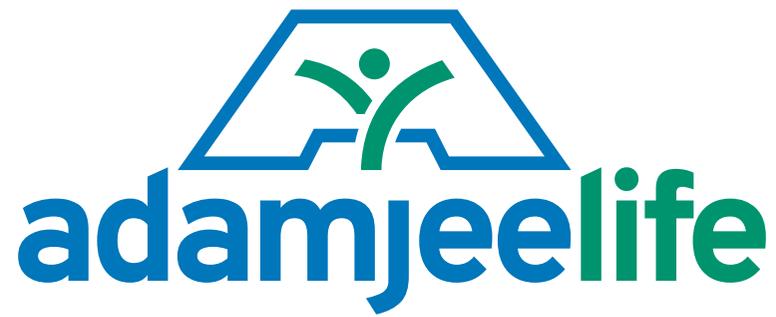


# NEW ERA OF ADAMJEE LIFE

Annual Report  
2021





## **NEW ERA OF ADAMJEE LIFE**

The new era for Adamjee Life has begun. Within a span of just over a decade, we have managed to create a legacy of achieving milestones and for reaching new horizons.

We believe that our customers and our patrons are the core reason for success of our business, and we shall serve them with the same zeal and commitment as their most trusted partner.

# CONTENTS

04	Vision & Mission
05	Core Values
06	Strategic Objectives
07	Board of Directors
10	Management's Profile
14	Company Profile
16	Management & Board Committees
18	Company Information
20	Organizational Structure
21	Governance
22	▪ Statement of Compliance with the Code of Corporate Governance
28	▪ Independent Auditors Review Report to the Members on Statement of Compliance with best practices of Code of Corporate Governance

# CONTENTS

<b>29</b>	<b>Shariah Compliance</b>
30	▪ Management's Statement of Compliance with the Shariah Principles
31	▪ Shariah Advisor's Report to the Board of Directors
32	▪ Independent Reasonable Assurance Report to the Board of Directors on the Statement of Management's Assessment of Compliance with the Shariah Principles
<b>34</b>	<b>Financial Statements</b>
34	▪ Report of Directors to the members
44	▪ Report of Directors to the members – Urdu
46	▪ Independent Auditors' Report
49	▪ Statement of Financial Position
50	▪ Statement of Profit or Loss
51	▪ Statement of Comprehensive Income
52	▪ Statement of Changes in Equity
53	▪ Statement of Cash Flows
54	▪ Notes to and forming part of the Financial Statements
<b>143</b>	<b>Other Information</b>
144	▪ Statement of Directors
145	▪ Pattern of Shareholding
146	▪ Geographical Presence & Branch Network
149	▪ Notice of 13th Annual General Meeting
153	▪ Form of Proxy ( English and Urdu)

## Our Vision

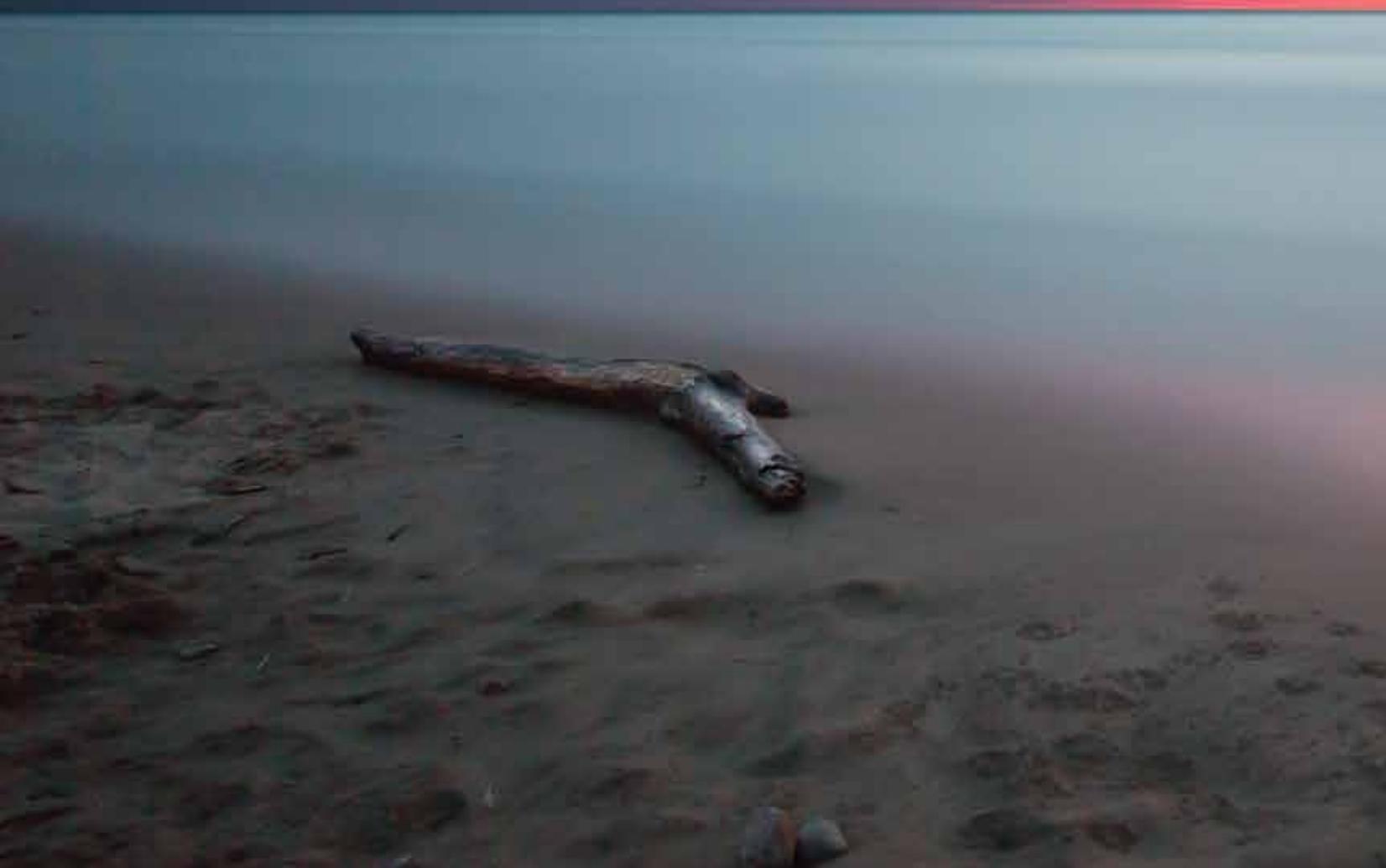
“

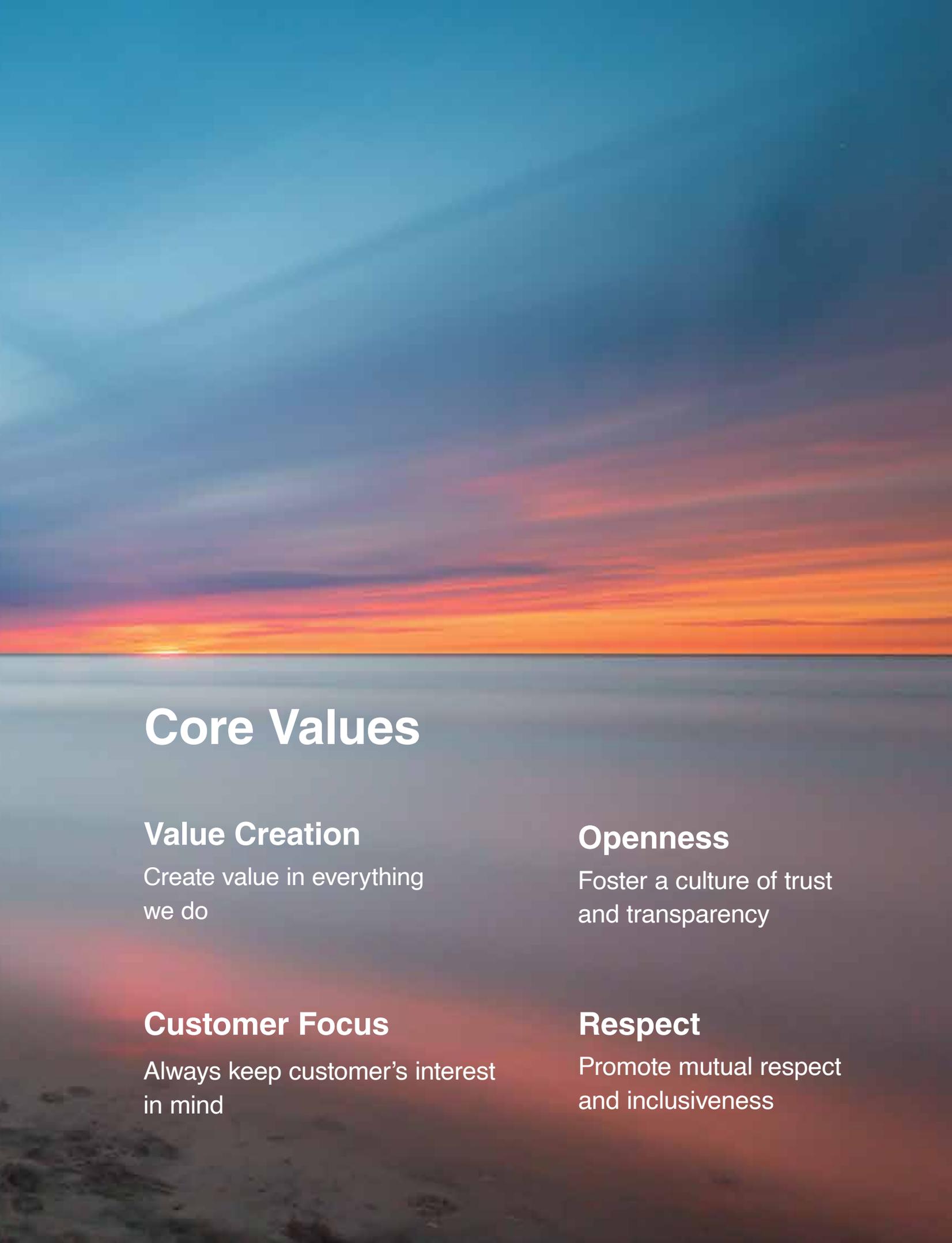
‘To be the most **trusted**  
insurance **partner**’

## Our Mission

“

‘Adhere to exemplary sales practices,  
best in class product packaging and  
customer engagement’





# Core Values

## Value Creation

Create value in everything we do

## Openness

Foster a culture of trust and transparency

## Customer Focus

Always keep customer's interest in mind

## Respect

Promote mutual respect and inclusiveness

# STRATEGIC OBJECTIVES

## SHORT, MEDIUM AND LONG TERM

TERM	STRATEGY	KPI
Short term	<ul style="list-style-type: none"> <li>▪ Increase market share in group term life / credit life and retail health through building strategic partnership with group companies</li> <li>▪ Improve quality of agents training</li> <li>▪ Improve pre and post sales customer services</li> </ul>	<ul style="list-style-type: none"> <li>▪ Gross premium growth</li> <li>▪ Group business / total premium (%)</li> <li>▪ No. of sales training held during the year</li> <li>▪ No. of complaints/total number of policyholders (%)</li> </ul>
Medium term	<ul style="list-style-type: none"> <li>▪ Expansion in direct sales force (Agency)</li> <li>▪ More reliance on technology to reduce cost and increase efficiency</li> <li>▪ Use digital platform to distribute products by embedding digital mobile wallet &amp; bring constant innovation in products and services</li> <li>▪ Strong and self – sustained direct and corporate distribution channels</li> <li>▪ Continuous drive for creating more awareness and value proposition of insurance products</li> <li>▪ Adding value to stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increase size of quality sales force</li> <li>▪ Cost / premium</li> <li>▪ No. of products launched during the year to be sold from digital platform</li> <li>▪ Insurance awareness or CSR programs per annum</li> <li>▪ Earnings Per Share (EPS)</li> <li>▪ Dividend payout ratio</li> <li>▪ Market value per share (increase in net worth of the shareholders)</li> <li>▪ Dividend yield</li> </ul>
Long term	<ul style="list-style-type: none"> <li>▪ Become the most trusted partner</li> <li>▪ Create a strong market position</li> <li>▪ Become a leading market player in the sector</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strong persistency ratio</li> <li>▪ Loyalty bonus payouts</li> <li>▪ Market share</li> </ul>

# BOARD OF DIRECTORS



## S. Muhammad Jawed

### Chairman of the Board

S. M. Jawed comes from the Din Group which is one of the renowned business groups in Pakistan. He was a director of Din Leather (Pvt.) Ltd. and has vast experience in running a modern tannery. He is also serving as a Director of Adamjee Insurance Company Limited. Due to his technical expertise, Din Leather received several exports performance awards, merits, and best export performance trophies for the export of finished leather from Pakistan. As a result, the company's contribution is earning valuable foreign exchange for the country. Due to excellence in quality and supply, the company also received a Gold Medallion Award from the International Export Association U.K. Mr. S.M. Jawed earned his technical education in Leather Technology from Leather Sellers College, U.K.

## Mian Umer Mansha

### Director & Chief Executive Officer

Mr. Umer Mansha presently serves as the Chief Executive Officer and a member of the board of Adamjee Life Assurance. He is also the Chief Executive Officer of Nishat Mills Ltd. since 2007 and also serves as the Chairman of the board of Adamjee Insurance Company Limited. He has further been serving on the Board of Directors of various listed companies for more than 26 years, for companies like MCB Bank Limited, Nishat Dairy (Private) Limited, Nishat Hotels and Properties Limited, Nishat (Aziz Avenue) Hotels and Properties Limited, Nishat (Raiwind) Hotels and Properties Limited, Nishat (Gulberg) Hotels and Properties Limited, Nishat Developers (Private) Limited and Nishat Agriculture Farming (Private) Limited. He has completed his bachelor's degree in business administration from Babson College, Boston, USA.



## Muhammad Ali Zeb

### Director

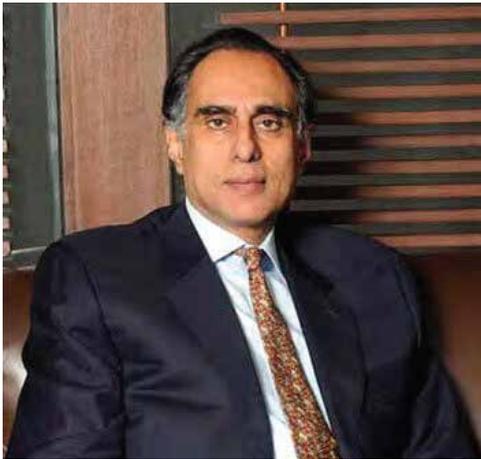
Mr. Muhammad Ali Zeb has over 26 years of experience in the Manufacturing, Financial, and Insurance Sectors. He is a fellow member of the Institute of Chartered Accountants of Pakistan and was awarded a gold medal in Cost Accounting. He started his professional career in 1995 at Nishat Mills, where he rose to the position of Financial Controller and then joined Adamjee Insurance Company Limited as Chief Financial Officer in 2005. Later, became the Executive Director of Finance in Adamjee Insurance Company Limited and was appointed as Chief Executive Officer in September 2008 till 2011. Before rejoining Adamjee Insurance Company Limited as the Chief Executive Officer in June 2013, he served as the Chief Financial Officer at City School (Pvt) Limited. He has also served as the Chairman, Insurance Association of Pakistan in 2014.



## Ahmad Alman Aslam

### Director

Mr. Ahmad Alman Aslam has four decades of professional experience in investment banking, corporate finance, and advisory services. He started his career with Citibank in 1975 and served there in various capacities over a period of 28 years. He also served as the Managing Director, based in New York, responsible for all debt issued by borrowers in the emerging markets. Mr. Aslam has also served as an advisor to EMP Washington, a US\$ 6 billion private equity fund. In Pakistan, he has served on the boards of the State Bank of Pakistan, OGDCL, Adamjee Insurance, IGI Asset Management, Punjab Coal Mining Company, The Bank of Punjab, Punjab Small Industries Corporation and the Private Power and Infrastructure Board. Mr. Aslam has a Masters degree in Business Administration from Punjab University and has attended the program for Management Development at Harvard University, Cambridge.



## Imran Maqbool

### Director

Mr. Imran Maqbool is a seasoned professional with over three decades of diverse banking experience. He has served as President & Chief Executive Officer of MCB Bank Limited. Prior to this position, he was Head of Commercial Branch Banking Group, where he successfully managed the largest group of the Bank in terms of market diversity, size of the workforce, number of branches on a countrywide basis, and diversified spectrum of products. Earlier he was the Head of the Wholesale Banking Group–North, Country Head MCB Sri Lanka, Group Head Special Assets Management, and Islamic Banking at MCB. Prior to joining MCB Bank in 2002, he was associated with the local banking operations of Bank of America and Citi Bank for more than seventeen years. Furthermore, he has worked at multiple senior management positions in respective banks. He holds an MBA from the Institute of Business Administration (IBA), Karachi, and an MS in Management from MIT Sloan School of Management, Massachusetts USA.



## Shahmeer Khalid Butt

### Director

Mr. Shahmeer Khalid Butt is a corporate finance and investment professional, who has worked in different organizations in Pakistan and United Arab Emirates. Currently, he serves as an Executive Director in Next Pharmaceuticals being responsible for strategy, financial planning, marketing, and other operational areas. Prior to this, he served as the Corporate Finance Analyst for Al Futtaim Private Company, where he led the planning, design, execution and closing of a major SGD 2 billion internal recapitalizations which resulted in significant tax and interest savings. He holds a BSc (Hons) degree in Investment and Financial Risk Management from Cass Business School from University of London. He also holds a membership of the Lahore's chapter of Entrepreneurs Organization (EO) which is a global peer-to-peer network of more than 14,000 influential business owners in 61 countries.





## Naz Mansha

### Director

Mrs. Naz Mansha has over 33 years of experience as a Director on the Boards of different companies. She has been associated with D. G. Khan Cement Company Limited (DGKCC) since 1994. She also serves as Chief Executive Officer of Nishat Linen (Private) Limited and Director/Chief Executive of Emporium Properties (Pvt.) Limited and Director on the Board of Golf View Land (Pvt.) Limited. She started by venturing into the textile business, initially dealing in providing beddings and housewares. Today her brand, Nishat Linen, has become a strong network of 78 fabric retail outlets in Pakistan and overseas. Her brilliant success and experience in managing the textile business brings exemplary leadership and entrepreneurial skills with her.

# MANAGEMENT'S PROFILE



**Mian Umer Mansha**  
Director & Chief Executive Officer

Mr. Umer Mansha presently serves as the Chief Executive Officer and a member of the board of Adamjee Life Assurance. He is also the Chief Executive Officer of Nishat Mills Ltd. since 2007 and also serves as the Chairman of the board of Adamjee Insurance company limited. He has further been serving on the Board of Directors of various listed companies for more than 26 years, like on the Board of MCB Bank Limited, Nishat Dairy (Private) Limited, Nishat Hotels and Properties Limited, Nishat (Aziz Avenue) Hotels and Properties Limited, Nishat (Raiwind) Hotels and Properties Limited, Nishat (Gulberg) Hotels and Properties Limited, Nishat Developers (Private) Limited and Nishat Agriculture Farming (Private) Limited. Mr. Umer Mansha completed his bachelor's degree in business administration from Babson College, Boston, USA.



**Jalal Meghani**  
Deputy Managing Director and Chief Financial Officer

Mr. Jalal Meghani is a Fellow member of the Institute of Chartered Accountants of Pakistan (FCA) and also a Fellow member of the Institute of Chartered Secretaries and Managers (FICS). Mr. Meghani has an overall experience of more than 28 years in financial management, organizational development, and planning in diverse business sectors, including 13 years in Adamjee Life. He also spent 2 years in a senior management position overseas in Sri Lanka and East Africa



**Ali Haider**  
Head of Business Distribution

Mr. Ali Haider is an accomplished management professional with more than 20 years of experience in various leadership roles within the insurance industry in Pakistan and the UAE. Known for turning around organizations, Mr. Haider has extensive experience and expertise in areas of business & operations, and developing multi-faceted teams to reach targeted goals pertaining to Health & Life Insurance.



**Amin Nizar**  
Head of Actuarial and Risk Management

Mr. Amin Nizar is a talented management professional who brings with him over 24 years of extensive experience in the insurance industry. He is a Fellow member of the Society of Actuaries, USA, and has pursued his Bachelor of Commerce from the University of Karachi. He was previously employed with Allianz EFU Health Insurance Ltd. as the Head of the Actuarial and Strategic Planning Department, with EFU General Insurance Ltd. as Executive Vice President, and with State Life Insurance Corporation of Pakistan as Assistant General Manager Actuarial.



**Ahson Nasim**  
Head of HR, General and Corporate Affairs

Mr. Ahson Nasim is an assertive and self-motivated HR professional with 22 years of hands-on experience in key business areas encompassing sales, operations, and commercial out of which 15 years into core HR focusing mainly on recruitment, training, organizational development, communication, performance development, and developing leadership. He is a certified HR Manager from the Chartered Institute of Logistics and Transport (UK). Mr. Nasim has pursued his bachelor's from the US and Masters's in HR / Marketing from Pakistan.



**Muhammad Furqan Uddin**  
Financial Controller

Mr. Muhammad Furqan Uddin is a management professional who brings with him 19 years of extensive experience in the local as well as the international finance industry. He was previously employed with Adamjee Insurance Company Limited as Head of the Internal Audit department and has comprehensive experience in the top audit firms of the country. He is a fellow Chartered Accountant (FCA) from the Institute of Chartered Accountants of Pakistan, Certified Internal Auditor from the Institute of Internal Auditors (IIA) the USA, Certified Shariah Advisor and Auditor from the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) Bahrain.



**Dr. M. Saquib Saeed Khan**  
Head of Policy Holder Services

Dr. Saquib is a self-motivated profession with an overall professional experience of fifteen years. He was previously associated with EFU Life Assurance as Deputy Manager Claims, Senior Medical Officer Nephrology at The Kidney Centre, and as a Resident Medical Officer - Neurology at Aga Khan University Hospital. Dr. Saquib completed his MBBS from Jinnah Sindh Medical College & Masters in Business Administration with Majors in Marketing, from the Indus Institute of Higher Education. He is an Associate of Life Office Management Institute (USA) and also holds C-II certification from Chartered Insurance Institute, UK.



**Muhammad Imran Hussain Siddiqui**  
Head of Information Technology

Mr. Muhammad Imran Hussain has pursued dual Masters in Computer Sciences and Physics from Preston University and the University of Karachi, respectively. He was previously affiliated with Centegy Technologies as Executive Senior Manager, Sidat Hyder Morshed Associates as Senior Manager, and Zellweger Uster AG (Switzerland) as Field Engineer. Mr. Imran brings with him 18 years of relevant working experience.



**Danish Ali Khan Rajput**  
Head of Underwriting, Re-insurance & Group Benefits

Mr. Danish Ali is a Fellow of the Life Management Institute, Associate of Reinsurance Administration, and Associate Customer Services. Danish has an overall experience of 12 years in the insurance industry and has served at various technical and operational positions in his career span



**Dr. Bakht Jamal**  
Head of Takaful

Dr. Bakht is an accomplished management professional who brings with him twenty-seven years of national and international working experience in the Life Insurance, Family Takaful, and Medical Profession. He was previously affiliated with the largest/oldest public sector life insurer and youngest family Takaful operator in the capacity of Head of Operations, Chief Operating Officer, and Head of Window Takaful Operations with State Life including its Dubai office, Dawood Family Takaful, and IGI Life respectively. He has completed his MBBS, Medicine, and Surgery from Sindh Medical College, Karachi. He is a Master Fellow of the Life Management Institute (FLMI/M) from Life Office Management Institute, USA.

# COMPANY PROFILE



# Company Profile

Adamjee Life Assurance was formed as a result of a collaboration in between Adamjee Insurance and Hollard Insurance, two leading giants in the insurance market. Adamjee Life Assurance comes equipped with 40 years of experience in the local insurance industry and a prudent international outlook since existence. The company has dedicated human resource allocated on all levels, which empowers the organization with technical expertise and a very realistic sense of overall industry.

The company has a diverse portfolio of products which not only cater to saving and investment initiatives but also on providing our clients with the protection they deserve. We pride ourselves on being a very customer centric organization.

Our drive for excellence is reflected in us being rated as “A+” from PACRA for the consecutive 5 years. Since inception Adamjee Life has attained 12 years of in-depth experience in the market, but it has a combined 68 years’ experience through the expertise of the Nishat Group.

## The Group

Nishat group is one of the premier business houses of Pakistan, the group has presence in all major economic sectors of the country including Textiles, Cement, Banking, Insurance, Power Generation, Hotel Business, Agriculture, Dairy and Paper Products.

Today, Nishat is one of the largest local business groups in the country given the diversity of its presence in the market, its huge work force, its solid economic management and its legacy.

Following are some of the companies in the group:

- Adamjee Insurance Limited
- Pakgen Power Limited
- Nishat Power Limited
- DG Khan Cement
- MCB Bank
- Nishat Chunian
- Lal Pir Power
- Hyundai Nishat Motors
- Nishat Linen
- Adamjee Life Assurance Limited
- Nishat Dairy (Private) Limited
- Nishat Hospitality (Private) Limited
- Nishat Papers Products Company Limited
- Pakistan Aviators & Aviation
- Security General Insurance Company Limited
- Nishat Hotels and Properties Limited
- Lalpir Solar Power (Private) Limited
- Nishat Mills Limited



## Banccasurance Partners



## Adamjee Life Branch Coverage

Adamjee Life has the geographical representation to reach almost all of its actual and potential customers across the country, to provide them with state of the art insurance solutions as per their insurance needs. Currently, Adamjee Life's footprints covers the whole of Pakistan with multiple branches.

# Management & Board Committees

## Underwriting, Reinsurance & Co-insurance Committee

Member	Category
Mr. Mian Umer Mansha	Chairperson
Mr. Amin Nizar Ali	Member
Mr. Ali Haider	Member
Mr. Danish Ali Khan Rajput	Secretary

## Claim Settlement Committee

Member	Category
Mr. S.M. Jawed	Chairperson
Mr. Jalal Meghani	Member
Dr. Bakht Jamal	Member
Dr. Saquib Saeed Khan	Secretary

## Risk Management & Compliance Committee

Member	Category
Mr. Muhammad Ali Zeb	Chairperson
Mr. Jalal Meghani	Member
Mr. Amin Nizar Ali	Member
Mr. Asif Mirza	Member & Secretary

## Ethics, Human Resource, Remuneration and Nominations Committee

Member	Category
Mr. Shahmeer Khalid Butt	Chairperson
Mr. S.M Jawed	Member
Mr. Muhammad Ali Zeb	Member
Mr. Mian Umer Mansha	Member
Mr. Jalal Meghani	Member
Mr. Ahson Nasim	Secretary

## Investment Committee

Member	Category
Mr. S.M. Jawed	Chairperson
Mr. Muhammad Ali Zeb	Member
Mr. Mian Umer Mansha	Member
Mr. Jalal Meghani	Member
Mr. Amin Nizar Ali	Member
Ms. Sidrah Kanwer	Secretary

## Audit Committee

Member	Category
Mr. Shahmeer Khalid Butt	Chairperson
Mr. S.M. Jawed	Member
Mr. Muhammad Ali Zeb	Member
Mr. Samad Ali Naqvi	Secretary

# COMPANY INFORMATION

## BOARD OF DIRECTORS

S. M. Jawed	Chairman
Mian Umer Mansha	CEO & Director
Muhammad Ali Zeb	Director
Ahmad Alman Aslam	Director
Imran Maqbool	Director
Shahmeer Khalid Butt	Director
Naz Mansha	Director

## CHIEF FINANCIAL OFFICIER

Jalal Meghani

## COMPANY SECRETARY

Rahim Vallyani

## EXECUTIVE MANAGEMENT COMMITTEE

Mian Umer Mansha  
Jalal Meghani  
Ali Haider  
Amin Nizar  
Ahson Nasim  
Muhammad Furqan Uddin  
Dr. M. Saquib Saeed Khan  
Muhammad Imran Hussain Siddiqui  
Danish Ali Khan Rajput  
Dr. Bakht Jamal

## SHARE REGISTRAR

CDC Share Registrar Services Ltd. CDC House, 99-B, Block B,  
SMCHS Main Shahrah-e- Faisal, Karachi 74400 Phone No. (92-21)  
111-111- 500  
Fax No. (92-21) 34326031  
Email: info@cdcpak.com

## STATUTORY AUDITORS OF THE COMPANY

M/s. Yousuf Adil Chartered Accountants  
Address: Cavish Court, A-35, Block 7 & 8 KCHSU,  
Shahra-e-Faisal, Karachi-75350, Pakistan

## **SHARIAH ADVISOR**

Mufti Muhammad Zubair Usmani

## **LEGAL ADVISOR**

Asad Iftikhar

Address: Office no. 505, Commercial Trade Center,  
Block 8 Clifton, Karachi.

## **Bankers**

Al Baraka Bank (Pakistan) Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bankislami Pakistan Limited  
Dubai Islamic Bank Limited  
Faysal Bank Limited  
Finca Microfinance Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
Khushhali Bank Limited  
Mcb Bank Limited  
Mcb Islamic Bank Limited  
Mobilink Microfinance Bank Limited  
National Bank Of Pakistan  
Nrsp Microfinance Bank Limited  
Samba Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Silk Bank Limited  
Telenor Microfinance Bank Limited  
U Microfinance Bank Limited  
United Bank Limited

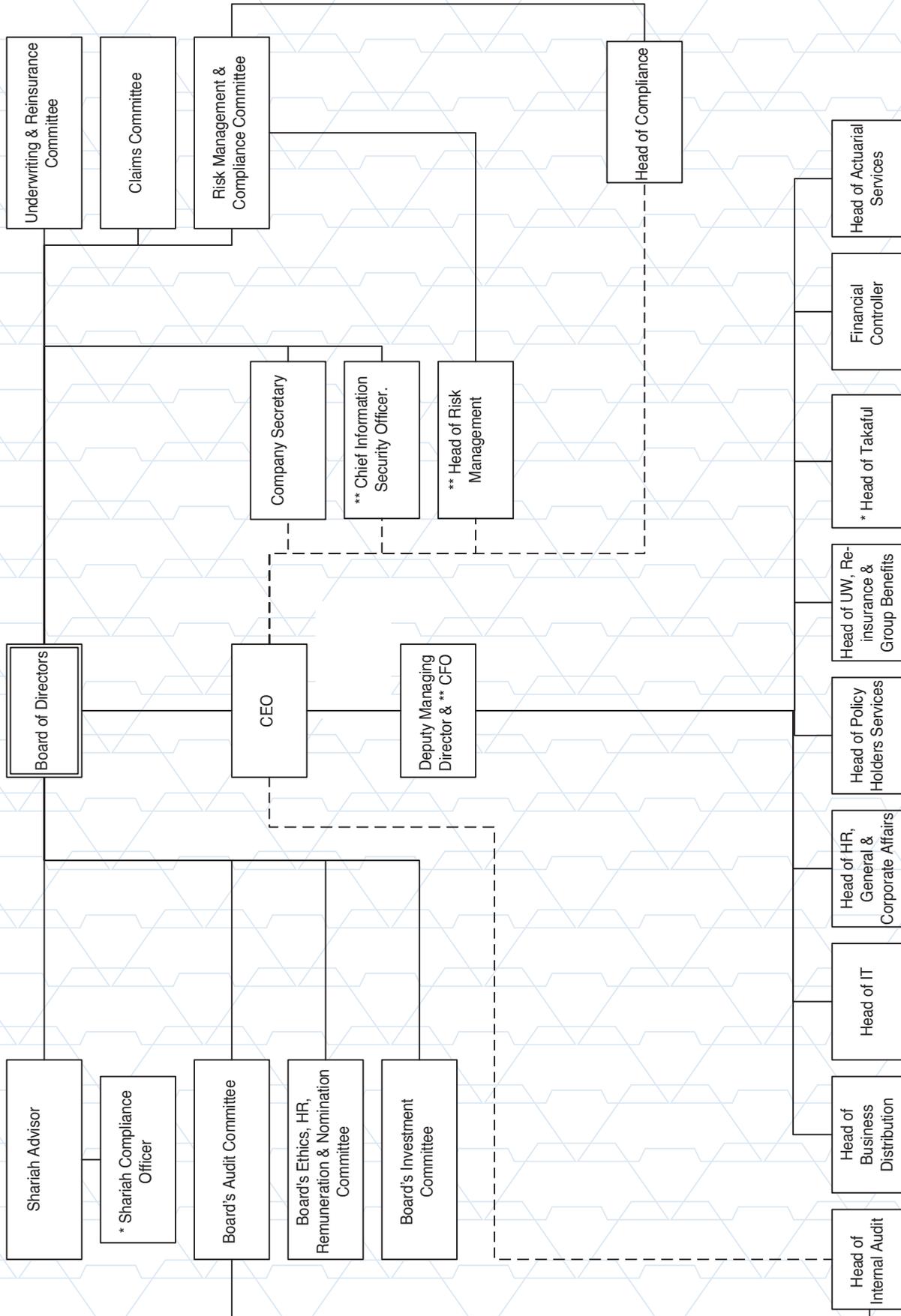
## **REGISTERED OFFICE**

Adamjee Life Assurance Company Limited,  
Office # 505, 5th Floor, Islamabad Stock Exchange Building,  
Blue Area, Islamabad, Pakistan.

## **HEAD OFFICE**

Adamjee Life Assurance Company Limited,  
3rd & 4th Floor, Adamjee House,  
I.I Chandigarh Road, Karachi, Pakistan.

# ORGANIZATIONAL STRUCTURE



\*\* Head of Risk Management is managed by Head of Actuarial Services, similarly role of CFO is managed by DMD, and the role of CISO is managed by Head of IT.  
 \* Shariah Compliance Officer administratively reports to Head of Takaful.

# Governance



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

## Adamjee Life Assurance Company Limited as at December 31st 2021

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016 for the purpose of establishing a framework of good governance, whereby an insurer is managed in compliance with the best practices of corporate governance.

The Insurer, has applied the principles contained in the Code in the following manner:

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

Category	Names
<b>Independent Directors</b>	1. Mr. Ahmad Alman Aslam 2. Mr. Shahmeer Khalid Butt
<b>Executive Director</b>	3. Mr. Mian Umer Mansha (Chief Executive Officer)
<b>Non-Executive Directors</b>	4. Mr. S.M. Jawed 5. Mrs. Naz Mansha 6. Mr. Imran Maqbool 7. Mr. Muhammad Ali Zeb

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

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Insurer (excluding the listed subsidiaries of listed holding companies in which each of them is a director).
3. All the resident directors of the Insurer are registered as taxpayers and none of them has defaulted in payment of any loan to a banking Company. A DFI or an NBFIs, being a member of stock exchange, has been declared as a defaulter by a stock exchange.
4. Three casual vacancies were occurred on the board during the year i.e. one on March 8, 2021 and two on November 5, 2021 which were filled up by the new appointed directors within 09 and 06 days respectively.
5. The Insurer has prepared a "Code of Conduct", which has been disseminated among all the directors and employees of the Insurer.
6. The Board has developed a vision / mission statement. The Code also requires the development of an overall corporate strategy and significant policies of the Insurer and the maintenance of a complete record of the particulars of significant policies along with the dates on which they were amended or approved. The overall corporate strategy and the significant policies / record of the policies as explained above has been fully developed and implemented.

7. All the 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.
8. The meetings of the Board were presided over by the Chairman, in case of absence of the chairman, by the director elected by the Board (where applicable) and the Board met at least once in every quarter. Written notices of the Board meetings, along with the agenda and working papers were circulated seven days before the meetings, except in the case of emergency meetings, where the notice period may be reduced or waived. During 2021, one emergent Board meeting was held on November 11, 2021 where less than seven days of notice period was served. The minutes of the meetings were appropriately recorded and circulated.
9. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Insurer. The Insurer has adopted and complied with all the necessary aspects of internal controls given in the Code.
10. The Board has given Orientation to its directors at the time of their appointment to apprise them of their duties and responsibilities.
11. No new appointment of Head of Internal Auditor and Chief Financial Officer and Company Secretary has been made during the year ended December 31st 2021.
12. The Directors' report for the year ended December 31st 2021 has been prepared in compliance with the requirements of the Code of Corporate Governance for Insurers, 2016 and fully describes the salient matters required to be disclosed.
13. The financial statements of the Insurer were duly endorsed by the Chief Executive Officer and Chief Financial Officer before approval of the Board.
14. The directors, Chief Executive Officer and others executives do not hold any interest in the shares of the Insurer other than disclosed in the pattern of shareholding.
15. The Insurer has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance for Insurers, 2016.
16. The Board has formed the following Management Committees:

**Underwriting, Reinsurance & Co-insurance Committee**

Name of the Member	Category
Mr. Mian Umer Mansha (Chief Executive Officer)	Chairperson (BOD representative)
Mr. Amin Nizar Ali (Head of Actuarial Services & Risk Management)	Member
Mr. Ali Haider (Head of Business Distribution)	Member
Mr. Danish Ali Khan Rajput (Head of Underwriting)	Secretary

**Claim Settlement Committee:**

Name of the Member	Category
Mr. S.M Jawed (Non-Executive Director)	Chairperson (BOD representative)
Mr. Jalal Meghani (Chief Financial Officer)	Member
Dr. Bakht Jamal (Head of Takaful)	Member
Dr. Saquib Saeed Khan (Head of Policy Holder Services)	Secretary

**Risk Management & Compliance Committee**

Name of the Member	Category
Mr. Muhammad Ali Zeb (Director)	Chairperson (BoD representative)
Mr. Jalal Meghani (Chief Financial Officer)	Member
Mr. Amin Nizar Ali (Head of Actuarial Services & Risk Management)	Member
Mr. Asif Mirza (Head of Compliance)	Member and Secretary

17. The Board has formed the following Board committees:

**Ethics, Human Resource, Remuneration and Nominations Committee:**

Name of the Member	Category
Mr. Shahmeer Khalid Butt (Independent Non-Executive Director)	Chairman
Mr. S.M Jawed (Non-Executive Director)	Member
Mr. Muhammad Ali Zeb (Non-Executive Director)	Member
Mr. Mian Umer Mansha (Chief Executive Officer)	Member
Mr. Jalal Meghani – (Chief Financial Officer)	Member
Mr. Ahson Nasim (GM-HR, General and Corporate Affairs)	Secretary

**Investment Committee:**

Name of the Member	Category
Mr. S.M. Jawed (Non-Executive Director)	Chairman
Mr. Muhammad Ali Zeb (Non-Executive Director)	Member
Mr. Mian Umer Mansha (Chief Executive Officer)	Member
Mr. Jalal Meghani (Chief Financial Officer)	Member
Mr. Amin Nizar Ali (GM Actuarial Services & Risk Management)	Member
Ms. Sidrah Kanwer	Secretary

18. The Board has also formed an Audit Committee. It comprises of three members, the chairman is an independent director and two others are non-executive directors. The composition of the Audit Committee is as follows:

**Audit Committee:**

Name of the Member	Category
Mr. Shahmeer Khalid Butt (Independent Non-Executive Director)	Chairman
Mr. S.M. Jawed (Non-Executive Director)	Member
Mr. Muhammad Ali Zeb (Non-Executive Director)	Member
Mr. Samad Ali Naqvi (Head of Internal Audit)	Secretary

19. The meetings of the committees except Ethics, Human Resource and Remuneration Committee, were held at least once every quarter prior to approval of interim and final results of the Insurer and as required by the Code of Corporate Governance for Insurers, 2016. The terms of references of the Committee have been formed and advised to the Committees for compliance.
20. The Board has setup an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Insurer and they (or their representatives) are involved in the internal audit function on a regular basis.
21. The Chief Executive Officer, Chief Financial Officer, Head of Internal Audit and Compliance Officer possess such qualification and experience as is required under the Code of Corporate Governance for Insurers, 2016. The Appointed Actuary of the Insurer also meets the conditions as laid down in the said Code. Moreover, the persons heading the underwriting, claim, reinsurance, risk management and grievance functions / departments possess qualification and experience of direct relevance to their respective functions, as required under section 12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000);

Name of the Person	Designation
Mr. Mian Umer Mansha	Chief Executive Officer
Mr. Jalal Meghani	Deputy Managing Director and Chief Financial Officer
Mr. Rahim Vallyani	Company Secretary
Mr. Asif Mirza	Compliance Officer
Mr. Muhammad Furqan Uddin	Financial Controller
Mr. Samad Ali Naqvi	Head of Internal Audit
Mr. Amin Nizar Ali	Head of Actuarial Services & Risk Management (Covers Actuarial services , Risk management and Reinsurance responsibilities)
Mr. Danish Ali Rajput	Head of Underwriting & Reinsurance
Mr. Saquib Saeed	Head of Claims/ Grievance
Mr. Ali Haider	Head of Business Distribution
Mr. Imran Hussain	Head of Information Technology
Mr. Ahson Nasim	Head of HR, General & Corporate Affairs
Mr. Bakht Jamal	Head of Takaful

22. The statutory auditors of the Insurer 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, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the insurer 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.
23. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
24. The Appointed Actuary of the insurer has confirmed that neither he nor his spouse and minor children hold shares of the Insurer.
25. The Board ensures that the Appointed Actuary complies with the requirements set out for him in the Code of Corporate Governance for Insurers, 2016.
26. The Board ensures that the investment policy of the insurer has been drawn up in accordance with the provisions of the Code of Corporate Governance for Insurers, 2016.

27. The Board ensures that the risk management system of the Insurer is in place as per the requirements of the Code of Corporate Governance for Insurers, 2016.
28. The Board has set up a risk management department, which carries out its tasks as covered under the Code of Corporate Governance for Insurers, 2016.
29. The Board ensures that as part of the risk management system, the Insurer gets itself rated from PACRA (credit rating agency) which shall be used by its risk management department and the respective Committee as a risk monitoring tool. The Insurer Financial Strength (IFS) rating assigned by the said rating agency dated 29 June 2021 is “A+” (A Plus) with Stable outlook.
30. The Board has set up a grievance department / function, which fully complies with the requirements of the Code of Corporate Governance for Insurers, 2016.
31. The Insurer has not obtained any exemptions from the Securities and Exchange Commission of Pakistan (SECP) in respect of the requirements of the Code of Corporate Governance for Insurers, 2016 except for clause xxvi of the Code relating to the limited scope review of the half yearly financial statements against which the insurer obtain specific exemption from SECP subject to special audit for the purpose of listing.
32. We confirm that all other material principles contained in the Code of Corporate Governance for Insurers, 2016 have been complied.

On behalf of the Board of Directors



S. Muhammad Jawed  
Chairman



Umer Mansha  
Chief Executive Office

Date: March 30, 2022

# INDEPENDENT AUDITOR'S REVIEW REPORT

## Review Report on the Statement of Compliance with Best Practices of the Code of Corporate Governance for Insurers, 2016

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance for Insurers, 2016 (the Code) prepared by the Board of Directors of Adamjee Life Assurance Company Limited (the Company) for the year ended December 31, 2021 in accordance with the requirement of provision IXXVI of the Code of Corporate Governance for Insurers, 2016.

The responsibility for compliance with the Code 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 Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

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

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 status of the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended December 31, 2021.



**Chartered Accountants**

Place: Karachi

Date: March 30, 2022

UDIN: CR202110057swazeNE8C

# Shariah Compliance



# MANAGEMENT'S STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Year Ended December 31, 2021

The financial arrangements, contracts and transactions, entered into by Adamjee Life Assurance Company Limited - Window Takaful Operations (the Company) for the year ended on December 31, 2021 are in compliance with the Takaful Rules, 2012.

Further we confirm that:

- The Company has developed and implemented all the policies and procedures in accordance with the Takaful Rules, 2012 and rulings of the Shariah Advisor along with a comprehensive mechanism to ensure compliance with such rulings and Takaful Rules, 2012 in their overall operations with zero tolerance. Further, the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit committee/ 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 Shariah Advisor / Board of Directors to maintain the adequate level of awareness, capacity and sensitization of the staff, management;
- All the products and policies have been approved by Shariah Advisor and the financial arrangements including investments made, policies, contracts and transaction, entered into by Window Takaful Operations are in accordance with the policies approved by Shariah Advisor, and
- 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.



Umer Mansha

Chief Executive Office

Date: March 30, 2022

# Shariah Advisor's Report to the Board of Directors

## for the year ended 31st December, 2021



I have examined the financial statements and transactions of Window Takaful Operation of the Adamjee Life Assurance Company Limited (hereafter referred to as “the Company”) for the year ended 31st December, 2021.

I acknowledge that being Shariah Advisor of the Company for its Window Takaful Operations, it is my responsibility to ensure that the financial arrangements, contracts and transactions entered into by the Company with its participants and stakeholders are in compliance with the requirements of Shariah rules & principles. It is the responsibility of Company'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.

Shariah Compliance Officer conducted the Shariah Compliance Review (SCR) for the year 2021 with the consultation of the Shariah Advisor. The primary scope of Shariah Compliance review (SCR) was to ensure that the Company has complied with all Shariah principles, rules and guidelines. Shariah Compliance review also included the examination of the appropriate evidence of transactions undertaken by the Company during the year 2021.

I have reviewed the affairs of the Company with the coordination of Shariah compliance officer in accordance with Shariah principles and Takaful Rules 2012. In my opinion, and to the best of my understanding, based on the provided information and explanations, below are my findings:

- (i) Financial transactions undertaken by the Company for the year ended 31st December 2021 pertaining to Window Takaful Operations were in accordance with guidelines issued by Shariah Advisor as well as the requirements of Takaful Rules 2012.
- (ii) Consequently, I have found that the Company is in accordance with the Shariah principles in all aspects and The Company performed its duties to its level best by following Shariah guidelines. Moreover, in my opinion the accounting principles adopted for incorporation of Participants Takaful Fund (PTF) into the accompanying financial statements, are in accordance with the Shariah principles, rules and guidelines.

“And Allah knows best”



**Dr. Muhammad Zubair Usmani**

Shariah Advisor

Adamjee Life Assurance Company Limited-Window Takaful Operations

# Independent Reasonable Assurance Report to the Board of Directors on the Statement of Management's Assessment of Compliance with the Shariah Principles

We were engaged by the Board of Directors of Adamjee Life Assurance Company Limited (“the Company”) to report on the management's assessment of compliance of the Window Takaful Operations (“Takaful Operations”) of the Company, as set out in the annexed statement prepared by management for the year ended December 31, 2021, with the Takaful Rules, 2012, in the form of an independent reasonable assurance conclusion about whether the annexed statement presents fairly the status of compliance of the Operations with the Takaful Rules, 2012, in all material respects. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholar.

## Applicable Criteria

The criteria against which the subject matter information (the Statement) is assessed comprise of the provisions of Takaful Rules 2012, issued by the Securities and Exchange Commission of Pakistan (SECP).

### Responsibilities of the Management

The management of the Company is responsible for preparation of the annexed statement that is free from material misstatement.

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

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

## Our Independence and Quality Control

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

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

## Our Responsibilities

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

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

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

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

The procedures performed included:

- Evaluating the systems, procedures and practices in place with respect to the Takaful operations against the Takaful Rules, 2012 and Shariah Advisor's guidelines;
- Evaluating the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee/ Shariah Advisor and the Board of Directors;
- Test for a sample of transactions relating to Takaful operations to ensure that these are carried out in accordance with the laid down procedures and practices including the regulations relating to Takaful operations as laid down in Takaful Rules, 2012; and
- Review the statement of management's assessment of compliance of the Takaful transactions during the year ended December 31, 2021, with the Takaful Rules, 2012.

## Conclusion

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

In our opinion, the annexed statement, for the year ended December 31, 2021, presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.



**Chartered Accountants**

Place: Karachi

Date: March 30, 2022

# Director's Report

The directors are pleased to present the Audited Financial Statements of the Company for the year ended December 31, 2021 together with the auditors' report thereon.

## Business Overview

The onslaught of COVID-19 continues across the world and in Pakistan, with the fourth wave during the second half of 2021. During the year, the Company has closely monitored the impact on various business parameters, such as premium, persistency, claims and profitability.

COVID-19 claims have continued to be reported during the year 2021 and have largely followed the emergence pattern of COVID-19 deaths reported on the general population level. The total number of Covid-19 claims paid by the Company are 137 (both Individual and Group Life) with the total claim amount of Rs. 138 Million. The Company has comfortably paid this claim amount with the support of Company's Reinsurer with no significant impact on the Company's bottom line.

Overall, the year 2021 has shown a recovery in business and a positive trend has been observed in top line of the Company, as compared to the corresponding period of 2020 showing a growth of 21%. The Company's market share in terms of total premium generated by the industry has increased from 7 % to 8% (Approx).

The Company's Bancassurance Business registered an increase of 15% in new business from Rs. 2.636 billion in year 2020 to Rs. 3.036 billion in year 2021. The Company has distribution partnership with 12 leading banks including the MCB Bank Limited which solely generates 65% of our new business. However, due to Company's diversification efforts over the years, this dependence with MCB Bank Limited has decreased by 20% (approx.). The Banca business in the industry though has grown by 25% in 2021, it is still 12% behind what was produced by the Banca across the industry in 2019. This was attributable to more controlled Regulations/ Code of Conduct introduced by SECP and State Bank of Pakistan which will though slow down the growth temporarily

but will improve the quality of sale in long-run and will help in steady growth going forward.

Further, our Direct Distribution (Agency) force also did a remarkable job by showing a growth in new business by 34% from Rs. 534 Million to Rs. 718 Million. The progress towards expansion of this distribution channel is on track.

The further boost to our topline gross premium was provided by tremendous growth in single premium business which went up from Rs. 5.331 billion in year 2020 to Rs. 7.539 billion in year 2021.

The Company's Group Life business on the other end showed a decline by 20% in the business when compared with the last year. The Company maintained cautious approach in Group Life business and avoided entering into the practice of price cutting while certain accounts were lost due to bad claims history and resultant upward price revision from our underwriters.

## Investments

Out of total portfolio of Rs. 53.52 billion, 26% was invested in equity & equity mutual funds, 32% was invested in government securities & debt instruments, whereas, 29% was invested in Bank Deposits. During the year, the company generated investment income of Rs. 3.12 billion while the figure for the year ended December 31, 2020 was Rs. 4.29 billion.

The average return on total investments was 5.5% in 2021 against 9.69% in 2020. The decline in rate was attributable to performance of Equity markets during the year. PSX 100 index posted return of 0.36% in 2021 against 5.69% in 2020.

The Company works closely under the portfolio management agreement with MCB Arif Habib Savings and Investments Limited an AM1 rated AMC by PACRA and diligently monitors equity and debt markets to make profitable investments under the umbrella of fund wise Investment Policy approved by the Board.

## Underwriting Results

The Company's acquisition costs and claims expenses are largely on track and were as per the budgeted numbers. After accounting for all direct expenses, the Company has earned an underwriting surplus of Rs. 1.441 billion as against Rs. 1.319 billion earned in last period. The surplus translated into an overall underwriting margin of 6.98% against the margin of 7.71% last year. The drop in margin is attributable to significant increase in single premium sales which carries low margin.

After accounting for Marketing and Administration expenses of Rs. 1.25 billion which is 17% higher than last period. The reason for higher level of expenses are attributable to the Company's marketing Campaigns which were deferred in 2020 due to Covid-19 situation. It was essential to enhance our brand presence in the market vis-a-vis competitors and to project our strengths and product offerings in order to increase our market share in long-run.

The Company recorded the total comprehensive income before tax of Rs. 260 million and comprehensive income after tax of Rs. 195 million against the comprehensive income of last year was Rs. 171 Million.

The Company also needs to refocus on increasing the persistency of renewal premiums which took a dip in 2021 due to economic pressures faced by the population at large. The improvement in persistency will further improve profitability in the coming years.

In March 2021, the Board had approved the listing of the Company on Pakistan Stock Exchange. In this connection the company had issued 156,450,600 right shares during the year to its parent company to increase the share capital to Rs 2.5 Billion. After all regulatory formalities and approvals from PSX and SECP, the process of book building and IPO against the sale of 10% shareholding from Adamjee Insurance Company Limited shall start from the 9th of February and it is expected that the whole process of Adamjee Insurance Company Limited's divestment and Company's listing shall be completed by the first week of March 2022.

## Audit Report

The external auditors of the Company, M/s. Yousuf Adil, Chartered Accountants, Karachi, have issued a clean opinion in their audit report. However, an emphasis of matter was given to draw the attention to Notes 27.1 of the financial statements in respect of, scope and applicability of Punjab Sales Tax (PST) and Sind Sales Tax (SST) on Life insurance services against which the petitions are pending in Lahore High Court and Sindh High Court filed by all the players in the industry.

## Future Outlook

As far as Company's future outlook is concerned, the prime objective of the Company is to expand the business going forward by creating new strategic partnerships, entering new channels for distribution, and enhancing the capacity of existing channels.

The Company's primary business channel i.e., bancassurance business will grow steadily, albeit with lesser than historically registered high growth, due to the increased regulations specific to this particular distribution channel. These regulations are expected to encourage insurance companies to write quality business and hence will increase the sustainability of business model in the long run.

Adamjee Life is also looking forward to building sustainable and mutually beneficial relationship with its new Banca Partners which will further augment the Banca business in ensuing years.

The Direct Distribution (Agency) model has continued its expansion plan as per Company's strategy to increase new business from other than Banca channel. Total number of sales offices of the Company has increased to 64 in 2021 from 57 in 2020 and feet on ground has crossed the level of 2,000. The Company will continue its expansion plan for its Direct Distribution Sales force and is targeting to touch new business generation of PKR 1.5 billion by 2025/2026

The Company intends to increase its market share in Corporate Group Life and Credit Protection business

with prudent pricing and making difference through servicing. The Company also intends to build its capacity to enter and compete in the area of mobile wallet and digitally embedded products. The Company has already launched its online products namely term life, daily hospitalization plan and corona cover.

Another key focus of the Company is to further improve the quality of training and quality of sales & after sales services, to improve persistency of renewal premiums.

With the above objectives and prospects in sight, the Company is confident to touch the fund size of Rs. 125 billion by 2024-25 and annual profitability of Rs. 750 million by 2024-25. With a strong and highly trained and professional team of sales, relationship managers, trainers, and Financial Advisors, along with the support of 'state of the art policy management' and 'claims processing system', the Company is confident to achieve its above-mentioned objectives.

## Corporate Social Responsibility (CSR)

The Company recognizes its responsibility towards the society at large and prioritized supporting causes that would create a positive impact on the community under the umbrella of "Adamjee Life Nigehbaan". The initiatives are in line with the country's Sustainable Development Goals (SDGs) with a focus on education, healthcare, and environmental sustainability. The company regularly takes part in these various philanthropy activities along with media initiatives, including social media, print ads, nationwide activations; to emphasize on the importance and impact of how a shared value can be achieved collectively, in collaboration with various corporate organizations.

## Future Challenges

Application of IFRS 17 on insurance contracts applicable from 2023 represents the most significant change to insurance accounting requirements in over 20 years. It demands a complete overhaul of

insurers' financial statements. This major change to implement IFRS 17 will extend beyond the finance and actuarial functions of the company, and will also have an impact on Data, Systems and Processes of the Company. It is highly probable that for implementing IFRS 17, the Company may have to make substantial amount of investment in the development of integrated systems.

## Risk and uncertainty

There are no significant risks evident so far, which is specific to the operations of the Company.

The levy of Provisional Sales Tax on life insurers which is included in the taxable services by the Government of Sindh is a matter of concern for the whole industry. If the sales tax is not permanently exempted, then the products would become unviable for the policyholders and on the other hand, if the sales tax is not passed on to policyholders then the business would not remain viable.

## Complaints Handling

The Company had satisfactorily closed 1283 complaints which is 80% of the total complaints filed in 2021. The percentage of complaints over total of policyholder's portfolio was 0.58%.

## Corporate and Financial Reporting Framework

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, International Financial Reporting Standards or any other

regulation or law (including but not limited to the Shariah guidelines / principles) as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.

- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance.
- Key Operating and Financial data of last seven years – (Please refer Annexure-A)
- Total nine (9) Board meetings were held during the year ended 31 December 2021. Following is the attendance by each of the director:

S. No.	Name of the Director	No. of meetings attended
1	Mr. Umer Mansha	9
2	Mr. Raza Mansha	2
3	Mr. S.M. Jawed	9
4	Mr. Muhammad Ali Zeb	9
5	Mr. Samir Iqbal Saigol	6
6	Mr. Ahmad Aqeel	7
7	Mr. Imran Maqbool	9
8	Mrs. Naz Mansha	5
9	Mr. Ahmad Alman Aslam*	1
10	Mr. Shahmeer Khalid Butt*	1

## Pattern of Shareholding as at 31 December 2021:

Number of Shareholders	Shareholdings		Shares Held
	From	To	
7	1	250	1,750
1	249,998,250	249,998,250	249,998,250
8			250,000,000

## Additional Information as at 31 December 2021:

Categories of Shareholders	Number of Shareholders	Shares held	Percentage of Total
Associated Companies, undertakings and related parties:	1	249,998,250	99.998%
M/S. Adamjee Insurance Company Limited		249,998,250	99.998%
Members/ Directors:	7	1,750	0.002%
Mr. Umer Mansha**		250	0.000%
Mr. Imran Maqbool		250	0.000%
Mr. S.M. Jawed		250	0.000%
Mr. Muhammad Ali Zeb		250	0.000%
Mrs. Naz Mansha		250	0.000%
Mr. Ahmad Alman Aslam*		250	0.000%
Mr. Shahmeer Khalid Butt*		250	0.000%
<b>TOTAL</b>		<b>250,000,000</b>	<b>100%</b>

\*These are the new directors who have replaced Samir Saigol and Ahmad Aqeel with effect from 11th November 2021

## Earnings per Share:

The Basic gain per share for the year ended on 31 December 2021 is 1.03

Profit for the year as per P&L account (Rupees in 000)	173,804
Weighted average number of ordinary shares (in 000)	168,324
Earnings per share basic & diluted	1.03

Date: February 02, 2022

  
S. Muhammad Jawed  
Chairman

  
Umer Mansha  
Chief Executive Office

## ANNEXURE A

### Key Historical Data

	2014	2015	2016	2017	2018	2019	2020	2021
<b>Total Gross written premium (GWP)</b>	5,214,947	9,150,640	11,301,714	13,781,044	13,323,759	13,002,853	17,100,887	20,658,169
<b>Topline growth</b>	16.54%	75.47%	23.51%	21.94%	-3.32%	-2.41%	31.52%	20.80%
<b>New premium growth</b>	11.44%	46.83%	13.88%	18.21%	8.33%	16.47%	-12.87%	12.00%
<b>Average return on investments</b>	16.33%	10.81%	13.41%	-3.24%	2.42%	11.40%	9.69%	5.50%
<b>Group Life loss ratio</b>	76.00%	87.00%	83.00%	88.00%	103.00%	85.00%	101.60%	87.24%
<b>Death &amp; Disability Claims- individual Life</b>	69,049	117,778	190,955	315,031	281,618	299,218	434,500	710,401
<b>Net Underwriting surplus</b>	442,129	710,079	1,047,744	613,452	907,091	1,289,000	1,319,000	1,441,000
<b>Underwriting margin</b>	8.02%	7.76%	9.27%	4.45%	6.81%	9.94%	7.71%	6.98%
<b>Employees, Administration &amp; marketing expenses</b>	388,886	488,873	682,036	919,523	846,092	1,056,861	1,044,132	1,254,319
<b>Expense growth</b>	34.01%	25.71%	39.51%	34.82%	-7.99%	24.91%	-1.20%	17.00%
<b>Net profit/(loss) after tax</b>	86,584	306,063	397,300	-202,649	58,949	196,402	171,324	194,607
<b>Shareholders' Equity</b>	633,790	939,854	1,266,587	1,063,940	1,122,889	1,319,291	1,490,615	3,249,728
<b>Break-up value per share</b>	6.77	10.05	13.54	11.37	12.00	14.10	15.93	13.00
<b>Statutory fund under management</b>	8,256,342	14,444,778	22,166,399	27,665,128	31,477,249	36,850,881	47,097,939	56,677,955
<b>Residual solvency in Shareholder's fund</b>	123,955	89,598	63,277	113,241	76,002	154,498	132,222	1,871,403
<b>Residual Solvency in Statutory funds</b>	64,673	309,931	251,690	38,557	-48,093	336,442	563,813	540,609

## ANNEXURE A

### Key Historical Data

	2014	2015	2016	2017	2018	2019	2020	2021
<b>Total Gross written premium (GWP)</b>	5,214,947	9,150,640	11,301,714	13,781,044	13,323,759	13,002,853	17,100,887	20,658,169
<b>Topline growth</b>	16.54%	75.47%	23.51%	21.94%	-3.32%	-2.41%	31.52%	20.80%
<b>New premium growth</b>	11.44%	46.83%	13.88%	18.21%	8.33%	16.47%	-12.87%	12.00%
<b>Average return on investments</b>	16.33%	10.81%	13.41%	-3.24%	2.42%	11.40%	9.69%	5.50%
<b>Group Life loss ratio</b>	76.00%	87.00%	83.00%	88.00%	103.00%	85.00%	101.60%	87.24%
<b>Death &amp; Disability Claims- individual Life</b>	69,049	117,778	190,955	315,031	281,618	299,218	434,500	710,401
<b>Net Underwriting surplus</b>	442,129	710,079	1,047,744	613,452	907,091	1,289,000	1,319,000	1,441,000
<b>Underwriting margin</b>	8.02%	7.76%	9.27%	4.45%	6.81%	9.94%	7.71%	6.98%
<b>Employees, Administration &amp; marketing expenses</b>	388,886	488,873	682,036	919,523	846,092	1,056,861	1,044,132	1,254,319
<b>Expense growth</b>	34.01%	25.71%	39.51%	34.82%	-7.99%	24.91%	-1.20%	17.00%
<b>Net profit/(loss) after tax</b>	86,584	306,063	397,300	-202,649	58,949	196,402	171,324	194,607
<b>Shareholders' Equity</b>	633,790	939,854	1,266,587	1,063,940	1,122,889	1,319,291	1,490,615	3,249,728
<b>Break-up value per share</b>	6.77	10.05	13.54	11.37	12.00	14.10	15.93	13.00
<b>Statutory fund under management</b>	8,256,342	14,444,778	22,166,399	27,665,128	31,477,249	36,850,881	47,097,939	56,677,955
<b>Residual solvency in Shareholder's fund</b>	123,955	89,598	63,277	113,241	76,002	154,498	132,222	1,871,403
<b>Residual Solvency in Statutory funds</b>	64,673	309,931	251,690	38,557	-48,093	336,442	563,813	540,609

Number of Shareholders	Shareholdings		Shares Held
	From	To	
7	1	250	1,750
1	249,998,250	249,998,250	249,998,250
8			250,000,000

• 31 دسمبر 2021 کو اختتام پذیر ہونے والے سال کے دوران بورڈ کے مجموعی طور پر نو (9) اجلاس منعقد ہوئے۔ ان اجلاسوں میں ہر ڈائریکٹر کی شرکت کی تفصیل ذیل میں دی گئی ہے:

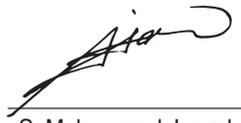
\* یہ نئے ڈائریکٹرز ہیں جنہوں نے 11 نومبر 2021 سے سمیر سیگل اور احمد عقیل کی جگہ لی۔

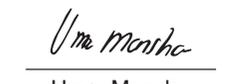
فی شیئر آمدنی:

برائے اختتام سال 31 دسمبر 2021 فی شیئر بنیادی منافع ۰.۳۳ء ہے۔

Categories of Shareholders	Number of Shareholders	Shares held	Percentage of Total
Associated Companies, undertakings and related parties:	1	249,998,250	99.998%
M/S. Adamjee Insurance Company Limited		249,998,250	99.998%
Members/ Directors:	7	1,750	0.002%
Mr. Umer Mansha**		250	0.000%
Mr. Imran Maqbool		250	0.000%
Mr. S.M. Jawed		250	0.000%
Mr. Muhammad Ali Zeb		250	0.000%
Mrs. Naz Mansha		250	0.000%
Mr. Ahmad Alman Aslam*		250	0.000%
Mr. Shahmeer Khalid Butt*		250	0.000%
<b>TOTAL</b>		<b>250,000,000</b>	<b>100%</b>

Profit for the year as per P&L account (Rupees in 000)	173,804
Weighted average number of ordinary shares (in 000)	168,324
Earnings per share basic & diluted	1.03

  
S. Muhammad Jawed  
Chairman

  
Umer Mansha  
Chief Executive Office

## خطرات اور بے یقینی

اب تک ایسے کوئی نمایاں خطرات سامنے نہیں آئے ہیں جو کمپنی کی معمول کی سرگرمیوں کے حوالے سے مخصوص ہوں۔

لائف انشوررز پر عبوری سیلز ٹیکس کا نفاذ، جسے حکومت سندھ کی جانب سے قابل ٹیکس سروسز میں شامل کیا گیا ہے، پوری انڈسٹری کے لیے ایک تشویش انگیز معاملہ ہے۔ اگر سیلز ٹیکس کو مستقل طور پر ختم نہ کیا گیا، پالیسی ہولڈرز کے لیے بیمہ زندگی کی پراڈکٹس ناقابلِ منافع ہو جائیں گی، اور دوسری جانب، اگر سیلز ٹیکس کو پالیسی ہولڈرز کی جانب منتقل نہ کیا گیا تو کاروبار قابلِ عمل نہیں رہے گا۔

## شکایات کا حل

کمپنی نے تسلی بخش انداز میں 1283 شکایات کو حل کیا جو کہ 2021 میں درج کروائی گئیں مجموعی شکایات کا 80% فیصد ہے۔ پالیسی ہولڈرز کے پورٹ فولیو کے مجموعے پر شکایات کی شرح 0.58 فیصد تھی۔

## کاروباری اور مالیاتی رپورٹنگ کا فریم ورک

- کمپنی مینجمنٹ کی جانب سے تیار کردہ مالیاتی گوشوارے اس کے آپریشنز، کیش فلوز اور ایکویٹی میں تبدیلیوں کی بالکل درست عکاسی کرتے ہیں۔
- کمپنی کے کھاتے درست طور پر برقرار رکھے گئے ہیں۔
- مالیاتی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کی مسلسل پیروی کی گئی ہے اور اکاؤنٹنگ کے تخمینے معقول اور محتاط فیصلہ سازی پر مبنی ہیں۔

مالیاتی گوشواروں کی تیاری میں پاکستان میں لاگو ہونے والے اکاؤنٹنگ کے بین الاقوامی معیارات، بین الاقوامی مالیاتی رپورٹنگ کے معیارات اور دیگر کسی بھی ضابطے یا قانون (بشمول مگر بلا تحدید شرعی ہدایات / اصولوں) پر عمل کیا گیا ہے اور اس سے کسی بھی قسم کے انحراف کی موزوں نشاندہی کر دی گئی ہے۔

S. No.	Name of the Director	No. of meetings attended
1	Mr. Umer Mansha	9
2	Mr. Raza Mansha	2
3	Mr. S.M. Jawed	9
4	Mr. Muhammad Ali Zeb	9
5	Mr. Samir Iqbal Saigol	6
6	Mr. Ahmad Aqeel	7
7	Mr. Imran Maqbool	9
8	Mrs. Naz Mansha	5
9	Mr. Ahmad Alman Aslam*	1
10	Mr. Shahmeer Khalid Butt*	1

داخلی کنٹرول کا نظام اپنی ساخت میں مستحکم ہے اور اس کا موثر نفاذ اور نگرانی عمل میں لائی گئی ہے۔

- کمپنی کی کاروباری حیثیت آئندہ بھی جاری رہنے پر کوئی شکوک و شبہات نہیں ہیں۔
- کاروباری ضابطہ اخلاق کے بہترین دستورا ل عمل سے کسی بھی قسم کا انحراف نہیں برتا گیا ہے۔
- گزشتہ سات سال کا اہم آپریٹنگ اور مالیاتی ڈیٹا۔ (براہ کرم ضمیمہ A ملاحظہ کریں)۔

کمپنی کا بنیادی کاروباری چینل یعنی بینک انشورنس کاروبار تسلسل کے ساتھ فروغ پائے گا، تاہم اس مخصوص ڈسٹری بیوشن چینل کے حوالے سے اضافی ضوابط کے باعث ماضی کی بلند گروتھ کے مقابلے میں کم فروغ پاسکے گا۔ یہ ضوابط متوقع طور پر انشورنس کمپنیوں کو معیاری کاروبار راسٹ کرنے پر ابھاریں گی اور اس طرح طویل بنیاد پر دور اندیش کاروباری ماڈل کے استحکام میں اضافہ ہو گا۔

آدم جی لائف اپنے نئے Banca پارٹنرز کے ساتھ مستحکم اور باہمی مفاد کے حامل تعلق بھی استوار کرنے کی خواہشمند ہے جس سے آنے والے سالوں میں Banca بزنس کو مزید تقویت ملے گی۔

ڈائریکٹ ڈسٹری بیوشن (ایجنسی) کا ماڈل کمپنی کی حکمت عملی کے مطابق اپنے توسیعی منصوبے کو جاری رکھے ہوئے ہے تاکہ Banca چینل کے علاوہ نئے کاروبار میں اضافہ کیا جائے۔ کمپنی کے سبزیڈ فائز کی مجموعی تعداد جو کہ 2020 میں 57 تھی، 2021 میں بڑھ کر 64 ہو گئی ہے اور ملازمین کی تعداد 2,000 سے تجاوز کر گئی ہے۔ کمپنی اپنی ڈائریکٹ ڈسٹری بیوشن سبزیڈ فائز کے لیے اپنے توسیعی منصوبے کو جاری رکھے گی اور 2025/2026 تک 1.5 بلین روپے نئی کاروباری تخلیق کو پانے کا ہدف رکھتی ہے۔

کمپنی محتاط پرائسنگ اور اپنے بے مثال سروس کی بدولت کارپوریٹ گروپ لائف اور کریڈٹ پروڈیکٹس کے بزنس میں اپنا مارکیٹ بڑھانے کا عزم رکھتی ہے۔ کمپنی موبائل والٹ اور ڈیجیٹل طور پر نصب شدہ پروڈکٹس کے شعبے میں داخلے اور مقابلے کی اپنی اہلیت بڑھانے کا عزم بھی رکھتی ہے۔ کمپنی پہلے ہی اپنی آن لائن پروڈکٹس متعارف کروا چکی ہے جن کے نام ہیں ٹرم لائف، اسپتال میں داخلے کا یومیہ پلان اور کورونا کور۔

کمپنی کی ایک اور بنیادی توجہ تربیت کے معیار اور فروخت اور بعد از فروخت سروسز کے معیار میں مزید بہتری لانے پر مرکوز ہے تاکہ تجدیدی پرمیٹرز کے تسلسل کو بہتر بنایا جائے۔

مذکورہ بالا مقاصد اور اہداف کے پیش نظر، کمپنی 2024-25 تک 125 بلین روپے کے فنڈ سائز اور 750 بلین روپے کی سالانہ منافع پذیری کو چھونے کے لیے پُر اعتماد ہے۔ سبزیڈ فائز، مینیجرز، ٹریڈرز اور فنانشل ایڈوائزرز کی مضبوط اور انتہائی تربیت یافتہ اور پیشہ ورانہ ٹیم، اور اس کے ساتھ ساتھ 'جدید ترین پالیسی مینیجمنٹ' اور 'دعووں پر عمل درآمد کے سسٹم' کی معاونت سے کمپنی اپنے مذکورہ بالا مقاصد کی تکمیل کے لیے پُر اعتماد ہے۔

## کاروباری سماجی ذمہ داری (CSR)

کمپنی مجموعی معاشرتی سطح پر اپنی ذمہ داریوں کا ادراک رکھتی ہے ایسے معاون مقاصد کو اپنی ترجیح بنا چکی ہے جو "آدم جی لائف گلہبان" کے سائے تلے معاشرے پر مثبت اثرات مرتب کرے گی۔ یہ اقدامات ملک کے مستحکم ترقیاتی اہداف (SDGs) سے ہم آہنگ ہیں اور ان کا قطع نظر تعلیم، صحت عامہ اور ماحولیاتی استحکام ہے۔ کمپنی، میڈیا کے اقدامات بشمول سماجی میڈیا، اشتہارات، ملک بھر میں فعال پذیر یوں کے ساتھ ان مختلف فلاحی سرگرمیوں میں باقاعدگی سے حصہ لیتی ہے، تاکہ اس امر کی اہمیت اور اثرات پر زور دیا جاسکے کہ مختلف کاروباری اداروں کے اشتراک سے کس طرح اجتماعی طور پر مشترکہ اقدام کو حاصل کیا جاسکتا ہے۔

## مستقبل کے مسائل

انشورنس معاہدوں پر 2023 سے لاگو ہونے والے IFRS 17 کا اطلاق گزشتہ 20 سالوں میں انشورنس اکاؤنٹنگ کے لوازمات میں سب سے بڑی تبدیلی کا مظہر ہے۔ یہ انشورنس کی کمپنیوں کے مالیاتی گوشواروں کی مکمل پڑتال کا متقاضی ہے۔ IFRS 17 کے نفاذ میں یہ بڑی تبدیلی کمپنی کے مالیاتی اور بیمہ جاتی افعال تک اپنے اثرات ڈالے گی، اور اس کے ساتھ ساتھ کمپنی کے ڈیٹا، سسٹمز اور پروسیسز پر بھی اثر مرتب کرے گی۔ اس بات کا قوی امکان ہے کہ IFRS 17 کے نفاذ کے لیے، کمپنی کو باہم یکجا سسٹمز کے فروغ میں خاطر خواہ رقم کی سرمایہ کاری کرنی پڑے۔

کمپنی، PACRA کی جانب سے AM1 درجہ بندی کی حامل AMC یعنی MCB عارف حبیب سیونگز اینڈ انویسٹمنٹس لمیٹڈ کے ساتھ پورٹ فولیو مینجمنٹ معاہدے کے تحت قربت کے ساتھ کام کرتی ہے اور بورڈ کی جانب سے منظور کردہ بلحاظ فنڈ سرمایہ کاری پالیسی کے تحت منافع بخش سرمایہ کاریاں کرنے کے لیے ایکویٹی اور قرضہ جاتی مارکیٹس کی مستعدی سے نگرانی کرتی ہے۔

## انڈر رائٹنگ کے نتائج

کمپنی کی لاگتیں اور کلیئرز کے اخراجات بڑی حد تک صحیح راہ پر قائم ہیں اور یہ بجٹ کے اعداد و شمار کے مطابق ہی رہے۔ تمام براہ راست اخراجات کے حساب کتاب کے بعد، کمپنی نے 1.441 بلین روپے کا انڈر رائٹنگ سرپلس حاصل کیا جو کہ گزشتہ سال اسی مدت کے دوران 1.319 بلین روپے تھا۔ یہ اضافہ 6.98 فیصد کے مجموعی انڈر رائٹنگ مارجن میں تبدیل ہوا جو کہ گزشتہ سال یہی مارجن 7.71 فیصد تھی۔ مارجن میں تنزلی کی وجہ سے سٹاک پر پیمائش کی حامل فروخت میں نمایاں اضافہ تھا جو کہ کم مارجن کی حامل ہوتی ہیں۔

مارکیٹنگ اور انتظامی اخراجات کا حساب کتاب 1.25 بلین روپے رہا جو کہ گزشتہ دورانیے سے 17 فیصد زیادہ ہے۔ اخراجات کی بلند تر سطح کی وجہ کمپنی کی مارکیٹنگ مہمات ہیں جنہیں 2020 میں COVID-19 کے باعث ملتوی کر دیا گیا تھا۔ طویل المیعاد بنیاد پر اپنے مارکیٹ شیئر میں اضافے کے لیے مسابقتی کے لحاظ سے مارکیٹ میں اپنی برانڈ موجودگی میں اضافہ کرنا اور اپنی خوبیوں اور پروڈکٹس کی پیشکش کو نمایاں کرنا انتہائی ضروری تھا۔

کمپنی نے قبل از ٹیکس مجموعی آمدنی 260 ملین روپے اور بعد از ٹیکس مجموعی آمدنی 195 ملین روپے ریکارڈ کی جو کہ گزشتہ سال مجموعی آمدنی 171 ملین روپے تھی۔

کمپنی کو تجدیدی پریمیم کے تسلسل کو بڑھانے پر بھی دوبارہ توجہ مرکوز کرنے کی ضرورت ہے جس میں 2021 میں بڑے پیمانے پر آبادی کو لاحق معاشی دباؤ کے باعث انتہائی کمی آگئی تھی۔ پرسنٹس میں بہتری آنے والے سالوں میں منافع پذیری کو مزید بہتر بنانے کی۔

مارچ 2021 میں، بورڈ نے پاکستان اسٹاک ایکچینج میں کمپنی کی لسٹنگ کو منظور کیا تھا۔ اس سلسلے میں کمپنی نے اس سال اپنی نگرانی کمپنی کو 156,450,600 استحقاقی شیئرز جاری کیے تھے تاکہ شیئر کیسٹبل کو بڑھا کر 2.5 بلین روپے کر لیا جائے۔ تمام انتظامی کارروائیوں اور PSX اور SECP کی منظوری کے بعد کھاتے داروں کی تخلیق اور آدم جی انشورنس کمپنی لمیٹڈ سے 10 فیصد شیئر ہولڈنگ کی فروخت کے عوض IPO کا عمل 9 فروری سے شروع ہو گا اور یہ توقع ہے کہ آدم جی انشورنس کمپنی لمیٹڈ کے تقسیمی عمل اور کمپنی کی لسٹنگ مارچ 2022 کے پہلے ہفتے تک مکمل ہو جائے گی۔

## آڈٹ رپورٹ

کمپنی کے ایکسٹرنل آڈیٹرز میسرز یوسف عادل، چارٹرڈ اکاؤنٹینٹس، کراچی نے اپنی آڈٹ رپورٹ میں شفاف رائے کا اظہار کیا ہے۔ تاہم، لائف انشورنس سروسز پر پنجاب سیلز ٹیکس (PST) اور سندھ سیلز ٹیکس (SST) کی وسعت اور اطلاق کے حوالے سے مالیاتی گوشواروں کے نوٹس 27.1 پر توجہ دلانے کے لیے معاملے پر تاکید (Emphasis of matter) فراہم کی گئی، جس کے خلاف انڈسٹری کے تمام شرکاء کی جانب سے پیش کردہ استغاثے لاہور ہائی کورٹ اور سندھ ہائی کورٹ میں زیر التوا ہیں۔

## مستقبل کا منظر نامہ

جہاں تک کمپنی کے مستقبل کے منظر نامے کا تعلق ہے، کمپنی کا اہم ترین مقصد باہمی مفادات کی نئی پارٹنرشپس کی تخلیق، نئے ڈسٹری بیوشن چینلز میں شمولیت، اور موجودہ چینلز کی گنجائش میں اضافے کے ذریعے آگے چل کر کاروبار کو وسعت دینا ہے۔

# ڈائریکٹر رپورٹ

ڈائریکٹر کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے اختتام سال 31 دسمبر، 2021 مع آڈیٹر رپورٹ پیش کرتے ہوئے انتہائی مسرت محسوس کر رہے ہیں۔

## کاروباری جائزہ

پوری دنیا اور پاکستان میں COVID-19 کا حملہ جاری ہے اور 2021 کے آخری ششماہی میں چونہی لہر اپنے جو بھن پر تھی۔ دوران سال، کمپنی نے مختلف کاروباری اہداف جیسا کہ نئے پریہیمیم، پریہیمیم، کلیمز اور منافع پر پڑنے والے اثرات کی باریک بینی سے نگرانی کی۔

سال 2021 کے دوران COVID-19 کے کلیمز کا اندراج مسلسل جاری رہا کلیم اور اس کا رجحان وہی رہا جو عمومی آبادی کی سطح پر بالکل ابتدا میں COVID-19 سے ہونے والی اموات کا تھا۔ کمپنی کی جانب سے ادا کردہ COVID-19 کے کلیمز کی مجموعی تعداد 137 ہے (انفرادی اور گروپ لائف دونوں) اور مجموعی کلیمز کی ادائیگی 138 ملین روپے ہے۔ کمپنی نے اپنے ری انشورر کے تعاون سے کلیمز کی یہ رقم آسانی سے ادا کر دی اور نتائج پر اس کا کوئی خاطر خواہ اثر نہیں پڑا۔

مجموعی طور پر، سال 2021 میں کاروباری بحالی دیکھنے میں آئی اور کمپنی کی آمدنی میں مثبت رجحان دیکھنے میں آیا، اور 2020 کے اسی مدت کے مقابلے میں 21 فیصد کی گروتھ ہوئی۔ انڈسٹری کی جانب سے تخلیق کردہ مجموعی پریہیمیم کے لحاظ سے کمپنی کے مارکیٹ شیئر میں (اندانا) 7 سے 8 فیصد اضافہ ہوا۔

کمپنی کے بینک اشورنس بزنس کے نئے کاروبار میں 15 فیصد کا اضافہ رجسٹرڈ کیا گیا، جو کہ سال 2020 میں 2.636 بلین روپے کے مقابلے میں 2021 میں 3.036 بلین روپے رہا۔ کمپنی 12 صف اول کے بینکوں بشمول MCB بینک لمیٹڈ کے ساتھ ڈسٹری بیوشن پارٹنرشپ کی حامل ہے جو تنہا ہمارے نئے کاروبار 65 فیصد تخلیق کرتا ہے۔ تاہم، گزشتہ سالوں میں کمپنی کی متنوع کوششوں کے باعث، MCB بینک لمیٹڈ پر اس انحصار میں (اندانا) 20 فیصد کمی آئی ہے۔ اگرچہ، انڈسٹری میں Banca بزنس نے 2021 میں 25 فیصد کی گروتھ پائی ہے، لیکن یہ پھر بھی 2019 میں پوری انڈسٹری میں Banca کی جانب سے تخلیق کردہ گروتھ سے 12 فیصد پیچھے ہے۔ اس کی وجہ SECP اور اسٹیٹ بینک آف پاکستان کی جانب سے متعارف کردہ مزید انضباطی ضوابط / ضابطہ اخلاق ہیں جو اگرچہ عارضی طور پر گروتھ کو سست روی کا شکار کریں گے لیکن طویل المیعاد بنیاد پر فروخت کے معیار کو بہتر بنائیں گے اور آگے چل کر بتدریج گروتھ میں مدد دیں گے۔

علاوہ ازیں، ہماری ڈائریکٹ ڈسٹری بیوشن (ایجنسی) فورس نے بھی 534 بلین روپے سے بڑھ کر 718 بلین روپے پر جاتے ہوئے نئے کاروبار میں 34 فیصد کی گروتھ ظاہر کی ہے۔ اس ڈسٹری بیوشن چینل کی توسیع کی پیشرفت اپنی راہ پر گامزن ہے۔

ہمارے بڑھتے ہوئے مجموعی پریہیمیم کی آمدنی میں مزید ترقی سنگل پریہیمیم کی شاندار گروتھ سے آئی ہے جو 2020 میں 5.331 بلین روپے سے بڑھ کر 2021 میں 7.539 بلین روپے ہو گئی۔

دوسری جانب کمپنی کے گروپ لائف بزنس نے گزشتہ سال کے مقابلے میں 20 فیصد کی تنزلی ظاہر کی۔ کمپنی نے گروپ لائف بزنس میں محتاط طرز عمل برقرار رکھا اور پریہیمیم میں کٹوتی کے عمل میں مقابلے سے گریز کیا کیونکہ کلیمز کے خراب سابقہ ریکارڈ اور نتیجتاً ہمارے انڈر رائٹرز کی جانب سے نظر ثانی کردہ پریہیمیم میں اضافے کے باعث مخصوص اکاؤنٹس ہاتھ سے نکل گئے تھے۔

## سرمایہ کاریاں

53.52 بلین روپے مجموعی پورٹ فولیو میں سے، 26 فیصد ایکویٹی اور ایکویٹی میوچوئل فنڈز میں لگائے گئے، 32 فیصد کی سرمایہ کاری سرکاری سیکورٹیز اور قرضہ جاتی اثاثوں میں کی گئی، جبکہ 29 فیصد کو بینک ڈپازٹس میں لگایا گیا تھا۔ دوران سال، کمپنی نے 3.12 بلین روپے کی سرمایہ کارانہ آمدنی پیدا کی جبکہ برائے اختتام سال 31 دسمبر 2020 کو یہ رقم 4.29 بلین روپے تھی۔

مجموعی سرمایہ کاری پر اوسط آمدنی 2021 میں 5.5 فیصد رہی جو کہ 2020 میں 9.69 فیصد تھی۔ اس شرح میں کمی کی وجہ سال کے دوران ایکویٹی مارکیٹس کی کارکردگی تھی۔ PSX 100 انڈیکس نے 2021 میں 0.36 فیصد کی آمدنی درج کی جو کہ 2020 میں 5.69 فیصد تھی۔

# Financial Statements



# INDEPENDENT AUDITOR'S REPORT

## To the members of Adamjee Life Assurance Company Limited Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of Adamjee Life Assurance Company Limited (the Company), which comprise the statement of financial position as at December 31, 2021, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the 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 statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Company's affairs as at December 31, 2021 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis of Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the 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 for our opinion.

### Emphasis of Matter

We draw attention to note 27.1 to the financial statements where it is disclosed that the Company has challenged the scope and applicability of Punjab Sales Tax (PST) and Sindh Sales Tax (SST) on life insurance services.

Our opinion is not modified in this respect.

### 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 not been provided with this information and therefore we do not report in this regard.

## Responsibility 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 the Insurance Ordinance, 2000 and Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting
- and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

#### 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 statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows 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 Hena Sadiq.



**Chartered Accountants**

Place: Karachi

Date: February 16, 2022

**UDIN: AR2021100572JdP39kKQ**

# Statement of Financial Position

As at 31 December 2021

	Note	2021	2020
(Rupees in '000)			
<b>Assets</b>			
Property and equipment	5	159,319	126,198
Intangible assets	6	23,086	39,194
Right of use assets	7	187,628	236,382
Investment property	8	939,394	855,394
Investments			
Equity securities	9	7,996,932	7,072,300
Government securities	10	20,797,759	11,535,092
Debt securities	11	4,443,606	3,380,743
Term deposits	12	7,580,000	7,962,000
Mutual funds	13	8,859,850	8,596,989
Loan secured against life insurance policies		39,499	29,912
(Insurance / takaful) / (reinsurance / retakaful) receivables	14	137,204	232,084
Other loans and receivables	15	418,383	456,831
Taxation - payments less provision		570,124	315,074
Prepayments	16	38,702	46,171
Cash and bank	17	9,726,073	9,955,052
<b>Total Assets</b>		<b>61,917,559</b>	<b>50,839,416</b>
<b>Equity and Liabilities</b>			
<b>Capital and reserves attributable to Company's equity holders</b>			
Ordinary share capital	18	2,500,000	935,494
Money ceded to Waqf fund	1.2	500	500
(Deficit) / surplus on revaluation of available for sale investments		(4,743)	361
Ledger account D		589,705	525,915
Unappropriated profit		164,266	28,345
<b>Total Equity</b>		<b>3,249,728</b>	<b>1,490,615</b>
<b>Liabilities</b>			
Insurance liabilities	19	56,933,035	47,033,478
Retirement benefit obligations	20	-	112,349
Deferred taxation	21	231,523	206,583
Lease liabilities	22	229,834	271,436
Borrowings	23	84,894	164,482
Deferred government grant	24	4,298	13,807
Premium / contribution received in advance		431,262	325,033
(Insurance / takaful) / (reinsurance / retakaful) payables	25	-	130,635
Other creditors and accruals	26	752,985	1,090,998
<b>Total Liabilities</b>		<b>58,667,831</b>	<b>49,348,801</b>
<b>Total equity and liabilities</b>		<b>61,917,559</b>	<b>50,839,416</b>

## Contingencies and commitments

27

The annexed notes 1 to 50 form an integral part of these financial statements.



S. Muhammad Jawed  
Chairman



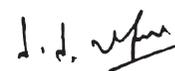
Muhammad Ali Zeb  
Director



Imran Maqbool  
Director



Umer Mansha  
Chief Executive Office



Jalal Meghani  
Chief Financial Officer

# Statement of Profit or Loss

## For the year ended December 31, 2021

	Note	2021	2020
		(Rupees in '000)	
Premium / contribution revenue		20,658,169	17,100,887
Premium / contribution ceded to reinsurers / (retakaful)		(530,051)	(563,967)
Net premium / contribution revenue	28	20,128,118	16,536,920
Investment income	29	3,135,827	2,586,859
Net realised fair value gain on financial assets	30	390,688	659,798
Net fair value (loss) / gain on financial assets at fair value through profit or loss - unrealised	31	(869,463)	738,783
Net rental income		3,000	3,750
Net unrealised gain / (loss) on investment property	8	84,000	(21,000)
Other income	32	383,968	316,983
		3,128,020	4,285,173
<b>Net income</b>		<b>23,256,138</b>	<b>20,822,093</b>
Insurance benefits	34	(9,540,127)	(7,452,420)
Recoveries from reinsurers / retakaful	34	445,302	620,863
Claims related expenses		(10,933)	(7,074)
<b>Net insurance benefits</b>		<b>(9,105,758)</b>	<b>(6,838,631)</b>
Net change in insurance / takaful liabilities (other than outstanding claims)		(9,490,171)	(9,937,066)
Acquisition expenses	35	(3,138,296)	(2,692,072)
Marketing and administration expenses	36	(1,255,496)	(1,011,201)
Other expenses	37	(11,234)	(7,164)
		(13,895,197)	(13,647,503)
<b>Total expenses</b>		<b>(23,000,955)</b>	<b>(20,486,134)</b>
Finance costs	38	(23,978)	(25,767)
<b>Results of operating activities / profit before tax</b>		<b>231,205</b>	<b>310,192</b>
Income tax expense	39	(57,401)	(119,178)
<b>Profit after tax for the year</b>		<b>173,804</b>	<b>191,014</b>
Earnings (after tax) per share - Rupees	40	1.03	(Restated) 1.50

The annexed notes 1 to 50 form an integral part of these financial statements.



S. Muhammad Jawed  
Chairman



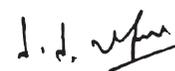
Muhammad Ali Zeb  
Director



Imran Maqbool  
Director



Umer Mansha  
Chief Executive Office



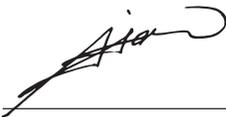
Jalal Meghani  
Chief Financial Officer

## Statement of Other Comprehensive Income

### For the year ended December 31, 2021

	Note	2021	2020
(Rupees in '000)			
Profit after tax for the year - as per statement of profit or loss		173,804	191,014
Other comprehensive income:			
<i>Item that will not be reclassified subsequently to statement of profit or loss</i>			
Actuarial gain / (loss) on retirement benefit scheme		36,489	(33,258)
Related deferred tax		(10,582)	9,645
		25,907	(23,613)
<i>Item that will be reclassified subsequently to statement of profit or loss</i>			
Change in unrealised (loss) / gain on revaluation of available for sale investments	33	(7,219)	5,526
Transferred to profit and loss in disposal of available for sale investment		30	-
		(7,189)	5,526
Related deferred tax		2,085	(1,603)
		(5,104)	3,923
Total other comprehensive income / (loss)		20,803	(19,690)
<b>Total comprehensive income for the year</b>		<b>194,607</b>	<b>171,324</b>

The annexed notes 1 to 50 form an integral part of these financial statements.



S. Muhammad Jawed  
Chairman



Muhammad Ali Zeb  
Director



Imran Maqbool  
Director



Umer Mansha  
Chief Executive Office



Jalal Meghani  
Chief Financial Officer

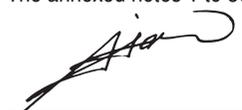
# Statement of Changes in Equity

## For the year ended December 31, 2021

	Attributable to equity holders' of the Company					Total
	Share capital	Money ceded to Waqf fund	(Deficit) / surplus on revaluation of available for sale investments	Ledger account D *	Unappropriated profit	
	Rupees in thousand					
<b>Balance as at January 01, 2020</b>	935,494	500	(3,562)	367,174	19,685	1,319,291
Total comprehensive income for the year ended December 31, 2020						
- Profit for the year after tax	-	-	-	-	191,014	191,014
- Other comprehensive income / (loss)	-	-	3,923	-	(23,613)	(19,690)
	-	-	3,923	-	167,401	171,324
<b>Transaction with owners recorded directly in the equity</b>	-	-	-	-	-	-
<b>Surplus for the year retained in statutory funds</b>	-	-	-	158,741	(158,741)	-
<b>Balance as at December 31, 2020</b>	<b>935,494</b>	<b>500</b>	<b>361</b>	<b>525,915</b>	<b>28,345</b>	<b>1,490,615</b>
Total comprehensive income for the year ended December 31, 2021						
- Profit for the year after tax	-	-	-	-	173,804	173,804
- Other comprehensive (loss) / income	-	-	(5,104)	-	25,907	20,803
	-	-	(5,104)	-	199,711	194,607
<b>Transaction with owners recorded directly in the equity</b>						
Issue of share capital- Right issue	1,564,506	-	-	-	-	1,564,506
<b>Surplus for the year retained in statutory funds</b>	-	-	-	63,790	(63,790)	-
<b>Balance as at December 31, 2021</b>	<b>2,500,000</b>	<b>500</b>	<b>(4,743)</b>	<b>589,705</b>	<b>164,266</b>	<b>3,249,728</b>

\* This includes balances maintained in accordance with the requirements of Section 35 of the Insurance Ordinance, 2000 read with Rule 14 of the Insurance Rules, 2017 to meet solvency margins, which are mandatorily maintained for carrying on of the life insurance business.

The annexed notes 1 to 50 form an integral part of these financial statements.

  
S. Muhammad Jawed  
Chairman

  
Muhammad Ali Zeb  
Director

  
Imran Maqbool  
Director

  
Umer Mansha  
Chief Executive Office

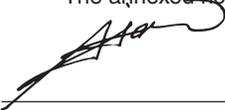
  
Jalal Meghani  
Chief Financial Officer

# Statement of Cash Flows

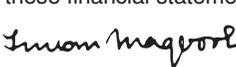
## For the year ended December 31, 2021

	Note	2021	2020
		(Rupees in '000)	
<b>Operating Cash Flows</b>			
<b>(a) Underwriting activities</b>			
Insurance premium / contribution received		20,758,561	17,192,102
Reinsurance premium / retakaful contribution paid		(119,104)	(143,727)
Claims paid		(9,141,674)	(7,099,035)
Commission paid		(2,625,941)	(2,069,036)
Marketing and administrative expenses paid		(1,945,721)	(2,159,966)
<b>Net cash flow generated from underwriting activities</b>		<b>6,926,121</b>	<b>5,720,338</b>
<b>(b) Other operating activities</b>			
Income tax paid		(296,008)	(70,054)
<b>Total cash flow generated from all operating activities</b>		<b>6,630,113</b>	<b>5,650,284</b>
<b>Investment activities</b>			
Profit / return received		2,728,191	1,673,826
Dividend received		635,498	355,521
Rental received		3,000	3,750
Payment for investments		(281,791,837)	(169,631,458)
Proceeds from investments		269,788,263	162,880,851
Fixed capital expenditure		(75,269)	(46,266)
Loan (to) / received from policyholders		(5,925)	5,998
Proceeds from sale of property and equipment		1,938	698
<b>Total cash flow used in investing activities</b>		<b>(8,716,141)</b>	<b>(4,757,080)</b>
<b>Financing activities</b>			
Proceeds against right issue		1,564,506	-
Borrowings		(89,457)	178,289
<b>Total cash flow generated from financing activities</b>		<b>1,475,049</b>	<b>178,289</b>
<b>Net cash (outflows) / inflows from all activities</b>		<b>(610,979)</b>	<b>1,071,493</b>
<b>Cash and cash equivalent at the beginning of the year</b>	17.2	<b>17,917,052</b>	<b>16,845,559</b>
<b>Cash and cash equivalent at the end of the year</b>	17.2	<b>17,306,073</b>	<b>17,917,052</b>
<b>Reconciliation to Statement of profit or loss</b>			
Cash flow from all operating activities		6,630,113	5,650,284
Depreciation and amortisation expense		(114,626)	(116,252)
Financial charge expense		(32,232)	(26,923)
Provision for doubtful debts		(4,437)	-
Write offs		(3,294)	-
Impact of income / (expenses) directly charged to OCI		27,992	(25,216)
Gain / (loss) on disposal of property and equipment		886	(2,905)
Profit on disposal of investment		390,688	659,798
Rental income		3,000	3,750
Dividend income		625,682	367,271
Other investment income		2,977,229	2,521,381
Increase in assets other than cash		163,979	428,349
Increase in liabilities other than borrowings		(9,621,713)	(10,007,306)
(Deficit) / surplus on revaluation of investment		(869,463)	738,783
<b>Profit after taxation</b>		<b>173,804</b>	<b>191,014</b>

The annexed notes 1 to 50 form an integral part of these financial statements.

  
S. Muhammad Jawed  
Chairman

  
Muhammad Ali Zeb  
Director

  
Imran Maqbool  
Director

  
Umer Mansha  
Chief Executive Office

  
Jalal Meghani  
Chief Financial Officer

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### 1. LEGAL STATUS AND NATURE OF BUSINESS

**1.1** Adamjee Life Assurance Company Limited ("the Company") was incorporated in Pakistan on August 04, 2008 as a public unlisted company under the Companies Act, 2017 (Previously Companies Ordinance, 1984). The Company started its operations from April 24, 2009. Registered office of the Company is at 5th floor, Islamabad Stock Exchange Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad while its principal place of business is at Adamjee House, 3rd and 4th Floor, I.I Chundrigar Road, Karachi. The Company is a wholly owned subsidiary of Adamjee Insurance Company Limited.

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

- Conventional Business
- Accident and Health Business
- Individual Life Non-unitised Investment Linked Business
- Individual Life Unit Linked Business
- Individual Family Takaful Business (refer note 1.2)
- Group Family Takaful Business (refer note 1.2)

**1.2** The Company was granted authorisation on May 04, 2016 under Rule 6 of Takaful Rules, 2012 to undertake Takaful Window Operations in respect of family takaful products by Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations from July 14, 2016. The Company formed a Waqf Fund namely the Adamjee Life Assurance Company Limited - Window Takaful Operations Waqf Fund (here-in-after referred to as the Participant Takaful Fund (PTF) on December 22, 2015 under a Waqf deed executed by the Company with the cede amount of Rs. 500,000. The cede money is required to be invested in Shariah compliant investments and any profit thereon can be utilised only to pay benefits to participants or defray PTF expenses. Waqf deed also governs the relationship of the Company and policyholders for the management of Takaful operations, investment of policyholders' funds and shareholders' funds as approved by the Shariah Advisor appointed by the Company.

The Company issued supplemental policies to the Window Takaful Operations Waqf Fund on October 29, 2019 to include Group Family Participant's Takaful Fund business in existing Window Takaful Operations Waqf Fund and the same was authorised by the Securities and Exchange Commission of Pakistan (SECP) on December 11, 2019 and the Company commenced its Group Family Takaful Business in the second Quarter of 2020.

During the year, on March 10, 2021 the Board of Directors resolved that the Company would apply for listing on Pakistan Stock Exchange. In this connection, the Company has issued 156,450,600 right shares during the year to its parent company to increase its share capital to Rs. 2.5 billion. The Company has initiated the regulatory process of listing and intends to offer 25,000,000 shares to the public which represents 10% of its existing paid-up capital through offer for sale for which offer for sale document is made public subsequent to the year end.

### 2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

**2.1** 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:

## Notes to and forming part of the Financial Statements

### For the year ended December 31, 2021

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012.

In case the requirements differ, provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, have been followed.

#### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as disclosed in accounting policies relating to financial instruments, investments, investment property, borrowings, lease liabilities, retirement benefits obligation and insurance liabilities.

#### 2.3 Functional and presentation currency

These financial statements have been presented in Pakistan Rupee, which is the Company's functional and presentation currency amounts presented have been rounded off to the nearest thousand unless otherwise stated.

#### 2.4 New amendments that are effective for the year ended December 31, 2021

The following amendments are effective for the year ended December 31, 2021. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	<b>Effective from accounting period beginning on or after:</b>
- Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	June 01, 2020
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021

Certain annual improvements have also been made to a number of IFRSs.

#### **New amendments that are not yet effective:**

The following amendments are only effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

# Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

	<b>Effective from accounting period beginning on or after:</b>
- Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021
- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
- Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
	<b>Effective from accounting period beginning on or after:</b>
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
- Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

## Notes to and forming part of the Financial Statements

### For the year ended December 31, 2021

- 2.4.1** IFRS 9 'Financial Instruments' is effective since reporting year ended December 31, 2019. It replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduces two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from 1 July 2018 onwards to remove from the statement of profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

The Company has determined that it is eligible for the temporary exemption option since the Company has not previously applied any version of IFRS 9, its 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 95 percent and the Company does not engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Company can defer the application of IFRS 9 until the application IFRS 17.

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise, on specified dates, to cash flows that are Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest.

IFRS 9 defines the terms "principal" as being the fair value of the financial asset at initial recognition, and the "interest" as being compensation for (i) the time value of money, and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

- 2.5** The tables below set out the fair values as at the end of reporting year and the amount of change in the fair value during that year for the following two groups of financial assets separately:
- a) financial assets with contractual terms that give rise on specified dates to cash flows that are Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and
  - b) all other financial assets

# Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

2021

Fail the SPPI test		Pass the SPPI test	
Fair value	Change in unrealised (loss)/ gain during the year	Fair value	Change in unrealised loss during the year

(Rupees in '000)

## Financial assets

Bank	9,715,568	-	-	-
Equity securities	7,996,932	(824,896)	-	-
Government securities	20,699,347	(10,759)	98,412	(5,539)
Debt securities	4,443,606	62,970	-	-
Term deposits	-	-	7,580,000	-
Mutual funds	8,859,850	2,049	-	-
Loan secured against life insurance policies	-	-	39,499	-
Loan to employees	12,638	-	-	-
	<b>51,727,941</b>	<b>(770,636)</b>	<b>7,717,911</b>	<b>(5,539)</b>

2021

## Gross carrying amount of financial assets that pass the SPPI test (Rupees in '000)

	AAA	AA+	AA	AA-	A+	A	A-	A-1	A-1+	B3	Unrated	Total
Government securities	-	-	-	-	-	-	-	-	-	-	98,412	98,412
Loan secured against life insurance policies	-	-	-	-	-	-	-	-	-	-	39,499	39,499
Term deposits	2,000,000	2,000,000	1,675,000	-	1,000,000	905,000	-	-	-	-	-	7,580,000

2020

Fail the SPPI test		Pass the SPPI test	
Fair value	Change in unrealised (loss)/ gain during the year	Fair value	Change in unrealised gain during the year

(Rupees in '000)

## Financial assets

Bank	9,949,114	-	-	-
Equity securities	7,072,300	103,981	-	-
Government securities	10,744,824	(8,540)	790,268	7,155
Debt securities	3,380,743	32,079	-	-
Term deposits	-	-	7,962,000	-
Mutual funds	8,596,989	711,944	-	-
Loan secured against life insurance policies	-	-	29,912	-
Loan to employees	6,999	-	-	-
	<b>39,750,969</b>	<b>839,464</b>	<b>8,782,180</b>	<b>7,155</b>

2020

## Gross carrying amount of financial assets that pass the SPPI test (Rupees in '000)

	AAA	AA+	AA	AA-	A+	A	A-	A-1	A-1+	B3	Unrated	Total
Government securities	-	-	-	-	-	-	-	-	-	-	790,268	790,268
Loan secured against life insurance policies	-	-	-	-	-	-	-	-	-	-	29,912	29,912
Term deposits	5,675,000	355,000	815,000	-	175,000	942,000	-	-	-	-	-	7,962,000

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year.

#### 3.1 Types of Insurance / Window Takaful Operations

##### a) Conventional Business

The Conventional Business includes individual life, group life and group credit life assurance.

##### i) Individual life

The individual life business segment provides coverage to individuals against deaths and disability under conventional policies issued by the Company. Additional riders are included on the discretion of the policyholder. The business is written through Bancassurance, tele-sales and through website.

##### Revenue recognition

First year individual life premiums are recognised once the related policies have been issued and the premium is received. Renewal premiums are recognised upon receipt of premium.

##### Recognition of policyholders' liabilities

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

##### Claim expenses

Claim expenses are recognised on the earlier of the policy expiry or the date when the intimation of the insured event giving rise to the claim is received. Surrender of conventional business policies is made after these have been approved in accordance with the Company's policy.

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the policyholders' liabilities in accordance with the estimates recommended by the appointed actuary.

##### ii) Group life and group credit life

Group Life contracts are mainly issued to employers to insure their commitments to their employees as required under The Industrial and Commercial Employment (Standing Orders) Ordinance, 1968.

The group life business segment provides coverage to members / employees of business enterprises and corporate entities, against death and disability under group life assurance schemes issued by the Company. The group credit life business segment provides coverage to a group of members or subscribers registered under a common platform against death and disability. The business is written mainly through direct sales force.

# Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

## Revenue recognition

Premiums are recognised as and when due. In respect of certain group policies the Company continues to provide insurance cover even if the premium is received after the grace period. Provision for unearned premiums is included in the policyholders' liabilities.

## Recognition of policyholders' liabilities

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

## Claim expenses

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

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the policyholders' liabilities in accordance with the estimates recommended by the appointed actuary.

Experience refund of premium

Experience refund of premium payable to policyholders' is included in policyholders' liability in accordance with the policy of the Company and the advice of the appointed actuary.

## b) Accident and Health Business

Accident and Health Business 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 risk underwritten is mainly related to medical expenses relating to hospitalisation and death by accidental means. This business is written through direct sales force.

## Revenue recognition

Premiums are recognised once the related policies have been issued and the premiums have been received.

## Recognition of policyholders' liabilities

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

## Claim expenses

Claims expenses are recognised after the date the insured event is intimated and a reliable estimate of the claim amount can be made.

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

## Notes to and forming part of the Financial Statements

### For the year ended December 31, 2021

Liability for claims "Incurred But Not Reported" (IBNR) is included in the policyholders' liabilities in accordance with the estimates recommended by the appointed actuary.

#### c) **Non-unitised Investment Linked Business**

Individual Life Non-unitised Investment Linked Business provides life assurance coverage to individuals under universal life policies issued by the Company. Benefits are expressed in terms of account value of the policyholder account which is related to the market value of the underlying assets of the investment fund. The risk underwritten is mainly death and disability. This business is written through bancassurance channel.

##### **Revenue recognition**

First year individual life premiums are recognised once the related policies have been issued and the premium is received. Renewal premiums are recognised upon receipt of premium. Single premiums are recognised once the related policies are issued against the receipts of premium. Premium of riders like 'Waiver of Premium' will be recognised upon actuarial assumptions where actuary deems that all premiums due have been received.

##### **Recognition of policyholders' liabilities**

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

##### **Claim expense**

Claim expenses are recognised on the earlier of the policy expiry or the date when the intimation of the event giving rise to the claim is received. Claim of 'Waiver of Premium' is created when intimated with the amount to be applied by the Company on behalf of policyholder.

Surrender of Non-unitised Investment Linked Business policies is made after these have been approved in accordance with the Company's policy.

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the policyholders' liabilities in accordance with the estimates recommended by the appointed actuary.

#### d) **Unit Linked Business**

Individual Life Unit Linked Business provides life assurance coverage to individuals under unit-linked investment policies issued by the Company. Benefits are expressed in terms of account value of the policyholder account which is related to the market value of the underlying assets of the investment fund. Various types of riders (accidental death, family income benefits etc.) are also sold along with the basic policies. Some of these riders are charged through deductions from policyholders fund value, while others are not charged i.e. additional premium is charged thereagainst. The risk underwritten is mainly death and disability. This business is written through bancassurance channel and Company's own agency distribution channel.

# Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

## Revenue recognition

First year individual life premiums are recognised once the related policies have been issued and the premium is received. Renewal premiums are recognised upon receipt of premium. Single premiums are recognised once the related policies are issued against the receipts of premium. Premium of riders like 'Waiver of Premium' will be recognised upon actuarial assumptions where actuary deems that all premiums due have been received.

## Recognition of policyholders' liabilities

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

## Claim expenses

Claim expenses are recognised on the earlier of the policy expiry or the date when the intimation of the event giving rise to the claim is received. Claim of 'Waiver of Premium' is created when intimated with the amount to be applied by the Company on behalf of policyholder.

Surrender of Unit Linked Business policies is made after these have been approved in accordance with the Company's policy.

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the policyholders' liabilities in accordance with the estimates recommended by the appointed actuary.

## e) Individual Family Takaful Unit Linked Business

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

The obligation of Waqf for Waqf participants' liabilities is limited to the amount available in the Waqf fund. In case there is a deficit in the Waqf Fund, the Window Takaful Operator shall grant an interest free loan (Qard-e-Hasna) to make good the deficit. The loan shall be repayable from the future surplus generated in the Waqf Fund, without any excess of the actual amount given to it. Repayment of Qard-e-Hasna shall receive priority over surplus distribution to participants from the Waqf Fund. The detailed disclosures of Window Takaful Operations are presented in note 48.

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

## Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

### Revenue recognition

First year individual life contribution are recognised once the related policies have been issued and the contribution is received. Renewal contribution are recognised upon receipt of contribution. Single contribution are recognised once the related policies are issued against the receipts of contribution. Premium of riders like 'Waiver of Premium' will be recognised upon actuarial assumptions where actuary deems that all premiums due have been received.

### Recognition of policyholders' liabilities

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

### Claim expenses

Claim expenses are recognised on the earlier of the policy expiry or the date when the intimation of the event giving rise to the claim is received. Claim of 'Waiver of Premium' is created when intimated with the amount to be applied by the Company on behalf of policyholder.

Surrender of Unit Linked Takaful Business policies is made after these have been approved in accordance with the Company's Policy.

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the policyholders' liabilities in accordance with the estimates recommended by the appointed actuary.

### f) Group Family Takaful Business

Group Life contracts are mainly issued to employers to insure their commitments to their employees as required under The Industrial and Commercial Employment (Standing Orders) Ordinance, 1968.

The group life business segment provides coverage to members / employees of business enterprises and corporate entities, against death and disability under group life assurance schemes issued by the Company. The group credit life business segment provides coverage to a group of members or subscribers registered under a common platform against death and disability. The business is written mainly through direct sales force.

### Revenue recognition

Contribution are recognised as and when due. In respect of certain group policies the Company continues to provide insurance cover even if the contribution is received after the grace period. Provision for unearned contribution is included in the policyholders' liabilities.

### Recognition of policyholders' liabilities

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

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### **Claim expenses**

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

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the policyholders' liabilities in accordance with the estimates recommended by the appointed actuary.

### **Experience refund of contribution**

Experience refund of contribution payable to policyholders' is included in policyholders' liability in accordance with the policy of the Company and the advice of the appointed actuary.

## **3.2 Reinsurance / retakaful contracts held**

Individual policies (including joint life policies underwritten as such) are reinsured under an individual life reinsurance / retakaful agreement whereas group life and group credit life policies are reinsured under group life and group credit life reinsurance agreements respectively.

### **3.2.1 Conventional**

#### **Reinsurance premium**

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

#### **Reinsurance recoveries**

Reinsurance recoveries from reinsurers are recognised at the same time when the claim is intimated and giving rise to the right of recovery is recognised in the books of accounts of the Company.

#### **Experience refund**

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

#### **Amount due from / to reinsurer**

All receivables (reinsurer's share in claims, commission from reinsurer and experience refund) and payables (reinsurance premium) under reinsurance agreements are recognised on net basis in the Company's financial statements, only under the circumstances that there is a clear legal right of off-set of the amounts.

Amounts due from / to reinsurers are carried at cost which is the fair value of the consideration to be received / paid in the future for services rendered / received, less provision for impairment, if any.

### **3.2.2 Takaful**

#### **Retakaful contribution**

Retakaful contribution ceded is recognised at the same time when the related contribution revenue is recognised. It is measured in line with the terms and conditions of the reinsurance treaties.

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### **Retakaful recoveries**

Retakaful recoveries from retakaful operators are recognised at the same time when the claim is intimated and giving rise to the right of recovery is recognised in the books of accounts of the Company.

### **Experience refund**

Experience refund receivable from retakaful operators is included in the retakaful recoveries of claims.

### **Amount due from / to retakaful operator**

All receivables (retakaful operator's share in claims, commission from retakaful operator and experience refund) and payables (retakaful contribution) under retakaful agreements are recognised on net basis in the Company's financial statements, only under the circumstances that there is a clear legal right of off-set of the amounts.

Amounts due from / to retakaful operator are carried at cost which is the fair value of the consideration to be received / paid in the future for services rendered / received, less provision for impairment, if any.

### **3.3 Statutory funds**

The Company maintains statutory funds in respect of each class of life assurance business in which it operates. Assets, liabilities, revenues and expenses of the Company are referable to the respective statutory funds. However, where these are not referable to statutory funds, these are allocated to shareholders' fund on the basis of actuarial advice. Apportionment of assets, liabilities, revenues and expenses, whenever required between funds are made on the basis certified by the appointed actuary of the Company. Policyholders' liabilities have been included in statutory funds on the basis of the actuarial valuation carried out by the appointed actuary of the Company on the reporting date as required under Section 50 of the Insurance Ordinance, 2000.

### **3.4 Policyholders' liabilities**

#### **a) Conventional Business**

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

Policyholders' liabilities constitute the reserves for basic plans and riders attached to the basic plans and reserves for IBNR Claims.

Policy reserves pertaining to the basic plans are based on Net Premium method of valuation as prescribed in Annexure V of Insurance Rules, 2017 requires the use of the SLIC (2001-05) Individual Life Ultimate mortality table and a valuation interest rate of 3.75% p.a. to establish the valuation Net level Premium. The interest rate is considerably lower than the actual investment return the Company is managing on its conventional portfolio. The difference between the above and actual investment return is intended to be available to the Company for meeting administrative expense and for providing margins against adverse deviations. For yearly renewable contracts and contracts where premiums are not age related, the reserves are based on net unearned premiums. Policy reserves for both 'Waiver of Premium' and accidental death riders are based on net unearned premiums.

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

Reserves for IBNR claims have been estimated using claims run-off triangle.

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### ii) **Group life and group credit life**

Policy reserves for these plans are based on the unearned premium method net of allowances made for acquisition expenses, unexpired reinsurance premium and profit commission. Consideration is also given to the requirement for a Premium Deficiency Reserve. The reserves also comprise allowance for "Incurred But Not Reported" (IBNR) claims. The provision for 'Incurred But Not Reported' (IBNR) claims as included in policyholders' liability is estimated as 15% and 25% of earned premium for the year of group life and group credit life respectively.

### b) **Accident and Health Business**

Main Plan Policy reserves are based on net unearned premiums. Reserves for yearly renewable riders are based on net unearned premiums.

### c) **Non-unitised Investment Linked Business**

Policyholders' liabilities constitute the account value of investment linked contracts as well as non-investment or risk reserves of these contracts. Risk reserves constitute liabilities held to account for risks such as death and risk only riders (accidental death and disability, monthly income benefit, waiver of premium, etc.). Reserves for risk only contracts where premiums are level over the term of the contract are based on the Net Premium Method whereas reserves for age related risk contracts are based on net unearned premiums.

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

Reserves for IBNR claims have been estimated using claims run-off triangle.

### d) **Unit Linked Business**

Policyholders' liabilities constitute the fund value of unit linked contracts as well as non-investment or risk reserves of these contracts. Risk reserves constitute liabilities held to account for risks such as death and risk only riders (accidental death and disability, monthly income benefit, waiver of premium, etc.). Reserves for risk only contracts where premiums are level over the term of the contract are based on the Net Premium Method whereas reserves for age related risk contracts are based on net unearned premiums.

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

Reserves for IBNR claims have been estimated using claims run-off triangle.

### e) **Individual Family Takaful Unit Linked Business**

Policyholders' liabilities constitute the fund value of unit linked contracts as well as non-investment or risk reserves of these contracts. Risk reserves constitute liabilities held to account for risks such as death and risk only riders (accidental death and disability, monthly income benefit, waiver of contribution, etc.). Reserves for risk only contracts where contribution are level over the term of the contract are based on the Net Premium Method whereas reserves for age related risk contracts are based on net unearned contribution.

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

Reserves for IBNR claims have been estimated using claims run-off triangle.

## Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

### f) Group Family Takaful Business

Policy reserves for these plans are based on the unearned contribution method net of allowances made for acquisition expenses, unexpired retakaful contribution and profit commission. Consideration is also given to the requirement for a Premium Deficiency Reserve. The reserves also comprise allowance for "Incurred But Not Reported" (IBNR) claims. The provision for 'Incurred But Not Reported' (IBNR) claims as included in policyholders' liability is estimated based on the gross and net loss ratio of 75% and 65% respectively.

### 3.5 Retirement benefit obligations

#### Defined benefit plan

The Company operates an approved funded gratuity scheme for all permanent, confirmed and full time employees who have completed minimum qualifying eligible service period of six months. Contribution to the fund is made and expense is recognised on the basis of actuarial valuation carried out as at each year end using the Projected Unit Credit Method.

The relevant details relating to the fund are disclosed in note 20. Gratuity is based on employees' last drawn gross salary. Provisions are made to cover the obligations under the scheme on the basis of actuarial assumptions.

The Company's obligation under the gratuity schemes are determined through actuarial valuations. Service costs are recognised in the statement of profit or loss in the year in which they occur. Net interest on net defined benefit liability is also recognised in statement of profit or loss. Net of tax remeasurement comprising actuarial gain / loss, the return on plan assets excluding interest are recognised in other comprehensive income.

### 3.6 Lease liabilities

The Company recognised all rental agreements as 'finance lease liabilities' created against right of use of an asset where the non cancellable period is more than one year or where the intention of the Company is to continue with the agreement for foreseeable future. At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the consideration (lease payments) to be made over the lease term. The lease payments are discounted using the effective rate implicit in the lease, unless it is not readily determinable, in which case the lessee may use the incremental rate of financing. After the commencement date, the carrying amount of lease liabilities is increased to reflect the accretion of finance cost and reduced for the lease payments made.

### 3.7 Borrowings

Loan obtained under the State Bank of Pakistan (SBP) Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees was initially recognised at its fair value, which is the present value of future cash outflows discounted using the prevailing market interest rate of a similar instrument. The differential between the loan proceeds and fair value is recorded as government grant under IAS 20 "Government Grant" as disclosed in note 3.8.

In subsequent periods, the loan amount would be accreted using the effective interest method. The accreditation would increase the carrying value of the loan with a corresponding effect on the interest expense for the period.

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### 3.8 Deferred government grant

The benefit of interest rate lower than market rate on borrowings obtained under State Bank of Pakistan (SBP) under Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of the entity, is accounted for as a government grant which is the difference between loan received and the fair value of the loan. The differential amount is recognised and presented in the statement of financial position as deferred government grant.

In subsequent periods, the grant shall be amortised over the period of loan and amortisation shall be recognised and presented as reduction of related interest expense.

### 3.9 Receivables and payables relating to insurance contracts

These include amounts due to and due from agents and policyholders' which are recognised when due.

### 3.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

### 3.11 Other creditors and accruals

Liabilities for creditors and other amounts payable are recognised initially at fair value plus directly attributable transactions costs, if any, and subsequently measured at amortised cost.

### 3.12 Employees accumulated compensated absences

The Company accounts for the liability in respect of employees accumulated compensated absences in the period in which they are earned.

### 3.13 Operating assets

#### 3.13.1 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for capital work in progress which is stated at cost less impairment losses, if any. All assets having cost exceeding minimum threshold as determined by the management are capitalised. All other assets are charged in the year of acquisition. Cost includes expenditure that is directly attributable to the acquisition of the items.

In accordance with the requirements of Islamic Financial Accounting Standard (IFAS) No. 2 for the accounting and financial reporting of "Ijarah", Ijarah arrangements are accounted for as 'Assets held under Ijarah' whereby the Bank transfers its usufruct to the Company for an agreed period for an agreed consideration. Assets held by the Company under Ijarah are not recognised in the statement of financial position of the Company. Rental payments made under these Ijarah are recognised as an expense in the Company's statement of profit or loss on a straight line basis over the Ijarah term.

#### Subsequent costs

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow

## Notes to and forming part of the Financial Statements

### For the year ended December 31, 2021

towards the Company and the cost of the item can be measured reliably. All other expenses are charged to the statement of profit or loss / revenue account during the financial year in which they are incurred.

#### **Depreciation**

Depreciation is charged using the straight line method at the rates specified in note 5 to these financial statements. Depreciation on additions is charged from the month of addition when the asset is available for use while no depreciation is charged in the month of disposal. When parts of an item of asset have different useful lives, they are accounted for as separate items in the operating assets.

The assets' useful lives and depreciation method are reviewed at each reporting date and adjusted, if appropriate.

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

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

#### **3.13.2 Intangible assets**

Intangible assets having a finite useful life are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Software development cost are capitalised only to the extent where future economic benefits that are to be derived from such capitalisation are expected to flow to the Company.

#### **Subsequent Costs**

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with them will flow to the Company and the cost of the item can be measured reliably. All other expenses are charged to the statement of profit or loss / revenue account during the financial period in which these are incurred.

#### **Amortisation**

Intangible assets are amortised using the straight line method over their estimated useful lives (refer note 6). The useful lives and amortisation method are reviewed and adjusted, if appropriate, at each reporting date .

Intangible assets having an indefinite useful life are stated at acquisition cost less impairment losses, if any.

#### **3.13.3 Capital work in progress**

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

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### 3.13.4 Right of use assets

The Company recognised all rental agreements as 'right of use asset' where the non cancellable period is more than one year or where the intention of the Company is to continue with the agreement for foreseeable future. At the commencement date of the lease, the right-of-use asset is initially measured at the present value of lease liability. Subsequently, right-of-use asset are measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities and prepayments. Right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term.

### 3.14 Impairment of non financial assets (excluding deferred tax)

Non financial assets are subject to impairment review if there are events or changes in circumstances that indicate that the carrying amount may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the assets and the impairment loss, if any. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of future cash flows from the asset discounted at a rate that reflects market interest rates adjusted for risk specific to the assets. If the recoverable amount of an intangible asset or tangible asset is less than its carrying value, an impairment loss is recognised immediately in the statement of profit or loss / revenue account and the carrying value of the asset is reduced by the amount of the loss. A reversal of an impairment loss on intangible / tangible assets is recognised as it arises provided the increased carrying value does not exceed that which it would have been had no impairment loss been recognised.

### 3.15 Investment property

Investment property is the property which is held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property acquired for Investment-linked (unit linked business) statutory fund and it was initially measured at cost and subsequently at fair value with any change therein recognised in statement of profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

The fair value of investment property is determined by external, independent property valuer (K.G. Traders Private Limited) having appropriate recognised professional qualifications.

### 3.16 Financial instruments

#### 3.16.1 Financial assets

The Company has classified its financial assets on initial recognition into the following categories: at fair value through profit or loss (held for trading), held to maturity, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired.

The Company has classified its income earned on financial assets categorised at fair value through profit or loss as 'income from trading investments' while income earned on financial assets categorised as held to maturity, loans and receivables and available for sale as 'income from non-trading investments'.

## Notes to and forming part of the Financial Statements

### For the year ended December 31, 2021

**a) Financial assets at fair value through profit or loss (held for trading)**

Financial assets designated at fair value through profit or loss upon initial recognition include those group of financial assets which are managed and their performance evaluated on a fair value basis.

**b) Held to maturity**

Financial assets with fixed or determinable payments and fixed maturity, where management has both the intent and the ability to hold till maturity.

**c) Loans and receivables**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

**d) Available for sale**

These are non derivative financial assets that are either designated as in this category or not classified in any of the other categories.

#### **Initial recognition and measurement**

All financial assets are recognised when the Company becomes a party to the contractual provision of the instrument. Investments other than those categorised into 'financial assets at fair value through profit or loss' category are initially recognised at fair value plus transaction costs which are directly attributable to the acquisition of the securities. Financial assets classified 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are expensed in the statement of profit or loss / revenue account. All regular way purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognised at the trade date. Trade date is the date when the Company commits to purchase or sell the investment.

#### **Subsequent measurement**

Financial assets classified as 'at fair value through profit or loss' are subsequently measured at their fair values and gains and losses arising from changes in fair value are included in the statement of profit or loss / revenue account. Available for sale investments are subsequently measured at their fair values and gains and losses arising from changes in fair values are included in other comprehensive income. Any change in the provision for impairment in value of investment is recognised in the statement of profit or loss / revenue account. Amortisation of premium / discounts on acquisition of investments is carried out using effective yield method and charged to the statement of profit or loss / revenue account, as appropriate. Investments classified as held to maturity and loans and receivables are subsequently measured at amortised cost less any impairment losses, taking into account any discount or premium on acquisition by using the effective interest rate method.

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

For investments in quoted equity securities, the market value is determined by using Pakistan Stock Exchange quotations at the reporting date. For investments in Government securities, the market value is determined using PKRV/PKISR/PKFRV rates. The fair market value of term finance certificates / corporate sukuk is as per the rates issued by the Mutual Funds Association of Pakistan (MUFAP) and the fair value of open ended mutual funds is declared by the relevant fund.

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### **Impairment against financial assets**

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for 'available for sale' financial assets, the cumulative loss - measured as the difference between the carrying value and the current fair value, less any impairment loss on that financial asset previously recognised in the statement of profit or loss / revenue account, as the case may be, is taken to the statement of profit or loss / revenue account. For financial assets classified as 'loans and receivables' and 'held to maturity', a provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash inflows, discounted at the original effective interest rate.

### **Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

### **Offsetting of financial assets and liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the financial statement only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

### **3.16.2 Financial liabilities**

All financial liabilities are recognised at the time the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost.

Subsequent to initial recognition, these are measured at fair / market value or amortised cost using the effective interest rate method, as the case may be.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

### **3.17 Loan against life insurance policies**

The Company has a policy to provide loans to the policyholders against cash values of their life insurance policies depending upon their types i.e. unit linked and non-unit linked at the prevailing market interest rate (KIBOR) plus spread. The loan amount is secured against the cash value of the policyholders and repayable within 3 months.

### **3.18 Cash and cash equivalents**

For the purpose of cash flow statement, cash and cash equivalents include balances with banks, term deposits with original maturity of three months or less and cash and stamps in hand.

## Notes to and forming part of the Financial Statements

### For the year ended December 31, 2021

#### 3.19 Other revenue recognition

- Return on fixed income and government securities are recognised on time proportion basis using the effective interest rate method.
- Return on deposits and loans to policyholders are recognised on a time proportion basis.
- Dividend income from investments is recognised when the Company's right to receive the dividend is established.
- Gain or loss on sale of investments is included in the statement of profit or loss in the year in which disposal has been made.
- Gains and losses on disposal of fixed assets are taken to the statement of profit or loss / revenue account in the year in which they arise.
- All income on investments other than unrealised gain on available for sale investments are included in statement of profit or loss / revenue account. Unrealised income from available for sale investments are included in other comprehensive income.

#### 3.20 Acquisition costs

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

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

#### 3.21 Takaful operator fee

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

#### 3.22 Taxation

Income tax expense for the year comprises current and deferred taxation. Income tax expense is recognised in the statement of profit or loss, except to the extent that it relates to the items recognised directly in equity and other comprehensive income, in which case it is recognised in equity and other comprehensive income.

##### Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing laws for taxation on income earned or minimum turnover tax payable under the Income Tax Ordinance, 2001, whichever is higher. The charge for current tax is calculated using tax rates enacted or

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

substantively enacted at the reporting date. The charge for current tax also includes adjustments, where considered necessary, relating to prior years which arise from assessments framed / finalised during the year.

### Deferred

Deferred taxation is recognised using liability method on all major temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realised. Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting.

### 3.23 Earning Per Share (EPS)

The Company presents basic and diluted earnings per share (EPS) for the shareholders. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. There are no dilution effect on the EPS and as such these are not presented.

### 3.24 Dividend and other appropriations

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

### 3.25 Foreign currency translation

Transactions in foreign currencies are translated into the reporting currency at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into reporting currency equivalents using the rates of exchange prevailing at each reporting date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. Exchange differences on foreign currency translations are taken to the statement of profit or loss / revenue account.

### 3.26 Segment reporting

A segment is a distinguishable component of the Company that is engaged in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's primary format of reporting is based on business segments.

Operating segments are reported in a manner consistent with that provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

## Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

The Company operates in Pakistan only. The Company has six primary business segments for reporting purposes namely; Conventional Business, Accident and Health Business, Non-Unitised Investment Linked Business, Unit Linked Business, Individual Family Takaful Business and Group Family Takaful Business. The details of all operating segments are described in note 3.1 to these financial statements. The Company accounts for segment reporting using the classes or sub-classes of business (statutory funds) as specified under the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2017 as the primary reporting format.

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and any future periods affected.

In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

	Note
- Policyholders' liabilities and underlying actuarial assumptions	3.1, 3.4 & 19
- Determining the residual value and useful lives of fixed assets	3.13, 5, 6 & 7
- Retirement benefit obligations	3.5, 20 & 15
- Investment property	3.15 & 8
- Taxation and deferred taxation	3.22, 21 & 39
- Lease Liabilities	3.6 & 22
- Classification and impairment of investments	3.16, 9, 10, 11, 12 & 13

#### 5. PROPERTY AND EQUIPMENT

Operating assets

Capital work in progress

	2021	2020
Note	(Rupees in '000)	
5.1	121,805	109,252
5.2	37,514	16,946
	<u>159,319</u>	<u>126,198</u>

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### 5.1 Operating assets

	Cost					Rate %	Depreciation				
	As at January 01, 2021	Additions	Transferred from CWIP	(Disposals)	As at December 31, 2021		As at January 01, 2021	For the year	(Disposals)	As at December 31, 2021	Written down values as at December 31, 2021
	(Rupees in '000)						(Rupees in '000)				
Leasehold improvements	45,542	7,735	4,360	(5,618)	52,019	14.3%	11,219	7,038	(2,908)	15,349	36,670
Furniture and fixtures	55,843	7,832	1,021	(1,047)	63,649	14.3%	20,178	8,346	(577)	27,947	35,702
Office equipment	39,237	7,806	-	(610)	46,433	20%	23,220	6,256	(336)	29,140	17,293
Computer and related equipment	134,618	14,997	4,794	(603)	153,806	33.3%	119,158	12,531	(603)	131,086	22,720
Motor vehicles	19,544	3,425	2,731	(3,742)	21,958	20%	11,757	3,631	(2,850)	12,538	9,420
	294,784	41,795	12,906	(11,620)	337,865		185,532	37,802	(7,274)	216,060	121,805

	Cost					Rate %	Depreciation				
	As at January 01, 2020	Additions	Transferred from CWIP	(Disposals / write offs)	As at December 31, 2020		As at January 01, 2020	For the year	(Disposals / write offs)	As at December 31, 2020	Written down values as at December 31, 2021
	(Rupees in '000)						(Rupees in '000)				
Leasehold improvements	60,712	529	5,121	(17,865) (2,955)	45,542	14.3%	11,935	8,204	(7,653) (1,267)	11,219	34,323
Furniture and fixtures	55,628	5,164	4,138	(6,984) (2,103)	55,843	14.3%	15,998	8,075	(2,993) (902)	20,178	35,665
Office equipment	37,699	6,831	861	(6,104) (50)	39,237	20%	21,026	5,942	(3,714) (34)	23,220	16,017
Computer and related equipment	132,596	5,266	1,402	- (4,646)	134,618	33.3%	101,379	22,425	- (4,646)	119,158	15,460
Motor vehicles	20,618	-	-	(1,074)	19,544	20%	8,393	3,740	(376)	11,757	7,787
	307,253	17,790	11,522	(32,027) (9,754)	294,784		158,731	48,386	(14,736) (6,849)	185,532	109,252

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### 5.1.1 Disposal of fixed assets

Particulars	Cost	Accumulated depreciation	Net book value	Sales Value	Gain / (loss) on disposal	Mode of disposal	Particulars of buyers along with relationship
<b>Detail of fixed assets sold</b>							
Motor vehicles	2,588	(1,984)	604	1,172	568	Final Settlement	Mr. Ahmed Subhan-Employee
	1,154	(866)	288	546	258	As per company policy	Mr. Nasir Mehmood -Employee
Computer and related equipment	67	(67)	-	7	7	As per company policy	Mr. Asif Siddique -Employee
	73	(73)	-	7	7	As per company policy	Mr. Raja Muhammad Adnan Ali -Employee
	58	(58)	-	6	6	As per company policy	Ms.Sadaf Ijaz -Employee
	52	(52)	-	5	5	As per company policy	Mr.Syed Hasnain Mehdi -Employee
	65	(65)	-	7	7	As per company policy	Mr. Farhan Jiwani -Employee
	65	(65)	-	7	7	As per company policy	Mr. Rahim Ashiq -Employee
	191	(191)	-	19	19	As per company policy	Mr. Ali Haider -Employee
	32	(32)	-	3	3	As per company policy	Mr. Ikram Shazad -Employee
	<b>4,345</b>	<b>(3,453)</b>	<b>892</b>	<b>1,778</b>	<b>887</b>		
<b>Details of fixed assets written off</b>							
Leasehold improvements	2,240	(1,233)	1,007	-	(1,007)	Write-off	None
	2,709	(1,504)	1,205	-	(1,205)	Write-off	None
	669	(171)	498	-	(498)	Write-off	None
Office equipment	610	(336)	274	-	(274)	Write-off	None
Furniture and fixtures	279	(155)	124	-	(124)	Write-off	None
	768	(422)	346	160	(186)	Write-off *	Mr. Zohaib Sami -Unrelated party
	<b>7,275</b>	<b>(3,821)</b>	<b>3,454</b>	<b>160</b>	<b>(3,294)</b>		
<b>Total</b>	<b>11,620</b>	<b>(7,274)</b>	<b>4,346</b>	<b>1,938</b>	<b>(2,407)</b>		

\* The disposal relates to furnitures and fixtures of an agency branch which was vacated during the year.

5.1.2 Fully depreciated assets having cost of Rs. 136.10 million (2020: Rs 81.70 million) are still in use.

### 5.2 Capital work in progress

	2021	2020
	(Rupees in '000)	
Opening balance	16,946	1,402
Additions	33,474	27,066
Transfer to operating assets	(12,906)	(11,522)
Closing balance	37,514	16,946

### 6. INTANGIBLE ASSETS

#### Computer software

	Cost				Rate %	Amortisation				
	As at January 01, 2021	Additions	Transferred from CWIP	As at December 31, 2021		As at January 01, 2021	For the year	(Disposals)	As at December 31, 2021	Written down values as at December 31, 2021
Computer software	168,490	-	-	168,490	20%	129,296	16,108	-	145,404	23,086
	(Rupees in '000)					(Rupees in '000)				
	Cost				Rate %	Amortisation				
	As at January 01, 2020	Additions	Transferred from CWIP	As at December 31, 2020		As at January 01, 2020	For the year	(Disposals)	As at December 31, 2020	Written down values as at December 31, 2020
Computer software	167,080	1,410	-	168,490	20%	104,771	24,525	-	129,296	39,194
	(Rupees in '000)					(Rupees in '000)				

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

6.1. Fully amortised intangible assets having cost of Rs. 99.802 million (2020: Rs 49.9 million) are still in use.

	2021	2020
Note	(Rupees in '000)	
<b>7. RIGHT OF USE ASSETS</b>		
Head office and branches	7.1 <b>187,628</b>	236,382
<b>7.1 Bancassurance and agency branches - Right of use assets</b>		
<b>As at January 01,</b>		
Cost	318,419	390,438
Accumulated depreciation	<b>(82,037)</b>	(38,696)
Net book value	<b>236,382</b>	351,742
Opening net book value	236,382	351,742
Adjustments in Agency branches	-	(109,178)
Additions	15,730	37,159
Derecognition		
- Cost	<b>(6,527)</b>	-
- Accumulated depreciation	<b>2,759</b>	-
Derecognition at net book value	<b>(3,768)</b>	
Depreciation charged	<b>(60,716)</b>	(43,341)
<b>Closing net book value</b>	<b>187,628</b>	236,382
Cost	327,622	318,419
Accumulated depreciation	<b>(139,994)</b>	(82,037)
Net book value	<b>187,628</b>	236,382

7.2 Lease assets comprises of head office, bancassurance and agency branches with a lease term of 5 to 7 years.

	2021	2020
Note	(Rupees in '000)	
<b>8. INVESTMENT PROPERTY</b>		
Opening net book value	855,394	876,394
Unrealised fair value gain / (loss)	<b>84,000</b>	(21,000)
Closing net book value	8.1 <b>939,394</b>	855,394

8.1 This represents piece and parcel of plot no. 1-A, Main Gulberg, Jail Road, Lahore, measuring 8 Kanal 8 Marla 203 Sq. ft. of a land bought by the Company for the Unit Linked Investment Business.

Market value of this investment property amounts to Rs. 939.394 million with the Forced Sale Value (FSV) of Rs. 638.400 million based on a valuation carried out by K.G. Traders (Private) Limited as at December 29, 2021. Total unrealised gain till December 31, 2021 is Rs. 167.467 million (2020: Rs. 83.467 million)

## Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

### Valuation technique

The valuer has arranged inquiries and verifications from various estate agents, brokers and dealers, the location and condition of the property, size, utilisation, and current trends in prices of real estate including assumptions that ready buyers are available in the current scenario and analysed through detailed market surveys, the properties that have recently been sold or purchased or offered / quoted for sale into given vicinity to determine the best estimates of the fair value.

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
<b>9. INVESTMENTS IN EQUITY SECURITIES</b>			
Available for sale	9.1	19,648	21,237
Fair value through profit or loss (held for trading)	9.2	7,977,284	7,051,063
		<b>7,996,932</b>	<b>7,072,300</b>

### 9.1 Available for sale

	2021			2020		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	(Rupees in '000)					
Related parties	1,360	-	795	1,360	-	944
Others	19,233	-	18,853	19,233	-	20,293
	<b>20,593</b>	<b>-</b>	<b>19,648</b>	<b>20,593</b>	<b>-</b>	<b>21,237</b>

### 9.1.1 Details of equity securities - available for sale

	2021		2020	
	No. of shares	Carrying value in Rupees (000)	No. of shares	Carrying value in Rupees (000)
<b>Related party</b>				
Nishat Power Limited	40,000	795	40,000	944
<b>Others</b>				
Aisha Steel Mills Limited	3,960	66	3,960	114
Attock Cement Pakistan Limited	24,000	3,335	24,000	3,601
Fatima Fertilizer Company Limited	9,000	324	9,000	262
Habib Bank Limited	58,807	6,858	58,807	7,779
Kot Addu Power Company Limited	12,000	388	130,000	508
K-Electric Limited	130,000	447	12,000	326
National Bank of Pakistan	79,062	2,729	79,062	3,397
Pakistan Oilfields Limited	600	215	600	239
Pakistan Petroleum Limited	49	4	49	4
Saif Power Limited	25,000	472	25,000	363
United Bank Limited	29,400	4,015	29,400	3,700
		<b>18,853</b>		<b>20,293</b>

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### 9.2 Fair value through profit or loss (held for trading)

	2021			2020		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	(Rupees in '000)					
<b>Related parties</b>	<b>1,411,292</b>	<b>-</b>	<b>1,202,487</b>	1,243,287	-	1,251,223
<b>Others</b>	<b>9,407,055</b>	<b>-</b>	<b>6,774,797</b>	7,825,593	-	5,799,840
	<b>10,818,347</b>	<b>-</b>	<b>7,977,284</b>	9,068,880	-	7,051,063

#### 9.2.1 Details of equity securities - fair value through profit or loss

	2021		2020	
	No. of shares	Carrying value in Rupees (000)	No. of shares	Carrying value in Rupees (000)
<b>Related party</b>				
D.G. Khan Cement Company Limited	2,023,450	167,824	738,300	84,594
MCB Bank Limited	6,363,681	975,871	6,048,331	1,120,635
Nishat Chunian Limited	1,290,000	58,760	-	-
Nishat Mills Limited	400	32	451,900	45,990
Sui Northern Gas Pipelines Limited	-	-	100	4
		<b>1,202,487</b>		<b>1,251,223</b>

	2021		2020	
	No. of shares	Carrying value in Rupees (000)	No. of shares	Carrying value in Rupees (000)
<b>Others</b>				
Abbott Laboratories (Pakistan) Limited	92,950	66,686	190,350	143,785
Agha Steel Industries Limited	5,250	138	603,500	23,784
AGP Limited	553,400	53,674	605,000	68,897
Agriautos Industries Limited	-	-	220,400	51,627
Aisha Steel Mills Limited	1,730,500	26,061	2,500	58
Allied Bank Limited	1,000	82	900	77
Amreli Steel Limited	1,464,500	65,551	-	-
Archroma Pakistan Limited	-	-	52,650	29,394
Arif Habib Corporation Limited	36,300	1,301	36,300	1,454
Askari Bank Limited	1,964	43	2,464	58
Atlas Honda Limited	141,000	57,249	-	-
At-Tahur Limited	2,248	51	5,050	102

## Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

	2021		2020	
	No. of shares	Carrying value in Rupees (000)	No. of shares	Carrying value in Rupees (000)
Attock Petroleum Limited	386,550	121,376	380,950	125,653
Attock Refinery Limited	43,329	6,241	250	46
Avanceon Limited	600	55	2,000	186
Azgard Nine Limited	1,038,000	13,587	-	-
Bank Al Falah Limited	8,288,575	286,785	4,569,404	161,437
Bank Al Habib Limited	15,960	1,101	2,250,394	156,627
Bata Pakistan Limited	120,560	261,754	-	-
Bestway Cement Limited	401,300	61,985	537,200	86,672
Cherat Cement Company Limited	1,145,800	169,934	8,591	1,256
Cnergyico Pk Limited	8,000,000	54,480	-	-
Cherat Packaging Limited	-	-	23	5
Dynea Pakistan Limited	90,700	19,546	-	-
Dewan Cement Limited	-	-	13,500	140
Engro Corporation Limited	1,172,343	319,369	626,951	192,700
Engro Fertilizer Limited	2,000,273	152,201	2,000,301	126,479
Engro Polymer And Chemicals Limited	1,338,669	72,570	3,458,669	164,321
Fatima Fertilizer Company Limited	-	-	62,500	1,819
Fauji Cement Company Limited	3,364,000	61,797	7,971,500	172,742
Fauji Fertilizer Bin Qasim Limited	500	12	-	-
Fauji Fertilizer Company Limited	36	4	224,532	24,362
Faysal Bank Limited	7,506,775	172,656	1,275	22
General Tyre & Rubber Company of Pakistan	674,000	31,246	-	-
Glaxosmithkline Consumer Healthcare Pakistan	60,700	14,632	369,400	70,862
Glaxosmithkline Pakistan Limited	318,700	43,506	-	-
Gul Ahmed Textile Mills Limited	1,478,300	69,569	18,000	662
Habib Bank Limited	1,357,284	158,286	3,258,432	432,849
Habib Metropolitan Bank Limited	2,189,500	93,776	1,050,000	40,940
Hascol Petroleum Limited	3,451	21	4,200,000	61,698
Highnoon Laboratories Limited	36,740	23,068	50,000	29,991
Hi-Tech Lubricants Limited	734,200	31,938	179,500	7,859
Honda Atlas Cars (Pakistan) Limited	189,300	44,823	500	164
Hub Power Company Limited	394,690	28,157	3,871,473	307,124
ICI Pakistan Limited	10,200	7,761	59,600	45,301
IGI Holdings Limited	144,600	22,215	-	-
Indus Motors Company Limited	170	209	295,430	353,913

## Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

	2021		2020	
	No. of shares	Carrying value in Rupees (000)	No. of shares	Carrying value in Rupees (000)
Interloop Limited	1,633,387	118,731	2,295,735	156,271
International Industries Limited	275,200	38,201	241	43
International Steels Limited	-	-	-	-
Jahangir Siddiqui & Company Limited	2,410,500	38,568	-	-
JS Bank Limited	4,450,000	21,449	-	-
K-Electric Limited	13,861,500	47,684	16,338,000	63,882
Kohat Cement Company Limited	160,000	30,176	-	-
Kohinoor Textile Mills Limited	-	-	824	56
Kot Addu Power Company Limited	1,203,000	38,917	1,809,500	49,218
Lotte Chemical Pakistan Limited	2,211,500	30,209	-	-
Lucky Cement Limited	692,501	470,403	273,556	190,420
Maple Leaf Cement Factory Limited	5,246,758	188,620	1,000,422	45,029
Mari Petroleum Company Limited	297,357	491,898	239,217	320,508
Meezan Bank Limited	1,220,080	163,625	305,992	31,958
Millat Tractors Limited	-	-	941	1,030
Mughal Iron & Steel Industries Limited	309,375	32,209	377,000	28,550
Murree Brewery Company Limited	387,750	192,766	280,200	175,803
National Bank Of Pakistan	1,000,000	34,520	1,000,000	42,960
National Foods Limited	671,400	102,476	945,600	206,510
National Refinery Limited	40,169	11,432	-	-
Nestle Pakistan Limited	16,401	93,905	12,641	84,252
Netsol Technologies Limited	573,000	53,782	-	-
Octopus Digital Limited	299	23	-	-
Oil and Gas Development Company Limited	1,655,479	142,703	2,555,530	265,187
Packages Limited	618,250	307,437	70,900	42,322
Pak Elektron Limited	4,292,000	96,656	4,120,000	165,336
Pak Suzuki Motor Company Limited	119,900	27,968	-	-
Pakistan International Bulk Terminal Limited	3,950,000	29,072	-	-
Pakistan Oilfields Limited	445,284	159,242	586,157	231,772
Pakistan Oxygen Limited	240	37	200	31
Pakistan Petroleum Limited	1,351,210	106,800	2,999,013	270,901
Pakistan Refinery Limited	2,825,500	40,744	-	-
Pakistan Reinsurance Company Limited	-	-	7,500	206
Pakistan State Oil Company Limited	872,007	158,609	986,858	212,471

## Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

	2021		2020	
	No. of shares	Carrying value in Rupees (000)	No. of shares	Carrying value in Rupees (000)
Pakistan Telecommunication Company Limited	16,403,000	142,707	-	-
Panther Tyres Limited	2,509,337	104,790	-	-
Pioneer Cement Limited	600	53	500	52
Power Cement Limited	2,200,000	13,992	-	-
Rafhan Maize Products Company Limited	2,140	20,116	-	-
Sazgar Engineering Works Limited	4,680	456	-	-
Service Industries Limited	18,392	8,617	4,471	3,729
Shell Pakistan Limited	884,800	107,229	-	-
Shifa International Hospitals Limited	444,242	84,152	-	-
Sitara Chemical Industries Limited	79,400	24,461	-	-
Sui Northern Gas Pipelines Limited *	924,600	30,928	-	-
Siddiqsons Tin Plate Limited	-	-	1,847,000	37,993
Synthetic Products Enterprises Limited	505,832	9,130	205,220	8,925
Systems Limited	55	42	90	38
Thal Limited	341,900	130,842	416,100	196,682
The Bank Of Punjab	5,500	47	7,611,000	70,554
The Organic Meat Company Limited	676,000	21,450	-	-
The Searle Company Limited	70,400	10,118	697	174

\* **Note:** Sui Northern Gas Pipelines Limited ceased to be a related party during the year and hence the comparative figures are reported under related parties.

	2021		2020	
	No. of shares	Carrying value in Rupees (000)	No. of shares	Carrying value in Rupees (000)
TRG Pakistan Limited	2,000	236	-	-
Tri-Pack Films Limited	-	-	4,000	651
United Bank Limited	931,675	127,248	89,466	11,260
Unity Foods Limited (R)	614,532	451	-	-
Unity Foods Limited	860,000	22,763	-	-
Waves Singer Pakistan Limited	1,963,500	30,611	-	-
		<u>6,774,797</u>		<u>5,799,840</u>

# Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

		2021	2020
	Note	(Rupees in '000)	
<b>10. INVESTMENTS IN GOVERNMENT SECURITIES</b>			
Available for sale	10.1	98,412	790,268
Fair value through profit or loss (held for trading)	10.2	20,699,347	10,744,824
		<b>20,797,759</b>	<b>11,535,092</b>

## 10.1 Available for sale

	Term	Maturity year	Effective yield (%)	Amortised cost	Principal repayment	Carrying value
(Rupees in '000)						
Pakistan Investment Bond (Note 10.1.1)	3 Years	2022	9.00	98,381	100,000	98,412
	<b>As at December 31, 2021</b>			<b>98,381</b>	<b>100,000</b>	<b>98,412</b>
	As at December 31, 2020			784,735	797,870	790,268

**10.1.1** This represents PIB of Rs. 100 million (2020: Rs. 100 million) placed with State Bank of Pakistan as per the requirement of section 29 of Insurance Ordinance, 2000 carrying coupon rate of 9% having maturity period of 3 years and will mature on September 19, 2022.

## 10.2 Fair value through profit or loss (held for trading)

	Term	Maturity year	Effective yield (%)	Amortised cost	Principal repayment	Carrying value
(Rupees in '000)						
GOP Ijara Sukuk 5 Years	5 Years	2025	6.3-8.3	424,591	430,000	420,773
GOP Ijara Sukuk 5 Years	5 Years	2026	7.8-8.7	474,370	475,000	471,743
Pakistan Investment Bond	5 Years	2025	7.5	22,020	25,000	22,046
Pakistan Investment Bond	10 Years	2030	8.0	87,582	110,000	88,417
Pakistan Investment Bond (FRB)	2 Years	2022	7.1-8.2	1,097,821	1,100,000	1,097,250
Pakistan Investment Bond (FRB)	2 Years	2023	8.2	49,738	50,000	49,665
Pakistan Investment Bond (FRB)	3 Years	2023	8.2	30,067	30,000	29,986
Pakistan Investment Bond (FRB)	5 Years	2025	7.5	22,494	25,500	22,487
Pakistan Investment Bond (FRB)	10 Years	2028	6.8	50,115	50,000	49,660
Pakistan Investment Bond (FRB)	10 Years	2030	8.0-8.3	602,831	625,000	601,374
Treasury Bill	3 Months	2022	8.2-10.7	8,975,880	9,149,500	8,976,935
Treasury Bill	3 Months	2022	8.3-10.4	1,119,443	1,135,000	1,118,769
Treasury Bill	6 Months	2022	10.1	595,568	600,000	595,560
Treasury Bill	6 Months	2022	7.3-11.4	7,157,163	7,457,700	7,154,682
	<b>As at December 31, 2021</b>			<b>20,709,683</b>	<b>21,262,700</b>	<b>20,699,347</b>
				10,753,457	10,843,930	10,744,824

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### 11. INVESTMENTS IN DEBT SECURITIES

#### At fair value through profit or loss (held for trading)

	Note	2021			2020		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
(Rupees in '000)							
Advance against the purchase of term finance certificate	11.1	1,425,000	-	1,425,000	100,000	-	100,000
Term finance certificates / corporate sukuk	11.2	2,955,636	-	3,018,606	3,592,583	-	3,280,743
		<b>4,380,636</b>	<b>-</b>	<b>4,443,606</b>	<b>3,692,583</b>	<b>-</b>	<b>3,380,743</b>

**11.1** This represents Rs. 975 million and Rs. 450 million (2020: Rs. 100 million paid to Bank Alfalah Limited) paid to Bank Al Habib Limited and Meezan Bank Limited respectively for issue of TFC.

#### 11.2 Term finance certificates / corporate sukuk

Details of the term finance certificates and corporate sukuk are as follows:

	Coupon Rate %	Maturity date	2021		2020	Face value per certificate	Carrying value	
			(Number of certificates)				2021	2020
(Rupees in '000)								
Askari Bank Limited VI - TFC	12.97	Perpetual	100	100	100	1,000	100,000	100,000
Askari Bank Limited VII - TFC	12.01	17-Mar-30	100	100	100	1,000	101,000	99,040
Aspin Pharma Private Limited-Sukuk	11.43	30-Nov-23	820	820	820	40	32,800	49,593
Bank Al Habib Limited-TFC	-	-	-	39,680	39,680	5	-	178,788
Bank Alfalah Limited-TFC	9.03	15-Jan-24	20,000	-	-	5	92,893	-
Dawood Hercules Corporation Limited I-Sukuk	-	-	-	2,380	2,380	60	-	144,365
Dawood Hercules Corporation Limited II-Sukuk	-	-	-	4,400	4,400	70	-	311,807
Dubai Islamic Bank Pakistan Limited-Sukuk	8.16	14-Jul-27	58	58	58	1,000	59,943	59,622
Engro Polymer & Chemicals Limited-Sukuk	8.86	11-Jul-26	900	900	900	100	96,845	91,935
Ghani Chemical Industries Limited-Sukuk	9.32	2-Feb-23	600	600	600	46	20,700	25,123
Habib Bank Limited-TFC	-	-	-	590	590	100	-	58,894
Habib Bank Limited-TFC II	11.97	Perpetual	500	500	500	100	50,000	50,000
International Brands Limited Sukuk I	9.02	5-May-22	1,000	1,000	1,000	100	16,787	64,659
Jahangir Siddiqui and Company Limited - TFC	8.94	6-Mar-23	30,000	30,000	30,000	4	100,929	123,656
Meezan Bank Limited- Sukuk I	-	-	-	40	40	1,000	-	40,877
Meezan Bank Limited-Sukuk II	8.58	9-Jan-30	50	750	800	1,000	104,000	768,750
Meezan Bank Limited-Sukuk II (Perpetual)	10.11	Perpetual	250	-	-	1,000	250,000	-
Meezan Bank Limited-Sukuk III	8.58	9-Jan-30	450	-	-	1,000	416,000	-
Pakistan Energy II-Sukuk	9.06	21-May-30	90,000	90,000	90,000	5	456,750	452,700
Samba Bank Limited - TFC	8.89	1-Mar-31	4,250	-	-	1,000	438,299	-
Soneri Bank Limited-TFC	9	8-Jul-23	10,000	10,000	10,000	5	50,945	49,430
The Bank Of Punjab I-TFC	12.19	23-Dec-23	3,400	3,400	3,400	100	353,402	336,202
The Bank Of Punjab II-TFC	9.99	23-Apr-28	2,580	2,580	2,580	100	266,012	252,802
TPL Trakker Limited-Sukuk	11.19	12-Apr-22	30	30	30	750	11,301	22,500
			<b>165,088</b>	<b>187,928</b>	<b>187,928</b>		<b>3,018,606</b>	<b>3,280,743</b>

# Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

		2021	2020
	Note	(Rupees in '000)	
<b>12. INVESTMENT IN TERM DEPOSITS</b>			
Deposits maturing within 12 months	12.1	<b>7,580,000</b>	7,962,000

**12.1** This represents term deposits with bank which carry interest rate ranging between 10.50% to 12.50% per annum (2020: 5.95% to 7.82% per annum) and maturing between January 05, 2022 to January 31, 2022 (2020: January 11, 2021 to March 30, 2021). This includes term deposits of Rs. 405 million (2020: Rs. 442 million) maintained with MCB Islamic Bank (related party).

		2021	2020
	Note	(Rupees in '000)	
<b>13. INVESTMENTS IN MUTUAL FUNDS</b>			
Fair value through profit or loss (held for trading)	13.1	<b>8,859,850</b>	8,596,989

## 13.1 Fair value through profit or loss (held for trading)

	2021			2020		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	(Rupees in '000)					
<b>Related parties</b>	6,902,701	-	6,890,759	5,517,488	-	6,174,140
<b>Others</b>	960,373	-	1,969,091	2,084,774	-	2,422,849
	<b>7,863,074</b>	<b>-</b>	<b>8,859,850</b>	7,602,262	-	8,596,989

### 13.1.1 Details of mutual funds - fair value through profit or loss

	2021		2020	
	No. of units	Carrying value (Rupees in 000)	No. of units	Carrying value (Rupees in 000)
<b>Related parties</b>				
Alhamra Daily Dividend Fund	-	-	55,847	5,585
Alhamra Islamic Asset Allocation Fund	2,976,246	216,781	2,520,442	188,673
Alhamra Islamic Income Fund	1,813,615	192,160	49,244	5,180
Alhamra Islamic Stock Fund	127,332,624	1,342,085	159,350,568	1,725,767
MCB Cash Management Optimizer Fund	8,455,118	854,353	504,207	50,862
MCB Pakistan Asset Allocation Fund	3,878,276	327,871	6,004,684	495,370
MCB Pakistan Stock Market Fund	38,403,219	3,804,011	37,778,525	3,702,703
Pakistan Income Fund *	2,716,884	153,498	-	-
		<b>6,890,759</b>		<b>6,174,140</b>

\* Note: This represents mutual fund placed with State Bank of Pakistan as per the requirement of section 29 of Insurance Ordinance, 2000.

## Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

	2021		2020	
	No. of units	Carrying value (Rupees in '000)	No. of units	Carrying value (Rupees in '000)
<b>Others</b>				
ABL Islamic Stock Fund	2,086,997	31,593	2,059,100	32,189
ABL Stock Fund	-	-	14,742,274	221,762
Al Ameen Islamic Asset Allocation Fund	478,044	61,483	146,456	18,601
Al Ameen Shariah Stock Fund	311,709	48,817	1,476,006	224,796
Alfalah GHP Islamic Income Fund	1,055,876	107,975	985,010	100,545
Alfalah GHP Money Market Fund	5,281,206	519,492	2,301,661	226,013
Faysal Income and Growth Fund	921	103	864	96
Faysal Money Market Fund	3,496,857	357,074	3,263,683	332,746
Faysal Savings and Growth Fund	4,054,498	433,426	3,819,347	404,698
Meezan Balanced Fund	-	-	535,400	8,349
NAFA Islamic Stock Fund	-	-	6,331,208	77,030
NBP Money Market Fund	5,138,741	50,932	-	-
NBP Islamic Mahana Amdani Fund	4,399,915	45,943	4,172,762	43,256
NBP Islamic Savings Fund	23,587,717	234,421	22,333,717	218,870
NBP Islamic Stock Fund	6,398,752	77,832	-	-
UBL Financial Sector Fund	-	-	3,404,310	275,426
UBL Stock Advantage Fund	-	-	3,167,048	238,472
		<b>1,969,091</b>		<b>2,422,849</b>

2021                      2020  
Note ————— (Rupees in '000) —————

### 14. (INSURANCE / TAKAFUL) / (REINSURANCE / RETAKAFUL) RECEIVABLES

Due from insurance contract holders - Group	35,834	29,997
Less: provision for impairment of receivables from Insurance contract holders	(8,343)	(3,906)
	<b>27,491</b>	<b>26,091</b>
Due from reinsurers	<b>109,713</b>	<b>205,993</b>
Net insurance / reinsurance receivable	<b>137,204</b>	<b>232,084</b>

### 15. OTHER LOANS AND RECEIVABLES

Receivable from related parties		-	20,444
Accrued income on investments		183,285	122,388
Security deposits		74,230	56,225
Receivable from gratuity fund	20	6,460	-
Loan to employees - secured	15.1	12,638	6,999
Dividend receivable		6,089	15,905
Receivable against the sale of investment		131,128	233,958
Other receivables		4,553	912
		<b>418,383</b>	<b>456,831</b>

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

**15.1** This represents interest free loans secured against the gratuity entitlement and are repayable within one year of the disbursement.

### 16. PREPAYMENTS

Prepaid rent- ljarah term  
Prepaid miscellaneous expenses

	2021	2020
Note	(Rupees in '000)	
	12,630	27,450
16.1	26,072	18,721
	<b>38,702</b>	<b>46,171</b>

**16.1** These include prepayments related to insurance and software subscriptions.

### 17. CASH AND BANK

- Cash in hand  
- Policy stamps

#### Cash at bank

- Current accounts  
- Saving accounts

	2021	2020
Note	(Rupees in '000)	
	19	142
	10,486	5,796
	<b>10,505</b>	<b>5,938</b>
	51,286	93,859
17.1	9,664,282	9,855,255
	<b>9,715,568</b>	<b>9,949,114</b>
	<b>9,726,073</b>	<b>9,955,052</b>

**17.1** This carries interest rate ranging from 5% to 7% ( 2020: 6% to 13% ) per annum.

### 17.2 Cash and cash equivalents

Cash and cash equivalents includes the following for the purpose of cash flow statement:

- Cash in hand and policy stamps  
- Cash at bank  
- Term deposits maturing within three months

	2021	2020
	(Rupees in '000)	
	10,505	5,938
	9,715,568	9,949,114
	7,580,000	7,962,000
	<b>17,306,073</b>	<b>17,917,052</b>

### 18. ORDINARY SHARE CAPITAL

#### 18.1 Authorised capital

2021                      2020  
— (Number of shares in '000) —

**250,000**                      **150,000**

	2021	2020
Note	(Rupees in '000)	
18.1.1	<b>2,500,000</b>	<b>1,500,000</b>

Ordinary shares of Rs. 10 each

## Notes to and forming part of the Financial Statements

### For the year ended December 31, 2021

**18.1.1** The Company has increase its authorised capital from Rs.1.5 billion to Rs. 2.5 billion by passing a special resolution in its 12th Annual General Meeting held on April 30, 2021.

#### 18.2 Issued, subscribed and paid up share capital

2021	2020		2021	2020
— (Number of shares in '000) —		Note	— (Rupees in '000) —	
<b>250,000</b>	93,549	Ordinary shares of Rs.10 each fully paid in cash	<b>2,500,000</b>	935,494
		18.3 & 18.5		

**18.3** Adamjee Insurance Company Limited holds all shares of the Adamjee Life Assurance Company Limited except for the qualifying shares of the directors.

**18.4** During the year, the Company made a right issue of 156.451 million shares to its existing shareholders in proportion to their existing shareholding at a price of Rs. 10 per ordinary share.

#### 18.4.1 Reconciliation of paid-up capital

	No of shares '000'
Opening balance	93,549
Right issue made during the year	156,451
Closing balance	<b>250,000</b>

**18.5** Share capital includes Rs. 498.53 million (2020: Rs. 498.53 million) transferred to the statutory funds.

	2021	2020
	Note — (Rupees in '000) —	

#### 19. INSURANCE LIABILITIES

Reported outstanding claims (including claims in payment)	19.1	<b>1,584,176</b>	1,174,790
Incurred but not reported claims	19.2	<b>151,489</b>	121,153
Investment component of unit-linked and account value policies	19.3	<b>54,283,881</b>	44,828,277
Liabilities under individual conventional insurance contracts	19.4	<b>19,682</b>	20,242
Liabilities under group insurance contracts (other than investment linked)	19.5	<b>101,308</b>	117,241
Other insurance liabilities	19.6	<b>751,807</b>	753,378
Gross insurance liabilities		<b>56,892,343</b>	47,015,081
Surplus of Participant Takaful Fund		<b>40,692</b>	18,397
Total Insurance liabilities		<b>56,933,035</b>	47,033,478

#### 19.1 Reported outstanding claims

##### Gross of reinsurance

Payable within one year	<b>1,674,238</b>	1,326,579
Recoverable from reinsurers	<b>(90,062)</b>	(151,789)
Net reported outstanding claims	<b>1,584,176</b>	1,174,790

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

	2021	2020
	(Rupees in '000)	
<b>19.2 Incurred but not reported claims</b>		
<b>Individual life</b>		
Gross of reinsurance	181,434	129,220
Reinsurance recoveries	(58,467)	(47,826)
Net of reinsurance	122,967	81,394
<b>Group life</b>		
Gross of reinsurance	92,026	109,567
Reinsurance recoveries	(63,504)	(69,808)
Net of reinsurance	28,522	39,759
Net incurred but not reported claims	151,489	121,153
<b>19.3 Investment component of unit linked and account value policies</b>		
Investment component of unit linked policies	52,288,722	42,354,812
Investment component of account value policies	1,995,159	2,473,465
	54,283,881	44,828,277
<b>19.4 Liabilities under individual conventional insurance contracts</b>		
Gross of reinsurance	21,735	22,159
Reinsurance credit	(2,053)	(1,917)
Net of reinsurance	19,682	20,242
<b>19.5 Liabilities under group insurance contracts (other than investment linked)</b>		
Gross of reinsurance	186,441	232,665
Reinsurance credit	(85,133)	(115,424)
Net of reinsurance	101,308	117,241
<b>19.6 Other insurance liabilities</b>		
Gross of reinsurance	864,668	889,169
Reinsurance credit	(112,861)	(135,791)
Net of reinsurance	751,807	753,378

## Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

### 20. RETIREMENT BENEFIT OBLIGATIONS

**20.1** As stated in note 3.5, the Company operates a funded gratuity scheme covering eligible employees who have completed the minimum qualifying eligible service period of six months. The employees are entitled to gratuity on the basis of last drawn monthly gross salary on normal retirement or on death in service on the number of years of services with the Company. Contribution to the fund is made and expense is recognised on the basis of actuarial valuations carried out at each year end using the projected unit credit method.

**20.1.1** Responsibility for the governance of the plans, including investment decisions and contribution schedules, lies with the Board of Trustees. The Company appoints the Trustees and all trustees are employees of the Company. Details of the Company's obligation under the staff gratuity scheme determined on the basis of an actuarial valuation carried out by an independent actuary as at December 31, 2021 under the Projected Unit Credit Method are as follows:

	2021	2020
Note	(Rupees in '000)	
<b>20.2 Statement of financial position reconciliation</b>		
Present value of defined benefit obligations	20.2.1 <b>178,588</b>	178,021
Fair value of plan assets	20.2.2 <b>(185,048)</b>	(65,672)
Net surplus at end of the year	20.2.4 <b>(6,460)</b>	112,349
<b>20.2.1 Movement in present value of defined benefit obligations</b>		
Present value of defined benefit obligations at beginning of the year	<b>178,021</b>	107,094
Current service cost	20.2.3 <b>49,035</b>	35,925
Interest cost	20.2.3 <b>22,303</b>	15,892
Benefits paid during the year	<b>(27,752)</b>	(12,217)
Remeasurement (gain) / loss on obligation: - due to changes in financial assumptions	20.2.3 <b>(43,019)</b>	31,327
Present value of defined benefit obligations at end of the year	<b>178,588</b>	178,021
<b>20.2.2 Movement in fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	<b>65,672</b>	70,068
Contributions made by the Company to the Fund	<b>145,211</b>	-
Interest income on plan assets	20.2.3 <b>8,447</b>	9,752
Benefits paid during the year	<b>(27,752)</b>	(12,217)
Remeasurement loss on plan assets	20.2.3 <b>(6,530)</b>	(1,931)
Fair value of plan assets at end of the year	<b>185,048</b>	65,672

# Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

		2021	2020
	Note	(Rupees in '000)	
<b>20.2.3 Expense recognised in statement of profit or loss and other comprehensive income</b>			
Current service cost	20.2.1	49,035	35,925
Interest cost	20.2.1	22,303	15,892
Interest income on plan assets	20.2.2	(8,447)	(9,752)
Expense for the year recognised in the statement of profit or loss		<b>62,891</b>	42,065
Remeasurement (gains) / losses on defined benefit obligation	20.2.1	(43,019)	31,327
Remeasurement losses on fair value of plan assets	20.2.2	6,530	1,931
Amount recognised in the other comprehensive income		<b>(36,489)</b>	33,258
<b>20.2.4 Net recognised liability</b>			
Net liability at beginning of the year		112,349	37,026
Net expense recognised in statement of profit or loss	20.2.3	62,891	42,065
Expense recognised in other comprehensive income	20.2.3	(36,489)	33,258
Contributions made to the Fund during the year		(145,211)	-
Net liability at end of the year	20.2	<b>(6,460)</b>	112,349

(Rupees in '000)

**20.2.5** Estimated gratuity cost for the year ending December 31, 2022, is as follows:

Current service cost	40,817
Net interest cost	2,007
Total expense to be recognised in statement of profit or loss	<b>42,824</b>

**20.3 Plan assets comprise of following:**

	2021		2020	
	(Rupees in '000)	% age	(Rupees in '000)	% age
Listed Equities	61,355	33.16	-	-
Government Securities	97,691	52.79	-	-
Bank balance	26,002	14.05	40,975	62.39
Mutual funds	-	-	24,697	37.61
Fair value of plan assets at end of the year	<b>185,048</b>	<b>100.00</b>	65,672	100.00

**20.3.1** The assets are represented by cash in the Scheme's bank deposit account with Standard Chartered Bank, directly held T-Bills and funds invested with BMA Capital Management.

## Notes to and forming part of the Financial Statements

### For the year ended December 31, 2021

**20.4** The principal assumptions used in the actuarial valuations carried out as of December 31, 2021, using the 'Projected Unit Credit Method', are as follows:

	<b>Gratuity fund</b>	
	<b>2021</b>	2020
	(%)	
Discount rate per annum	<b>11.75</b>	10.25
Expected per annum rate of return on plan assets	<b>11.75</b>	10.25
Expected per annum rate of increase in salary level	<b>3.00 - 11.00</b>	11.00
Expected mortality rate	<b>LIC 94-96 Mortality table for males (rated down by 3 years for females)</b>	LIC 94-96 Mortality table for males (rated down by 3 years for females)
Expected withdrawal rate	<b>60</b>	Age dependent

#### **20.4.1 The plans expose the Company to actuarial risks such as:**

##### **Salary risks**

The risks that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

##### **Discount risks**

The risk of volatile discount rates over the funding life of the scheme. The final effect could go either way depending on the relative of salary increases, timing of contributions, performance of investments and outgo of benefits.

##### **Mortality / withdrawal risks**

The risks that the actual mortality / withdrawal experience is different from expected. The effect depends upon the beneficiaries' service / age distribution and the benefit.

##### **Investment risks**

The risk of the investment underperforming and not being sufficient to meet the liabilities. This is managed by formulating an investment policy and guidelines based on which investments are made after obtaining approval of trustees of funds.

In case of the funded plans, the investment positions are managed within an Asset-Liability Matching (ALM) framework to ensure that long-term investments are in line with the obligation under the retirement benefit plan. The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement benefit obligations. The Company has not changed the process used to manage its risks from previous periods. Investments are well diversified.

## Notes to and forming part of the Financial Statements

### For the year ended December 31, 2021

The expected return on plan assets is assumed to be the same as the discount rate (as required by International Accounting Standard IAS 19). The actual return depends on the assets underlying the current investment policy and their performance. Expected yields on fixed interest investments are based on gross redemption yields as at the date of financial statement. Expected return on equity investments reflect long-term real rates of return experienced in the market.

#### 20.5 Sensitivity analysis for actuarial assumptions

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

	2021	2020
	(Rupees in '000)	
Discount rate (1% increase)	<b>(10,168)</b>	(18,161)
Discount rate (1% decrease)	<b>11,531</b>	21,745
Future salary increase rate (1% increase)	<b>12,464</b>	22,769
Future salary increase rate (1% decrease)	<b>(11,177)</b>	(19,290)

The impact on defined benefit obligation due to increase in life expectancy by 1 year would be Rs. 13,646 (2020: Rs.77,935)

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.

**20.6** The weighted average duration of the defined benefit obligation is 7.32 years. Besides the number of employees covered in the scheme at December 31, 2021 were 891 (2020: 1,110).

**20.7** The expected maturity analysis of undiscounted retirement benefit plan is as follows:

	(Rupees in '000)
Less than a year	979
Between 1 - 2 years	61
Between 2 - 3 years	-
Between 3 - 4 years	24,725
Between 4 - 5 years	1,365

#### 20.8 Historical Information

	2021	2020	2019	2018	2017
	(Rupees in '000)				
Present value of defined benefit obligation	<b>178,588</b>	178,021	107,094	65,465	90,586
Fair value of plan assets	<b>(185,048)</b>	(65,672)	(70,068)	(79,886)	(59,079)
Deficit / (surplus)	<b>(6,460)</b>	112,349	37,026	(14,421)	31,507

#### 20.9 Experience adjustment

Experience adjustments on obligation	<b>-24%</b>	18%	20%	-36%	8%
Experience adjustments on asset	<b>-4%</b>	-3%	-11%	-10%	-18%

## Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

**20.10** Gratuity cost to be recognised in the statement of profit or loss in the next financial period is not necessarily the amount of the contribution for that period. Decision about the contribution is made by the Company based on the allowability under the Insurance Tax Rules, 2002 and the availability of surplus funds, etc.

**20.11** The investment out of staff gratuity scheme have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

	2021	2020
	(Rupees in '000)	
<b>21. DEFERRED TAXATION</b>		
<b>Deferred debits arising due to:</b>		
- Fixed assets and intangibles	(7,405)	(27)
- Surplus on revaluation of available for sale assets	(1,937)	-
- Business losses carried forward	-	(8,348)
	<b>(9,342)</b>	<b>(8,375)</b>
<b>Deferred credits arising due to:</b>		
- Retained earnings - Ledger Account D	240,865	214,810
- Surplus on revaluation of available for sale assets	-	148
	<b>240,865</b>	<b>214,958</b>
<b>Deferred tax liability</b>	<b>231,523</b>	<b>206,583</b>

	2021	2020
	(Rupees in '000)	
<b>22. LEASE LIABILITIES</b>		
<b>22.1 Lease liabilities - Movement</b>		
Opening balances	271,436	361,378
Addition during the year	15,730	37,159
Derecognition during the year	(5,019)	-
	<b>282,147</b>	<b>398,537</b>
Borrowing cost	31,872	25,266
	<b>314,019</b>	<b>423,803</b>
Adjustment in agency branches	-	(92,354)
Repaid during the period	(84,185)	(60,013)
Closing balances	<b>229,834</b>	<b>271,436</b>
Current portion	53,176	57,871
Non-current portion	<b>176,658</b>	<b>213,565</b>
	<b>229,834</b>	<b>271,436</b>

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

	2021	2020
	(Rupees in '000)	
<b>22.2 Lease liabilities - Maturity Analysis</b>		
The contractual maturity analysis of these is presented below:		
<b>Current</b>		
- Not later than one year	53,176	57,871
<b>Non-current</b>		
- Later than one year but not later than three years	126,718	107,807
- Later than three years but not later than five years	45,261	59,626
- Later than five years	4,679	46,132
	<b>176,658</b>	<b>213,565</b>
	<b>229,834</b>	<b>271,436</b>

	2021	2020
	(Rupees in '000)	
<b>23. BORROWINGS</b>		
SBP Refinance Scheme	84,894	164,482
<b>23.1 Movement in borrowings</b>		
Opening balances	164,482	-
Recognised during the year	-	158,959
	<b>164,482</b>	<b>158,959</b>
Interest expense	360	-
Impact of deferred grant	9,509	5,523
	<b>174,351</b>	<b>164,482</b>
Repaid during the year	<b>(89,457)</b>	-
Total borrowings	<b>84,894</b>	<b>164,482</b>
Current portion	84,894	89,142
Non-current portion	-	75,340
	<b>84,894</b>	<b>164,482</b>

**23.2** This loan was obtained under the facility of "Refinance Scheme for Payment of Salaries and Wages to Workers and Employees" on the basis of SBP Circular No. 10 of 2020 for the period of 3 years. The payment of principal has been started from January 2021 on quarterly basis and profit rate is 1% per annum as defined by State Bank of Pakistan (SBP).

## Notes to and forming part of the Financial Statements

### For the year ended December 31, 2021

	2021	2020
Note	(Rupees in '000)	
<b>24. DEFERRED GOVERNMENT GRANT</b>		
Deferred government grant	24.1 <b>4,298</b>	13,807
<b>24.1 Movement in deferred government grant</b>		
Opening balances	<b>13,807</b>	-
Deferred grant arised during the year	-	19,330
Amortised during the year	23.1 <b>(9,509)</b>	(5,523)
Total deferred government grant	<b>4,298</b>	13,807
Current portion	<b>4,298</b>	8,571
Non-current portion	-	5,236
	<b>4,298</b>	13,807
<b>25. (INSURANCE / TAKAFUL) / (REINSURANCE / RETAKAFUL) PAYABLES</b>		
Due to insurance contract holders	-	-
Due to reinsurers	-	130,635
Net insurance / reinsurance payable	-	130,635
<b>26. OTHER CREDITORS AND ACCRUALS</b>		
Agents commission payable	<b>307,512</b>	523,323
Payable to related parties	<b>7,832</b>	10,030
Payable against the purchase of investments	<b>30,524</b>	237,167
Accrued expenses	<b>394,220</b>	305,853
Other tax payable	<b>12,897</b>	14,625
	<b>752,985</b>	1,090,998

## 27. CONTINGENCIES AND COMMITMENTS

### 27.1 CONTINGENCIES

#### Sales tax on life insurance premium

Sindh Revenue Board (SRB) vide notification no. SRB 3-4/5/2019 dated May 8, 2019 extended the exemption on life insurance till June 30, 2019. Subsequent to it, life insurance was made taxable from July 1, 2019 at the rate of 3% and group life insurance at the rate of 13%. Further, SRB extended exemption on health insurance till June 30, 2020. With effect from November 1, 2018, the Punjab Revenue Authority (PRA) withdrew its exemption on life and health insurance and made the same subject to Punjab Sales Tax (PST). The Company collectively through the forum of Insurance Association of Pakistan ("IAP") had filed a constitutive petition in the Lahore High Court (LHC) and in the High Court of Sindh at Karachi on September 28, 2019 and November 28, 2019 against PRA and SRB respectively.

## Notes to and forming part of the Financial Statements

### For the year ended December 31, 2021

According to the grounds of the petition and legal opinion obtained by the Company the insurance premium does not fall under the definition of service rather an insurance policy is a financial arrangement, which is in the nature of a contingent contract, and not a service upon which sales tax can be levied (and that an insurance company is not rendering a service). The opinion also mentions that vast majority of premium received from a policy holder, during the life of the policy, is in fact channeled it to the policy holder's investment account and as such this is critically important in exposing the legal fallacies embodied in the Rules.

In view of the above the Company has not started billing sales tax to its customers. The amount of sales tax involved (for both Sindh and Punjab region) is around Rs.538.14 million (2020: Rs. 347.54 million) computed on the basis of risk based premium, as per the advice of legal advisor, which nonetheless the Company maintains, based on the legal view, cannot be levied as the insurance is not a service.

Further subsequent to filing petition, all the provincial tax authorities i.e. SRB, PRA and BRA have called a meeting of the industry representatives on January 11, 2020 in Karachi to discuss the matters relating to sales tax on premium. The matter was discussed in details and it was agreed to form a joint committee of the industry representatives as well as from all the provincial tax authorities and agreed in the meeting that the sales tax on Life and Health be kept exempt till June 30, 2020 however, a formal notification in this regard has not yet been issued. Further, the committee formed met on February 5, 2020 in Lahore at PRA office to work out the way forward.

Based on the legal opinion obtained the Company considers that it has a reasonably strong case on the merits in the constitution petition and the writ petition filed in the High Courts. The petition is still pending for hearing.

**2021**                      **2020**  
————— (Rupees in '000) —————

## 27.2 COMMITMENTS

### 27.2.1 Commitments in respect of Ijarah rentals

Not later than one year	<b>60,461</b>	37,844
Later than one year and not later than five years	<b>161,923</b>	102,066
	<b>222,384</b>	139,910

Commitments represent Ijarah rentals for vehicles payable in future period.

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

	2021	2020
<b>28. NET PREMIUM / CONTRIBUTION REVENUE</b>		
	Note	(Rupees in '000)
<b>Gross premiums</b>		
Regular premium / contributions individual policies*		
- first year	3,754,155	3,169,929
- second year renewal	2,303,228	2,743,961
- subsequent years renewal	6,593,866	5,271,022
Single premium / contributions individual policies*	7,539,327	5,330,905
Group policies without cash values	542,968	631,844
Less: Experience refund	(75,375)	(46,774)
<b>Total gross premiums / contributions</b>	<b>20,658,169</b>	<b>17,100,887</b>
<b>Less: reinsurance premiums / retakaful contributions ceded</b>		
On individual life first year business	(58,064)	(33,523)
On individual life second year business	(33,052)	(25,742)
On individual life subsequent renewal business	(173,190)	(131,383)
On individual life single premium business	(10,586)	(5,083)
On group policies	(281,309)	(381,266)
Profit commission on reinsurance	26,150	13,030
	<b>(530,051)</b>	<b>(563,967)</b>
<b>Net premiums / contributions</b>	<b>20,128,118</b>	<b>16,536,920</b>
* Individual policies are those underwritten on an individual basis.		
<b>29. INVESTMENT INCOME</b>		
<b>Income from equity securities</b>		
<b>Dividend income</b>		
Available for sale	1,266	602
Fair value through profit or loss	624,416	366,669
	<b>625,682</b>	<b>367,271</b>
<b>Income from government securities</b>		
Available for sale	28,426	45,106
Fair value through profit or loss	1,735,147	1,461,526
	<b>1,763,573</b>	<b>1,506,632</b>
<b>Income from debt securities - fair value through profit or loss</b>		
- Return on TFCs and Corporate Sukuks	297,512	380,360
<b>Income from term deposit receipts - loans and receivables</b>		
- Return on term deposit receipts	449,060	338,076
	<b>3,135,827</b>	<b>2,592,339</b>
Tax on dividend under final tax regime (FTR)	-	(5,480)
	<b>3,135,827</b>	<b>2,586,859</b>

# Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

	2021	2020
	(Rupees in '000)	
<b>30. NET REALISED FAIR VALUE (LOSSES) / GAINS ON FINANCIAL ASSETS</b>		
Available for sale		
Realised losses on:		
- Government securities	(30)	-
	(30)	-
Fair value through profit or loss		
Realised gains / (losses) on:		
- Equity securities	310,301	437,946
- Government securities	(81,459)	279,234
- Debt securities	5,454	(1,240)
- Mutual funds	156,422	(56,142)
	390,718	659,798
	390,688	659,798
<b>31. NET FAIR VALUE (LOSSES) / GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNREALISED</b>		
Net unrealised (losses) / gains on:		
- Equity securities	(823,246)	105,610
- Government securities	(10,759)	(8,540)
- Debt securities	62,970	32,079
- Mutual Funds	2,049	711,944
Total (loss) / gain	(768,986)	841,093
Less: Investment related expenses	(100,477)	(102,310)
	(869,463)	738,783
<b>32. OTHER INCOME</b>		
Return on bank balances	379,420	315,656
Mark-up on policy loans	3,662	3,125
Gain / (loss) on disposal of fixed assets	886	(2,905)
Others	-	1,107
	383,968	316,983
<b>33. CHANGE IN UNREALISED (LOSSES) / GAINS ON AVAILABLE-FOR-SALE FINANCIAL ASSETS</b>		
- Equity securities	(1,650)	(1,629)
- Government securities	(5,539)	7,155
	(7,189)	5,526

## Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

	2021	2020
	(Rupees in '000)	
<b>34. NET INSURANCE BENEFITS</b>		
<b>Gross claims</b>		
Claims under individual policies		
- by death	(708,320)	(435,106)
- by insured event other than death	(2,081)	606
- by maturity	(2,126,722)	(1,679,897)
- by surrender	(6,240,319)	(4,676,523)
<b>Total gross individual policy claims</b>	<b>(9,077,442)</b>	<b>(6,790,920)</b>
Claims under group policies		
- by death	(451,141)	(651,184)
- by insured event other than death	(11,544)	(10,316)
<b>Total gross group policy claims</b>	<b>(462,685)</b>	<b>(661,500)</b>
<b>Total gross claims</b>	<b>(9,540,127)</b>	<b>(7,452,420)</b>
<b>Less: Reinsurance / retakaful recoveries</b>		
- on individual life claims	147,520	143,365
- on group life claims	297,782	477,498
	<b>445,302</b>	<b>620,863</b>
<b>Net insurance benefit expense</b>	<b>(9,094,825)</b>	<b>(6,831,557)</b>

### 34.1 Claim development table

#### 34.1.1 Individual life claims

Incident year	Incident reported				2021
	2017	2018	2019	2020	
	(Rupees in '000)				
Estimate of ultimate claim costs:					
At the end of accident year	181,455	178,516	237,921	292,496	466,544
One year later	283,617	255,404	345,129	530,932	-
Two years later	294,168	262,037	362,799	-	-
Three years later	294,168	266,902	-	-	-
Four years later	300,075	-	-	-	-
Current estimate of cumulative claims	300,075	266,902	362,799	530,932	466,544
Less: Cumulative payments to date	266,101	237,026	316,088	452,754	234,885
<b>Liability recognised in the statement of financial position</b>	<b>33,974</b>	<b>29,876</b>	<b>46,711</b>	<b>78,178</b>	<b>231,659</b>

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### 34.1.2 Group life claims

Incident year	2017	2018	2019	2020	2021
	(Rupees in '000)				
Estimate of ultimate claim costs:					
At the end of accident year	413,991	419,348	342,820	559,852	349,345
One year later	549,012	531,056	452,433	663,992	-
Two years later	556,060	532,356	454,575	-	-
Three years later	557,251	532,356	-	-	-
Four years later	557,251	-	-	-	-
Current estimate of cumulative claims	557,251	532,356	454,575	663,992	349,345
Less: Cumulative payments to date	557,251	532,356	454,575	662,142	326,799
<b>Liability recognised in the statement of financial position</b>	-	-	-	1,850	22,547

### 34.1.3 Insurance benefits unclaimed at period end

	Total	1-6 months	7-12 months	13-24 months	25-36 months	Beyond 36 months
	(Rupees in '000)					
Unclaimed maturity benefits	1,180,677	710,207	154,734	195,238	61,972	58,526
Unclaimed death benefits	43,421	16,644	26,000	777	-	-
Claims not encashed	210,714	169,017	20,060	11,871	5,028	4,738
	<b>1,434,812</b>	<b>895,868</b>	<b>200,794</b>	<b>207,886</b>	<b>67,000</b>	<b>63,264</b>

## Notes to and forming part of the Financial Statements

### For the year ended December 31, 2021

	2021	2020
<b>35. ACQUISITION EXPENSES</b>	Note (Rupees in '000)	
Remuneration to insurance / takaful intermediaries on individual policies:		
- Commission on first year contributions / premiums	(1,540,707)	(1,379,956)
- Commission on second year contributions / premiums	(134,820)	(147,256)
- Commission on subsequent years renewal contributions / premiums	(157,477)	(122,821)
- Commission on single contributions / premiums	(160,249)	(114,036)
- Other benefits to insurance intermediaries	(392,674)	(357,106)
	<b>(2,385,927)</b>	<b>(2,121,175)</b>
Remuneration to insurance intermediaries on group policies:		
- Commission	(22,061)	(21,908)
- Other benefits to insurance intermediaries	(2,142)	(3,344)
	<b>(24,203)</b>	<b>(25,252)</b>
Other acquisition costs		
- Employee benefit cost	35.1 (434,049)	(315,913)
- Traveling expenses	(2,869)	(1,691)
- Information technology expense	(2,121)	(3,620)
- Printing and stationery	(3,600)	(3,257)
- Depreciation	(21,913)	(19,687)
- Depreciation - Right of use asset	(16,713)	(3,691)
- Amortisation	(49)	(193)
- Rent, rates and taxes	(33,951)	(40,442)
- Insurance cost	(489)	(336)
- Car fuel and maintenance	(30,952)	(25,874)
- Postage	(6,603)	(4,717)
- Electricity, gas and water	(16,494)	(9,018)
- Office repairs and maintenance	(34,245)	(23,331)
- Entertainment	(10,559)	(6,509)
- Training and development	(2,220)	(1,466)
- Marketing cost	(39,223)	(38,129)
- Financial charges	(8,254)	(1,156)
- Legal and professional charges	(401)	(608)
- Stamp duty	(60,310)	(44,260)
- Medical examination fee	(3,151)	(1,747)
	<b>(728,166)</b>	<b>(545,645)</b>
	<b>(3,138,296)</b>	<b>(2,692,072)</b>

**35.1** Employee benefit cost includes charges for post employment benefit of Rs. 15.3 million (2020: Rs. 9.36 million).

# Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

	Note	2021	2020
(Rupees in '000)			
<b>36. MARKETING AND ADMINISTRATION EXPENSES</b>			
Employee benefit cost	36.1 & 36.2	(618,757)	(531,308)
Travelling expenses		(10,603)	(9,194)
Advertisements and sales promotion		(205,022)	(117,925)
Printing and stationery		(22,249)	(20,507)
Depreciation		(15,889)	(28,699)
Depreciation Right of use asset		(44,003)	(39,650)
Amortisation		(16,059)	(24,332)
Rent, rates and taxes		(9,784)	(5,636)
Legal and professional charges		(65,549)	(31,633)
Electricity, gas and water		(8,013)	(12,452)
Entertainment		(6,738)	(5,186)
Vehicle running expenses		(46,215)	(34,137)
Office repairs and maintenance		(33,926)	(21,741)
Appointed actuary fees		(12,872)	(9,222)
Postages, telegrams and telephone		(24,677)	(18,591)
Bank charges		(5,294)	(3,101)
Insurance expenses		(1,241)	(2,186)
Annual supervision fee		(20,805)	(26,648)
Provision for doubtful debts		(4,437)	(3,906)
Information technology expenses		(69,550)	(63,279)
Training and development		(4,600)	(1,868)
Write off against property and equipment	36.3 & 5.1.1	(3,294)	-
Miscellaneous		(5,919)	-
		<b>(1,255,496)</b>	<b>(1,011,201)</b>

**36.1** Employee benefit cost includes charge of post employment benefit of Rs. 47.6 million (2020: Rs. 32.7 million).

**36.2** Total number of employees as at December 31, 2021 are 1,991 (2020: 1,810) which includes permanent and contractual employees. Average number of employees during year ended December 31, 2021 were 1,900 (2020: 1,477).

**36.3** This represents the property and equipment written off during the year.

	Note	2021	2020
(Rupees in '000)			
<b>37. OTHER EXPENSES</b>			
Auditor's remuneration	37.1	(5,747)	(4,141)
Fee and subscription		(1,136)	(1,212)
Donations	37.2	(4,351)	(1,811)
		<b>(11,234)</b>	<b>(7,164)</b>

## Notes to and forming part of the Financial Statements

### For the year ended December 31, 2021

	2021	2020
	(Rupees in '000)	
<b>37.1 Auditors' remuneration</b>		
Annual audit fee	(1,735)	(1,577)
Special Audit/ Half yearly review	(1,295)	(541)
Other certifications	(1,569)	(1,536)
Tax services	-	(324)
Out of pocket	(1,148)	(163)
	<u>(5,747)</u>	<u>(4,141)</u>

### 37.2 Donations

This includes Rs.3.0 million donated to Dr. Jameel Jalibi Foundation and Rs. 1.1 million to Indus Hospital (2020:Nil). There was no interest of any of the directors / sponsors of the Company in the donee's during the year.

	2021	2020
Note	(Rupees in '000)	
<b>38. FINANCE COSTS</b>		
Markup on borrowings - net of government grant	(360)	(1,657)
Interest expense on lease liabilities	(23,618)	(24,110)
	<u>(23,978)</u>	<u>(25,767)</u>
<b>39. INCOME TAX EXPENSE</b>		
For the year		
- Current	(40,958)	(592)
- Deferred	(16,443)	(118,586)
	<u>(57,401)</u>	<u>(119,178)</u>
<b>40. EARNINGS PER SHARE</b>		
Profit after tax for the year	<u>173,804</u>	<u>191,014</u>
	(Number of shares in '000)	
Weighted average number of ordinary share outstanding as at year end	<u>168,324</u>	(Restated) <u>127,486</u>
	(Rupees in '000)	
Basic earnings per share	<u>40.1</u> <u>1.03</u>	<u>1.50</u>

There are no dilutive affect on the basic earnings per share of the Company.

**40.1** Prior year earnings per share has been restated to include the impact of bonus in right issue made during the year.

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### 41. REMUNERATION OF DIRECTORS AND EXECUTIVES

	Directors		Executives	
	2021	2020	2021	2020
	(Rupees in '000)			
Fee	420	-	-	-
Managerial remuneration	-	-	188,773	164,233
Compensated absence	-	-	11,436	9,486
Bonus	-	-	44,710	33,223
Rent and house maintenance	-	-	75,509	65,693
Utilities	-	-	18,877	16,423
Medical	-	-	15,325	13,860
Conveyance, other allowances and benefits	-	-	75,832	69,471
	420	-	430,462	372,389
Number of persons	7	7	165	139

41.1 No remuneration was paid to CEO during 2021. Cars provided to entitled executives are for private and official use.

### 42. RELATED PARTIES

#### List of related parties

Name of related party	Relationship	% of Shareholding
Adamjee Insurance Company Limited	Parent	Nil
DG Khan Cement Company Limited	Associated Company	0.24%
Din Farm Products (Private) Limited	Associated Company	Nil
Din Leather (Private) Limited	Associated Company	Nil
Din Textile Mills (Private) Limited	Associated Company	Nil
Emporium Properties (Private) Limited	Associated Company	Nil
Golf View Land (Private) Limited	Associated Company	Nil
Hyundai Nishat Motor (Private) Limited	Associated Company	Nil
MCB Bank Limited	Associated Company	0.56%

## Notes to and forming part of the Financial Statements

### For the year ended December 31, 2021

Name of related party	Relationship	% of Shareholding
MCB Financial Services Limited	Associated Company	Nil
MCB Islamic Bank Limited	Associated Company	Nil
Nishat Agriculture Farming (Private) Limited	Associated Company	Nil
Nishat Agrotech (Private) Limited	Associated Company	Nil
Nishat Dairy (Private) Limited	Associated Company	Nil
Nishat Developers (Private) Limited	Associated Company	Nil
Nishat Linen (Private) Limited	Associated Company	Nil
Nishat Mills Limited	Associated Company	0.00%
Nishat Papers Products Company Limited	Associated Company	Nil
Nishat Power Limited	Associated Company	0.00%
Nishat Sutas Dairy Limited	Associated Company	Nil
Nishat Textile Foundation	Associated Company	Nil
Next Commercial FZ-LCC (UAE)	Associated Company	Nil
Next Health Services (Private) Limited	Associated Company	Nil
Next Pharmaceuticals Products (Private) Limited	Associated Company	Nil
Lalpir Power Limited (Formerly As Lalpir (Private) Limited)	Other related party	Nil
Lalpir Solar Power (Private) Limited	Other related party	Nil
MCB Arif Habib Savings and Investment Limited	Other related party	Nil
MCB Asset Management Company Limited	Other related party	Nil
MCB Leasing Closed Joint Stock Company	Other related party	Nil
Nishat Hotels and Properties Limited	Other related party	Nil
Nishat Automobile (Private) Limited	Other related party	Nil
Nishat Chunian Group	Other related party	0.35%
Nishat Commodities (Private) Limited	Other related party	Nil
Nishat Farms Supplies (Private) Limited	Other related party	Nil
Nishat Global China Company Limited	Other related party	Nil
Nishat Hospitality (Private) Limited	Other related party	Nil
Nishat International Fze	Other related party	Nil
Nishat Real Estates Development Company (Private) Limited	Other related party	Nil
Pakistan Aviators and Aviation	Other related party	Nil
Pakgen Power Limited	Other related party	Nil
Security General Insurance Company Limited	Other related party	Nil

# Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

## 42.1 RELATED PARTY TRANSACTIONS

The related parties comprise of the parent company, directors, key management personnel, associated undertakings, and entities with common directors. Related party transactions and balances, including those disclosed elsewhere in these financial statements are given below:

	2021	2020
Note	(Rupees in '000)	
<b>Transactions during the year</b>		
<b>Holding company</b>		
Premium written	5,269	5,226
Insurance expense	26,150	9,620
Claims expense	3,400	6,000
Premises Rental	44,410	39,084
Rental Income	3,000	3,750
Receipt against right issue	1,564,477	-
<b>Associated undertakings</b>		
Premium written	270,271	232,107
Claims expense	200,492	185,653
Commission and other incentives in respect of bancassurance	1,675,938	1,536,137
Profit on bank deposits	145,486	105,228
Bank charges	3,391	1,832
Investments purchased	12,220,338	5,608,773
Investments sold	11,431,722	4,936,058
Dividend income	163,733	91,535
<b>Other related parties</b>		
Premium written	7,471	6,228
Claims expense	8,000	493
Investment advisor fee	35,991	25,317
Trustee fee	9,199	9,450
<b>Directors</b>		
Purchase of right shares	29	-
<b>Key management personnel</b>		
Premium written	-	351
Remuneration	129,166	107,523
<b>Staff retirement benefit plan (gratuity fund)</b>		
Charge for the year	26,402	75,323

## Notes to and forming part of the Financial Statements

### For the year ended December 31, 2021

Note	2021	2020
	(Rupees in '000)	
<b>Balances outstanding as at the end of the period/ year</b>		
<b>Holding company</b>		
Premium received in advance	-	13
Claims and other payable	300	3,000
Insurance claims receivable	47	47
Other receivable	-	3,750
<b>Associated undertakings</b>		
Premium due but unpaid	11,387	7,985
Bank deposits	1,668,509	3,306,935
Investments held	8,499,041	7,868,307
Dividend receivables	6,221	-
Accrued Income	250	593
Commission payable	289,696	453,358
Claims payable	5,700	33,107
<b>Other related parties</b>		
Premium due but unpaid	239	146
Remuneration payable for the management of discretionary investment portfolio	3,284	1,849
Remuneration payable to trustee	903	968
Other receivable	-	16,694
<b>Key management personnel</b>		
Short term loans	2,896	345
<b>Staff retirement benefit plan (gratuity fund)</b>		
Payable to gratuity fund	(6,460)	112,349

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### 43. SEGMENTAL INFORMATION

#### 43.1 REVENUE ACCOUNT BY STATUTORY FUND

	Statutory Funds						2021
	Conventional Business	Accident and Health Business	Non-Utilised Investment Link Business	Unit Linked Business	Individual Family Takaful Unit Linked Business	Group Family Takaful Business	
	(Rupees in '000)						
<b>Income</b>							
Premiums / contribution less reinsurances / re-takaful	156,334	1,218	134,662	15,676,578	4,117,329	41,997	20,128,118
Rental income from investment property	-	-	-	3,000	-	-	3,000
Net investment income	25,623	-	214,180	2,523,576	280,232	1,295	3,044,906
Total net income	181,957	1,218	348,842	18,203,154	4,397,561	43,292	23,176,024
<b>Insurance benefits and expenditures</b>							
Insurance benefits including bonus net of reinsurance	(141,470)	-	(795,196)	(7,406,289)	(736,194)	(26,609)	(9,105,758)
Management expenses less recoveries	(55,166)	(456)	(6,206)	(2,943,807)	(1,327,684)	(6,931)	(4,340,250)
<b>Total insurance benefits and expenditures</b>	(196,636)	(456)	(801,402)	(10,350,096)	(2,063,878)	(33,540)	(13,446,008)
<b>(Deficit) / excess of income over insurance benefits and expenditures</b>	(14,679)	762	(452,560)	7,853,058	2,333,683	9,752	9,730,016
<b>Net change in insurance liabilities (other than outstanding claims)</b>	35,749	(147)	463,577	(7,801,448)	(2,179,609)	(8,293)	(9,490,171)
<b>Surplus before tax</b>	21,070	615	11,017	51,610	154,074	1,459	239,845
<b>Movement in policyholders' liabilities</b>	(35,749)	147	(463,577)	7,801,448	2,179,609	8,293	9,490,171
<b>Capital contribution from / (to) shareholders' fund</b>	-	-	-	-	-	-	-
<b>Surplus appropriated to shareholders' fund</b>	-	-	(100,000)	(50,000)	-	-	(150,000)
<b>Balance of statutory funds at beginning of the year</b>	285,643	215	2,763,785	39,589,139	4,440,888	18,269	47,097,939
<b>Balance of statutory funds at end of the year</b>	270,964	977	2,211,225	47,392,197	6,774,571	28,021	56,677,955

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### REVENUE ACCOUNT BY STATUTORY FUND

	Statutory Funds						2020
	Conventional Business	Accident and Health Business	Non-utitised Investment Link Business	Unit Linked Business	Individual Family Takaful Unit Linked Business	Group Family Takaful Business	
	(Rupees in '000)						
Income							
Premiums / contribution less reinsurances / re-takaful	204,697	160	183,932	13,142,282	2,992,233	13,616	16,536,920
Rental income from investment property	-	-	-	3,750	-	-	3,750
Net investment income	44,165	-	352,040	3,523,973	322,204	-	4,242,382
Total net income	248,862	160	535,972	16,670,005	3,314,437	13,616	20,783,052
Insurance benefits and expenditures							
Insurance benefits including bonus net of reinsurance	(183,907)	-	(726,548)	(5,449,673)	(475,656)	(2,847)	(6,838,631)
Management expenses less recoveries	(71,472)	(71)	(12,180)	(2,637,830)	(999,780)	(2,500)	(3,723,833)
Total insurance benefits and expenditures	(255,379)	(71)	(738,728)	(8,087,503)	(1,475,436)	(5,347)	(10,562,464)
(Deficit) / excess of income over insurance benefits and expenditures	(6,517)	89	(202,756)	8,582,502	1,839,001	8,269	10,220,588
Net change in insurance liabilities (other than outstanding claims)	14,847	(111)	237,863	(8,399,705)	(1,784,457)	(5,503)	(9,937,066)
Surplus / (deficit) before tax	8,330	(22)	35,107	182,797	54,544	2,766	283,522
Movement in policyholders' liabilities	14,847	(111)	237,863	(8,399,705)	(1,784,457)	(5,503)	(9,937,066)
Capital contribution from / (to) shareholders' fund	16,500	-	-	-	-	10,000	26,500
Balance of statutory funds at beginning of the year	275,660	126	2,966,541	31,006,637	2,601,887	-	36,850,851
Balance of statutory funds at end of the year	285,643	215	2,763,785	39,589,139	4,440,888	18,269	47,097,939

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### 43.2 Segmental results by line of business financial year ended December 31, 2021

	Individual life distributed through banks	Other lines of business	Total
(Rupees in '000)			
<b>Income</b>			
<b>Gross premiums</b>			
- First year individual regular premiums	3,035,417	718,738	3,754,155
- Individual renewal premiums	8,257,595	639,499	8,897,094
- Individual single premiums	7,402,329	136,998	7,539,327
- Group premiums	-	467,593	467,593
<b>Total gross premiums</b>	<b>18,695,341</b>	<b>1,962,828</b>	<b>20,658,169</b>
<b>Reinsurance premiums</b>			
- Individual	(244,113)	(15,005)	(259,118)
- Group	-	(270,933)	(270,933)
<b>Total reinsurance premiums</b>	<b>(244,113)</b>	<b>(285,938)</b>	<b>(530,051)</b>
<b>Net premium revenue</b>	<b>18,451,228</b>	<b>1,676,890</b>	<b>20,128,118</b>
Rental income from investment property	2,870	130	3,000
Net investment income	2,887,300	157,606	3,044,906
<b>Total Net Income</b>	<b>21,341,398</b>	<b>1,834,626</b>	<b>23,176,024</b>
<b>Insurance benefits and expenditures</b>			
Insurance benefits net of reinsurance	(8,713,510)	(392,248)	(9,105,758)
Management expenses less recoveries	(3,158,663)	(1,181,587)	(4,340,250)
<b>Total insurance benefits and expenditures</b>	<b>(11,872,173)</b>	<b>(1,573,835)</b>	<b>(13,446,008)</b>
<b>Excess of income over insurance benefits and expenditures</b>	<b>9,469,225</b>	<b>260,791</b>	<b>9,730,016</b>
Add: Policyholders' liabilities at beginning of year	44,046,854	1,811,834	45,858,688
Less: Policyholders' liabilities at end of year	(53,137,308)	(2,211,551)	(55,348,859)
<b>Surplus / (deficit) for the year</b>	<b>378,771</b>	<b>(138,926)</b>	<b>239,845</b>

Segmental results by line of business financial year ended December 31, 2020

	Individual life distributed through banks	Other lines of business	Total
(Rupees in '000)			
<b>Income</b>			
<b>Gross premiums</b>			
- First year individual regular premiums	2,635,876	534,053	3,169,929
- Individual renewal premiums	7,584,774	430,209	8,014,983
- Individual single premiums	5,209,953	120,952	5,330,905
- Group premiums	-	585,070	585,070
<b>Total gross premiums</b>	<b>15,430,603</b>	<b>1,670,284</b>	<b>17,100,887</b>
<b>Reinsurance premiums</b>			
- Individual	(175,521)	(19,817)	(195,338)
- Group	-	(368,629)	(368,629)
<b>Total reinsurance premiums</b>	<b>(175,521)</b>	<b>(388,446)</b>	<b>(563,967)</b>
<b>Net premium revenue</b>	<b>15,255,082</b>	<b>1,281,838</b>	<b>16,536,920</b>
Rental income from investment property	3,502	248	3,750
Net investment income	3,943,756	298,626	4,242,382
<b>Total Net Income</b>	<b>19,202,340</b>	<b>1,580,712</b>	<b>20,783,052</b>
<b>Insurance benefits and expenditures</b>			
Insurance benefits net of reinsurance	(6,445,295)	(393,336)	(6,838,631)
Management expenses less recoveries	(2,867,706)	(856,127)	(3,723,833)
<b>Total insurance benefits and expenditures</b>	<b>(9,313,001)</b>	<b>(1,249,463)</b>	<b>(10,562,464)</b>
<b>Excess of income over insurance benefits and expenditures</b>	<b>9,889,339</b>	<b>331,249</b>	<b>10,220,588</b>
Add: Policyholders' liabilities at beginning of year	34,515,226	1,406,396	35,921,622
Less: Policyholders' liabilities at end of year	(44,046,854)	(1,811,834)	(45,858,688)
<b>Surplus / (deficit) for the year</b>	<b>357,711</b>	<b>(74,189)</b>	<b>283,522</b>

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### 43.3 Segmental Statement of Financial Position

	2021		
	Statutory Funds	Shareholders' Fund	Total
	(Rupees in '000)		
Property and equipment	-	159,319	159,319
Intangible assets	-	23,086	23,086
Right of use asset	-	187,628	187,628
Investment property	939,394	-	939,394
Investments			
Equity securities	7,979,792	17,140	7,996,932
Government securities	19,142,594	1,655,165	20,797,759
Debt securities	4,443,606	-	4,443,606
Term deposits	7,580,000	-	7,580,000
Mutual funds	8,655,420	204,430	8,859,850
Loan secured against life insurance policies	39,499	-	39,499
Insurance / reinsurance receivables	137,204	-	137,204
Deferred tax asset	-	9,342	9,342
Other loans and receivables	353,029	65,354	418,383
Taxation - payment less provision	413,532	156,592	570,124
Prepayments	4,147	34,555	38,702
Cash and bank	9,434,630	291,443	9,726,073
<b>Total assets</b>	<b>59,122,847</b>	<b>2,804,054</b>	<b>61,926,901</b>
Insurance liabilities	56,933,035	-	56,933,035
Deferred tax liability	240,865	-	240,865
Lease liabilities	-	229,834	229,834
Borrowings	-	84,894	84,894
Deferred government grant	-	4,298	4,298
Premium / contribution received in advance	431,262	-	431,262
Insurance / reinsurance payables	-	-	-
Other creditors and accruals	422,529	330,456	752,985
<b>Total liabilities</b>	<b>58,027,691</b>	<b>649,482</b>	<b>58,677,173</b>
	2020		
	Statutory Funds	Shareholders' Fund	Total
	(Rupees in '000)		
Property and equipment	-	126,198	126,198
Intangible assets	-	39,194	39,194
Right of use asset	-	236,382	236,382
Investment property	855,394	-	855,394
Equity securities	7,053,933	18,367	7,072,300
Government securities	11,134,682	400,410	11,535,092
Debt securities	3,380,743	-	3,380,743
Term deposits	7,962,000	-	7,962,000
Mutual funds	8,596,989	-	8,596,989
Loan secured against life insurance policies	29,912	-	29,912
Insurance / reinsurance receivables	232,084	-	232,084
Other loans and receivables	398,433	58,398	456,831
Taxation - payment less provision	267,584	47,490	315,074
Deferred tax asset	-	9,096	9,096
Prepayments	1,340	44,831	46,171
Cash and bank	9,666,875	288,177	9,955,052
<b>Total assets</b>	<b>49,579,969</b>	<b>1,268,543</b>	<b>50,848,512</b>
Insurance liabilities	47,033,478	-	47,033,478
Retirement benefit obligations	-	112,349	112,349
Deferred tax liability	215,679	-	215,679
Lease liabilities	-	271,436	271,436
Borrowings	-	164,482	164,482
Deferred Government Grant	-	13,807	13,807
Premium / contribution received in advance	325,033	-	325,033
Insurance / reinsurance payables	130,635	-	130,635
Other creditors and accruals	851,595	239,403	1,090,998
<b>Total liabilities</b>	<b>48,556,420</b>	<b>801,477</b>	<b>49,357,897</b>

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### 44. MOVEMENT IN INVESTMENTS

	Held to maturity	Available for sale	Fair value through profit or loss	Investment property	Total
(Rupees in '000)					
As at January 1, 2020	9,585,000	674,993	20,818,151	876,394	31,954,538
Additions	54,451,000	2,441,466	167,134,793	-	224,027,259
Disposals (sale and redemptions)	(56,074,000)	(2,312,304)	(159,018,594)	-	(217,404,898)
Fair value net gains/(losses) (excluding net realised gains/(losses))	-	5,526	841,093	(21,000)	825,619
As at December 31, 2020	7,962,000	809,681	29,775,443	855,394	39,402,518
<b>As at January 1, 2021</b>	7,962,000	809,681	29,775,443	855,394	<b>39,402,518</b>
Additions	68,585,000	-	281,585,194	-	<b>350,170,194</b>
Disposals (sale and redemptions)	(68,967,000)	(684,432)	(268,611,564)	-	<b>(338,262,996)</b>
Fair value net gains/(losses) (excluding net realised gains/(losses))	-	(7,189)	(768,986)	84,000	<b>(692,175)</b>
<b>As at December 31, 2021</b>	<b>7,580,000</b>	<b>118,060</b>	<b>41,980,087</b>	<b>939,394</b>	<b>50,617,541</b>

### 45. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

#### 45.1 Financial risk management objectives and policies

The Company is exposed to a variety of financial risks: market risk (comprising currency risk, interest rate risk, and other price risk), liquidity risk and credit risk in relation to the financial statements on its statement of financial position. The Company's overall risk management seeks to minimize potential adverse effects on the Company's financial performance of such risk.

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. There are Board Committees and Management Committees for developing risk management policies and its monitoring.

##### 45.1.1 Market risk

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company is exposed to market risk

## Notes to and forming part of the Financial Statements

### For the year ended December 31, 2021

with respect to its investments and with respect to products other than unit linked products (where the investment risk is passed on to policyholders). The Company limits market risk by maintaining a diversified portfolio and by continuously monitoring developments in government securities and equities. The Company, along with minimising market risk by careful diversification in financial assets, also periodically carries out an Asset Liability Management (ALM) exercise to match duration of assets and liabilities.

#### 45.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Company, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pakistan Rupees.

#### 45.1.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest 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 similar financial instruments traded in the market.

#### 45.1.4 Equity price risk

The Company's listed securities are susceptible to market price risk arising from uncertainties about the future value of investment securities. The Company limits market risk by maintaining a diversified portfolio. In addition, the Company actively monitors the key factors that affect stock market.

#### Sensitivity Analysis

In case of 1% increase / (decrease) in PSX 100 index as at December 31, 2021, with all other variables held constant, the total comprehensive income would have been increase /(decrease) by Rs. 79.969 million (2020: 70.723 million) as result of gain/(losses) on equity securities. The analysis is based on the assumption that the equity index had increased / (decreased) by 1% with all other variables held constant and represents management's best estimate of a reasonable possible shift in PSX 100 index, having regard to the historical volatility of the index.

#### 45.1.5 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or it encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

The Company is maintaining sufficient liquid assets both in the form of cash deposits and liquid securities to meet its long term and short term cash requirements.

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### 45.1.6 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss.

Concentration of credit risk arises when a number of counter parties have similar types of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet contractual obligations in a similar manner. Major credit risk arises in credit exposure to group life policyholders on account of premiums due but unpaid and on bank balances.

The management monitors exposure to credit risk through regular review of credit exposure and assessing credit worthiness of counter parties.

The credit quality of the Company's bank balances (including Term Deposits) can be assessed with reference to external credit ratings as follows:

#### Ratings of Banks\*

	2021	2020
	(Rupees in '000)	
A	1,251,189	1,510,811
A-	6,667	21,486
A+	1,998,144	609,184
AA	1,820,816	888,496
AA-	-	-
AA+	2,019,859	410,752
AAA	10,198,893	14,470,385
	<b>17,295,568</b>	<b>17,911,114</b>

\*Rating of banks performed by PACRA and VIS Credit Rating Company.

The credit quality of Company's exposure on TFCs and Corporate Sukuks can be assessed with reference to rating issued by rating agency as follows:

## Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

Issuer of TFC's / Corporate Sukuks **	Rating	2021	2020
		(Rupees in '000)	
Askari Bank Limited	AA+	201,000	199,040
Aspin Pharma (Private) Limited	A	32,800	49,593
Bank Al Habib Limited	AAA	-	178,788
Bank Alfalah Limited	AA+	92,893	-
Dawood Hercules Limited	AA	-	456,172
Dubai Islamic Bank Pakistan Limited	AA	59,943	59,622
Engro Polymer & Chemicals Limited	AA	96,845	91,935
Ghani Chemical Industries Limited	A	20,700	25,123
Habib Bank Limited	AAA	50,000	108,894
International Brands Limited	AA	16,787	64,659
Jahangir Siddiqui Limited	AA+	100,929	123,656
Meezan Bank Limited	AAA	770,000	809,627
Government of Pakistan (Pakistan Energy Limited)	Sovereign	456,750	452,700
Samba Bank Limited	AA	438,299	-
Soneri Bank Limited	AA-	50,945	49,430
TPL Tracker Limited	A+	11,301	22,500
The Bank of Punjab Limited	AA+	619,414	589,004
		<b>3,018,606</b>	<b>3,280,743</b>

\*\*Rating of issuers of TFCs and Corporate Sukuks performed by PACRA and VIS Credit Rating Company.

Investment in Government securities are not exposed to any credit risk.

The management monitors exposure to credit risk in premium receivable from group clients through regular review of credit exposure and makes provision for doubtful premium receivables based on prudent estimates.

### 45.1.7 Interest rate risk exposure

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company invests in securities and has bank balances and deposits that are subject to interest / mark-up rate risk. The Company limits interest / mark-up rate risk by monitoring changes in interest / mark-up rates in the currencies in which its cash and investments are denominated.

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

The information about Company's exposure to interest rate risk based on contractual repricing or maturity dates as of December 31, 2021, whichever is earlier, is as follows:

On balance sheet financial instruments	2021						Total
	Interest / markup bearing			Non interest / non markup bearing			
	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	
	(Rupees in '000)						
<b>Assets</b>							
Investments	26,649,696	6,171,669	32,821,365	16,856,782	-	16,856,782	49,678,147
Loan secured against life insurance policies	39,499	-	39,499	-	-	-	39,499
Insurance / reinsurance receivables	-	-	-	137,204	-	137,204	137,204
Loans and other receivables	-	-	-	418,383	-	418,383	418,383
Cash and bank	9,674,787	-	9,674,787	51,286	-	51,286	9,726,073
	<b>36,363,982</b>	<b>6,171,669</b>	<b>42,535,651</b>	<b>17,463,655</b>	<b>-</b>	<b>17,463,655</b>	<b>59,999,306</b>
<b>Liabilities</b>							
Borrowings	84,894	-	84,894	-	-	-	84,894
Lease liabilities	53,176	176,658	229,834	-	-	-	229,834
Insurance / reinsurance payable	-	-	-	-	-	-	-
Other creditors and accruals	-	-	-	752,985	-	752,985	752,985
	<b>138,070</b>	<b>176,658</b>	<b>314,728</b>	<b>752,985</b>	<b>-</b>	<b>752,985</b>	<b>1,067,713</b>
	<b>36,225,912</b>	<b>5,995,011</b>	<b>42,220,923</b>	<b>16,710,670</b>	<b>-</b>	<b>16,710,670</b>	<b>58,931,593</b>

On balance sheet financial instruments	2020						Total
	Interest / markup bearing			Non interest / non markup bearing			
	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	
	(Rupees in '000)						
<b>Assets</b>							
Investments	15,022,195	7,855,640	22,877,835	15,669,289	-	15,669,289	38,547,124
Loan secured against life insurance policies	29,912	-	29,912	-	-	-	29,912
Insurance / reinsurance receivables	-	-	-	232,084	-	232,084	232,084
Loans and other receivables	-	-	-	456,831	-	456,831	456,831
Cash and bank	9,861,193	-	9,861,193	93,859	-	93,859	9,955,052
	<b>24,913,300</b>	<b>7,855,640</b>	<b>32,768,940</b>	<b>16,452,063</b>	<b>-</b>	<b>16,452,063</b>	<b>49,221,003</b>
<b>Liabilities</b>							
Borrowings	89,142	75,340	164,482	-	-	-	164,482
Lease liabilities	57,871	213,565	271,436	-	-	-	271,436
Insurance / reinsurance payable	-	-	-	130,635	-	130,635	130,635
Other creditors and accruals	-	-	-	1,076,373	-	1,076,373	1,076,373
	<b>147,013</b>	<b>288,905</b>	<b>435,918</b>	<b>1,207,008</b>	<b>-</b>	<b>1,207,008</b>	<b>1,642,926</b>
	<b>24,766,287</b>	<b>7,566,735</b>	<b>32,333,022</b>	<b>15,245,055</b>	<b>-</b>	<b>15,245,055</b>	<b>47,578,077</b>

## 46. INSURANCE RISK AND MANAGEMENT OF INSURANCE RISK

### 46.1 Conventional business

#### 46.1.1 Individual Life

The risk underwritten is mainly death and sometimes disability. The risk of death and disability will vary in degree by age, gender, occupation, income group and geographical location of the assured person. The Company's exposure to poor risks may lead to unexpectedly high severity and frequency in claims' experience. This can be a result of anti-selection, fraudulent claims, a catastrophe or poor persistency. The Company may also face the risk of poor investment return, inflation of business expenses and liquidity issues

## Notes to and forming part of the Financial Statements

### For the year ended December 31, 2021

on amount invested in the fund. The Company faces the risk of under-pricing particularly due to the fact that majority of these contracts are long term. Additionally, the risk of poor persistency may result in the Company being unable to recover expenses incurred at policy acquisition.

The Company manages these risks through its underwriting, reinsurance, claims handling policy and other related controls. The Company has a well defined medical underwriting policy and avoids selling policies to high risk individuals. This puts a check on anti-selection. The need for profit testing is reviewed on an annual basis to ensure reasonableness of premiums charged. Reinsurance contracts have been purchased by the Company to limit the maximum exposure on any one insured person. The Company is developing and intends to eventually have a good spread of business throughout the country thereby ensuring diversification of geographical risks. To avoid poor persistency the Company applies quality controls on the standard of service provided to policyholders and has placed checks to control mis-selling and to track improvements in the standard of service provided to policyholders. For this, a regular monitoring of lapsation rates is conducted. On the claims handling side, the Company has procedures in place to ensure that payment of any fraudulent claims is avoided. For this, Claims Committee with variable materiality limits review all claims for verification and specific and detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. Further, all payments on account of claims are made after necessary approval of relevant authority as per policy of the Company. The Company maintains adequate liquidity in its fund to cater for a potentially sudden and high cash requirement.

#### - Frequency and severity of claims

The Company measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country. However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

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

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

Benefits assured per life	Sum assured at the end of 2021			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000')	Percentage	(Rupees in '000)	Percentage
0-200,000	3,158	8.28%	2,644	12.91%
200,000 - 400,000	4,521	11.85%	2,783	13.59%
400,001 - 800,000	6,261	16.42%	2,915	14.23%
800,001 - 1,000,000	7,345	19.26%	6,928	33.83%
More than 1,000,000	16,856	44.19%	5,210	25.44%
<b>Total</b>	<b>38,141</b>		<b>20,480</b>	

# Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

Benefits assured per life	Sum assured at the end of 2020			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000')	Percentage	(Rupees in '000')	Percentage
0-200,000	3,862	10.30%	3,244	17.52%
200,000 - 400,000	4,918	13.12%	2,920	15.77%
400,001 - 800,000	5,980	15.95%	2,771	14.97%
800,001 - 1,000,000	6,158	16.42%	4,472	24.16%
More than 1,000,000	16,576	44.21%	5,106	27.58%
<b>Total</b>	<b>37,493</b>		<b>18,513</b>	

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

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

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

The Company assumes the expected mortality to be 80% of SLIC (2001-05). Morbidity incidence rates are taken as a percentage of reinsurer's risk premium rate.

Persistency: The Company exercises a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.

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

For long-term conventional assurance contracts, long-term assumptions are made at the inception of the contract. Keeping the statutory minimum reserving basis in view, the Company determines assumptions on future mortality, morbidity, persistency, administrative expenses and investment returns. At regular intervals, profit testing is conducted on main policies. Assumptions used for profit testing of the main policies are as follows:

- Mortality: The Company assumes the expected mortality to be 80% of SLIC (2001-05).
- Persistency: The Company exercises a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.
- Expense levels and inflation: A periodic study is conducted on the Company's current business expenses and future projections to calculate per policy expenses. Expense inflation is assumed in line with assumed investment return.
- Investment returns: The investment returns are based on the historic performance of the assets and as set types underlying the fund.

## Notes to and forming part of the Financial Statements

### For the year ended December 31, 2021

**d) Changes in assumptions**

There are no changes in assumptions.

**e) Sensitivity analysis**

After reinsurance, the overall liability for individual life conventional business stands at less than 1% of the total policyholder liability held in respect of individual life business. Due to its immateriality, sensitivity analysis has not been conducted.

#### 46.1.2 Group Life

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

The Company manages these risks through underwriting, reinsurance, effective claims handling and other related controls. The Company has a well defined medical under-writing policy and avoids writing business for groups with overly hazardous exposure. Pricing is done in line with the actual experience of the Company. The premium charged takes into account the actual experience of the client and the nature of mortality exposure the group faces. The Management undertakes to write business in line with the limits set by the appointed actuary, especially for large groups having a group assurance policy with annual premium of Rs 2 million or above in accordance with the requirements of Circular 11 of 2013 dated June 14, 2013. The Company also maintains a Management Information System (MIS) to track the adequacy of the premium charged. Reinsurance contracts have been purchased by the Company to limit the maximum exposure to any one life. The Company ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor experience. Writing business of known hazardous groups is also avoided. On the claims handling side, the Company ensures that payment of any fraudulent claims is avoided. For this, Claims Committee with variable materiality limits review all claims for verification and specific and detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. Strict monitoring is in place at the Board of Directors level in order to keep the outstanding balances of premium at a minimum, especially the ones that are due for more than 90 days. The bulk of the assets held against liabilities of this line of business are cash to money market with short durations and high liquidity, thus mitigating the risk of asset value deterioration and liability mismatch.

**a) Frequency and severity of claims**

The Company measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country.

## Notes to and forming part of the Financial Statements

### For the year ended December 31, 2021

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

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

#### Benefits assured per client

	Sum assured at the end of 2021			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000')	Percentage	(Rupees in '000')	Percentage
0-500,000	47,926,846	10.37%	47,907,098	28.45%
500,001-1,000,000	54,760,037	11.84%	44,453,539	26.40%
1,000,001-1,500,000	37,197,192	8.04%	18,996,050	11.28%
1,500,001-2,000,000	14,245,645	3.08%	5,714,250	3.39%
More than 2,000,000	308,245,228	66.67%	51,303,080	30.47%
<b>Total</b>	<b>462,374,948</b>		<b>168,374,017</b>	

#### Benefits assured per life

	Sum assured at the end of 2020			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000')	Percentage	(Rupees in '000')	Percentage
0-500,000	50,628,936	10.44%	31,519,652	24.57%
500,001-1,000,000	39,602,826	8.17%	22,742,636	17.73%
1,000,001-1,500,000	26,208,190	5.40%	11,812,300	9.21%
1,500,001-2,000,000	31,649,728	6.53%	10,347,750	8.07%
More than 2,000,000	336,844,640	69.46%	51,844,196	40.42%
<b>Total</b>	<b>484,934,320</b>		<b>128,266,534</b>	

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

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

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

Industry experience, the insured group's own past experience and reinsurer risk rates are used to determine the expected level of risk in relation to the SLIC (2001-05) Individual Life Ultimate Mortality Table.

## Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

**d) Changes in assumptions**

There are no changes in assumptions.

**e) Sensitivity analysis**

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

Variables	Change in Variable	Increase in liability 2021 (Rupees in '000')
Worsening of mortality rates for risk policies	+10% pa	2,149
Increase in reporting lag	+10% pa	2,149

### 46.2 Non utilised Investment Linked Business

The risk underwritten is mainly death and sometimes disability and/or critical illness. The risk of death and disability will vary in degree by age, gender, occupation, income group and geographical location of the insured person. The Company's exposure to poor risks may lead to unexpectedly high severity and frequency in claims' experience. This can be a result of anti-selection, fraudulent claims, a catastrophe or poor persistency. The Company may also face the risk of poor investment return, inflation of business expenses and liquidity issues on monies invested in the fund. The Company faces the risk of under-pricing particularly due to the fact that these contracts are long term. Additionally, the risk of poor persistency may result in the Company being unable to recover expenses incurred at policy acquisition.

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

**a) Frequency and severity of claims**

The Company measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country.

## Notes to and forming part of the Financial Statements

### For the year ended December 31, 2021

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

The Company charges for mortality risk on a monthly basis for all insurance contracts. It has the right to alter these charges based on its mortality experience and hence minimises its exposure to mortality risk. Delays in implementing increases in charges and market or regulatory restraints over the extent of the increases may hinder its mitigating effect. The Company manages these risks through its underwriting strategy and reinsurance arrangements.

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

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

Benefits assured per life	Sum assured at the end of 2021			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000')	Percentage	(Rupees in '000')	Percentage
0-200,000	47,128	4.37%	14,507	4.66%
200,000 - 400,000	187,555	17.38%	58,295	18.74%
400,001 - 800,000	375,261	34.77%	114,776	36.91%
800,001 - 1,000,000	294,255	27.27%	91,076	29.29%
More than 1,000,000	175,005	16.22%	32,342	10.40%
<b>Total</b>	<b>1,079,204</b>		<b>310,996</b>	

Benefits assured per life	Sum assured at the end of 2020			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000')	Percentage	(Rupees in '000')	Percentage
0-200,000	72,699	4.29%	22,174	4.66%
200,000 - 400,000	246,330	14.52%	76,304	16.03%
400,001 - 800,000	549,367	32.38%	168,241	35.35%
800,001 - 1,000,000	505,842	29.82%	153,503	32.25%
More than 1,000,000	322,245	18.99%	55,766	11.72%
<b>Total</b>	<b>1,696,483</b>		<b>475,988</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 non-unitised investment linked assurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and morbidity of the insured population and variability in policyholders' behaviour.

## Notes to and forming part of the Financial Statements

### For the year ended December 31, 2021

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

- Mortality: The expected mortality is assumed to be 80% of SLIC (2001-05)
- Persistency: The Company exercises a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.

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

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

- Mortality: The Company assumes the expected mortality to be 80% of SLIC (2001-05).
- Persistency: The Company exercises a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.
- Expense levels and inflation: A periodic study is conducted on the Company's current business expenses and future projections to calculate per policy expenses. Expense inflation is assumed in line with assumed investment return.
- Investment returns: The investment returns are based on the historic performance of the assets and asset types underlying the fund.

#### d) Changes in assumptions

There are no changes in assumptions.

### 46.3 Unit Linked Business

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

The Company manages these risks through its underwriting, reinsurance, claims handling policy and other related controls. The Company has a well defined medical under-writing policy and avoids selling policies to high risk individuals. This puts a check on anti-selection. The need for profit testing is reviewed on an annual basis to ensure reasonableness of premiums charged. Reinsurance contracts have been purchased by the Company to limit the maximum exposure on any one policyholder. The Company has a good spread of business throughout the country thereby ensuring diversification of geographical risks. To avoid poor persistency the Company applies quality controls on the standard of service provided to policyholders and has placed checks to curb mis-selling and improvement in standard of service provided to the policyholders.

## Notes to and forming part of the Financial Statements

### For the year ended December 31, 2021

For this, a regular branch wise monitoring of lapsation rates is conducted. On the claims handling side, the Company has procedures in place to ensure that payment of any fraudulent claims is avoided. For this, Claims Committee with variable materiality limits review all claims for verification and specific and detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. The Company maintains adequate liquidity in each unit fund to cater for potentially sudden and high cash requirement. Further, all payments on account of claims are made after necessary approval of relevant authority as per policy of the Company. The Company reserves the right to review the charges deductible under the contracts, thus limiting the risk of under pricing.

#### Frequency and severity of claims

The Company measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country.

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

The Company charges for mortality risk on a monthly basis for all insurance contracts. It has the right to alter these charges based on its mortality experience and hence minimises its exposure to mortality risk. Delays in implementing increases in charges and market or regulatory restraints over the extent of the increases may hinder its mitigating effect. The Company manages these risks through its underwriting strategy and reinsurance arrangements.

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

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

Benefits assured per life	Sum assured at the end of 2021			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000')	Percentage	(Rupees in '000')	Percentage
0-200,000	2,933,068	2.61%	2,351,756	3.61%
200,000 - 400,000	13,838,612	12.34%	11,469,209	17.61%
400,001 - 800,000	29,828,672	26.59%	24,033,130	36.90%
800,001 - 1,000,000	27,435,652	24.45%	16,275,720	24.99%
More than 1,000,000	38,152,704	34.01%	10,992,286	16.88%
<b>Total</b>	<b>112,188,708</b>		<b>65,122,101</b>	

## Notes to and forming part of the Financial Statements

### For the year ended December 31, 2021

Benefits assured per life	Sum assured at the end of 2020			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000')	Percentage	(Rupees in '000')	Percentage
0-200,000	2,897,364	2.62%	2,248,696	3.69%
200,000 - 400,000	14,087,312	12.75%	11,201,286	18.39%
400,001 - 800,000	29,372,875	26.58%	22,386,891	36.75%
800,001 - 1,000,000	27,231,334	24.65%	15,180,826	24.92%
More than 1,000,000	36,900,887	33.40%	9,893,933	16.24%
<b>Total</b>	<b>110,489,772</b>		<b>60,911,632</b>	

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

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

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

**Mortality:** The expected mortality is assumed to be 80% of SLIC (2001-05)

**Persistency:** The Company exercises a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.

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

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

**Mortality:** The Company assumes the expected mortality to be 80% of SLIC (2001-05)

**Persistency:** The Company exercises a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.

**Expense levels and inflation:** As the business is new, estimates from business projections have been used. Once established, a periodic study will be conducted on the Company's current business expenses and future projections to calculate per policy expenses. Expense inflation is assumed in line with assumed investment return.

**Investment returns:** The investment returns are based on the historic performance of the assets and asset types underlying the fund.

#### d) Changes in assumptions

There are no changes in assumptions.

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### 46.4 Individual Family Takaful Unit Linked Business

The risk covered is mainly death and sometimes disability and / or critical illness. The risk of death and disability will vary from region to region. The PTF may get exposed to poor risks due to unexpected experience in terms of claim severity or frequency. This can be a result of anti-selection, fraudulent claims, a catastrophe or poor persistency. The PTF may also face the risk of poor investment return, and liquidity issues on monies invested in the fund. The PTF faces the risk of inadequacy of the Mortality Charge (Takaful Contribution) particularly due to the fact that these contracts are long term. Additionally, the risk of poor persistency can lead to an impact on the size of the PTF. A larger PTF may allow for a greater degree of cross subsidization of Mortality Risk, increasing the probability of convergence between actual and expected Mortality Experience.

The Company manages these risks through its underwriting, retakaful, claims handling policy and other related controls. The Company has a well defined medical under-writing policy and avoids issuing cover to high risk individuals. This puts a check on anti-selection. The need for profit testing is reviewed on an annual basis to ensure reasonableness of contribution charged for risk underwritten by the PTF. Retakaful contracts have been purchased by the Company to limit the maximum exposure on any one participant.

The Company has a good spread of business throughout the country thereby ensuring diversification of geographical risks. To avoid poor persistency, the Company applies quality controls on the standard of service provided to Participants of the PTF and has placed checks to curb mis-selling and improvement in the standard of customer service. For this, a regular branch wise monitoring of lapsation rates is conducted. On the claims handling side, the Company has procedures in place to ensure that payment of any fraudulent claims is avoided. For this, a Claims Committee with variable materiality limits review all claims for verification and specific and detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. The Company maintains adequate liquidity in each unit fund to cater for potentially sudden and high cash requirement. Further, all payments on account of claims are made after necessary approval of relevant authority as per policy of the Company. The Company reserves the right to review the Takaful Contributions deductible under the contracts, thus limiting the risk of under pricing.

#### **Frequency and severity of claims**

The Company measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country.

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

The Company charges for mortality risk on a monthly basis for all Takaful contracts. It has the right to alter these charges based on its mortality experience and hence minimises its exposure to mortality risk. Delays in implementing increases in charges and market or regulatory restraints over the extent of the increases may hinder its mitigating effect. The Company manages these risks through its underwriting strategy and retakaful arrangements.

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

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

## Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

Benefits covered per life	Sum assured at the end of 2021			
	Total benefits covered			
	Before retakaful		After retakaful	
	(Rupees in '000')	Percentage	(Rupees in '000')	Percentage
0-200,000	908,949	1.95%	903,369	3.03%
200,000 - 400,000	4,551,231	9.76%	4,525,204	15.19%
400,001 - 800,000	11,622,067	24.94%	11,165,995	37.49%
800,001 - 1,000,000	11,334,018	24.32%	7,779,698	26.12%
More than 1,000,000	18,192,610	39.03%	5,407,906	18.16%
<b>Total</b>	<b>46,608,875</b>		<b>29,782,172</b>	

Benefits covered per life	Sum assured at the end of 2020			
	Total benefits covered			
	Before retakaful		After retakaful	
	(Rupees in '000')	Percentage	(Rupees in '000')	Percentage
0-200,000	681,908	2.20%	674,493	3.34%
200,000 - 400,000	3,311,104	10.67%	3,276,141	16.21%
400,001 - 800,000	7,733,473	24.91%	7,439,941	36.81%
800,001 - 1,000,000	7,905,473	25.47%	5,366,875	26.55%
More than 1,000,000	11,409,907	36.76%	3,454,945	17.09%
<b>Total</b>	<b>31,041,865</b>		<b>20,212,395</b>	

**a) Sources of uncertainty in the estimation of future benefit payments and contribution receipts**

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

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

**Mortality:** The expected mortality is assumed to be 80% of SLIC (2001-05).

**Persistency:** The Company exercises a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.

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

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

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

Assumptions used for profit testing of the main policies are as follows:

**Mortality:** The Company assumes the expected mortality to be 80% of SLIC (2001-05)

**Persistency:** The Company exercises a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.

**Expense levels and inflation:** A periodic study is conducted on the Company's current business expenses and future projections to calculate per policy expenses. Expense inflation is assumed in line with assumed investment return.

**Investment returns:** The investment returns are based on the historic performance of the assets and asset types underlying the fund.

### **d) Changes in assumptions**

There are no changes in assumptions.

### **46.5 Group Life Family Takaful**

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

The Company manages these risks through underwriting, retakaful, effective claims handling and other related controls. The Company has a well defined medical under-writing policy and avoids writing business for groups with overly hazardous exposure. Pricing is done using the retakaful rates. The contribution charged takes into account the actual experience of the client and the nature of mortality exposure the group faces. The rates are certified by the appointed actuary for large groups. The Company also maintains an MIS to track the adequacy of the takaful contribution charged. Retakaful contracts have been purchased by the Company to limit the maximum mortality exposure of any one covered person. The Company ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor experience. Writing business of known hazardous groups is also avoided. On the claims handling side, the Company ensures that payment of any fraudulent claims is avoided. Strict monitoring is in place in order to keep the outstanding balances of contribution at a minimum, especially the ones that are due for more than 90 days. The bulk of the assets held against liabilities of this line of business are cash to money market with short durations and high liquidity, thus mitigating the risk of asset value deterioration and liability mismatch.

## Notes to and forming part of the Financial Statements

For the year ended December 31, 2021

### Frequency and severity of claims

The Company measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country.

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

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

### Benefits covered per Participant

	Sum assured at the end of 2021			
	Total benefits covered			
	Before retakaful		After retakaful	
	(Rupees in '000')	Percentage	(Rupees in '000')	Percentage
0-500,000	11,528,919	21.60%	11,475,157	34.15%
500,001-1,000,000	8,823,451	16.53%	8,178,673	24.34%
1,000,001-1,500,000	2,260,910	4.24%	1,214,104	3.61%
1,500,001-2,000,000	4,875,495	9.14%	2,299,894	6.84%
More than 2,000,000	25,880,570	48.49%	10,437,280	31.06%
<b>Total</b>	<b>53,369,345</b>		<b>33,605,108</b>	

### Benefits covered per Participant

	Sum assured at the end of 2020			
	Total benefits covered			
	Before retakaful		After retakaful	
	(Rupees in '000')	Percentage	(Rupees in '000')	Percentage
0-500,000	5,252,290	11.02%	3,389,030	29.51%
500,001-1,000,000	7,540,050	15.82%	4,477,095	38.99%
1,000,001-1,500,000	2,173,100	4.56%	489,900	4.27%
1,500,001-2,000,000	4,760,845	9.99%	814,800	7.10%
More than 2,000,000	27,934,683	58.61%	2,312,400	20.14%
<b>Total</b>	<b>47,660,968</b>		<b>11,483,225</b>	

#### a) Sources of uncertainty in the estimation of future benefit payments and contribution receipts

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

#### b) Process used to decide on assumptions

The business is too new for any meaningful investigation into the group's past experience. However, industry experience, the insured group's own past experience and retakaful risk rates are used to determine the expected level of risk in relation to the SLIC (2001-05) Individual Life Ultimate Mortality Table.

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### c) Changes in assumptions

There are no changes in assumptions.

### d) Sensitivity analysis

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

Variables	Change in Variable	Increase in liability 2021 (Rupees in '000')
Worsening of mortality rates for risk policies	+10% pa	703
Increase in reporting lag	+10% pa	703

### 46.6 Liability Adequacy Test

Liability adequacy test is applied to all long term contracts. Liability adequacy test is carried out using current best estimates of assumptions and future net cash flows, including premiums receivable, benefits payable and investment income from related assets.

To determine the adequacy of liabilities, assumptions must be based on realistic best estimates. We have compared our valuation mortality assumption (SLIC mortality table) with the mortality of developing Asian countries, namely: India and Malaysia. The comparison suggests that the best estimate assumption is better than the experience reflected in SLIC mortality table.

The investment return assumed for valuation is 3.75% per annum. This rate is prescribed by law. We have valued our liabilities based on the 10-Year PIB rate of 11.5% to determine adequacy.

The table below compares total policyholder liabilities in Unit Linked Business, Non unitised Investment Linked Business, Individual Life Conventional business and Individual Family Takaful Unit Linked Business under existing valuation basis with policyholder liabilities calculated using best estimate assumptions:

Assumptions	Policyholder liabilities on existing valuation basis	Policyholder liabilities using best estimate assumptions
	————— (Rupees in '000) —————	
<b>Mortality</b>	<b>55,178,079</b>	<b>55,167,904</b>
<b>Investment Returns</b>	<b>55,178,079</b>	<b>55,172,323</b>

The liabilities evaluated under the assumptions suggest the recognised liabilities are adequate and no further provision is required.

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### 47. FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised.

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.

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

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

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

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

#### On balance sheet financial instruments

	2021								
	Carrying value				Fair value				
	Available for Sale	Fair value through profit or loss	Loans and Receivables	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
<b>Financial assets measured at fair value</b>									
- Investments									
Government Securities (T-bills + PIBs + Sukuks)	98,412	20,699,347	-	-	20,797,759	-	20,797,759	-	20,797,759
Equity securities	19,648	7,977,284	-	-	7,996,932	7,996,932	-	-	7,996,932
Mutual funds	-	8,859,850	-	-	8,859,850	8,859,850	-	-	8,859,850
Debt securities (listed TFCs / Corporate sukuks)	-	2,618,606	-	-	2,618,606	-	2,618,606	-	2,618,606
	118,060	40,155,087	-	-	40,273,147	16,856,782	23,416,365	-	40,273,147
<b>Non-financial assets measured at fair value</b>									
- Investment property	-	939,394	-	-	939,394	-	-	939,394	939,394
	-	939,394	-	-	939,394	-	-	939,394	939,394
<b>Financial assets not measured at fair value</b>									
- Balances with banks	-	-	9,715,568	-	9,715,568				
- Term deposit receipts	-	-	7,580,000	-	7,580,000				
- Investment in debt securities	-	-	1,825,000	-	1,825,000				
- Other financial assets	-	-	595,105	-	595,105				
	-	-	19,715,673	-	19,715,673				
<b>Financial liabilities not measured at fair value</b>									
- Borrowings	-	-	-	89,192	89,192				
- Other financial liabilities	-	-	-	740,088	740,088				
	-	-	-	829,280	829,280				
	118,060	41,094,481	19,715,673	(829,280)	60,098,934				

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

		2020							
		Carrying value				Fair value			
Available for Sale	Fair value through profit or loss	Loans and Receivables	Financial liabilities	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)									
Financial assets measured at fair value									
- Investments									
Government Securities (T-bills + PIBs + Sukuks)									
	790,268	10,744,824	-	-	11,535,092	-	11,535,092	-	11,535,092
Listed equity securities									
	19,413	7,052,887	-	-	7,072,300	7,072,300	-	-	7,072,300
Units of mutual funds									
	-	8,596,989	-	-	8,596,989	8,596,989	-	-	8,596,989
Debt securities (listed TFCs / Corporate sukus)									
	-	3,130,743	-	-	3,130,743	772,875	2,357,868	-	3,130,743
	809,681	29,525,443	-	-	30,335,124	16,442,164	13,892,960	-	30,335,124
Non-financial assets measured at fair value									
- Investment property									
	-	855,394	-	-	855,394	-	-	855,394	855,394
	-	855,394	-	-	855,394	-	-	855,394	855,394
Financial assets not measured at fair value									
- Balances with banks									
	-	-	9,949,114	-	9,949,114				
- Term deposit receipts									
	-	-	7,962,000	-	7,962,000				
- Investment in debt securities									
	-	-	250,000	-	250,000				
- Other financial assets									
	-	-	718,969	-	718,969				
	-	-	18,880,083	-	18,880,083				
Financial liabilities not measured at fair value									
at fair value									
- Borrowings									
	-	-	-	178,289	178,289				
- Other Financial liabilities									
	-	-	-	1,207,008	1,207,008				
	-	-	-	1,385,297	1,385,297				
	809,681	30,380,837	18,880,083	(1,385,297)	48,685,304				

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### 48. WINDOW TAKAFUL OPERATIONS

#### 48.1 Statement of Financial Position

As at December 31, 2021

	Statutory funds		Aggregate		
	Operator's Sub Fund	Individual Family Takaful	Group Family Takaful	2021	2020
(Rupees in '000)					
<b>Share capital and reserves</b>					
Operator's fund	159,501	-	-	159,501	159,501
Accumulated deficit	125,822	-	-	125,822	(54,071)
Qard-e-Hasna contributed by Window Takaful Operator	(22,500)	-	-	(22,500)	(22,500)
<b>Net shareholders' equity</b>	262,823	-	-	262,823	82,930
<b>Balance of statutory fund [including technical reserves]</b>					
Participants' Investment Fund	-	6,353,690	-	6,353,690	4,256,344
Participants' Takaful Fund - Waqf [ including technical reserves of Rs. 111.250 million (2020: Rs. 86.76 million)]	-	162,666	23,413	186,079	119,755
	-	6,516,356	23,413	6,539,769	4,376,099
<b>Creditors and accruals</b>					
Outstanding claims	-	70,922	5,445	76,367	37,755
Contribution received in advance	-	123,491	609	124,100	85,985
Amounts due to retakaful	-	10,552	17,193	27,745	31,196
Taxation - payment less provision	2,245	-	-	2,245	-
Amounts due to agents	101,654	-	-	101,654	130,854
Other creditors and accruals	69,324	8,249	-	77,573	55,610
Inter-fund payable	-	-	21,193	21,193	26,004
<b>Total liabilities</b>	173,223	213,214	44,440	430,877	367,404
<b>Total equity and liabilities</b>	436,046	6,729,570	67,853	7,233,469	4,826,433
<b>Cash and bank deposits</b>					
Cash and others	4,467	-	-	4,467	1,449
Bank deposits	199,955	737,160	22,297	959,412	705,552
Deposit maturing within twelve months	-	2,785,000	-	2,785,000	1,661,000
	204,422	3,522,160	22,297	3,748,879	2,368,001
<b>Investments</b>					
Government securities	153,854	671,719	42,159	867,732	382,407
Other fixed income securities	-	351,760	-	351,760	196,144
Listed equities and mutual funds	45,943	2,077,809	-	2,123,752	1,818,903
	199,797	3,101,288	42,159	3,343,244	2,397,454
<b>Current assets - others</b>					
Investment income accrued	2,648	28,453	724	31,825	19,705
Premium due but unpaid	-	-	2,673	2,673	-
Other receivables	-	24,252	-	24,252	96
Prepayments	4,147	-	-	4,147	962
Amount due from retakaful	-	-	-	-	-
Advances and deposits	7,414	-	-	7,414	3,204
Taxation - payment less provision	-	43,772	-	43,772	4,916
Dividend receivable	-	6,070	-	6,070	5,954
Inter-fund receivable	17,618	3,575	-	21,193	26,141
	31,827	106,122	3,397	141,346	60,978
	436,046	6,729,570	67,853	7,233,469	4,826,433

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### 48.2 Revenue Account

#### 48.2.1 Operator's Sub Fund (OSF)

##### Income

	Note	Statutory funds		Aggregate	
		Individual Family Takaful	Group Family Takaful	2021	2020
Wakalah fee	48.3.3	1,158,469	10,273	1,168,742	847,453
Surrender charges		2,354	-	2,354	450
Tharawat fee	48.2.3	92,400	-	92,400	53,266
Bid offer spread	48.3.3	141,349	-	141,349	97,148
Participants' Takaful fund management income	48.2.2	82,069	-	82,069	51,632
Income against admin cost charged to PIF	48.2.3	15,840	-	15,840	5,892
Investment income	48.4.3	13,867	-	13,867	13,397
<b>Total net income</b>		<b>1,506,348</b>	<b>10,273</b>	<b>1,516,621</b>	<b>1,069,238</b>

##### Less: Expenditures

Acquisition costs	(1,141,771)	(5,423)	(1,147,194)	(822,404)
Administration cost and others	(184,368)	(1,508)	(185,876)	(179,136)
Claim related expenses	(765)	(1,500)	(2,265)	-
Expenses on behalf of PTF - Premium	(481)	-	(481)	-
Expenses on behalf of PTF - Tabarru	(1,040)	-	(1,040)	(802)

##### Total management cost

(1,328,425)	(8,431)	(1,336,856)	(1,002,342)
-------------	---------	-------------	-------------

##### Excess of income over expenditure

177,923	1,842	179,765	66,896
---------	-------	---------	--------

Technical reserve at the beginning of the year

12,682	-	12,682	2,650
--------	---	--------	-------

Less: Technical reserve at end of the year

(36,531)	(383)	(36,914)	(12,682)
----------	-------	----------	----------

Movement in technical reserves

(23,849)	(383)	(24,232)	(10,032)
----------	-------	----------	----------

##### Surplus for the year

154,074	1,459	155,533	56,864
---------	-------	---------	--------

Movement in technical reserves

23,849	383	24,232	10,032
--------	-----	--------	--------

Contribution received from Shareholders' Fund

-	-	-	10,000
---	---	---	--------

Capital contributed to Group Family Takaful

-	-	-	(10,000)
---	---	---	----------

Balance of Operator's Sub Fund at the beginning of the year

80,292	2,766	83,058	16,034
--------	-------	--------	--------

##### Balance of Operator's Sub Fund at end of the year

258,215	4,608	262,823	82,930
---------	-------	---------	--------

##### Represented by:

Capital contributed by shareholders' fund

159,501	(10,000)	149,501	169,501
---------	----------	---------	---------

Capital contributed to Group Family Takaful

-	10,000	10,000	(10,000)
---	--------	--------	----------

Qard-e-Hasna to PTF

(22,500)	-	(22,500)	(22,500)
----------	---	----------	----------

Technical reserve at end of the period

36,531	383	36,914	12,682
--------	-----	--------	--------

Retained earnings on other than participating business

84,683	4,225	88,908	(35,259)
--------	-------	--------	----------

Adjust: Impact of deferred tax

-	-	-	(31,494)
---	---	---	----------

##### Balance of Operator's Sub Fund

258,215	4,608	262,823	82,930
---------	-------	---------	--------

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

	Note	Statutory funds		Aggregate	
		Individual Family Takaful	Group Family Takaful	2021	2020
(Rupees in '000)					
<b>48.2.2 Participants' Takaful Fund (PTF)</b>					
<b>Income</b>					
Allocated contribution	48.3.2	40,570	60,921	101,491	60,927
Tabarru income		195,971	-	195,971	119,608
Re-Takaful ceded		(50,378)	(29,197)	(79,575)	(48,355)
<b>Total contribution income net of re-takaful</b>		186,163	31,724	217,887	132,180
Add: Investment income	48.4.2	8,639	1,295	9,934	6,269
<b>Total income</b>		194,802	33,019	227,821	138,449
<b>Less: Expenditure</b>					
Participants' Takaful fund management charges		(82,069)	-	(82,069)	(51,632)
Death claim expense net of retakaful recoveries		(54,319)	(25,109)	(79,428)	(17,961)
		(136,388)	(25,109)	(161,497)	(69,593)
<b>Excess of income over expenditure</b>		58,414	7,910	66,324	68,856
Technical reserve at the beginning of the year		81,252	5,503	86,755	17,899
Less: Technical reserve at end of the year		(103,008)	(9,379)	(112,387)	(68,358)
(Less): surplus retained in technical reserves		(36,658)	(4,034)	(40,692)	(18,397)
<b>Movement in technical reserve</b>		(58,414)	(7,910)	(66,324)	(68,856)
<b>Surplus for the period</b>		-	-	-	-
Movement in technical reserve		58,414	7,910	66,324	68,856
Capital contribution by OSF		-	-	-	10,000
Qard-e-Hasna received by PTF		-	-	-	-
Balance of Participants' Takaful Fund at beginning of the year		104,252	15,503	119,755	40,899
<b>Balance of Participants' Takaful Fund at end of the year</b>		162,666	23,413	186,079	119,755
<b>Represented by:</b>					
Money ceded to Waqf Funds		500	-	500	500
Capital contribution by OSF		-	10,000	10,000	10,000
Qard-e-Hasna received by PTF		22,500	-	22,500	22,500
Policyholders' liabilities		139,666	13,413	153,079	72,116
Retained earnings on other than participating business		-	-	-	14,639
<b>Balance of statutory fund</b>		162,666	23,413	186,079	119,755

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

		Statutory Funds		Aggregate	
		Individual Family Takaful	Group Family Takaful	2021	2020
<b>Note</b>					
(Rupees in '000)					
<b>48.2.3 Participants' Investment Fund (PIF)</b>					
<b>Income</b>					
Allocated contribution	48.3.1	2,827,319	-	2,827,319	2,048,677
Investment income	48.4.1	257,726	-	257,726	302,538
<b>Total net income</b>		3,085,045	-	3,085,045	2,351,215
<b>Less: Claims expense</b>					
Surrender - Regular		(376,045)	-	(376,045)	(157,372)
Surrender - Top up		(280,979)	-	(280,979)	(277,846)
Maturity		(7,793)	-	(7,793)	(21,311)
Death claim		(18,647)	-	(18,647)	(4,199)
		(683,464)	-	(683,464)	(460,728)
<b>Less: Expenditures</b>					
Tabarru charges		(194,931)	-	(194,931)	(118,806)
Tharawat fee - investment management		(92,400)	-	(92,400)	(53,266)
Administrative charges		(15,840)	-	(15,840)	(5,892)
Other expenses		(905)	-	(905)	(1,280)
Bank charges		(159)	-	(159)	(171)
		(304,235)	-	(304,235)	(179,415)
<b>Excess of income over expenditures</b>		2,097,346	-	2,097,346	1,711,072
Technical reserve at the beginning of the year		4,256,344	-	4,256,344	2,545,272
Technical reserve at the end of the year		6,353,690	-	6,353,690	4,256,344
<b>Movement in technical reserve</b>		2,097,346	-	2,097,346	1,711,072
<b>Surplus for the year</b>		-	-	-	-
<b>Movement in technical reserve</b>		2,097,346	-	2,097,346	1,711,072
<b>Balance of statutory funds at beginning of the year</b>		4,256,344	-	4,256,344	2,545,272
<b>Balance of statutory funds at end of the year</b>		6,353,690	-	6,353,690	4,256,344
<b>Represented by:</b>					
Retained earnings on other than participating business		6,353,690	-	6,353,690	4,256,344
<b>Balance of statutory fund</b>		6,353,690	-	6,353,690	4,256,344

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

Statutory Funds		Aggregate	
Individual Family Takaful	Group Family Takaful	2021	2020

(Rupees in '000)

### 48.3 Statement of Contribution

#### Gross contribution

#### Regular contribution individual policies

First year	1,851,492	-	1,851,492	1,230,385
Second year	805,709	-	805,709	768,584
Third and subsequent years	1,064,006	-	1,064,006	571,772
Single contribution	446,500	-	446,500	446,331
Group policies without cash values	-	71,194	71,194	37,133
<b>Total gross contribution</b>	<b>4,167,707</b>	<b>71,194</b>	<b>4,238,901</b>	<b>3,054,205</b>

#### 48.3.1 Proportion of gross contribution allocated to Participants' Investment Fund

Allocated regular contribution	2,395,580	-	2,395,580	1,613,554
Single contribution	158,593	-	158,593	220,675
Top-up contribution	273,146	-	273,146	214,448
(A)	2,827,319	-	2,827,319	2,048,677

#### 48.3.2 Proportion of gross contribution allocated to Participants' Takaful Fund

Allocated gross contribution-Individual life family takaful	40,570	-	40,570	29,117
On group policies	-	60,921	60,921	31,810
(B)	40,570	60,921	101,491	60,927

#### 48.3.3 Proportion of gross contribution allocated to Operator's Sub Fund

Wakalah fees - Individual life family takaful	1,158,469	-	1,158,469	842,130
Bid offer spread - Individual life family takaful	141,349	-	141,349	97,148
Wakalah fees - Group family takaful	-	10,273	10,273	5,323
(C)	1,299,818	10,273	1,310,091	944,601

<b>Total gross contribution allocated to sub-funds</b>	<b>(A)+(B)+(C)</b>	<b>4,167,707</b>	<b>71,194</b>	<b>4,238,901</b>	<b>3,054,205</b>
--	--------------------	------------------	---------------	------------------	------------------

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### 48.4 Statement of Investment Income

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

	Statutory Funds		Aggregate	
	Individual Family Takaful	Group Family Takaful	2021	2020
Return on Government Securities - sukuks	21,640	-	21,640	9,786
Return on Debt securities - privately placed sukuks	18,053	-	18,053	21,105
Profit on bank deposits	185,856	-	185,856	106,894
Unrealised (loss) on revaluation of mutual funds	(3,692)	-	(3,692)	74,570
Unrealised (loss) on revaluation of equity securities	(65,172)	-	(65,172)	18,829
Unrealised gain on Debt Securities- privately placed sukuks	3,432	-	3,432	4,654
Unrealised loss on Government Securities	(1,715)	-	(1,715)	(2,953)
Dividend Income	44,717	-	44,717	27,033
Gain on disposal of investments	61,677	-	61,677	51,363
Less: Investment related expenses	(7,070)	-	(7,070)	(8,732)
Less: Tax on dividend under FTR	-	-	-	(11)
(a)	257,726	-	257,726	302,538

#### 48.4.2 Participants' Takaful Fund (PTF)

Dividend Income	59	-	59	1,021
Unrealised loss on revaluation of mutual funds	-	-	-	(161)
Unrealised loss on revaluation of Government Securities	(2,063)	-	(2,063)	(657)
Unrealised loss on Debt Securities - privately placed sukuks	-	(785)	(785)	-
Gain on disposal of investments	58	359	417	-
Return on Government Securities	7,556	1,327	8,883	891
Profit on bank deposits	3,029	394	3,423	5,175
(b)	8,639	1,295	9,934	6,269

#### 48.4.3 Operator's Sub-Fund

Return on Government Securities	5,010	-	5,010	1,508
Unrealised loss on revaluation of Government Securities	(288)	-	(288)	(1,159)
Unrealised gain on revaluation of mutual funds	406	-	406	1,433
Gain on disposal of non trading investments	256	-	256	-
Gain on disposal of investments	34	-	34	145
Profit on bank balances	5,765	-	5,765	9,282
Dividend Income	2,684	-	2,684	2,188
(c)	13,867	-	13,867	13,397

#### Net Investment Income

(a+b+c)	280,232	1,295	281,527	322,204
---------	---------	-------	---------	---------

### 48.5 Statement of Claims

#### Claims under individual policies

- by death	87,575	-	87,575	34,116
- by insured event other than death	(300)	-	(300)	300
- by maturity	7,793	-	7,793	21,311
- by surrender	654,670	-	654,670	434,768

#### Total gross individual policy claims

	749,738	-	749,738	490,495
--	---------	---	---------	---------

#### Claims under group policies

- by death	-	47,495	47,495	10,800
- by insured event other than death	-	6,034	6,034	-

#### Add: Claim investigation fees

	751	-	751	1,428
--	-----	---	-----	-------

#### Total gross claims

	750,489	53,529	804,018	502,723
--	---------	--------	---------	---------

#### Less: Retakaful recoveries

- on individual life claims	(14,295)	-	(14,295)	(16,267)
- on group life claims	-	(26,920)	(26,920)	(8,010)

#### Net claims

	736,194	26,609	762,803	478,446
--	---------	--------	---------	---------

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### 48.6 Statement of expenses

#### Operator's Sub-Fund

##### Acquisition costs

##### Remuneration to Takaful

##### intermediaries on individual policies:

- commission on first year contributions
- commission on second year contributions
- commission on subsequent year renewal contributions
- commission on single contributions
- other benefits to insurance intermediaries

##### Total commission cost

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

- Commission
- Other benefits to insurance intermediaries

##### Other acquisition cost

##### Branch overheads

##### Total acquisition cost

##### Administrative expenses

- Salaries, allowances and other benefits
- Travelling expenses
- Actuary's fee
- Auditor's remuneration
- Legal and professional charges
- Information technology expenses
- Printing and stationery
- Depreciation
- Depreciation-Right of use assets
- Amortisation
- Rent expense
- Insurance expense
- Vehicle running
- Postage and courier
- Electricity, gas and water
- Office repairs and maintenance
- Entertainment
- Bank charges
- Training and development
- Fees and subscription
- Marketing cost
- Other expense
- Profit expense

##### Gross management expenses

	Statutory Funds		Aggregate	
	Individual Family Takaful	Group Family Takaful	2021	2020
(Rupees in '000)				
	727,087	-	727,087	518,241
	47,292	-	47,292	39,418
	18,778	-	18,778	8,302
	12,283	-	12,283	11,829
	102,874	-	102,874	75,044
<b>Total commission cost</b>	<b>908,314</b>	<b>-</b>	<b>908,314</b>	<b>652,834</b>
	-	5,185	5,185	2,453
	-	238	238	25
	-	5,423	5,423	2,478
<b>Other acquisition cost</b>	<b>25,926</b>	<b>-</b>	<b>25,926</b>	<b>15,028</b>
	934,240	5,423	939,663	670,340
<b>Branch overheads</b>	<b>207,531</b>	<b>-</b>	<b>207,531</b>	<b>152,064</b>
<b>Total acquisition cost</b>	<b>1,141,771</b>	<b>5,423</b>	<b>1,147,194</b>	<b>822,404</b>
	84,770	627	85,397	103,260
	875	8	883	1,306
	1,276	11	1,287	922
	570	5	575	480
	8,574	76	8,650	5,647
	6,605	59	6,664	6,346
	9,243	82	9,325	7,051
	3,263	103	3,366	2,699
	8,322	-	8,322	3,608
	1,592	14	1,606	2,434
	719	6	725	1,050
	263	2	265	216
	7,335	65	7,400	5,424
	6,749	60	6,809	4,841
	699	6	705	1,055
	3,626	32	3,658	1,813
	901	8	909	643
	382	3	385	360
	330	3	333	1,712
	-	-	-	1,015
	31,637	281	31,918	23,904
	1,943	15	1,958	541
	4,694	42	4,736	2,809
	184,368	1,508	185,876	179,136
<b>Gross management expenses</b>	<b>1,326,139</b>	<b>6,931</b>	<b>1,333,070</b>	<b>1,001,540</b>

# Notes to and forming part of the Financial Statements

## For the year ended December 31, 2021

### 49. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison.

### 50. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on February 7, 2022.



---

S. Muhammad Jawed  
Chairman



---

Muhammad Ali Zeb  
Director



---

Imran Maqbool  
Director



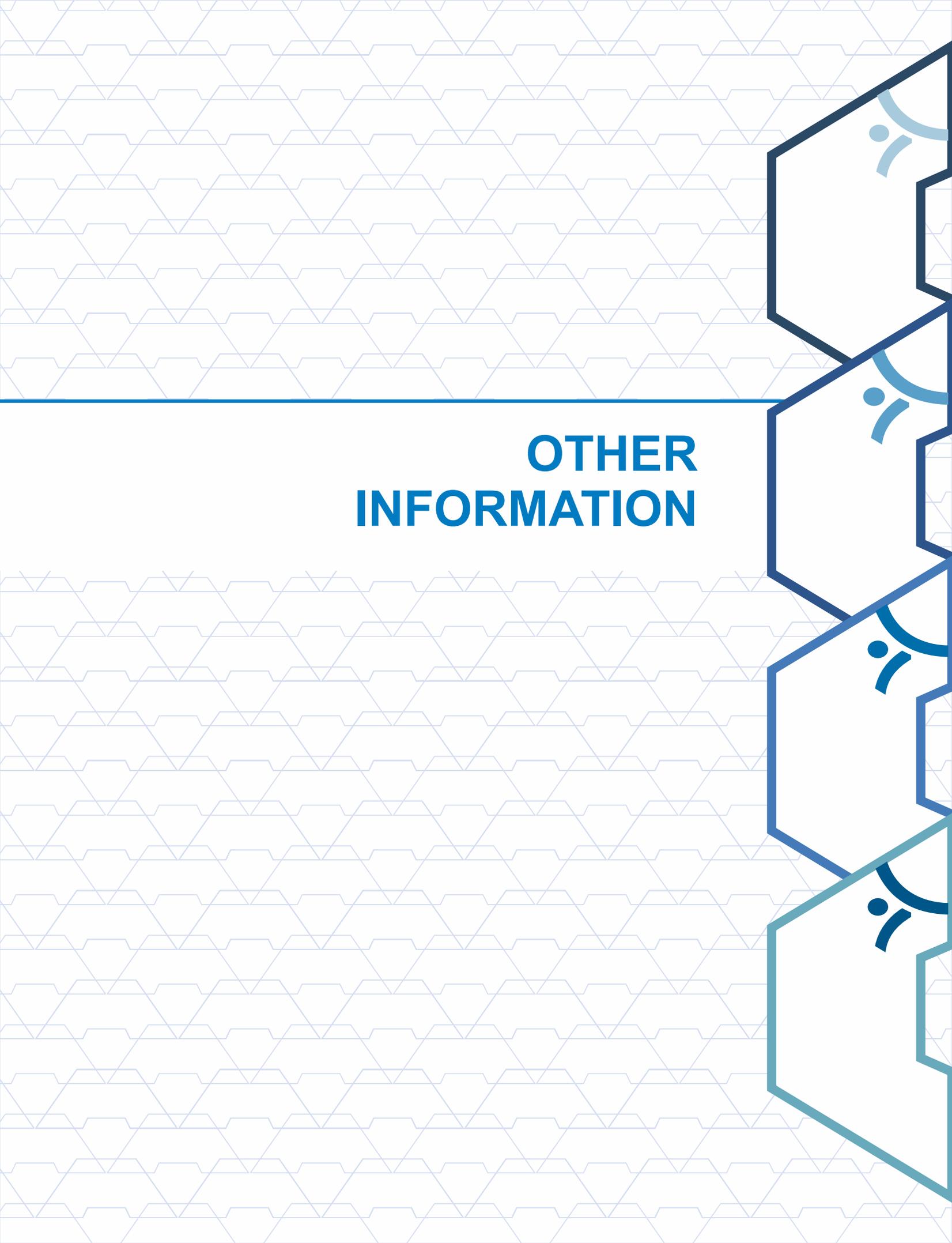
---

Umer Mansha  
Chief Executive Office



---

Jalal Meghani  
Chief Financial Officer



# OTHER INFORMATION

# Statement of Directors

As per the requirement of Section 46(6) and Section 52(2)(c) of the Insurance Ordinance 2000 for the year ended December 31, 2021.

Section 46(6)

We certify and confirm that:-

- a) In our opinion the annual statutory accounts of Adamjee Life Assurance Company Limited set out in the forms attached to the statement have been drawn up in accordance with the Insurance Ordinance, 2000 and the rules made there under;
- b) Adamjee Life Assurance Company Limited has at all times in the year complied with the provisions of the Insurance Ordinance, 2000 and the rules made there under relating to paid-up capital, solvency and reinsurance arrangements as at December 31, 2021; and
- c) As at December 31, 2021, Adamjee Life Assurance Company Limited continues to be in compliance with the provisions of the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance arrangements.

Section 52(2)(c)

- d) In our opinion each statutory fund of Adamjee Life Assurance Company Limited complies with the solvency requirements of the Insurance Ordinance, 2000 and the Insurance Rules, 2017 (previously Insurance Rules, 2002).



---

S. Muhammad Jawed  
Chairman



---

Muhammad Ali Zeb  
Director



---

Imran Maqbool  
Director



---

Umer Mansha  
Chief Executive Office

# PATTERN OF SHAREHOLDING

AS AT December 31, 2021

Categories of Shareholders	Number of Shareholders	Shares held	Percentage of Total
<b>Associated Companies, undertakings and related parties:</b>	<b>1</b>	<b>249,998,250</b>	<b>99.999%</b>
M/S. Adamjee Insurance Company Limited		249,998,250	99.999%
<b>Members/ Directors:</b>	<b>7</b>	<b>1,750</b>	<b>0.001%</b>
Mr. Muhammad Umer Mansha		250	0.000%
Mr. Imran Maqbool		250	0.000%
Mr. S.M. Jawed		250	0.000%
Mr. Muhammad Ali Zeb		250	0.000%
Mrs. Naz Mansha		250	0.000%
Mr. Ahmad Alman Aslam		250	0.000%
Mr. Shahmeer Khalid Butt		250	0.000%
<b>Total</b>	<b>8</b>	<b>250,000,000</b>	<b>100.000%</b>

# GEOGRAPHICAL PRESENCE & BRANCH NETWORK

## Head Office

### KARACHI

3rd and 4th Floor, Adamjee House, I.I Chundrigar Road, Karachi  
Tel: 021-38677100

## Registered Office

### ISLAMABAD

Office No. 505, Islamabad Stock Exchange, 5th Floor, Islamabad Tower, Blue Area, Islamabad  
Tel: 051-8094670

## Bancassurance Offices

### LAHORE

10th Floor, Pace Tower, Plot No. 27, Block H, College Road, Gulberg II, Lahore  
Tel: 042-38003005

### MULTAN

Plot No. 74, 7th Floor, The United mall, Abdali Road, Multan  
Tel: 061-8021650

### HYDERABAD

Dawood Centre, Office No. 207, 7th Floor, Plot No. A/20, Autobhan Road, Hyderabad  
Tel: 022-8339900

### FAISALABAD

Office no.2 6th floor, Meezan Executive Tower, Plot no.4-Liaquat Road, Faisalabad  
Tel: 041-5000000

## Agency Distribution Offices - Convention

### LAHORE

Plot No 21, Block "L", Johar Town, Lahore  
Tel: 042-38104800

3rd Floor, Plaza 75, Commercial Zone, Cavalry Ground, Lahore Cantt, Lahore  
Tel: 0302-8480430

2nd Floor, 148-01 B/2, Township Quaid-e-Azam Town, Lahore  
Tel: 0321-5725000

### KARACHI

Office# 101, 1st floor, Annum Empire Complex, Sharah-e-Faisal, Karachi  
Tel: 021-38782700

1st Floor, Mazhar Arcade, 121 Alamgir Road, Bahadurabad, Karachi  
Tel: 021-38355100

Plot 3/9 Block 5, Above Meezan Bank, Near Mr. Burger, Gulshan E Iqbal, Karachi  
Tel: 021-38655112

### MULTAN

Office No. B.F 3/2, ChenOne Tower, 74 Abdali Road, Multan  
Tel: 061-8021600

### RAWALPINDI

Office No. 14-18, Plot No. O-974, Mian Khan Gold Mark, Asghar Mall Road, Rawalpindi  
Tel: 051-4906871-74

### FAISALABAD

2nd Floor, Faisal Complex Opposite Pizza hut, Bilal Road, Civil lines, Faisalabad  
Tel: 041-5270269

### PESHAWAR

1st Floor of Dean Trade Center, Islamia Road, Peshawar Cantt, Peshawar  
Tel: 0300-5925119

### SIALKOT

Office No. 319-320, 2nd Floor, Al-Khalil Center, Kashmir Road, China Chowk, Sialkot  
Tel: 052-8020000

### ABBOTTABAD

Office No. 23,24,25,26,27,28 Main Mansehra Road, Khan Khail Plaza, Abbottabad  
Tel: 099-2408346

### BAHAWALPUR

First Floor, Abbasi Manzil, Girls School Road, Near University Chowk, Bahawalpur  
Tel: 062-3000000

### LAYYAH

Plot No.1, Street No. A, Block No. Z, Rohani Plaza, Opposite Post Graduate Degree College, Layyah  
Tel: 060-6200002

## **BAHAWALNAGAR**

First Floor, Auto Zone Workshop, Opposite Boys Degree College, Bahawalnagar  
Tel: 063-8001000

## **SAHIWAL**

Five Way Chowk, Liaquat Pur Road, Sahiwal  
Tel: 040-8009000

## **VEHARI**

2nd floor, 13-F, Karkhana Bazar, Vehari  
Tel: 0322-7852329

## **BUREWALA**

Al Shaikh Plaza, I Block, Lahore Road, Burewala  
Tel: 0313-7999471

## **DUNYA PUR**

Near Gulshan Mahdi Colony, Malsi Road, Dunya Pur  
Tel: 0300-6168345

## **MUZAFARGARH**

Jhang Road Near Railway Phatk, Muzafargarh  
Tel: 0300-4769947

## **D.G KHAN**

Block No 2, 2nd Floor, Katchery Road Opposite Virtual University, D.G Khan  
Tel: 0333-8558875

## **RAHIM YAR KHAN**

Hostel Road, Opposite Silver center, 12/B Model Town, Rahim Yar Khan  
Tel: 0300-9670747

## **BHAKKAR**

Plot no. 2, Ward No. 6, Main Club Road X Momin Marriage Hall, Mandi Town, Bhakkar  
Tel: 0336-7601001

## **SARGODHA**

1st Floor, Office No. 04, Qureshi Arcade, Khushab Road, Sargodha  
Tel: 0308-8263963

## **SANGLA HILLS**

Old Kachery Road, Near Madina Chowk, Model Town, Sangla Hill  
Tel: 0301-4892075

## **SHEIKHPURA**

1st & 2nd floor, near Dar-ul-Barkat Hospital, Stadium Road, Sheikhpura  
Tel: 0300-4728772

## **JHANG**

Khewat-No. 71, Khtooni-No. 210, Church Road, Upper hall, Orix leasing, Jhang  
Tel: 0346-7253260

## **OKARA**

1st floor, Irfan Plaza, M.A Jinnah Road, Okara.  
Tel: 0300-4316396

## **JHELUM**

Mohallah Mujahida Abad Near Food Goddam Gate, GT Road, Jhelum.  
Tel: 0345-5671556

## **KOT ADDU**

Opposite Gulshan e Usman Colony, Near Aba Seel, CNG Petrol Pump Kot Addu  
Tel: 0301-4773021

## **KAROR LAL ESAN**

Main Karor Laal Road Plaza Stop, Karor Lal Esan  
Tel: 0333-051122

## **GUJRANWALA**

Shop # 80, 1st Floor, Near Forks & Knife Pizza, Mumtaz Market, Adjacent G.T Road, Gujranwala  
Tel: 0300-5038013

## **KHANEWAL**

Plot no.68/A, Street No,3, Block No,10, Bhatta Chok Near Rana ikram ul haq chock Khanewal  
Tel: 0300-6883638

## **KHAN PUR**

Plot No. 162, Model Town A, 2nd Floor, Near Ali Mobile Center, Kachehri Road, Khan Pur  
Tel: 0300-4041345

## **SUKKUR**

F-NO 17-A, Near Shell Petrol Pump, Main U-Phone Regional Office, Minara Road, Old Sukkur  
Tel: 061-8021609

## **JHAMPUR**

House No.7, Ejaz Serwar colony, New Bus Adda, Indus Highway, Rajenpur Road, Jhampur  
Tel: 0333-6479675

## **PAK PATTAN**

Upper Floor of Al-Barka Bank, Male collage Road, Pak Pattan  
Tel: 0321-7082810

## **SKARDU**

2nd Floor, GM Plaza, Almdar Chowk, Skardu  
Tel: 0344-5519937/0314-6121111

## **NANKANA SAHIB**

Hira Chowk Near Chokhat Restaurant, Nankana Sahib  
Tel: 0300-0142080

## **KOTLI**

1st Floor, Deen Trade Center, Shaheed Chowk, Kotli  
Tel: 0346-9763033

## **Agency Distribution Office - Takaful**

### **HYDERABAD**

Block D - 204, Unit No. 07, Mezzanine Floor,  
Opposite American Hospital, Latifabad, Hyderabad  
Tel: 022-3810187/ 0333-9557154

### **LARKANA**

Plot No. 33, Sachal Colony opposite City Medical  
Center, Larkana  
Tel: 074-4752915/ 074-4752934-37

### **MIRPURKHAS**

Flat No. 716, Near Kaly Khan Pump, Above Faysal  
Bank, Mirpurkhas  
Tel: 0233-873233/ 0332-2800620

### **KHAIRPUR**

Plot No. 18, 2nd Floor, Katchehry Road, Khairpur  
Tel: 024-3714425/ 0333-7197266

### **TANDO ADAM**

2nd Floor at Diamonds Trader, Tindo Alla Yar Road,  
Roshan Sulman Society, Tando Adam  
Tel: 0235-571991

### **HALA**

1st Floor, MCB Bank Building, Dargah road, Hala  
Tel: 022-3331180/ 0301-3456633

### **NAWABSHAH**

Above 1st step shoes Shop, 1st Floor, Near Edhi  
Chowk, Masjid Road, Nawabshah.  
Tel: 0244-362432/ 0333-2794108

### **SUKKUR**

Office Mezzanine Floor B, Chamber Plaza, Dua  
Chowk Near Chamber of Commerce, Bunder Road,  
Sukkur  
Tel: 0333-7197266

### **ISLAMABAD**

East Half of 3rd Floor , Ali Plaza Block No. 27-E,  
Fazal-e-Haq road, Blue Area, Islamabad  
Tel: 0345-9149840

### **PESHAWAR**

Plot-No. 38-D, 4th Floor, Afzal Tower, Main  
University Road Opposite PARCO Petrol Pump,  
Peshawar  
Tel: 091-5844610

### **ABBOTTABAD**

1st Floor in Qazi's Mall main Mansehra road,  
Abbottabad  
Tel: 0332-8923632

### **BANNU**

2nd Floor at Talha Plaza, Near Qasaban Gate  
Bannu.  
Tel: 0336-9748942

### **SHAHDADPUR**

1st Floor of Apna Microfinance Bank, Near Shahi  
Bazar, Station Road Shahdadpur  
Tel: 0309-1318517

### **SAKRAND**

Hamdard Career Point Grammar School, Qazi  
Ahmed Road, Sakrand  
Tel: 0309-3820802

### **MORO**

Opposite Halaie Masjid Ward# 3, Dadu Road, Moro  
Tel: 0300-3086715

### **NOSHERO FEROUZ**

Ward No. 01, Near Shahi Bazar, Tharushah Road,  
Taluka & District Naushero Feroze  
Tel: 0300-3086715

### **MEHAR**

1st & 2nd Floor of Siyal Building, City Survey No.  
1005, Main K.N Shah Stop, Ghanta Ghar Chowk,  
Collage Road Opposite National Bank of Pakistan,  
Mehar  
Tel: 0302-3276577

### **KARAK**

2nd Floor, Junid Plaza Main Karak Bazar, Karak City  
Tel: 0345-9804783

### **WAH CANTT**

1st Floor of Tarbela Plaza, Muneer Ahmed, G.T  
Road, Wah Cantt  
Tel: 0345-5459151

### **RAWALPINDI**

Plot No. 67-A, Main Muree Road, Zarwar Centre,  
Rawalpindi  
Tel: 051-8109995

### **GILGIT**

1st Floor, Ahib Jan Plaza, opposite to National bank  
of Pakistan, Jutial, Gilgit  
Tel: 0311-1880957

### **SWAT**

Shop-No 1-3, 1st Floor, Sultan Tower, Saidu Road,  
Near Tableghi Masjid, Makanbagh, Swat  
Tel: 0345-2685609

### **GHOTKI**

1st Floor, Qadirpur Road, Opposite LUMS  
Laboratories, Ghotki  
Tel: 0333-7197266

## NOTICE OF 13TH ANNUAL GENERAL MEETING

Notice is hereby given that the 13th Annual General Meeting of the Shareholders of Adamjee Life Assurance Company Limited will be held at ISE Auditorium, ISE Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad, on Wednesday April 27, 2022 at 12:00 p.m. to transact the following business:

### Ordinary Business:

1. Confirm the minutes of Annual General Meeting held on April 30, 2021;
2. Receive, consider and adopt Directors' report, Auditors' report and Audited Financial Statements for the year ended December 31, 2021;
3. Appoint Auditors for the year 2022 and fix their remuneration. The retiring auditors, M/s Yousuf Adil, Chartered Accountants have offered themselves for reappointment;

### Special Business:

4. To elect seven (7) directors as fixed by the Board pursuant to the provisions of Section 159 of the Companies Act, 2017 for a term of three years commencing from April 27, 2022. The retiring directors are eligible to offer themselves for re-election.

Following are the names of the retiring directors:

1. Mr. Sheikh Muhammad Jawed
  2. Mr. Umer Mansha
  3. Mrs. Naz Mansha
  4. Mr. Imran Maqbool
  5. Mr. Muhammad Ali Zeb
  6. Mr. Ahmed Alman Aslam
  7. Mr. Shahmeer Khalid Butt
5. Transact any other business as may be placed before the meeting with the permission of the chair.

By Order of the Board



Rahim Vallyani  
Company Secretary

Karachi: April 06, 2022

Notes:

1. Share Transfer Books will be closed from April 21, 2022 to April 27, 2022 (both days inclusive) for the purpose of Annual General Meeting.
2. Only those members whose names appear in the register of member of the Company as on April 21, 2022 will be entitled to attend and vote at the meeting.
3. A member entitled to attend, speak and vote may appoint any other person as his / her proxy to attend, speak and vote on his / her behalf. Proxies must be received at the Registered Office of the Company duly signed not later than 48 hours before the time of holding the meeting. Form of proxy is enclosed herewith.
4. Any change of address of Members should be notified immediately to the Company's Share Registrar office.

A Member entitled to attend and vote at the Meeting may appoint another person as his proxy to attend, vote and speak at the Meeting instead of him/her. A proxy need not be a member of the Company. The instrument appointing a proxy and the power of attorney or other authority / board resolution under which it is signed or a notorially attested copy of power of attorney lodged at the Company's Principle Office 3rd and 4th Floor, Adamjee House, I.I Chundrigar Road, Karachi at least 48 hours before the time of the meeting. The Form of Proxy is attached with this notice.

#### 5. Director's Election

Any member who seeks to contest the election of directors shall, whether he is a retiring director or otherwise, file with the Company a notice of his/her intention to offer himself/herself for election as a director in terms of Section 159 (3) of the Companies Act, 2017 fourteen (14) days before the date of the Meeting along with the following documents:

- i. Consent to act as director on Form 28 under section 167 of the Companies Act, 2017.
- ii. A detailed profile along with his/her office address as required under SRO 634(1)/2014 dated 10 July 2014 issued by the Securities and Exchange Commission of Pakistan ("SECP") for placement on the Company's website.
- iii. Declarations confirming that:
  - a) Declaration for eligibility to act as director of listed company and awareness of duties and powers of directors under the Companies Act, 2017, Memorandum and Articles of Association of the Company, Rule Book of Pakistan Stock Exchange Limited and the Listed Companies (Code of Corporate Governance) Regulations, 2019 and other relevant laws and regulations.
  - b) Declaration of independence in terms of Section 166(2) of the Companies Act, 2017 as required under Listed Companies (Code of Corporate Governance) Regulations, 2019 (applicable only for person filing consent to act as an Independent Director of the Company).
  - c) Detail of other directorship. He/she is not serving as Director in more than Seven (07) listed Companies simultaneously, provided that this limit shall not include directorship in the listed subsidiaries of a listed holding Company.
  - d) Copy of valid CNIC (in case of Pakistan national) / Passport (in case of foreign national), and NTN& Folio No./CDC Investors Account No./CDC Sub-Account No (applicable for person filing consent for the first time).

## 6. For Attending the Meeting (Physical & Video Conferencing)

In the wake of the current situation related to Corona virus and in the light of the relevant guidelines issued by Securities & Exchange Commission of Pakistan (SECP) and Pakistan Stock Exchange Limited, vide their Circular no. 5 of 2020 dated March 17, 2020 and Circular no. PSX/N-372 dated March 19, 2020 and SECP Circular No. 4 of 2021 dated February 15, 2021 respectively, the following arrangements have been made by the Company for the participation of Shareholders:

- As per SECP instructions given in the Circular No. 4 of 2021 dated February 15, 2021 shareholders who intends to participate physically in the general meeting will be allowed to participate keeping in view the COVID-19 related SOP's issued by the Provincial and / or the Federal Government.
- In order to attend the AGM through Zoom facility, the shareholders are requested to get themselves registered with the Company's Share Registrar at least 24 hours before the time of AGM at the following e-mail address: [cdcsr@cdcsrsl.com](mailto:cdcsr@cdcsrsl.com)
- The shareholders are requested to provide the information as per below format. The details of the Zoom facility will be sent to the shareholders on the email address provided in the below table:

Sr. No.	Name of the Shareholder	CNIC Number	Folio Number	Cell Number	E-mail address

- The login facility will be opened at 10:00 A.M. on April 27, 2022 enabling the participants to join the proceedings which will start at 12:00 P.M.
- In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport along with participant ID number and the Account number at the time of attending the meeting.
- In case of corporate entity, the Boards resolution / power of attorney with specimen signature of the nominee shall be produced [unless it has been provide earlier] at the time of the Meeting.

## 7. For Appointing Proxies:

- In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulation, shall submit the proxy form as per above requirements.
- The proxy form shall witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished [unless it has been provided earlier] along with proxy form to the Company.

## **8. Postal Ballot Regulations, 2018:**

If the number of persons who offer themselves to be elected as director is more than the number of directors fixed under sub-section (1) of Section 159 of the Companies Act, 2017, then the Company shall provide its Members with the option of e-voting or voting by postal ballot in accordance with the provisions of Companies (Postal Ballot) Regulations, 2018.

### **Election of Directors (Postal Ballot, E-voting & Poling Booth)**

Pursuant to the Companies (Postal Ballot) Regulations, 2018, for the purpose of election of Directors and for any other agenda item subject to the requirements of Section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right to vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations

- i. E-Voting lines for Elections of Directors will be opened for the Shareholders from April 22, 2022 from 09:00 a.m. till April 26, 2022 at 5:00 p.m.
- ii. For the convenience of the Shareholders, a polling booth will be established at ISE Auditorium, ISE Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad. Shareholders can exercise their right to vote by visiting the said polling booth on the AGM day i.e. April 27, 2022 for physical voting.

Shareholders who wish to participate through e-voting, kindly provide immediately or not later than seven days from the date of Annual General Meeting, through a letter duly signed by them, i.e. Name, Folio / CDC A/C No., E-mail Address, Contact Number to the Share Registrar of the Company i.e M/s. CDC Share Services Limited, Share Registrar Department, CDC House 99-B, Block 'B' S.M.C.H.S, Main Shahra-e-Faisal Karachi-74400).

## **9. Transmission of the Annual Audited Financial Statements through CD/DVD**

The Company has circulated financial statements to its members through CD at their registered address. Printed copy of above referred statements can be provided to members upon request. Request form is available on the website of the Company i.e. [www.adamjeelife.com](http://www.adamjeelife.com)

## **8. Transmission of Annual Reports through e-mail**

The SECP vide SRO 787 (I)/2014 dated September 08, 2014 has provided an option for shareholders to receive audited financial statements along with notice of annual general meeting electronically through email. Hence, members who are interested in receiving the annual reports and notice of annual general meeting electronically in future are requested to send their email addresses on the consent form placed on the Company's website [www.adamjeelife.com](http://www.adamjeelife.com). The Company shall, however additionally provide hard copies of the annual report on request, to such members free of cost.

## **9. Availability of Audited Financial Statements on Company's Website**

The audited financial statements of the Company for the year ended December 31, 2021, have been made available on the Company's website [www.adamjeelife.com](http://www.adamjeelife.com).

## **10. Demand a poll**

Members can exercise their right to demand a poll subject to meeting requirements of Section 143 and 144 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018.

## ADAMJEE LIFE ASSURANCE COMPANY LIMITED

### Proxy Form

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member of ADAMJEE LIFE ASSURANCE COMPANY LIMITED hereby appoint

Mr. \_\_\_\_\_

of \_\_\_\_\_

or failing him \_\_\_\_\_

of \_\_\_\_\_

as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 13th Annual General Meeting of the Company to be held on Wednesday April 27, 2022 at 12:00 p.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

#### WITNESSES:

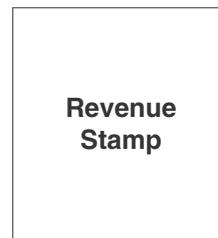
1. Signature: \_\_\_\_\_

Name: \_\_\_\_\_

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

CNIC Or \_\_\_\_\_

Passport No: \_\_\_\_\_



Signature of Member(s)

#### WITNESSES:

2. Signature: \_\_\_\_\_

Name: \_\_\_\_\_

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

CNIC Or \_\_\_\_\_

Passport No: \_\_\_\_\_

Shareholder's Folio No. \_\_\_\_\_

and/or CDC \_\_\_\_\_

Participant I.D.No. \_\_\_\_\_

#### Important:

This form of Proxy, duly completed, must be deposited at the Company's Principal Office at 3rd and 4th Floor, Adamjee House, I.I. Chundrigar Road, Karachi not later than 48 hours before the time appointed for the meeting.

# آدم جی اشورنس کمپنی لمیٹڈ پراکسی فارم

میں / ہم

از

آدم جی اشورنس کمپنی لمیٹڈ کے رکن کی حیثیت سے بذریعہ ہذا

جناب

کا تقرر

از

یا عدم تقرری

از

کر رہا ہوں / رہے ہیں میرے / ہمارے نمائندے کے طور پر، بروز بدھ مورخہ ۲۷ اپریل دوپہر ۱۲ بجے ہونے والی کمپنی کے ۱۳ ویں سالانہ عمومی اجلاس اور التوا کی صورت میں کسی بھی آئندہ تاریخ کو ہونے والے اجلاس میں میری / ہماری طرف سے اور میری / ہماری غیر حاضری کی صورت میں شریک ہونے اور میری / ہماری طرف سے ووٹ دینے کے لیے۔

بروز مورخہ ۲۰۲۲ کو دستخط کیے گئے۔

گواہان:

1. دستخط

نام:

پتہ:

یا CNIC

پاسپورٹ نمبر

گواہان:

2. دستخط

نام:

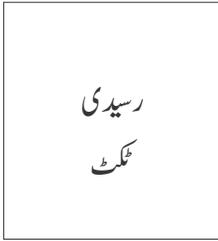
پتہ:

یا CNIC

پاسپورٹ نمبر

اہم:

یہ نمائندگی کا فارم، پوری طرح مکمل کر کے، کمپنی کے مرکزی دفتر تیسری اور چوتھی منزل، آدم جی ہاؤس، آئی آئی چندریگر روڈ، کراچی میں اجلاس کے لیے مقررہ وقت سے کم از کم ۴۸ گھنٹے پہلے لازماً جمع کروانا ہو گا۔



رکن (ارکان) کے دستخط

شیر ہولڈر کا فوٹیو نمبر

اور / یا CDC

شریک کا آئی ڈی نمبر



3rd and 4th Floor, Adamjee House,  
I.I Chundrigar Road, Karachi, Tel: 021-38677100

 111-11-LIFE(5433) |  [www.adamjeelife.com](http://www.adamjeelife.com) |  /AdamjeeLife