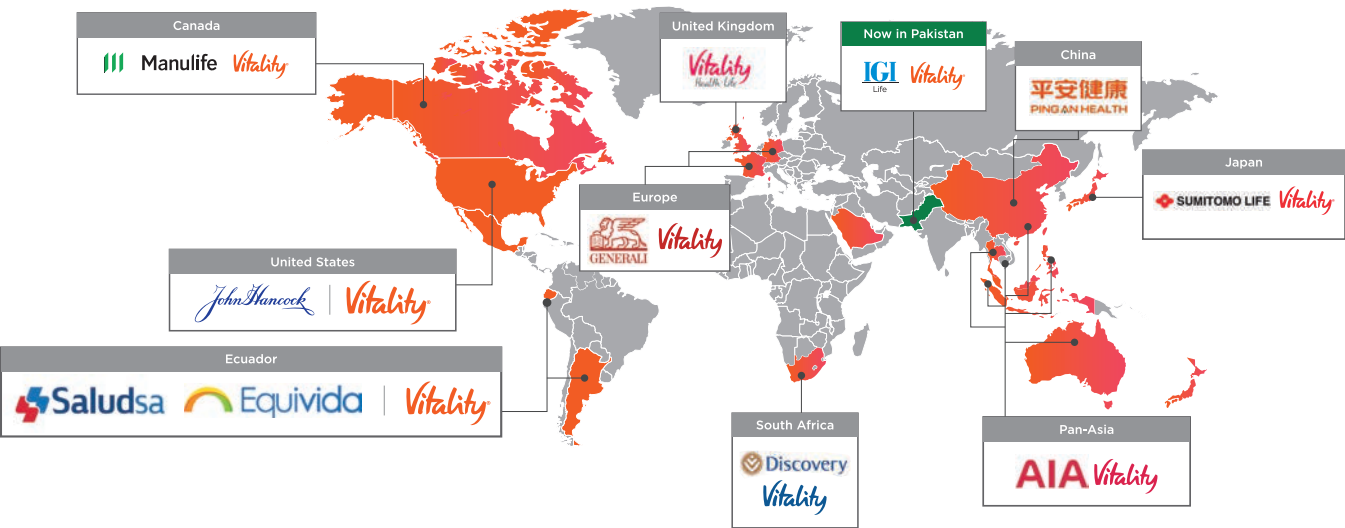




# Vitality, the world’s first shared-value insurance

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 20 million people in 30 countries engage with the Vitality programme. For more information, please visit [www.vitalitygroup.com](http://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)
  - o Easy Tickets
  - o Foodpanda
  - o Mobile Top-Up
- Monthly Reward
  - o Up to 100% cashback on Samsung Galaxy Watch.\*\*
- Annual Reward
  - o 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

American Life insurance first started operations in Pakistan

1952

1972

Nationalization of the Insurance Industry

1994

First foreign life insurer to re-enter Pakistan

1995

Operation commenced

1998

Started Bancassurance by rolling out First Depositor's Life Insurance Program

2000

Signed first Single Premium Credit Life Insurance close to 400,000 lives with HBL insuring

Launched stand alone Bancassurance through Branch Banking with Citi Bank

2006

2008

Crossed PKR 1 Billion of Gross Written Premium

2011

Metlife acquired Alico to become Metlife Alico

2012

Crossed PKR 4 Billion of Gross Written Premium

2014

IGI Insurance acquires controlling stake in Metlife Alico Pakistan to become IGI Life

2015

Amongst the first few life insurers granted license by SECP to commence Window Takaful Operations

2016

Crossed PKR 7 Billion of Gross Written Premium

2017

Family Takaful Contribution crossed PKR 1 Billion

2018

Partnered with Vitality Group International to bring Vitality, a unique shared value Insurance Program, to Pakistan

2019

Launched Pakistan's first active life insurance product - IGI Life Vitality

2020

Crossed over PKR 1 Billion in New Business Regular Premium IGI Life Vitality

2021

Awarded with **Consumer's Choice Award** for Best Innovative Product in Life Insurance - Vitality & **Global Business Outlook Award** for Most Innovative Life Insurance Company

2022

IGI Life Vitality App was revamped and Weekly Lifestyle Goals were launched with exciting features and new wellness goals.





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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 Pakistan, 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 then Corporate Law Authority and was its Chairman for six years. The Authority administered all laws which regulated the corporate sector in the country. He led the initiative for restructuring the authority into the Securities and Exchange Commission of Pakistan and also became its first Chairman. He has undertaken a number of consultancy assignments for the World Bank, ADB and DFID besides authoring several papers on capital market issues.

Presently, he is serving as non-executive director of IGI Holdings Limited, IGI General Insurance Limited, Attock Refinery Limited, Pakistan Oilfields Limited, Attock Cement Pakistan Limited, National Refinery Limited and Packages Foundation. He is also associated with non-profit organizations as Director at SDPI-a think tank and Karandaaz-promoting SME and digital financing.

## 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 obtained his degrees of Bachelors in Chemical Engineering and Masters in Management Science from the Stevens Institute of Technology in New Jersey (USA). He also completed an Advanced Management Program (AMP 111) from Harvard Business School in 1992. Mr. Ali, 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 Chairman of Nestlé Pakistan Limited, Wazir Ali Industries Limited, Prime Genetics (Pvt) Limited and Amjad & Afzal Foundation. He has also been on the board of State Bank of Pakistan and Pakistan International Airlines and the Chairman of Lahore Electric Supply Company and Agricultural Development Bank of Pakistan.

He is also the Co-Chair of the Pakistan India Joint Business Forum (PIJBF) this committee has been notified by the Ministry of Commerce (Pakistan) to "Promote Trade with India". He is a member of Pakistan Afghan Joint Business Council, Member of "Special Economic Zones Board of Approvals" Chaired by Prime Minister and Member of Prime Minister Task Force on Science & Technology and a Director at Dairy & Rural Development Foundation, Pakistan Dairy Association and Pakistan Business Council.

**Syed Hyder Ali**  
*Chief Executive Officer and Executive Director*



Syed Hyder Ali is presently the Chief Executive Officer and Managing Director of Packages Limited and IGI Life Insurance Limited. In 1979, he obtained his degree of Bachelors of Science in Chemical Engineering from the University of Michigan (USA) and completed his Masters 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 a program for Management Development at the Harvard Business School, Boston, USA.

Mr. Ali also serves on the boards of IGI Holdings Limited, IGI General Insurance Limited, IGI Investments (Pvt.) Limited, Nestle Pakistan Limited, Sanofi-Aventis Pakistan Limited, Bulleh Shah Packaging (Pvt.) Limited, Packages Lanka (Pvt.) Limited, Tri-Pack Films Limited, Babar Ali Foundation, Packages Real Estate (Pvt.) Limited, National Management Foundation, Pakistan Center for Philanthropy and Syed Maratib Ali Religious and Charitable Trust Society.

He is a member of the board of Ali Institute of Education (AIE), International Chamber of Commerce (ICC) Pakistan, Lahore University of Management Sciences (LUMS) and World Wide Fund for Nature (WWF) and the Trustee at Packages Foundation.

He is the Honorary Consul General of Sweden in Lahore since 1998.

**Khurram Raza Bakhtayari**  
*Director*



Mr. Khurram Raza Bakhtayari is associated as a Non-Executive Director of the Company.

He obtained his degree in Bachelors of Commerce in 1997, from the Hailey College of Commerce, University of Punjab, Lahore, and qualified as the Chartered Accountant in 2002, from the Institute of Chartered Accountants of Pakistan and became the fellow member of the Institute in January 2013. He holds a vast experience in financial planning, budgeting, financial forecasting and analysis, asset investment and taxation.

Mr. Bakhtayari is the Chief Executive Officer and Director of Packages Real Estate and Chief Financial Officer of Packages Limited. He also holds directorship on the boards of IGI Investments, Tri-Pack Films Limited, Anemone Holdings Limited, Bulleh Shah Packaging (Pvt.) Limited, DIC Pakistan Limited, Flexible Packages Convertor (Pty.) Limited, OmyaPack (Pvt.) Limited and Packages Lanka (Pvt.) Limited.



## BOARD OF DIRECTORS

**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 the Head Natwest Group's Asset Management Business. He holds a breadth of international experience spanning Investment Banking and the Fund Management industry. Prior to Coutts, he served as the Chief Executive Officer and founder of Hedge Fund Group Axiom and Chief Executive Officer of a leading multi-family office.

He has 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 the Bank of Tokyo-Mitsubishi UFJ's Investment Bank and was the Chairman of the Executive Committee and member of its Executive Board.



**Faresa Ahsan**  
*Director*

Ms. Faresa Ahsan is associated with the Company as an Independent Director. She is a Senior Partner and Head of Corporate Division at Liaquat Merchant Associates, recognized as one of the leading law firms in Pakistan by various international publications.

Ms. Ahsan being a practicing and leading corporate lawyer, specializes in corporate and banking laws, Islamic banking, technology contracts, e-commerce laws, derivatives, capital markets, LNG projects, tenders and procurement. She has trained and mentored lawyers at the firm.

She completed her degree in Bachelors of Arts (Hons) in Politics and Literature from the University of Punjab in 1979, Bachelors of Arts (Hons) in Law from the University of Buckingham, UK in 1983, Barrister-at-Law and member of Grey's Inn (called to the Bar of England and Wales in 1983). She is also enrolled as an Advocate in the High Courts of Pakistan and is a Member of Karachi Bar Association and Sindh Bar Council. Additionally, she has authored several publications and has served as a member of the Audit Oversight Board and in such capacity assisted with the drafting of, inter alia, regulations and human resource manual. She has also been recognized time and again by Chambers and Partners and the Legal 500.



## BOARD OF DIRECTORS

**Zehra Naqvi**  
*Director*

Ms. Zehra Naqvi has joined us as an Independent Director. She was the Chief Executive Officer of Chubb Insurance Pakistan (a wholly owned subsidiary of Chubb INA International Holdings Limited, Delaware) USA from September 2005 to September 2017.

She has over 35 years of work experience in the insurance sector. Prior to joining Chubb, she worked with Royal Exchange Assurance, a branch of Guardian Royal Exchange, UK and with Adamjee Insurance Company Limited in Pakistan. Ms. Naqvi holds a degree in Bachelors of Science and completed her degree in Masters of Business Administration from the Institute of Business Administration, Karachi University. She is a Chartered Insurer from the Chartered Insurance Institute, UK and is a Certified Director from Institute of Chartered Accountants of Pakistan. She has served as an elected member of the Executive Committee of the Insurance Association of Pakistan and The American Business Council. Ms. Naqvi has represented the Insurance Association of Pakistan, on the Council of Pakistan Insurance Institute and was Chairperson of the institute for the term of 2016. She has been a visiting faculty member at the Institute. She has also served on the Managing Committee of the Overseas Investors Chamber of Commerce & Industry.

Ms. Naqvi presently serves as a Director on the board of Chubb Insurance Pakistan Limited, Abbott Laboratories (Pakistan) Limited and Attock Petroleum Limited.





## Corporate Information

### Board of Directors

Shamim Ahmad Khan	Chairman	Khurram Raza Bakhtayari	Director
Syed Hyder Ali	Chief Executive Officer	Faresa Ahsan	Director
Zehra Naqvi	Director	Mohammad Kamal Syed	Director
Syed Yawar Ali	Director		

### Audit Committee

Mohammad Kamal Syed	Chairman	Khurram Raza Bakhtayari	Member
Zehra Naqvi	Member	Nadia Perveen Hussain	Secretary
Syed Yawar Ali	Member		

### Claims Settlement Committee

Shamim Ahmad Khan	Chairman	Faresa Ahsan	Member
Syed Yawar Ali	Member	Mahnoor Masood	Secretary

### Underwriting & Reinsurance Committee

Mohammad Kamal Syed	Chairman	Abdul Haseeb	Member
Syed Hyder Ali	Member	Ali Nadim	Member
Zehra Naqvi	Member	Ayesha Haq	Secretary

### Investment Committee

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

### Ethics Human Resources Nomination & Remuneration Committee

Faresa Ahsan	Chairperson	Syed Hyder Ali	Member
Khurram Raza Bakhtayari	Member	Nida Haider	Secretary
Syed Yawar Ali	Member		

### Risk Management and Compliance Committee

Shamim Ahmad Khan	Chairman	Mohammad Kamal Syed	Member
Zehra Naqvi	Member	Khurram Raza Bakhtayari	Member
Syed Yawar Ali	Member	Ayesha Haq	Secretary

## Corporate Information

### Chief Executive Officer

Syed Hyder Ali

### Deputy Chief Executive Officer

Ali Nadim

### Chief Investment Officer

Sajjad Iftikhar

### Chief Financial Officer

Abdul Haseeb

### Head of Internal Audit

Shahzeb Haider

### Head of Compliance

Atif Usman

### Company Secretary

Nadia Perveen Hussain

### Head of Window Takaful Operations

Raheel-ur-Rehman

### Appointed Actuary

Shujat Siddiqui MA FIA FPSA

### Shariah Advisor

Dr. Mufti Ismatullah

### Legal Advisor

Surridge and Beecheno  
Haidermota & Co.  
Orr, Dignam & Co.

### Rating

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

### Shariah Compliance Officer

Mufti Muhammad Hanif

### Auditor

A. F. Ferguson & Co.  
Chartered Accountants  
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.,  
Shahrah-e-Faisal, Karachi.

### Registered Office

P.O Box No. 10528 Suite # 701-713  
7th Floor, The Forum, Khayaban-e-Jami,  
Block 9, Clifton, Karachi.  
Phones: +92(21) 111-111-711  
Fax: +92(21) 35290042  
Email: service-pakistan@igi.com.pk  
Website: www.igilife.com.pk

### Bankers

Albaraka Bank (Pakistan) Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Bank Islami Pakistan Limited  
Bank of Punjab  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited  
FINCA Microfinance Bank Limited  
Habib Bank Limited  
HBL Microfinance Bank Limited  
Khushali Microfinance Bank Limited  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited

Mobilink Microfinance Bank Limited  
National Bank of Pakistan  
NRSP Microfinance Bank Limited  
Samba Bank Limited  
Silk Bank Limited  
Soneri Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Summit Bank Limited  
Telenor Microfinance Bank Limited  
The First Microfinance Bank Limited  
U Microfinance Bank Limited  
United Bank Limited  
Allied Bank Limited



IGI Life Insurance Limited Branch Network

Head Office

**IGI Life Insurance Limited**  
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(Email for Corporate Customers)

North Region

Rawalpindi Branch

**Zulqurnain Bin Masood**  
Regional Head  
2nd & 3rd Floor, Umar Plaza, B-134,  
Murree Road, Near Chandni Chowk,  
Rawalpindi.  
Tel: 0301-5302500

**Zohaib Jamid**  
Group Manager  
2nd & 3rd Floor, Umar Plaza, B-134,  
Murree Road, Near Chandni Chowk,  
Rawalpindi.  
Tel: 0333-5699431

**Sadia Kausar**  
Group Manager  
2nd & 3rd Floor, Umar Plaza, B-134,  
Murree Road, Near Chandni Chowk,  
Rawalpindi.  
Tel: 0335-5541563

Islamabad Branch

**Masud Ahmed**  
Group Manager  
4th Floor, Dondhy Plaza,  
Jinnah Avenue, Blue Area,  
Islamabad.  
Tel: 0333-5178632

Mirpur Branch

**Muhammad Shahzad**  
Zonal Manager  
1st Floor Jarral Plaza, Kotli Road,  
Sector F-1, Mirpur AJK.  
Tel: 0344-5508824

Head Faqirian - Smart Branch

**Muhammad Bashir**  
Group Manager  
Gujrat Sargodha Road,  
Head Faqirian,  
Mandi Bahauddin.  
Tel: 0303-4972733

Gujrat Branch

**Muhammad Sarfaraz**  
Senior Branch Manager  
3rd Floor Hassan Plaza, Near Faisal Restaurant,  
GTS Chowk, G.T. Road, Gujrat.  
Tel: 0331-6236623

Customer Services Center

IGI Customer Care,  
**IGI Life Insurance Limited**  
Mezzanine Floor, Kassam Court, Suite No. 101-103,  
BC-9, Block 5, Clifton, Karachi-75600, Pakistan.  
Call: (+92) 21-111-111-711  
Email: [services.life@igi.com.pk](mailto:services.life@igi.com.pk)  
(Email for Corporate Customers)

Gujranwala Region

Gujranwala Branch

**Ibrar Hussain**  
Regional Head  
3rd Floor, Ghouri Centre, GT Road, Gujranwala.  
Tel: 0333-8101817

**Shahid Iqbal**  
Zonal Manager  
3rd Floor, Ghouri Centre, GT Road, Gujranwala,  
Tel: 0300-6151672

**Zubair Ali**  
Group Manager  
3rd Floor, Ghouri Centre, GT Road, Gujranwala.  
Tel: 0333-8170969

Sialkot Branch 1

**Muhammad Sagheer**  
Regional Manager  
Soni Square, Room No. 7-8, Khadim Ali Road,  
Mubarakpura Sialkot.  
Tel: 0321-7190875

**Asif Hussain**  
Zonal Manager  
Soni Square, Room No. 7-8, Khadim Ali Road,  
Mubarakpura Sialkot.  
Tel: 0321-7190875

**Tariq Mehmood**  
Group Manager  
Soni Square, Room No. 7-8, Khadim Ali Road,  
Mubarakpura Sialkot.  
Tel: 0302-6611079

Sialkot Branch 2

**Madiha Arif**  
Group Manager  
Bungalow No. 110, Near Allied Bank,  
Aziz Shaheed Road, Sialkot Cant., Pakistan.  
Tel: 0336-4400330

Chakwal Branch

**Muhammad Ehsan**  
Group Manager  
Floor 1, Al-Mahmood Center, Near Islamia High School,  
Islamia Chowk, Burhan Road, Chakwal.  
Tel: 0300-5325275

IGI Life Insurance Limited Branch Network

Central Region

Lahore Main

**Farhan Yasin**  
Regional Head  
3rd Floor, Al Malik Plaza,  
19th Davis Road, Lahore.  
Tel: 0300-8491881

**Rehan Zahid**  
Regional Manager  
3rd Floor, Al Malik Plaza,  
19th Davis Road, Lahore.  
Tel: 0300-8187579

**Adnan Aslam**  
Regional Manager  
3rd Floor, Al Malik Plaza,  
19th Davis Road, Lahore.  
Tel: 0322-6458357

Kasur Branch

**Hafiz Zafar Waheed**  
Senior Branch Manager  
1st Floor, Upper Floor, ZTBL Bank,  
Minhas Colony, Liaqat Road,  
Near Ranger Public School, Kasur.  
Tel: 0321-9990503

Faisalabad Branch

**Tariq Mahmood Tariq**  
Zonal Manager  
Ground Floor, Regency Plaza,  
Opposite PIA Office, Mall Road,  
Faisalabad.  
Tel: 0300-9654948

Bhalwal Branch

**Waqas Abbas**  
Senior Branch Manager  
IGI Life Insurance Office, Canal Road,  
Near Canal Kinara Restaurant, Tehsil  
Bhalwal, District Sargodha.  
Tel: 0300-6064295

Okara Branch

**Ali Ijaz**  
Zonal Manager  
Floor 1, M.R Centre,  
M. A. Jinnah Road, Okara.  
Tel: 0300-8409542

**Asif Tariq**  
Group Manager  
Floor 1, M.R Centre,  
M. A. Jinnah Road, Okara.  
Tel: 0321-6994000

Multan Branch

**Azmat Ali**  
Zonal Manager  
3rd Floor, Pace N Pace  
Shopping Mall, Near Chungi No. 6,  
Bosan Road, Multan.  
Tel: 0303-0170067

South Region

Karachi Main

**Babar Mahmood**  
Regional Manager  
Suit No. 701-702, 7th Floor,  
Park Avenue, Main Shahra-e-Faisal,  
Block-6, P.E.C.H.S., Karachi.  
Tel: 0321-9244599

**Ghazala Masood**  
Senior Branch Manager  
Suit No. 701-702, 7th Floor,  
Park Avenue, Main Shahra-e-Faisal,  
Block-6, P.E.C.H.S., Karachi.  
Tel: 0334-3453921

IGI Life Window Takaful Operations Branch Network

Central Region Lahore

Davis Road Branch

**Amjad Mehboob**  
Zonal Manager  
IGI Window Takaful Floor 3,  
Al Malik Plaza, 19-Davis Road, Lahore.  
Tel: 0300-4468327

**Babar Hussain**  
Zonal Manager  
IGI Window Takaful Floor 3,  
Al Malik Plaza, 19-Davis Road, Lahore.  
Tel: 0321-4188619

**Syed Ajmal Hussain**  
Group Manager  
IGI Window Takaful Floor 3,  
Al Malik Plaza, 19-Davis Road, Lahore.  
Tel: 0332-7281321

**Nasir Ali**  
Group Manager  
IGI Window Takaful Floor 3,  
Al Malik Plaza, 19-Davis Road, Lahore.  
Tel: 0331-4970049

Central Region Kasur

Kasur Branch

**Muhammad Asif Javied**  
Senior Branch Manager  
1st Floor, Upper Floor Ztbl Bank,  
Minhas Colony, Liaqat Road,  
Near Ranger Public School, Kasur.  
Tel: 0300-3999903

Gujranwala Region Gujranwala

Gujranwala Mumtaz Market Branch

**Muhammad Umer Shaheen Qasmi**  
Group Manager  
IGI Window Takaful, 3rd Floor,  
Ghori Center, G.T Road, Gujranwala.  
Tel: 0322-5574973



# IGI Life Window Takaful Operations Branch Network

## North Region Rawalpindi

### Rawalpindi Branch

**Rabia Nazir**  
Senior Branch Manager  
IGI Window Takaful, 2nd & 3rd Floor, Umar Plaza,  
B-134, Murree Road, Near Chandni Chowk, Rawalpindi.  
Tel: 0336-0551605

**Nabila Amanat**  
Senior Branch Manager  
IGI Window Takaful, 2nd & 3rd Floor, Umar Plaza,  
B-134, Murree Road, Near Chandni Chowk, Rawalpindi.  
Tel: 0332-5452297

## Faisalabad Region Jhang

### Jhang Location Office

**Muhammad Nawaz Khan**  
Group Manager  
IGI Family Takaful, Street Chughati Lab,  
Gojra Road, Jhang.  
Tel: 0300-7974723

### Garh Mor Location Office

**Mazhar Abbas Khan**  
Group Manager  
IGI Window Takaful, Near Ghulam Ali Memorial Hospital,  
Shorkot Road, Garh More, Tehsil AP Sial, Jhang.  
Tel: 0300-6761580

## Faisalabad Region Faisalabad

### Faisalabad Branch

**Binyamin**  
Group Manager  
IGI Takaful, Office No. 02, 05, 08, Ground Floor,  
Regancy Intl Plaza, 949-The Mall,  
Opposite PIA Office, Faisalabad.  
Tel: 0304-2840423

## Sahiwal Region Pattoki

### Pattoki Branch

**Muhammad Imran**  
Group Manager  
IGI Life Window Takaful, 1st Floor, Zarar Plaza,  
Main Lahore Ada, Near Riaz-ul-Janah Masjid,  
Hallah Road, Pattoki.  
Tel: 0301-6599938

**Muhammad Kashif**  
Group Manager  
IGI Life Window Takaful, 1st Floor, Zarar Plaza,  
Main Lahore Ada, Near Riaz-ul-Janah Masjid,  
Hallah Road, Pattoki.  
Tel: 0340-1439502

## Sahiwal Region Sahiwal

### Sahiwal Branch

**Muhammad Ali**  
Regional Head  
IGI Life Regional Office, Liaquat Road,  
Near Govt. College of Commerce, Sahiwal.  
Tel: 0300-5079056

**Sheikh Muhammad Umair**  
Regional Manager  
IGI Life Regional Office, Liaquat Road,  
Near Govt. College of Commerce, Sahiwal.  
Tel: 0321-3223300

**Javed Ahmad**  
Regional Manager  
IGI Life Regional Office, Liaquat Road,  
Near Govt. College of Commerce, Sahiwal.  
Tel: 0300-6907248

**Amber Mumtaz**  
Group Manager  
IGI Life Regional Office, Liaquat Road,  
Near Govt. College of Commerce, Sahiwal.  
Tel: 0322-4695287

## Sahiwal Region Multan

### Multan Branch

**Syed Mumtaz Hussain Bukhari**  
Group Manager  
IGI Window Takaful, 3rd Floor,  
Pace N Pace Shopping Mall,  
Near Chungi No. 6, Bosan Road, Multan.  
Tel: 0344-8600078

## Sahiwal Region Ahmad Pur East

### Ahmad Pur East Location Office

**Muhammad Aslam**  
Zonal Manager  
IGI Window Takaful, Al-Sadiq Plaza,  
1st Floor, Upper MCB Bank,  
Abbasia Chowk Branch, Ahmed Pur East.  
Tel: 0300-6248655

## South Region Nawabshah

### Nawabshah Branch

**Asif Ali Chandio**  
Branch Manager  
1st Floor, Keerio Manzil, Opposite Alfalah Bank,  
Katchery Road, Nawabshah.  
Tel: 0336-8461601

# Chairman’s Review Report

I am pleased to present the review relating to the Company’s performance for the year ended December 31, 2022.

I am happy to inform that the efforts of the Company have resulted in a Profit before tax of Rs 60 million in the year 2022 against a Loss before tax of Rs. 492m in 2021. Gross Premium, (including Takaful Contributions) stood at Rs. 6.07 billion as compared to Rs. 7.05 billion in 2021. The decline was mainly due to reduced single premium business. Despite many challenges, the Company recorded profitability after four years and this became possible due to implementation of a number of strategic initiatives taken by the management under the guidance of Board of Directors. These initiatives included increasing our market share of first year business of bancassurance channel, consolidating our agency business and rationalizing our corporate business portfolio along with controlling administration and distribution costs.


During the year the Board played an active role in guiding the management in responding to challenges of difficult economic situation in the country. The Board met every quarter prior to approval of the financial statements. The Board also discussed future strategy of the Company in detail.

During the year the Board was assisted by its committees constituted as required under the Code of Corporate Governance for Listed companies and Insurers and other relevant laws. The Board has constituted Audit Committee, Human Resource and Ethics Committee, Claims Settlement Committee, Underwriting and Reinsurance Committee, Investment Committee and Risk Management and Compliance Committee.

These committees provided valuable input and assistance to the Board. The Audit Committee beside advising on financial statements also focused on effectiveness of internal controls while the Risk and Compliance committee identified risks and recommended mitigation measures. The Ethics, Human Resources, Remuneration & Nomination Committee was responsible for formulation and regular review of Human Resource policies of the Company.

A comprehensive mechanism is in place for evaluation of the performance of the Board of Directors and its committees. The Board reviews its performance annually based on relevant criteria such as leadership, strategy formulation, planning, effectiveness, and accountability.

I may take this opportunity to thank all the members of the Board for contributing effectively towards performance of the Company.

  
**Shamim Ahmad Khan**  
Chairman  
Dated: March 20, 2023



# Directors' Report to the Members

The directors of your Company take pleasure in presenting to you Annual Report of the Company along with the audited financial statements for the year ended December 31, 2022.

During the past year, the Company developed a strategy which has helped the Company to improve the performance. Under the new strategy the company took a number of measures like consolidation of agency channel, exploring new opportunities in bancassurance, rationalisation of corporate business portfolio and controlling administration and distribution costs. Above all, the Company decided to use Vitality, our flagship product as a major driver of its growth. Vitality is being offered through both agency and bancassurance channels and presently, the product constitutes 38% of our regular premium business in 2022.

We are happy to inform you that all round efforts of the management have resulted in a Profit before tax of Rs 60 million in the year 2022 against a Loss before tax of Rs 492 m in the previous year. This has been achieved despite challenging macro- economic situation in the country.

## COMPANY PERFORMANCE REVIEW 2022

### GROSS PREMIUM

During the year, Gross Premium written by your Company (including Takaful Contributions) stood at Rs. 6.07 billion as compared to Rs. 7.05 billion in 2021.

Individual life regular premium (including takaful contributions) posted decline of 3% and stood at Rs.3.78 billion against Rs. 3.88 billion during the previous year. Renewal premium base increased to Rs. 2.36 billion (2021: Rs. 2.14 billion), registering growth of 10% from last year.

The Group Life and Health premium (including Takaful Group Family and Health) stood at Rs. 1.91 billion (2021: Rs. 1.87 Billion), posting increase of 1% from last year.

Single premium/contribution individual policies decreased from Rs. 1.29 billion last year to Rs. 0.38 Billion posting a decline of 70%.

### INVESTMENTS

Your Company has generated return on investments of Rs. 1.606 billion against Rs. 1.260 billion last year despite challenging market conditions.

Your Company has a diversified investment portfolio amounting to Rs 18.50 billion (2021: Rs 19.07 billion) representing 86% (2021: 87%) of total assets of the Company. The Company follows prudent investment policy to protect policyholders' funds and to 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

Conventional Aggressive, Balanced, Secure and Conservative funds have yielded gross returns of 10.9%, 2.8%, 11.9% and 12.0% respectively during the year.

The Company launched its Window Takaful Operations in 2015 and since then has raised funds under management amounting to Rs. 4.61 billion. Takaful Aggressive, Balanced and Conservative funds have yielded gross returns of -9.0%, 4.2% and 11.9% respectively during 2022.

## PROFITABILITY

Summarized view of profit and loss account is as follows:

Profit / Loss	2022	2021
	----- Rupees in '000 -----	
Net Profit / (loss) before tax	60,170	(492,237)
Taxation	(18,139)	143,080
Net Profit / (loss) after tax	42,031	(349,157)
Other comprehensive loss - net	(45,824)	(43,390)
Profit / (loss) per share	0.25	(2.05)
Break-up value per share (including amount retained in the statutory funds to meet the requirement of Insurance Ordinance)	10.20	10.23

The Company has recorded profit after tax of Rs. 42.031 million in 2022 against loss after tax of Rs. 349.157 million in 2021 (including surplus/ deficit of statutory funds).

The major reason for the Company turning into profitability is the implementation of the strategic decisions by the management, discussed in the earlier paragraph.

## APPROPRIATIONS AND SOLVENCY MANAGEMENT

On the recommendation of the appointed actuary and with the approval of the Board, the Company has made surplus transfer of Rs.16.098 million from the Life Participating Fund to the Shareholders' Fund.

## LIFE PARTICIPATING FUND

Policies sold under the Life Participating Fund entitle the policyholders to participate in the Surplus generated during the period, up to 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, bonus amounting to Rs.145 million (2021: Rs 153 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 to strengthen controls over claim administration.

During the year, the Company paid claims amounting to Rs. 1.44 billion (2021: Rs. 1.67 billion).

## AUDIT REPORT

As fully disclosed in note 26.1, 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 the Life Insurance business in Pakistan. 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. The auditors have highlighted this issue in report to the members.

## PRODUCTS AND DISTRIBUTION CHANNELS

The Company has continued to promote its distinctive product suite. As already discussed, Vitality product which also promotes wellness is being marketed across all distribution channels. Takaful variants of the products have been launched through both the Bancassurance 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 is continuing to make significant investment in its Human Capital, Technology and Infrastructure to support underwriting function.

Your Company is following policy aimed at 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 stand at Rs. 1,705 million and Rs. 34.716 million respectively.

The Company has a framework in place to ensure adequate liquidity for payment of claims and meeting operating expenses. The Company's cash and cash equivalents as of December 31, 2022 amounted to Rs 3.77 billion (2021: Rs. 7.78 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

The Company has implemented new products like IGI Life Vitality on new IT system procured from a globally reputed firm. The new system functionality is helping the Company to improve operational efficiency and customer services. Also, a number of new portals and mobile applications have been launched to service our clients. This also enables us to reach the clients at home and offices on their personal devices.

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 arms' 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 Sales and Marketing, Underwriting, Claims, Finance, Actuarial, Human Resources and Customer Services. During 2022, 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 also 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% (2021: 82.69%) share capital of the Company.

INSURER FINANCIAL 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 RESPONSIBILITY

As a part of Corporate Social Responsibility, the company participated in a number of events sponsored by IGI Life Vitality. We were a proud sponsor of the 7th Annual Deaf Reach Golf Tournament held in Karachi. We support deaf education in Pakistan. Deaf Reach and Training Center, a program of Family Educational Services Foundation, provide education and vocational training to children and youth. IGI life Vitality sponsored an event where over 200 Golfers played in support of Deaf Education.

FUTURE OUTLOOK

With one of the lowest Life Insurance penetration ratios and large working population, we believe that Pakistani market has a huge potential for growth. As already discussed, some strategic measures taken by the Company have contributed to the growth of our topline in the recent years. We believe that we are in a position to leverage our strengths to take full advantage of the growing Life Insurance market in Pakistan. In the midst of the current economic situation, the focus of the company is to continue operating prudently on the path of profitability and generating higher value for the policyholders and shareholders.

GRATITUDE

The Board of Directors would like to express appreciation of the dedicated hard work and contribution made by the employees. We also take this opportunity to express our gratitude to SECP for their valuable support and guidance. Lastly, our thanks go to our policyholders whose continued patronage has been most valuable for the Company.



**Shamim Ahmad Khan**  
Chairman  
Dated: March 20, 2023



**Syed Hyder Ali**  
Chief Executive Officer  
Dated: March 20, 2023



Compliance with the Code of Corporate Governance for Insurers, 2016, Listed Companies (Code of Corporate Governance) Regulations, 2019 and with PSX Rule Book.

The Directors of your Company state as under:

- a) The financial statements, prepared by the management of the Company fairly present 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.
- d) International Accounting Standards, International Financial Reporting Standards, or any other regulation or law (including but not limited to the Shariah guideline / principles) as applicable in Pakistan, the Insurance Ordinance, 2000, the Insurance Accounting Regulations, 2017, the Insurance Rules, 2017, the directives issued under the Companies Act, 2017, and the Takaful Rules, 2012 have been followed in the preparation of financial statements and any departure there from has been adequately disclosed.
- e) The internal control system is sound in design and has been effectively implemented and monitored.
- f) There is no doubts about the Company’s ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance, as detailed in the Listed Companies (Code of Corporate Governance) Regulations, 2019, Code of Corporate Governance for Insurers, 2016 and Regulations contained in the Rule Book of Pakistan Stock Exchange.
- h) There are no statutory payments on account of taxes, duties, levies and charges, which are outstanding as at December 31, 2022, except as those disclosed in the financial statements.
- i) The value of investments by the staff retirement fund operated as per their respective unaudited financial statements as at December 31, 2022 are as follows:

Employee Provident Fund

Rs. 66.81 million

Employee Gratuity Fund

Rs. 29.26 million
- j) At present, the Board is in compliance with the requirements of the directors training program as stipulated in the Listed Companies (Code of Corporate Governance) Regulations, 2019.
- k) 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 the 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 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 of Directors

The Board of Directors of the Company comprises of seven (five males and two females) directors as mentioned below:

Independent Directors	Mohammad Kamal Syed
	Ms. Faresa Ahsan
	Ms. Zehra Naqvi
Executive Director	Syed Hyder Ali
Non-executive Directors	Shamim Ahmad Khan
	Syed Yawar Ali
	Khurram Raza Bakhtayari

Board and Committee Meetings

Meetings of the Board of Directors, Audit, Underwriting and Reinsurance, Risk and Compliance, Claims, Investment and Human Resources Remuneration and Nomination 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:

Number of Board meetings held	4
Director's Name	Number of meetings attended
Shamim Ahmad Khan	4
Syed Hyder Ali	4
Syed Yawar Ali	4
Khurram Raza Bakhtayari	4
Mohammad Kamal Syed	4
Zehra Naqvi	3
Faresa Ahsan	4

AUDIT COMMITTEE

The Audit Committee comprises of four non-executive directors. The terms of reference of the Audit Committee are aligned with the Listed Companies (Code of Corporate Governance) Regulations.

Number of committee meetings held	4
Member's Name	Number of meetings attended
Mohammad Kamal Syed	4
Syed Yawar Ali	4
Khurram Raza Bakhtayari	4
Zehra Naqvi	3

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 Claim 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.

Number of committee meetings held	4
Member's Name	Number of meetings attended
Shamim Ahmad Khan	4
Syed Yawar Ali	4
Faresa Ahsan	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 therein 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.

Number of committee meetings held	4
Member's Name	Number of meetings attended
Mohammad Kamal Syed	3
Syed Hyder Ali	4
Zehra Naqvi	3

ETHICS, HUMAN RESOURCE, REMUNERATION & NOMINATION COMMITTEE:

The Ethics, Human Resources, Remuneration & Nomination Committee is responsible for formulation and regular review of Human Resource policies of the Company. It assists the Board in the matters dealing with selection, evaluation and compensation of senior officers including the 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.



Number of committee meetings held	2
<b>Name of Members</b>	<b>Number of meetings attended</b>
Syed Hyder Ali	2
Khurram Raza Bakhtayari	1
Syed Yawar Ali	2
Faresa Ahsan	2

#### INVESTMENT COMMITTEE

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

Number of committee meetings held	4
<b>Name of Members</b>	<b>Number of meetings attended</b>
Syed Hyder Ali	4
Syed Yawar Ali	4
Mohammad Kamal Syed	4
Khurram Raza Bakhtayari	4

#### Board Evaluation Mechanism

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

#### Directors' Remuneration

Directors' remuneration is governed by the articles of association of the Company whereby the Board of Directors is authorized to determine the remuneration of directors from time to time.

Further details of aggregate amount of remuneration to executive and non- executive directors is mentioned in the financial statements, note 38, Page 102 of this annual report.

#### Impact on Environment

IGI Life strives for implementation of measures to improve health, safety and to create a better and safe workplace environment for its employees and surrounded community. COVID-19 SOPs are being implemented to further strengthen the same.

#### Trade in shares by Directors, Executives and their Spouses and Minor Children

The CEO, CFO, Company Secretary, Appointed Actuary and Executives have not traded in the shares of the Company during the year.


#### Pattern of Shareholding


The pattern of shareholding as at December 31, 2022 as required under section 227 of the Companies Act, 2017 is included in this annual report.

#### 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 the 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.

  
**Shamim Ahmad Khan**  
Chairman  
Dated: March 20, 2023

  
**Syed Hyder Ali**  
Chief Executive Officer  
Dated: March 20, 2023

## Internal Control Framework

The Company's Internal Control framework consists of various inter-related components including the Control Environment, Risk Assessment, Control Activities, Information & Communication and Monitoring. These components work to establish and implement sound internal control system through directed leadership, risk management function, internal audit and compliance. The Board of Directors is responsible to establish an Internal Control System to maintain an adequate and effective Internal Control Environment. An Internal Control System is a set of systems and processes designed to identify and mitigate the risk of failure and achieve the overall business objectives of the organization by providing reasonable assurance of:

1. Effectiveness and efficiency of controls of operation
2. Reliability of financial information
3. A prudent approach to business
4. Compliance with applicable laws and regulations

#### Role of Internal Audit

The Internal Audit is instrumental in assisting the Board of Directors and the management to evaluate the effectiveness and efficiency of internal control framework. The Internal Audit annual plan is discussed with management to ensure complete coverage of evaluation of all significant risks to which the Company is exposed, which thereafter is approved by the Board Audit Committee. The significant findings are discussed with management on ongoing basis and reported to Audit Committee in quarterly meetings to ensure that corrective actions are taken on timely basis to minimize the recurrence of discrepancies to ensure strengthening of the control environment.

#### Role of Risk Management

Being an insurance company, we deal with risks that arise from internal as well as external events while the landscape is constantly changing. Risk management function plays a key role in the management of uncertain situations in line with the strategic objectives of the Company. Our risk management function operates providing a unified framework that identifies, quantifies and manages major categories of risks that might have material effect on Company's values by using both quantitative and qualitative assessments.

#### Role of Compliance

Compliance function is responsible for the compliances with applicable laws and regulations and reviewing the updates / promulgation of laws and regulations. The Compliance function works in liaison with other departments to ensure strict compliances of relevant laws and regulations. Quarterly meetings are held where compliance status with all applicable statutory regulations updates are provided to the risk management and compliance committee.



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 etc issued by the Securities and Exchange Commission of Pakistan (SECP) from time to time. Life Insurance Industry is a highly regulated industry and subject to frequent changes in applicable laws, rules and regulations. Any omission or failure to meet regulatory compliance may also expose the Company to reputational risks.	<p>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.</p> <p>The Company also takes cognizance of these changes through updates from legal services, auditors and tax advisors, websites etc. A summary of requirement is reported to the Board, whose guidance is sought by the management. Also, the Company interacts with the regulators directly, as well as through the collective forum of the Insurance Association of Pakistan, to ensure that industry views are represented.</p> <p>Moreover, the Company also ensures the continuous training and development of employees with respect to legal and regulatory requirements through its frequent training programs.</p>
2	Economic and Political Risks	Risks relating to political instability, foreign debt burden, current account deficit, significant fluctuations in foreign exchange rates, inflation and related changes in interest rates and volatility in equity markets. Policy holders' returns are pegged with unit linked policies with underlying equity and debt instruments.	The Company has an Investment Function (Function) that manages the risk by diversifying the investments portfolio into fixed income securities, money market securities and equity securities and keeping 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 the economic and political conditions of Pakistan. The Committee also provides a guideline by forming Prudent Investment Policy which is pro-actively used 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 ensures the availability of sufficient cash and cash equivalents all the time with the 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.	<p>The Company offer various products suites. These are reviewed internally by the Management as well as approved the Appointed Actuary. The Management pro-actively monitors the same by maintaining various MIS and corrective actions are taken where ever necessary.</p> <p>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.</p>
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 operational risks are related to regulatory changes, human resources, technology and internal processes.	<p>The Company believes in having a transparent and open relationship with the regulator. Company representatives often take part in discussions with the regulator for potential changes to existing as well as upcoming regulations.</p> <p>The Company provides a professional working environment, market competitive remuneration and career enrichment opportunities. Succession planning is in place for key employees. Additionally, Company also has whistleblowing policy in place to enable employees to report any deliberate policy violations confidentiality.</p> <p>Technology risk contains strategic, financial, operational, regulatory, and reputational dimensions. The board and senior management is fully cognizant of IT landscape. A robust Disaster Recovery Plan is in place to mitigate the impacts of loss of data, technology failure and security breaches. The Company is well aware of the risks posed by cyber threats and has taken measures to update our security infrastructure.</p> <p>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.</p>

B) UNCERTAINTIES 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) Adverse Mortality
- 3) Depletion of Asset under Management (AUM).
- 4) Non-fulfilment of obligations by the reinsurers.
- 5) Interest rate movement.
- 6) Occurrence of catastrophic event(s).
- 7) Political instability affecting the financial markets.
- 8) Threats to the national security and peace of the country ultimately affecting economy and business of the Company.
- 9) 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 Conventional and Shariah Compliant products through Conventional Operations and Window Takaful Operations across the country.



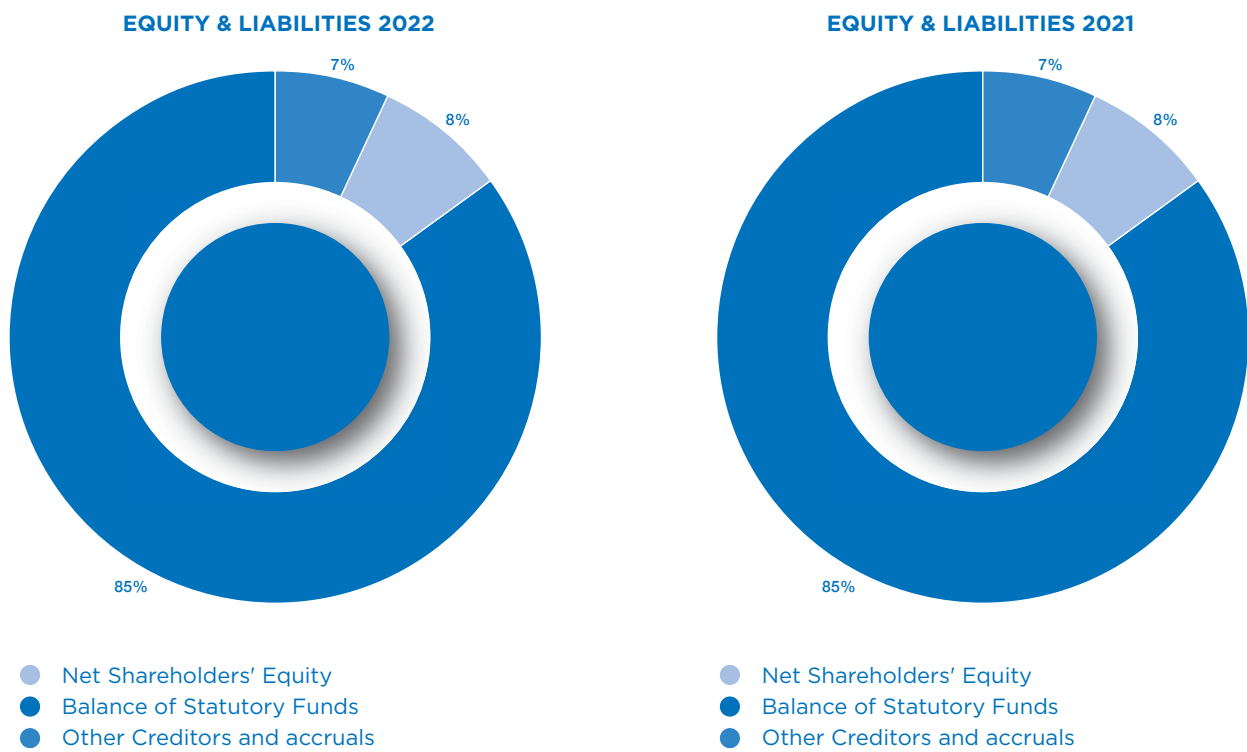
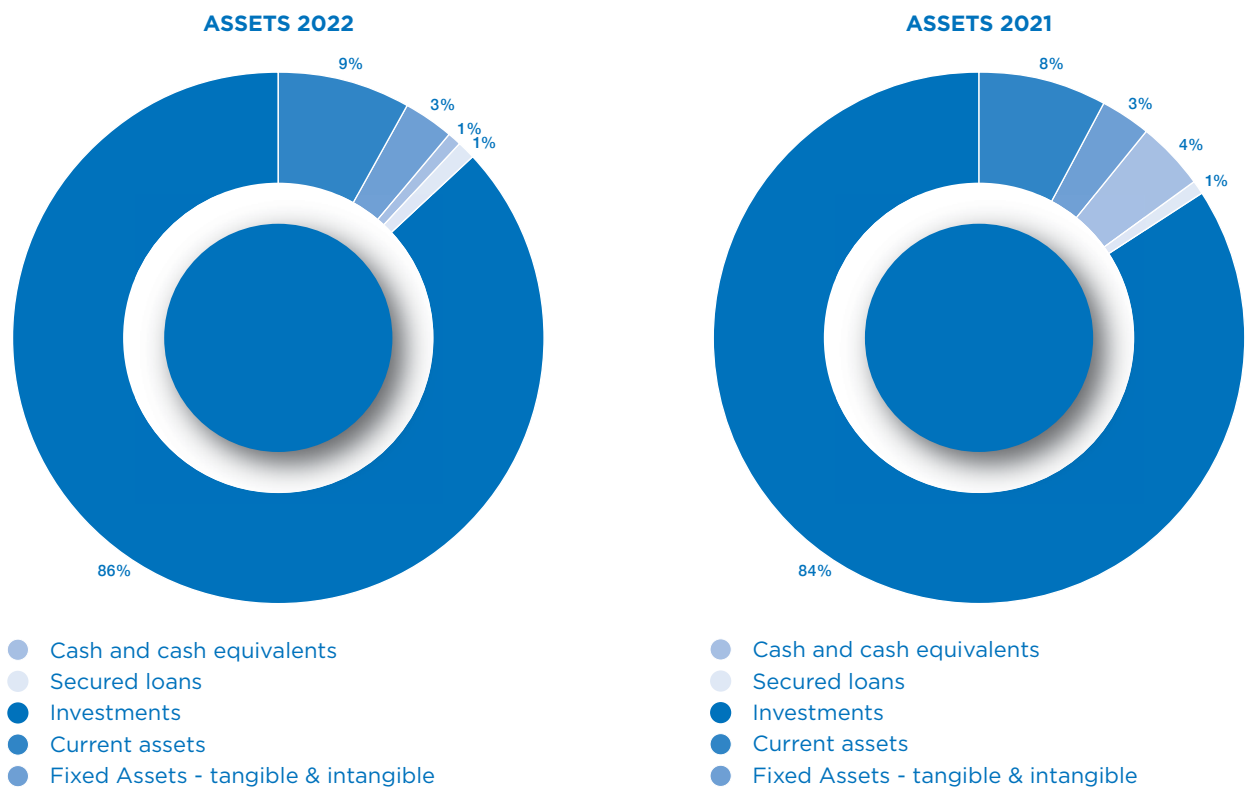
# CORPORATE SOLUTIONS

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.

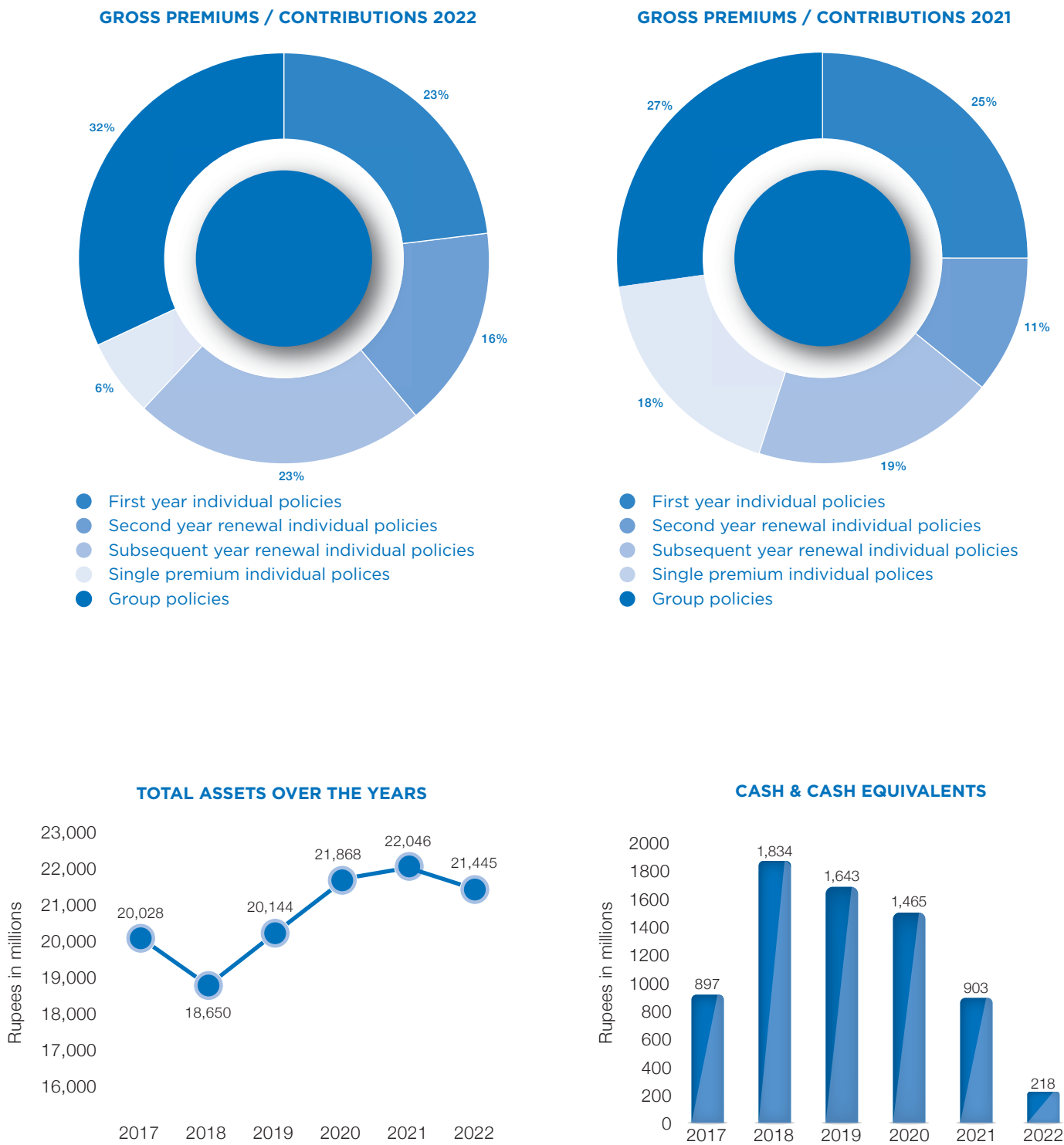




Performance at a Glance

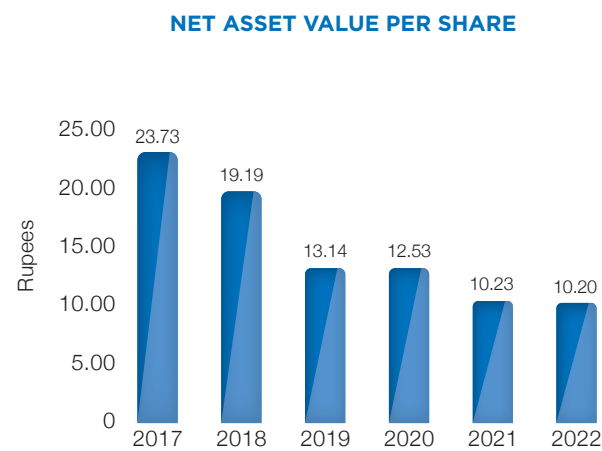
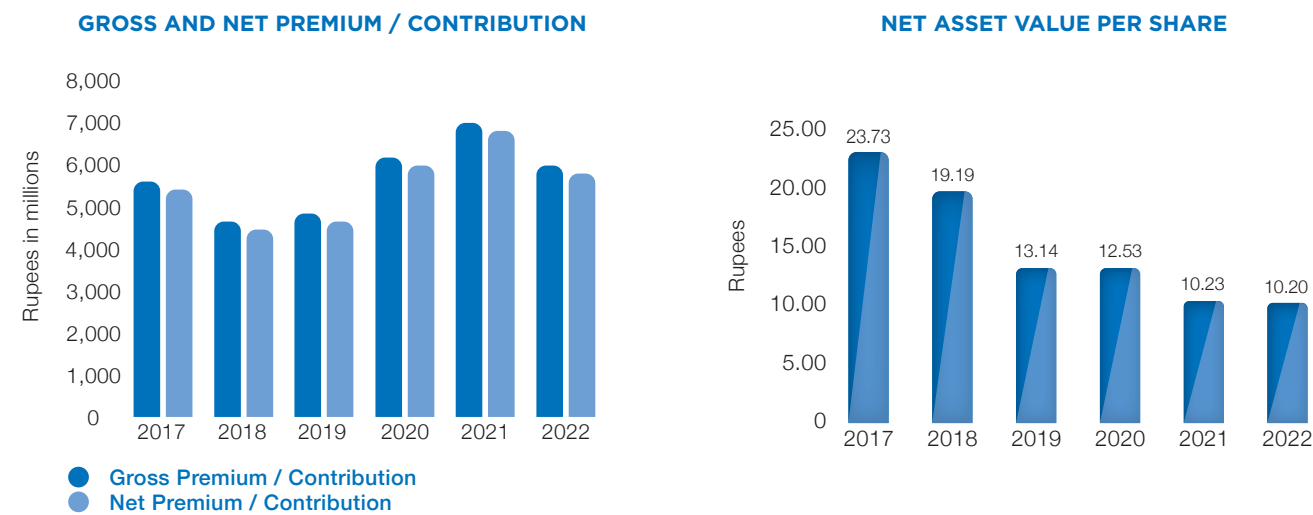
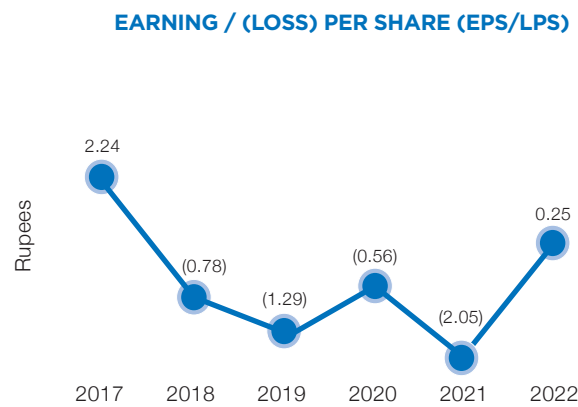
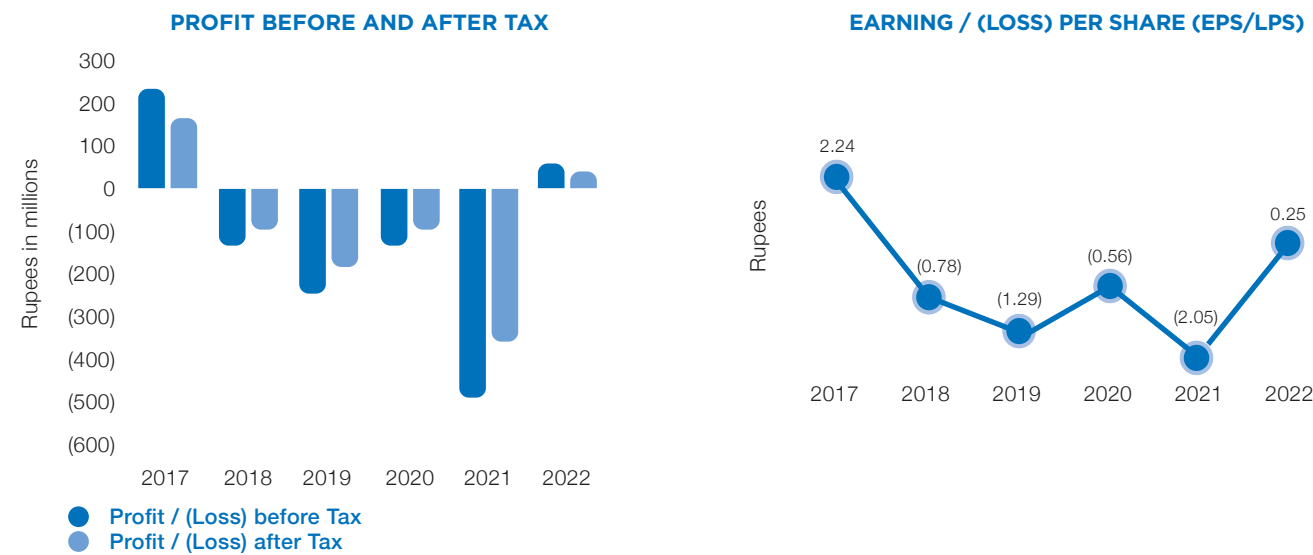


Performance at a Glance

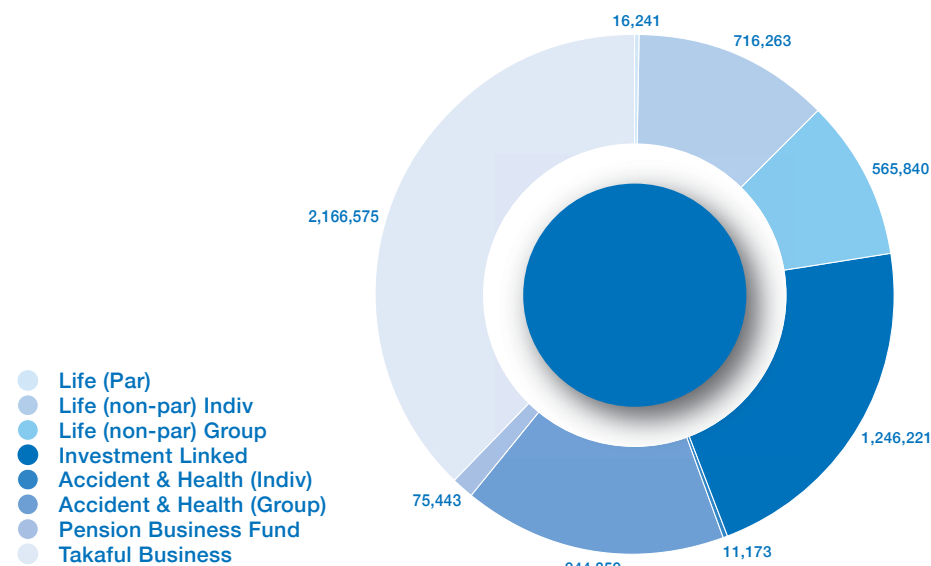




## Performance at a Glance



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



## Key Financial Data

### Six years at Glance

### Financial ratios

		2022	2021	2020	2019	2018	2017
<b>Profitability / Return to shareholders</b>							
(Loss) / profit before tax / gross premium / contributions	%	0.99%	-6.98%	-2.21%	-5.10%	-2.80%	4.02%
Total Expenses (including claims) / Total Revenue and Incomes	%	103.71%	97.84%	86.64%	106.33%	114.26%	86.29%
Return on assets	%	0.20%	-1.58%	-0.44%	-0.88%	-0.51%	0.79%
Return on equity	%	2.42%	-20.02%	-4.48%	-7.89%	-7.00%	10.22%
EPS	Rs.	0.25	(2.05)	(0.56)	(1.29)	(0.78)	2.24
Price earning ratio	times	38.55	(18.61)	(102.17)	(20.95)	(60.38)	38.46
Net assets per share	Rs.	10.20	10.23	12.53	13.14	19.19	23.73

### Market data

Face value per share	Rs.	10	10	10	10	10	10
Market value per share at year end	Rs.	9.50	38.10	57.34	26.98	47.10	84.50
Highest share price during the year	Rs.	37.00	62.44	65.75	50.00	94.50	131.00
Lowest share price during the year	Rs.	9.50	33.10	13.32	11.50	47.10	81.00
Market capitalization	'000	1,620,388	6,498,610	9,780,323	4,601,903	3,323,715	5,962,928

### Performance / Liquidity

Earning asset to Total Asset ratio	%	88.11%	88.74%	89.41%	87.52%	89.18%	93.30%
Net premium / contribution to gross premium / contribution ratio	%	94.57%	96.18%	95.76%	96.14%	96.60%	97.71%
Net claims to net premium / contribution ratio	%	92.32%	72.45%	72.82%	102.44%	110.01%	78.69%
Management expenses to net premium / contribution ratio	%	18.18%	17.37%	17.42%	24.40%	17.41%	11.21%
Current ratio	times	1.06	1.05	1.09	1.09	1.05	1.08
Total assets turnover	times	0.35	0.37	0.36	0.31	0.31	0.32
Fixed assets turnover	times	13.73	11.50	10.76	9.83	10.34	50.21
Equity / total assets	%	8.12%	7.91%	9.77%	11.12%	7.26%	7.71%



Key Financial Data

Six years at Glance

Financial data	2022	2021	2020	2019	2018	2017
	----- Rupees in '000 -----					
Paid-up capital	1,705,672	1,705,672	1,705,672	1,705,672	705,672	705,672
Retained Earnings and Reserves	34,716	38,509	431,056	535,041	648,182	838,616
Investments	18,502,340	18,481,400	17,916,306	15,818,831	14,616,832	17,620,631
Cash and cash equivalents	218,118	903,117	1,464,863	1,642,569	1,833,762	897,460
Total assets	21,444,923	22,046,187	21,867,742	20,144,099	18,650,377	20,028,295
Operating data						
Gross premium / contributions	6,072,070	7,056,672	6,160,785	4,814,857	4,793,561	5,617,388
Net premium / contributions	5,742,615	6,787,448	5,899,477	4,628,927	4,630,555	5,488,472
Investments income	1,606,297	1,259,608	1,862,054	1,547,348	992,947	1,112,085
Profit before taxation	60,170	(492,237)	(135,987)	(245,797)	(134,076)	225,975
Taxation	(18,139)	143,080	40,262	(69,079)	(39,373)	68,204
Profit after taxation	42,031	(349,157)	(95,725)	(176,718)	(94,703)	157,771
EPS	0.25	(2.05)	(0.56)	(1.29)	(0.78)	2.24
Cash flow summary						
Net cash flow from operating activities	(2,112,544)	(887,032)	(95,965)	(1,607,511)	(1,990,349)	(411,060)
Net cash flow from investing activities	(1,892,482)	7,194,709	(81,724)	416,587	2,985,863	387,440
Net cash flow from financing activities	-	(1)	(17)	999,731	(59,212)	(89,800)
Net cash flow from all activities	(4,005,026)	6,307,676	(177,706)	(191,193)	936,302	(113,420)
Cash and cash equivalents at the beginning of the year	7,772,539	1,464,863	1,642,569	1,833,762	897,460	1,010,880
Cash and cash equivalents at the end of the year	3,767,513	7,772,539	1,464,863	1,642,569	1,833,762	897,460

Balance Sheet and Profit & Loss Analysis

Balance Sheet	2022		2021		2020		2019		2018		2017	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
Net Shareholders' equity	1,740,388	8%	1,744,181	8%	2,136,728	10%	2,240,713	11%	1,353,854	7%	1,544,288	8%
Balance of statutory funds	18,159,025	85%	18,700,567	85%	18,152,024	83%	16,864,180	84%	16,490,600	88%	17,741,157	89%
Deferred Tax liability	-	0%	-	0%	-	0%	-	0%	19,772	0%	60,729	0%
Creditors and accruals	1,543,381	7%	1,599,310	7%	1,576,860	7%	1,037,059	5%	783,734	4%	681,024	3%
Dividend	2,129	0%	2,129	0%	2,130	0%	2,147	0%	2,417	0%	1,097	0%
Total equity and liabilities	21,444,923	100%	22,046,187	100%	21,867,742	100%	20,144,099	100%	18,650,377	100%	20,028,295	100%
Cash and cash equivalents	218,119	1%	903,115	4%	1,464,863	7%	1,642,569	8%	1,833,762	10%	897,460	4%
Secured loans	175,139	1%	178,706	1%	171,811	1%	167,965	1%	181,375	1%	167,539	1%
Investments	18,502,340	86%	18,481,400	84%	17,916,306	82%	15,818,831	79%	14,616,832	78%	17,620,631	88%
Current assets	1,558,684	7%	1,339,055	6%	1,318,784	6%	1,812,599	9%	1,464,200	8%	1,214,776	6%
Deferred Asset	447,065	2%	439,029	2%	265,015	1%	59,797	0%	-	0%	-	0%
Fixed Assets - tangible												
& intangible	543,576	3%	704,882	3%	730,963	3%	642,338	3%	554,208	3%	127,889	1%
Total assets	21,444,923	100%	22,046,187	100%	21,867,742	100%	20,144,099	100%	18,650,377	100%	20,028,295	100%
Revenue and Profit & Loss account												
Net Income	7,539,329	100%	8,177,062	100%	7,932,739	100%	6,331,997	100%	5,745,693	100%	6,715,771	100%
Claims and Expenditures	(7,742,238)	-103%	(7,934,629)	-97%	(6,815,573)	-86%	(6,715,943)	-106%	(6,547,485)	-114%	(5,570,027)	-83%
Movement in policy holders' liability	263,078	3%	(734,670)	-9%	(1,253,153)	-16%	138,149	2%	667,716	12%	(919,769)	-14%
Surplus / Profit before tax	60,170	1%	(492,237)	-6%	(135,987)	-2%	(245,797)	-4%	(134,076)	-2%	225,975	3%
Taxation	(18,139)	0%	143,080	2%	40,262	1%	69,079	1%	39,373	1%	(68,204)	-1%
Surplus / Profit after tax	42,031	1%	(349,157)	-4%	(95,725)	-1%	(176,718)	-3%	(94,703)	-2%	157,771	2%



# Balance Sheet and Profit & Loss Analysis

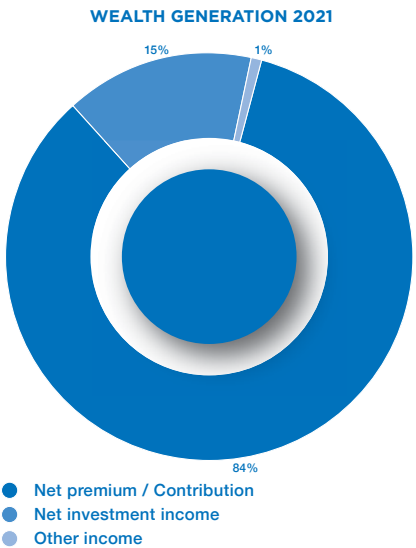
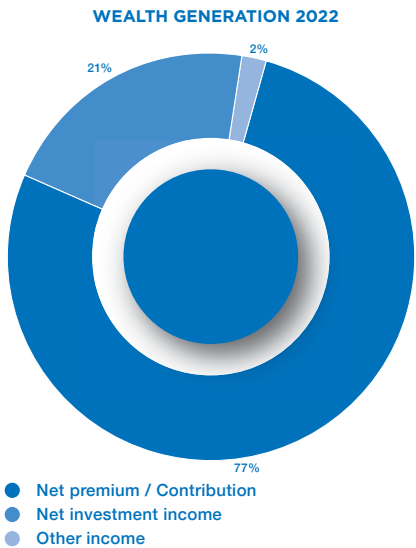
## Horizontal Analysis

Balance Sheet	2022	2021	2020	2019	2018	2017	2022	2021	2020	2019	2018	2017
	Rupees in '000						% increase / (decrease) over preceeding year					
Net shareholders' equity	1,740,388	1,744,181	2,136,728	2,240,713	1,353,854	1,544,288	0%	-18%	-5%	66%	-12%	-4%
Balance of statutory funds	18,159,025	18,700,567	18,152,024	16,864,180	16,490,600	17,741,157	-3%	3%	8%	2%	-7%	4%
Deferred tax liability	-	-	-	-	19,772	60,729	0%	0%	0%	-100%	-67%	-20%
Creditors and accruals	1,543,381	1,599,310	1,576,860	1,037,059	783,734	681,024	-3%	1%	52%	32%	15%	-11%
Dividend	2,129	2,129	2,130	2,147	2,417	1,097	0%	0%	-1%	-11%	120%	646%
Total equity and liabilities	21,444,923	22,046,187	21,867,742	20,144,099	18,650,377	20,028,295	-3%	1%	9%	8%	-7%	2%
Cash and cash equivalents	218,119	903,115	1,464,863	1,642,569	1,833,762	897,460	-76%	-38%	-11%	-10%	104%	-11%
Secured loans	175,139	178,706	171,811	167,965	181,375	167,539	-2%	4%	2%	-7%	8%	9%
Investments	18,502,340	18,481,400	17,916,306	15,818,831	14,616,832	17,620,631	0%	3%	13%	8%	-17%	2%
Current assets	1,558,684	1,339,055	1,318,784	1,812,599	1,464,200	1,214,776	16%	2%	-27%	24%	21%	18%
Deferred asset	447,065	439,029	265,015	59,797	-	-	2%	66%	343%	0%	0%	0%
Fixed Assets - tangible & intangible	543,576	704,882	730,963	642,338	554,208	127,889	-23%	-4%	14%	16%	333%	52%
Total assets	21,444,923	22,046,187	21,867,742	20,144,099	18,650,377	20,028,295	-3%	1%	9%	8%	-7%	2%
Revenue and Profit & Loss account												
Net Income	7,539,329	8,177,062	7,932,739	6,331,997	5,745,693	6,715,771	-8%	3%	25%	10%	-14%	-32%
Claims and Expenditures	(7,742,238)	(7,934,629)	(6,815,573)	(6,715,943)	(6,547,485)	(5,570,027)	-2%	16%	1%	3%	18%	28%
Movement in policy holders' liability	263,078	(734,670)	(1,253,153)	138,149	667,716	(919,769)	-136%	-41%	-1007%	-79%	-173%	-83%
Surplus / Profit before tax	60,170	(492,237)	(135,987)	(245,797)	(134,076)	225,975	-112%	262%	-45%	83%	-159%	-11%
Taxation	(18,139)	143,080	40,262	69,079	39,373	(68,204)	-113%	255%	-42%	75%	-158%	-6%
Surplus / Profit after tax	42,031	(349,157)	(95,725)	(176,718)	(94,703)	157,771	-112%	265%	-46%	87%	-160%	-13%

# Statement of Value Addition

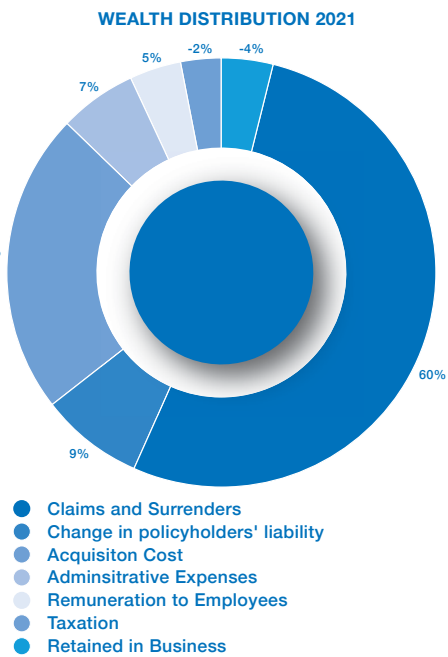
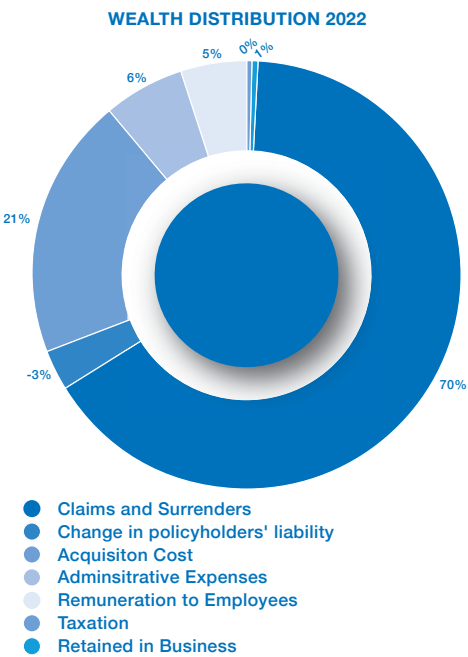
WEALTH GENERATION  
Net premium / Contribution  
Net investment income  
Other income  
Wealth generated

2022		2021	
Amount (Rupees in '000)	%	Amount (Rupees in '000)	%
5,742,615	77%	6,787,448	84%
1,606,297	21%	1,259,608	15%
116,591	2%	62,472	1%
7,465,503	100%	8,109,528	100%



WEALTH DISTRIBUTION  
Claims and Surrenders  
Change in policyholders' liability  
Acquisition Cost  
Administrative Expenses  
Remuneration to employees  
Taxation  
Retained in Business

2022		2021	
Amount (Rupees in '000)	%	Amount (Rupees in '000)	%
5,301,836	70%	4,917,339	60%
(263,078)	-3%	734,670	9%
1,603,651	21%	2,079,649	25%
460,921	6%	553,952	7%
375,830	5%	383,689	5%
18,139	0%	(143,080)	-2%
42,031	1%	(349,157)	-4%
7,539,329	100%	8,177,062	100%





# Financial / Event Calendar

Event	
Results	Date
Financials for the three months ended March 31, 2022	27-Apr-2022
Financials for the six months ended June 30, 2022	24-Aug-2022
Financials for the nine months ended September 30, 2022	26-Oct-2022
Financials for the year ended December 31, 2022	20-Mar-2023
Notice of AGM to Shareholders along with Financial Statements	06-Apr-2023
Annual General Meeting	27-Apr-2023

# Pattern of Shareholding

as at December 31, 2022

NO. OF SHAREHOLDINGS			
NO. OF SHAREHOLDERS	FROM	TO	TOTAL SHARES
367	1	100	5,538
138	101	500	39,560
119	501	1,000	90,265
161	1,001	5,000	385,219
30	5,001	10,000	216,126
19	10,001	15,000	252,152
12	15,001	20,000	210,866
7	20,001	25,000	160,112
9	25,001	30,000	251,433
4	30,001	35,000	129,128
3	35,001	40,000	110,413
2	40,001	45,000	82,700
2	45,001	50,000	97,000
1	50,001	55,000	52,417
1	55,001	60,000	58,000
2	60,001	65,000	126,734
2	65,001	70,000	136,171
1	70,001	75,000	75,000
2	85,001	90,000	173,573
2	95,001	100,000	195,929
1	115,001	120,000	117,562
3	125,001	130,000	387,135
1	130,001	135,000	134,000
1	135,001	140,000	135,766
2	140,001	145,000	286,472
1	185,001	190,000	188,819
2	195,001	200,000	400,000
1	230,001	235,000	232,906
1	255,001	260,000	256,500
1	300,001	305,000	302,136
1	330,001	335,000	334,000
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	920,001	925,000	922,000
1	955,001	960,000	957,780
1	1,945,001	1,950,000	1,948,601
1	2,790,001	2,795,000	2,790,969
1	8,455,001	8,460,000	8,456,373
1	9,125,001	9,130,000	9,129,286
1	138,750,001	138,755,000	138,750,522
910			170,567,200

## Key Shareholding Information

Shareholding Information as at December 31, 2022 required under reporting framework is as follows:

Shareholder's category	Number of Shareholders	Number of shares held
<b>Associated Companies, Undertaking and Related Parties</b>		
IGI HOLDINGS LIMITED	2	138,750,934
M/S. IGI INSURANCE LIMITED (BONUS-SO)	3	2,292,387
<b>TOTAL &gt;&gt;</b>	<b>5</b>	<b>141,043,321</b>
<b>Mutual Funds</b>		
CDC - TRUSTEE HBL - STOCK FUND	1	256,,500
<b>TOTAL &gt;&gt;</b>	<b>1</b>	<b>256,500</b>
<b>Directors and their spouse</b>		
SYED HYDER ALI	3	958,483
MR. KHURRAM RAZA BAKHTAYARI	2	703
SYED YAWAR ALI	3	5,505
MR. MOHAMMAD KAMAL SYED	2	703
MR. SHAMIM AHMAD KHAN	2	703
MS. FARESA AHSAN	1	703
MS. ZEHRA NAQVI	1	703
SYEDA NIGHAT ALI	1	507,056
<b>TOTAL &gt;&gt;</b>	<b>15</b>	<b>1,474,559</b>
<b>General Public</b>		
LOCAL		
<b>TOTAL &gt;&gt;</b>	<b>861</b>	<b>17,881,082</b>
<b>Executives</b>		
<b>TOTAL &gt;&gt;</b>	-	-
<b>Public Sector Companies and Corporations</b>		
<b>TOTAL &gt;&gt;</b>	-	-
<b>Others</b>		
<b>TOTAL &gt;&gt;</b>	<b>25</b>	<b>1,452,451</b>
<b>Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Takaful, Modaraba and Pension Funds</b>		
<b>TOTAL &gt;&gt;</b>	<b>3</b>	<b>8,459,287</b>
<b>Shareholder Holding ten percent (10%) or more voting Rights in the Listed Company</b>		
IGI HOLDINGS LIMITED	5	141,043,321

## Categories of Shareholding

as at December 31, 2022

S.No.	Shareholders Category	No. of Shareholders	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	15	1,474,559	0.86
2	Associated Companies, Undertakings and Related Parties	5	141,043,321	82.69
3	NIT and ICP			
4	Banks, Development Financial Institutions, Non-Banking	3	8,459,287	4.96
5	Insurance Companies			
6	Modarabas and Mutual Funds	1	256,500	0.15
7	Share holders holding 10%	5	141,043,321	82.69
8	General Public :			
	a. Local	861	17,881,082	10.48
	b. Foreign	-	-	-
9	Others	25	1,452,451	0.85
	<b>Total (excluding : share holders holding 10%)</b>	<b>910</b>	<b>170,567,200</b>	<b>100.00</b>

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

For the year ended December 31, 2022

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016 (the Code) and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations, for the purpose of establishing a framework of good governance, whereby IGI Life Insurance Limited, 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:

- The total number of directors are seven (7) as per the following:
  - Male: Five (5)
  - Female: Two (2)
- The Company encourages representation of independent non-executive directors and facilitates directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Name
Independent Directors	Mr. Mohammad Kamal Syed Ms. Zehra Naqvi Ms. Faresa Ahsan
Executive Director	Syed Hyder Ali
Non-Executive Directors	Mr. Shamim Ahmad Khan Syed Yawar Ali Mr. Khurram Raza Bakhtayari
Female Directors	Ms. Faresa Ahsan Ms. Zehra Naqvi

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

- 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).
- 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.
- During the year no casual vacancies arose on the Board.
- 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.
- 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.
- 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 Companies Act, 2017 and the Regulations.
- The meetings of the Board were presided over by 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, the Board is in compliance with the requirements of the time frame related to directors' training program as stipulated in the Regulations.
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 appointment 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 Code and the Regulations.
14. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and the Regulations and fully describes the salient matters required to be disclosed.
15. 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
Mohammad Kamal Syed	Chairman
Syed Hyder Ali	Member
Zehra Naqvi	Member
Abdul Haseeb	Member
Ali Nadim	Member

CLAIM SETTLEMENT COMMITTEE	
Name of the Member	Category
Shamim Ahmad Khan	Chairman
Syed Yawar Ali	Member
Faresa Ahsan	Member

RISK MANAGEMENT AND COMPLIANCE COMMITTEE	
Name of the Member	Category
Shamim Ahmad Khan	Chairman
Zehra Naqvi	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, REMUNERATION & NOMINATION COMMITTEE	
Name of the Member	Category
Faresa Ahsan	Chairperson
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
Khurram Raza Bakhtayari	Member
Abdul Haseeb	Member
Ali Nadim	Member

20. The Board has formed an Audit Committee. It comprises of four (4) members, of whom two (2) are independent directors and two (2) 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
Zehra Naqvi	Member
Syed Yawar Ali	Member
Khurram Raza Bakhtayari	Member

21. The terms of references of the Committees have been formed and advised to the Committees for compliance. The frequency of meetings (quarterly / half yearly / yearly) of the Committees were as follows:

BOARD COMMITTEES	
Name of the Committee	Frequency
Ethics, Human Resource & Remuneration Committee & Nominations Committee	Half Yearly
Investment Committee	Quarterly
Audit Committee	Quarterly
Underwriting, Reinsurance & Coinsurance committee	Quarterly
Claim Settlement Committee	Quarterly
Risk Management & Compliance Committee	Quarterly


22. The Board has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company and is 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
Ali Nadim	Deputy Chief Executive Officer
Abdul Haseeb	Chief Financial Officer
Raiq Essani	Head of Actuarial and Reinsurance
Nadia Perveen Hussain	Company Secretary
Shahzeb Haider	Head of Internal Audit
Saleem Shah	Head of Underwriting
Mahnoor Masood	Head of Claims
Kashif Ahmed	Head of Customer Services and Grievance
Atif Usman	Head of Compliance
Faisal Khan	Head of Risk Management Committee

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 requirements stipulated in the Companies Act, 2017, the Regulations and any other regulatory requirement 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 itself rated from PACRA, which is being used by its risk management function and the respective committee as a risk monitoring tool. The Insurer Financial Strength (IFS) rating assigned by the said rating agency PACRA, as per their notification dated June 29, 2022 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. Apart from seeking exemption from the requirement to attend a 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.
34. We confirm that all other material principles contained in the Code of Corporate Governance for Insurers, 2016 and mandatory 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.

By order of the Board

  
**Shamim Ahmad Khan**  
Chairman  
Dated: March 20, 2023

  
**Syed Hyder Ali**  
Chief Executive Officer  
Dated: March 20, 2023



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

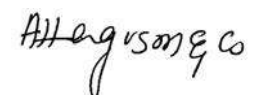
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Code of Corporate Governance for Insurers, 2016 (both herein referred to as ‘Regulations’) prepared by the Board of Directors of IGI Life Insurance Limited (the Company) for the year ended December 31, 2022 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. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company’s compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2022.

  
A.F. Ferguson & Co.  
Chartered Accountants  
Karachi

Dated: April 5, 2023  
UDIN: CR202210061i00kQHVF2

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, 2022, 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 the Company’s affairs as at December 31, 2022 and of the profit and other comprehensive loss, 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 other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Emphasis of Matter

We draw attention to note 26.1 to the financial statements describing the matter related to the 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	<b>Insurance liabilities</b> (Refer notes 3.2.1, 4.1.5 and 18 of the annexed financial statements)	<p>Our audit procedures to assess the determination of actuarial reserve for the policyholders’ liabilities, amongst others, included the following:</p> <ul style="list-style-type: none"><li>• Obtained an understanding from the management of the actuarial assumptions and methodologies used for estimating the policyholders’ liabilities at December 31, 2022.</li><li>• 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, 2022 to establish whether they had been subject to any arbitrary discontinuities from those used at December 31, 2021.</li></ul>

S. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>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, 2022 and issues a report thereon to the Board of Directors of the Company before their approval of the financial statements.</p> <p>The determination of the policyholders' liabilities is a significant area of judgment and estimation. Because of the significance of the impacts of these judgments / estimations, we considered this area as a key audit matter.</p>	<ul style="list-style-type: none"> <li>Reviewed the report submitted by the appointed actuary to the Board of Directors of the Company expressing his satisfaction over the valuation of the policyholders' liabilities in accordance with Annexure 5 to Rule 23 of the Insurance Rules, 2017.</li> <li>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.</li> <li>Independently verified, on a test basis, the Company's data used by the appointed actuary in the determination of the policyholders' liabilities.</li> <li>Recomputed, on a test basis, the account / cash values of the policyholders' at December 31, 2022 by applying the relevant parameters (such as management fee charged, cost of insurance charged, return credited etc.) of the respective products.</li> <li>Recomputed, on a test basis, the element of unearned premium with respect to the policies issued under group health and group life business.</li> <li>Assessed the relevant disclosures made in the financial statements to determine whether these complied with the accounting and reporting standards as applicable in Pakistan.</li> </ul>
2	<p><b>Valuation and impairment of investments</b> (Refer notes 4.6 and 7 to 10 of the annexed financial statements)</p>	
	<p>The investments of Rs 18,502.340 million as at December 31, 2022 held by the Company constitute the most significant component of total assets of the Company.</p> <p>The proper valuation of the investments portfolio of the Company as at December 31, 2022 was considered a significant area of estimation and therefore, a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Tested the design and operating effectiveness of the key controls for valuation of investments.</li> <li>Checked that the investments were valued appropriately in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.</li> <li>Checked that net unrealised gains / losses arising on the subsequent measurement of the investments were appropriately accounted for in the financial statements.</li> <li>Evaluated the Company's assessment of available-for-sale investments for any additional impairment in accordance with the accounting and reporting standards as applicable in Pakistan and performed an independent assessment of the assumptions and conclusions.</li> <li>Checked the appropriate recognition of related adjustments to the insurance liabilities in other comprehensive income where net unrealised gains / losses on available for sale investments were recognised in other comprehensive income.</li> <li>Obtained independent confirmations for verifying the existence of the investment portfolio as at December 31, 2022 and reconciled them with the books and records of the Company.</li> <li>Checked the relevant presentation and disclosures made in the financial statements to determine whether these comply with the accounting and reporting standards as applicable in Pakistan.</li> </ul>

### 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 the 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 **Noman Abbas Sheikh**.

  
**A. F. Ferguson & Co.**  
Chartered Accountants  
Karachi

Dated: April 5, 2023  
UDIN: AR202210061ine650UX4

Management's Statement of Compliance with the Shari'ah Principles


Year Ended 31 December, 2022

The financial arrangements, contracts and transactions, entered into by IGI Life Insurance Limited – Window Takaful Operations (the Company) for the year ended December 31, 2022 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 Shari'ah 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 / Shari'ah Advisor and the Board of Directors have been implemented;
- The Company has imparted trainings / orientations and ensured availability of all manuals / agreements approved by Shari'ah Advisor/ Board of Directors to maintain the adequate level of awareness, capacity and sensitization of the staff, management;
- All the products and policies have been approved by Shari'ah 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 Shari'ah 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 Shari'ah Advisor of the Company.

  
**Syed Hyder Ali**  
Chief Executive Officer  
Dated: March 20, 2023



## 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, 2022

الحمد لله رب العالمين والصلاة والسلام على سيد الأنبياء والمرسلين محمد النبي  
الأمي 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 31 December 2022.

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 2022.

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 31 December 2022 were in accordance with guidelines issued by Shariah Advisor as well as the requirements of Takaful Rules 2012.
- II. Few minor 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)

## شریعی ریویو رپورٹ برائے بورڈ آف ڈائریکٹرز

برائے مالیاتی سال 2022

الحمد لله رب العالمين والصلاة والسلام على سيد الأنبياء والمرسلين محمد النبي  
الأمي وعلى آله وأصحابه أجمعين، وبعد!

الحمد لله، میں نے "آئی جی آئی لائف، ونڈو تکافل آپریشنز" (آئندہ اسے "ونڈو تکافل" کہا جائے گا) کے مالیاتی اسٹیٹمنٹس برائے سال 2022 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 و ضوابط کے مطابق یقینی بنانا میری ذمہ داری ہے۔ اسی طرح ونڈو تکافل کی منظمہ کمیٹی کی بھی یہ ذمہ داری ہے کہ وہ شریعہ ایڈوائزر کی طرف سے جاری کردہ اصول و ضوابط اور گائیڈ لائنز پر اہتمام کے ساتھ عمل کرنے کو یقینی بنائے اور تمام تکافل پالیسیاں اور خدمات شرعی قواعد و ضوابط 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 و ضوابط کے مطابق انجام دی جائے اور یہ باقاعدہ شریعہ ایڈوائزر سے منظور شدہ بھی ہوں۔

بہر حال میری معلومات کے مطابق:

- 1۔ سال 2022 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 منظمہ 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۔ الحمد لله، بحیثیت مجموعی ونڈو تکافل کے تمام معاملات کو شریعہ گائیڈ لائنز اور قواعد و ضوابط کے مطابق پایا۔

والله تعالى اعلم بالصواب و علمه اتم و احکم



ڈاکٹر مفتی عصمت اللہ

شریعی ایڈوائزر

آئی جی آئی لائف - ونڈو تکافل آپریشنز



# FINANCIALS





## Statement of Financial Position

As at December 31, 2022

	Note	2022	2021
		----- Rupees in 000 -----	
<b>Assets</b>			
Property and equipment	5	216,616	354,097
Intangible assets	6	326,960	350,785
Investments			
Equity securities	7	-	47,116
Mutual funds	7	6,039,945	6,095,600
Government securities	8	11,862,395	12,113,684
Debt securities	9	600,000	225,000
Term deposits	10	-	590,150
		18,502,340	19,071,550
Loans secured against life insurance policies		175,139	178,706
Insurance / takaful / reinsurance / retakaful receivables	11	239,119	192,913
Other loans and receivables	12	475,852	375,727
Taxation - payments less provision		780,540	690,471
Deferred tax asset - net	13	447,065	439,029
Prepayments	14	63,174	79,942
Cash and bank	15	218,118	312,967
<b>Total assets</b>		<b>21,444,923</b>	<b>22,046,187</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves attributable to Company's equity holders</b>			
Authorised share capital (300,000,000 (2021: 300,000,000) ordinary shares of Rs. 10 each)		3,000,000	3,000,000
Issued, subscribed and paid-up capital	16	1,705,672	1,705,672
Ledger account C & D		(1,029,779)	(1,043,446)
Unappropriated profit		1,152,619	1,121,879
Deficit on revaluation of available for sale investments - net	17	(88,124)	(39,924)
<b>Total equity</b>		<b>1,740,388</b>	<b>1,744,181</b>
<b>Liabilities</b>			
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	18	18,159,025	18,700,567
Outstanding claims	19	623,709	508,077
Retirement benefit obligations	20	29,261	29,241
Premium received in advance		113,186	334,396
Reinsurance / retakaful payables	23	129,914	39,348
Other creditors and accruals	24	573,080	545,088
Lease liability against right-of-use assets	25	76,360	145,289
<b>Total liabilities</b>		<b>19,704,535</b>	<b>20,302,006</b>
<b>Total equity and liabilities</b>		<b>21,444,923</b>	<b>22,046,187</b>

### Contingencies and commitments

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The annexed notes from 1 to 47 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, 2022

	Note	2022	2021
		-----Rupees in 000-----	
Gross premium / contribution revenue		6,072,070	7,056,672
Less: premium / contribution ceded to reinsurers / retakaful operators		271,727	218,703
<b>Net premium / contribution revenue</b>	27	<b>5,800,343</b>	<b>6,837,969</b>
Investment income	28	1,639,062	1,331,881
Net realised fair value losses on financial assets	29	(32,765)	(72,273)
Other income - net	30	116,591	62,472
		1,722,888	1,322,080
<b>Net income</b>		<b>7,523,231</b>	<b>8,160,049</b>
Insurance benefits		5,458,775	5,076,159
Recoveries from reinsurers / retakaful operators		(156,939)	(158,820)
<b>Net insurance benefits</b>	31	<b>5,301,836</b>	<b>4,917,339</b>
		2,221,395	3,242,710
Change in insurance liabilities (other than outstanding claims)		(263,078)	734,670
Acquisition expenses	32	1,603,651	2,079,649
Marketing and administration expenses	33	808,633	906,915
Other expenses	34	8,891	8,009
<b>Total expenses</b>		<b>2,158,097</b>	<b>3,729,243</b>
Finance costs		63,299	(486,533)
Surplus appropriated to Shareholders' Fund from Ledger Account C	35	19,227	22,717
		16,098	17,013
<b>Profit / (loss) before tax</b>		<b>60,170</b>	<b>(492,237)</b>
Income tax	36	(18,139)	143,080
<b>Profit / (loss) after tax</b>		<b>42,031</b>	<b>(349,157)</b>
<b>-----Rupees-----</b>			
Earnings / (loss) per share	37	0.25	(2.05)

The annexed notes from 1 to 47 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, 2022

	2022	2021
	-----Rupees in 000-----	
Profit / (loss) after tax	42,031	(349,157)
<b>Other comprehensive loss</b>		
Change in unrealised loss on available-for-sale financial assets	(324,185)	(221,391)
Less: taxation	13,619	10,022
Change in unrealised loss on available-for-sale financial assets - net of tax	(310,566)	(211,369)
Change in insurance liabilities - net	262,366	169,114
	(48,200)	(42,255)
<b>Items that will not be reclassified subsequently to the profit and loss</b>		
Actuarial gains / (losses) on retirement benefit scheme	2,376	(1,135)
Other comprehensive loss for the year	(45,824)	(43,390)
<b>Total comprehensive loss for the year</b>	<u>(3,794)</u>	<u>(392,547)</u>

The annexed notes from 1 to 47 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, 2022

	Attributable to equity holders of the Company			
	Share capital	Un-appropriated profit *	Ledger C & D account **	Capital reserve
				Net (deficit) / surplus on revaluation of available for sale investments***
	-----Rupees in '000-----			
<b>Balance as at December 31, 2020</b>	1,705,672	1,070,680	(641,955)	2,331
<b>Total comprehensive income / (loss)</b>				
Profit / (loss) for the year ended December 31, 2021	-	51,199	(400,356)	-
Other comprehensive loss for the year ended December 31, 2021	-	-	(1,135)	(42,255)
	-	51,199	(401,491)	(42,255)
<b>Balance as at December 31, 2021</b>	1,705,672	1,121,879	(1,043,446)	(39,924)
<b>Total comprehensive income / (loss)</b>				
Profit for the year ended December 31, 2022	-	30,740	11,291	-
Other comprehensive income / (loss) for the year ended December 31, 2022	-	-	2,376	(48,200)
	-	30,740	13,667	(48,200)
<b>Balance as at December 31, 2022</b>	<u>1,705,672</u>	<u>1,152,619</u>	<u>(1,029,779)</u>	<u>(88,124)</u>

\* This includes an amount of Rs. 50 million set aside by the Company in respect of Takaful operations.

\*\* This represents reserve appropriated to shareholders.

\*\*\* This balance is net of related change in insurance liabilities.

The annexed notes from 1 to 47 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, 2022

Operating cash flows

(a) Underwriting activities

Premiums received net of policy transfers  
Reinsurance premium paid  
Claims paid  
Surrenders paid  
Reinsurance recovery received  
Commission paid  
Commission received  
**Net cash (outflow on) / inflow from underwriting activities**

(b) Other operating activities

Income tax paid  
Marketing and administrative expenses paid  
Other operating receipts  
Loans advanced  
Loan repayments received  
**Net cash outflow on other operating activities**

Total cash outflow on all operating activities

Investment activities

Profit / return received  
Dividend received  
Payment for investments  
Proceeds from disposal of investments  
Proceeds from disposals of fixed assets  
Fixed capital expenditure  
**Total cash outflow on investing activities**

Financing activities

Dividends paid  
**Total cash outflow on financing activities**

Net cash (outflow on) / inflow from all activities

Cash and cash equivalents at beginning of the year

Cash and cash equivalents at end of the year

Reconciliation to the profit and loss account

Operating cash flows  
Depreciation and amortisation expenses  
Gain on disposal of fixed assets  
Increase in assets other than cash  
Decrease / (increase) in liabilities  
Investment income  
Profit received on bank deposits  
**Profit / (loss) after taxation**

Note 2022 2021  
-----Rupees in 000-----


5,776,947	6,971,536
(420,021)	(267,607)
(1,439,162)	(1,669,547)
(3,874,033)	(3,370,928)
184,646	194,936
(853,552)	(1,064,901)
57,728	50,521
(567,447)	844,010
(102,625)	(80,381)
(1,523,618)	(1,690,869)
59,908	28,212
18,504	9,519
2,734	2,477
(1,545,097)	(1,731,042)
(2,112,544)	(887,032)
1,460,701	1,053,057
91,737	226,082
(46,097,526)	(2,177,052)
42,609,626	8,226,954
75,784	4,372
(32,804)	(138,704)
(1,892,482)	7,194,709
-	(1)
-	(1)
(4,005,026)	6,307,676
7,772,539	1,464,863
15.2 3,767,513	7,772,539
(2,112,544)	(887,032)
(140,307)	(159,644)
27,710	1,617
4,469	180,909
899,336	(586,299)
1,305,523	1,066,433
41,746	17,846
42,031	(349,157)

The annexed notes from 1 to 47 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, 2022

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 the 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. The registered office 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% (December 31, 2021: 82.69%) 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
- Accident & Health Takaful - Individual
- Group Family Takaful
- Group Health Takaful

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).

The Securities and Exchange Commission of Pakistan (the SECP), in exercise of the powers conferred under Rule 11(1)(c) of the Takaful Rules, 2012, has imposed certain conditions vide its Circular No. 15 of 2019 dated November 18, 2019 on life insurers related to financial reporting of their window takaful operations. Under these conditions, the Life Insurers shall separately prepare financial statements for family takaful operations as if these are carried out by a Standalone Takaful Operator and shall be annexed with the insurer's annual / interim report (as applicable).

Accordingly, the Company has prepared and annexed to these financial statements, a standalone set of the financial statements for Window Takaful Operations of the Company, as if these are carried out by a Standalone Takaful Operator. This standalone set of financial statements for Window Takaful Operations of the Company is unaudited and un-reviewed and are being submitted in compliance with the conditions imposed by the SECP as detailed above.

2.1 Statement of compliance

- 2.1.1 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 (IFRSs) 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 not yet effective:

The following standards, amendments and interpretations of the accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after January 1, 2023:

	Effective date (period beginning on or after)
- IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (amendments)	January 1, 2023
- IAS 12 - 'Income taxes' (amendments)	January 1, 2023
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2024
- IFRS 9 - 'Financial Instruments'	January 1, 2023*
- IFRS 16 - 'Leases' (amendments)	January 1, 2024
- IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023 and yet to be notified by the Securities and Exchange Commission of Pakistan.	

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 and interpretations that are mandatory for the Company's accounting period beginning on or after January 1, 2023, 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.

\* As an insurance company, the management has opted temporary exemption from the application of IFRS 9 (Financial Instruments) as allowed by the International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the Company doesn't engage in significant activities unconnected with insurance based on historical available information. Additional disclosures, as required by IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given below.

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:

2.2.1.1 The fair value of the financial assets as at December 31, 2022 and change in the fair values during the year ended December 31, 2022:

	2022	2021
Financial assets with contractual cash flows that meet the SPPI criteria, excluding those held for trading	---- (Rupees in '000) ----	
<i>Pakistan Investment Bonds - available for sale (refer note 8)</i>		
Opening fair value	4,966,853	2,775,342
Additions during the year - net	40,443	2,309,549
Decrease in fair value	(231,458)	(118,038)
Closing fair value	4,775,838	4,966,853
<i>Market Treasury Bills - available for sale (refer note 8)</i>		
Opening fair value	6,869,422	10,589,744
Disposals during the year - net	(49,049)	(3,711,933)
Decrease in fair value	(11,890)	(8,389)
Closing fair value	6,808,483	6,869,422
<i>GOP Ijara Sukuk Certificate- available for sale (refer note 8)</i>		
Opening fair value	277,409	275,167
Disposals during the year - net	(5,484)	(129)
Increase in fair value	6,149	2,371
Closing fair value	278,074	277,409
<i>Debt Securities - available for sale (refer note 9)</i>		
Opening fair value	225,000	225,000
Additions during the year - net	375,000	-
Increase / (decrease) in fair value	-	-
Closing fair value	600,000	225,000

Financial assets that do not meet the SPPI criteria

	2022	2021
---- (Rupees in '000) ----		
<i>Mutual funds - available for sale (refer note 7)</i>		
Opening fair value	6,095,600	4,007,910
(Disposals) / additions during the year - net	(45,511)	2,877,654
Decrease in fair value	(10,144)	(789,964)
Closing fair value	6,039,945	6,095,600
<i>Listed equities - available for sale (refer note 7)</i>		
Opening fair value	47,116	43,143
(Disposals) / additions during the year - net	(43,077)	3,757
(Decrease) / increase in fair value	(4,039)	216
Closing fair value	-	47,116

Fair value of term deposits is equivalent to the carrying value as these are short-term in nature.

3 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except as disclosed in accounting policies relating to investments, staff retirement benefits scheme and right-of-use assets and its lease liabilities.

3.1 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistani 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 estimates are 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 items described in note 3.2.1 to 3.2.7 to these financial statements.

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, 2022 in accordance with the Annexure 5 to Rule 23 of the Insurance Rules, 2017 are as follows:

- 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%.
- 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%
- 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 (ALM) 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 and 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 reserves have been maintained on universal life and ordinary life policies.

The principles adopted in this valuation were the same as those followed in previous valuation as at December 31, 2021.

**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, for which 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 thereagainst**

The Company determines that available for sale equity investments are impaired when there is significant or prolonged decline in the fair value of investments below their 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 an evidence of deterioration in the financial health of the investee, industry, sector performance, changes in technology and operational and financing cash flows.

The Company has determined the fair values of certain investments by using quotations from active market. Fair value estimates are made at a specific point in time, based on the market conditions and the 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, the decisions of appellate authorities on certain issues in the past and an independent opinion given by the taxation advisor / legal advisor of the Company.

**3.2.4 Tangible and intangible assets, depreciation and amortisation**

In making estimates of the depreciation / amortisation method and useful life of assets, the management uses the method and useful life which reflects the pattern in which economic benefits are expected to be consumed by the Company. Above estimate 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.

**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.

**3.2.6 Right-of-use assets and their related lease liability**

Estimates involved in measuring lease liabilities (present value of the lease payments) is the interest rate used for discounting. The Company uses incremental borrowing rate for computing present value of lease payments.

**3.2.7 Contingencies and commitments**

A contingent liability is recognised when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or when the Company has a present obligation as a result of past events and it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

**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.

**4.1 Insurance / takaful contracts**

**Conventional business**

Insurance contracts represent contracts with policyholders 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 risks underwritten are 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 values are 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 thereagainst. 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 reporting date, in accordance with the requirement of 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.

**4.1.1 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 an 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 an objective evidence that the receivable is impaired, the Company reduces the carrying amount of the receivable accordingly and recognises it as impairment loss.

**4.1.2 Reinsurance / retakaful contracts held**

**Conventional business**

Reinsurance premiums are recognised in accordance with the pattern of recognition of the related premium. These are 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 assets are impaired, the Company reduces the carrying amount of the reinsurance assets to their recoverable amount and recognises them 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.

**4.1.3 Receivables and payables related to insurance contract**

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

**4.1.4 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**

Claim 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 the technical reserves.

**4.1.5 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.

**4.1.6 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 these are paid and in a financial year in which these 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 these refer is recognised as revenue.

**4.1.7 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.

**4.2 Staff retirement benefits**

**4.2.1 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 the management's expert.

Past service costs, gains or losses on settlements, and net interest income (expense) are recognised in the profit and loss account in the period in which these 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).

**4.2.2 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.

**4.3 Employees' compensated absences**

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

**4.4 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 and investments with original maturity of three months or less

**4.5 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.

**4.6 Investments**

**4.6.1 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.

**4.6.2 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.

**4.6.3 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 or 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 value / market value is determined by reference to quotations obtained from the Financial Market Association of Pakistan (FMAP) (PKRV) where applicable. The fair value / 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 the 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.

**4.7 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.

**4.7.1 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.

**4.7.2 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.

**4.8 Fixed assets**

**4.8.1 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, if significant, 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.

**4.8.2 Right-of-use assets and their related lease liability**

**4.8.2.1 Right-of-use assets**

On initial recognition, right-of-use assets is 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 is 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 is depreciated over the expected useful life 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.

**4.8.2.2 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 profit and loss account 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.

The Company has elected to apply the practical expedient of not to recognise right-of-use-assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

**4.8.3 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.

**4.8.4 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.

**4.9 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.

**4.10 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.

**4.11 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 the 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.



4.12 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.

4.13 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 11 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) Accidental and health individual takaful j) Group family takaful and k) 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 individual Accidental and Health Takaful business segment provides takaful pecuniary benefits or benefits in the nature of indemnity or a combination of both in case of accident or sickness to individuals.
- 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 reporting date. Policyholders' liabilities included in the statutory funds are based on the actuarial valuation carried out by the Appointed Actuary as at December 31, 2022.

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.

4.14 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.

4.15 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.

4.16 Financial instruments

Financial instruments carried on the statement of financial position 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 the profit and loss account.

4.17 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.

4.18 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.

4.19 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

Tangible assets (including right-of-use-assets)  
Capital work in progress

Note	2022	2021
	----- (Rupees in '000) -----	
5.1	211,474	350,623
5.2	5,142	3,474
	<u>216,616</u>	<u>354,097</u>

5.1 Operating assets

2022								
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-----								%
123,988	2,161 (20,226)	105,923	55,320	8,835	9,166	54,989	50,934	10
141,118	2,658 (1,113)	142,663	107,823	19,052	985	125,890	16,773	20 - 33.33
20,849	- (12,589)	8,260	20,707	55	12,589	8,173	87	20
209,224	2,444 (61,026)	150,642	75,103	39,628	33,849	80,882	69,760	20
79,804	- (16,588)	63,216	42,643	15,144	10,859	46,928	16,288	20
289,028	(75,170)	213,858	117,746	54,772	44,708	127,810	86,048	
86,647	241 (14,616)	72,272	38,444	5,977	6,198	38,223	34,049	10
55,581	35 (2,986)	52,630	26,548	4,194	1,695	29,047	23,583	10
717,211	7,539 (129,144)	595,606	366,588	92,885	75,341	384,132	211,474	

2021								
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-----								%
106,877	17,175 (64)	123,988	46,161	9,180	21	55,320	68,668	10
145,224	21,223 (25,329)	141,118	111,114	21,989	25,280	107,823	33,295	20 - 33.33
27,062	82 (6,295)	20,849	26,948	54	6,295	20,707	142	20
162,843	49,461 (3,080)	209,224	38,574	39,577	3,048	75,103	134,121	20
65,034	21,927 (7,157)	79,804	28,284	19,130	4,771	42,643	37,161	20
227,877	61,151	289,028	66,858	58,707	7,819	117,746	171,282	
73,429	16,746 (3,528)	86,647	34,157	6,043	1,756	38,444	48,203	10
53,081	4,177 (1,677)	55,581	22,959	4,407	818	26,548	29,033	10
633,550	130,791 (47,130)	717,211	308,197	100,380	41,989	366,588	350,623	

5.1.1 The cost of fully depreciated tangible assets still in use amounts to Rs. 146.464 million (2021: Rs. 154.945 million).

5.1.2 Disposal of tangible assets

Particulars of asset	Cost	Accumulated depreciation	Net book value	Sale proceeds	Net gain	Mode of disposal	Name of the buyer
Rupees in '000							
Disposals having book value exceeding Rs. 50,000 individually							
Furniture and fixtures							
Various	4,328	761	3,567	335	(3,232)	Negotiation	Various persons
Workstation	2,274	714	1,560	-	(1,560)	Assets scrapped	Not Applicable
	6,602	1,475	5,127	335	(4,792)		
Office equipment							
Air conditioner	412	48	364	29	(335)	Negotiation	Various persons
LED	400	182	218	6	(212)	Negotiation	Various persons
Various	389	152	237	-	(237)	Asset scrapped	Not applicable
	1,201	382	819	35	(784)		
Computer equipment	224	137	87	125	38	Insurance claim	IGI General Insurance Limited
Right of use assets - vehicle	51,563	24,386	27,177	55,118	27,941	Negotiation	Ali Dhanji/ Raja Arshad Mahmood*/ Saima Nadeem* / various persons
Leasehold improvements	15,272	4,900	10,371	1,061	(9,310)	Assets scrapped	Not applicable
Disposals having book value not exceeding Rs. 50,000 individually							
Right-of-use assets - vehicle	9,463	9,463	-	5,214	5,214	Negotiation	Various persons
Right-of-use assets - property	16,588	10,859	5,729	-	-	Negotiation	Lease termination
Vehicles owned	12,589	12,589	-	11,325	11,325	Negotiation	Various persons
Furniture and fixtures	8,014	4,723	3,291	1,959	(1,334)	Negotiation	Various persons
Leasehold improvements	4,954	4,266	688	493	(195)	Negotiation	Various persons
Office equipment	1,785	1,313	472	41	(431)	Negotiation	Various persons
Computer equipment	889	848	41	78	38	Negotiation	Various persons
	54,282	44,061	10,221	19,110	14,617		
2022	129,144	75,341	53,802	75,784	27,710		
2021	39,973	37,218	2,755	4,372	1,617		

\* These represent persons in the employment of the Company.

5.2 Capital work in progress

Opening balance  
Additions during the year  
Transfers during the year  
Closing balance

5.2.1 These represent advances related to leasehold improvements.

6 INTANGIBLE ASSETS

Computer softwares  
Capital work in progress

6.1 Computer softwares

	Cost			Accumulated amortisation			Net book value as at December 31	Amortisation rate
	As at January 01	Additions	As at December 31	As at January 01	Charge for the year	As at December 31		
	Rupees in '000						%	
Computer software - acquired*	569,485	16,028	585,513	224,483	47,422	271,905	313,608	8 - 33.33
2022	569,485	16,028	585,513	224,483	47,422	271,905	313,608	8 - 33.33
2021	548,543	20,942	569,485	165,219	59,264	224,483	345,002	10 - 33.33

\* These represents computer software having finite lives.

6.1.1 The cost of fully amortised intangible assets still in use amounts to Rs. 48.310 million (2021: Rs. 27.163 million).

6.2 During the year, the management of the Company has revised its estimate of the useful life of DXC software categorised under intangibles - computer software. Previously, this asset under the above category was amortised over 10 years and now this is being amortised over a revised useful life of 12 years based on the revision made during the year in the agreement.



The revision has been accounted for as a change in accounting estimate in accordance with the requirements of International Accounting Standard (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. 6.767 million and consequently profit before tax would have been lower by the same amount.

	2022	2021
	----- (Rupees in '000) -----	
<b>6.3 Capital work in progress</b>		
Opening balance	5,783	-
Additions during the year	23,597	26,725
Transfers during the year	(16,028)	(20,942)
Closing balance	13,352	5,783

6.3.1 These include capital work in progress pertaining to the software acquired by the Company.

## 7 INVESTMENTS IN EQUITY SECURITIES

		2022				2021			
		Carrying amount	Provision for diminution	Market value	Deficit on revaluation of investments	Carrying amount	Carrying amount	Market value	Deficit on revaluation of investments
Note ----- (Rupees in '000) -----									
<b>Available for sale:</b>									
Listed equity securities	7.1	-	-	-	-	43,077	-	47,116	4,039
Listed mutual funds	7.2	6,161,660	(20,000)	6,039,945	(101,715)	6,187,171	-	6,095,600	(91,571)
		6,161,660	(20,000)	6,039,945	(101,715)	6,230,248	-	6,142,716	(87,532)

### 7.1 Details of listed equity securities

#### Particulars of scrip

##### Automobile assembler

Millat Tractors Limited	-	349
Pak Suzuki Motors Limited	-	187
Indus Motor Company Limited	-	246
	-	782

##### Cement

Attock Cement Pakistan Limited	-	420
Cherat Cement Company Limited	-	682
Kohat Cement Limited	-	1,358
Lucky Cement Limited	-	2,887
Maple Leaf Cement Limited	-	641
Fauji Cement Limited	-	294
	-	6,282

##### Chemicals

Engro Polymer and Chemicals Limited	-	1,437
Descon Chemicals Limited	-	426
	-	1,863

##### Commercial Banks

Bank Alfalah Limited	-	2,429
Bank Al Habib Limited	-	1,760
Askari Bank Limited	-	220
Faysal Bank Limited	-	615
Habib Bank Limited	-	3,709
MCB Bank Limited	-	368
United Bank Limited	-	2,841
	-	11,942

Balance carried forward

	2022	2021
	----- (Rupees in '000) -----	

	-	349
	-	187
	-	246
	-	782
	-	420
	-	682
	-	1,358
	-	2,887
	-	641
	-	294
	-	6,282
	-	1,437
	-	426
	-	1,863
	-	2,429
	-	1,760
	-	220
	-	615
	-	3,709
	-	368
	-	2,841
	-	11,942
	-	20,869

#### Particulars of scrip

Balance brought forward

##### Engineering

International Steels Limited	-	231
Mughal Steels Mills Limited	-	1,389
International Industries Limited	-	305
	-	1,925

##### Fertilizer

Engro Corporation Limited	-	1,656
Fauji Fertilizer Bin Qasim Limited	-	657
Fauji Fertilizer Limited	-	1,273
	-	3,586

##### Glass and ceramics

Tariq Glass Industries Limited	-	882
--------------------------------	---	-----

##### Insurance

Adamjee Insurance Company Limited	-	200
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##### Oil and gas exploration companies

Mari Petroleum Limited	-	3,014
Oil and Gas Development Company Limited	-	1,767
Pakistan Oilfields Limited	-	898
Pakistan Petroleum Limited	-	1,747
	-	7,426

##### Oil and gas marketing companies

Pakistan State Oil Limited	-	1,320
Sui Northern Gas Pipeline Limited	-	211
	-	1,531

##### Pharmaceuticals

Abbott Laboratories (Pakistan) Limited	-	466
The Searle Company Limited	-	190
	-	656

##### Power generations and distribution

Hub Power Company Limited	-	2,369
K-Electric Limited	-	64
Kot Addu Power Company Limited	-	210
	-	2,643

##### Synthetic and rayon

Synthetic Products Enterprise Limited	-	2
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##### Technology and telecommunication

Systems Limited	-	3,552
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##### Textile composite

Gul Ahmed Textile Mills Limited	-	919
Kohinoor Textile Mills Limited	-	494
Nishat Chunian Limited	-	911
Interloop Limited	-	812
Nishat Mills Limited	-	708
	-	3,844

	2022	2021
	----- (Rupees in '000) -----	
Balance brought forward	-	20,869
<b>Engineering</b>		
International Steels Limited	-	231
Mughal Steels Mills Limited	-	1,389
International Industries Limited	-	305
	-	1,925
<b>Fertilizer</b>		
Engro Corporation Limited	-	1,656
Fauji Fertilizer Bin Qasim Limited	-	657
Fauji Fertilizer Limited	-	1,273
	-	3,586
<b>Glass and ceramics</b>		
Tariq Glass Industries Limited	-	882
<b>Insurance</b>		
Adamjee Insurance Company Limited	-	200
<b>Oil and gas exploration companies</b>		
Mari Petroleum Limited	-	3,014
Oil and Gas Development Company Limited	-	1,767
Pakistan Oilfields Limited	-	898
Pakistan Petroleum Limited	-	1,747
	-	7,426
<b>Oil and gas marketing companies</b>		
Pakistan State Oil Limited	-	1,320
Sui Northern Gas Pipeline Limited	-	211
	-	1,531
<b>Pharmaceuticals</b>		
Abbott Laboratories (Pakistan) Limited	-	466
The Searle Company Limited	-	190
	-	656
<b>Power generations and distribution</b>		
Hub Power Company Limited	-	2,369
K-Electric Limited	-	64
Kot Addu Power Company Limited	-	210
	-	2,643
<b>Synthetic and rayon</b>		
Synthetic Products Enterprise Limited	-	2
<b>Technology and telecommunication</b>		
Systems Limited	-	3,552
<b>Textile composite</b>		
Gul Ahmed Textile Mills Limited	-	919
Kohinoor Textile Mills Limited	-	494
Nishat Chunian Limited	-	911
Interloop Limited	-	812
Nishat Mills Limited	-	708
	-	3,844
	-	47,116

## 7.2 Details of listed mutual funds

	2022 ----- (Rupees in '000) -----	2021
Al Ameen Islamic Cash Fund	85,526	32,410
Al Ameen Islamic Sovereign Fund	56,732	123,394
Al Ameen Shariah Stock Fund	365,020	447,557
Alfalah GHP Alpha Fund	17,292	20,254
Alfalah GHP Income Fund	-	42,823
Alfalah GHP Islamic Income Fund	-	313,128
Alfalah GHP Islamic Stock Fund	73,308	95,126
Alfalah GHP Money Market Fund	21,349	563,686
Alfalah GHP Stock Fund	41,511	46,792
ABL Stock Fund	9,796	171,403
ABL Islamic Stock Fund	88,429	70,545
ABL Islamic Income Fund	-	157,809
Atlas Islamic Income Fund	26,161	78,745
Atlas Islamic Stock Fund	99,075	122,825
Atlas Stock Market Fund	108,966	230,413
Atlas Income Fund	-	2,065
First Habib Islamic Income Fund	-	163,931
HLB Islamic Income Fund	305,285	136,989
HLB Islamic Equity Fund	2,694	10,647
HLB Islamic Stock Fund	962	28,661
HLB Stock Fund	-	10,511
HLB Islamic Money Market Fund	341,612	192,393
HLB Income Fund	-	100,617
MCB Islamic Income Fund	-	326,659
MCB Pakistan Income Fund	-	2,850
MCB Pakistan Islamic Stock Fund	-	151,703
MCB Pakistan Stock Market Fund	184,565	367,607
HLB Equity Fund	34,170	52,686
Meezan Islamic Fund	34,262	8,933
Meezan Cash Fund	120,618	24
Meezan Islamic Income Fund	289,804	255,157
Meezan Sovereign Fund	49,345	335,383
NBP Islamic Income Fund	233,206	216,000
NBP Islamic Stock Fund	93,597	215,671
NBP Islamic Saving Fund	-	101,860
NBP Stock Fund	145,342	197,664
NBP Riba Free Saving Fund	-	77,443
NBP Financial Sector Income Fund	207,818	120,726
NBP Income Opportunity Fund	-	67,777
UBL Income Opportunity Fund	-	100,109
UBL Money Market Fund	5,026	4,737
UBL Stock Advantage Fund	225,718	329,887
ABL Cash Fund	147,378	-
ABL Income Fund	25,513	-
ABL Islamic Cash Fund	3,406	-
AL Habib Cash Fund (Formerly: First Habib Cash Fund)	47,661	-
AL Habib Islamic Income Fund (Formerly: First Habib Islamic Income Fund)	278,583	-
<b>Balance carried forward</b>	<b>3,769,730</b>	<b>6,095,600</b>

## Balance brought forward

	2022 ----- (Rupees in '000) -----	2021
<b>Balance brought forward</b>	<b>3,769,730</b>	<b>6,095,600</b>
AL Habib Islamic Savings Fund	178,587	-
AL Habib Islamic Stock Fund	15,285	-
Alfalah GHP Cash Fund	97,604	-
Alfalah GHP Islamic Income Fund	168,284	-
Alfalah Islamic Rozana Amdani Fund	120,082	-
Alhamra Islamic Income Fund	317,717	-
Alhamra Islamic Money Market Fund	131,250	-
Alhamra Islamic Stock Fund (Formerly: MCB Pakistan Islamic Stock Fund)	92,404	-
Atlas Islamic Money Market Fund	65,030	-
Atlas Money Market Fund	41,029	-
Faysal Cash Fund	11,504	-
Faysal Halal Amdani Fund	242,049	-
Faysal Islamic Savings Growth Fund	17,978	-
Faysal Money Market Fund	15,128	-
Faysal Stock Fund	14,296	-
HLB Cash Fund	97,075	-
HLB Financial Sector Income Fund Plan I	101,782	-
MCB Cash Management Optimizer	170,896	-
NBP Financial Sector Fund	17,391	-
NBP Islamic Mahana Amdani Fund	85,169	-
NBP Islamic Money Market Fund	135,478	-
NBP Mahana Amdani Fund	15,006	-
Pakistan Income Fund	2,611	-
UBL Cash Fund	21,561	-
UBL Financial Sector Fund	45,395	-
UBL Liquidity Plus Fund	49,626	-
	<b>6,039,945</b>	<b>6,095,600</b>

## 8 INVESTMENTS IN GOVERNMENT SECURITIES

		2022			2021		
		Carrying amount	Market value	Net deficit on revaluation of investments	Carrying amount	Market value	Deficit on revaluation of investments
Note----- (Rupees in '000) -----							
<b>Available for sale:</b>							
Pakistan Investment Bonds	8.1& 8.2	5,121,936	4,775,838	(346,098)	5,081,494	4,966,853	(114,641)
Market Treasury Bills	8.3	6,826,091	6,808,483	(17,608)	6,875,140	6,869,422	(5,718)
GOP Ijarah Sukuk Certificates	8.4	279,144	278,074	(1,070)	284,627	277,409	(7,218)
	8.5	<u>12,227,171</u>	<u>11,862,395</u>	<u>(364,776)</u>	<u>12,241,261</u>	<u>12,113,684</u>	<u>(127,577)</u>

- 8.1** The effective yield on Pakistan Investment Bonds ranges from 7.50% to 16.28% (2021: 7.80% to 11.88%) per annum. The market yield ranges from 15.79% to 16.99% (2021: 7.17% to 12.00%) per annum.
- 8.2** The Company has deposited 5 years Pakistan Investment Bonds amounting to Rs. 193 million (2021: Rs. 193 million) with the State Bank of Pakistan (SBP) under section 29 of the Insurance Ordinance, 2000.
- 8.3** The effective yield on Market Treasury Bills ranges from 11.90% to 16.97% (2021: 7.10% to 10.31%) per annum. The market yield ranges from 15.00% to 17.00% (2021: 10.05% to 10.28%) per annum.
- 8.4** The effective yield on GOP Ijarah Sukuk Certificates ranges from 14.91% to 15.93% (2021: 5.95% to 8.53%) per annum.



8.5 Particulars of government securities

	Tenure	Maturity year	Rate of return (%) per annum	Profit payment	Market value	
					2022	2021
-----Rupees in '000-----						
Pakistan Investment Bonds	3 years	2023	7.50%	Semi-annual	188,884	188,701
Pakistan Investment Bonds	10 years	2024	12.00%	Semi-annual	34,260	36,977
Pakistan Investment Bonds	5 years	2025	7.5% **	Semi-annual	1,998,022	2,153,232
Pakistan Investment Bonds*	10 years	2028	15.20%**	Semi-annual	160,999	1,839,223
Pakistan Investment Bonds*	10 years	2028	16.38%**	Semi-annual	1,814,786	325,722
Pakistan Investment Bonds*	10 years	2028	17.35%**	Semi-annual	455,283	297,510
Pakistan Investment Bonds*	10 years	2029	7.80%**	Semi-annual	123,604	125,488
					4,775,838	4,966,853
Market Treasury Bills	3 months	2023	15.63%	On maturity	264,295	-
Market Treasury Bills	3 months	2023	15.64%	On maturity	350,218	-
Market Treasury Bills	3 months	2023	15.65%	On maturity	332,410	-
Market Treasury Bills	3 months	2023	15.66%	On maturity	314,602	-
Market Treasury Bills	3 months	2023	15.67%	On maturity	230,451	-
Market Treasury Bills	3 months	2023	15.68%	On maturity	296,795	-
Market Treasury Bills	3 months	2023	15.69%	On maturity	64,276	-
Market Treasury Bills	3 months	2023	15.70%	On maturity	493,412	-
Market Treasury Bills	3 months	2023	16.63%	On maturity	9,703	-
Market Treasury Bills	3 months	2023	16.87%	On maturity	3,697	-
Market Treasury Bills	3 months	2023	16.88%	On maturity	174,500	-
Market Treasury Bills	3 months	2023	16.91%	On maturity	50,480	-
Market Treasury Bills	3 months	2023	16.96%	On maturity	477,977	-
Market Treasury Bills	3 months	2023	16.97%	On maturity	486,579	-
Market Treasury Bills	6 months	2023	15.60%	On maturity	1,533	-
Market Treasury Bills	6 months	2023	15.62%	On maturity	507,793	-
Market Treasury Bills	6 months	2023	15.65%	On maturity	73,349	-
Market Treasury Bills	6 months	2023	15.68%	On maturity	59,102	-
Market Treasury Bills	6 months	2023	15.69%	On maturity	475,668	-
Market Treasury Bills	6 months	2023	15.73%	On maturity	24,457	-
Market Treasury Bills	1 year	2023	11.90%	On maturity	105,345	-
Market Treasury Bills	1 year	2023	11.94%	On maturity	1,965,402	-
Market Treasury Bills	1 year	2023	12.27%	On maturity	46,439	-
Market Treasury Bills	3 months	2022	8.00%	On maturity	-	1,462,762
Market Treasury Bills	3 months	2022	8.15%	On maturity	-	31,542
Market Treasury Bills	3 months	2022	8.17%	On maturity	-	908,378
Market Treasury Bills	3 months	2022	8.20%	On maturity	-	1,689,722
Market Treasury Bills	3 months	2022	8.38%	On maturity	-	445,926
Market Treasury Bills	3 months	2022	8.50%	On maturity	-	504,435
Market Treasury Bills	3 months	2022	9.25%	On maturity	-	13,224
Market Treasury Bills	3 months	2022	9.35%	On maturity	-	411,009
Market Treasury Bills	3 months	2022	9.50%	On maturity	-	9,082
Market Treasury Bills	3 months	2022	9.57%	On maturity	-	542,223
Market Treasury Bills	3 months	2022	10.10%	On maturity	-	50,069
Market Treasury Bills	3 months	2022	10.31%	On maturity	-	801,050
					6,808,483	6,869,422
GOP Ijara Sukuk Certificates	5 years	2025	14.44%**	Semi-annual	278,074	277,409
					278,074	277,409
					11,862,395	12,113,684

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

\*\* These represent current year rate of return.

9 INVESTMENTS IN DEBT SECURITIES

		2022			2021		
Note	Carrying amount	Market value	Net surplus / (deficit) on revaluation of investments	Carrying amount	Market value	Net surplus / (deficit) on revaluation of investments	
<hr/> <div>(Rupees in '000)</div> <hr/>							
<b>Available for sale:</b>							
Listed Term Finance							
Certificates	9.1	300,000	300,000	-	225,000	225,000	-
Corporate Sukuks	9.2	300,000	300,000	-	-	-	-
		600,000	600,000	-	225,000	225,000	-

9.1 Listed Term Finance Certificates

	2022					2021				
	Number of certificate	Tenure	Coupon rate	Profit payment	Market value	Number of certificates	Tenure	Coupon rate	Profit payment	Market value
-----Rupees in '000-----										
Bank Alfalah Limited	10,000	5 years	6 months Kibor plus 1.50%	Semi annual	50,000	10,000	5 years	6 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	500	Perpetual	3 months Kibor plus 1.60%	Quarterly	50,000	500	Perpetual	3 months Kibor plus 1.60%	Quarterly	50,000
Bank Alfalah Limited	10,000	Perpetual	6 months Kibor plus 2%	Semi annual	50,000	-				-
Soneri Bank Limited	6,250	10 Years	6 months Kibor plus 1.7%	Semi annual	25,000	-				-
	51,750				300,000	35,500				225,000
	51,750				300,000	35,500				225,000

9.2

	2022					2021				
	Number of certificate	Tenure	Coupon rate	Profit payment	Market value	Number of certificates	Tenure	Coupon rate	Profit payment	Market value
-----Rupees in '000-----										
<b>Corporate Sukuks</b>										
China Power Gen Hub-Sukuk	200	6 months	17.06%	at maturity	200,000	-	-	-	-	-
The Lucky Electric Power Co Ltd	75	6 months	18.45%	at maturity	75,000	-	-	-	-	-
The Lucky Electric Power Co Ltd	25	6 months	18.31%	at maturity	25,000	-	-	-	-	-
	300				300,000	-				-
	300				300,000					

10 INVESTMENTS IN TERM DEPOSITS

	2022		2021	
	Principal amount	Rate	Principal amount	Rate
-----Rupees in 000-----				
Deposits maturing within 12 months	-	-	590,150	6% to 10.5% per annum

11 INSURANCE/TAKAFUL/REINSURANCE/RETAKAFUL RECEIVABLES

	Note	2022	2021
		----- (Rupees in '000) -----	----- (Rupees in '000) -----
Due from insurance / takaful contract holders - unsecured - Considered good		209,227	135,314
Due from other insurers / reinsurers / retakaful - unsecured - Considered good		29,892	57,599
		239,119	192,913
Less: provision for impairment of receivables from Insurance contract holders		-	-
		239,119	192,913

12 OTHER LOANS AND RECEIVABLES

Security deposits		24,804	24,237
Loans to agents		278	278
Receivable against claim administration services - net of provision	12.1	37,626	76,541
Experience refund receivables		66,356	62,002
Accrued income		207,508	120,552
Other receivables		139,280	92,117
		475,852	375,727

12.1 This includes provision of Rs 44 million (2021: Rs. 34 million) against claim administration services.

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
<b>13 DEFERRED TAX ASSET - NET</b>			
Deferred debits arising in respect of:			
Unrealised losses on investments classified as available for sale - net	17	26,449	12,829
Deferred debits arising in respect of:			
On Ledger D account balances		420,616	426,200
		447,065	439,029
<b>13.1 Movement in deferred tax asset</b>			
The movement in deferred tax asset during the year is as follows:			
Opening		439,029	265,015
(Debits) / credit to the profit and loss account		(5,583)	163,992
Credit to the statement of comprehensive income		13,619	10,022
Closing		447,065	439,029
<b>14 PREPAYMENTS</b>			
Prepaid rent		776	1,009
Prepaid commission		31,100	58,969
Others		31,298	19,964
		63,174	79,942
<b>15 CASH AND BANK</b>			
Cash in hand		94	453
Cash at bank			
- Savings accounts	15.1	218,024	312,514
		218,118	312,967
<b>15.1</b> These accounts carry profit at rates ranging from 14% to 15.5% (2021: 9% to 14%).			
<b>15.2 Cash and cash equivalents</b>			
Cash and bank	15	218,118	312,967
Term deposit receipts (with original maturity of less than 3 months)	10	-	590,150
Treasury Bills (with original maturity of less than 3 months)	8	3,549,395	6,869,422
		3,767,513	7,772,539
<b>16 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>			
<b>16.1 Issued, subscribed and paid-up share capital</b>			
		2022 (Number of shares)	2021 (Number of shares)
		170,567,200	170,567,200
		Ordinary shares of Rs. 10 each fully paid in cash	
		1,705,672	1,705,672
<b>16.2</b> IGI Holdings Limited (Holding Company) held 141,043,321 (2021: 141,043,321) shares representing 82.69% (2021: 82.69%) of the Company's shares as at December 31, 2022. 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.			

<b>16.3 Reconciliation between ordinary shares in issue at beginning and end of the year is as follows:</b>		2022 ----- (Number of shares) -----	2021 ----- (Number of shares) -----
At beginning of the year		170,567,200	170,567,200
Issuance of shares during the year		-	-
Redemption of shares during the year		-	-
At end of the year		170,567,200	170,567,200
<b>16.4 Rights of ordinary shareholders:</b>			
All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.			
<b>16.5 Shares in the Company held by the associated persons:</b>		2022 ----- (Number of shares) -----	2021 ----- (Number of shares) -----
Directors and their related persons hold the following number of shares in the Company:			
IGI Holdings Limited		141,043,321	141,043,321
Syed Hyder Ali		957,780	957,780
Syed Yawar Ali & spouse		511,858	511,858
<b>17 DEFICIT ON REVALUATION OF AVAILABLE FOR SALE INVESTMENTS - NET</b>	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
Deficit on revaluation of available for sale investments at January 1 - net		(52,753)	(476)
Deficit arising on revaluation of available for sale investments during the year - net		(46,962)	(34,559)
Less: deficit arising on revaluation of available for sale investments during the year on non-participating fund - net		(14,859)	(17,718)
		(114,573)	(52,753)
Less : related deferred tax asset	13	26,449	12,829
Deficit on revaluation of available for sale investments at December 31 - net		(88,124)	(39,924)
<b>18 INSURANCE LIABILITIES</b>			
Incurred but not reported claims	18.1	167,653	189,143
Investment component of unit-linked and account value policies	18.2	10,040,827	10,407,554
Liabilities under individual conventional insurance contracts	18.2	6,447,583	6,721,168
Liabilities under group insurance contracts	18.3	365,749	319,592
Other insurance liabilities	18.4	621,438	606,333
Ledger account A and B	18.5	515,775	456,777
		18,159,025	18,700,567
<b>18.1 Incurred but not reported claims</b>			
Gross of reinsurance		206,651	211,672
Reinsurance recoveries		(38,998)	(22,529)
Net of reinsurance		167,653	189,143
<b>18.2 Investment component of unit-linked and account value policies</b>			
Investment component of unit-linked policies		10,040,827	10,407,554
Investment component of account value policies		6,447,583	6,721,168
		16,488,410	17,128,722



	Note	2022	2021
		----- (Rupees in '000) -----	
<b>18.3 Liabilities under group insurance contracts</b>			
Gross of reinsurance		432,828	372,038
Reinsurance credit		(67,078)	(52,446)
Net of reinsurance		365,749	319,592
<b>18.4 Other insurance liabilities</b>			
Gross of reinsurance		938,796	743,326
Reinsurance		(317,358)	(136,993)
Net of reinsurance		621,438	606,333
<b>18.5 Ledger account A and B</b>			
Opening balance		456,777	492,826
Surplus of life participating fund		122,755	6,935
Unrealised loss for the year		(47,659)	(25,971)
Surplus appropriated to shareholders' fund		(16,098)	(17,013)
Closing balance		515,775	456,777
<b>19 OUTSTANDING CLAIMS</b>			
Opening balance		508,077	477,224
Total gross claims	31	5,458,775	5,076,159
Claims paid /settled		(5,343,143)	(5,045,306)
Closing balance		623,709	508,077
<b>19.1 Reported outstanding claims</b>			
<b>Gross of reinsurance</b>			
Payable within one year		325,708	215,960
Payable over a period of time exceeding one year		298,001	292,117
		623,709	508,077
<b>Recoverable from reinsurers</b>			
Receivable within one year		28,324	72,090
Receivable over a period of time exceeding one year		128,615	291,852
		156,939	363,942
<b>20 RETIREMENT BENEFIT OBLIGATIONS</b>			
<b>20.1 DEFINED BENEFIT PLAN - GRATUITY FUND</b>			
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, 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:			
<b>Final salary risks</b>			
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.			
<b>Asset volatility</b>			
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.

The Company manages such risks by making regular contributions in the defined benefit plan and investing such contributions in investment avenues that are low risk. This aims to reduce the volatility in the schemes' funding position and identifying any funding gaps which are met by way of contribution.

#### 20.2 Valuation results

Actuarial valuation is carried out every year and the latest valuation was carried out as at December 31, 2022. The information provided in notes 20.3 to 20.16 has been obtained from the actuarial valuation carried out as at December 31, 2022. The following significant assumptions have been used for valuation of this scheme:

	2022	2021
	Per annum	
a) Expected rate of increase in salary level	14.50%	12.25%
b) Discount rate	14.50%	12.25%
c) Expected return on plan assets	14.50%	12.25%
d) Normal retirement age	65 years	65 years
e) Assumptions regarding future mortality experience are based on actuarial recommendations and published statistics.		

	Note	2022	2021
		----- (Rupees in '000) -----	
<b>20.3 Amounts recognised in the statement of financial position:</b>			
Present value of defined benefit obligation	20.5	78,704	71,197
Less: fair value of plan assets	20.5	(49,443)	(41,956)
		29,261	29,241
<b>20.4 Movement in liability during the year</b>			
Obligation at the beginning of the year	20.5	29,241	24,457
Charge to profit and loss account	20.6	16,046	14,051
Contribution to the fund during the year		(12,755)	(10,373)
Benefits paid by the Company		(895)	(29)
Actuarial (gain) / losses on defined benefit liability	20.7	(2,376)	1,135
Obligation at the end of the year		29,261	29,241

## 20.5 Movement in defined benefit obligation

As at January 1  
Current service cost  
Interest expense / (income)

Remeasurements:  
- Gain from change in financial assumptions  
- Loss from change in experience adjustments

Contributions made by the Company  
Benefit payments by the fund  
Benefit payments made by the Company  
As at December 31

2022		
Present value of	Fair value of plan assets	Total
(Rupees in '000)		
71,197	(41,956)	29,241
12,483	-	12,483
9,177	(5,614)	3,563
92,857	(47,570)	45,287
(3,170)	-	(3,170)
-	794	794
(3,170)	794	(2,376)
-	(12,755)	(12,755)
(10,088)	10,088	-
(895)	-	(895)
78,704	(49,443)	29,261

As at January 1  
Current service cost  
Interest expense / (income)

Remeasurements:  
- Gain from change in financial assumptions  
- Loss from change in experience adjustments

Contributions made by the Company  
Benefit payments by the fund  
Benefit payments made by the Company  
As at December 31

2021		
Present value of	Fair value of plan assets	Total
(Rupees in '000)		
59,557	(35,100)	24,457
11,589	-	11,589
6,472	(4,010)	2,462
77,618	(39,110)	38,508
(701)	-	(701)
-	1,836	1,836
(701)	1,836	1,135
-	(10,373)	(10,373)
(5,691)	5,691	-
(29)	-	(29)
71,197	(41,956)	29,241

## 20.6 Amounts recognised in the profit and loss account:

Current service cost  
Interest cost  
Expense for the year

2022 2021  
----- (Rupees in '000) -----

12,483	11,589
3,563	2,462
16,046	14,051

## 20.7 Amounts recognised in other comprehensive income:

Gain from change in financial assumptions  
Loss from change in experience adjustments

(3,170)	(701)
794	1,836
(2,376)	1,135

## 20.8 Actual return on plan assets

Expected return on assets  
Actuarial loss

5,614	4,010
(794)	(1,836)
4,820	2,174

## 20.9 Analysis of present value of defined benefit obligation

Split by vested / non-vested  
(i) Vested benefits  
(ii) Non-vested benefits

77,584	70,535
1,120	662
78,704	71,197

## 20.10 Sensitivity analysis

Particulars	2022		2021	
	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% -1%	-93.26% (73,402) 107.96% 84,965	+1% -1%	-111.93% (66,661) 128.58% 76,578
Salary increase rate	+1% -1%	-108.25% (85,197) 92.90% 73,116	+1% -1%	-128.92% (76,782) 111.51% 66,412

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:

	2022 (Rupees '000)	Percentage composition	2021 (Rupees '000)	Percentage composition
Cash and bank balances	49,048	99.20%	5,563	13.26%
Term deposit receipts	-	-	36,393	86.74%
Pakistan Investment Bonds	395	0.80%	-	-
Fair value of plan assets	49,443	100.00%	41,956	100.00%

20.12 As per the actuarial recommendations, the expected return on plan assets was taken as 14.5% (2021: 12.25%), 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. 17.189 million in the financial statements for the year ending December 31, 2023.

20.14 The weighted average duration of defined benefit obligation is 9.43 years (2021: 9.47 years).

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

At December 31, 2022	Less than a year	Between 1-2 Years	Between 2-5 years	Over 5 years	Total
(Rupees in '000)					
Gratuity	10,899	5,679	24,103	4,216,294	4,256,975

## 20.16 5 year data on the deficit / (surplus) of the plan is as follows:

	2022	2021	2020	2019	2018
(Rupees in '000)					
Present value of defined benefit obligation	78,704	71,197	59,557	50,759	80,357
Fair value of plan assets	(49,443)	(41,956)	(35,100)	(26,650)	(44,108)
Deficit	29,261	29,241	24,457	24,109	36,249

## 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 Fund 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, 2022 was Rs. 17.161 million (2021: Rs. 16.179 million).

	2022 Un-audited		2021 Un-audited	
	Rupees in '000	% of the size of the fund	Rupees in '000	% of the size of the fund
Balances with banks	66,809	99.24%	62,196	99.24%
Other assets	877	0.76%	476	0.76%
	67,686	100.00%	62,672	100.00%



**22 NUMBER OF EMPLOYEES**

	2022	2021
Number of employees at the end of the year	197	216
Average number of employees during the year	207	228

**23 REINSURANCE / RETAKAFUL PAYABLES**

	Note	2022	2021
		------(Rupees in '000)-----	
Due to other insurers / reinsurers		129,914	39,348

**24 OTHER CREDITORS AND ACCRUALS**

Commission payable		97,948	118,828
Payable to vendors		13,703	22,110
Withholding tax payable		14,203	24,238
Surrender payable		103,382	142,313
Experience refund payables		65,925	31,625
Payable to related parties	24.1	80,815	85,397
Accrued expenses		103,095	25,411
Unclaimed dividend		2,129	2,129
Other liabilities		91,880	93,037
		573,080	545,088

**24.1** This represents amount payable in respect of expenses such as rent, salaries and utilities charged under Group shared services arrangement.

**25 LEASE LIABILITY AGAINST RIGHT-OF-USE-ASSETS**

	Note	2022	2021
		------(Rupees in '000)-----	
Lease liability against right-of-use assets - motor vehicle	25.1	62,200	109,459
Lease liability against right-of-use assets - property	25.2	14,160	35,830
		76,360	145,289
Present value of minimum lease payments		76,360	145,289
Less: current portion		(36,415)	(49,033)
		39,945	96,256

**25.1** The Company obtained leases of motor vehicles for use by its employees as part of their employment benefits.

**25.2** The Company obtained property premises on lease for its branch operations.

**25.3** The interest rate used by the Company for unwinding of its lease liability against property & motor vehicle ranges from 11.36% to 12.28% and 8.05% to 17.44% (2021: 11.36% to 12.28% and 5.09% to 13.62%).

	2022			2021		
	Principal outstanding	Financial charges for future payments	Minimum lease payments	Principal outstanding	Financial charges for future payments	Minimum lease payments
	------(Rupees in '000)-----					
Not later than one year	36,415	(7,708)	44,123	49,033	(4,859)	53,892
Later than one year and not later than five years	39,945	(2,831)	42,776	96,256	(33,778)	130,034
	76,360	(10,539)	86,899	145,289	(38,637)	183,926

**26 CONTINGENCIES AND COMMITMENTS**

**26.1** 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 upto June 30, 2019.

With effect from July 1, 2019, in Sindh, the SRB, vide its notifications SRB-3-4/16/2019 and SRB-3-4/14/2020, extended the exemption to health insurance upto June 30, 2021. For individual life insurance, the SRB prescribed a reduced rate of 3% on gross premium written. The exemption to Group Life insurance lapsed on June 30, 2019. Hence, Group Life Insurance was made taxable at the full rate of 13%. The SRB, however, vide its notification SRB-3-4/13/2020 dated June 22, 2020, provided exemptions to Individual Life and Group Life Insurance subject to e-deposit of sales tax payable thereon, as were provided or rendered during the period from July 1, 2019 till June 30, 2020. The Company, however, has not availed this exemption.

With effect from April 2, 2020, in Punjab, the Government of the Punjab (Finance department), as part of COVID relief, amended Second Schedule to the Punjab Sales Tax on Services Act, 2012 and changed sales tax rates on health and life insurance to 0% without input tax adjustment for the period from notification's effective date till June 30, 2020. This tax exemption is however retained only in case of Individual Health Insurance through the Punjab Finance Act, 2020 which is effective from July 1, 2020.

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 in fact, in sum and substance, a contingent contract under which payment is made on the occurrence of an event, specified in the terms of contract or policy, and is thus a financial arrangement. Superior courts in foreign jurisdictions have held that insurance is not a service.

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 opinions 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 policyholders' 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 policyholders, 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 Honourable 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 Honourable Sindh High Court (SHC) in November 2019, challenging the levy of SST. The Honourable 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 the Chairman SRB, and will continue its efforts to convince the provincial revenue authorities about the merits of the case.

During the hearing conducted in December, 2020, the Honorable Sindh High Court observed that one of the grounds in the petition is that "insurance" is a federal subject. On this basis, the Honourable Court was of the view that the Federation of Pakistan ought to be made a party. The Honourable Court therefore directed to amend the title of the petition, impleading the Federation as a Party, which has been duly done.

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 Honorable Lahore High Court and Honorable Sindh High Court, 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 profit after tax would have been lower by Rs. 434.333 million while sales tax liability as at December 31, 2022 would have been higher by Rs. 611.737 million.

26.2 There were no significant contingencies and commitments other than described above.

## 27 NET PREMIUM / CONTRIBUTION REVENUE

### Gross premiums / contribution:

Regular premium / contribution individual policies\*

	2022	2021
First year	1,411,055	1,739,467
Second year renewal	952,807	774,668
Subsequent year renewal	1,412,592	1,367,829

Single premium / contribution individual policies 382,122 1,288,224

Group policies without cash value 1,913,494 1,886,484

**Total gross premiums / contribution** 6,072,070 7,056,672

### Less: reinsurance premium / contribution ceded

On individual life first year business	35,621	39,443
On individual life second year business	21,129	14,420
On individual life renewal business	48,612	39,538
On single premium policies	13,501	11,368
On group policies	210,592	164,455
Less: commission from reinsurers	(57,728)	(50,521)
	271,727	218,703

**Net premium / contribution** 5,800,343 6,837,969

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

## 28 INVESTMENT INCOME

### Income from equity securities - available for sale

Dividend income 28.1 91,737 226,082

### Income from debt securities - available for sale

Return on government securities	1,441,979	1,021,194
Amortisation of discount	41,414	29,273
Profit on debt securities	52,180	20,916

### Income from term deposits - held to maturity

Profit on term deposit receipts	11,752	34,416
	1,639,062	1,331,881

Note 2022 2021  
------(Rupees in '000)-----

## 28.1 Dividend income

Dividend income from equity securities disposed off during the year

2,596 31,684

Dividend income from equity securities held at the end of the year

89,141 194,398

91,737 226,082

## 29 NET REALISED FAIR VALUE LOSSES ON FINANCIAL ASSETS

### Available for sale financial assets

Realised gains on:

Mutual funds 26,885 -

Realised losses on:

Equity securities (491) (32,649)

Mutual funds - (57)

Debt securities (59,159) (39,567)

(59,650) (72,273)

(32,765) (72,273)

## 30 OTHER INCOME - NET

Return on bank balances 41,746 17,846

Gain on sale of fixed assets 5.1.2 27,710 1,617

Return on loan to policyholders 14,937 16,414

Fee for claim administration services 21,500 24,716

Miscellaneous income 10,698 1,879

116,591 62,472

## 31 NET INSURANCE BENEFITS

### Gross claims

Claims under individual policies

by death 207,215 277,920

by maturity 7,727 8,886

by surrender 3,866,306 3,362,042

experience refund - -

**Total gross individual policy claims** 4,081,248 3,648,848

Claims under group policies

by death 489,091 524,942

by insured event other than death 825,753 916,358

experience refund 62,683 (13,989)

**Total gross group policy claims** 1,377,527 1,427,311

**Total gross policy claims** 5,458,775 5,076,159

### Less: reinsurance recoveries

On individual life claims 72,101 87,884

On group life claims 84,838 70,936

156,939 158,820

**Net insurance benefit expense** 5,301,836 4,917,339



### 31.1 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	2018	2019	2020	2021	2022
----- (Rupees in '000) -----					
<b>Group life</b>					
<i>Estimate of Ultimate Claims Costs:</i>					
At the end of the year	85,930	87,252	355,242	404,615	538,185
1 year later	96,130	182,142	393,538	501,205	-
2 years later	96,130	182,434	394,038	-	-
3 years later	96,130	182,934	-	-	-
4 years later	96,130	-	-	-	-
Current estimates of cumulative claim	96,130	182,934	394,038	501,205	538,185
Cumulative payments to date	86,299	168,546	354,638	419,349	342,938
Liability recognised in statement of financial position	9,830	14,388	39,401	91,454	195,247
<b>Individual Life</b>					
<i>Estimate of Ultimate Claims Costs:</i>					
At the end of the year	58,316	98,696	141,719	152,150	145,649
1 year later	96,750	109,919	198,245	186,416	-
2 years later	97,506	110,169	199,645	-	-
3 years later	97,506	110,169	-	-	-
4 years later	97,506	-	-	-	-
Current estimates of cumulative claim	97,506	110,169	199,645	186,416	145,649
Cumulative payments to date	77,112	89,183	172,062	162,854	61,958
Liability recognised in statement of financial position	61,295	18,615	17,832	59,415	116,232

### 32 ACQUISITION EXPENSES

Remuneration to insurance intermediaries on individual policies:

- Commission on first year premiums / contribution	551,371	715,401
- Commission on second year premiums / contribution	58,100	36,774
- Commission on subsequent renewal premiums / contribution	41,089	43,638
- Commission on single premiums / contribution	11,132	41,638
- Other benefits to insurance intermediaries	540,015	786,883
	1,201,707	1,624,334

Remuneration to insurance intermediaries on group policies:

- Commission	160,704	190,651
- Other benefits to insurance intermediaries	3,239	3,918
	163,943	194,569

Branch overheads :

- Salaries and other benefits	85,068	119,029
- Printing and stationery	2,598	5,170
- Utilities	23,333	26,488
- Repairs and maintenance	27,050	13,370
- Communication	21,283	20,878
- Entertainment	2,242	2,694
- Rent	40,841	51,187
- Others	5,076	2,260
	207,491	241,076

Other acquisition cost :

- Policy stamps	30,510	19,670
	1,603,651	2,079,649

### 33 MARKETING AND ADMINISTRATION EXPENSES

Note	2022	2021
----- (Rupees in '000) -----		
	343,605	353,459
Salaries, allowances & other benefits	32,225	30,230
Employee benefit cost	11,845	5,559
Travelling expenses	8,003	7,949
Directors' fees	18,566	14,742
Regulators fee	10,772	8,398
Actuary's fees	10,399	17,355
Advertisement and publicity	17,709	34,280
Printing and stationery	92,885	100,380
Depreciation	47,422	59,264
Amortisation	16,885	24,351
Rent	13,624	20,390
Vehicles and general repair and maintenance	97,528	93,701
Systems maintenance cost	14,497	14,854
Utilities-electricity, water and gas	5,064	2,882
Transportation	10,416	18,602
Communication	7,692	10,863
Consultancy fee	2,892	2,109
Training and workshop	3,544	11,112
Legal and professional charges	5,693	7,320
Insurance	681	1,035
Interest on premium deposit in advance	10,000	24,000
Provision for doubtful debts	774	1,392
Social security	10,987	21,866
Entertainment	2	1
Books and subscriptions	5,293	5,293
Bank charges	9,630	15,528
Miscellaneous expenses	808,633	906,915

33.1 This represents provision against receivable from claim administration services amounting to Rs. 10 million (2021: Rs 24 million).

### 34 OTHER EXPENSES

Note	2022	2021
----- (Rupees in '000) -----		
	8,891	8,009

#### 34.1 Auditors' remuneration

Audit fee	2,184	1,898
Fee for review of the half yearly financial statements	694	632
Certifications and other services	4,868	4,434
Out of pocket expenses	1,145	1,045
	8,891	8,009

### 35 FINANCE COSTS

Mark up on lease liability against right-of-use-assets	13,387	11,426
Others	5,840	11,291
	19,227	22,717

### 36 TAXATION

Current		
- for the year	(12,556)	(20,912)
Deferred		
- for the year	(5,583)	163,992
	(18,139)	143,080

#### Relationship between tax expense and accounting profit

Profit / (loss) before tax	60,170	(492,237)
Tax at the applicable rate of 29% (2021: 29%)	(17,449)	142,749
Effect of:		
- other adjustment	(690)	331
Taxation for the year	(18,139)	143,080

**36.1** 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, 2022, the shareholder's fund reflected a profit before tax of Rs. 43.296 million resulting in current tax amounting to Rs. 12.556 million.

**36.2** 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 the profit and loss account on aggregate basis. Therefore the Company has recognised a deferred tax of Rs. 423.697 million (2021: Rs. 426.200 million) in this respect.

	2021	2020
	----- (Rupees in '000) -----	
Profit / (loss) for the year	42,031	(349,157)
	---- (Number of shares) ----	
Weighted average number of ordinary shares	170,567,200	170,567,200
	----- (Rupees) -----	
Earning / (loss) per share	0.25	(2.05)

**37.1** 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.

### 38 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES

	2022				2021			
	Chief Executive	Executives	Directors	Total	Chief Executive	Executives	Directors	Total
	----- (Rupees in '000) -----							
Fee for attending Board Meetings	-	-	7,925	7,925	-	-	7,950	7,950
Consultancy fee (note 38.2)	-	-	2,160	2,160	-	-	1,950	1,950
Managerial remuneration	21,665	140,629	-	162,294	21,098	147,209	-	168,307
Bonus and housing	-	16,672	-	18,127	-	8,246	-	8,246
Contribution to defined contribution plan	1,455	5,500	-	6,675	1,175	6,577	-	7,752
Utilities / telephone	1,175	5	-	5	-	-	-	-
Other benefits	-	-	-	-	-	-	-	-
	24,295	162,806	10,085	197,186	22,273	162,032	9,900	194,205
	----- (Number) -----							
Number of persons, including those who worked part of the year	1	25	7	33	1	29	7	37

**38.1** In addition to the above remuneration, these executives have been provided with the Company maintained cars except who have opted for allowances.

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

### 39 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 the actuarial advice.

**39.1** 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	
	2022	2021	2022	2021	2022	2021	2022	2021
	----- (Rupees in '000) -----							
<b>Transactions</b>								
Premium underwritten	1,685	2,154	-	-	-	-	235,103	137,861
Premium paid for general insurance	-	-	-	-	-	-	2,138	3,640
Claims paid	1,478	1,283	-	-	-	-	74,977	60,244
Claims received	-	-	-	-	-	-	-	1,486
Charge for administrative services received	1,719	1,552	-	-	-	-	93,060	83,971
Charge for administrative services provided	-	-	-	-	-	-	25,953	13,297
Rent expense	-	-	-	-	-	-	31,733	41,350
Purchase of fixed asset	-	-	-	-	-	-	-	5,642
Proceeds from disposal of fixed assets	-	-	-	-	-	-	-	531
Remuneration paid	-	-	-	-	197,186	184,305	-	-
Charge in respect of employees gratuity fund	-	-	16,046	14,051	-	-	-	-
Charge in respect of provident fund	-	-	13,758	16,179	-	-	-	-

	Holding Company		Post Employment Benefit Plans		Key Management Personnel		Other Related Parties	
	2022	2021	2022	2021	2022	2021	2022	2021
	----- (Rupees in '000) -----							
<b>Balances</b>								
(Receivable) / payable for group shared services	1,368	(210)	-	-	-	-	79,448	85,607
(Receivable) / payable for general insurance premium	-	-	-	-	-	-	-	11
Premium receivable	438	-	-	-	-	-	1,024	2,933
Payable to employee gratuity fund	-	-	29,260	29,241	-	-	-	-
Payable to employee provident fund	-	-	813	4,217	-	-	-	-

**39.2** Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place:

S. No.	Name of related party	Basis of association / relationship
1	IGI General Insurance Limited	Subsidiary of Holding Company
2	IGI Finex Securities Limited	Subsidiary of Holding Company
3	Syed Maratib Ali Religious and Charitable Trust	Associate
4	Packages Limited	Associate
5	Bulleh Shah Packaging (Pvt.) Limited	Associate
6	Packages Convertor	Associate
7	Tri Pack Films Limited	Associate
8	DIC Pakistan Limited	Associate
9	IGI FSI (Pvt.) Limited	Associate
10	Packages Real Estate (Pvt.) Limited	Associate
11	StarchPack (Private) Limited	Associate
12	IGI Holdings Limited	Parent Company

### 40 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.



40.1 Revenue account by statutory funds

2022	CONVENTIONAL - STATUTORY FUNDS						TAKAFUL - STATUTORY FUNDS					
	Life (Participating)	Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	Individual Family	Accident & Health - Individual	Group Family	Group Health	Total
		Individual	Group		Individual	Group						
----- (Rupees in '000) -----												
INCOME												
Premiums / contribution less reinsurances / retakaful												
Net investment income												
Other income - net												
Total net income												
CLAIMS AND EXPENDITURE												
Claims, including bonuses, net of reinsurance recoveries												
Management expenses less recoveries												
Total claims and expenditure												
Excess of income over claims and expenditure												
Add: Policyholders' liabilities at beginning of the year												
Less: Policyholders' liabilities at end of the year												
Movement in policyholders' liabilities												
Surplus / (deficit) before tax												
Taxation												
Surplus / (deficit) after tax												
Movement in policyholders' liabilities												
Transfers (to) or from shareholders' fund												
- Capital contributions from shareholders' fund												
- Qard-e-Hasna from Operators' Sub Fund to PTF												
- Qard-e-Hasna received from PTF to Operators' Sub Fund												
- Capital returned to shareholder's fund												
- Surplus appropriated to shareholders' fund												
Balance of statutory fund at beginning of the year												
Balance of statutory fund at end of the year												

16,241	716,263	565,840	1,246,221	11,173	944,859	75,443	2,046,493	3,322	59,171	57,589	5,742,615
212,749	453,107	25,130	325,806	(51)	-	21,788	186,717	-	1,287	2,377	1,228,910
7,672	26,344	9,701	27,791	190	33,794	3,328	18,318	31	551	393	128,113
236,662	1,195,714	600,671	1,599,818	11,312	978,653	100,559	2,251,528	3,353	61,009	60,359	7,099,636
218,217	889,380	428,026	1,983,690	3,842	772,198	8,542	912,524	1,515	38,910	44,992	5,301,836
8,364	295,867	82,002	658,930	25,353	230,526	-	963,189	3,452	23,524	51,198	2,342,405
226,581	1,185,247	510,028	2,642,620	29,195	1,002,724	8,542	1,875,713	4,967	62,434	96,190	7,644,241
10,081	10,467	90,643	(1,042,802)	(17,883)	(24,071)	92,017	375,815	(1,614)	(1,425)	(35,831)	(544,603)
1,627,464	5,373,432	120,654	6,336,304	20,256	325,979	267,072	4,184,891	5,763	(15,479)	(2,546)	18,243,790
(1,562,449)	(5,092,807)	(165,940)	(5,472,909)	(17,861)	(302,137)	(355,811)	(4,719,947)	(3,291)	30,717	19,185	(17,643,250)
65,015	280,625	(45,286)	863,395	2,395	23,842	(88,739)	(535,056)	2,472	15,238	16,639	600,540
75,096	291,092	45,357	(179,407)	(15,488)	(229)	3,278	(159,241)	858	13,813	(19,192)	55,937
-	(88,725)	(18,099)	51,525	4,477	66	(951)	44,955	(249)	(4,064)	5,482	(5,583)
75,096	202,367	27,258	(127,882)	(11,011)	(163)	2,327	(114,286)	609	9,749	(13,710)	50,354
(65,015)	(280,625)	45,286	(863,395)	(2,395)	(23,842)	88,739	535,056	(2,472)	(15,238)	(16,639)	(600,540)
-	-	-	342,731	-	32,057	-	453,648	4,095	20,000	59,054	911,585
-	-	-	-	-	-	-	-	-	(20,000)	-	(20,000)
-	-	-	-	-	-	-	-	-	20,000	-	20,000
-	-	-	-	-	-	-	-	-	-	-	-
(16,098)	-	-	-	-	-	-	-	-	-	-	(16,098)
(16,098)	-	-	342,731	-	32,057	-	453,648	4,095	20,000	59,054	895,487
2,084,241	5,713,320	242,059	6,016,888	14,275	284,191	276,570	3,642,390	5,818	(6,846)	16,945	18,289,851
2,078,224	5,635,062	314,603	5,368,342	869	292,243	367,636	4,516,808	8,050	7,665	45,650	18,635,152

2022	CONVENTIONAL - STATUTORY FUNDS					TAKAFUL - STATUTORY FUNDS					Total	
	Life (Participating)	Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	Individual Family	Accident & Health - Individual	Group Family		Group Health
		Individual	Group		Individual	Group						
----- (Rupees in '000) -----												
<b>Represented by:</b>												
Capital contributed by shareholders' fund												
Policyholders' liabilities / PTF												
Retained earnings attributable to policyholders (Ledger Account A)												
Retained earnings on par business attributable to shareholders - undistributable (Ledger Account B)												
Retained earnings on other than participating business (Ledger Account D) / PTF												
Surplus / (deficit) on revaluation of available for sale investments - net												
</												

2021	CONVENTIONAL - STATUTORY FUNDS						TAKAFUL - STATUTORY FUNDS					Total
	Life (Participating)	Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	Individual Family	Accident & Health - Individual	Group Family	Group Health	
		Individual	Group		Individual	Group						
----- (Rupees in '000) -----												
<b>INCOME</b>												
Premiums / contribution less reinsurances / retakaful												
Net investment income												
Other income - net												
<b>Total net income</b>												
<b>CLAIMS AND EXPENDITURE</b>												
Claims, including bonuses; net of reinsurance recoveries												
Management expenses less recoveries												
<b>Total claims and expenditure</b>												
<b>Excess of income over claims and expenditure</b>												

	2021	CONVENTIONAL - STATUTORY FUNDS						TAKAFUL - STATUTORY FUNDS					Total
		Life (Participating)	Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	Individual Family	Accident & Health - Individual	Group Family	Group Health	
			Individual	Group		Individual	Group						
----- (Rupees in '000) -----													
Add: Policyholders' liabilities at beginning of the year Less: Policyholders' liabilities at end of the year Movement in policyholders' liabilities	1,608,424	5,889,954	173,327	6,661,453	18,173	264,633	178,582	2,898,419	2,014	(12,790)	(22,991)	17,659,198	
	(1,627,464)	(5,373,432)	(120,654)	(6,336,304)	(20,256)	(325,979)	(267,072)	(4,184,891)	(5,763)	15,479	2,546	(18,243,790)	
	(19,040)	516,522	52,673	325,149	(2,083)	(61,346)	(88,490)	(1,286,472)	(3,749)	2,689	(20,445)	(584,592)	
Surplus / (deficit) before tax Taxation	(19,036)	175,728	(43,350)	(225,762)	(18,129)	(92,080)	1,656	(347,299)	821	(7,088)	(34,041)	(608,580)	
	-	(56,099)	12,449	64,800	5,238	26,704	(480)	99,780	(238)	2,037	9,801	163,992	
Surplus / (deficit) after tax Movement in policyholders' liabilities	(19,036)	119,629	(30,901)	(160,962)	(12,891)	(65,376)	1,176	(247,519)	583	(5,051)	(24,240)	(444,588)	
	19,040	(516,522)	(52,673)	(325,149)	2,083	61,346	88,490	1,286,472	3,749	(2,689)	20,445	584,592	
Transfers (to) or from shareholders' fund - Capital contributions from shareholders' fund - Qard-e-Hasna from Operators' Sub Fund to PTF - Qard-e-Hasna received from PTF to Operators' Sub Fund - Capital returned to shareholder's fund - Surplus appropriated to shareholders' fund	-	-	150,000	-	-	-	-	-	-	-	-	150,000	
	-	-	-	-	-	-	-	-	-	-	-	-	
Balance of statutory fund at beginning of the year	(17,013)	-	150,000	-	-	-	-	-	-	-	-	132,987	
	2,101,250	6,110,213	175,633	6,502,999	25,083	288,221	186,904	2,603,437	1,486	894	20,740	18,016,860	
Balance of statutory fund at end of the year	2,084,241	5,713,320	242,059	6,016,888	14,275	284,191	276,570	3,642,390	5,818	(6,946)	16,945	18,289,851	
Represented by: Capital contributed by shareholders' fund Policyholders' liabilities / PTF Retained earnings attributable to policyholders (Ledger Account A) Retained earnings on par business attributable to shareholders - undistributable (Ledger Account B) Retained earnings on other than participating business (Ledger Account D) / PTF Surplus / (deficit) on revaluation of available for sale investments - net	-	-	150,000	242,100	42,000	-	6,000	101,500	-	16,200	92,500	650,300	
	1,627,464	5,373,432	120,654	6,336,304	20,256	325,979	267,072	4,184,891	5,763	(15,479)	(2,546)	18,243,790	
	428,880	-	-	-	-	-	-	-	-	-	-	428,880	
	27,897	-	-	-	-	-	-	-	-	-	-	27,897	
	-	348,399	(27,936)	(557,931)	(47,876)	(41,788)	3,498	(639,880)	55	(7,455)	(72,532)	(1,043,446)	
	-	(8,511)	(659)	(3,585)	(105)	-	-	(4,121)	-	(112)	(477)	(17,570)	
	2,084,241	5,713,320	242,059	6,016,888	14,275	284,191	276,570	3,642,390	5,818	(6,946)	16,945	18,289,851	
	Balance of statutory fund												

40.2 Segmental results by line of business

<b>Gross premiums</b>					
- First year individual regular premiums					
- Individual renewal premiums					
- Individual single premiums					
- Group premiums					
Total gross premiums					
Reinsurance premiums					
- Individual					
- Group					
Total reinsurance premiums					
Net premium revenues					
Net investment income					
Other income					
<b>Total net income</b>					
<b>Claims and expenditures</b>					
Claims, including bonuses, net of reinsurance recoveries					
Management expenses less recoveries					
Excess of income over claims and expenditure					
Add: Policyholders' liabilities at beginning of the year					
Less: Policyholders' liabilities at end of the year					
Movement in policyholders' liabilities					
Surplus / (deficit) before tax					

2022					
Ordinary Life		Group		Others	Total
Direct Sales force	Bancassurance	Group Life	Group Health		
----- (Rupees in '000) -----					
528,087	882,968	-	-	-	1,411,055
1,057,384	1,308,015	-	-	-	2,365,399
121,357	260,765	-	-	-	382,122
-	-	834,551	1,003,500	75,443	1,913,494
1,706,828	2,451,748	834,551	1,003,500	75,443	6,072,070
58,436	60,427	-	-	-	118,863
-	-	209,540	1,052	-	210,592
58,436	60,427	209,540	1,052	-	329,455
1,648,392	2,391,321	625,011	1,002,448	75,443	5,742,615
480,813	697,515	26,417	2,377	21,788	1,228,910
32,785	47,561	10,252	34,187	3,328	128,113
2,161,990	3,136,397	661,680	1,039,012	100,559	7,099,638
1,423,825	2,585,343	466,936	817,190	8,542	5,301,836
1,056,286	898,869	105,526	281,724	-	2,342,405
2,480,111	3,484,212	572,462	1,098,914	8,542	7,644,241
(318,121)	(347,815)	89,218	(59,902)	92,017	(544,603)
8,583,001	8,965,109	105,175	323,433	267,072	18,243,790
(7,904,155)	(8,965,109)	(135,223)	(282,952)	(355,811)	(17,643,250)
678,846	-	(30,048)	40,481	(88,739)	600,540
360,725	(347,815)	59,170	(19,421)	3,278	55,937

2021					
Ordinary Life		Group		Others	Total
Direct Sales force	Bancassurance	Group Life	Group Health		
----- (Rupees in '000) -----					
952,077	787,390	-	-	-	1,739,467
1,030,359	1,112,138	-	-	-	2,142,497
231,204	1,057,020	-	-	-	1,288,224
-	-	620,071	1,182,158	84,255	1,886,484
2,213,640	2,956,548	620,071	1,182,158	84,255	7,056,672
59,007	45,762	-	-	-	104,769
-	-	162,569	1,886	-	164,455
59,007	45,762	162,569	1,886	-	269,224
2,154,633	2,910,786	457,502	1,180,272	84,255	6,787,448
395,423	534,194	463	1,052	9,175	940,307
26,229	35,435	1,885	30,836	1,656	96,041
2,576,285	3,480,415	459,850	1,212,160	95,086	7,823,796
1,104,107	2,456,857	440,017	911,418	4,940	4,917,339
1,591,125	868,615	125,633	345,072	-	2,930,445
2,695,232	3,325,472	565,650	1,256,490	4,940	7,847,784
(118,947)	154,943	(105,800)	(44,330)	90,146	(23,988)
8,174,048	8,904,389	160,537	241,642	178,582	17,659,198
(8,583,001)	(8,965,109)	(105,175)	(323,433)	(267,072)	(18,243,790)
(408,953)	(60,720)	55,362	(81,791)	(88,490)	(584,592)
(527,900)	94,223	(50,438)	(126,121)	1,656	(608,580)



40.3 Segmental statement of financial position

Assets

Property and equipment	31,701	184,915	216,616
Intangible assets	-	326,960	326,960
Investments			
Equity securities	-	-	-
Mutual funds	-	6,039,945	6,039,945
Government securities	242,637	11,619,758	11,862,395
Debt securities	-	600,000	600,000
Term deposits	-	-	-
Loans secured against life insurance policies	-	175,139	175,139
Insurance / takaful / reinsurance / retakaful receivables	-	239,119	239,119
Other loans and receivables	58,030	417,822	475,852
Taxation - payments less provision	780,540	-	780,540
Deferred tax asset - net	447,065	-	447,065
Prepayments	2,847	60,327	63,174
Cash and bank	94	218,024	218,118
<b>Total assets</b>	<b>1,562,914</b>	<b>19,882,009</b>	<b>21,444,923</b>

Liabilities

Insurance liabilities [including policyholders' liabilities and ledger account A & B]	-	18,159,025	18,159,025
Outstanding claims	-	623,709	623,709
Retirement benefit obligations	29,261	-	29,261
Premium received in advance	-	113,186	113,186
Reinsurance / retakaful payables	-	129,914	129,914
Other creditors and accruals	193,033	380,047	573,080
Liabilities against right-of-use-assets	76,360	-	76,360
<b>Total liabilities</b>	<b>298,654</b>	<b>19,405,881</b>	<b>19,704,535</b>

Assets

Property and equipment	107,513	246,584	354,097
Intangible assets	12,559	338,226	350,785
Investments			
Equity securities	-	47,116	47,116
Mutual funds	-	6,095,600	6,095,600
Government securities	485,687	11,627,997	12,113,684
Debt securities	-	225,000	225,000
Term deposits	-	590,150	590,150
Loans secured against life insurance policies	-	178,706	178,706
Insurance / takaful / reinsurance / retakaful receivables	-	192,913	192,913
Other loans and receivables	56,917	318,810	375,727
Taxation - payments less provision	690,471	-	690,471
Deferred tax asset - net	439,029	-	439,029
Prepayments	8,561	71,381	79,942
Cash and bank	453	312,514	312,967
<b>Total assets</b>	<b>1,801,190</b>	<b>20,244,997</b>	<b>22,046,187</b>

Liabilities

Insurance liabilities [including policyholders' liabilities and ledger account A & B]	-	18,700,567	18,700,567
Outstanding claims	-	508,077	508,077
Retirement benefit obligations	29,241	-	29,241
Premium received in advance	88,694	245,702	334,396
Reinsurance / retakaful payables	-	39,348	39,348
Other creditors and accruals	158,688	386,400	545,088
Liabilities against assets subject to finance lease	145,289	-	145,289
<b>Total liabilities</b>	<b>421,912</b>	<b>19,880,094</b>	<b>20,302,006</b>

Shareholders' Fund	2022	
	Statutory Funds	Total
(Rupees in '000)		
Property and equipment	31,701	216,616
Intangible assets	-	326,960
Investments		
Equity securities	-	-
Mutual funds	-	6,039,945
Government securities	242,637	11,619,758
Debt securities	-	600,000
Term deposits	-	-
Loans secured against life insurance policies	-	175,139
Insurance / takaful / reinsurance / retakaful receivables	-	239,119
Other loans and receivables	58,030	475,852
Taxation - payments less provision	780,540	780,540
Deferred tax asset - net	447,065	447,065
Prepayments	2,847	63,174
Cash and bank	94	218,118
<b>Total assets</b>	<b>1,562,914</b>	<b>21,444,923</b>
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	-	18,159,025
Outstanding claims	-	623,709
Retirement benefit obligations	29,261	29,261
Premium received in advance	-	113,186
Reinsurance / retakaful payables	-	129,914
Other creditors and accruals	193,033	573,080
Liabilities against right-of-use-assets	76,360	76,360
<b>Total liabilities</b>	<b>298,654</b>	<b>19,704,535</b>

Shareholders' Fund	2021	
	Statutory Funds	Total
(Rupees in '000)		
Property and equipment	107,513	354,097
Intangible assets	12,559	350,785
Investments		
Equity securities	-	47,116
Mutual funds	-	6,095,600
Government securities	485,687	12,113,684
Debt securities	-	225,000
Term deposits	-	590,150
Loans secured against life insurance policies	-	178,706
Insurance / takaful / reinsurance / retakaful receivables	-	192,913
Other loans and receivables	56,917	375,727
Taxation - payments less provision	690,471	690,471
Deferred tax asset - net	439,029	439,029
Prepayments	8,561	79,942
Cash and bank	453	312,967
<b>Total assets</b>	<b>1,801,190</b>	<b>22,046,187</b>
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	-	18,700,567
Outstanding claims	-	508,077
Retirement benefit obligations	29,241	29,241
Premium received in advance	88,694	334,396
Reinsurance / retakaful payables	-	39,348
Other creditors and accruals	158,688	545,088
Liabilities against assets subject to finance lease	145,289	145,289
<b>Total liabilities</b>	<b>421,912</b>	<b>20,302,006</b>

41 STATEMENT OF SOLVENCY

SHARE HOLDERS' FUND	CONVENTIONAL - STATUTORY FUNDS					TAKAFUL - STATUTORY FUNDS					2022
	Life (Participating)	Life (Non-participating)	Investment		Accident & Health	Pension Business Fund	Individual		Accident & Health Individual	Group Family Health	
			Linked	Group			Individual	Family			
----- (Rupees in '000) -----											
<b>Assets</b>											
Property and equipment	31,701	6,139	50,259	5,116	56,987	4,094	3,070	-	59,250	-	216,616
Intangible assets	-	-	14,818	79,123	233,019	-	-	-	-	-	326,960
Investments	-	-	-	-	-	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-	-	-	-	-	-
Mutual funds	-	-	83,572	2,621	1,995,562	418	-	3,955,844	1,928	-	6,039,945
Government securities	242,637	1,98,410	5,138,484	603,633	3,302,580	20,057	-	359,081	228,998	5,166	11,862,395
Debt securities	-	50,000	250,000	-	-	-	-	-	300,000	-	600,000
Term deposits	-	-	-	-	-	-	-	-	-	-	-
Inter-fund balances	-	-	-	-	-	-	-	-	-	-	-
Loans secured against life insurance policies	-	92,846	82,293	-	-	-	-	-	-	-	175,139
Insurance / takaful / reinsurance / retakaful receivables	-	15,739	-	81,183	11,819	-	106,324	-	2,334	-	239,119
Other loans and receivables	58,030	27,553	133,198	15,346	10,294	70	143,385	8,581	62,553	1,393	475,852
Taxation - payments less provision	780,540	-	-	-	-	-	-	-	-	-	780,540
Deferred tax asset - net	447,065	-	-	-	-	-	-	-	-	-	447,065
Prepayments	2,847	-	-	279	16,515	-	27,005	-	12,711	44	63,174
Cash and bank	94	-	72,135	-	-	5,742	42,133	-	78,992	6,356	218,118
Total assets (A)	1,562,914	2,110,687	5,824,759	787,301	5,626,776	30,381	321,917	367,662	4,700,682	12,915	21,444,923
<b>Total inadmissible assets</b>											
Other loans and receivables	-	-	-	-	-	27	101,783	-	-	991	105,042
Insurance / takaful / reinsurance / retakaful receivables	-	-	-	37,678	-	-	49,347	-	-	-	87,025
Prepayments	-	-	-	-	-	-	12,393	-	-	-	13,883
Asset subject to encumbrance	24,804	-	-	-	-	-	-	-	-	-	24,804
Property and equipment	31,701	3,495	22,938	2,912	44,703	2,331	1,748	-	50,407	-	160,235
Intangible assets	-	-	14,818	79,123	219,667	-	-	-	-	-	313,608
Deferred tax asset - net	447,065	-	-	-	-	-	-	-	-	-	447,065
Interfund balances	-	-	-	-	-	-	-	-	-	-	-
Total inadmissible assets (B)	503,570	3,495	37,756	119,713	264,370	2,358	165,271	-	50,407	991	1,151,662
Total admissible assets (C=A-B)	1,059,344	2,107,192	5,787,003	667,588	5,362,406	28,023	156,646	367,662	4,650,275	11,924	20,293,261
<b>Liabilities</b>											
Insurance liabilities	-	1,562,449	5,092,807	165,940	5,472,909	17,861	302,137	355,811	4,719,947	3,291	17,643,250
Outstanding claims	-	24,508	91,833	324,025	35,186	10,630	-	-	108,732	2,500	623,709
Retirement benefit obligations	29,261	-	-	-	-	-	-	-	-	26,295	29,261
Premium received in advance	-	790	29,801	-	51,525	529	-	-	30,541	-	113,186
Reinsurance / retakaful payables	-	-	22,458	72,894	-	15,581	2,485	-	-	14,289	129,914
Other creditors and accruals	193,034	7,165	45,605	75,779	171,723	2,772	27,189	26	44,601	158	573,080
Liabilities against assets subject to finance lease	76,360	-	-	-	-	-	-	-	-	-	76,360
Total liabilities (D)	298,655	1,594,912	5,282,504	638,638	5,731,343	47,373	331,811	355,837	4,903,821	8,156	19,188,760
Total net admissible assets (E=C-D)	760,689	512,280	504,499	28,950	(368,937)	(19,350)	(175,165)	11,825	(253,546)	3,768	1,104,501
<b>Margin for solvency</b>											
Shareholders' fund	165,000	-	-	-	-	-	-	-	-	-	165,000
Statutory funds	-	64,512	111,053	149,064	61,644	3,572	191,308	14,232	61,629	1,093	880,226
Solvency margins (F)	165,000	64,512	111,053	149,064	61,644	3,572	191,308	14,232	61,629	1,093	845,226
Excess of minimum solvency requirements	595,689	447,768	393,446	(120,114)	(430,581)	(22,922)	(366,473)	(2,407)	(315,175)	2,675	259,275

41.1 The Company had obtained a specific approval vide letter ID/PRDD/048-RA/2022/2740 dated February 23, 2023 from the Securities and Exchange Commission of Pakistan (the SECP) to manage its solvency on aggregate basis.

	Held to maturity	Available for sale	Total
	(Rupees in '000)		
As at 1st January 2021	1,101,600	17,916,306	19,017,906
Additions	3,128,716	56,979,730	60,108,446
Disposals(sale and redemption)	(3,640,166)	(56,203,267)	(59,843,433)
Fair value net gains (excluding net realised gain)	-	(211,369)	(211,369)
Designated at fair value through profit or loss upon initial recognition	-	-	-
Classified as held for trading	-	-	-
Impairment losses	-	-	-
As at 1st January 2022	590,150	18,481,400	19,071,550
Additions	987,890	41,363,092	42,350,982
Disposals(sale and redemption)	(1,578,040)	(41,031,586)	(42,609,626)
Fair value net gains (excluding net realised gain)	-	(310,566)	(310,566)
Designated at fair value through profit or loss upon initial recognition	-	-	-
Classified as held for trading	-	-	-
Impairment losses	-	-	-
At the end of current year	-	18,502,340	18,502,340

43MANAGEMENT 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.

43.1Insurance risk

43.1.1Individual 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

Rupees

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

Assured at the end of 2022			
Total benefits assured			
Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
59,748	1.68%	59,110	2.23%
150,825	4.25%	150,200	5.67%
455,847	12.83%	433,510	16.38%
247,879	6.98%	223,600	8.45%
2,638,477	74.27%	1,780,808	67.27%
3,552,775	100.00%	2,647,229	100.00%



Individual life non - participating

Benefits assured per life

Rupees

0 - 200,000	177,463	0.82%	172,729	1.46%
200,001 - 400,000	1,015,855	4.67%	1,001,492	8.47%
400,001 - 800,000	2,734,026	12.58%	2,617,549	22.13%
800,001 - 1,000,000	1,839,300	8.46%	1,438,683	12.16%
More than 1,000,000	15,967,287	73.47%	6,597,118	55.78%
<b>Total</b>	<b>21,733,931</b>	<b>100.00%</b>	<b>11,827,571</b>	<b>100.00%</b>

Investment linked

Benefits assured per life

Rupees

0 - 200,000	451,071	2.46%	442,322	5.62%
200,001 - 400,000	758,384	4.14%	732,640	9.31%
400,001 - 800,000	1,815,100	9.91%	1,641,150	20.84%
800,001 - 1,000,000	1,221,073	6.66%	838,505	10.65%
More than 1,000,000	14,078,084	76.83%	4,218,776	53.58%
<b>Total</b>	<b>18,323,712</b>	<b>100.00%</b>	<b>7,873,393</b>	<b>100.00%</b>

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

Uncertainty in the estimation of future benefit payments and premium receipts for long term 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 behaviour (this primarily impacts persistency).

For this purpose, the Company carried out a liability adequacy test, details of which 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 SLIC (2001-05) mortality table to determine the liabilities. Since the data is insufficient to conduct a detailed mortality study, Company believes that SLIC (2001-05) table adequately reflects the mortality rates in Pakistan as well.

The investment return assumed for valuation is 3.75% per annum. This rate is prescribed by law. On a more realistic basis, based on the returns on assets backing the policyholder liabilities, Company expects to earn a long term return of 11.51% and 9.65% for Conventional and Takaful lines of business respectively. Liabilities are also determined on these rates of return assumption for Liability Adequacy Test.

The table below shows the liability held as at December 31, 2022 and the liability determined through best estimate assumptions:

	Liability Held as at December 31, 2022	Best Estimate Liability
	-----Rupees-----	
Mortality	17,749,542,397	17,749,542,397
Investment	17,749,542,397	17,681,221,978

Liability adequacy shows that the liability held as at December 31, 2022 is adequate in comparison to the best estimate liability.

d) Change in assumptions

There has been no material change in assumptions.

43.1.2 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**

Rupees

	Assured at the end of 2022			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0-500,000	42,996,785	5.82%	42,996,785	7.77%
500,001-1,000,000	54,447,819	7.37%	54,447,819	9.84%
1,000,001-1,500,000	90,352,351	12.23%	90,352,351	16.33%
1,500,001-2,000,000	55,482,106	7.51%	55,482,106	10.03%
2,000,001-2,500,000	45,804,135	6.20%	45,804,135	8.28%
More than 2,500,000	449,693,180	60.87%	264,058,569	47.74%
<b>Total</b>	<b>738,776,377</b>	<b>100.00%</b>	<b>553,141,765</b>	<b>100.00%</b>

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

Other than conducting a liability adequacy for 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 2022
Worsening of mortality rates for risk policies	10%	2,160,319
Increase in reporting lag	10%	2,160,319

**43.1.3 Accident & health - conventional & takaful**

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**

Rupees

	Assured at the end of 2022			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0 - 200,000	1,042	0.02%	1,042	0.03%
200,001 - 400,000	10,510	0.17%	10,510	0.28%
400,001 - 800,000	1,924,792	31.36%	1,924,792	51.88%
800,001 - 1,000,000	678,855	11.06%	678,855	18.30%
More than 1,000,000	3,523,247	57.40%	1,094,870	29.51%
<b>Total</b>	<b>6,138,446</b>	<b>100.00%</b>	<b>3,710,069</b>	<b>100.00%</b>

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

Other than conducting a liability adequacy for 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.

**43.1.4 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
- Individual A&H Non-Participating Takaful

43.1.4.1 Individual family takaful

These risks are managed along similar lines as explained for individual family unit linked 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 show total exposure of the PTF including exposure in respect of supplemental benefits attached to the main membership.

Benefits assured per family	Assured at the end of 2022			
	Total benefits assured			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	%	(Rupees in '000)	%
0 - 200,000	424,290	0.55%	424,111	1.61%
200,001 - 400,000	1,991,359	2.59%	1,979,149	7.50%
400,001 - 800,000	3,861,771	5.02%	3,597,706	13.63%
800,001 - 1,000,000	3,665,729	4.77%	2,091,545	7.92%
More than 1,000,000	66,966,929	87.07%	18,304,270	69.34%
Total	76,910,078	100.00%	26,396,780	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' behaviour (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.

43.1.4.2 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.

Rupees	Covered at the end of 2022			
	Total takaful benefits			
	Before retakaful		After retakaful	
	(Rupees in '000)	%	(Rupees in '000)	%
0-500,000	7,195,209	35.22%	6,593,010	51.27%
500,001-1,000,000	5,674,889	27.78%	3,576,130	27.81%
1,000,001-1,500,000	1,861,945	9.11%	927,064	7.21%
1,500,001-2,000,000	2,420,667	11.85%	831,934	6.47%
2,000,001-2,500,000	1,210,696	5.93%	519,850	4.04%
More than 2,500,000	2,067,061	10.12%	412,019	3.20%
Total	20,430,467	100.00%	12,860,007	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 2022 Rupees in '000
Worsening of mortality rates	10%	146,450
Increase in reporting lag	10%	146,450

43.1.4.3 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.

43.1.4.4 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	
	2022	2021	2022	2021	2022	2021
	(Rupees in million)					
Life (participating)	3,553	4,102	906	833	2,647	3,269
Life (non-participating) – Individual	21,734	20,178	9,906	7,039	11,828	13,139
Life (non-participating) – Group	738,776	650,626	185,634	125,064	553,142	525,562
Investment Linked	18,324	20,128	10,451	11,017	7,873	9,111
Accident & Health – Individual	6,138	21,203	2,428	7,898	3,710	13,305
Family Takaful - Individual	76,910	33,348	50,513	20,381	26,397	12,967
Family Takaful - Group	20,430	35,695	7,570	8,564	12,860	27,131
	885,865	785,280	267,408	180,796	618,457	604,484

43.1.5 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
----- (Rupees in '000) -----						
Unclaimed maturity benefits	3,620	954	433	846	794	593
Unclaimed death benefits	-	-	-	-	-	-
Unclaimed disability benefits	-	-	-	-	-	-
Claims not encashed	21,249	-	5,987	4,604	3,556	7,102
Others unclaimed benefits	-	-	-	-	-	-
<b>Total</b>	<b>24,869</b>	<b>954</b>	<b>6,420</b>	<b>5,450</b>	<b>4,350</b>	<b>7,695</b>

43.1.6 Assets - liabilities matching

2022									
Fixed and guaranteed insurance and investment contracts	Contract with DPF		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	5,388,484	1,968,410	-	3,831,578	-	-	1,273,923	-	12,462,395
Equity securities									
Available for sale - listed securities	83,572	-	-	216,512	5,734,894	-	4,967	-	6,039,945
Loans and receivables									
Loans secured against life insurance policies	82,293	92,846	-	-	-	-	-	-	175,139
Others at amortised cost	-	-	-	-	-	-	278	-	278
Reinsurance / retakaful assets	-	15,739	-	14,153	-	-	-	-	29,892
Cash and cash equivalents	72,135	-	-	78,992	-	-	66,991	-	218,118
Other assets	198,275	33,692	-	451,329	-	-	1,835,860	-	2,519,156
Total assets	5,824,759	2,110,687	-	4,592,564	5,734,894	-	3,182,019	-	21,444,923
Long-term insurance contracts and investment contracts with DPF:									
Insurance contracts	5,092,807	2,078,224	-	10,192,856	-	-	-	-	17,363,887
Short-term insurance contracts	-	-	-	-	-	-	795,138	-	795,138
Amounts due to related parties, trade payables, and other provisions at amortised cost	22,458	-	-	-	-	-	107,456	-	129,914
Other liabilities	167,239	32,463	-	1,238,687	-	-	(22,793)	-	1,415,596
Total liabilities	5,282,504	2,110,687	-	11,431,543	-	-	879,801	-	19,704,535
2021									
Fixed and guaranteed insurance and investment contracts	Contract with DPF		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	4,687,394	1,527,619	-	4,747,404	-	-	1,376,267	-	12,338,684
Equity securities									
Available for sale - listed securities	463,247	-	-	357,823	5,308,795	-	12,851	-	6,142,716
Loans and receivables									
Loans secured against life insurance	90,524	88,182	-	-	-	-	-	-	178,706
Others at amortised cost	-	-	-	-	-	-	278	-	278
Reinsurance assets	-	18,619	-	38,980	-	-	-	-	57,599
Cash and cash equivalents	251,600	-	-	619,464	-	-	32,053	-	903,117
Other assets	424,396	476,159	-	(741,812)	-	-	2,266,344	-	2,425,087
Total assets	5,917,161	2,110,579	-	5,021,859	5,308,795	-	3,687,793	-	22,046,187
Long-term insurance contracts and investment contracts with DPF:									
Insurance contracts	5,373,432	2,084,241	-	10,521,195	-	-	-	-	17,978,868
Short-term insurance contracts	-	-	-	-	-	-	721,699	-	721,699
Amounts due to related parties, trade payables, and other provisions at amortised cost	20,637	-	-	-	-	-	18,711	-	39,348
Other liabilities	183,204	26,338	-	641,026	-	-	711,523	-	1,562,091
Total liabilities	5,577,273	2,110,579	-	11,162,221	-	-	1,451,933	-	20,302,006

43.2 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.

43.2.1 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.

43.2.1.1 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 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:

	2022	2021
	----- (Rupees in '000) -----	-----
Cash and bank	218,024	312,514
Investments		
Mutual funds	6,039,945	6,095,600
Debt securities	600,000	225,000
Term deposits	-	590,150
Loans secured against life insurance policies	175,139	178,706
Insurance / takaful / reinsurance / retakaful receivables	239,119	192,913
Other loans and receivables	475,852	375,727
	<b>7,748,079</b>	<b>7,970,610</b>

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 AlHabit Limited	A-1+	AAA	PACRA
Bank Alfalah Limited	A-1+	AA+	PACRA
BankIslami Pakistan Limited	A-1	A+	PACRA
Bank of Punjab	A-1+	AA+	PACRA
HBL Microfinance Bank Limited	A-1	A+	VIS
Khushali Microfinance Bank Limited	A-2	A	VIS
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS
Faysal Bank Limited	A1+	AA	PACRA
FINCA Microfinance Bank Limited	A-1	A	VIS
Habib Bank Limited	A-1+	AAA	VIS
Meezan Bank Limited	A-1+	AAA	VIS
MCB Bank Limited	A-1+	AAA	PACRA
MCB Islamic Bank Limited	A-1	A	PACRA
Mobilink Microfinance Bank Limited	A-1	A	PACRA
NRSP Microfinance Bank Limited	A-1	A-	PACRA
National Bank of Pakistan	A-1+	AAA	VIS
SilkBank Limited	A-2	A-	VIS
Soneri Bank Limited	A-1+	AA-	PACRA
Standard Chartered Bank (Pakistan) Limited	A-1+	AAA	PACRA
Summit Bank Limited	Not rated	Not rated	Not rated
Telenor Microfinance Bank Limited	A-1	A	PACRA
U Microfinance Bank Limited	A-1	A+	PACRA
United Bank Limited	A-1+	AAA	VIS
Allied Bank Limited	A-1+	AAA	PACRA

The credit quality of the 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	-	75,000	-	-	74,825	149,825
AA+ / AM2++	-	100,000	347,351	-	23,349	470,700
AA / AM2+	-	-	1,399,808	-	14,427	1,414,235
AA-	-	75,000	-	-	-	75,000
A+ / AM1	-	350,000	4,292,786	-	-	4,642,786
A	-	-	-	-	5,928	5,928
A-	-	-	-	-	-	-
BBB+	-	-	-	-	-	-
BBB	-	-	-	-	-	-
Not Rated	11,862,395	-	-	-	99,495	11,961,890
	<u>11,862,395</u>	<u>600,000</u>	<u>6,039,945</u>	<u>-</u>	<u>218,024</u>	<u>18,720,364</u>

**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:

	2022		2021	
	Rupees in '000	%	Rupees in '000	%
Banks	5,009	2.39%	5,381	3.98%
Insurance	3,155	1.51%	84	0.06%
Textiles	1,023	0.49%	5,990	4.43%
Food and allied industries	37,323	17.84%	12,582	9.30%
Chemical and pharmaceuticals	18,171	8.68%	14,365	10.62%
Technology & communication	18,796	8.98%	751	0.56%
Oil and gas	78	0.04%	8,739	6.46%
Others	125,672	60.06%	87,422	64.59%
	<u>209,227</u>	<u>100.00%</u>	<u>135,314</u>	<u>100.00%</u>

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	
	2022	2021
------(Rupees in '000)----		
A or Above	29,892	57,599

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:

	2022	2021
	------(Rupees in '000)----	
Cash and bank	218,024	312,514
Term deposit receipts	-	590,150
Debt securities	600,000	225,000
Loans secured against life insurance policies	175,139	178,706
Insurance / takaful / reinsurance / retakaful receivables	239,119	192,913
Other loans and receivables	475,852	375,727
The carrying value of the financial assets which are past due but not impaired are as under:		
Premiums / contribution due but unpaid	<u>57,751</u>	<u>57,751</u>

**43.2.1.2 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.



43.2.1.3 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, 2022, the Company held the following financial instruments measured at fair value:

	As at December 31, 2022		
	Level 1	Level 2	Level 3
Financial assets carried at fair value	----- (Rupees in '000)-----		
Available-for-sale investments	-	18,502,340	-
	As at December 31, 2021		
	Level 1	Level 2	Level 3
Financial assets carried at fair value	----- (Rupees in '000)-----		
Available-for-sale investments	47,116	18,434,284	-

Item	Valuation approach and input used
Government securities	The fair value of Government securities is derived using PKRV rates. PKRV rate is average of the yield-to-maturity on government securities traded in the secondary market and determined at the end of day. The yield-to-maturity on government securities is quoted by the six (06) brokerage houses keeping in view the yield-to-maturity on government securities
Mutual funds	The fair value of mutual funds is derived from using rates published on Mutual Funds Association of Pakistan.

43.2.2 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:

	2022			2021		
	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
Non-derivative financial liabilities	----- (Rupees in '000)-----					
Outstanding claims	623,709	623,709	-	508,077	508,077	-
Reinsurance / retakaful payables	129,914	129,914	-	39,348	39,348	-
Other creditors and accruals	558,877	558,877	-	520,850	520,850	-
Lease liabilities against right-of-use- assets	76,360	44,123	42,776	145,289	53,892	130,034
	1,388,860	1,356,623	42,776	1,213,564	1,122,167	130,034

43.2.3 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 is shown in note 41.2.3.1.

43.2.3.1 Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Company is exposed to equity price risk since it has investments in equity securities amounting to Rs 47.116 million at the reporting date.

The carrying value of investments subject to equity price risk are based on market prices as of the reporting date.

Market prices are subject to fluctuation and consequently the amount realised in the subsequent sale of an investment may significantly differ from the reported market value. Furthermore, amount realised in the sale of a particular security may be affected by the relative quantity of the security being sold. The Company has no significant concentration of price risk.

Sensitivity analysis

The table below summarises the Company's equity price risk as of December 31, 2022 and December 31, 2021 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse in the Company's equity investment portfolio because of the nature of equity markets. The impact of hypothetical change would be as follows:

	Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase / (decrease) in total comprehensive income
			----- (Rupees in '000) -----		
2022	221,479	10% increase 10% decrease	243,627 199,331	22,148 (22,148)	22,148 (22,148)
2021	370,674	10% increase 10% decrease	407,741 333,607	37,067 (37,067)	37,067 (37,067)

43.2.4 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 43.2.4.1. The table below summarises Company's interest rate risk as of December 31, 2022 and December 31, 2021 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

As at December 31, 2022

Cash flow sensitivity - fixed rate financial assets

Impact on the profit and loss	
Increase	Decrease
----- (Rupees in '000) -----	

2,018 (2,018)

As at December 31, 2021

Cash flow sensitivity - fixed rate financial assets

1,175 (1,175)

Cash flow sensitivity analysis for variable rate instruments

As at December 31, 2022

Cash flow sensitivity - variable rate financial assets

57 (57)

As at December 31, 2021

Cash flow sensitivity - variable rate financial assets

31 (31)

#### 43.2.4.1 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:

2022						
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)						
<b>Statement of financial position - financial instruments</b>						
<b>Financial assets</b>						
Cash and others	94	-	-	-	-	94
Current and other accounts	14.5% - 15%	218,024	218,024	-	-	-
Equity securities		-	-	-	-	-
Mutual funds		6,039,945	-	-	-	6,039,945
Government securities	7.50 - 16.97	11,862,395	-	9,307,723	2,554,672	-
Debt securities	17.06 - 19.02	600,000	-	600,000	-	-
Term deposits		-	-	-	-	-
Loans secured against life insurance policies	9 - 11	175,139	175,139	-	-	-
Insurance / takaful / reinsurance / retakaful receivables		239,119	-	-	-	239,119
Other loans and receivables		475,852	-	-	-	475,852
		19,610,568	393,163	9,907,723	2,554,672	6,755,010
<b>Financial liabilities</b>						
Outstanding claims		623,709	-	-	-	623,709
Reinsurance / retakaful payables		129,914	-	-	-	129,914
Other creditors and accruals		558,877	-	-	-	558,877
Lease liabilities against right-of-use-assets	7.85 - 8.00	76,360	44,123	42,776	-	-
		1,388,860	44,123	42,776	-	1,312,500
Balance sheet gap		18,221,708	349,040	9,864,947	2,554,672	5,442,510
<b>Total yield / interest rate risk sensitivity gap</b>			349,040	9,864,947	2,554,672	-
<b>Cumulative yield / interest rate risk sensitivity gap</b>			349,040	10,213,987	12,768,659	

2021						
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)						
<b>Statement of financial position - financial instruments</b>						
<b>Financial assets</b>						
Cash and others	453	-	-	-	-	453
Current and other accounts	5.50	312,514	312,514	-	-	-
Equity securities		47,116	-	-	-	47,116
Mutual funds		6,095,600	-	-	-	6,095,600
Government securities	6.40 - 12.38	12,113,684	6,869,422	2,656,319	2,587,943	-
Debt securities	8.75 - 9.35	225,000	-	225,000	-	-
Term deposits	6.25 - 6.75	590,150	590,150	-	-	-
Loans secured against life insurance policies	9 - 11	178,706	178,706	-	-	-
Insurance / takaful / reinsurance / retakaful receivables		192,913	-	-	-	192,913
Other loans and receivables		375,727	-	-	-	375,727
		20,131,863	7,950,792	2,881,319	2,587,943	6,711,809
<b>Financial liabilities</b>						
Outstanding claims		508,077	-	-	-	508,077
Reinsurance / retakaful payables		39,348	-	-	-	39,348
Other creditors and accruals		520,850	-	-	-	520,850
Lease liabilities against right-of-use-assets	7.85 - 8.00	145,289	53,892	130,034	-	-
		1,213,564	53,892	130,034	-	1,068,275
Balance sheet gap		18,918,299	7,896,900	2,751,285	2,587,943	5,643,534
<b>Total yield / interest rate risk sensitivity gap</b>			7,896,900	2,751,285	2,587,943	-
<b>Cumulative yield / interest rate risk sensitivity gap</b>			7,896,900	10,648,185	13,236,128	

#### 43.2.5 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.

2022 2021  
----- (Rupees in '000) -----

#### 43.3 FINANCIAL INSTRUMENTS BY CATEGORY

##### Financial assets and financial liabilities

##### Financial assets

##### Loans and receivables - amortised cost

Cash and bank	218,118	312,967
Term deposit receipts	-	590,150
Loans secured against life insurance policies	175,139	178,706
Insurance / takaful / reinsurance / retakaful receivables	239,119	192,913
Other loans and receivables	475,852	375,727
	1,108,228	1,650,463

##### Investments - available for sale

Equity securities	-	47,116
Mutual funds	6,039,945	6,095,600
Government securities	11,862,395	12,113,684
Debt securities	600,000	225,000
	18,502,340	18,481,400

##### Financial liabilities

##### Amortised cost

Outstanding claims	623,709	508,077
Amount due to other insurers / reinsurers / retakaful	129,914	39,348
Other creditors and accruals	558,877	520,850
Lease liabilities against right-of-use-assets	76,360	145,289
	1,388,860	1,213,564

#### 44 CAPITAL MANAGEMENT

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

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

As prescribed by SECP, the Company is required to maintain the minimum capital and to comply with the solvency requirements both for Shareholders' and Statutory Funds in accordance with the Insurance Ordinance, 2000 and the Insurance Rules, 2017 (previously the SEC (Insurance) Rules, 2002 as amended by S.R.O. 16 (1)/2012 dated January 9, 2012), with which the Company is in compliance.

#### 45 GENERAL

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

#### 46 CORRESPONDING FIGURES

Corresponding figures has been rearranged or reclassified, wherever necessary. There has been no significant reclassification during the year.

#### 47 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on March 20, 2023 by the Board of Directors of the Company.

  
Chairman
   
Director
   
Director
   
Chief Executive Officer
   
Chief Financial Officer



**WINDOW  
TAKAFUL  
OPERATIONS  
FINANCIAL  
STATEMENTS**





Statement of Financial Position (Un-Audited)

As at December 31, 2022

Assets

	As at			As at
	December 31, 2022			December 31, 2021
	Operator sub fund	Policyholders fund	Total	Total
Note	----- Rupees in 000 -----			
Property and equipment	59,250	-	59,250	111,184
Investments				
Mutual funds	328,077	3,745,583	4,073,660	3,519,207
Government Securities	-	161,625	161,625	277,409
Debt Securities	-	300,000	300,000	-
Term deposits	-	-	-	308,200
	328,077	4,207,208	4,535,285	4,104,816
Takaful / retakaful receivables	-	21,720	21,720	8,927
Other loans and receivables	81,729	-	81,729	328,923
Taxation - payments less provision	-	-	-	50,727
Deferred tax asset - net	-	-	-	295,933
Prepayments	16,527	-	16,527	15,149
Cash and bank	-	98,014	98,014	(159,723)
Total assets	485,583	4,326,942	4,812,525	4,755,936

Equity and liabilities

Equity and reserves

Waqf Ceded Money	-	500	500	500
Capital contributed	746,497	-	746,497	259,700
Ledger account C & D	(832,736)	-	(832,736)	(719,813)
Surplus / (deficit) on revaluation of available for sale investments	(9,424)	-	(9,424)	(4,709)
Total equity	(95,663)	500	(95,163)	(464,322)

Liabilities

Insurance liabilities [including policyholders' liabilities and profit retained in waqf]	30,456	4,642,880	4,673,336	4,287,319
Outstanding claims	-	137,527	137,527	81,486
Contribution received in advance	-	30,541	30,541	71,185
Takaful / retakaful payables	-	16,496	16,496	1,238
Other creditors and accruals	49,788	-	49,788	141,941
Interfund receivable / (payable)	501,002	(501,002)	-	580,378
Lease liability against right-of-use assets	-	-	-	56,711
Total liabilities	581,246	4,326,442	4,907,688	5,220,258

Total equity and liabilities

Contingencies and commitments

The annexed notes from 1 to 15 form an integral part of these financial statements.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

  
Chief Financial Officer

Profit and Loss Account (Un-Audited)

For the year ended December 31, 2022

	December 31, 2022			December 31, 2021		
	Operator sub fund	Policyholders fund	Total	Operator sub fund	Policyholders fund	Total
Note	----- Rupees in 000 -----			----- Rupees in 000 -----		
Contribution revenue	-	2,253,142	2,253,142	-	2,832,841	2,832,841
Less: wakala fee recognised	661,898	(661,898)	-	826,940	(826,940)	-
	661,898	1,591,244	2,253,142	826,940	2,005,901	2,832,841
Less: contribution ceded to retakaful operators	-	76,114	76,114	-	44,219	44,219
Net contribution revenue	661,898	1,515,130	2,177,028	826,940	1,961,682	2,788,622
Investment income	15,662	85,499	101,161	5,094	172,828	177,922
Net realised fair value gains / (losses) on financial assets	3,059	68,951	72,010	631	(40,025)	(39,394)
Takaful operator fee income	142,908	(142,908)	-	111,734	(111,734)	-
Other income - net	14,111	3,316	17,427	4,818	1,188	6,006
	175,740	14,858	190,598	122,277	22,257	144,534
Net income	837,638	1,529,988	2,367,626	949,217	1,983,939	2,933,156
Takaful benefits	-	1,052,304	1,052,304	-	601,349	601,349
Recoveries from retakaful operators	-	(54,363)	(54,363)	-	(48,985)	(48,985)
Net takaful benefits	-	997,941	997,941	-	552,364	552,364
Change in takaful liabilities (including profit retained in waqf fund)	837,638	532,047	1,369,685	949,217	1,431,575	2,380,792
Acquisition expenses	(55,129)	532,047	476,918	(88,233)	1,431,575	1,343,342
Marketing and administration expenses	830,480	-	830,480	1,158,178	-	1,158,178
Total expenses	221,334	-	221,334	263,340	-	263,340
(Loss) / profit before tax attributable to Operator	996,685	532,047	1,528,732	1,333,285	1,431,575	2,764,860
Taxation	(159,047)	-	(159,047)	(384,068)	-	(384,068)
(Loss) / profit after tax attributable to Operator	(46,124)	-	(46,124)	(111,380)	-	(111,380)
	(112,923)	-	(112,923)	(272,688)	-	(272,688)

The annexed notes from 1 to 15 form an integral part of these financial statements.

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

  
Chief Financial Officer



# Statement of Comprehensive Income (Un-Audited)

For the year ended December 31, 2022

	December 31, 2022			December 31, 2021		
	Operator sub fund	Policyholders fund	Total	Operator sub fund	Policyholders fund	Total
Rupees in 000						
(Loss) / profit after tax attributable to Operator	(112,923)	-	(112,923)	(272,688)	-	(272,688)
<b>Other comprehensive loss</b>						
Change in unrealised (loss) / gains on available-for-sale financial assets - net of tax	(4,715)	23,791	19,076	(3,539)	(35,368)	(38,907)
Change in takaful liabilities - net	-	(23,791)	(23,791)	-	35,368	35,368
<b>Other comprehensive loss for the period</b>	(4,715)	-	(4,715)	(3,539)	-	(3,539)
<b>Total comprehensive loss for the period attributable to Operator</b>	(117,638)	-	(117,638)	(276,227)	-	(276,227)

The annexed notes from 1 to 15 form an integral part of these financial statements.

S. Anur Khan  
Chairman

  
Director

Ahmed Hassan Ali  
Director

Syed Haseen Ali  
Chief Executive Officer

  
Chief Financial Officer

# Statement of Changes in Equity (Un-Audited)

For the year ended December 31, 2022

	Attributable to equity holders of the Company				
	Capital contributed	Waqf Ceded Money	Ledger C & D account	Surplus / (deficit) on revaluation of available for sale investments**	Total
Rupees in 000					
<b>Balance as at December 31, 2020</b>	209,700	500	(447,125)	(1,170)	(238,095)
<b>Total comprehensive loss</b>					
Loss for the year ended December 31, 2021	-	-	(272,688)	-	(272,688)
Other comprehensive income for the year December 31, 2021	-	-	-	(3,539)	(3,539)
	-	-	(272,688)	(3,539)	(276,227)
	209,700	500	(719,813)	(4,709)	(514,322)
<b>Transactions with owners recorded directly in equity</b>					
Capital Contributed	-	-	-	-	-
	209,700	500	(719,813)	(4,709)	(514,322)
<b>Total comprehensive loss</b>					
Loss for the year ended December 31, 2022	-	-	(112,923)	-	(112,923)
Other comprehensive income for the year December 31, 2022	-	-	-	(4,715)	(4,715)
	-	-	(112,923)	(4,715)	(117,638)
<b>Transactions with owners recorded directly in equity</b>					
Capital Contributed	536,797	-	-	-	536,797
	746,497	500	(832,736)	(9,424)	(95,163)

\*\* This balance is net of related change in insurance liabilities.

The annexed notes from 1 to 15 form an integral part of these financial statements.

S. Anur Khan  
Chairman

  
Director

Ahmed Hassan Ali  
Director

Syed Haseen Ali  
Chief Executive Officer

  
Chief Financial Officer

Cash Flow Statement (Un-Audited)

For the year ended December 31, 2022


Note	2022	2021
-----Rupees in 000-----		
Operating Cash flows		
(a) Underwriting activities		
Premiums received net of policy transfers - net of retakaful	2,100,121	2,795,358
Claims paid - net of retakaful recoveries	(72,222)	(64,264)
Surrenders paid	(869,771)	(446,155)
Commissions paid	(431,416)	(570,313)
Net cash inflow from underwriting activities	726,712	1,714,626
(b) Other operating activities		
Payment for expenses	(629,880)	(838,717)
Other operating receipts	3,687	130
Inter fund transactions	(698,043)	284,839
Net cash outflow on other operating activities	(1,324,236)	(553,748)
Total cash inflow from all operating activities	(597,524)	1,160,878
Investment activities		
Profit / return received	42,159	53,191
Dividend received	50,884	136,795
Payments (made) / received on investments	477,995	(2,085,796)
Fixed capital expenditure	(23,977)	(119,656)
Total cash (outflow) / inflow from investing activities	547,061	(2,015,466)
Financing activities		
Capital payments received by statutory funds	-	-
Net cash (outflow on) / inflow from all activities	(50,463)	(854,588)
Cash and cash equivalents at beginning of year	148,477	1,003,065
Cash and cash equivalents at end of period	98,014	148,477
Reconciliation to Profit and Loss Account		
Operating cash flows	(50,463)	(854,588)
Depreciation and amortisation expenses	44,554	47,099
Increase in assets other than cash	179,306	1,949,282
Decrease in liabilities	(476,918)	(1,559,015)
Investment income and other income	176,858	138,658
Profit received on bank deposits	13,740	5,876
Loss after taxation	(112,923)	(272,688)

The annexed notes from 1 to 15 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 (Un-Audited)

For the year ended December 31, 2022

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 was granted approval on July 02, 2015 under Rule 6 of the Takaful Rules, 2012 to start its Window Takaful Operations ("the Operations") by the Securities and Exchange Commission of Pakistan ("the SECP") in Pakistan. The Waqf deed was executed on June 20, 2015 and the operations were commenced also commenced in year 2015.
- 1.3 In accordance with the requirements of the Insurance Ordinance, 2000 and Takaful Rules, 2012, the Company established a Operator Sub Fund (OSF), Participant Investment Fund (PIF) and Participant Waqf Fund (PTF) under each statutory funds mentioned below:
- Individual Family Takaful
  - Individual Accidental and Health Takaful
  - Group Family Takaful
  - Group Health Takaful

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).

The Securities and Exchange Commission of Pakistan (the SECP), in exercise of the powers conferred under Rule 11(1)(c) of the Takaful Rules, 2012, has imposed certain conditions vide its Circular No. 15 of 2019 dated November 18, 2019 on life insurers related to financial reporting of their window takaful operations. Under these conditions, the Life Insurers shall separately prepare financial statements for family takaful operations as if these are carried out by a Standalone Takaful Operator and shall be annexed with the insurer's annual / interim report (as applicable).

Accordingly, the Company has prepared and annexed to these financial statements, a standalone set of financial statements for Window Takaful Operations of the Company, as if these are carried out by a Standalone Takaful Operator. This standalone set of financial statements for Window Takaful Operations of the Company is unaudited and un-reviewed and is being submitted in compliance with the conditions imposed by the SECP as detailed above.

These financial statements have been prepared with a limited disclosures as the annual financial statements of the Company contains detailed disclosures and necessary information.

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:

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2022 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore, have not been stated in these financial statements.



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

The following standards, amendments and interpretations of the accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after January 1, 2023:

	Effective date (period beginning on or after)
- IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (amendments)	January 1, 2023
- IAS 12 - 'Income taxes' (amendments)	January 1, 2023
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2024
- IFRS 9 - 'Financial Instruments'	January 1, 2023*
- IFRS 16 - 'Leases' (amendments)	January 1, 2024
- IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023 and yet to be notified by the Securities and Exchange Commission of Pakistan.	

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 and interpretations that are mandatory for the Company's accounting period beginning on or after January 1, 2023, 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.

\*As an takaful operator, 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 takaful line of business.

**2.4** These financial statements are unaudited and are being submitted to shareholders in accordance with the Pakistan Stock Exchange Limited Regulations and section 237 of the Companies Act, 2017.

### 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.

#### 4 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistani rupees, which is the Company's functional and presentation currency.

## 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are same as those applied in the preparation of annual financial statements of the Company for the year ended December 31, 2022.

## 6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing these financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those applied to the annual financial statements for the year ended December 31, 2022.

## 7 TAKAFUL FINANCIAL AND RISK MANAGEMENT

The Company's takaful risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended December 31, 2022.

## 8 TEMPORARY EXEMPTION FROM APPLICATION OF IFRS 9

As an takaful operator, 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 takaful line of business.

## 9 CONTINGENCIES AND COMMITMENTS

The contingencies and commitments reported in the main financials of the Company also includes impacts of Window Takaful Operations as at December 31, 2022. There were no other material contingencies and commitments as at December 31, 2022.

## 10 NET CONTRIBUTION REVENUE

**Gross contribution:**

Regular contribution individual policies\*

First year	801,953	1,152,908
Second year renewal	651,120	510,566
Subsequent year renewal	597,202	446,819
Single contribution individual policies	57,105	581,811
Group policies without cash value	145,762	140,737
<b>Total gross contribution</b>	<b>2,253,142</b>	<b>2,832,841</b>
<b>Less: retakaful contribution ceded</b>		
On individual life first year business	14,526	13,307
On individual life second year business	12,866	7,324
On individual life renewal business	16,683	11,153
On single premium policies	11,817	8,886
On group policies	30,675	12,362
Commission from reinsurers	(10,453)	(8,813)
	76,114	44,219
<b>Net contribution</b>	<b>2,177,028</b>	<b>2,788,622</b>

## Net contribution

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

## 11 NET TAKAFUL BENEFITS

## Gross Claims

Claims under individual policies

By death	92,031	74,314
By surrender	869,771	446,155
<b>Total gross individual policy claims</b>	<b>961,802</b>	<b>520,469</b>
Claims under group policies		
by death	45,510	33,199
by insured event other than death	44,992	49,978
experience refund	-	(2,297)
<b>Total gross group policy claims</b>	<b>90,502</b>	<b>80,880</b>
<b>Total gross policy claims</b>	<b>1,052,304</b>	<b>601,349</b>
<b>Less: retakaful recoveries</b>		
On Individual life claims	47,763	37,835
On Group Life claims	6,600	11,150
	54,363	48,985
<b>Net takaful benefit expense</b>	<b>997,941</b>	<b>552,364</b>

## Net takaful benefit expense

## 12 ACQUISITION EXPENSES

Remuneration to takaful intermediaries on individual policies:

	(Un-audited) FOR THE YEAR ENDED DECEMBER 31 2022	2021
- Commission on first year contribution	304,816	453,982
- Commission on second year contribution	35,656	18,981
- Commission on subsequent renewal contribution	14,197	11,936
- Commission on single contribution	1,423	18,845
- Other benefits to takaful intermediaries	366,186	532,860
	722,278	1,036,604

Remuneration to takaful intermediaries on group policies:

- Commission	33,202	36,899
- Other benefits to takaful intermediaries	-	1,202
	33,202	38,101

Branch overheads :

- Salaries and other benefits	23,640	34,777
- Other operational cost	34,020	35,659
	57,660	70,436

Other acquisition cost :

- Policy stamps	17,340	13,037
	830,480	1,158,178

## 13 SEGMENT INFORMATION

Each fund of business under takaful statutory funds has been identified as a reportable segment. The following is a schedule of class of business wise revenues and results have been disclosed in accordance with the requirements of the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, and the Takaful Rules, 2012:

### 13.1 Participants' Investment Fund ( PIF )

	(Un-audited)				Aggregate	
	TAKAFUL - STATUTORY FUNDS				FOR THE YEAR ENDED DECEMBER 31	
	Individual Family	Individual Accidental and Health	Group Family	Group Health	2022	2021
	----- (Rupees in '000) -----					
<b>Income</b>						
Allocated Contribution	1,513,074	-	-	-	1,513,074	1,921,884
Net Investment Income	159,830	-	-	-	159,830	53,803
Other Income	5,148	-	-	-	5,148	27,303
Total Net Income	1,678,052	-	-	-	1,678,052	2,002,990
<b>Less: Claims and Expenditure</b>						
Surrenders / Partial Surrenders	869,771	-	-	-	869,771	446,155
Risk Contributions	168,694	-	-	-	168,694	124,480
Wakalat-ul-Istismar	66,586	-	-	-	66,586	55,514
Policy admin fee	76,323	-	-	-	76,323	56,220
	1,181,374	-	-	-	1,181,374	682,369
<b>Excess of Income over Claims and expenditure</b>	496,678	-	-	-	496,678	1,320,621
Add: Technical reserves at the beginning	4,108,432	-	-	-	4,108,432	2,787,811
Less: Technical reserves at the end	(4,605,110)	-	-	-	(4,605,110)	(4,108,432)
	(496,678)	-	-	-	(496,678)	(1,320,621)
<b>Surplus</b>	-	-	-	-	-	-
Movement in technical reserves	496,678	-	-	-	496,678	1,320,621
Balance of PIF at the beginning of the period	4,108,431	-	-	-	4,108,431	2,787,811
<b>Balance of PIF at the end of the period</b>	4,605,110	-	-	-	4,605,110	4,108,432

### 13.2 Participants' Takaful Fund ( PTF )

#### Income

Contribution net of retakaful

Net investment income

Other income

#### Less: Claims and Expenditure

Claims

Wakala fee

#### Excess of Income over Claims and expenditure

Add : Technical reserves at the beginning

Less : Technical reserves at the end

Add: Deficit retained in technical reserves

#### Surplus / (deficit)

Movement in technical reserves

Qard-e-Hasna contributed by Window Takaful Operator

Balance of PTF at the beginning of the period

#### Balance of PTF at the end of the period

### 13.3 Operators' Sub Fund ( OSF )

#### Income

Allocation fee

Investment income

Other Income

Wakala fee - PTF

Policy admin fee

Takaful operator fee

Wakalat-ul-Istismar

#### Less: Expenses

Acquisition cost

Administration expenses / deferred taxation

#### Excess of (expenditure)/over income

Add : Technical reserves at the beginning

Less : Technical reserves at the end

#### Deficit

Movement in technical reserves

Capital Contribution during the period

Qard-e-Hasna contributed to the Participants

Takaful Fund

Balance of OSF at the beginning of the period

#### Balance of OSF at the end of the period

#### Balance of Family Takaful statutory fund

	(Un-audited)				Aggregate	
	TAKAFUL - STATUTORY FUNDS				FOR THE YEAR ENDED DECEMBER 31	
	Individual Family	Individual Accidental and Health	Group Family	Group Health	2022	2021
	----- (Rupees in '000) -----					
Contribution net of retakaful	53,167	325	16,173	30,998	100,663	122,801
Net investment income	18,082	-	1,110	-	19,192	663
Other income	9,722	-	731	34	10,487	13,227
	80,971	325	18,014	31,032	130,342	136,691
<b>Less: Claims and Expenditure</b>						
Claims	42,753	1,515	38,910	44,992	128,170	106,209
Wakala fee	-	-	-	-	-	-
	42,753	1,515	38,910	44,992	128,170	106,209
<b>Excess of Income over Claims and expenditure</b>	38,218	(1,190)	(20,896)	(13,960)	2,172	30,482
Add : Technical reserves at the beginning	74,634	2,770	(23,874)	(17,932)	35,598	5,116
Less : Technical reserves at the end	(79,286)	(728)	(69,720)	(23,344)	(173,078)	(86,762)
Add: Deficit retained in technical reserves	-	(950)	71,761	55,235	126,046	68,959
	(4,652)	1,092	(21,833)	13,959	(1,434)	(12,687)
<b>Surplus / (deficit)</b>	33,566	(98)	(42,729)	(1)	(9,262)	17,795
Movement in technical reserves	4,652	(1,092)	21,833	(13,959)	11,434	12,687
Qard-e-Hasna contributed by Window Takaful Operator	-	-	20,000	-	20,000	-
Balance of PTF at the beginning of the period	74,634	2,770	1,273	28,477	107,154	76,672
<b>Balance of PTF at the end of the period</b>	112,852	1,580	377	14,517	129,326	107,154

	(Un-audited)				Aggregate	
	TAKAFUL - STATUTORY FUNDS				FOR THE YEAR ENDED DECEMBER 31	
	Individual Family	Individual Accidental and Health	Group Family	Group Health	2022	2021
	----- (Rupees in '000) -----					
<b>Income</b>						
Allocation fee	589,312	2,997	42,998	26,591	661,898	826,940
Investment income	8,805	-	177	2,377	11,359	14,626
Other Income	13,170	31	551	359	14,111	4,818
Wakala fee - PTF	59,634	-	-	-	59,634	32,664
Policy admin fee	76,322	-	-	-	76,322	56,220
Takaful operator fee	-	-	-	-	-	-
Wakalat-ul-Istismar	66,586	-	-	-	66,586	55,514
	813,829	3,028	43,726	29,327	889,910	990,782
<b>Less: Expenses</b>						
Acquisition cost	736,166	3,452	14,128	19,074	772,820	1,087,742
Administration expenses / deferred taxation	191,790	249	14,191	26,642	232,872	222,393
	927,956	3,701	28,319	45,716	1,005,692	1,310,135
<b>Excess of (expenditure)/over income</b>	(114,127)	(673)	15,407	(16,389)	(115,782)	(319,353)
Add : Technical reserves at the beginning	1,825	2,993	8,395	15,386	28,599	71,725
Less : Technical reserves at the end	(1,985)	(1,711)	(14,053)	(12,707)	(30,456)	(28,599)
	(160)	1,282	(5,658)	2,679	(1,857)	43,126
<b>Deficit</b>	(114,287)	609	9,749	(13,710)	(117,639)	(276,227)
Movement in technical reserves	160	(1,282)	5,658	(2,679)	1,857	(43,126)
Capital Contribution during the period	453,648	4,095	20,000	59,054	536,797	-
Qard-e-Hasna contributed to the Participants	-	-	(20,000)	-	(20,000)	-
Takaful Fund	(540,676)	3,048	(8,119)	(11,532)	(557,280)	(237,926)
Balance of OSF at the beginning of the period	(201,155)	6,470	7,288	31,133	(156,265)	(557,279)
<b>Balance of OSF at the end of the period</b>	4,516,807	8,050	7,665	45,650	4,578,172	3,658,307



14 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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:

- Level 1: fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.
- Level 2: fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2022 the Operator and policyholders held the following financial instruments measured at fair value:

	As at December 31, 2022		
	Level 1	Level 2	Level 3
----- Rupees in '000-----			
Assets carried at fair value			
Available-for-sale investments	-	4,235,285	-
	As at December 31, 2021		
	Level 1	Level 2	Level 3
----- Rupees in '000-----			
Assets carried at fair value			
Available-for-sale investments	-	3,796,616	-

14 GENERAL

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

15 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on March 20, 2023 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 there under relating to paid-up capital, solvency and reinsurance arrangements; and
- c) As at December 31, 2022, 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)

- a) 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 by the Appointed Actuary

[Required under Section 52(2) (a) & (b) of the Insurance Ordinance, 2000]

I, Shujat Siddiqui, of Akhtar & Hasan (Private) Limited, being an Actuary duly qualified under the terms of the Insurance Ordinance, 2000, and being the Appointed Actuary of IGI Life Insurance Company Limited, do hereby state that in my opinion:

- a) the policyholder liabilities included in the balance sheet of IGI Life Insurance Limited as at December 31, 2022 have been determined in accordance with the provisions of the Insurance Ordinance, 2000; and
- b) The SECP via letter dated 26 July 2012 (Ref: ID/SUP/SLV/01) granted permission to IGI Life Insurance Limited to maintain solvency margin in aggregate for a period of ten years. This was further extended via letter dated 23 February 2023 (Ref: ID/PRDD/048-RA/2022/2740) for a period of five years till 25 July 2027. Pursuant to this, the Shareholders' Fund and the Statutory Funds of the Company meet the solvency requirements of the Insurance Ordinance, 2000 as at 31st December 2022 in aggregate.

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

# Notice of 28<sup>th</sup> Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 28th Annual General Meeting of IGI Life Insurance Limited (the “Company”) will be held on Thursday, April 27, 2023 10:30 am. at the Auditorium of The Institute of Chartered Accountants of Pakistan (ICAP), Chartered Accountants Avenue, Clifton, Karachi and virtually via Video Link Facility to transact the following business:

### Ordinary Business:

- 1. To confirm the minutes of the last Annual General Meeting (AGM) of the Company held on April 28, 2022.
- 2. To receive, consider and adopt the Audited financial statements of the Company for the year ended December 31, 2022 together with the Chairman’s Review Report and Directors’ and Auditors’ Report thereon.
- 3. To appoint statutory auditors for the year 2023 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.

### Special Business:

- 4. To consider and, if thought fit pass, with or without modifications, a Special Resolution to amend the Memorandum of Association of the Company and to adopt in light of the change in the principle line of business of the Company pursuant to registration as a pension fund manager under the Voluntary Pension System Rules, 2005 (“VPS Rules”) and subsequently set up a voluntary pension fund and in compliance with the Non-Banking Finance Companies Regulations, 2008, the Sindh Trust Act, 2020, and all such laws that may be applicable.

Therefore, the Board has passed the following resolutions:

“RESOLVED THAT, in accordance with Rule 5(2) of the VPS Rules, the Company shall acquire a certificate of registration to act as a pension fund manager and shall establish the Pension Fund in accordance with the VPS Rules, the Non-Banking Finance Companies Regulations, 2008, the Sindh Trust Act, 2020, and all such laws that may be applicable.

RESOLVED FURTHER THAT, pursuant to the provisions of Section 32 and other applicable provisions, if any, of the Companies Act, 2017 (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to the approval of shareholders in the general meeting of the company, the principal line of business of the company in Clause III (1) of the memorandum be and is hereby amended and the following clause will be inserted as clause 1B to include the role of pension fund manager within the scope of the Company’s objects:

“To carry on the business of ‘Pension Fund Scheme Business’ in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008, Voluntary Pension System Rules, 2005 and all the applicable laws, notifications, directives, and circulars etc. and to do, engage in and perform all such activities, matters, deeds and things as are directly or indirectly prerequisite related or consequential thereto”.

- 5. To obtain approval of the shareholders through passing an ordinary resolution for transmission of annual balance sheet and profit and loss account, auditor’s report and directors report, chairman’s review report, etc. (collectively “Annual Audited Financial Statements”), through QR enabled code and weblink mentioned in the notices of general meetings to Members dispatched at their registered addresses as allowed by the Securities and Exchange Commission of Pakistan under SRO 389 (I)/2023 dated March 21, 2023.

### Any Other Business:

- 6. To transact any other business with the permission of the Chairman.

Date: April 6, 2023  
Karachi

By order of the Board  
**Nadia Perveen Hussain**  
Company Secretary

### NOTES:

#### 1. Closure of Share Transfer Books:

The Share Transfer Books of the Company shall remain closed from April 20, 2023 to April 27, 2023 (both days inclusive). Only person whose names appear in the register of members of the Company as at April 19, 2023 will be treated in time for the purpose of attending the meeting.

#### 2. Participation in the 28th AGM Proceedings via Video-Link Facility:

The Securities and Exchange Commission of Pakistan (“SECP”) has vide its Circulars issued from time to time directed the listed companies to hold general meetings virtually in addition to the requirements of holding physical meeting. The following arrangements have been made by the Company to further facilitate the participation of the shareholders in the AGM:

The shareholders interested in attending the AGM virtually are requested to get themselves registered by sending their particulars at the designated email address [igilifeagm@igi.com.pk](mailto:igilifeagm@igi.com.pk) mentioning their Name, Folio Number, CNIC Number and email address by the close of business hours on April 25, 2023. The login credentials will be provided to the registered shareholder. To attend through video-link, members can download the application/software through <https://zoom.us/download> and login via video-link to participate in the AGM proceedings.

Upon receipt of the above information from the shareholders/proxies, the Company will share the login details to their email address, which will enable them to join the said AGM through video-link.

#### 3. Attendance in the Meeting:

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., Sharah-e-Faisal, Karachi, not later than forty-eight (48) hours before the time appointed for the Meeting.

Shareholders (Non-CDC) are requested to promptly notify the Company’s Share Registrar of any change in their addresses.

#### 4. Guidelines for CDC Account Holders / Non-CDC Members:

##### a) For attending the meeting

- i. In case of individuals, the account holder or sub-account holder and/ or the person, whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii. In case of corporate entity, the Board of Directors’ resolution / power of attorney with specimen signature of the nominee shall be produced at the time of meeting.

##### b) For appointing proxies

- i. In case of individuals, the account holder or sub-account holder and/ or the person, whose securities are in group account and their registration detail is uploaded as per the regulations, shall submit the proxy form as per the above requirement.
- ii. The proxy form shall be witnessed by the two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.



- iv. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted to the Company along with proxy form.

#### 5. Availability of Annual Audited Financial Statements on the Company's website:

Pursuant to Section 223(7) of the Companies Act, 2017, the financial statements and reports have been placed on website of the Company and can be accessed on <https://igilife.com.pk/investor-relations/financial-reports>.

#### 6. Circulation of Audited Financial Statements through E-mail and by CD/DVD/USB:

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

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, the Company has obtained shareholders' approval in the Annual General Meeting held on April 25, 2018.

Accordingly, Annual Report of the Company for the year ended December 31, 2022 is dispatched to the shareholders through CD. However, if a shareholder, in addition, requests for hard copy of Annual Audited Financial Statements, the same shall be provided free of cost within seven days of receipt of such request. For convenience of shareholders, a "Standard Request Form for provision of Annual Audited Accounts" have also been made available on the Company's website <http://igilife.com.pk/>.

#### 7. E-Voting and voting through post:

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 (the Act), members will be allowed to exercise their vote through postal ballot i-e, by post or e-voting, in the manner and subject to conditions contained in the aforesaid regulations.

#### 8. Conversion of Physical Shares into the Book Entry Form:

Members holding shares in physical form are encouraged to convert their physical shares into Book-Entry-Form (CDC) pursuant to the requirements of Section 72 of the Companies Act, 2017.

#### 9. Unclaimed Shares/Unpaid Dividend:

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.

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

#### Item No. 4 of the Notice

##### Amendments in Memorandum of Association

To consider and, if thought fit pass, with or without modifications, a Special Resolution to amend the Memorandum of Association of the Company and to adopt in light of the change in the principle line of business of the Company pursuant to registration as a pension fund manager under the Voluntary Pension System Rules, 2005 ("VPS Rules") and subsequently set up a voluntary pension fund and in compliance with the Non-Banking Finance Companies Regulations, 2008, the Sindh Trust Act, 2020, and all such laws that may be applicable.

Therefore, the Board has passed the following resolutions:

"RESOLVED THAT, in accordance with Rule 5(2) of the VPS Rules, the Company shall acquire a certificate of registration to act as a pension fund manager and shall establish the Pension Fund in accordance with the VPS Rules, the Non-Banking Finance Companies Regulations, 2008, the Sindh Trust Act, 2020, and all such laws that may be applicable.

RESOLVED FURTHER THAT, pursuant to the provisions of Section 32 and other applicable provisions, if any, of the Companies Act, 2017 (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to the approval of shareholders in the general meeting of the company, the principal line of business of the company in Clause III (1) of the memorandum be and is hereby amended and the following clause will be inserted as clause 1B to include the role of pension fund manager within the scope of the Company's objects:

"To carry on the business of 'Pension Fund Scheme Business' in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008, Voluntary Pension System Rules, 2005 and all the applicable laws, notifications, directives, and circulars etc. and to do, engage in and perform all such activities, matters, deeds and things as are directly or indirectly prerequisite related or consequential thereto".

#### Item No. 5 of the Notice

##### Transmission of Annual Audited Accounts through QR enabled code and weblink

The Securities and Exchange Commission of Pakistan ("SECP") through its SRO 389 (I)/2023 dated March 21, 2023 has allowed companies to circulate the annual balance sheet and profit and loss account, auditor's report and directors report, chairman's review report, etc. (collectively "Annual Audited Financial Statements"), to its members through QR enabled code, subject to the approval of the shareholders in general meeting.

The notice of meeting shall be dispatched to members as per requirements of the Act, on their registered address, containing the QR code and the weblink address to view and download the annual audited financial statements together with the reports and documents required to be annexed thereto under the Act.

For the purpose aforesaid, it is proposed to consider and if thought fit, to pass the following resolution as an ordinary resolution, with or without modifications, to obtain approval of the shareholders for the transmission of the Annual Audited Accounts and accompanying reports, through QR enabled code and weblink:

"RESOLVED THAT the approval of the shareholders of the Company be and is hereby accorded for the transmission of the annual balance sheet and profit and loss account, auditor's report and directors report, chairman's review report, etc. (collectively "Annual Audited Financial Statements") through QR enabled code and weblink provided in the notices of general meetings to Members dispatched at their registered addresses as allowed by the Securities and Exchange Commission of Pakistan under SRO 389 (I)/2023 dated March 21, 2023."

The Company shall also circulate the annual audited financial statements through email in case email address has been provided by the member to the Company and the consent of member to receive the copies through email is not required.

The Company shall, however, supply hard copies of the aforesaid documents to the shareholders on demand, at their registered addresses, free of cost, within one week, if a request has been made by the member on the standard request form available on the website of the company.

The Directors are not interested in the above special business, except to the extent of their shareholdings in the Company.

## Request for Annual Report and Notices Through Post

### 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

Dear Sir,

I hereby request you to send me Annual Report of IGI Life Insurance Limited and notices for the year ended December 31, 2022 under the Companies Act, 2017 at my postal address given below:

(Postal address of the shareholder)

The above address will be recorded in the members register maintained under section 119 of the Companies Act, 2017. I will inform the Company and its Share Registrar about any change in my postal address immediately.

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 نوٹسز بذریعہ ڈاک

دی رجسٹرار  
فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ  
ایف-8، نزد ہوٹل فاران  
نرسری بلاک-6، پی ای سی ایچ ایس  
شاہراہ فیصل، کراچی

عزیز محترم

میں بذریعہ پتہ آپ سے درخواست کرتا ہوں کہ آئی جی آئی لائف انشورنس لمیٹڈ کی سالانہ رپورٹ اور نوٹسز کمپنیز ایکٹ 2017 کے تحت میرے درج ذیل ایڈریس پر ارسال کئے جائیں۔

(شیئر ہولڈر کا ایڈریس)

مذکورہ بالا ایڈریس کمپنیز ایکٹ 2017 کے سیکشن 119 کے تحت تیار کردہ ممبران کے رجسٹر میں ریکارڈ کر لیا جائے۔ میں کمپنی اور رجسٹرار کو اپنے ایڈریس میں کسی بھی تبدیلی کے بارے میں فوری طور پر اطلاع کردوں گا/گی۔

مخائب

(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۔



## 6. آڈٹ شدہ مالیاتی گوشواروں کی ترسیل بذریعہ ای میل اور سی ڈی، ری ڈی وی ڈی ریو ایس بی:

ممبران کو مطلع کیا جاتا ہے کہ S.E.C.P کے ایس آر او 2014/787(1) تاریخ 8 ستمبر، 2014 و کمپنیز ایکٹ 2017 کے تحت کمپنیز کو سالانہ رپورٹ بذریعہ ای میل فراہم کرنے کی اجازت دیدی گئی ہے۔ اس حوالے سے ہم نے درخواست فارم سالانہ رپورٹ کے ساتھ منسلک کر دیا ہے اور مزید یہ کہ کمپنی کی ویب سائٹ <http://igilife.com.pk> پر بھی اپلوڈ کر دیا گیا ہے۔ جو اراکین یہ سہولت حاصل کرنا چاہتے ہیں وہ اپنا مکمل شدہ فارم شیئرز رجسٹر ارجو جمع کروادیں۔

مزید یہ کہ 31 مئی 2016 کے ایس آر او 2016/470(I) کے تحت S.E.C.P نے کمپنیز کو اپنے ممبران بشیئر ہولڈرز کی رضامندی اور کچھ دیگر شرائط کی تعمیل سے مشروط ان کے رجسٹرڈ شدہ پتوں پر ہارڈ کاپیاں ترسیل کرنے کے بجائے CD/DVD/USB کے ذریعے سالانہ آڈٹ شدہ اکاؤنٹس کی فراہمی کی اجازت دی ہے۔ کمپنی نے 25 اپریل، 2018 میں منعقدہ سالانہ اجلاس عام میں شیئرز ہولڈرز کی اجازت حاصل کر لی ہے۔

اسی لیے، کمپنی نے 31 دسمبر 2022 کو ختم ہونے والے سال کی سالانہ رپورٹ شیئرز ہولڈرز کو بذریعہ سی ڈی ارسال کر دی گئی ہے۔ بہر حال، اگر شیئرز ہولڈر کو سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ہارڈ کاپی کی ضرورت ہو تو اس درخواست کی وصولی کے سات دن کے اندر اندر بلا معاوضہ یہ رپورٹ فراہم کر دی جائے گی۔ ”درخواست فارم برائے سالانہ آڈٹ شدہ اکاؤنٹس“، کمپنی کی ویب سائٹ <http://igilife.com.pk> پر دستیاب ہے۔

## 7. ای وونگ اور وونگ بذریعہ پوسٹ:

کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 کی تعمیل میں کسی بھی ایجنڈا آئٹم کے لیے، کمپنیز ایکٹ، 2017 (ایکٹ) کے سیکشن 143 اور 144 کی شرائط کو مد نظر رکھتے ہوئے اراکین کو اس کی اجازت ہے کہ وہ اپنا حق رائے دہی بذریعہ پوسٹل بیلٹ یعنی پوسٹ یا ای وونگ کے ذریعے کر سکتے ہیں، جس میں مذکورہ بالا ریگولیشنز میں مذکور شرائط کا لحاظ رکھنا ضروری ہوگا۔

## 8. فزیکل شیئرز کی بک انٹری فارم کی طرف منتقلی:

ایسے اراکین جن کے پاس فزیکل شیئرز ہیں ان کو ترغیب دی جاتی ہے کہ وہ اپنے فزیکل شیئرز کمپنیز ایکٹ، 2017 کے سیکشن 72 کی روشنی میں بک انٹری فارم (سی ڈی سی) میں تبدیل کروالیں۔

## 9. غیر کلیم شدہ شیئرز پر غیر ادا کردہ ڈیویڈنڈ:

وہ شیئرز ہولڈر جو اپنا ڈیویڈنڈ فزیکل شیئرز بک تک وصول نہیں کر سکتے ان کو مشورہ دیا جاتا ہے کہ وہ اپنے غیر کلیم کردہ ڈیویڈنڈ یا شیئرز حاصل کرنے کے لیے ہمارے شیئرز رجسٹر سے رابطہ کریں۔ کمپنیز ایکٹ 2017 کے سیکشن 244 کی روشنی میں ایسے تمام غیر کلیم کردہ ڈیویڈنڈ اور شیئرز جن کو واجب الاداء تاریخ سے تین سال یا اس سے زیادہ عرصہ گزر چکا ہے اور قابل ادائیگی ہیں تو غیر کلیم شدہ ڈیویڈنڈ کی صورت میں وفاقی حکومت کے نام پر کرڈٹ کر دیے جائیں گے اور شیئرز کی صورت میں ایس ای سی پی کو منتقل کر دیے جائیں۔

## کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت اہم امور کا بیان

### نوٹس کا آئٹم نمبر 4

میمورنڈم آف ایسوسی ایشن میں ترمیم

کمپنی کے میمورنڈم آف ایسوسی ایشن میں ترمیم کی خصوصی قرارداد پر غور کرنا اور اگر مناسب ہو تو کسی تبدیلی یا بغیر کسی تبدیلی کے اس قرارداد کو منظور کرنا اور وولنٹری مینشن سسٹم رولز، 2005 (”VPS رولز“) کے تحت مینشن فنڈ مینجنگ کے طور پر رجسٹریشن کے مطابق کمپنی کے بنیادی کاروبار کے شعبہ میں تبدیلی کو اختیار کرنا اور اس کے نتیجے میں نان بینکنگ فنانس کمپنیز ریگولیشنز، 2008، سندھ ٹرسٹ ایکٹ، 2020 اور دیگر قابل اطلاق قوانین کی تعمیل کرتے ہوئے وولنٹری مینشن فنڈ کا قیام عمل میں لانا۔

اسی لیے بورڈ نے درج ذیل قرارداد منظور کی ہے:

یہ قرارداد طے کی جاتی ہے کہ VPS رولز کے رول نمبر (2) 5 کے مطابق کمپنی مینشن فنڈ مینجنگ کے طور پر کام کرنے کے لیے رجسٹریشن سرٹیفیکیٹ حاصل کرے گی اور VPS رولز، نان بینکنگ فنانس کمپنیز ریگولیشنز، 2008، سندھ ٹرسٹ ایکٹ، 2020 اور دیگر قابل اطلاق قوانین کی تعمیل کرتے ہوئے مینشن فنڈ کا قیام عمل میں لائے گی۔

اس کے علاوہ مزید یہ قرارداد بھی طے کی جاتی ہے کہ کمپنی کے عوامی اجلاس میں شیئرز ہولڈرز کی منظوری سے مشروط کمپنیز ایکٹ 2017 کے سیکشن 32 اور دیگر دفعات جن کا اگر اطلاق ہوتا ہو (بشمول کوئی بھی قانونی تبدیلی (تبدیلیاں) یا اس مدت کے دوران کسی بھی قانون کا دوبارہ نفاذ) کے مطابق میمورنڈم کی شق نمبر (1) III میں موجود کمپنی کے بنیادی کاروبار کے شعبہ کو تبدیل کر کے کمپنی کے مقاصد کے دائرہ کار میں مینشن فنڈ مینجنگ کے کردار کو داخل کرنے کے لیے درج ذیل شق کو شق نمبر 1B کے طور پر درج کیا جا رہا ہے:

”نان بینکنگ فنانس کمپنیز (قیام اور ریگولیشنز) رولز، 2003، نان بینکنگ فنانس کمپنیز اور نوٹیفائیڈ انٹرمیڈیٹ ریگولیشنز، 2008، وولنٹری مینشن اسکیم، 2005 اور دیگر قابل اطلاق قوانین، اطلاعات، ہدایات اور سرکولرز وغیرہ کی تعمیل میں ”مینشن فنڈ اسکیم برنس“ کے کاروبار کا آغاز کرنا اور اس سے متعلق بلا واسطہ اور بالواسطہ پہلے اور بعد کی شرائط کو پورا کرتے ہوئے تمام سرگرمیوں، معاملات، امور میں مشغول ہونا اور یہ تمام افعال بجالانا“

## نوٹس کا آئٹم نمبر 5

بذریعہ QR انجیل کوڈ اور ویب لنک سالانہ آڈٹ شدہ اکاؤنٹس کی ترسیل

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے مؤرخہ 21 مارچ، 2023 کو جاری کردی ایس آر او نمبر 2023/389(I) میں کمپنیز کو اس کی اجازت دی ہے کہ وہ سالانہ بیلنس شیٹ اور نفع نقصان اکاؤنٹ، آڈیٹر کی رپورٹ اور ڈائریکٹرز کی رپورٹ، چیئرمین کی ریویو رپورٹ وغیرہ (مجموعی طور پر ”سالانہ آڈٹ شدہ مالیاتی گوشوارے“) بذریعہ QR انجیل کوڈ اور ویب لنک اجلاس عام میں شیئرز ہولڈرز کی منظوری سے اراکین کو ارسال کیے جائیں۔

اجلاس کا نوٹس ایکٹ کی شرائط کو مد نظر رکھتے ہوئے اراکین کے رجسٹرڈ پتے پر ارسال کیا جائے گا، جس میں QR کوڈ اور ویب لنک ایڈریس موجود ہوگا تاکہ اراکین سالانہ آڈٹ شدہ مالیاتی گوشوارے اور ایکٹ کے تحت اس کے ساتھ جن رپورٹس اور دستاویزات کا منسلک ہونا ضروری ہے ان کو دیکھ اور ڈاؤنلوڈ کر سکیں۔

مذکورہ بالا مقصد کے لیے، یہ تجویز دی گئی ہے کہ سالانہ آڈٹ شدہ اکاؤنٹس اور دیگر رپورٹس بذریعہ QR کوڈ اور ویب لنک ترسیل کے حوالے سے شیئرز ہولڈرز کی منظوری حاصل کرنے کے لیے درج ذیل قرارداد پر بطور عمومی قرارداد غور کیا جائے اور اگر مناسب ہو تو کسی تبدیلی یا بغیر کسی تبدیلی کے منظور کر لیا جائے:

”یہ قرارداد طے کی جاتی ہے کہ کمپنی کے شیئرز ہولڈرز کی منظوری حاصل کی جا رہی ہے تاکہ سالانہ بیلنس شیٹ اور نفع نقصان اکاؤنٹ، آڈیٹر کی رپورٹ اور ڈائریکٹرز کی رپورٹ، چیئرمین کی ریویو رپورٹ وغیرہ (مجموعی طور پر ”سالانہ آڈٹ شدہ مالیاتی گوشوارے“) بذریعہ QR انجیل کوڈ اور ویب لنک ارسال کیے جائیں، یہ QR انجیل کوڈ اور ویب لنک اراکین کو اجلاس عام کے لیے ان کے رجسٹرڈ پتے پر ارسال کیے گئے نوٹس میں فراہم کیے جائیں گے، جیسا کہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے مؤرخہ 21 مارچ، 2023 کو جاری کردی ایس آر او نمبر 2023/389(I) میں کمپنیز کو اس کی اجازت دی ہے۔“

کمپنی سالانہ آڈٹ شدہ مالیاتی گوشوارے بذریعہ ای میل بھی دے سکتی ہے، بشرطیکہ اراکین کی جانب سے کمپنی کو ای میل ایڈریس فراہم کیے گئے ہوں اور بذریعہ ای میل نقول وصول کرنے کے لیے اراکین کی رضامندی مطلوب نہ ہو۔

کمپنی کی ویب سائٹ پر موجود اسٹینڈرڈ درخواست فارم کے ذریعے اگر اراکین کی جانب سے درخواست دی گئی ہو تو ان کی ہارڈ کاپی بلا معاوضہ اراکین کو ان کے رجسٹرڈ پتوں پر ایک ہفتہ کے اندر اندر ارسال کی جاسکتی ہے۔

ڈائریکٹرز کو مذکورہ بالا خصوصی کارروائی میں صرف اپنی شیئرز ہولڈنگ کی حد تک دلچسپی ہے۔

## اطلاع برائے 28 واں سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ آئی جی آئی لائف انشورنس لمیٹڈ (کمپنی) کا 28 واں سالانہ اجلاس عام مورخہ 27 اپریل، 2023 بروز جمعرات بوقت 10:30 بجے صبح انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP)، چارٹرڈ اکاؤنٹنٹس ایسوسی ایشن، کلکشن کراچی کے آڈیٹوریم میں اور آن لائن بذریعہ ویڈیو لنک منعقد ہوگا۔ اجلاس میں درج ذیل امور زیر بحث لائے جائیں گے:

### عمومی کارروائی

1. مورخہ 28 اپریل، 2022 کو منعقد ہونے والے گزشتہ سالانہ اجلاس عام کے نکات کی توثیق۔
2. مورخہ 31 دسمبر، 2022 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں مع چیئرمین رپورٹ، ڈائریکٹرز اور آڈیٹرز کی رپورٹ کی وصولی، غور و خوض، اور منظوری۔
3. سال 2023 کے لیے اسٹیچوئری آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین۔ موجودہ آڈیٹرز اے ایف فرگوسن اینڈ کو (چارٹرڈ اکاؤنٹنٹس) نے آڈیٹر کے طور پر تقرری کے لیے رضامندی ظاہر کی ہے اور بورڈ آف ڈائریکٹرز نے ان کی تقرری کی سفارش کی ہے۔

### خصوصی کارروائی:

4. کمپنی کے میمورنڈم آف ایسوسی ایشن میں ترمیم کی خصوصی قرارداد پر غور کرنا اور اگر مناسب ہو تو کسی تبدیلی یا بغیر کسی تبدیلی کے اس قرارداد کو منظور کرنا اور وولنٹری پینشن سسٹم رولز 2005 (”VPS رولز“) کے تحت پینشن فنڈ مینجیر کے طور پر رجسٹریشن کے مطابق کمپنی کے بنیادی کاروبار کے شعبہ میں تبدیلی کو اختیار کرنا اور اس کے نتیجے میں نان بینکنگ فنانس کمپنیز ریگولیشنز، 2008، سندھ ٹرسٹ ایکٹ، 2020 اور دیگر قابل اطلاق قوانین کی تعمیل کرتے ہوئے وولنٹری پینشن فنڈ کا قیام عمل میں لانا۔

اسی لیے بورڈ نے درج ذیل قرارداد منظور کی ہے:

یہ قرارداد طے کی جاتی ہے کہ VPS رولز کے رول نمبر (2) کے مطابق کمپنی پینشن فنڈ مینجیر کے طور پر کام کرنے کے لیے رجسٹریشن سرٹیفکیٹ حاصل کرے گی اور VPS رولز، نان بینکنگ فنانس کمپنیز ریگولیشنز، 2008، سندھ ٹرسٹ ایکٹ، 2020 اور دیگر قابل اطلاق قوانین کی تعمیل کرتے ہوئے پینشن فنڈ کا قیام عمل میں لائے گی۔

اس کے علاوہ مزید یہ قرارداد بھی طے کی جاتی ہے کہ کمپنی کے عمومی اجلاس میں شیئر ہولڈرز کی منظوری سے مشروط کمپنیز ایکٹ 2017 کے سیکشن 32 اور دیگر دفعات جن کا اگر اطلاق ہوتا ہو (بشمول کوئی بھی قانونی تبدیلی (تبدیلیاں) یا اس مدت کے دوران کسی بھی قانون کا دوبارہ نفاذ) کے مطابق میمورنڈم کی شق نمبر (1) III میں موجود کمپنی کے بنیادی کاروبار کے شعبہ کو تبدیل کر کے کمپنی کے مقاصد کے دائرہ کار میں پینشن فنڈ مینجیر کے کردار کو داخل کرنے کے لیے درج ذیل شق کو شق نمبر 1B کے طور پر درج کیا جا رہا ہے:

”نان بینکنگ فنانس کمپنیز (قیام اور ریگولیشن) رولز 2003، نان بینکنگ فنانس کمپنیز اور نوٹیفائیڈ انٹیلیجیٹ ریگولیشنز، 2008، وولنٹری پینشن سسٹم رولز، 2005 اور دیگر قابل اطلاق قوانین، اطلاعات، ہدایات اور سرکولرز وغیرہ کی تعمیل میں ”پینشن فنڈ اسکیم برنس“ کے کاروبار کا آغاز کرنا اور اس سے متعلق بلا واسطہ اور بالواسطہ پہلے اور بعد کی شرائط کو پورا کرتے ہوئے تمام سرگرمیوں، معاملات، امور میں مشغول ہونا اور یہ تمام افعال بجالانا“

5. عمومی قرارداد کی منظوری کے ذریعے شیئر ہولڈرز کی اجازت حاصل کرنا تاکہ سالانہ بیلنس شیٹ اور نفع نقصان اکاؤنٹ، آڈیٹر کی رپورٹ اور ڈائریکٹرز کی رپورٹ، چیئرمین کی رپورٹ وغیرہ (مجموعی طور پر ”سالانہ آڈٹ شدہ مالیاتی گوشوارے“) بذریعہ QR انٹیل کوڈ اور ویب لنک بھیجی جاسکے، یہ QR انٹیل کوڈ اور ویب لنک اراکین کو ان کے رجسٹرڈ چٹوں پر ارسال کیے گئے عمومی اجلاس کے نوٹس میں مذکور ہوں گے، جیسا کہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مورخہ 21 مارچ، 2023 کے ایس آر او نمبر (I)/2023 389 میں اس کی اجازت دی گئی ہے۔

دیگر کوئی کارروائی:

6. چیئرمین کی اجازت سے کسی بھی دیگر امور کی انجام دہی۔

تاریخ: 6 اپریل، 2023 کراچی

محکم بورڈ  
نایہ پروین حسین  
کمپنی سیکریٹری

### نوٹس:

#### 1. کمپنی کی حصص منتقلی کی کتب کی بندش:

کمپنی کی حصص منتقلی کی کتب (Share transfer Books) مورخہ 20 اپریل، 2023 سے 27 اپریل، 2023 (دونوں دن شامل ہیں) تک بند رہیں گی۔ وہ افراد جن کا نام 19 اپریل، 2023 کے اعتبار سے کمپنی کے اراکین کے رجسٹر میں ظاہر ہو رہا ہوگا صرف انہی کو اس وقت میٹنگ میں شرکت کا اہل شمار کیا جائے گا۔

#### 2. ویڈیو لنک کی سہولت کے ذریعے 28 ویں سالانہ عام اجلاس میں شرکت:

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی طرف سے وقتاً فوقتاً جاری کردہ سرکولرز کے ذریعے سکیورٹیز کو پابند کیا گیا ہے کہ عمومی اجلاس بالمشافہ کے ساتھ ساتھ آن لائن بھی انعقاد بھی کیا جائے گا۔ سالانہ عام اجلاس میں شیئر ہولڈرز کی شرکت کو مزید آسان بنانے کے لیے کمپنی کی طرف سے مندرجہ ذیل انتظامات کیے گئے ہیں:

وہ اراکین جو بذریعہ ویڈیو لنک اجلاس میں شرکت کرنا چاہتے ہیں ان سے درخواست ہے کہ وہ اپنی معلومات جس میں ان کا نام، فونیو نمبر، شناختی کارڈ نمبر اور ای میل ایڈریس 25 اپریل، 2023 کو کاروباری اوقات بند ہونے سے پہلے [igilifeagm@igi.com.pk](mailto:igilifeagm@igi.com.pk) پر ای میل کر دیں۔ بذریعہ ویڈیو لنک اجلاس کی کارروائی میں شرکت کرنے کے لیے اراکین <https://zoom.us/download> کے ذریعے اپنی کمپلیکشن رسافٹ ویبز ڈاؤنلوڈ کر کے لاگ ان ہو سکتے ہیں۔

شیئر ہولڈرز پر کسی کی جانب سے مذکورہ بالا معلومات موصول ہونے کے بعد کمپنی لاگ ان کی تفصیلات ان کے ای میل ایڈریس پر ارسال کرے گی، جس سے وہ سالانہ عام اجلاس میں بذریعہ ویڈیو لنک شرکت کر سکیں گے۔

#### 3. میٹنگ میں حاضری:

جو ممبران سالانہ اجلاس عام میں شرکت اور حق رائے دہی استعمال کرنے کے اہل ہیں ان کو اپنی جانب سے کسی اور شخص کو اپنی جگہ اجلاس میں شرکت اور حق رائے دہی استعمال کرنے کے لیے نمائندہ (پراکسی) مقرر کرنے کی اجازت ہے۔ نمائندہ (پراکسی) کے لیے کمپنی کا رکن ہونا ضروری نہیں۔ نمائندہ (پراکسی) مقرر کرنے والے رکن کی طرف سے مکمل پُر شدہ پراکسی فارم دستخط کے ساتھ کمپنی کے شیئر رجسٹرار، فیمکو ایسوسی ایشن (پرائیویٹ) لمیٹڈ، 8 ایف، متصل ہوٹل فاران، نرسری بلاک 6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی کو مقررہ اجلاس سے لازماً 48 گھنٹے قبل موصول ہو جانا ضروری ہے۔

شیئر ہولڈرز (جن کے سی ڈی سی میں اکاؤنٹ نہیں ہیں) سے درخواست ہے کہ اگر ان کے پتہ میں کسی قسم کی تبدیلی ہو تو فوری طور پر کمپنی کے شیئر رجسٹرار کو مطلع کر دیں۔

#### 4. سی ڈی سی اکاؤنٹ ہولڈرز/غیر سی ڈی سی اکاؤنٹ ہولڈرز کے لیے ہدایات:

الف) اجلاس میں شرکت کے لیے

i۔ وہ انفرادی لوگ، اکاؤنٹ یا سب اکاؤنٹ ہولڈرز اور یا وہ شخص جس کی سکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات ریگولیشنز کے مطابق اپلوڈ کر دی گئی ہوں وہ اجلاس میں اپنی شناخت کی تصدیق کے لیے اپنا کمپیوٹر آئڈنٹیفائیڈ ذومی شناختی کارڈ یا اصل پاسپورٹ ضرور فراہم کریں۔

ii۔ کارپوریٹ ادارے کی صورت میں اجلاس کے موقع پر بورڈ آف ڈائریکٹرز کی قرارداد پر پاور آف اٹارنی کے ساتھ مقرر کنندہ کے دستخط کے نمونوں کا ہونا ضروری ہے۔

ب) نمائندہ مقرر کرنے کے لیے

i۔ وہ انفرادی لوگ، اکاؤنٹ یا سب اکاؤنٹ ہولڈرز اور یا وہ شخص جس کی سکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات ریگولیشنز کے مطابق اپلوڈ کر دی گئی ہوں وہ مذکورہ بالا شرائط کو مد نظر رکھتے ہوئے پراکسی فارم ضرور مہیا کریں۔

ii۔ پراکسی فارم پر دو گواہوں کی تصدیق ضروری ہے جن کا نام، پتہ اور شناختی کارڈ نمبر فارم پر درج ہو۔

iii۔ اصل مالکان اور نمائندہ کے شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل بھی پراکسی فارم کے ساتھ فراہم کی جائے گی۔

iv۔ اجلاس کے وقت نمائندہ اپنا اصل شناختی کارڈ یا اصل پاسپورٹ بھی پیش کرے گا۔

v۔ کارپوریٹ ادارے کی صورت میں پراکسی فارم بورڈ آف ڈائریکٹرز کی قرارداد پر پاور آف اٹارنی دستخط کے نمونوں کے ساتھ جمع کروایا جائے گا۔

#### 5. کمپنی کی ویب سائٹ پر سالانہ آڈٹ شدہ مالیاتی گوشواروں کی دستیابی:

کمپنیز ایکٹ، 2017 کے سیکشن (7) 223 کی روشنی میں مالیاتی گوشوارے اور رپورٹس کمپنی کی ویب سائٹ پر اپلوڈ کر دی گئی ہیں اور اسے اس لنک <https://igilife.com.pk/investor-relations/financial-reports> سے حاصل کیا جاسکتا ہے۔



منعقدہ کمیٹی میٹنگز کی تعداد	4
اراکین کے نام	شرکت کردہ میٹنگز کی تعداد
محمد کمال سید	3
سید حیدر علی	4
زہرہ نقوی	3

#### اخلاقیات، ہیومن ریسورس، مشاہرے اور نامزدگیوں کی کمیٹی

اخلاقیات، ہیومن ریسورس، مشاہرے اور نامزدگیوں کی کمیٹی کمپنی کی ہیومن ریسورس پالیسیز کی تشکیل اور ان پر نظر ثانی کی ذمہ دار ہے۔ یہ کمیٹی سینئر آفیسرز بشمول چیف ایگزیکٹو آفیسر، ڈپٹی چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانس انشل آفیسر، کمپنی سیکریٹری اور ہیڈ آف انٹرنل آڈٹ کے مشاہرے، تجربے اور انتخاب سے متعلق امور کے حوالے سے بورڈ کی معاونت کرتی ہے۔ یہ کمیٹی ان آفیسرز کی سکسشن پلاننگ کے حوالے سے تجاویز بھی دیتی ہے۔

منعقدہ کمیٹی میٹنگز کی تعداد	2
اراکین کے نام	شرکت کردہ میٹنگز کی تعداد
سید حیدر علی	2
خرم رضا مختاری	1
سید یاور علی	2
فرید احسن	2

#### انویسٹمنٹ کمیٹی

انویسٹمنٹ کمیٹی مستحکم فوائد کے حصول اور پالیسی ہولڈرز فنڈ کو محفوظ رکھنے کے لیے سرمایہ کاری سے متعلق فنکشن کے امور کی ذمہ دار ہے۔ یہ کمیٹی کمپنی کے زیر انتظام مختلف فنڈز کے حوالے سے سرمایہ کاری پالیسی کو منظور اور نظر ثانی کرتی ہے۔

منعقدہ کمیٹی میٹنگز کی تعداد	4
اراکین کے نام	شرکت کردہ میٹنگز کی تعداد
سید حیدر علی	4
سید یاور علی	4
محمد کمال سید	4
خرم رضا مختاری	4

#### بورڈ کے تجزیہ کا طریقہ کار

کوڈ آف کارپوریٹ گورننس ریگولیشنز کی شرائط کو ملحوظ رکھتے ہوئے، کمپنی کے بورڈ آف ڈائریکٹرز کے پاس بورڈ اور اس کی کمیٹیوں کی کارکردگی کے سالانہ تجزیہ کا ایک منظور شدہ طریقہ کار ہے، بورڈ آف ڈائریکٹرز اور بورڈ کمیٹیاں سالانہ بنیادوں پر اس تجزیہ کا عمل کرتے رہتے ہیں۔

#### ڈائریکٹرز کا معاوضہ

ڈائریکٹرز کا معاوضہ کمپنی کے آرٹیکل آف ایسوسی ایشن کی زیر نگرانی چلتا ہے، جس کے تحت بورڈ آف ڈائریکٹرز کو وقتاً فوقتاً ڈائریکٹرز کا معاوضہ مقرر کرنے کا اختیار ہے۔

ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معاوضہ کی مجموعی رقم کے حوالے سے مزید تفصیلات اس سالانہ رپورٹ کی مالیاتی دستاویز کے نوٹ نمبر 38، صفحہ نمبر 102 پر مدکور ہے۔

#### ماحول پر اثر

آئی جی آئی لائف صحت کو بہتر بنانے، تحفظ، اور اپنے ملازمین اور ارد گرد کے معاشرہ کے لیے بہترین ورک پلیس بنانے کے اقدامات کے نفاذ کے لیے خوب جدوجہد کرتی ہے اور اس کو مزید مضبوط کرنے کے لیے COVID کی احتیاطی تدابیر کو بھی نافذ کیا گیا ہے۔

#### ڈائریکٹرز، ایگزیکٹو اور ان کے شریک حیات اور بچوں کی جانب سے حصص کی تجارت

چیف ایگزیکٹو آفیسر، چیف فنانس انشل آفیسر، کمپنی سیکریٹری مقرر کردہ ایگپوری اور دیگر ایگزیکٹو نے دوران سال حصص کی تجارت نہیں کی۔

#### پیٹرن آف شیئرز ہولڈنگ

کمپنیز ایکٹ مجریہ 2017 کے سیکشن 227 کے تحت 31 دسمبر 2022 تک کا پیٹرن آف شیئرز ہولڈنگ سالانہ رپورٹ میں شامل ہے۔

#### ضابطہ اخلاق

آپ کی کمپنی اپنے کسٹمرز کے مستقبل کے مالی تحفظ کے لیے روایتی لائف انشورنس، یونیورسل انشورنس اور یونٹ لنکڈ پلان پیش کرتی ہے۔ ہم SECP کی طرف سے بیان کردہ مارکیٹ کے ضابطہ اخلاق کی مکمل پاسداری کرتے ہیں اور اپنی پراڈکٹ کے حوالے سے تمام ضروری درکار حقائق اپنے کلائنٹ کے سامنے بیان کرتے ہیں۔

کمپنی نے ملازمین کے حوالے سے ضابطہ اخلاق بھی متعارف کروایا ہے جس پر انہیں ہر سال دستخط کرنے ہوتے ہیں۔

<p><i>Syed Hammad Ali</i></p> <p><b>سید حیدر علی</b></p> <p>چیف ایگزیکٹو آفیسر</p> <p>تاریخ: 20 مارچ 2023</p>	<p><i>Saim Khan</i></p> <p><b>شمیم احمد خان</b></p> <p>چیئر مین</p> <p>تاریخ: 20 مارچ 2023</p>
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## کوڈ آف کارپوریٹ گورننس برائے انشورر 2016، لسٹ کمپنیز ریگولیشنز 2019 (کوڈ آف کارپوریٹ گورننس) اور پاکستان اسٹاک ایکسچینج رول بک کی تعمیل

آپ کی کمپنی کے ڈائریکٹرز کی رائے ہیں:

الف) کمپنی کی بینجمنٹ کی طرف سے تیار کیا گیا فنانسشل اسٹیٹمنٹ اسکے معاملات، اسکے آپریشنز کے نتائج، کمیشن فلو اور ایکویٹی میں تبدیلی کو درست طریقے سے پیش کرتا ہے۔

ب) کمپنی کی جانب سے بک آف اکائٹس مناسب طریقے سے مرتب کیے گئے ہیں۔

ج) مناسب اکاؤنٹنگ پالیسیز کو فنانسشل اسٹیٹمنٹ بنانے میں استعمال کیا گیا اور اکاؤنٹنگ کے اندازے ایک مناسب اور معقول توجیہ پر مبنی ہیں۔

د) فنانسشل اسٹیٹمنٹ کی تیاری میں پاکستان میں رائج انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز، انٹرنیشنل فنانسشل رپورٹنگ اسٹینڈرڈز یا دیگر ریگولیشن یا قانون (بشمول شریعہ گائیڈ لائنز پر سپلز)، انشورنس آرڈیننس 2000، انشورنس اکاؤنٹنگ ریگولیشنز 2017، انشورنس رولز 2017، کمپنیز ایکٹ 2017 کے تحت جاری کردہ حکمنامہ اور ٹافل رولز 2012 کی پیروی کی گئی ہے اور کسی بھی قسم کی تبدیلی کو مناسب طریقے سے ظاہر کیا گیا ہے۔

ه) انٹرنل کنٹرول سسٹم مناسب ڈیزائن پر مبنی ہے اور موثر طریقے سے اس کو لاگو کیا گیا ہے اور اس کی نگرانی کی جارہی ہے۔

و) اس بات میں کوئی شک نہیں کہ کمپنی اس کاروبار کو مسلسل جاری رکھنے کی مکمل صلاحیت رکھتی ہے۔

ز) لسٹ کمپنیز ریگولیشنز 2019 (کوڈ آف کارپوریٹ گورننس)، کوڈ آف کارپوریٹ گورننس برائے انشورر 2016 اور پاکستان اسٹاک ایکسچینج رول بک میں بیان کردہ کارپوریٹ گورننس کی میسٹ پریکٹسز سے کسی قسم کا خاطر خواہ انحراف نہیں پایا گیا۔

ح) ٹیکس، ڈیویڈنڈ اور چارجز کی مد میں کوئی بھی قانونی ادائیگی 31 دسمبر 2022 تک واجب الاداء نہیں ہے، سوائے اس ادائیگی کے جس کو فنانسشل اسٹیٹمنٹ میں بیان کیا گیا ہے۔

ط) ملازمین کے ریٹائرمنٹ فنڈ کی مالیت غیر آڈٹ شدہ فنانسشل اسٹیٹمنٹ کے مطابق 31 دسمبر 2022 تک درج ذیل ہے:

ملازمین کا پراویڈنٹ فنڈ: 66.81 ملین روپے

ملازمین کا گریجویٹ فنڈ: 29.26 ملین روپے

ی) اب تک آپ کی کمپنی کے ڈائریکٹرز لسٹ کمپنیز ریگولیشنز 2019 (کوڈ آف کارپوریٹ گورننس) بیان کردہ ڈائریکٹر ٹینگ پروگرام سے مکمل طور پر ہم آہنگ ہیں۔

ک) گذشتہ چھ سالوں کا اہم آپریٹنگ اور فنانسشل ڈیٹا اس اسٹیٹمنٹ کے ساتھ منسلک ہے۔

انشورنس آرڈیننس 2000 کی شرائط کو ملحوظ رکھتے ہوئے ڈائریکٹرز اس بات کی تصدیق کرتے ہیں کہ:

ان کی رائے اور یقین کے مطابق اس اسٹیٹمنٹ سے منسلک سالانہ قانونی اکاؤنٹس کو انشورنس آرڈیننس 2000 اور اس میں بیان کردہ رولز کے مطابق مرتب کیا گیا ہے۔

مکمل سال کمپنی نے پیڈ اپ کمپیٹل، سالوینسی اور ری انشورنس کے انتظامات سے متعلق آرڈیننس اور دیگر رولز کی مجموعی طور پر تعمیل کی ہے اور اسٹیٹمنٹ کی تاریخ تک کمپنی مسلسل ان تمام شرائط پر کاربند ہے۔، جیسا کہ اوپر مذکور ہے۔

### بورڈ آف ڈائریکٹرز

کمپنی کا بورڈ آف ڈائریکٹرز سات (5 مرد، 2 خواتین) ڈائریکٹرز پر مشتمل ہے جو مندرجہ ذیل ہیں:

آزاد ڈائریکٹرز	محمد کمال سید
	فرید احسن
	زہرہ نقوی
ایگزیکٹو ڈائریکٹر	سید حیدر علی
نان ایگزیکٹو ڈائریکٹرز	شیم احمد خان
	سید یاور علی
	خرم رضا بختیاری

### بورڈ اور کمپنی میٹنگز

بورڈ آف ڈائریکٹرز، آڈٹ، انڈر رائٹنگ اور ری انشورنس، رسک اور کمپلائنس، کلیمز، انویسٹمنٹ، اور ہیومن ریسورس اور مشاہرے اور تقرری کمیٹی کی میٹنگز شیڈول کے مطابق ہونئیں۔ منعقدہ میٹنگز اور بورڈ اور اس کی ذیلی کمیٹی میں ہر ڈائریکٹر کی حاضری کی تفصیل درج ذیل ہے:

منعقدہ بورڈ میٹنگز کی تعداد	4
<b>ڈائریکٹرز کے نام</b>	<b>شرکت کردہ میٹنگز کی تعداد</b>
شیم احمد خان	4
سید حیدر علی	4
سید یاور علی	4
خرم رضا بختیاری	4
محمد کمال سید	4
زہرہ نقوی	3
فرید احسن	4

### آڈٹ کمیٹی

آڈٹ کمیٹی چار (4) نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے، آڈٹ کمیٹی کی تشکیل لسٹ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز کے مطابق ہے۔

منعقدہ کمیٹی میٹنگز کی تعداد	4
<b>اراکین کے نام</b>	<b>شرکت کردہ میٹنگز کی تعداد</b>
محمد کمال سید	4
سید یاور علی	4
خرم رضا بختیاری	4
زہرہ نقوی	3

### کلیمز تصفیہ کمیٹی

یہ کمیٹی کمپنی کے کلیمز کے تصفیہ سے متعلق پالیسی کی منظوری دیتی ہے۔ یہ کمیٹی کمپنی کی کلیمز پوزیشن کی نگرانی کرتی ہے اور اس بات کو یقینی بناتی ہے کہ کلیمز سے متعلق مناسب ریزرو برقرار رہیں۔ اس کمیٹی کی خصوصی توجہ غیر معمولی کلیمز پر ہوتی ہے۔ یہ کمیٹی کلیمز کے فوری تصفیہ اور ادائیگی کو یقینی بناتی ہے۔ یہ کمیٹی عدالت، انشورنس محتسب اور ٹریبونل کے سامنے پیش ہونے والے کیسز کے ساتھ ساتھ دیگر آڈٹ اسٹینڈنگ کیسز کا جائزہ بھی لیتی ہے۔ یہ کمیٹی دھوکہ دہی پر مبنی کلیمز کا جائزہ بھی لیتی ہے۔

منعقدہ کمیٹی میٹنگز کی تعداد	4
<b>اراکین کے نام</b>	<b>شرکت کردہ میٹنگز کی تعداد</b>
شیم احمد خان	4
سید یاور علی	4
فرید احسن	4

### انڈر رائٹنگ اور ری انشورنس کمیٹی

یہ کمیٹی اس بات کو یقینی بناتی ہے کہ ری انشورنس سے متعلق تمام انتظامات بالکل موزوں ہوں۔ یہ کمیٹی اجراء سے پہلے مجوزہ ری انشورنس معاہدات کا جائزہ لیتی ہے، وقت فوقتاً ری انشورنس معاہدات پر نظر ثانی کرتی ہے اور شریک ری انشورر کی اجازت سے جیسے اور جب ضرورت پڑے کی بنیاد پر مناسب ایڈجسٹمنٹ بھی کرتی ہے۔ یہ کمیٹی مستقبل میں ری انشورنس پروگرام کے موثر ہونے کا تجزیہ بھی کرتی ہے۔

یہ کمیٹی کمپنی کی انڈر رائٹنگ پالیسیز بھی ترتیب دیتی ہے۔ یہ کمیٹی انشورنس سے متعلق مختلف قسم کے رسک کے تجزیے کا معیار بھی مقرر کرتی ہے اور مارکیٹ کی ترقی اور اپنے پورٹ فولیو کے لحاظ سے وقت فوقتاً انڈر رائٹنگ پالیسیز پر نظر ثانی کرتی رہتی ہے۔



## تصرفات اور سالیٹس

مقرر کردہ انکچری کی تجویز اور بورڈ کی منظوری کے بعد کمپنی لائف پارٹسپیننگ فنڈ سے 16.098 ملین کی سرپلس کی رقم شیئر ہولڈرز کے فنڈز میں منتقل کر چکی ہے۔

## لائف پارٹسپیننگ فنڈز

لائف پارٹسپیننگ فنڈ کے تحت بیچ گئی پالیسیاں SECP کی بیان کردہ حد تک اس کے پالیسی ہولڈرز کو اس مدت کے دوران ہونے والے سرپلس کا حق دار بناتی ہیں۔ یہ رقم بونس کی شکل میں پالیسی ہولڈرز کو دی جاتی ہے۔ یہ بونس مقرر کردہ انکچری کی تجویز اور بورڈ کی منظوری سے تقسیم کیا جاتا ہے۔ دوران سال 145 ملین (2021 میں 153 ملین) کا بونس پالیسی ہولڈرز کے درمیان تقسیم کیا گیا۔

## کلیمر

کلیمر پروفوری اور موثر کاروائی ہمیشہ سے کمپنی کی پہلی ترجیح رہی ہے۔ سالہا سال سے کمپنی کی کوشش رہی ہے کہ اپنے کلیم تصفیہ کے پراسس کو بہتر سے بہتر بنایا جائے تاکہ کلیم پراسس کے دورانیہ کو کم سے کم کیا جاسکے اور کلیم کے حوالے سے مقررہ کنٹرولز کو مضبوط بنایا جاسکے۔

دوران سال کمپنی کلیم کی مد میں 1.44 ارب (2021 میں 1.67 ارب) روپے کی ادائیگی کر چکی ہے۔

## آڈٹ رپورٹ

جیسا کہ نوٹ نمبر 26.1 میں واضح طور پر بیان کیا گیا ہے کہ کمپنی کا نقطہ نظر یہ ہے کہ پاکستان میں لائف انشورنس بزنس کی بڑھوتری اور استحکام کے لیے لائف انشورنس بزنس پر عائد سبزیٹس پر نظر ثانی کرنا ضروری ہے۔ اس کے علاوہ، قانونی مشورے کے طور پر، کمپنی نے دیگر انشورنس کمپنیز کے ساتھ مل کر پنجاب اور سندھ ہائی کورٹ میں سبزیٹس عائد کرنے کے فیصلے کو چیلنج کیا ہے۔ یہ پیشین ابھی زیر التواء ہیں۔ آڈیٹرز نے اس معاملہ کو نمبر 2 کی رپورٹ میں اٹھایا ہے۔

## پروڈکٹس اور ڈسٹری بیوشن چینلز

کمپنی اپنی منفرد مصنوعات کے فروغ کو جاری رکھے ہوئے ہے۔ جیسا کہ پہلے بھی ذکر کیا گیا ہے کہ وائٹیلیٹی جو صحت کی بہتری کی طرف توجہ دیتی ہے اس کی بھی ان ڈسٹری بیوشن چینلز سے تشہیر کی جارہی ہے۔ تکافل مصنوعات کو بییکا انشورنس اور انجینی کے ڈسٹری بیوشن چینلز کے ذریعے متعارف کروایا گیا ہے۔ کمپنی نے ڈیجیٹلائزیشن کی جانب قدم بڑھاتے ہوئے اپنی پروڈکٹس کی ڈیجیٹل پلیٹ فارمز پر دستیابی کے لیے مختلف اداروں کے ساتھ شراکت داری بھی کی ہے۔

## بورڈ کی تشکیل اور اس کا معاوضہ

بورڈ کی تشکیل اور اس کی ذیلی کمیٹیوں کے ممبران کے نام صفحہ نمبر 18 اور 19 پر دیکھے جاسکتے ہیں کمپنیز ایکٹ، 2017 اور سلیڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے مطابق آپ کی کمپنی نے اپنے ڈائریکٹرز کے معاوضے کے حوالے سے ایک شفاف فریم ورک تیار کیا ہے۔

## انڈر رائٹنگ، ری انشورنس اور رسک منیجمنٹ

آپ کی کمپنی انڈر رائٹنگ کے محتاط طریقوں پر عملداری کی پیروی کرتی ہے۔ کمپنی انڈر رائٹنگ کے طریقہ کار کو تعاون فراہم کرنے کے لیے اپنی افرادی قوت، ٹیکنالوجی اور انفراسٹرکچر میں مسلسل سرمایہ کاری کو جاری رکھے ہوئے ہے۔

آپ کی کمپنی احتیاط کے ساتھ ڈیزائن کردہ ری انشورنس پروگرام کے ذریعے، لاحق رسک پر تیز اور بروقت رد عمل کی پالیسی پر کاربند ہے۔ کمپنی نے قابل اعتماد انٹرنیشنل اداروں کے ساتھ ری انشورنس معاہدات کیے ہوئے ہیں۔

## کمپیٹل منیجمنٹ اور لیکویڈیٹی

کمپنی اپنی موجودہ اور مستقبل کی کاروباری سرگرمیوں کو چلانے کے لیے ایک خاص مقدار میں سرمایہ برقرار رکھتی ہے۔ کمپنی کا پیڈ اپ کمپیٹل اور حاصل کردہ آمدن بالترتیب 1,705 ملین اور 34.716 ملین ہے۔

کمپنی کا ایک طے شدہ فریم ورک ہے، جس کی ذریعہ کلیم کی ادائیگیوں اور انتظامی اخراجات کو پورا کرنے کے لیے مناسب لیکویڈیٹی برقرار رہتی ہے۔ کمپنی کے پاس 31 دسمبر 2022 تک کیش اور کیش کے مساوی 3.77 ارب (2021 میں 7.78 ارب) روپے موجود رہے ہیں۔

کمپنی اور اس کے بزنس کو متعلقہ خطرات اور مواقع اور ان خطرات کو کم سے کم رکھنے کے حوالے سے اقدامات مکمل طور پر رپورٹ کے صفحہ نمبر 32 اور 33 میں وضاحت کے ساتھ بیان کر دیے گئے ہیں۔

## انفارمیشن ٹیکنالوجی اور آپریشنل مہارت

آپ کی کمپنی نے ایک معروف بین الاقوامی فرم سے حاصل کردہ جدید IT سسٹم کے ذریعے اپنی نئی پراڈکٹ ”IGI LIFE Vitality“ کو متعارف کروایا ہے۔ نیا سسٹم عملی طور پر آپریشنل صلاحیتوں اور کسٹمر سروس کو بہتر بنانے میں مدد کر رہا ہے۔ اس کے ساتھ ساتھ اپنے کسٹمر کی خدمت کے لیے مختلف پورٹل اور موبائل ایپلیکیشن بھی متعارف کروائی گئی ہیں، جس نے گھر بیٹھے صارفین اور دفاتر تک ان کی ذاتی ڈیوائسز کے ذریعے رسائی ممکن بنائی ہے۔

## متعلقہ پارٹی لین دین

ہر بورڈ میٹنگ میں بورڈ آف ڈائریکٹرز آڈٹ کمیٹی کی سفارشات کی بنیاد پر متعلقہ کمپنیوں اور پارٹیوں کے ساتھ ہونے والی ٹرانزیکشنز کی منظوری دیتے ہیں۔ ایسی تمام ٹرانزیکشن ”Arm's Length“ پر انجام دی جاتی ہیں۔ اس کو آزاد موازنے کے قابل قیمتوں کے طریقہ کار اور لاگتی اشتراک کے اختیارات کی بنیاد پر طے کیا جاتا ہے۔

## افراد کی قوت کا انتظام

موجودہ سال کمپنی نے سبز اور مارکیٹنگ، انڈر رائٹنگ، کلیم، فنانس، انکچریل، ہیومن ریسورس اور کسٹمر سروس سمیت بہت سے شعبوں میں ماہر اور باصلاحیت بھرتیاں کر کے اپنی افرادی قوت کو مضبوط کیا ہے۔ سال 2022 کے دوران کمپنی نے اپنے اسٹاف اور سبز فورس کے لیے متعدد ٹریننگ اور تربیتی کورسز کا انعقاد کیا۔

## انٹرنل آڈٹ

آپ کی کمپنی کا اپنا ایک انٹرنل آڈٹ کا شعبہ ہے، جس کی نگرانی ایک آڈٹ کمیٹی کرتی ہے۔ انٹرنل آڈٹ فنکشن ریگولیٹری ذمہ داریوں پر عمل کو یقینی بناتا ہے۔

## آڈیٹرز

آڈٹ کمیٹی کی سفارش پر کمپنی کے بورڈ آف ڈائریکٹرز نے کمپنی کے بیرونی آڈیٹرز کے طور پر A.F. Ferguson and Co. Chartered Accountants کی تقرری کی منظوری دی ہے۔

## ہولڈنگ کمپنی

کمپنی آئی جی آئی ہولڈنگز لمیٹڈ (سابقہ آئی جی آئی انشورنس لمیٹڈ) کی ذیلی کمپنی ہے، جو کمپنی کے 82.69% شیئرز (2021 میں 82.69%) کی مالک ہے۔

## انشورر کی مالیاتی قوت کی ریٹنگ

موجودہ سال کے دوران کمپنی نے PACRA سے اپنی IFS ریٹنگ کو برقرار رکھا۔ کمپنی کو A++ IFS ریٹنگ کے ساتھ مستحکم آڈٹ لگ سے نوازا گیا۔

## کارپوریٹ سماجی ذمہ داری (CSR)

کارپوریٹ سماجی ذمہ داری آئی جی آئی لائف وائٹیلیٹی کی بنیادی سرگرمیوں میں سے ایک رہی ہے۔ ہم کراچی میں منعقد ہونے والے ساتویں سالانہ ڈیف ریچ گالف ٹورنامنٹ کے قابل فخر اسپانسر تھے۔ ہم پاکستان میں بہرے افراد کی تعلیم کو سپورٹ کرتے ہیں۔ ڈیف ریچ اینڈ ٹریننگ سینٹر، فیملی ایجوکیشنل سروسز فاؤنڈیشن کا پروگرام ہے، جو بچوں اور نوجوانوں کو تعلیمی اور پیشہ ورانہ ٹریننگ فراہم کرتا ہے۔ آئی جی آئی لائف وائٹیلیٹی نے اس ایونٹ کو اسپانسر کیا، جس میں تقریباً 200 گالف کے کھلاڑیوں بہرے افراد کی تعلیم کو سپورٹ کرنے کے حصہ لیا۔

## مستقبل کا منظر نامہ

سب سے کم لائف انشورنس کی شرح اور کام کرنے والے بالغ افراد کی زیادہ شرح کے باوجود، ہمارا یقین ہے کہ پاکستانی مارکیٹ میں بڑھوتری کے کافی زیادہ امکانات ہیں۔ جیسا کہ پہلے بھی بیان کیا گیا ہے کہ کمپنی نے چند حکمت عملیاں اختیار کی ہیں، جس کی وجہ سے موجودہ سالوں میں ہماری ٹاپ لائن میں اضافہ دیکھنے کو آیا ہے۔ ہمیں یقین ہے کہ ہم پاکستان میں لائف انشورنس کی بڑھتی ہوئی مارکیٹ کا اپنی مکمل قوت کے ساتھ بھرپور فائدہ اٹھائیں گے۔ اس موجودہ معاشی صورتحال کے باوجود کمپنی کی پوری توجہ نفع مندی کے اس سفر کو مسلسل جاری رکھنے کی طرف ہے، تاکہ پالیسی ہولڈرز اور شیئر ہولڈرز کے لیے زیادہ سے زیادہ نفع حاصل کیا جاسکے۔

## کلمات تشکر

بورڈ آف ڈائریکٹرز اپنے ملازمین کی طرف سے پیش کردہ خدمات پر ان کا شکریہ اور قدردانی کرتا ہے۔ اس کے علاوہ ہم اس موقع پر SECP کے گراں قدر تعاون اور رہنمائی پر تہہ دل سے ممنون ہیں۔ آخر میں، ہمارے پالیسی ہولڈرز کا شکریہ جن کا مسلسل اعتماد کمپنی کے لیے سب سے زیادہ قابل قدر رہا۔

*Syed Hammad Ali*

سید حیدر علی

چیف ایگزیکٹو آفیسر

تاریخ: 20 مارچ 2023

*S. Anwar Khan*

شمیم احمد خان

چیئر مین

تاریخ: 20 مارچ 2023

## ڈائریکٹرز رپورٹ برائے ممبران

کمپنی کے ڈائریکٹر 31 دسمبر، 2022 کو ختم ہونے والے سال کی سالانہ رپورٹ، آڈٹ شدہ مالیاتی گواشاہدوں کے ساتھ پیش کرتے ہوئے نہایت مسرت محسوس کر رہے ہیں۔

گزشتہ سال کے دوران کمپنی نے ایک حکمت عملی اختیار کی جس کی بدولت کمپنی کی کارکردگی بہت بہتر ہوئی۔ اس نئی حکمت عملی کے تحت کمپنی نے کئی اقدامات کیے جن میں ایجنسی چینل کا استحکام، بیڈنگ اسٹورس میں

معنیہ مواقع کی کھوج، کارپوریٹ پورٹ فولیو کو موثر بنانا اور انتظامی اور ڈسٹر بیوشن کی لاگت کو کنٹرول کرنا شامل ہے۔ اس کے ساتھ ساتھ کمپنی نے وائٹ پیپلی کی کواستعمال کرنے کا فیصلہ کیا، جو ہماری بڑھوتری کے سفر

کی ایک نمایاں پروڈکٹ ہے۔ وائٹیلیٹی ہمارے دونوں ذرائع بجنسی اور بیدارکا اشورنس چینل سے پیش کیا جا رہا ہے۔ اس وقت وائٹیلیٹی کا ہرنس ہمارے 2022 کے باقاعدہ پرمیم کے 38% پر مشتمل ہے۔

ہمیں آپ کو یہ بتاتے ہوئے بہت مسرت ہو رہی ہے کہ میٹجٹ کی ان تمام کاوشوں کی بدولت ملک کی کٹھن میکرو اکنامک حالت کے باوجود گزشتہ سال 49.2 ملین قبل از ٹیکس نقصان کے مقابلہ میں 2022 میں

60 ملین کا قبل از ٹیکس نفع ہوا ہے۔

مجموعی پریمیم

دو دران سال، ہماری کمپنی کا تحریر کردہ مجموعی پرییم (بشمول تکافل زر تعاون) 2021 کے 7.05 ارب کے مقابلے میں اس سال 6.07 ارب رہا۔

انفرادی لائف ریگولر پیمیم (بشمول مکافل زر تعاون) 3 فیصد کمی کے ساتھ گزشتہ سال کے 3.88 ارب کی نسبت اس سال 3.78 ارب رہا۔ تجدید شدہ پیمیم (سال 2021 کے 2.14 ارب سے بڑھ کر)

10 فیصد اضافے کے ساتھ اس سال 2.36 ارب ہو گیا۔

گروپ لائف اور گروپ ہیلتھ پر پیچیدہ (بشمول ٹکنالوجی گروپ فیملی اور ہیلتھ) میں اس سال 1 فیصد بڑھوتری ریکارڈ کی گئی اور یہ (2021 کے 1.87 ارب کے مقابلے میں) 1.91 ارب رہا۔

سننگل پر یکم زر تعاون والی افرادی پالیسیاں گزشتہ سال کے 1.29 ارب سے کم ہو کر 0.38 ارب تک پہنچ گئیں اور یوں ان میں اس سال 70 فیصد کی گراوٹ دیکھی گئی۔

## سرمایه کاری

آپ کی کمپنی نے مارکیٹ کے کٹھن حالات کے باوجود پچھلے سال اسی دورانیے میں 1.260 ارب کے مقابلے میں اس سال 1.606 ارب سرمایہ کاری آمدنی حاصل کی۔

آپ کی کمپنی کے پاس اس سال 18.50 ارب کا مختلف النوع سرمایہ کاری رپورٹ فوئیو ہے (2021 میں 19.07 ارب) جو کہ کمپنی کے مجموعی اثاثوں کا 86% (2021: 87%) ہے۔ کمپنی اپنے پالیسی

ہولڈرز کے منافع میں استحکام اور تسلسل کو یقینی بنانے کے لیے نہایت محتاط سرمایہ کاری کی پالیسی پر عمل پیرا ہے۔

کمپنی روایتی انشورنس برنس میں 13 اور انفرادی فیملی کمانڈ میں 3 یونٹ لکھنؤ فنڈز پیش کرتی ہے۔ ہر فنڈ کارسک مختلف ہے اور اس کا انحصار صارف پر ہوتا ہے کہ وہ اپنے فنڈز کے لیے کس حد تک منافع اور

رسک کا سامنا کرنے کو تیار ہے۔

کنوشنل چارحانہ، متوازن، محفوظ اور محتاط نے دوران سال بالترتیب 10.9%، 2.8%، 11.9% اور 12.0% کا مجموعی منافع حاصل کیا ہے۔

کمپنی نے سال 2015 میں اپنے ونڈو کا فیل آپریشنز کا آغاز کیا اور اپنے انتظام کے تحت 4.61 ارب کا فنڈ حاصل کیا۔ یہ فیل جارحانہ، متوازن اور محتاط فنڈز نے سال 2022 کے دوران

بالترتیب -9.0%، 4.2% اور 11.9% کا منافع حاصل کیا ہے۔

نفع

نفع اور خسارہ کا ایک مختصر جائزہ درج ذیل ہے:

نفع / خساره

2021	2022	نفع / خسارہ
----- روپے '000 -----		
(492,237)	60,170	قبل از ٹیکس خالص نفع / (خسارہ)
(143,080)	(18,139)	ٹیکس
(349,157)	42,031	بعد از ٹیکس خالص نفع / (خسارہ)
(43,390)	(45,824)	دیگر خالص مجموعی خسارہ - صافی
(2.05)	0.25	فی شیئر نفع / (خسارہ)
10.23	10.20	فی شیئر بریک اپ ویلیو (اس میں وہ رقم بھی شامل ہے جو انشورنس

فی شیئر بریک اپ ویلیو (اس میں وہ رقم بھی شامل ہے جو انشورنس

آرڈیننس کی ضروریات کو پوری کرنے کے لیے اسٹیجیوری فنڈ میں

(موجود رہتی ہے)

کپنیک کو 2021 کے بعد از ٹیکس 349.157 ملین نقصان کے مقابلے میں 2022 میں 42.031 ملین کے بعد از ٹیکس کا نفع ہوا ہے (بشمول ایپجوری فنڈ کا نفع نقصان)۔

اس نفع کی بنیادی وجہ کمپنی کی وہ نئی حکمت عملی ہے جس کا بیان شروع کے پیرا گراف میں ہوا۔

## Notes

[illegible]

Proxy Form

Shareholder's Folio No. \_\_\_\_\_ Number of shares held \_\_\_\_\_

I/We \_\_\_\_\_ of (full address) \_\_\_\_\_

being member(s) of IGI Life Insurance Limited, (the Company) 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, April 27, 2023 at 10:30 am,

at the Auditorium Hall, of The Institute of Chartered Accountants of Pakistan, Karachi, as notified in the AGM notice and at

any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Signed by the member(s) in the presence of;

Witness : \_\_\_\_\_

Address : \_\_\_\_\_

CNIC/NICOP No. : \_\_\_\_\_

Witness : \_\_\_\_\_

Address : \_\_\_\_\_

CNIC/NICOP No. : \_\_\_\_\_

NOTES:

General:

- 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.
- 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.
- 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 Share Registrar of the Company namely "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.
- If a member appoints more than one proxy, and more than one instrument of proxy are deposited by a member with the Share Registrar, all such instruments of proxy shall be rendered invalid.
- Applicable stamp duty shall be paid/affixed on the proxy form in accordance with the place of execution.

For CDC Account Holders / Corporate Entities:

- In addition to the above, the following requirements have to be met for CDC Account Holders / Corporate Entities: The proxy form shall be witnessed by two persons whose names, addresses and CNIC / NICOP or Passport numbers shall be mentioned on the form.
- Attested copies of CNIC / NICOP or the Passport of the beneficial owners of the beneficial owners and the proxy shall be furnished with the proxy form on the mailing address mentioned above.
- The proxy shall produce his/her original CNIC / NICOP or original Passport at the time of the Meeting.
- 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

شیر ہولڈر کا فولیو نمبر \_\_\_\_\_ موجودہ شیرز کی تعداد \_\_\_\_\_

میں / ہم \_\_\_\_\_ (مکمل پتہ) \_\_\_\_\_

آئی جی آئی لائف انشورنس لمیٹڈ (کمپنی) کے ممبر ہونے کی حیثیت سے محترم محترمہ \_\_\_\_\_ (مکمل پتہ) \_\_\_\_\_

اور ان کی غیر موجودگی کی صورت میں محترم محترمہ \_\_\_\_\_ (مکمل پتہ) \_\_\_\_\_

کو 27 اپریل 2023 بروز جمعرات صبح 10:30 بجے انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹ پاکستان، کراچی کے آڈیٹوریم ہال میں منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں یا کسی بھی التواء کی صورت

میں میری ہماری غیر موجودگی میں اپنا ہمارا حق رائے دہی استعمال کرنے کے لیے اپنا ہمارا نائب (پراکسی) مقرر کرتا ہوں / کرتی ہوں کرتے ہیں۔

بتاریخ \_\_\_\_\_ بمابہ \_\_\_\_\_ 2023 کو اس پر دستخط کیے گئے۔

اراکین کی جانب سے ان گواہان کی موجودگی میں دستخط کیے گئے؛

گواہ \_\_\_\_\_

پتہ \_\_\_\_\_

کمپیوٹرائزڈ راسمارٹ قومی شناختی کارڈ نمبر \_\_\_\_\_

گواہ \_\_\_\_\_

پتہ \_\_\_\_\_

کمپیوٹرائزڈ راسمارٹ قومی شناختی کارڈ نمبر \_\_\_\_\_

نوٹس:

جزل:

- جوارا کین اجلاس عام میں شرکت اور حق رائے دہی استعمال کرنے کے مجاز ہیں وہ اپنی جگہ کسی اور کو شرکت یا حق رائے دہی استعمال کرنے کے لیے نمائندہ (پراکسی) مقرر کر سکتے ہیں۔
- نمائندہ (پراکسی) مقرر کرنے والی دستاویز کا نمائندہ مقرر کرنے والے یا اس کی طرف سے تحریری طور پر نامزد انارانی کے دستخط کا ہونا ضروری ہے، اگر نمائندہ مقرر کرنے والا کوئی کارپوریٹ ادارہ ہے تو اس صورت میں اس کی یا اس کی طرف سے تحریری طور پر نامزد انارانی کے دستخط یا ممبر کا ہونا ضروری ہے۔
- مکمل شدہ پراکسی فارم جمع پاور آف انارانی یا نوٹری سے مصدقہ کاپی کمپنی کے شیر رجسٹرار، فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، 8 ایف، متصل ہوٹل فاران، نرسری، بلاک 6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی کو مقررہ اجلاس سے لازماً 48 گھنٹے قبل موصول ہو جانا ضروری ہے۔
- اگر رکن ایک سے زائد نائب (پراکسی) مقرر کرتا ہے یا رکن کی جانب سے ایک سے زائد پراکسی فارم جمع کروائے جائیں تو تمام پراکسی فارم باطل شمار کیے جائیں گے۔
- جس جگہ فارم پُر کیا جا رہا ہے اس مقام کے اعتبار سے قابل اطلاق اسٹامپ ڈیوٹی پراکسی فارم پر چسپاں کی جائے گی۔

سی ڈی سی اکاؤنٹ ہولڈر کارپوریٹ ادارے

- اوپر ذکر کردہ مطلوب دستاویز معلومات کے ساتھ ساتھ سی ڈی سی اکاؤنٹ ہولڈر کارپوریٹ اداروں کے لیے درج ذیل مطلوبات کو مکمل کرنا بھی ضروری ہے۔ پراکسی فارم پر دو گواہوں کے نام، پتے، کمپیوٹرائزڈ قومی شناختی کارڈ / شناختی کارڈ یا پاسپورٹ نمبر ہونا بھی ضروری ہے۔
- پراکسی فارم کے ساتھ اوپر ذکر کردہ پتے پر مستفید مالک یا نائب کے کمپیوٹرائزڈ قومی شناختی کارڈ / شناختی کارڈ برائے اوورسیز پاکستانی یا پاسپورٹ کی مصدقہ کاپی فراہم کرنا بھی ضروری ہے۔
- اجلاس کے وقت نائب اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ / شناختی کارڈ برائے اوورسیز پاکستانی یا پاسپورٹ پیش کرنے کا پابند ہے۔
- کارپوریٹ ادارے کی صورت میں پراکسی فارم بورڈ آف ڈائریکٹر کی قرارداد پاور آف انارانی دستخط کے نمونوں کے ساتھ (اگر پہلے فراہم نہیں کیے گئے ہوں) کمپنی کو جمع کروانا ضروری ہے۔