

BE ACTIVE, HEALTHY & HAPPY

ANNUAL
REPORT | 2021

OUR STORY

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

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

IGI Life was acquired with a view to further diversify its financial services portfolio. It was formed with the acquisition of American Life Insurance Company (Pakistan) Limited (Metlife Alico) in 2014 recognized amongst the leading life insurance companies in the private sector. IGI Life is focused on providing innovative products and comprehensive protection solutions.



VISION

Assure financial future today for a better tomorrow.

MISSION

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

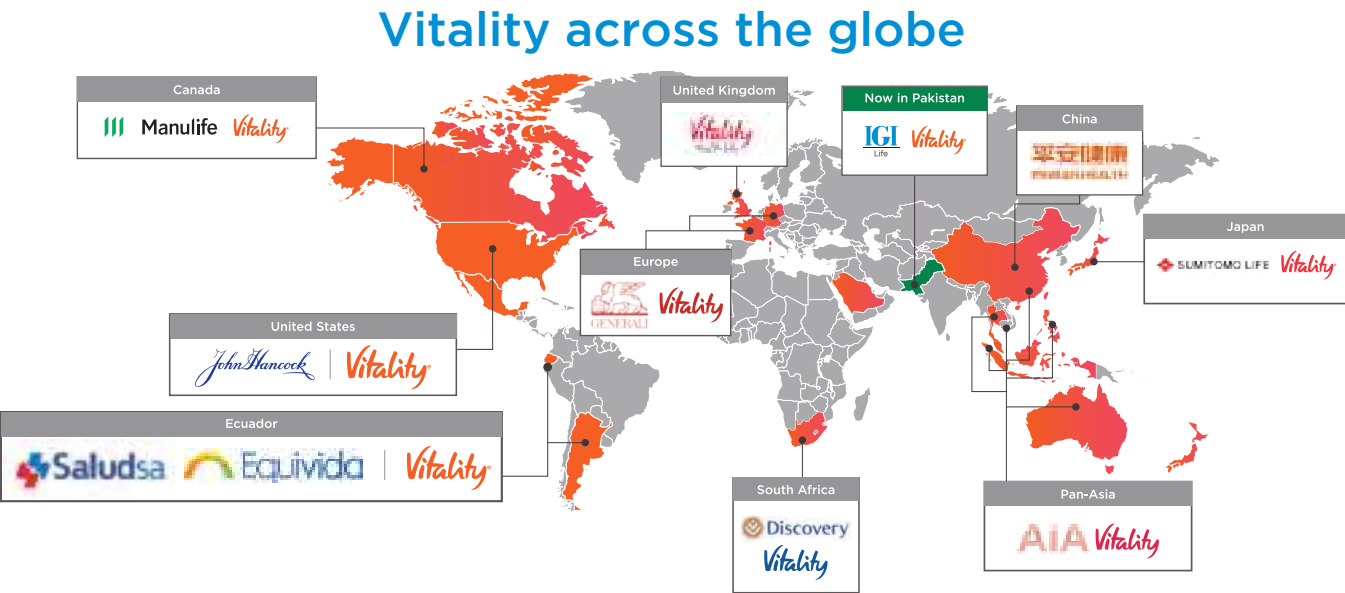


OUR VALUES



Vitality, the world’s first shared-value insurance

In 1997, South Africa’s leading insurance company Discovery launched Vitality, the world’s first shared-value insurance, a business model that rewards people for adopting a healthy lifestyle. By blending smart tech, data incentives and behavioral science, Vitality brings a global perspective through successful partnerships with the smartest insurers and most forward-thinking employers around the world. More than 20 million people in 28 countries are engaged with the Vitality programme. For more information, please visit www.vitalitygroup.com.



Global impact of Vitality:

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

Collaboration between IGI Life and Vitality Group

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

IGI Life Vitality Plan

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

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

The plan consists of two core aspects:

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



A Mobile-led Strategy

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

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

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



1. Know Your Health

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

3. Enjoy the Rewards


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

2. Improve Your Health

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

- Bronze
- Silver
- Gold
- Platinum

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

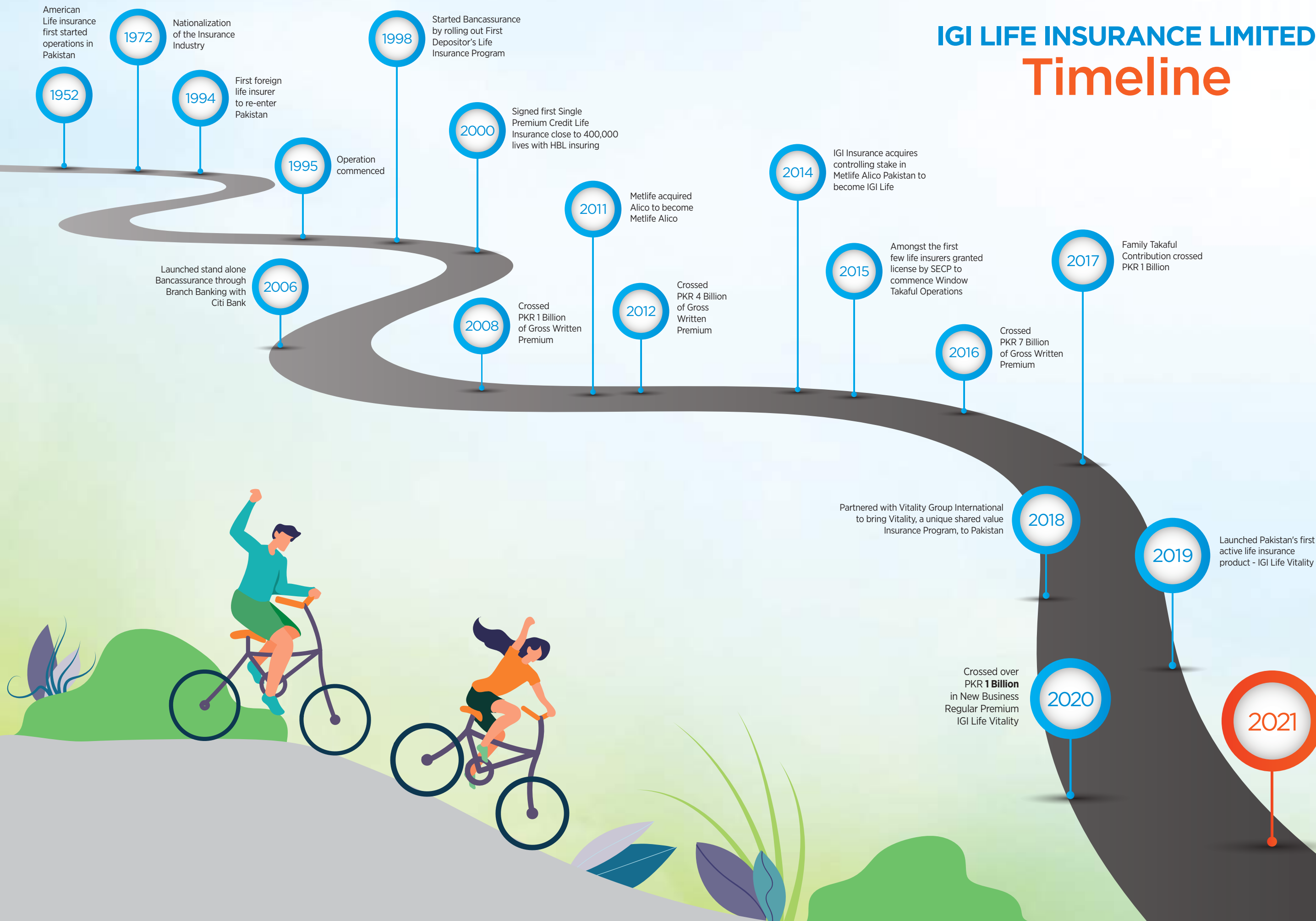
Traditional Life Insurance/Family Takaful	
Focused on fear of death, morbidity/disability	Focused on leading a healthy and active life
Commoditised product (life insurance policy/takaful membership)	Differentiated insurance/takaful plan + healthy and active lifestyle
Long-term investment, no short-term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

*Terms and Conditions apply

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

IGI LIFE INSURANCE LIMITED

Timeline



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



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BOARD OF DIRECTORS



Shamim Ahmad Khan
Chairman

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

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



Syed Hyder Ali
Chief Executive Officer and Executive Director

Syed Hyder Ali is presently the Chief Executive Officer and Managing Director of Packages Limited and IGI Life Insurance Limited. In 1979, he obtained his degree of Bachelors of Science in Chemical Engineering from the University of Michigan (USA) and completed his Masters of Science in June 1981, specializing in Paper Chemistry from The Institute of Paper Chemistry, Lawrence University of Wisconsin, USA. In 1997, Mr. Ali also attended a program for Management Development at the Harvard Business School, Boston, USA.

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

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

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

BOARD OF DIRECTORS



Syed Yawar Ali
Director

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

Syed Yawar Ali is currently Chairman of Nestlé Pakistan Limited, Wazir Ali Industries Limited, Prime Genetics (Pvt) Limited and Amjad & Afzal Foundation. He has also been on the board of State Bank of Pakistan and Pakistan International Airlines and the Chairman of Lahore Electric Supply Company and Agricultural Development Bank of Pakistan.

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



Khurram Raza Bakhtayari
Director

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

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

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

BOARD OF DIRECTORS



Mohammad Kamal Syed
Director

Mr. Mohammad Kamal Syed is associated with the Company as an Independent Director. He is also the Managing Director of Coutts & Co. and the Head Natwest Group’s Asset Management Business. He holds a breadth of international experience spanning Investment Banking and the Fund Management industry. Prior to Coutts, he served as the Chief Executive Officer and founder of Hedge Fund Group Axiom and Chief Executive Officer of a leading multi-family office.

He has spent several decades working in Investment Banking in senior roles including Managing Director and Regional Head of Barclays Capital. He was also Deputy Head of Global Derivatives and a member of the Management and Operations Committees of Barclays Capital. Subsequently, he ran the Bank of Tokyo-Mitsubishi UFJ’s Investment Bank and was the Chairman of the Executive Committee and member of its Executive Board.



Faresa Ahsan
Director

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

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

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

BOARD OF DIRECTORS



Zehra Naqvi
Director

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

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

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

Corporate Information

Board of Directors

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

Audit Committee

Mohammad Kamal Syed	Chairman	Khurram Raza Bakhtayari	Member
Zehra Naqvi	Member	Iqra Sajjad	Secretary*
Syed Yawar Ali	Member		

Claims Settlement Committee

Shamim Ahmad Khan	Chairman	Faresa Ahsan	Member
Syed Yawar Ali	Member	Kashif Qayyum	Secretary

Underwriting & Reinsurance Committee

Mohammad Kamal Syed	Chairman	Abdul Haseeb	Member
Syed Hyder Ali	Member	Ali Nadim	Member
Zehra Naqvi	Member	Hasham Wajih	Secretary
Tahir Masaud	Member		

Investment Committee

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

Ethics, Human Resources, Nomination & Remuneration Committee

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

Risk Management and Compliance Committee

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

Corporate Information

Head of Business and Operations

Tahir Masaud

Chief Operating Officer

Ali Nadim

Chief Investment Officer

Sajjad Iftikhar

Chief Financial Officer

Abdul Haseeb

Head of Internal Audit

Shahzeb Haider

Head of Compliance

Saira Sheikh

Company Secretary

Iqra Sajjad*

Head of Window Takaful Operations

Muhammad Waqas Sadiq*

Appointed Actuary

Shujat Siddiqui MA FIA FPSA

Shariah Advisor

Dr. Mufti Ismatullah

Legal Advisor

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

Rating

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

Shariah Compliance Officer

Mufti Muhammad Hanif

Auditor

A. F. Ferguson & Co.
Chartered Accountants
A member firm of
PricewaterhouseCoopers

Share Registrar

FAMCO Associates
(Private) Limited
8-F next to Hotel Faran,
Nursery, Block 6, P.E.C.H.S.,
Shahrah-e-Faisal, Karachi.

Registered Office

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

* Subsequent to the year-end Nadia Perveen Hussain was appointed as the Company Secretary and Raheel-ur-Rehman was appointed as Head of Takaful.

Bankers

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

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

IGI Life Insurance Limited Branch Network

Head Office

IGI Life Insurance Limited
7th Floor, The Forum, Suite No. 701-713,
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Clifton, Karachi 75600, Pakistan.
Call: (+92) 21-35360040
Fax: (+92) 21-35290042
Email: service-pakistan@igi.com.pk
(Email for Corporate Customers)

Central Region

Lahore Main

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

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

Kasur Branch

Muhammad Akhtar
Group Manager
1st Floor, Upper Floor, ZTBL Bank,
Minhas Colony, Liaqat Road,
Near Ranger Public School, Kasur.
Tel: 0301-4458924

Faisalabad Branch

Tariq Mahmood Tariq
Zonal Manager
2nd Floor, F. M. Plaza 15-D, Ground
Peoples Colony, Faisalabad.
Tel: 0300-9654948

Okara Branch

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

Multan Branch

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

Customer Services Center

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

Gujranwala Region

Gujranwala Branch

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

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

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

Sialkot Branch 1

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

Sialkot Branch 2

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

Chakwal Branch

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

Gujrat Branch

Muhammad Sarfaraz (North Region)
Group Manager
3rd Floor Hassan Plaza, Near Faisal Restaurant,
GTS Chowk, G.T. Road, Gujrat.
Tel: 0331-6236623

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

IGI Life Insurance Limited Branch Network

North Region

Rawalpindi Branch

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

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

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

Islamabad Branch

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

Mirpur Branch

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

Head Faqirian - Smart Branch

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

South Region

Karachi Main

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

Muhammad Amjad
Branch Manager
Suit No. 701-702, 7th Floor,
Park Avenue, Main Shahra-e-Faisal,
Block-6, P.E.C.H.S., Karachi.
Tel: 0333-3067161

IGI Life Window Takaful Operations

Branch Network

Central Region	Lahore
Davis Road Branch	
Raja Arshad Mahmood Regional Head IGI Window Takaful Floor 3, Al Malik Plaza, 19-Davis Road, Lahore. el: 0300-4004053	
Babar Hussain Zonal Manager IGI Window Takaful Floor 3, Al Malik Plaza, 19-Davis Road, Lahore. Tel: 0321-4188619	
Muhammad Rasheed Awan Group Manager IGI Window Takaful Floor 3, Al Malik Plaza, 19-Davis Road, Lahore. Tel: 0300-4153525	
Central Region	Kasur
Kasur Branch	
Sana Ullah Siddiqui Zonal Manager IGI Family Takaful, 1st Floor, Doce Bakery Food Street, Near Baldia Chowk, Kasur. Tel: 0300-8182410	
Muhammad Asif Javied Group Manager IGI Family Takaful, 1st Floor, Doce Bakery Food Street, Near Baldia Chowk, Kasur. Tel: 0300-3999903	
Gujranwala Region	Gujranwala
Gujranwala Mumtaz Market Branch	
Muhammad Imran Aslam Regional Manager IGI Window Takaful, 2nd Floor Wingos, Mumtaz Market Opposite Chase up Gujranwala. Tel: 0300-6452482	
Muhammad Amjad Hussain Group Manager IGI Window Takaful, 2nd Floor Wingos, Mumtaz Market Opposite Chase up Gujranwala. Tel: 0300-7407892	
Sialkot Region	Sialkot
Sialkot	
Muzaffar Aslam Regional Manager IGI Family Takaful, 2nd Floor, Al-Ameen Center, opposite Chamber of Commerece, Paris Road, Sialkot. Tel: 0312-6685157	

Central Region	Lahore
Amjad Mehboob Zonal Manager IGI Window Takaful Floor 3, Al Malik Plaza, 19-Davis Road, Lahore. Tel: 0300-4468327	
Nasir Ali Group Manager IGI Window Takaful Floor 3, Al Malik Plaza, 19-Davis Road, Lahore. Tel: 0331-4970049	
Barkat Market	
Syed Ajmal Hussain Group Manager 3rd Floor, Salllar Center, Barkat Market, Lahore. Tel: 0322-7281321	
Lahore Region	Grace Center
Grace Center Branch	
Khalil Aslam Zonal Manager IGI Window Takaful, Grace Center, Gulberg II, Near Jail Road Underpass, Lahore. Tel: 0300-4611826	
Fozia Bashir Ahmad Group Manager IGI Window Takaful, Grace Center, Gulberg II, Near Jail Road Underpass, Lahore. Tel: 0321-7446144	
Faisalabad Region	Toba Tek Singh
Toba Tek Singh Branch	
Sajid Ali Group Manager IGI Family Takaful, 1st floor, Dr. Zahid Khan Iodhi clinic's upper floor, near Akbari Masjid. Toba Tek Singh. Tel: 0304-5482865	
Faisalabad Region	Faisalabad
Layallpur Regency Branch	
Binyamin Group Manager IGI Takaful, Office No. 02, 05, 08, Ground Floor, Regancy Intl Plaza, 949-The Mall, Opposite PIA Office, Faisalabad. Tel: 0304-2840423	

IGI Life Window Takaful Operations

Branch Network

North Region	Rawalpindi
Islamabad Branch	
Syed Mehboob Hussain Shah Regional Manager IGI Life Insurance Limited, Plot # 22, Block B, 1st Floor, Saeed Plaza, Jinnah Avenue, Blue Area, Islamabad. Tel: 0300-2333522	
Rawalpindi Branch	
Syed Muhammad Ali Regional Manager IGI Life Insurance Limited, 2nd & 3rd Floor, Umar Plaza, B-134, Murree Road, Near Chandni Chowk, Rawalpindi. Tel: 0310-1717934	
Syed Amir Abbas Zaidi Zonal Manager IGI Life Insurance Limited, 2nd & 3rd Floor, Umar Plaza, B-134, Murree Road, Near Chandni Chowk, Rawalpindi. Tel: 0300-5510589	
North Region	Mirpur AK
Mirpur AK Branch	
Waqas Ahmed Group Manager IGI Life, 1st Floor, JarraI Plaza, Kotli Road, Sector F-1, Mirpur A.K. Tel: 0321-2159275	
Sahiwal Region	Multan
Multan Branch	
Rashid Riaz Zonal Manager 1st Floor, Office No. 1, Orient Mall, Opposite City College, Khanewal Road, Multan. Tel: 0305-7644313	
Patoki Region	Patoki
Patoki Branch	
Muhammad Akram Regional Manager IGI Life Window Takaful, 1st Floor, Zarar Plaza, Main Lahore Ada, Near Riaz-UI-Janah Masjid, Hallah Road, Pattoki. Tel: 0300-4448133	
Khalil Ahmad Zonal Manager IGI Life Window Takaful, 1st Floor, Zarar Plaza, Main Lahore Ada, Near Riaz-UI-Janah Masjid, Hallah Road Pattoki. Tel: 0308-4115001	
Muhammad Tayyab Shaheen Zonal Manager IGI Life Window Takaful, 1st Floor, Zarar Plaza, Main Lahore Ada, Near Riaz-UI-Janah Masjid, Hallah Road Pattoki. Tel: 0300-4689452	
Muhammad Shafiq Group Manager IGI Life Window Takaful, 1st Floor, Zarar Plaza, Main Lahore Ada, Near Riaz-UI-Janah Masjid, Hallah Road Pattoki. Tel: 0301-7374752	
Muhammad Kashif Group Manager IGI Life Window Takaful, 1st Floor, Zarar Plaza, Main Lahore Ada, Near Riaz-UI-Janah Masjid, Hallah Road Pattoki. Tel: 0340-1439502	
Patoki Region	Grace Center
Grace Center Branch	
Muhammad Ramzan Group Manager IGI Window Takaful, Grace Center, Gulberg II, Near Jail Road Underpass, Lahore. Tel: 0322-8093155	

IGI Life Window Takaful Operations Branch Network

Sahiwal Region	Sahiwal
Sahiwal Branch	
Muhammad Ali Regional Manager IGI Life Regional Office, Liaquat Raod, Near Govt. College of Commerce, Sahiwal. Tel: 0300-5079056	
Sheikh Muhammad Umair Zonal Manager IGI Life Regional Office, Liaquat Raod, Near Govt. College of Commerce, Sahiwal. Tel: 0321-3223300	
Amber Mumtaz Group Manager IGI Life Regional Office, Liaquat Raod, Near Govt. College of Commerce, Sahiwal. Tel: 0322-4695287	
Faisalabad Region	Jhang
Jhang Branch	
Muhammad Nawaz Khan Zonal Manager Tel: 0300-7974723	
South Region	Karachi
Park Avenue Branch	
Saima Nadeem Regional Manager Regional Office Suit No. 701-702, 7th floor Park Avenue, Main Shahrah-e-Faisal, Block-6 P.E.C.H.S Karachi. Tel: 0333-8273790	
Sadia Barkat Group Manager Regional Office Suit No. 701-702, 7th floor Park Avenue, Main Shahrah-e-Faisal, Block-6 P.E.C.H.S Karachi. Tel: 0321-3869241	
Syed Azeem Ali Shah Group Manager Regional Office Suit No. 701-702, 7th floor Park Avenue, Main Shahrah-e-Faisal, Block-6 P.E.C.H.S Karachi. Tel: 0346-2042393	
S M Farrukh Hussain Group Manager Regional Office Suit No. 701-702, 7th floor Park Avenue, Main Shahrah-e-Faisal, Block-6 P.E.C.H.S Karachi. Tel: 0349-9818746	

South Region	Nawabshah
Nawabshah Branch	
Muhammad Asif Group Manager 1st Floor, Keerio Manzil, Opposite Alfalah Bank, Katchery Road, Nawabshah. Tel: 0300-2596268	
Shahdara Branch	
Muhammad Naeem Ashraf Regional Head IGI Life Window Takaful, 2nd Floor, MashaAllah Building, 25 No. Stop, Shahdara Lahore. Tel: 0300-4639984	
Jmashaid Ahmad Group Manager IGI Life Window Takaful, 2nd Floor, MashaAllah Building, 25 No. Stop, Shahdara Lahore. Tel: 0301-3186849	
South Region	Hyderabad
Hyderabad Branch	
Muhammad Asif Group Manager IGI Family Takaful, 2nd Floor, Badri Manzil, C.S # F-17, Risala Road, Hyderabad. Tel: 0321-3060964	

Chairman’s Review Report

I am pleased to present the review of the Company’s performance for the year ended December 31, 2021. As we are all aware, last two years have been extremely challenging due to widespread Covid pandemic and its adverse impact on economic activity.


Your Company posted growth of 19% in first year premium over last year despite heavy challenges. During the year, the Gross Premium written by your Company (including Takaful Contributions) stood at Rs. 7.05 billion as compared to Rs. 6.16 billion in 2020. The Company has recorded loss after tax of Rs. 349.74 million in 2021 against loss after tax of Rs. 95.72 million in 2020 (including surplus/ deficit of statutory funds). Major reason for the loss is increase in acquisition costs, expansion of its distribution channels of business and adverse health and life loss ratios due to COVID-19. I am happy that the management is addressing these issues and has taken some policy decisions to strengthen financial health of the company.

During the year, the Board of Directors played an active role in guiding the management to face challenges posed by the pandemic. These challenges were discussed in detail in the board meetings and strategies were developed.

The Board of the company consists of seven directors who have varied background of insurance business, law and regulations of capital market. The Board has constituted Audit Committee, Human Resource and Ethics Committee, Claims Settlement Committee, Underwriting and Reinsurance Committee, Investment Committee and Risk Management and Compliance Committee. The meetings of the committees, except Ethics, Human Resources, Remuneration and Nomination Committee were held at least once every quarter, prior to approval of interim and final results of the Company and as required by the Code. The terms of references of the aforesaid committees have been formed, documented and advised to the respective committees for compliance. The Ethics, Human Resources, Remuneration & Nomination Committee meeting is held annually and it is responsible for formulation and regular review of Human Resource policies of the Company. These committees provided valuable input and assistance to the Board. The Audit Committee particularly focused on effectiveness of internal controls while the Risk and Compliance committee identified risks and recommended mitigation measures.

As required by Code of Corporate Governance Regulations, a comprehensive mechanism is in place for evaluation of the performance of the Board of Directors and its committees. Based on the last evaluation of the Board Performance, each director has performed well and contributed in the deliberations of the Board and the Committee meetings.

I hope that with relief from Covid pandemic and implementation of the strategies developed by the Board, the company would emerge stronger in the coming years. The Company’s core value and commitment remains service of its policyholders while continuing to best serve its stakeholders’ interests.



Shamim Ahmad Khan
 Chairman
 Dated: March 25, 2022

Directors Report to the Members

The directors of your Company take pleasure in presenting to you Annual Report of the Company along with the audited financial statements for the year ended December 31, 2021.

The past year has also been very challenging due to COVID-19 pandemic which has caused immense stress and disruptions of many businesses. The Life Insurance Industry in Pakistan has been particularly affected by the pandemic with losses going up in all life insurance products. The increase in loss incidence has led to erosion of our gross margins and hence reduction in the profitability of our business.

Your Company has again posted growth in first year regular premium which has been 19% over last year despite highly challenging environment. Vitality continues to spearhead our growth and over the course of last two years, has become our flagship product offering across all distribution channels, being sold by both our Agency as well as our Bancassurance partners. While sales growth leads to a long-term value addition, it creates a strain on our bottom line in the short run because of the upfront business acquisition costs.

The macro-economic situation in the country has remained volatile throughout 2021. The low interest rate regime coupled with volatile stock market has meant that shareholder’s equity and our assets under management have not provided adequate investment returns.

These three trends – high claims incidence due to Covid pandemic, lower investment income due to lower interest rates and strain due to higher topline growth - have resulted in loss for the year ended December 31,2021. However, the growth in our Gross Premiums and specially in the first-year regular premiums have helped in increase in the value of new business. This value created will flow through our books in the future years. Despite these losses and disruptions, we at IGI Life are working hard to find new ways to meet the needs of our customers through effective usage of technology and innovative products. We are committed to creating long term value for our shareholders.

COMPANY PERFORMANCE REVIEW 2021

GROSS PREMIUM

During the year, Gross Premium written by your Company (including Takaful Contributions) stood at Rs. 7.05 billion as compared to Rs. 6.16 billion in 2020.

Individual life regular premium (including takaful contributions) posted growth of 21% and stood at Rs.3.88 billion compared to Rs. 3.22 billion in last year. Renewal premium base increased to Rs. 2.14 billion (2020: Rs. 1.75 billion), registering a growth of 22% than last year.

The Group Life and Health premium (including Takaful Group Family and Health) stood at Rs. 1.87 billion (2020: Rs. 1.75 Billion), posting increase of 7% against last year.

Single premium/contribution individual policies increased from Rs. 1.18 billion last year to Rs. 1.29 billion posting growth of 9%.

INVESTMENTS

Your Company has generated return on investments of Rs. 1.260 billion against Rs. 1.862 billion in the corresponding period last year, despite volatile market conditions during the year due to smart lockdowns, rapid monetary tightening, increase in commodity demand , rising current account deficit, inflation, and political uncertainty. Moving forward, we will continue aligning our investment strategies in line with market conditions to generate best returns and increase in shareholders’ and policyholders’ value.

Your Company has a diversified investment portfolio amounting to Rs 19.07 billion (2020: Rs 19.02 billion) representing 86% (2020: 87%) of total assets of the Company. The Company follows prudent investment policy to protect policyholder funds and to ensure stable and consistent investment returns to them.

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

Conventional Aggressive, Balanced, Secure and Conservative funds have yielded gross returns of 0.4%, 4.1%, 6.2% and 7.5% respectively during the year.

The Company launched its Window Takaful Operations at the end of 2015 and has built funds under management of Rs. 4.1 billion over a period of six years. Takaful Aggressive, Balanced and Conservative funds have yielded gross returns of -1.00%, 2.6% and 5.5% respectively during 2021.

PROFITABILITY

Summarized view of profit and loss account is as follows:

Profit / Loss	2021	2020
	----- Rupees in '000 -----	
Net loss before tax	(492,237)	(135,987)
Taxation	(143,080)	(40,262)
Net loss after tax	(349,157)	(95,725)
Other comprehensive income / (loss) – net	(43,390)	(8,260)
Loss per share	(2.05)	(0.56)
Break-up value per share (including amount retained in the statutory funds to meet the requirement of Insurance Ordinance)	10.23	12.53

The Company has recorded loss after tax of Rs. 349.15 million in 2021 against loss after tax of Rs. 95.72 million in 2020 (including surplus/ deficit of statutory funds).

The major reason for this loss is increase in acquisition costs for expanding its distribution channels of business and adverse loss ratios in health and life business due to COVID-19. The management is addressing these issues by revisiting acquisition costs and repricing the products of corporate life and health business.

APPROPRIATIONS AND SOLVENCY MANAGEMENT

On the recommendation of the appointed actuary and with the approval of the Board, the Company has made surplus transfer of Rs.17.013 million from the Life Participating Fund to the Shareholders’ Fund.

LIFE PARTICIPATING FUND

Policies sold under the Life Participating Fund entitle the policyholders to participate in the Surplus generated during the period, up to the limits prescribed by SECP. The distribution is made in the form of bonus to policyholders. The bonus so distributed is recommended by the Appointed Actuary and approved by the Board. During the year, bonus amounting to Rs.153 million (2020: Rs 145 million) was distributed among the policyholders.

CLAIMS

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

During the year, the Company paid claims amounting to Rs. 1.68 billion (2020: Rs. 1.61 billion).

AUDIT REPORT

As fully disclosed in note 26.1, the Company is of the view that the levy of sales tax on life insurance business needs to be reviewed in the interest of sustainability and growth of the Life Insurance business in Pakistan. Besides based on legal advice, the Company along with other insurance companies has challenged the levy of sales tax in respective High Courts of Punjab and Sindh. The petitions are pending adjudication. The auditors have included “Emphasis of Matter” paragraph in their report to the members.

PRODUCTS AND DISTRIBUTION CHANNELS

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

BOARD COMPOSITION AND REMUNERATION

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

UNDERWRITING, REINSURANCE AND RISK MANAGEMENT

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

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

CAPITAL MANAGEMENT AND LIQUIDITY

The Company maintains adequate capital to support its existing and planned business activities. The Company's paid-up capital and retained earnings stand at Rs. 1,705 million and Rs. 38.9 million respectively.

The Company has a framework in place to ensure that adequate liquidity is available for payment of claims and meeting operating expenses. The Company's cash and cash equivalents as of December 31, 2021 amounted to Rs.7.78 billion (2020: Rs. 1.46 billion).

The risks and opportunities associated with the Company and its business along with the mitigation controls implemented are fully disclosed on page 34 and 35 of the report.

INFORMATION TECHNOLOGY AND OPERATIONAL EFFICIENCY

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

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

Furthermore, your Company has also upgraded Call Center to provide improved services to the clients, particularly during COVID-19 lockdown.

RELATED PARTY TRANSACTIONS

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

HUMAN RESOURCE MANAGEMENT

During the current year, the Company strengthened its human capital through recruitment of professional and qualified personnel in various departments including in Sales and Marketing, Underwriting, Claims, Finance, Actuarial, Human Resources and Customer Services. During 2021, the Company carried out various training and development programs for the staff and the sales force.

INTERNAL AUDIT

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

AUDITORS

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

HOLDING COMPANY

The Company is a subsidiary of IGI Holdings Limited (formerly IGI Insurance Limited) that holds 82.69% (2020: 82.69%) share capital of the Company.

INSURER FINANCIAL STRENGTH RATING

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

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is at the heart of a number of activities at IGI Life Vitality. We were a proud sponsor of the 6th Annual Deaf Reach Golf Tournament held recently in Karachi. We support deaf education in Pakistan. Deaf Reach and Training Center, a program of Family Educational Services Foundation, provide education and vocational training to children and youth. IGI life Vitality Sponsored the event where over 200 Golfers played in support of Deaf Education.

OUTLOOK

With one of the lowest Life Insurance penetration ratios and one of the highest growths in adult working population, we believe Pakistani market has a huge potential for growth. The fact that we have grown our topline over the last two years during one of the most difficult times in recent history is a testament to the strength of our flagship product, Vitality, and resilience of our distribution network. Our financial strength and robustness of our business operations can be gauged from the fact that over the course of the last year, we have paid Rs. 1.68 billion (2020: Rs. 1.61 billion) while providing uninterrupted service to our customer. We believe that we are in a position to leverage these strengths to take full advantage of the growing Life Insurance market in Pakistan. The pace and severity of the pandemic has already diminished significantly with the roll out of vaccines and better understanding of the treatment pathways. We hope that this will have a positive impact on the economy in general, thereby improving our product margins and investment returns. Also, having attained a critical mass, we are now consolidating our growth in the year 2022 which will further reduce the strain on our bottom line. On top, the long-term value created will flow through the profit and loss account in the years to come.

With a tail wind of these positive macro-economic trends, our unique product offering and the financial benefit of the First Year Business growth flowing through the Profit and Loss Account, we look forward to turning your Company around to profitability in 2022 and beyond.

GRATITUDE

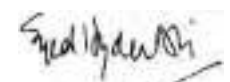
We take this opportunity to express our gratitude to, SECP for their valuable assistance, support and guidance. The Board of Directors would also like to express appreciation of the dedicated hard work and contribution made by the employees. Lastly, our thanks go to our policyholders and shareholders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



Shamim Ahmad Khan

Chairman

Dated: March 25, 2022



Syed Hyder Ali

Chief Executive Officer

Dated: March 25, 2022

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

The Directors of your Company state as under:

- a) The financial statements, prepared by the management of the Company fairly present the state of affairs, the result of its operations, cash flows and changes in equity.
- b) Proper books of account of the Company have been maintained.
- c) Appropriate accounting policies have been applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standards, International Financial Reporting Standards, or any other regulation or law (including but not limited to the Shariah guideline / principles) as applicable in Pakistan, the Insurance Ordinance, 2000, the Insurance Accounting Regulations, 2017, the Insurance Rules, 2017, the directives issued under the Companies Act, 2017, and the Takaful Rules, 2012 have been followed in the preparation of financial statements and any departure there from has been adequately disclosed.
- e) The internal control system is sound in design and has been effectively implemented and monitored.
- f) There is no doubts about the Company’s ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance, as detailed in the Listed Companies (Code of Corporate Governance) Regulations, 2019, Code of Corporate Governance for Insurers, 2016 and Regulations contained in the Rule Book of Pakistan Stock Exchange.
- h) There are no statutory payments on account of taxes, duties, levies and charges, which are outstanding as at December 31, 2021, except as those disclosed in the financial statements.
- i) The value of investments by the staff retirement fund operated as per their respective unaudited financial statements as at December 31, 2021 are as follows:

Employee Provident Fund

Rs. 62.19 million

Employee Gratuity Fund

Rs. 29.24 million
- j) At present, the Board is in compliance with the requirements of the directors training program as stipulated in the Listed Companies (Code of Corporate Governance) Regulations, 2019.
- k) Key operating and financial data for last six years is attached to these financial statements.

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

- In their opinion and to the best of their belief the annual statutory accounts of the Company set out in forms attached with this statement have been drawn up in accordance with the Insurance Ordinance, 2000 and any rules made thereunder.
- The Company has at all times in the year complied with the provisions of the Ordinance and the rules made thereunder relating to the paid-up capital, solvency and re-insurance arrangements on aggregate basis and as at the date of the statement, the Company continues to be in compliance with provisions of the Ordinance and the rules thereunder as mentioned above.

Board of Directors

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

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

Board and Committee Meetings

Meetings of the Board of Directors, Audit, Underwriting and Reinsurance, Risk and Compliance, Claims, Investment and Human Resources Remuneration and Nomination Committee were held according to schedule. The details of the meetings held and attendance by each Director in the meeting of the Board and its subcommittees:

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

AUDIT COMMITTEE

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

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

CLAIM SETTLEMENT COMMITTEE

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

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

UNDERWRITING AND REINSURANCE COMMITTEE

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

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

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

ETHICS, HUMAN RESOURCE, REMUNERATION & NOMINATION COMMITTEE:

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

Number of committee meetings held	1
Name of Members	Number of meetings attended
Syed Hyder Ali	1
Khurram Raza Bakhtayari	1
Syed Yawar Ali	1
Faresa Ahsan	1

INVESTMENT COMMITTEE

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

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

Board Evaluation Mechanism

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

Directors' Remuneration

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

Further details of aggregate amount of remuneration to executive and non- executive directors is mentioned in the financial statements, note 38, Page 103 of this annual report.

Impact on Environment

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

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

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


Pattern of Shareholding


The pattern of shareholding as at December 31, 2021 as required under section 227 of the Companies Act, 2017 is included in this annual report.

CODE OF CONDUCT

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

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


Shamim Ahmad Khan
Chairman
Dated: March 25, 2022


Syed Hyder Ali
Chief Executive Officer
Dated: March 25, 2022

Internal Control Framework

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

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

Role of Internal Audit

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

Role of Risk Management

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

Role of Compliance

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

Key Risks and Opportunities

A) RISK AND ITS MITIGATION STRATEGIES:

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

Key Risks and Opportunities

A) RISK AND ITS MITIGATION STRATEGIES:

S.No.	Risk Name	Description of the Risk	Mitigation Strategy / Controls Implemented by the Company
6	Operational Risks	The operations of the Company are the most important in providing quality services to its Policyholders. The operational risks are related to regulatory changes, human resources, technology and internal processes.	<p>The Company believes in having a transparent and open relationship with the regulator. Company representatives often take part in discussions with the regulator for potential changes to existing as well as upcoming regulations.</p> <p>The Company provides a professional working environment, market competitive remuneration and career enrichment opportunities. Succession planning is in place for key employees. Additionally, Company also has whistleblowing policy in place to enable employees to report any deliberate policy violations confidentiality.</p> <p>Technology risk contains strategic, financial, operational, regulatory, and reputational dimensions. The board and senior management is fully cognizant of IT landscape. A robust Disaster Recovery Plan is in place to mitigate the impacts of loss of data, technology failure and security breaches. The Company is well aware of the risks posed by cyber threats and has taken measures to update our security infrastructure. Further, Covid19 had posed significant challenges where Company had to reengineer various processes to ensure uninterrupted services</p> <p>The Company has an Internal Audit department (Department) oversight by the Board Internal Audit Committee (BAC). The function conducts audit of each operational unit on periodic basis. The function also identifies the gap in the business processes, suggests measures to improves operational efficiencies and recommend the same to the BAC for super visioning. The function also recommends the business processes re-engineering to the redundant processes along with compliance with the regulatory requirement as stipulated.</p>

B) UNCERTAINTIES FACED BY THE COMPANY:

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

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

C) OPPORTUNITIES AVAILABLE:

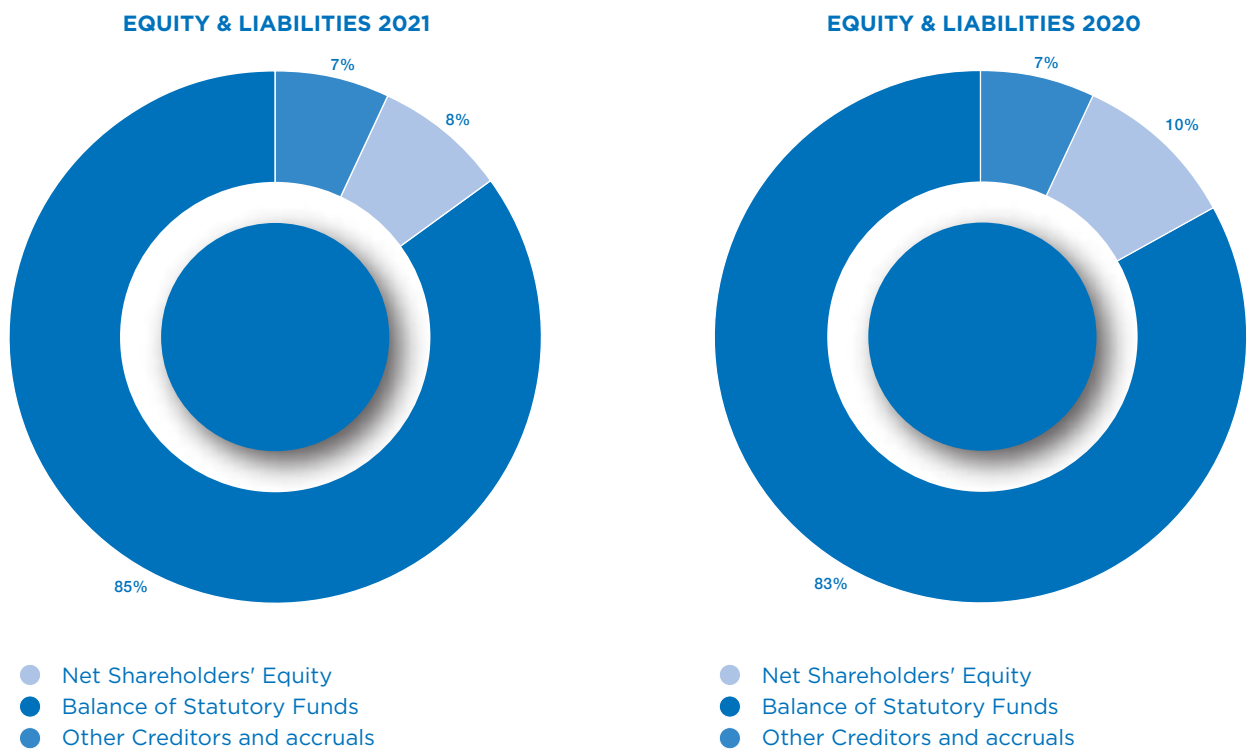
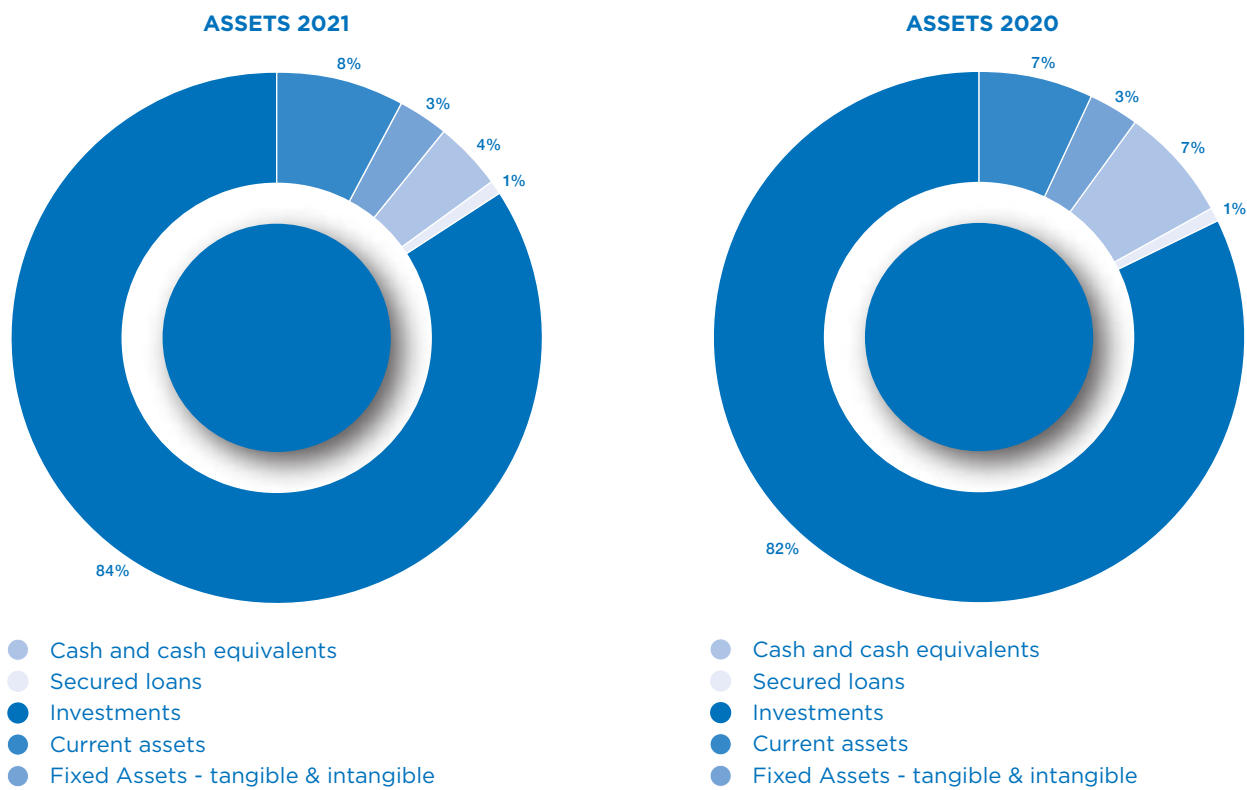
- 1) Life Insurance Industry comprises of less than 1% penetration of the total Gross Domestic Product (GDP) of Pakistan. There is a significant opportunity to increase the same by obtaining competitive advantages through offering good product suites, increased/improved distribution channels using technological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



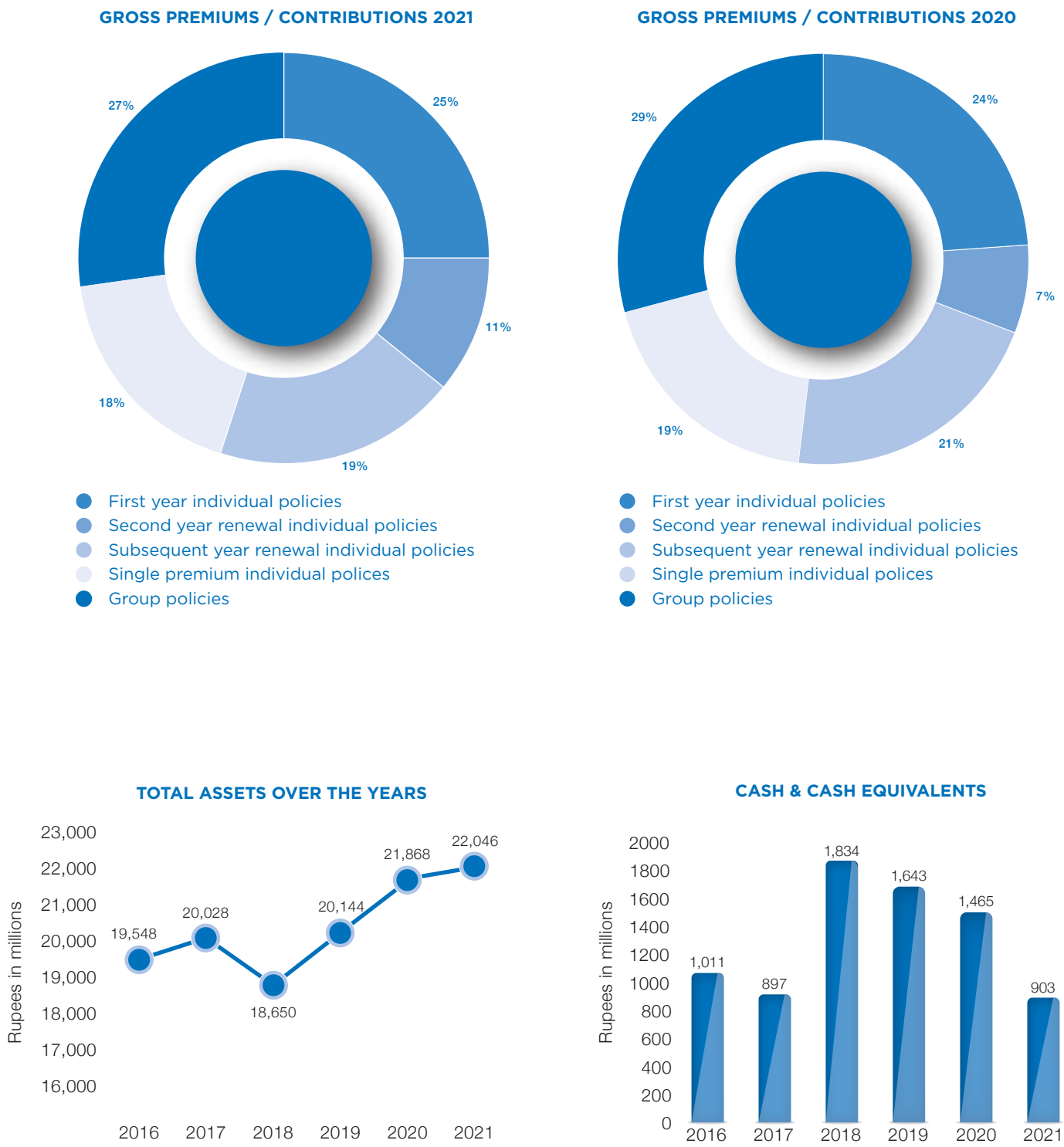
CORPORATE SOLUTIONS

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

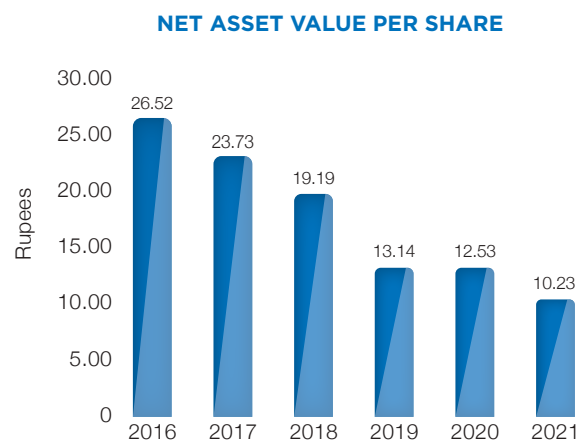
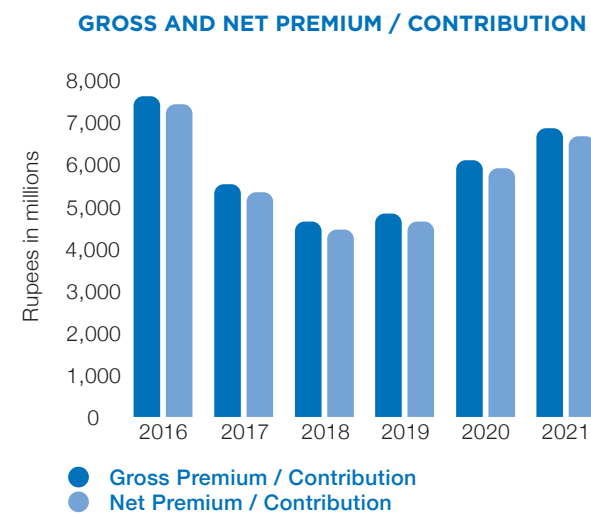
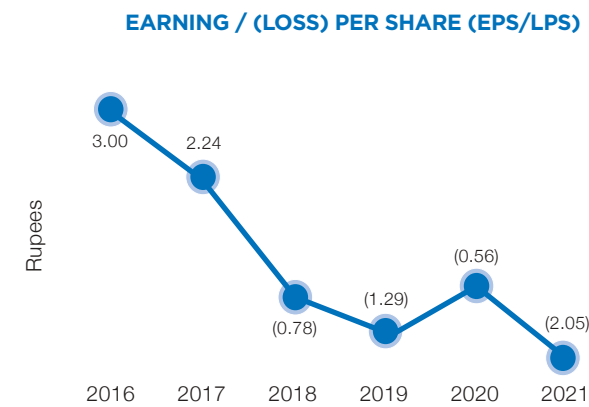
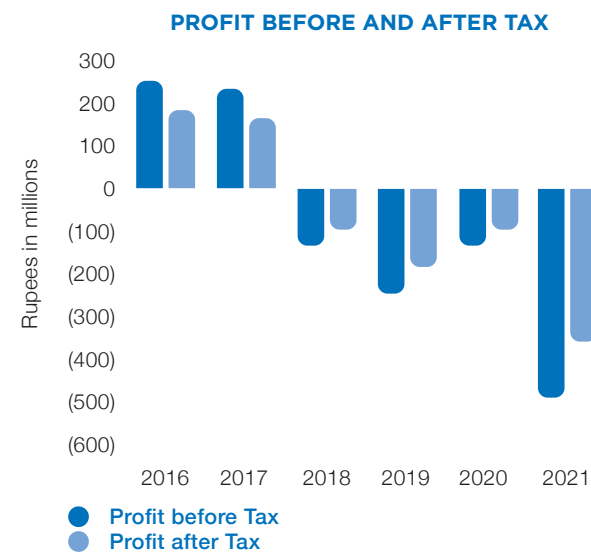
Performance at a Glance



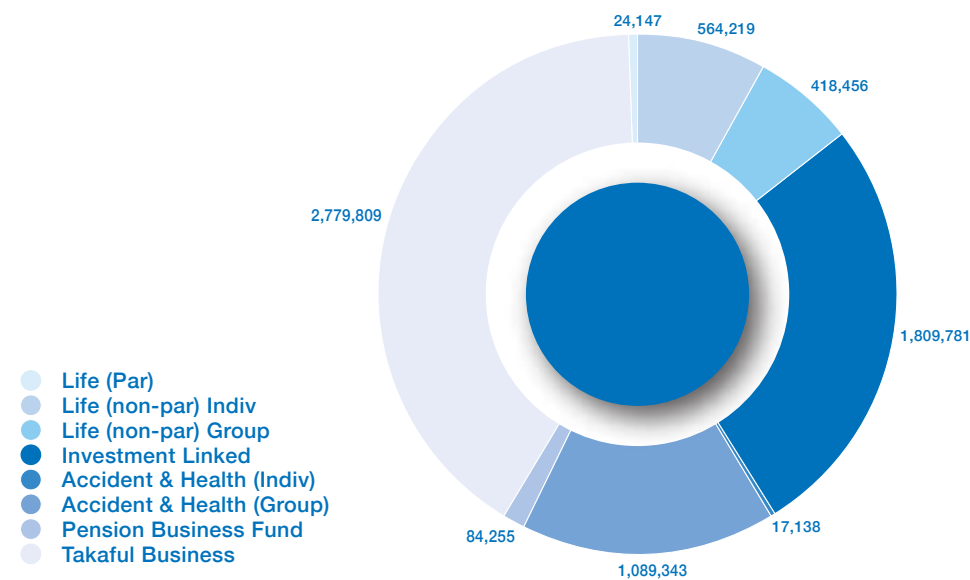
Performance at a Glance



Performance at a Glance



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



Key Financial Data

Six years at Glance

Financial ratios

Profitability / Return to shareholders

		2021	2020	2019	2018	2017	2016
(Loss) / profit before tax / gross premium / contributions	%	-6.98%	-2.21%	-5.10%	-2.80%	4.02%	2.93%
Total Expenses (including claims) / Total Revenue and Incomes	%	97.84%	86.64%	106.33%	114.26%	86.29%	43.48%
Return on assets	%	-1.58%	-0.44%	-0.88%	-0.51%	0.79%	0.93%
Return on equity	%	-20.02%	-4.48%	-7.89%	-7.00%	10.22%	11.33%
EPS	Rs.	(2.05)	(0.56)	(1.29)	(0.78)	2.24	3.00
Price earning ratio	times	(18.61)	(102.17)	(20.95)	(60.38)	38.46	45.97
Net assets per share	Rs.	10.23	12.53	13.14	19.19	23.73	26.52

Market data

Face value per share	Rs.	10	10	10	10	10	10
Market value per share at year end	Rs.	38.10	57.34	26.98	47.10	84.50	85.92
Highest share price during the year	Rs.	62.44	65.75	50.00	94.50	131.00	139.90
Lowest share price during the year	Rs.	33.10	13.32	11.50	47.10	81.00	50.31
Market capitalization	'000	6,498,610	9,780,323	4,601,903	3,323,715	5,962,928	5,198,160

Performance / Liquidity

Earning asset to Total Asset ratio	%	88.74%	89.41%	87.52%	89.18%	93.30%	94.31%
Net premium / contribution to gross premium / contribution ratio	%	96.18%	95.76%	96.14%	96.60%	97.71%	98.05%
Net claims to net premium / contribution ratio	%	72.45%	72.82%	102.44%	110.01%	78.69%	42.86%
Management expenses to net premium / contribution ratio	%	17.37%	17.42%	24.40%	17.41%	11.21%	7.29%
Current ratio	times	1.05	1.09	1.09	1.05	1.08	1.08
Total assets turnover	times	0.37	0.36	0.31	0.31	0.32	0.51
Fixed assets turnover	times	11.50	10.76	9.83	10.34	50.21	118.55
Equity / total assets	%	7.91%	9.77%	11.12%	7.26%	7.71%	8.21%

Key Financial Data

Six years at Glance

Financial data	2021	2020	2019	2018	2017	2016
	----- Rupees in '000 -----					
Paid-up capital	1,705,672	1,705,672	1,705,672	705,672	705,672	605,000
Retained Earnings and Reserves	38,509	431,056	535,041	648,182	838,616	999,550
Investments	18,481,400	17,916,306	15,818,831	14,616,832	17,620,631	17,271,547
Cash and cash equivalents	903,117	1,464,863	1,642,569	1,833,762	897,460	1,010,880
Total assets	22,046,187	21,867,742	20,144,099	18,650,377	20,028,295	19,547,892
Operating data						
Gross premium / contributions	7,056,672	6,160,785	4,814,857	4,793,561	5,617,388	7,584,067
Net premium / contributions	6,787,448	5,899,477	4,628,927	4,630,555	5,488,472	7,436,242
Investments income	1,259,608	1,862,054	1,547,348	992,947	1,112,085	2,555,514
Profit before taxation	(492,237)	(135,987)	(245,797)	(134,076)	225,975	222,435
Taxation	143,080	40,262	(69,079)	(39,373)	68,204	40,649
Profit after taxation	(349,157)	(95,725)	(176,718)	(94,703)	157,771	181,786
EPS	(2.05)	(0.56)	(1.29)	(0.78)	2.24	3.00
Cash flow summary						
Net cash flow from operating activities	(887,032)	(95,965)	(1,607,511)	(1,990,349)	(411,060)	2,965,665
Net cash flow from investing activities	7,194,709	(81,724)	416,587	2,985,863	387,440	(2,338,107)
Net cash flow from financing activities	(1)	(17)	999,731	(59,212)	(89,800)	(49,880)
Net cash flow from all activities	6,307,676	(177,706)	(191,193)	936,302	(113,420)	577,678
Cash and cash equivalents at the beginning of the year	1,464,863	1,642,569	1,833,762	897,460	1,010,880	433,202
Cash and cash equivalents at the end of the year	7,772,539	1,464,863	1,642,569	1,833,762	897,460	1,010,880

Balance Sheet and Profit & Loss Analysis

Balance Sheet	2021		2020		2019		2018		2017		2016	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
Net Shareholders' equity	1,744,181	8%	2,136,728	10%	2,240,713	11%	1,353,854	7%	1,544,288	8%	1,604,550	8%
Balance of statutory funds	18,700,567	85%	18,152,024	83%	16,864,180	84%	16,490,600	88%	17,741,157	89%	17,102,179	87%
Deferred Tax liability	-	0%	-	0%	-	0%	19,772	0%	60,729	0%	76,016	0%
Creditors and accruals	1,599,310	7%	1,576,860	7%	1,037,059	5%	783,734	4%	681,024	3%	765,000	4%
Dividend	2,129	0%	2,130	0%	2,147	0%	2,417	0%	1,097	0%	147	0%
Total equity and liabilities	22,046,187	100%	21,867,742	100%	20,144,099	100%	18,650,377	100%	20,028,295	100%	19,547,892	100%
Cash and cash equivalents	903,115	4%	1,464,863	7%	1,642,569	8%	1,833,762	10%	897,460	4%	1,010,880	5%
Secured loans	178,706	1%	171,811	1%	167,965	1%	181,375	1%	167,539	1%	153,456	1%
Investments	18,481,400	84%	17,916,306	82%	15,818,831	79%	14,616,832	78%	17,620,631	88%	17,271,547	88%
Current assets	1,339,055	6%	1,318,784	6%	1,812,599	9%	1,464,200	8%	1,214,776	6%	1,027,724	5%
Deferred Asset	439,029	2%	265,015	1%	59,797	0%	-	0%	-	0%	-	0%
Fixed Assets - tangible												
& intangible	704,882	3%	730,963	3%	642,338	3%	554,208	3%	127,889	1%	84,285	0%
Total assets	22,046,187	100%	21,867,742	100%	20,144,099	100%	18,650,377	100%	20,028,295	100%	19,547,892	100%
Revenue and Profit & Loss account												
Net Income	8,177,062	100%	7,932,739	100%	6,331,997	100%	5,745,693	100%	6,715,771	100%	9,930,303	100%
Claims and Expenditures	(7,934,629)	-97%	(6,815,573)	-86%	(6,715,943)	-106%	(6,547,485)	-114%	(5,570,027)	-83%	(4,344,280)	-44%
Movement in policy holders' liability	(734,670)	-9%	(1,253,153)	-16%	138,149	2%	667,716	12%	(919,769)	-14%	(5,331,770)	-54%
Surplus / Profit before tax	(492,237)	-6%	(135,987)	-2%	(245,797)	-4%	(134,076)	-2%	225,975	3%	254,253	3%
Taxation	143,080	2%	40,262	1%	69,079	1%	39,373	1%	(68,204)	-1%	(72,467)	-1%
Surplus / Profit after tax	(349,157)	-4%	(95,725)	-1%	(176,718)	-3%	(94,703)	-2%	157,771	2%	181,786	2%

Balance Sheet and Profit & Loss Analysis

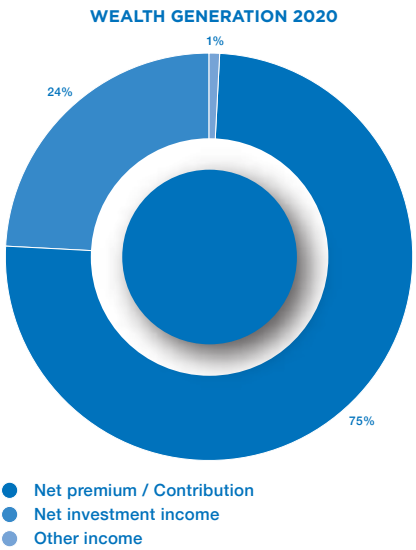
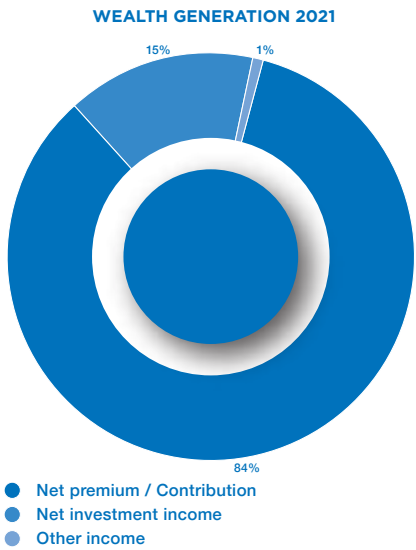
Horizontal Analysis

Balance Sheet	2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016
	Rupees in '000						% increase / (decrease) over preceeding year					
Net shareholders' equity	1,744,181	2,136,728	2,240,713	1,353,854	1,544,288	1,604,550	-18%	-5%	66%	-12%	-4%	14%
Balance of statutory funds	18,700,567	18,152,024	16,864,180	16,490,600	17,741,157	17,102,179	3%	8%	2%	-7%	4%	49%
Deferred tax liability	-	-	-	19,772	60,729	76,016	0%	0%	-100%	-67%	-20%	0%
Creditors and accruals	1,599,310	1,576,860	1,037,059	783,734	681,024	765,000	1%	52%	32%	15%	-11%	10%
Dividend	2,129	2,130	2,147	2,417	1,097	147	0%	-1%	-11%	120%	646%	444%
Total equity and liabilities	22,046,187	21,867,742	20,144,099	18,650,377	20,028,295	19,547,892	1%	9%	8%	-7%	2%	44%
	(0)	-	(0)	-	(0)	-						
Cash and cash equivalents	903,115	1,464,863	1,642,569	1,833,762	897,460	1,010,880	-38%	-11%	-10%	104%	-11%	133%
Secured loans	178,706	171,811	167,965	181,375	167,539	153,456	4%	2%	-7%	8%	9%	4%
Investments	18,481,400	17,916,306	15,818,831	14,616,832	17,620,631	17,271,547	3%	13%	8%	-17%	2%	43%
Current assets	1,339,055	1,318,784	1,812,599	1,464,200	1,214,776	1,027,724	2%	-27%	24%	21%	18%	21%
Deferred asset	439,029	265,015	59,797	-	-	-	66%	343%	0%	0%	0%	-100%
Fixed Assets - tangible & intangible	704,882	730,963	642,338	554,208	127,889	84,285	-4%	14%	16%	333%	52%	15%
Total assets	22,046,187	21,867,742	20,144,099	18,650,377	20,028,295	19,547,892	1%	9%	8%	-7%	2%	44%
Revenue and Profit & Loss account												
Net Income	8,177,062	7,932,739	6,331,997	5,745,693	6,715,771	9,930,303	3%	25%	10%	-14%	-32%	89%
Claims and Expenditures	(7,934,629)	(6,815,573)	(6,715,943)	(6,547,485)	(5,570,027)	(4,344,280)	16%	1%	3%	18%	28%	20%
Movement in policy holders' liability	(734,670)	(1,253,153)	138,149	667,716	(919,769)	(5,331,770)	-41%	-100%	-79%	-173%	-83%	271%
Surplus / Profit before tax	(492,237)	(135,987)	(245,797)	(134,076)	225,975	254,253	262%	-45%	83%	-159%	-11%	41%
Taxation	143,080	40,262	69,079	39,373	(68,204)	(72,467)	255%	-42%	75%	-158%	-6%	101%
Surplus / Profit after tax	(349,157)	(95,725)	(176,718)	(94,703)	157,771	181,786	265%	-46%	87%	-160%	-13%	26%

Statement of Value Addition

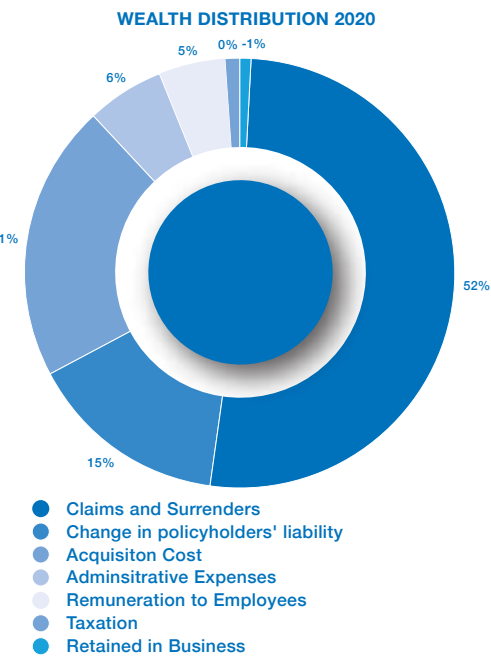
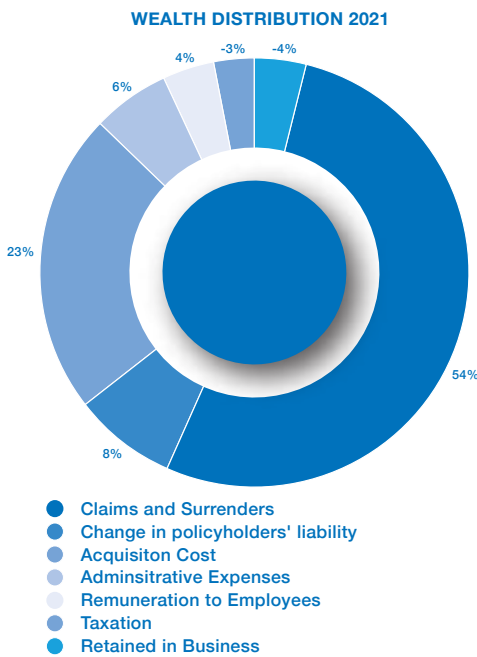
WEALTH GENERATION
Net premium / Contribution
Net investment income
Other income
Wealth generated

2021		2020	
Amount (Rupees in '000)	%	Amount (Rupees in '000)	%
6,787,448	84%	5,899,477	75%
1,259,608	16%	1,862,054	24%
62,472	1%	104,679	1%
8,109,528	100%	7,866,210	100%



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

2021		2020	
Amount (Rupees in '000)	%	Amount (Rupees in '000)	%
4,917,339	60%	4,295,989	54%
734,670	9%	1,253,153	16%
2,079,649	25%	1,682,731	21%
553,952	7%	457,268	6%
383,689	5%	379,585	5%
(143,080)	-2%	(40,262)	-1%
(349,157)	-4%	(95,725)	-1%
8,177,062	100%	7,932,739	100%



Financial / Event Calendar

Event	
Results	Date
Financials for the three months ended March 31, 2021	28-Apr-2021
Financials for the six months ended June 30, 2021	24-Aug-2021
Financials for the nine months ended September 30, 2021	26-Oct-2021
Financials for the year ended December 31, 2021	25-Mar-2022
Notice of AGM to Shareholders along with Financial Statements	06-Apr-2022
Annual General Meeting	28-Apr-2022

Pattern of Shareholding

as at December 31, 2021

NO. OF SHAREHOLDERS	NO. OF SHAREHOLDINGS		TOTAL SHARES
	FROM	TO	
359	1	100	5,607
143	101	500	40,215
114	501	1,000	84,784
129	1,001	5,000	308,001
26	5,001	10,000	188,238
11	10,001	15,000	138,630
6	15,001	20,000	103,895
8	20,001	25,000	182,612
5	25,001	30,000	132,331
3	30,001	35,000	98,628
4	35,001	40,000	145,913
1	40,001	45,000	40,700
2	45,001	50,000	97,784
2	50,001	55,000	104,459
1	55,001	60,000	57,620
1	60,001	65,000	61,734
2	65,001	70,000	135,183
2	70,001	75,000	146,500
2	85,001	90,000	173,573
1	90,001	95,000	91,000
1	95,001	100,000	95,929
1	115,001	120,000	117,562
1	120,001	125,000	120,500
1	125,001	130,000	129,635
1	135,001	140,000	135,766
2	140,001	145,000	286,472
1	185,001	190,000	188,819
1	230,001	235,000	232,906
1	295,001	300,000	299,500
1	300,001	305,000	302,136
1	340,001	345,000	343,741
1	410,001	415,000	412,000
1	505,001	510,000	507,056
1	530,001	535,000	532,968
1	600,001	605,000	604,272
1	925,001	930,000	928,500
1	930,001	935,000	933,500
1	955,001	960,000	957,780
1	1,945,001	1,950,000	1,948,601
1	2,790,001	2,795,000	2,790,469
1	8,480,001	8,485,000	8,481,873
1	9,125,001	9,130,000	9,129,286
1	138,750,001	138,755,000	138,750,522
846			170,567,200

Pattern of Shareholding

as at December 31, 2021

Shareholder's category	Number of Shareholders	Number of shares held
Associated Companies, Undertaking and Related Parties		
IGI HOLDINGS LIMITED	2	138,750,934
M/S. IGI INSURANCE LIMITED (BONUS-SO)	3	2,292,387
TOTAL >>	5	141,043,321
Mutual Funds		
CDC - TRUSTEE HBL - STOCK FUND	1	120,500
CDC - TRUSTEE HBL EQUITY FUND	1	933,500
CDC - TRUSTEE HBL MULTI - ASSET FUND	1	35,500
CDC - TRUSTEE HBL PF EQUITY SUB FUND	1	299,500
CDC - TRUSTEE PICIC GROWTH FUND	1	412,000
CDC - TRUSTEE PICIC INVESTMENT FUND	1	299,500
TOTAL >>	6	1,835,500
Directors and their spouse		
SYED HYDER ALI	3	958,483
MR. KHURRAM RAZA BAKHTAYARI	2	703
SYED YAWAR ALI	3	5,505
MR. MOHAMMAD KAMAL SYED	2	703
MR. SHAMIM AHMAD KHAN	2	703
MS. FARESA AHSAN	1	703
MS. ZEHRA NAQVI	1	703
SYEDA NIGHAT ALI	1	507,056
TOTAL >>	15	1,474,559
General Public		
LOCAL		
TOTAL >>	795	16,627,702
Executives		
TOTAL >>	-	-
Public Sector Companies and Corporations		
TOTAL >>	1	1,388
Others		
TOTAL >>	21	1,099,943
Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Takaful, Modaraba and Pension Funds		
TOTAL >>	3	8,484,787
Shareholder Holding ten percent or more voting Rights in the Listed Company		
IGI HOLDINGS LIMITED	1	138,750,934

Categories of Shareholding

as at December 31, 2021

S.No.	Shareholder's Category	No. of Shareholders	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	15	1,474,559	0.86
2	Associated Companies, Undertakings and Related Parties	5	141,043,321	82.69
3	NIT and ICP			
4	Banks, Development Financial Institutions, Non-Banking	3	8,484,787	4.97
5	Insurance Companies			
6	Modarabas and Mutual Funds	6	1,835,500	1.08
7	Share holders holding 10%	1	138,750,522	81.35
8	General Public :			
	a. Local	795	16,627,702	9.75
	b. Foreign	-	-	-
9	Others	22	1,101,331	0.65
Total (excluding : share holders holding 10%)		846	170,567,200	100.00

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

For the year ended December 31, 2021

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

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

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

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

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

- The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies, where applicable).
- All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or NBF1 or being a member of stock exchange, has been declared as a defaulter by a stock exchange.
- During the year no casual vacancies arose on the Board.
- The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
- All powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive directors and the key officers, have been taken by the Board in accordance with the Companies Act, 2017 and the Regulations.
- The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven (7) days before the meeting. The minutes of the meeting were appropriately recorded and circulated.

10. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company has adopted and complied with all the necessary aspects of internal controls given in the Code.
11. At present, the Board is in compliance with the requirements of the time frame related to directors' training program as stipulated in the Regulations.
12. The Board arranged orientation courses for its directors during the year to acquaint them with the code, applicable laws and to appraise them with their duties and responsibilities.
13. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Code and the Regulations.
14. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and the Regulations and fully describes the salient matters required to be disclosed.
15. Chief financial officer and Chief executive officer duly endorsed the financial statements before approval of the Board.
16. The directors, chief executive officer and other executives do not hold any interest in the shares of the Company other than disclosed in the pattern of shareholding.
17. The Company has complied with all the corporate and financial reporting requirements of the Code.
18. The Board has formed the following Management Committees:

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

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

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

19. The Board has formed the following Board Committees:

ETHICS, HUMAN RESOURCE, REMUNERATION & NOMINATION COMMITTEE	
Name of the Member	Category
Faresa Ahsan	Chairperson
Syed Yawar Ali	Member
Syed Hyder Ali	Member
Khurram Raza Bakhtayari	Member

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

20. The Board has formed an Audit Committee. It comprises of four (4) members, of whom two (2) are independent directors and two (2) are non-executive directors. The chairman of the Committee is an independent director. The composition of the Audit Committee is as follows:

AUDIT COMMITTEE	
Name of the Member	Category
Mohammad Kamal Syed	Chairman
Zehra Naqvi	Member
Syed Yawar Ali	Member
Khurram Raza Bakhtayari	Member

21. The meetings of the committees, except Ethics, Human Resources, Remuneration and Nomination Committee were held at least once every quarter, prior to approval of interim and final results of the Company and as required by the Code. The terms of references of the aforesaid committees have been formed, documented and advised to the respective committees for compliance.
22. The Board has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company and is involved in the internal audit function on a full time basis.
23. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under the Code of Corporate Governance for Insurers, 2016. The Appointed Actuary of the Company also meets the conditions as laid down in the said Code. Moreover, the persons heading the underwriting, claim, reinsurance, customer service and grievance departments possess qualification and experience of direct relevance to their respective functions, as required under section 12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000):

Name of the Person	Designation
Syed Hyder Ali	Chief Executive Officer
Tahir Masaud	Head of Business and Operations
Ali Nadim	Chief Operating Officer
Abdul Haseeb	Chief Financial Officer
Hasham Wajih	Head of Actuarial and Reinsurance
Iqra Sajjad*	Company Secretary
Shahzeb Haider	Head of Internal Audit
Saleem Shah	Head of Underwriting
Kashif Qayyum	Head of Claims
Aijaz Saleem	Head of Customer Services and Grievance
Saira Sheikh	Head of Compliance
Faisal Khan	Head of Risk Management

* Subsequent to the year-end Nadia Perveen Hussain was appointed as the Company Secretary.

24. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of section 48 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP), and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
25. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the requirements stipulated in the Companies Act, 2017, the Regulations and / or the Rule Book of Pakistan Stock Exchange Limited (PSX). Furthermore, the auditors have confirmed that they have observed IFAC guidelines in this regard.
26. The appointed actuary of the Company has confirmed that he or his spouse and minor children do not hold shares of the Company.
27. The Board ensures that the appointed actuary complies with the requirements set out for him in the Code of Corporate Governance for Insurers, 2016.
28. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code of Corporate Governance for Insurers, 2016.
29. The Board ensures that the risk management system of the Company is in place as per the requirement of the Code of Corporate Governance for Insurers, 2016.
30. The Company has set up a risk management function, which carries out its tasks as covered under the Code of Corporate Governance for Insurers, 2016.
31. The Board ensures that as part of the risk management system, the Company gets itself rated from PACRA, which is being used by its risk management function and the respective committee as a risk monitoring tool. The Insurer Financial Strength (IFS) rating assigned by the said rating agency PACRA, as per their notification dated June 23, 2021 is A+ (A plus) with stable outlook.
32. The Board has set up a grievance department / function, which fully complies with the requirements of the Code of Corporate Governance for Insurers, 2016.


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

- a) Audit Committee : quarterly meetings
- b) Ethics, HR, Remuneration and Nomination Committee: annual meeting
- c) Risk Management and Compliance Committee : quarterly meetings

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

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

By order of the Board


Shamim Ahmad Khan
Chairman

Independent Auditor’s Review Report

To the members of IGI Life Insurance Limited

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

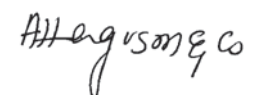
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Code of Corporate Governance for Insurers, 2016 (both herein referred to as ‘Regulations’) prepared by the Board of Directors of IGI Life Insurance Limited (the Company) for the year ended December 31, 2021 in accordance with the requirements of regulation 36 the Listed Companies (Code of Corporate Governance) Regulations, 2019 and provisions of Code of Corporate Governance for Insurers, 2016.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company’s compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2021.


A.F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: April 5, 2022
UDIN: CR2021100618KAQepYvC

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

Opinion

We have audited the annexed financial statements of IGI Life Insurance Limited (the Company), which comprise the statement of financial position as at December 31, 2021, and the profit and loss account, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity, the 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 the Company’s affairs as at December 31, 2021 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 26.1 to the financial statements describing the matter related to the provincial sales tax liability on premium charged to the policyholders in respect of group health and life insurance. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Following are the Key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	Insurance liabilities (Refer notes 3.2.1, 4.1.5 and 18 of the annexed financial statements)	
	The policyholders’ liabilities represent the single largest liability of the Company constituting 92% of the total liabilities at December 31, 2021. The Minimum Valuation Basis for determination of actuarial reserve for the policyholders’ liabilities of a life insurance company is specified under Annexure 5 to Rule 23 of the Insurance Rules, 2017. The Annexure describes the valuation method to be used in determination of the actuarial reserves for the policyholders’ liabilities with respect to unit linked, universal life and other segments and certain valuation parameters (such as mortality rates, morbidity rates, valuation rates of interest etc.) to be taken into account.	Our audit procedures to assess the determination of actuarial reserve for the policyholders’ liabilities, amongst others, included the following: <ul style="list-style-type: none">• Obtained an understanding from the management of the actuarial assumptions and methodologies used for estimating the policyholders’ liabilities at December 31, 2021.• Inquired from the management about the consistency of the method used for calculation of the policyholders’ liabilities and assumptions for the valuation parameters at December 31, 2021 to establish whether they had been subject to any arbitrary discontinuities from those used at December 31, 2020.

S. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>The appointed actuary of the Company carries out an investigation as at the end of each year into the financial condition of the life insurance business carried on by the Company, including a valuation of its policyholders' liabilities at December 31, 2021 and issues a report thereon to the Board of Directors of the Company before their approval of the financial statements.</p> <p>The determination of the policyholders' liabilities is a significant area of judgment and estimation. Because of the significance of the impacts of these judgments / estimations, we considered this area as a key audit matter.</p>	<ul style="list-style-type: none"> Reviewed the report submitted by the appointed actuary to the Board of Directors of the Company expressing his satisfaction over the valuation of the policyholders' liabilities in accordance with Annexure 5 to Rule 23 of the Insurance Rules, 2017. Engaged an independent actuarial expert to assess whether the reserving methodology used with respect to all statutory funds maintained by the Company was in line with the Minimum Valuation Basis given in Annexure 5 to Rule 23 of the Insurance Rules, 2017 and was further in accordance with generally accepted actuarial principles. Independently verified, on a test basis, the Company's data used by the appointed actuary in the determination of the policyholders' liabilities. Recomputed, on a test basis, the account / cash values of the policyholders' at December 31, 2021 by applying the relevant parameters (such as management fee charged, cost of insurance charged, return credited etc.) of the respective products. Recomputed, on a test basis, the element of unearned premium with respect to the policies issued under group health and group life business. Assessed the relevant disclosures made in the financial statements to determine whether these complied with the accounting and reporting standards as applicable in Pakistan.
2	<p>Valuation and impairment of investments (Refer notes 4.6 and 7 to 10 of the annexed financial statements)</p>	
	<p>The investments of Rs 19,072 million as at December 31, 2021 held by the Company constitute the most significant component of total assets of the Company.</p> <p>The proper valuation of the investments portfolio of the Company as at December 31, 2021 was considered a significant area of estimation and therefore, a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Tested the design and operating effectiveness of the key controls for valuation of investments. Checked that the investments were valued appropriately in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan. Checked that net unrealised gains / losses arising on the subsequent measurement of the investments were appropriately accounted for in the financial statements. Evaluated the Company's assessment of available-for-sale investments for any additional impairment in accordance with the accounting and reporting standards as applicable in Pakistan and performed an independent assessment of the assumptions and conclusions. Checked the appropriate recognition of related adjustments to the insurance liabilities in other comprehensive income where net unrealised gains / losses on available for sale investments were recognised in other comprehensive income. Obtained independent confirmations for verifying the existence of the investment portfolio as at December 31, 2021 and reconciled them with the books and records of the Company. Checked the relevant presentation and disclosures made in the financial statements to determine whether these comply with the accounting and reporting standards as applicable in Pakistan.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

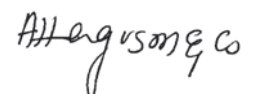
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the 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 **Noman Abbas Sheikh**.


A. F. Ferguson & Co.
Chartered Accountants
Karachi

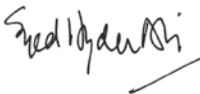
Dated: April 5, 2022
UDIN: AR202110061dWnU4rXtY

Management's Statement of Compliance with the Shariah Principles

The financial arrangements, contracts and transactions, entered into by Window Takaful Operations of the IGI Life Insurers Limited for the year ended December 31, 2021 are in compliance with the Takaful Rules, 2012.

Further, we confirmed 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. Further, the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee / Shariah Advisor and Board of Directors have been implemented;
- All the products and policies have been approved by Shariah Advisor and the financial arrangement including investments made, policies, contracts and transactions 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 fund) are segregated from its other assets and liabilities, at all times in accordance with provisions of the Takaful Rules, 2012.


Syed Hyder Ali
Chief Executive Officer
Dated: March 25, 2022

FAMILY TAKAFUL

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



Shariah Review Report to the Board of Directors

For the year ended December 31, 2021

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

I have examined the accompanying financial statements of **IGI Life - Window Takaful Operations** (hereafter referred to as "the Window Takaful") for the year ended 31 December 2021.

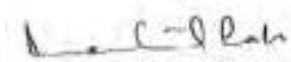
I acknowledge that as the Shariah Advisor of the Window Takaful, it is my responsibility to ensure that the financial arrangements, contracts and transactions entered into by the Window Takaful with its participants and stakeholders are in compliance with the requirements of Shariah rules and principles.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

The primary scope of Shariah Audit is to review the Window Takaful's compliance with Shariah Guidelines, and includes the examination of the appropriate evidence of transactions undertaken by the Window Takaful during the year 2021.

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

- Financial transactions undertaken by the Window Takaful for the year ended 31 December 2021 were in accordance with guidelines issued by Shariah Advisor as well as the requirements of Takaful Rules 2012.
- Few cases which had some irregularities from the Shariah perspective were discussed with the Management and duly resolved. Furthermore, the management of the Window Takaful has been advised to strictly follow Shariah compliance in future.
- Consequently, we have found that the Window Takaful is in accordance with the Shariah principles in all transactional aspects.

“And Allah Knows Best”



Dr. Mufti Ismatullah

Shariah Advisor

(IGI Life - Window Takaful Operations)

شریعی ریویو رپورٹ برائے بورڈ آف ڈائریکٹرز

برائے مالیاتی سال 2021

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

الحمد لله، میں نے "آئی جی آئی لائف، ونڈو تکافل آپریشنز" (آئندہ اسے "ونڈو تکافل" کہا جائے گا) کے مالیاتی اسٹیٹمنٹس برائے سال 2021 کا شرعی نقطہ نظر سے جائزہ لیا۔

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

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

بہر حال میری معلومات کے مطابق:

- سال 2021 کے اختتام تک ونڈو تکافل کی جانب سے کئے گئے تمام مالی معاملات شریعہ ایڈوائزر کی جانب سے دی گئی گائیڈ لائنز اور تکافل رولز 2012 کے مطابق تھے۔
- البتہ ونڈو تکافل کے چند معاملات ایسے تھے، جو شریعت کی رو سے قابل اصلاح تھے، کمیٹی کی منظمہ کمیٹی سے ان معاملات پر بات چیت کر کے باقاعدہ ان کی اصلاح کر دی گئی ہے اور آئندہ بھی شریعہ گائیڈ لائنز پر اہتمام سے عمل کرنے کی ہدایت کر دی گئی ہے۔
- الحمد لله، بحیثیت مجموعی ونڈو تکافل کے تمام معاملات کو شریعہ گائیڈ لائنز اور قواعد و ضوابط کے مطابق پایا۔

والله تعالى اعلم بالصواب و علمه اتم و احکم



ڈاکٹر مفتی عصمت اللہ

شریعی ایڈوائزر

آئی جی آئی لائف - ونڈو تکافل آپریشنز

FINANCIALS



Statement of Financial Position

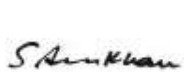
As at December 31, 2021

	Note	2021	2020
		----- Rupees in '000 -----	
Assets			
Property and equipment	5	354,097	347,639
Intangible assets	6	350,785	383,324
Investments			
Equity securities	7	47,116	43,143
Mutual funds	7	6,095,600	4,007,910
Government securities	8	12,113,684	13,640,253
Debt securities	9	225,000	225,000
Term deposits	10	590,150	1,101,600
		19,071,550	19,017,906
Loans secured against life insurance policies		178,706	171,811
Insurance / takaful / reinsurance / retakaful receivables	11	192,913	208,194
Other loans and receivables	12	375,727	393,085
Taxation - payments less provision		690,471	631,002
Deferred tax asset - net	13	439,029	265,015
Prepayments	14	79,942	86,503
Cash and bank	15	312,967	363,263
Total assets		22,046,187	21,867,742
Equity and liabilities			
Capital and reserves attributable to Company's equity holders			
Authorised share capital (300,000,000 (2020: 300,000,000) ordinary shares of Rs. 10 each)		3,000,000	3,000,000
Issued, subscribed and paid-up capital	16	1,705,672	1,705,672
Ledger account C & D		(1,043,446)	(641,955)
Unappropriated profit		1,121,879	1,070,680
(Deficit) / surplus on revaluation of available for sale investments - net	17	(39,924)	2,331
Total equity		1,744,181	2,136,728
Liabilities			
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	18	18,700,567	18,152,024
Outstanding claims	19	508,077	477,224
Retirement benefit obligations	20	29,241	24,457
Premium received in advance		334,396	398,697
Reinsurance / retakaful payables	23	39,348	40,965
Other creditors and accruals	24	545,088	501,433
Lease liability against right-of-use assets	25	145,289	136,214
Total liabilities		20,302,006	19,731,014
Total equity and liabilities		22,046,187	21,867,742

Contingencies and commitments

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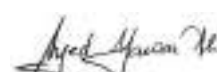
The annexed notes from 1 to 47 form an integral part of these financial statements.



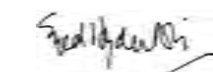
Chairman



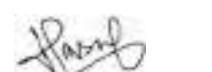
Director



Director



Chief Executive Officer



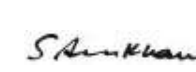
Chief Financial Officer

Profit and Loss Account

For the year ended December 31, 2021

	Note	2021	2020
		-----Rupees in '000-----	
Gross premium / contribution revenue		7,056,672	6,160,785
Less: premium / contribution ceded to reinsurers / retakaful operators		218,703	210,900
Net premium / contribution revenue	27	6,837,969	5,949,885
Investment income	28	1,331,881	1,644,301
Net realised fair value (losses) / gains on financial assets	29	(72,273)	217,753
Other income - net	30	62,472	104,679
		1,322,080	1,966,733
Net income		8,160,049	7,916,618
Insurance benefits		5,076,159	4,416,919
Recoveries from reinsurers / retakaful operators		(158,820)	(120,930)
Net insurance benefits	31	4,917,339	4,295,989
		3,242,710	3,620,629
Change in insurance liabilities (other than outstanding claims)		734,670	1,253,153
Acquisition expenses	32	2,079,649	1,682,731
Marketing and administration expenses	33	906,915	813,392
Other expenses	34	8,009	8,973
Total expenses		3,729,243	3,758,249
		(486,533)	(137,620)
Finance costs against right-of-use assets	35	22,717	14,488
Surplus appropriated to Shareholders' Fund from Ledger Account C		17,013	16,121
		(492,237)	(135,987)
Loss before tax		(492,237)	(135,987)
Income tax	36	143,080	40,262
		(349,157)	(95,725)
Loss after tax			
		(349,157)	(95,725)
Loss per share			
	37	(2.05)	(0.56)

The annexed notes from 1 to 47 form an integral part of these financial statements.



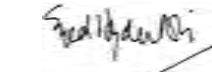
Chairman



Director



Director



Chief Executive Officer



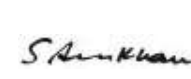

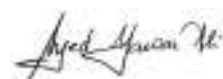
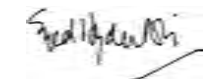

Chief Financial Officer

Statement of Comprehensive Income

For the year ended December 31, 2021

	2021	2020
	-----Rupees in '000-----	
Loss after tax	(349,157)	(95,725)
Other comprehensive (loss) / income		
Items that will be reclassified subsequently to the profit and loss:		
Change in unrealised (loss) / income on available-for-sale financial assets	(221,391)	41,838
Less: taxation	10,022	3,562
Change in unrealised (loss) / income on available-for-sale financial assets '- net of tax	(211,369)	45,400
Change in insurance liabilities - net	169,114	(50,812)
	(42,255)	(5,412)
Items that will not be reclassified subsequently to the profit and loss:		
Actuarial losses on retirement benefit scheme	(1,135)	(2,848)
Other comprehensive loss for the year	(43,390)	(8,260)
Total comprehensive loss for the year	(392,547)	(103,985)

The annexed notes from 1 to 47 form an integral part of these financial statements.

 Chairman
 Director
 Director
 Chief Executive Officer
 Chief Financial Officer

Statement of Changes in Equity

For the year ended December 31, 2021


	Attributable to equity holders of the Company				
Share capital	Un-appropriated profit *	Ledger C & D account **	Capital reserve	Total	
			Net (deficit) / surplus on revaluation of available for sale investments**		
-----Rupees in '000-----					
Balance as at December 31, 2019	1,705,672	675,543	(148,245)	7,743	2,240,713
Total comprehensive income / (loss)					
Profit / (loss) for the year ended December 31, 2020	-	191,079	(286,804)	-	(95,725)
Other comprehensive loss for the year ended December 31, 2020	-	-	(2,848)	(5,412)	(8,260)
	-	191,079	(289,652)	(5,412)	(103,985)
Appropriation of surplus from ledger D to Shareholder fund	-	204,058	(204,058)	-	-
Balance as at December 31, 2020	1,705,672	1,070,680	(641,955)	2,331	2,136,728
Total comprehensive income / (loss)					
Profit / (loss) for the year ended December 31, 2021	-	51,199	(400,356)	-	(349,157)
Other comprehensive loss for the year ended December 31, 2021	-	-	(1,135)	(42,255)	(43,390)
	-	51,199	(401,491)	(42,255)	(392,547)
Balance as at December 31, 2021	1,705,672	1,121,879	(1,043,446)	(39,924)	1,744,181

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

** This represents reserve appropriated to shareholders.

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

The annexed notes from 1 to 47 form an integral part of these financial statements.

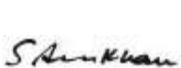
 Chairman
 Director
 Director
 Chief Executive Officer
 Chief Financial Officer

Cash Flow Statement

For the year ended December 31, 2021

	Note	2021	2020
		-----Rupees in '000-----	
Operating cash flows			
(a) Underwriting activities			
Premiums received net of policy transfers		6,971,536	6,657,664
Reinsurance premium paid		(267,607)	(319,063)
Claims paid		(1,669,547)	(1,613,406)
Surrenders paid		(3,370,928)	(2,798,497)
Reinsurance recovery received		194,936	209,943
Commission paid		(1,064,901)	(751,393)
Commission received		50,521	50,408
Net cash inflow from underwriting activities		844,010	1,435,656
(b) Other operating activities			
Income tax paid		(80,381)	(192,729)
Marketing and administrative expenses paid		(1,690,869)	(1,416,022)
Other operating receipts		28,212	61,371
Loans advanced		9,519	11,299
Loan repayments received		2,477	4,460
Net cash outflow on other operating activities		(1,731,042)	(1,531,621)
Total cash outflow on all operating activities		(887,032)	(95,965)
Investment activities			
Profit / return received		1,053,057	1,863,897
Dividend received		226,082	110,370
Payment for investments		(2,177,052)	(2,411,432)
Proceeds from disposal of investments		8,226,954	582,608
Proceeds from disposals of fixed assets		4,372	6,210
Fixed capital expenditure		(138,704)	(233,377)
Total cash inflow from / (outflow on) investing activities		7,194,709	(81,724)
Financing activities			
Dividends paid		(1)	(17)
Total cash outflow on financing activities		(1)	(17)
Net cash inflow from / (outflow on) all activities		6,307,676	(177,706)
Cash and cash equivalents at beginning of the year		1,464,863	1,642,569
Cash and cash equivalents at end of the year	15.2	7,772,539	1,464,863
Reconciliation to the profit and loss account			
Operating cash flows		(887,032)	(95,965)
Depreciation and amortisation expenses		(159,644)	(164,731)
Gain on disposal of fixed assets		1,617	4,093
Increase in assets other than cash		180,909	398,002
Increase in liabilities		(586,299)	(2,197,982)
Investment income		1,066,433	1,916,577
Profit received on bank deposits		17,846	28,160
Surplus appropriated to shareholders' fund		17,013	16,121
Loss after taxation		(349,157)	(95,725)

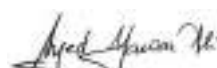
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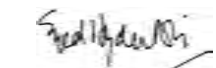
Chairman



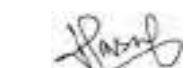
Director



Director



Chief Executive Officer



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** IGI Life Insurance Limited ("the Company") was incorporated in Pakistan on October 9, 1994 as a public limited company under the Companies Ordinance, 1984 (now the Companies Act, 2017). Its shares are quoted on the Pakistan Stock Exchange Limited. The Company commenced its operations on May 25, 1995 after registration with the Controller of Insurance on April 30, 1995. The registered office of the Company is situated at 7th Floor, The Forum, Suite No. 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi. The registered office is also the principal office of the Company.
- 1.2** The Company is a subsidiary of IGI Holdings Limited ("Holding Company") which holds 82.69% (December 31, 2020: 82.69%) share capital of the Company.
- 1.3** The Company is engaged in life insurance, carrying on both participating and non-participating business. The Company is also engaged in providing Shariah Compliant family takaful products as an approved window takaful operator.
- 1.4** In accordance with the requirements of the Insurance Ordinance, 2000, the Company established a Shareholders' Fund and Separate Statutory Funds, in respect of each class of life insurance and family takaful business. The Statutory Funds established by the Company, in accordance with the advice of the Appointed Actuary, are as follows:

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

2 BASIS OF PREPARATION

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

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

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

2.1 Statement of compliance

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

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

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

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

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2021 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore, have not been stated in these financial statements.

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

The following standards, amendments and interpretations of the accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after January 1, 2022:

	Effective date (period beginning on or after)
- IFRS 16 - 'Leases' (amendments)	June 1, 2020
- IAS 16 - 'Property, plant and equipment' (amendments)	January 1, 2022
- IAS 37 - 'Provisions, contingent liabilities and contingent assets' (amendments)	January 1, 2022
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2023
- IFRS 9 - 'Financial Instruments'	January 1, 2023*
- IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023 and yet to be notified by the Securities and Exchange Commission of Pakistan.	

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

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

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

2.3.1 Temporary exemption from application of IFRS 9

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

2.3.1.1 The fair value of the financial assets as at December 31, 2021 and change in the fair values during the year ended December 31, 2021:

	2021 ---- (Rupees in '000) ----	2020
Financial assets with contractual cash flows that meet the SPPI criteria, excluding those held for trading		
<i>Pakistan Investment Bonds - available for sale (refer note 8)</i>		
Opening fair value	2,775,342	9,235,853
Additions / (disposals) during the year - net	2,309,549	(6,219,988)
Decrease in fair value	(118,038)	(240,523)
Closing fair value	4,966,853	2,775,342
<i>Market Treasury Bills - available for sale (refer note 8)</i>		
Opening fair value	10,589,744	3,011,735
(Disposals) / additions during the year - net	(3,711,933)	7,581,439
Decrease in fair value	(8,389)	(3,430)
Closing fair value	6,869,422	10,589,744
<i>GOP Ijara Sukuk Certificate- available for sale (refer note 8)</i>		
Opening fair value	275,167	-
(Disposals) / additions during the year - net	(129)	284,756
Increase / (decrease) in fair value	2,371	(9,589)
Closing fair value	277,409	275,167
<i>Debt Securities - available for sale (refer note 9)</i>		
Opening fair value	225,000	457,354
Disposal during the year - net	-	(232,354)
Increase in fair value	-	-
Closing fair value	225,000	225,000

	2021 ---- (Rupees in '000) ----	2020
Financial assets that do not meet the SPPI criteria		
<i>Mutual funds - available for sale (refer note 7)</i>		
Opening fair value	4,007,910	3,027,759
Additions during the year - net	2,877,654	465,266
(Decrease) / increase in fair value	(789,964)	514,885
Closing fair value	6,095,600	4,007,910
<i>Listed equities - available for sale (refer note 7)</i>		
Opening fair value	43,143	86,130
Additions / (disposal) during the year - net	3,757	(42,758)
Increase / (decrease) in fair value	216	(229)
Closing fair value	47,116	43,143

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

3 BASIS OF MEASUREMENT

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

3.1 FUNCTIONAL AND PRESENTATION CURRENCY

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

3.2 Use of estimates and judgments

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

Significant areas where assumptions and estimates were exercised in application of accounting policies, otherwise that are disclosed in these financial statements, relate to items described in note 3.2.1 to 3.2.7 to these financial statements.

3.2.1 Policyholders' liabilities

Mortality and interest bases adopted

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

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

General principles adopted for valuation

The general principles adopted in the actuarial valuation to estimate policyholders' liabilities as at December 31, 2021 in accordance with the Annexure 5 to Rule 23 of the Insurance Rules, 2017 are as follows:

- a) Reserves for Endowment Policies with term not less than 20 years have been calculated using Full Preliminary Term Method with EFU (1961-66) Ultimate Mortality Table at 3.75%.
- b) Reserves for Endowment Policies with term less than 20 years have been calculated using combination of Full Preliminary Term Method and Net Level Premium Method with EFU (1961-66) Ultimate Mortality Table at 3.75%.
- c) Term Policies are calculated using Net Level Premium Method with EFU (1961-66) Ultimate Mortality Table at 3.75%.

- d) Reduced Paid-ups and Extended Term insurances have been valued by Net Single Premium Method with EFU (1961-66) Ultimate Mortality Table at 3.75%.
- e) Bonus Reserves have been valued by Net Single Premium Method with EFU (1961-66) Ultimate Mortality Table at 3.75%.
- f) Loyalty Bonus Reserves have been valued by Net Single Premium Method at 3.75% for active policies.
- g) In respect of Unit Linked policies, the reserve for bid value of allocated units is calculated using the latest bid value of units and the total number of units belonging to policyholders' accounts as at the valuation date. The amount is held as a reserve since it represents the current value of amounts that will be payable to policyholders at the time when a maturity, death or surrender claim is filed. The latest bid value is the last "announced" bid price before the valuation date.
- h) Universal Life business has been valued using full account values. No deduction has been made for surrender charges.
- i) An 'Asset Liability Mismatch (ALM) reserve' has been kept in the Individual Life Non - Participating Fund as a result of the ALM exercise carried out to assess the interest rate risk, credit risk and equity risk.
- j) Group Life Insurance, Individual Accident & Health Insurance and Group Accident & Health have been valued using Unearned Gross Premium.
- k) Pension business has been valued using full account values.
- l) Unearned premium reserves have been maintained for all riders except Level Term rider reserve which is calculated using Net Level Premium Method with EFU (1961-66) Ultimate Mortality Table at 3.75%.
- m) Reinsurance premium reserves have been maintained on an unearned premium basis.
- n) Reserves have been maintained for Incurred But Not Reported (IBNR) claims which were determined using the Chain and Ladder method based on the claims lag pattern experienced over the past few years.
- o) Reserves for claims payable in instalments have been kept at 3.75%.
- p) Unearned Premium Reserve is kept as half month of Cost of Insurance (COI) for Cost of Insurance (COI) of Universal Life and Unit Linked Policies.
- q) No policy is treated as an asset and in the system if the reserve is negative, the negative value is excluded and the reserves for the policies is set equal to zero.
- r) The Company does not have any insurance policy which is denominated in foreign currency.
- s) Reinstatement reserves have been maintained on universal life and ordinary life policies.

The principles adopted in this valuation were the same as those followed in previous valuation as at December 31, 2020.

Surrenders

For the purpose of conventional and annuity business, no provision has been made for lapses and surrenders. This gives prudence to the value placed on the liability by not taking any credits for the profits made on surrenders.

Claims provision

- a) Reserves have been made in respect of all intimated claims. Most claims require lump sum payments, for which reserves have been maintained in each Statutory Fund, where applicable. In a small number of cases, claims are payable in instalments over a period of more than twelve months after the valuation date. In respect of all such claims, reserves have been calculated using the minimum valuation basis.
- b) Adequate reserves have also been maintained for Incurred But Not Reported (IBNR) claims which were determined using the Chain and Ladder Method.

3.2.2 Classification of investment and provisions for impairment thereagainst

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

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

3.2.3 Income tax

In making the estimates for income taxes currently payable by the Company, the management considers the current income tax laws, the decisions of appellate authorities on certain issues in the past and an independent opinion given by the taxation advisor / legal advisor of the Company.

3.2.4 Tangible and intangible assets, depreciation and amortisation

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

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

3.2.5 Defined benefits plans and other benefits

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

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

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

3.2.7 Contingencies and commitments

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

4.1 Insurance / takaful contracts

Conventional business

Insurance contracts represent contracts with policyholders and reinsurers.

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

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

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

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

Group insurance contracts

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

Individual insurance contracts

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

Takaful business

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

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

Group takaful contracts

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

Individual family takaful contracts - unit linked

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

4.1.1 Premiums / contributions

Conventional business

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

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

Takaful business

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

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

4.1.2 Reinsurance / retakaful contracts held

Conventional business

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

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

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

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

Takaful business

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

Retakaful Contribution

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

Retakaful Expenses

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

Retakaful Assets and Liabilities

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

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

Retakaful assets are not offset against related retakaful liabilities. Income or expenses from retakaful contract are not offset against expenses or income from related retakaful contracts as required by Insurance Ordinance, 2000.

4.1.3 Receivables and payables related to insurance contract

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

4.1.4 Claims

Conventional business

Claim expense

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

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

Claim recoveries

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

Experience refund of premium

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

Takaful business

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

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

4.1.5 Policyholders' liabilities

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

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

4.1.6 Acquisition cost

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

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

4.1.7 Takaful operator's fee

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

4.2 Staff retirement benefits

4.2.1 Defined benefit plan

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

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

4.2.2 Defined contribution plan

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

4.3 Employees' compensated absences

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

4.4 Cash and cash equivalents

For the purposes of statement of cash flows, cash and cash equivalents include the following:

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

4.5 Loans secured against life insurance policies

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

4.6 Investments

4.6.1 Classification

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

4.6.2 Initial recognition

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

4.6.3 Subsequent measurement

Held to maturity

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

Available-for-sale

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

Fair value through profit or loss

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

Fair / market value measurement

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

Date of recognition

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

4.7 Taxation

Income tax comprises current and deferred tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to the items recognised directly in equity in which case it is recognised in equity.

4.7.1 Current

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

4.7.2 Deferred

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

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

4.8 Fixed assets

4.8.1 Tangible

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

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

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

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

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

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

4.8.2.1 Right-of-use assets

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

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

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

4.8.2.2 Lease liability against right-of-use assets

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

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

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

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

4.8.3 Capital work in progress

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

4.8.4 Intangible

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

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

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

4.9 Impairment of non-financial assets

The carrying amount of assets (other than deferred tax asset) are reviewed at each reporting date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit and loss account, as appropriate. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

4.10 Provisions

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

4.11 Investment income

- Income from held to maturity / available for sale investments is recognised using effective interest method. The difference between the redemption value and the purchase price of the held to maturity investments is amortised over the term of the investment and is taken to the profit and loss account.
- Dividend income on investments is recognised when the Company's right to receive the payment is established.
- Gain or loss on sale of investments is included in the profit and loss account.
- Return on bank deposits, loans to employees and loans to policyholders are recognised on a time proportionate basis taking into account the effective yield.
- Revaluation gain / loss on investments held 'at fair value through profit or loss' is recognised as income / expense in the profit and loss account.

4.12 Earnings per share

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

4.13 Segment reporting

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

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

The Company presents segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Takaful Rules, 2012. The Company has 11 Operating segments for reporting purposes namely; a) Individual Life participating business, b) Individual Life non-participating business, c) Investment linked,d) Accidental & health,e) Group Life, f) Group health, g) Pension business h) Individual family takaful, i) Accidental and health individual takaful, j) Group family takaful and k) Accident & health family takaful.

- The Life (participating) segment provides life insurance coverage to individuals under individual life policies that are entitled to share in the surplus earnings of the statutory fund to which they are referable.
- The Life (non-participating) segment provides life insurance coverage to individuals under individual life policies that are not entitled to share in the surplus earnings of the statutory fund to which they are referable.
- The Life (non-participating) Group segment provides life insurance coverage to employer-employee (and similar) groups of employees / members under a single life policy issued to the employer. The Group policy is not entitled to share in the surplus earnings of the statutory fund to which it is referable.
- The Investment Linked business segment provides life insurance coverage to individuals, whereby the benefits are expressed in terms of units, the value of which is related to the market value of specified assets.
- The Accident and Health - Individual segment provides fixed pecuniary benefits or benefits in the nature of indemnity or a combination of both in case of accident or sickness to individuals.
- The Accident and Health - Group segment provides fixed pecuniary benefits or benefits in the nature of indemnity or a combination of both in case of accident or sickness to employer-employee (and similar) groups of employees / members under a single policy issued to the employer.
- The Pension Fund segment provides coverage for the purposes of a pension or a retirement scheme with or without the payments being guaranteed for a minimum period.

Family Takaful

- The Individual Family Takaful business segment provides family takaful coverage to individuals under unit-linked policies issued by the Company.
- The individual Accidental and Health Takaful business segment provides takaful pecuniary benefits or benefits in the nature of indemnity or a combination of both in case of accident or sickness to individuals.
- The Group Family Takaful business segments provides family takaful coverage to members of business enterprises, corporate entities and common interest groups under group family takaful scheme operated by the Company.
- The Group Health Takaful provides fixed pecuniary benefits or benefits in the nature of indemnity or a combination of both in case of accident or sickness to employer-employee (and similar) groups of employees / members under a single policy issued to the employer.

Actuarial valuation of life insurance business is required to be carried out annually at the reporting date. Policyholders' liabilities included in the statutory funds are based on the actuarial valuation carried out by the Appointed Actuary as at December 31, 2021.

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

4.14 Foreign currency transactions and translations

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

4.15 Statutory funds

The Company maintains statutory funds in respect of each class of life insurance business. Assets, liabilities, revenues, and expenses of the Company are usually referable to respective statutory funds, however, where these are not referable to statutory funds, these are allocated to shareholders' fund.

Apportionment of assets, liabilities, revenues and expenses, wherever required, between funds are made on a fair and equitable basis in accordance with the written advice of the appointed actuary.

4.16 Financial instruments

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

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

4.17 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognised amount and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously.

4.18 Share capital

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

4.19 Dividend and appropriation of reserve

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

5 PROPERTY AND EQUIPMENT

	Note	2021	2020
		(Rupees in '000)	
Tangible assets (including right-of-use-assets)	5.1	350,623	325,353
Capital work in progress	5.2	3,474	22,286
		354,097	347,639

The revision has been accounted for as a change in accounting estimate in accordance with the requirements of International Accounting Standard (IAS) 8 'Accounting policies, changes in accounting estimates and errors'. Had the revision in useful lives of these assets not been made, the depreciation expense for the year would have been higher by Rs 23.796 million and consequently loss before tax would have been higher by the same amount.

	2021	2020
	----- (Rupees in '000) -----	
Opening balance	-	-
Additions during the year	26,725	26,010
Transfers during the year	(20,942)	(26,010)
Closing balance	5,783	-

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

7 INVESTMENTS IN EQUITY SECURITIES

		2021			2020		
	Note	Carrying amount	Market value	(Deficit) / surplus on revaluation of investments	Carrying amount	Market value	Surplus on revaluation of investments
----- (Rupees in '000) -----							
Available for sale:							
Listed equity securities	7.1	43,077	47,116	4,039	39,320	43,143	3,823
Listed Mutual Funds	7.2	6,187,171	6,095,600	(91,571)	3,309,517	4,007,910	698,393
		6,230,248	6,142,716	(87,532)	3,348,837	4,051,053	702,216

7.1 Details of listed equity securities

Particulars of scrip

Automobile assembler

Honda Atlas Cars Limited
Millat Tractors Limited
Pak Suzuki Motors Limited
Indus Motor Company Limited

	2021	2020
	----- (Rupees in '000) -----	
-	-	427
349	349	328
187	187	363
246	246	-
782	782	1,118

Cement

Attock Cement Pakistan Limited
Cherat Cement Company Limited
D.G Khan Cement Limited
Kohat Cement Limited
Lucky Cement Limited
Maple Leaf Cement Limited
Fauji Cement Limited

	2021	2020
420	420	18
682	682	-
-	-	516
1,358	1,358	1,513
2,887	2,887	2,889
641	641	555
294	294	325
6,282	6,282	5,816

Chemicals

Engro Polymer and Chemicals Limited
ICI Pakistan Limited
Descon Chemicals Limited

	2021	2020
1,437	1,437	1,378
-	-	190
426	426	235
1,863	1,863	1,803

Commercial Banks

Allied Bank Limited
Bank Alfalah Limited
Bank AlHabib Limited
Askari Bank Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited
United Bank Limited
National Bank of Pakistan

	2021	2020
-	-	785
2,429	2,429	1,897
1,760	1,760	1,322
220	220	-
615	615	315
3,709	3,709	2,884
368	368	871
2,841	2,841	1,573
-	-	107
11,942	11,942	9,754

Balance carried forward

	2021	2020
22,794	22,794	20,047

Particulars of scrip

Balance brought forward

Engineering

Amreli Steels Limited
AGHA Steels Industries Limited
International Steels Limited
Mughal Steels Mills Limited
International Industries Limited

	2021	2020
	----- (Rupees in '000) -----	
22,794	22,794	20,047
-	-	241
-	-	493
231	231	65
1,389	1,389	757
305	305	-
1,925	1,925	1,556

Fertilizer

Engro Corporation Limited
Engro Fertilizers Limited
Fauji Fertilizer Bin Qasim Limited
Fauji Fertilizer Limited

	2021	2020
1,656	1,656	1,930
-	-	443
657	657	1,671
1,273	1,273	-
3,586	3,586	4,044

Glass and ceramics

Tariq Glass Industries Limited

	2021	2020
882	882	571

Insurance

Adamjee Insurance Company Limited

	2021	2020
200	200	197

Oil and gas exploration companies

Mari Petroleum Limited
Oil and Gas Development Company Limited
Pakistan Oilfields Limited
Pakistan Petroleum Limited

	2021	2020
3,014	3,014	2,447
1,767	1,767	1,920
898	898	992
1,747	1,747	1,789
7,426	7,426	7,148

Oil and gas marketing companies

Attock Petroleum Limited
Pakistan State Oil Limited
Sui Northern Gas Pipeline Limited

	2021	2020
-	-	395
1,320	1,320	1,517
211	211	280
1,531	1,531	2,192

Pharmaceuticals

Abbott Laboratories (Pakistan) Limited
GlaxoSmithKline (Pakistan) Limited
The Searle Company Limited

	2021	2020
466	466	264
-	-	364
190	190	253
656	656	881

Power generations and distribution

Hub Power Company Limited
K-electric Limited
Kot Addu Power Company Limited

	2021	2020
2,369	2,369	2,515
64	64	188
210	210	-
2,643	2,643	2,703

Synthetic and Rayon

Synthetic Products Enterprise Limited

	2021	2020
2	2	4

Technology and telecommunication

Systems Limited

	2021	2020
3,552	3,552	1,782

Textile Composite

Gul Ahmed Textile Mills Limited
Kohinoor Textile Mills Limited
Nishat Chunian Limited
Interloop Limited
Nishat Mills Limited

	2021	2020
919	919	537
494	494	486
911	911	652
812	812	739
708	708	1,160
3,844	3,844	3,574
47,116	47,116	43,143

7.2 Details of listed mutual funds

	2021	2020
	----- (Rupees in '000) -----	
Al Ameen Islamic Aggressive Income Fund	-	32,942
Al Ameen Islamic Cash Fund	32,410	14,894
Al Ameen Islamic Sovereign Fund	123,394	-
Al Ameen Shariah Stock Fund	447,557	205,357
Alfalah GHP Alpha Fund	20,254	19,901
Alfalah GHP Income Fund	42,823	41,008
Alfalah GHP Islamic Income Fund	313,128	102,467
Alfalah GHP Islamic Stock Fund	95,126	123,962
Alfalah GHP Money Market Fund	563,686	514,478
Alfalah GHP Stock Fund	46,792	231,833
ABL Stock Fund	171,403	22,925
ABL Islamic Stock Fund	70,545	166,576
ABL Islamic Income Fund	157,809	11,406
Atlas Islamic Income Fund	78,745	16,356
Atlas Islamic Stock Fund	122,825	143,587
Atlas Stock Market Fund	230,413	111,439
Atlas Income Fund	2,065	13,962
First Habib Islamic Income Fund	163,931	22,882
Faysal Islamic Stock Fund	-	32,070
HBL Islamic Income Fund	136,989	14,102
HBL Islamic Equity Fund	10,647	-
HBL Islamic Stock Fund	28,661	70,401
HBL Stock Fund	10,511	21,078
HBL Islamic Money Market Fund	192,393	-
HBL Income Fund	100,617	976
MCB Islamic Income Fund	326,659	143,809
MCB Pakistan Income Fund	2,850	2,550
MCB Pakistan Islamic Stock Fund	151,703	295,690
MCB Pakistan Stock Market Fund	367,607	372,616
HBL Equity Fund	52,686	-
Meezan Islamic Fund	8,933	20,563
Meezan Cash Fund	24	9,101
Meezan Islamic Income Fund	255,157	66,600
Meezan Sovereign Fund	335,383	8,106
NBP Islamic Income Fund	216,000	6,109
NBP Islamic Stock Fund	215,671	256,740
NBP Islamic Saving Fund	101,860	-
NBP Stock Fund	197,664	401,418
NBP Riba Free Saving Fund	77,443	347
NBP Financial Sector Income Fund	120,726	2,095
NBP Income Opportunity Fund	67,777	-
UBL Income Opportunity Fund	100,109	261
UBL Money Market Fund	4,737	6,398
UBL Stock Advantage Fund	329,887	480,905
	<u>6,095,600</u>	<u>4,007,910</u>

8 INVESTMENTS IN GOVERNMENT SECURITIES

		2021			2020		
		Carrying amount	Market value	Net deficit on revaluation of investments	Carrying amount	Market value	Net surplus / (deficit) on revaluation of investments
Note		----- (Rupees in '000) -----					
Available for sale:							
Pakistan Investment Bonds	8.1 & 8.2	5,081,494	4,966,853	(114,641)	2,771,945	2,775,342	3,397
Market Treasury Bills	8.3	6,875,140	6,869,422	(5,718)	10,587,073	10,589,744	2,671
GOP Ijarah Sukuk Certificates	8.4	284,627	277,409	(7,218)	284,756	275,167	(9,589)
	8.5	<u>12,241,261</u>	<u>12,113,684</u>	<u>(127,577)</u>	<u>13,643,774</u>	<u>13,640,253</u>	<u>(3,521)</u>

8.1 The effective yield on Pakistan Investment Bonds ranges from 7.80% to 11.88% (2020: 6.40% to 12.68%) per annum. The market yield ranges from 7.17% to 12.00% (2020: 7.12% to 8.2%) per annum.

8.2 The Company has deposited 5 years Pakistan Investment Bonds amounting to Rs. 193 million (2020: Rs. 193 million) with the State Bank of Pakistan (SBP) under section 29 of the Insurance Ordinance, 2000.

8.3 The effective yield on Market Treasury Bills ranges from 7.10% to 10.31% (2020: 6.50% to 13.12%) per annum. The market yield ranges from 10.05% to 10.28% (2020: 7.07% to 7.15 %) per annum.

8.4 The effective yield on GOP Ijarah Sukuk Certificates ranges from 5.95% to 8.53% (2020: 6.63% to 7.37%) per annum.

8.5 Particulars of government securities

	Tenure	Maturity year	Rate of return (%) per annum	Profit payment	Market value	
					2021	2020
					-----Rupees in '000-----	
Pakistan Investment Bonds	10 years	2024	12.00%	Semi-annual	-	40,134
Pakistan Investment Bonds	5 years	2021	7.75%	Semi-annual	-	151,226
Pakistan Investment Bonds	3 years	2023	7.50%	Semi-annual	188,701	-
Pakistan Investment Bonds	5 years	2024	12.00%	Semi-annual	36,977	-
Pakistan Investment Bonds	5 years	2025	7.5% **	Semi-annual	2,153,232	597
Pakistan Investment Bonds*	10 years	2028	8.2%**	Semi-annual	1,839,223	1,999,396
Pakistan Investment Bonds*	10 years	2028	8.07%**	Semi-annual	325,722	296,700
Pakistan Investment Bonds*	10 years	2028	11.88%**	Semi-annual	297,510	162,295
Pakistan Investment Bonds*	10 years	2029	7.80%**	Semi-annual	125,488	124,994
					4,966,853	2,775,342
Market Treasury Bills	3 months	2021	7.10%	On maturity	-	7,903,776
Market Treasury Bills	6 months	2021	7.20%	On maturity	-	517,699
Market Treasury Bills	6 months	2021	7.10%	On maturity	-	83,993
Market Treasury Bills	1 year	2021	7.40%	On maturity	-	117,346
Market Treasury Bills	1 year	2021	13.10%	On maturity	-	467,783
Market Treasury Bills	1 year	2021	6.40%	On maturity	-	49,063
Market Treasury Bills	1 year	2021	6.90%	On maturity	-	96,525
Market Treasury Bills	1 year	2021	6.50%	On maturity	-	137,058
Market Treasury Bills	1 year	2021	9.50%	On maturity	-	44,156
Market Treasury Bills	1 year	2021	7.60%	On maturity	-	52,702
Market Treasury Bills	1 year	2021	7.20%	On maturity	-	922,242
Market Treasury Bills	1 year	2021	7.10%	On maturity	-	26,209
Market Treasury Bills	1 year	2021	7.30%	On maturity	-	171,192
Market Treasury Bills	3 months	2022	8.00%	On maturity	1,462,762	-
Market Treasury Bills	3 months	2022	8.15%	On maturity	31,542	-
Market Treasury Bills	3 months	2022	8.17%	On maturity	908,378	-
Market Treasury Bills	3 months	2022	8.20%	On maturity	1,689,722	-
Market Treasury Bills	3 months	2022	8.38%	On maturity	445,926	-
Market Treasury Bills	3 months	2022	8.50%	On maturity	504,435	-
Market Treasury Bills	3 months	2022	9.25%	On maturity	13,224	-
Market Treasury Bills	3 months	2022	9.35%	On maturity	411,009	-
Market Treasury Bills	3 months	2022	9.50%	On maturity	9,082	-
Market Treasury Bills	3 months	2022	9.57%	On maturity	542,223	-
Market Treasury Bills	3 months	2022	10.10%	On maturity	50,069	-
Market Treasury Bills	3 months	2022	10.31%	On maturity	801,050	-
					6,869,422	10,589,744
GOP Ijara Sukuk Certificates	5 years	2025	7.53%**	Semi-annual	277,409	275,167
					277,409	275,167
					12,113,684	13,640,253

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

** These represent current year rate of return.

9 INVESTMENTS IN DEBT SECURITIES

		2021			2020		
		Carrying amount	Market value	Surplus / (deficit) on revaluation of investments	Carrying amount	Market value	Surplus / (deficit) on revaluation of investments
Note		----- (Rupees in '000) -----					
Available for sale:							
Unlisted term finance certificates	9.1	225,000	225,000	-	225,000	225,000	-
		<u>225,000</u>	<u>225,000</u>	<u>-</u>	<u>225,000</u>	<u>225,000</u>	<u>-</u>

9.1 Particulars of debt securities

	2021					2020				
	Number of certificates	Tenure	Coupon rate	Profit payment	Market Value	Number of certificates	Tenure	Coupon rate	Profit payment	Market Value
	Rupees in '000					Rupees in '000				
Unlisted Term Finance Certificates										
Bank Alfalah Limited	10,000	5 years	3 months Kibor plus 1.50%	Semi annual	50,000	10,000	5 years	3 months Kibor plus 1.50%	Semi annual	50,000
Soneri Bank Limited	10,000	5 years	6 months Kibor plus 2%	Semi annual	50,000	10,000	5 years	6 months Kibor plus 2%	Semi annual	50,000
UBL Bank Limited	15,000	5 years	3 months Kibor plus 1.55%	Quarterly	75,000	15,000	5 years	3 months Kibor plus 1.55%	Quarterly	75,000
Habib Bank Limited	10,000	Perpetual	3 months Kibor plus 1.60%	Quarterly	50,000	10,000	Perpetual	3 months Kibor plus 1.60%	Quarterly	50,000
	45,000				225,000	45,000				225,000
	45,000				225,000	45,000				225,000

10 INVESTMENTS IN TERM DEPOSITS

	2021		2020	
	Principal amount	Rate	Principal amount	Rate
	Rupees in 000		Rupees in 000	
Deposits maturing within 12 months	590,150	6% to 10.5% per annum	1,101,600	6.25% to 6.75% per annum

11 INSURANCE/TAKAFUL/REINSURANCE/RETAFAFUL RECEIVABLES

	Note	2021	2020
		----- (Rupees in '000) -----	
Due from insurance / takaful contract holders - unsecured - Considered good		135,314	114,479
Due from other insurers / reinsurers / retakaful - unsecured - Considered good		57,599	93,715
		192,913	208,194
Less: provision for impairment of receivables from Insurance contract holders		-	-
		192,913	208,194

12 OTHER LOANS AND RECEIVABLES

Security deposits		24,237	22,948
Loans to agents		278	278
Receivable against claim administration services - net of provision	12.1	76,541	104,427
Experience refund receivables		62,002	66,356
Accrued income		120,552	79,238
Other receivables		92,117	119,838
		375,727	393,085

12.1 This includes provision of Rs 34 million (2020: Rs. 10 million) against claim administration services.

Note **2021** **2020**
----- (Rupees in '000) -----

13 DEFERRED TAX ASSET / (LIABILITY) - NET

Deferred debits arising in respect of :
Unrealised losses on investments classified as available for sale - net

17 12,829 2,807

Deferred debits arising in respect of :
On Ledger D account balances

426,200 262,208
439,029 265,015

13.1 Movement in deferred tax asset

The movement in deferred tax asset during the year is as follows:

Opening 265,015 59,797
Credit to the profit and loss account 163,992 201,656
Credit to the statement of comprehensive income 10,022 3,562
Closing 439,029 265,015

14 PREPAYMENTS

Prepaid rent 1,009 1,563
Prepaid commission 58,969 66,414
Others 19,964 18,526
79,942 86,503

15 CASH AND BANK

Cash in hand 453 650
Cash at bank
- Savings accounts 15.1 312,514 362,613
312,967 363,263

15.1 These accounts carry profit at rates ranging from 9% to 14% (2020: 5.5%).

15.2 Cash and cash equivalents

Cash and bank 312,967 363,263
Term deposit receipts (with original maturity of less than 3 months) 10 590,150 1,101,600
Treasury Bills (with original maturity of less than 3 months) 8 6,869,422 -
7,772,539 1,464,863

16 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL
16.1 Issued, subscribed and paid-up share capital

	2021	2020	2021	2020
	(Number of shares)		(Rupees in '000)	
170,567,200 170,567,200 Ordinary shares of Rs. 10 each fully paid in cash	1,705,672	1,705,672		

16.2 IGI Holdings Limited (Holding Company) held 141,043,321 (2020: 141,043,321) shares representing 82.69% (2020: 82.69%) of the Company's shares as at December 31, 2021. These include 824,910 shares in respect of withholding tax on bonus shares issued by the Company. These shares have not been released by the Company to the Government Treasury based on a stay order issued by the Honorable High Court of Sindh.

16.3 Reconciliation between ordinary shares in issue at beginning and end of the year is as follows:

	2021	2020
	----- (Number of shares) -----	
At beginning of the year	170,567,200	170,567,200
Issuance of shares during the year	-	-
Redemption of shares during the year	-	-
At end of the year	170,567,200	170,567,200

16.4 Rights of ordinary shareholders:

All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

16.5 Shares in the Company held by the associated persons:

	2021	2020
	----- (Number of shares) -----	
Directors and their related persons hold the following number of shares in the Company:		
IGI Holdings Limited	141,043,321	141,043,321
Syed Hyder Ali	957,780	958,483
Syed Yawar Ali & spouse	511,858	512,561

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

17 (DEFICIT) / SURPLUS ON REVALUATION OF AVAILABLE FOR SALE INVESTMENTS - NET

(Deficit) / surplus on revaluation of available for sale investments at January 1 - net	(476)	8,497
Deficit arising on revaluation of available for sale investments during the year - net	(34,559)	(12,281)
Less: (deficit) / surplus arising on revaluation of available for sale investments during the year on non-participating fund - net	(17,718)	3,308
	(52,753)	(476)
Less : related deferred tax asset	13	12,829
		2,807
(Deficit) / surplus on revaluation of available for sale investments at December 31	(39,924)	2,331

18 INSURANCE LIABILITIES

Incurring but not reported claims	18.1	189,143	169,197
Investment component of unit-linked and account value policies	18.2	10,407,554	9,370,557
Liabilities under individual conventional insurance contracts	18.2	6,721,168	6,904,090
Liabilities under group insurance contracts	18.3	319,592	293,447
Other insurance liabilities	18.4	606,333	921,907
Ledger account A and B	18.5	456,777	492,826
		18,700,567	18,152,024

18.1 Incurred but not reported claims

Gross of reinsurance	211,672	187,801
Reinsurance recoveries	(22,529)	(18,604)
Net of reinsurance	189,143	169,197

18.2 Investment component of unit-linked and account value policies

Investment component of unit-linked policies	10,407,554	9,370,557
Investment component of account value policies	6,721,168	6,904,090
	17,128,722	16,274,647

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

18.3 Liabilities under group insurance contracts

Gross of reinsurance	372,038	350,936
Reinsurance credit	(52,446)	(57,488)
Net of reinsurance	319,592	293,447

18.4 Other insurance liabilities

Gross of reinsurance	743,326	975,144
Reinsurance	(136,993)	(53,237)
Net of reinsurance	606,333	921,907

18.5 Ledger account A and B

Opening balance	492,826	409,240
Surplus of life participating fund	6,935	133,777
Unrealised loss for the year	(25,971)	(34,070)
Surplus appropriated to shareholders' fund	(17,013)	(16,121)
Closing balance	456,777	492,826

19 OUTSTANDING CLAIMS

Opening balance	477,224	371,060
Total gross claims	5,076,159	4,416,919
Claims paid /settled	(5,045,306)	(4,310,755)
Closing balance	508,077	477,224

19.1 Reported outstanding claims

Gross of reinsurance		
Payable within one year	215,960	223,679
Payable over a period of time exceeding one year	292,117	253,545
	508,077	477,224

Recoverable from reinsurers	72,090	85,586
Receivable within one year	291,852	123,884
Receivable over a period of time exceeding one year	363,942	209,470

20 RETIREMENT BENEFIT OBLIGATIONS

20.1 DEFINED BENEFIT PLAN - GRATUITY FUND

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

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

Final salary risks

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

Asset volatility

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

Discount rate fluctuation

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

Investment risks

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

Mortality risks

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

Withdrawal risks

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

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

20.2 Valuation results

Actuarial valuation is carried out every year and the latest valuation was carried out as at December 31, 2021. The information provided in notes 20.3 to 20.16 has been obtained from the actuarial valuation carried out as at December 31, 2021. The following significant assumptions have been used for valuation of this scheme:

	2021	2020
	Per annum	
a) Expected rate of increase in salary level	12.25%	10.25%
b) Discount rate	12.25%	10.25%
c) Expected return on plan assets	12.25%	9.00%
d) Normal retirement age	65 years	65 years
e) Assumptions regarding future mortality experience are based on actuarial recommendations and published statistics.		

20.3 Amounts recognised in the statement of financial position:

Note	2021	2020
	(Rupees in '000)	
Present value of defined benefit obligation	71,197	59,557
Less: fair value of plan assets	(41,956)	(35,100)
	29,241	24,457

20.4 Movement in liability during the year

Note	2021	2020
Obligation at the beginning of the year	24,457	24,109
Charge to profit and loss account	14,051	13,436
Contribution to the fund during the year	(10,373)	(12,800)
Benefits paid by the Company	(29)	(3,136)
Actuarial losses on defined benefit liability	1,135	2,848
Obligation at the end of the year	29,241	24,457

20.5 Movement in defined benefit obligation

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

Remeasurements:

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

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

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

2020		
Present value of obligation	Fair value of plan assets	Total
(Rupees in '000)		
50,759	(26,650)	24,109
10,698	-	10,698
6,455	(3,717)	2,738
67,912	(30,367)	37,545
(280)	-	(280)
1,423	1,705	3,128
1,143	1,705	2,848
-	(12,800)	(12,800)
(6,362)	6,362	-
(3,136)	-	(3,136)
59,557	(35,100)	24,457

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

Remeasurements:

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

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

20.6 Amounts recognised in the profit and loss account:

Current service cost
Interest cost
Expense for the year

2021	2020
(Rupees in '000)	
11,589	10,698
2,462	2,738
14,051	13,436

20.7 Amounts recognised in other comprehensive income:

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

(701)	(280)
1,836	3,128
1,135	2,848

20.8 Actual return on plan assets

Expected return on assets
Actuarial loss

4,010	3,717
(1,836)	(1,705)
2,174	2,012

20.9 Analysis of present value of defined benefit obligation

Split by vested / non-vested

- (i) Vested benefits
- (ii) Non-vested benefits

70,535	58,683
662	874
71,197	59,557

20.10 Sensitivity analysis

		2021		2020		
Particulars	Change in assumption	Increase / (decrease) in present value of defined benefit obligation		Change in assumption	Increase / (decrease) in present value of defined benefit obligation	
		(%)	Rupees in '000		(%)	Rupees in '000
Discount rate	+1%	111.93%	66,661	+1%	74.00%	37,562
	-1%	128.58%	76,578	-1%	89.77%	45,568
Salary increase rate	+1%	128.92%	76,782	+1%	90.09%	45,731
	-1%	111.51%	66,412	-1%	73.61%	37,362

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

20.11 Plan assets comprise of the following:

	2021 (Rupees '000)	Percentage composition	2020 (Rupees '000)	Percentage composition
Cash and bank balances	5,563	13.26%	35,100	100.00%
Term deposit receipts	36,393	86.74%	-	-
Fair value of plan assets	41,956	100.00%	35,100	100.00%

20.12 As per the actuarial recommendations, the expected return on plan assets was taken as 12.25% (2020: 9%), which is representative of yields on long-term government bonds.

20.13 Based on actuarial advice, the Company intends to charge an amount of Rs. 16.046 million in the financial statements for the year ending December 31, 2022.

20.14 The weighted average duration of defined benefit obligation is 9.47 years (2020: 9.64 years).

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

At December 31, 2021	Less than a year	Between 1-2 Years	Between 2-5 years	Over 5 years	Total
	(Rupees in '000)				
Gratuity	4,828	12,571	20,287	2,368,199	2,405,885

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

	2021	2020	2019	2018	2017
	(Rupees in '000)				
Present value of defined benefit obligation	71,197	59,557	50,759	80,357	67,072
Fair value of plan assets	(41,956)	(35,100)	(26,650)	(44,108)	(44,695)
Deficit	29,241	24,457	24,109	36,249	22,377

21 DEFINED CONTRIBUTION PLAN - PROVIDENT FUND

The Company has set up a provident fund for its permanent employees and contributions were made by the Company to the Fund in accordance with the requirements of Section 218 of the Companies Act, 2017. The total charge against provident fund for the year ended December 31, 2021 was Rs. 16.179 million (2020: Rs. 14.752 million).

	2021 (unaudited)		2020 (unaudited)	
	Rupees in '000	% of the size of the fund	Rupees in '000	% of the size of the fund
Balances with banks	62,196	99.24%	59,361	97.46%
Other assets	476	0.76%	1,546	2.54%
	62,672	100.00%	60,907	100.00%

22 NUMBER OF EMPLOYEES

	2021	2020
Number of employees at the end of the year	216	236
Average number of employees during the year	228	224

23 REINSURANCE / RETAKAFUL PAYABLES

Due to other insurers / reinsurers

24 OTHER CREDITORS AND ACCRUALS

Commission payable
Payable to vendors
Withholding tax payable
Surrender payable
Experience refund payables
Payable to related parties
Accrued expenses
Unclaimed dividend
Other liabilities

Note	2021	2020
	(Rupees in '000)	
	39,348	40,965
	118,828	173,311
	22,110	16,947
	24,238	21,667
	142,313	21,306
	31,625	31,149
24.1	85,397	73,457
	25,411	59,300
	2,129	2,130
	93,037	102,166
	545,088	501,433

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

25 LEASE LIABILITY AGAINST RIGHT-OF-USE-ASSETS

Lease liability against right-of-use assets - motor vehicle
Lease liability against right-of-use assets - property

Note	2021	2020
	(Rupees in '000)	
25.1	109,459	100,372
25.2	35,830	35,842
	145,289	136,214
	145,289	136,214
	(49,033)	(41,655)
	96,256	94,559

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

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

25.3 The interest rate used by the Company for unwinding of its lease liability against property & motor vehicle ranges from 11.36% to 12.28% and 5.09% to 13.62% (2020: 11.36% to 12.28% and 5.09% to 14.48%).

	2021			2020		
	Principal outstanding	Financial charges for future payments	Minimum lease payments	Principal outstanding	Financial charges for future payments	Minimum lease payments
	(Rupees in '000)					
Not later than one year	49,033	(4,859)	53,892	41,655	(7,307)	48,962
Later than one year and not later than five years	96,256	(33,778)	130,034	94,559	(13,831)	108,390
	145,289	(38,637)	183,926	136,214	(21,138)	157,352

26 CONTINGENCIES AND COMMITMENTS

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

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

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

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

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

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

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

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

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

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

The legal advisors, in their opinion, have expressed the view that the Company has a reasonably strong case on the merits of the petitions filed in both, the Honourable Lahore High Court and Honourable Sindh High Court, against the imposition of the provincial sales taxes on life and health insurance in the Punjab and on life insurance in Sindh.

Had the sales tax liability on life insurance and health insurance premium been recorded, the loss after tax would have been higher by Rs. 309.424 million while sales tax liability as at December 31, 2021 would have been higher by Rs. 435.809 million.

26.2 There has been no major change, during the period, in contingencies and commitments other than described above.

27 NET PREMIUM / CONTRIBUTION REVENUE

Gross premiums / contribution:

Regular premium / contribution individual policies*

First year	1,739,467	1,466,075
Second year renewal	774,668	452,645
Subsequent year renewal	1,367,829	1,299,907

Single premium / contribution individual policies

1,288,224 1,187,234

Group policies without cash value

1,886,484 1,754,924

Total gross premiums / contribution

7,056,672 6,160,785

Less: reinsurance premium / contribution ceded

On individual life first year business	39,443	32,894
On individual life second year business	14,420	7,989
On individual life renewal business	39,538	35,617
On single premium policies	11,368	4,094
On group policies	164,455	180,714
Less: commission from reinsurers	(50,521)	(50,408)
	218,703	210,900

Net premium / contribution

6,837,969 5,949,885

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

28 INVESTMENT INCOME

Income from equity securities - available for sale

Dividend income	28.1	226,082	110,370
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Income from debt securities - available for sale

Return on government securities	1,021,194	1,330,060
Amortisation of discount	29,273	57,034
Profit on debt securities	20,916	34,451

Income from term deposits - held to maturity

Profit on term deposit receipts	34,416	112,386
	1,331,881	1,644,301

	Note	2021 ------(Rupees in '000)-----	2020
28.1 Dividend income			
Dividend income from equity securities disposed off during the year		31,684	6,024
Dividend income from equity securities held at the end of the year		194,398	104,346
		<u>226,082</u>	<u>110,370</u>
29 NET REALISED FAIR VALUE (LOSSES) / GAINS ON FINANCIAL ASSETS			
Available for sale financial assets			
Realised gains on:			
Equity securities		-	2,421
Debt securities		-	385,758
		-	388,179
Realised losses on:			
Equity securities		(32,649)	-
Mutual funds		(57)	(170,426)
Debt securities		(39,567)	-
		(72,273)	(170,426)
		<u>(72,273)</u>	<u>217,753</u>
30 OTHER INCOME - NET			
Return on bank balances		17,846	28,160
Gain on sale of fixed assets	5.1.2	1,617	4,093
Return on loan to employees		-	3
Return on loan to policyholders		16,414	15,145
Fee for claim administration services		24,716	24,276
Reversal of provision for Sindh Employees Social Security Institution		-	31,904
Miscellaneous income		1,879	1,098
		<u>62,472</u>	<u>104,679</u>
31 NET INSURANCE BENEFITS			
Gross claims			
Claims under individual policies			
by death		277,920	149,327
by maturity		8,886	11,434
by surrender		3,362,042	2,798,497
experience refund		-	-
Total gross individual policy claims		<u>3,648,848</u>	<u>2,959,258</u>
Claims under group policies			
by death		524,942	623,707
by insured event other than death		916,358	905,813
experience refund		(13,989)	(71,859)
Total gross group policy claims		<u>1,427,311</u>	<u>1,457,661</u>
Total gross policy claims		<u>5,076,159</u>	<u>4,416,919</u>
Less: reinsurance recoveries			
On individual life claims		87,884	51,847
On group life claims		70,936	69,083
		<u>158,820</u>	<u>120,930</u>
Net insurance benefit expense		<u>4,917,339</u>	<u>4,295,989</u>

31.1 Claim development

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

Accident year	2017	2018	2019	2020	2021
	------(Rupees in '000)-----				
Group life					
<i>Estimate of Ultimate Claims Costs:</i>					
At the end of the year	67,216	77,487	83,782	329,130	391,725
1 year later	79,738	87,509	172,124	398,256	-
2 years later	80,238	87,509	172,415	-	-
3 years later	80,238	87,509	-	-	-
4 years later	80,238	-	-	-	-
Current estimates of cumulative claim	80,238	87,509	172,415	398,256	391,725
Cumulative payments to date	74,720	77,603	149,627	322,749	289,107
Liability recognised in statement of financial position	12,968	11,340	15,239	38,808	133,512
Individual Life					
<i>Estimate of Ultimate Claims Costs:</i>					
At the end of the year	106,022	56,557	103,708	135,904	91,189
1 year later	134,794	94,310	116,706	173,399	-
2 years later	139,898	94,789	116,956	-	-
3 years later	140,860	94,789	-	-	-
4 years later	147,785	-	-	-	-
Current estimates of cumulative claim	147,785	94,789	116,956	173,399	91,189
Cumulative payments to date	143,202	76,664	88,381	142,567	83,499
Liability recognised in statement of financial position	21,723	15,936	33,208	26,507	198,837

32 ACQUISITION EXPENSES

Remuneration to insurance intermediaries on individual policies:

- Commission on first year premiums / contribution
- Commission on second year premiums / contribution
- Commission on subsequent renewal premiums / contribution
- Commission on single premiums / contribution
- Other benefits to insurance intermediaries

Remuneration to insurance intermediaries on group policies:

- Commission
- Other benefits to insurance intermediaries

Branch overheads :

- Salaries and other benefits
- Printing and stationery
- Utilities
- Repairs and maintenance
- Communication
- Entertainment
- Rent
- Others

Other acquisition cost :

- Policy stamps

	2021 ------(Rupees in '000)-----	2020
715,401	586,264	
36,774	24,812	
43,638	38,928	
41,638	39,422	
786,883	618,579	
<u>1,624,334</u>	<u>1,308,005</u>	
190,651	162,516	
3,918	3,368	
<u>194,569</u>	<u>165,884</u>	
119,029	79,731	
5,170	7,112	
26,488	15,504	
13,370	16,348	
20,878	17,561	
2,694	1,540	
51,187	50,549	
2,260	2,620	
<u>241,076</u>	<u>190,965</u>	
19,670	17,877	
<u>2,079,649</u>	<u>1,682,731</u>	

33 MARKETING AND ADMINISTRATION EXPENSES

	Note	2021	2020
		----- (Rupees in '000) -----	
Salaries, allowances & other benefits		353,459	351,397
Employee benefit cost		30,230	28,188
Travelling expenses		5,559	4,691
Directors' fees		7,949	6,745
Regulators fee		14,742	16,700
Actuary's fees		8,398	7,956
Advertisement and publicity		17,355	11,363
Printing and stationery		34,280	20,682
Depreciation	5.1	100,380	84,582
Amortisation	6.1	59,264	80,149
Rent		24,351	6,645
Vehicles and general repair and maintenance		20,390	10,987
Systems maintenance cost		93,701	73,552
Utilities-electricity, water and gas		14,854	13,347
Transportation		2,882	2,904
Communication		18,602	22,017
Consultancy fee		10,863	8,840
Training and workshop		2,109	3,496
Legal and professional charges		11,112	6,327
Insurance		7,320	8,745
Interest on premium deposit in advance		1,035	1,298
Provision for doubtful debts	33.1	24,000	10,000
Social security		1,392	2,751
Entertainment		21,866	14,918
Books and subscriptions		1	17
Bank charges		5,293	4,422
Miscellaneous expenses		15,528	10,673
		<u>906,915</u>	<u>813,392</u>

33.1 This represents provision against receivable from claim administration services amounting to Rs. 24 million (2020: Rs 10 million).

34 OTHER EXPENSES

	Note	2021	2020
		----- (Rupees in '000) -----	
Auditors' remuneration	34.1	<u>8,009</u>	<u>8,973</u>
34.1 Auditors' remuneration			
Audit fee		1,898	1,725
Fee for review of the half yearly financial statements		632	575
Certifications and other services		4,434	5,628
Out of pocket expenses		1,045	1,045
		<u>8,009</u>	<u>8,973</u>

35 FINANCE COSTS

Mark up on lease liability against right-of-use-assets		<u>22,717</u>	<u>14,488</u>
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36 TAXATION

Current			
- for the year		(20,912)	(161,394)
Deferred			
- for the year	13.1	163,992	201,656
		<u>143,080</u>	<u>40,262</u>
Relationship between tax expense and accounting profit			
Loss before tax		(492,237)	(135,987)
Tax at the applicable rate of 29% (2020: 29%)		142,749	39,436
Effect of:			
- other adjustment		331	826
Taxation for the year		<u>143,080</u>	<u>40,262</u>

36.1 As per Income Tax Ordinance, 2001, the current tax expense is chargeable to income attributable to shareholder's fund only. During the year ended December 31, 2021, the shareholder's fund reflected a profit before tax of Rs. 72.111 million resulting in current tax amounting to Rs. 20.912 million.

36.2 The Income Tax Ordinance, 2000 requires insurance companies to charge tax on the surplus transferred to shareholder's fund. However, due to application of the Insurance Accounting Regulations, 2017, the surplus generated by statutory funds (other than participating fund) of the Company are also presented in the profit and loss account on aggregate basis. Therefore the Company has recognised a deferred tax of Rs. 426.200 million (2020: Rs. 262.208 million) in this respect.

37 LOSS PER SHARE - basic and diluted

	2021	2020
	----- (Rupees in '000) -----	
Loss for the year	<u>(349,157)</u>	<u>(95,725)</u>
	---- (Number of shares) ----	
Weighted average number of ordinary shares	<u>170,567,200</u>	<u>170,567,200</u>
	----- (Rupees) -----	
Loss per share	<u>(2.05)</u>	<u>(0.56)</u>

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

38 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES

	2021				2020			
	Chief Executive	Executives	Directors	Total	Chief Executive	Executives	Directors	Total
	----- (Rupees in '000) -----							
Fee for attending Board Meetings	-	-	7,950	7,950	-	-	6,000	6,000
Consultancy fee (note 38.2)	-	-	1,950	1,950	-	-	1,710	1,710
Managerial remuneration	21,098	147,209	-	168,307	20,858	138,750	-	159,608
Bonus and housing	-	8,246	-	8,246	1,000	5,441	-	6,441
Contribution to defined contribution plan	1,175	6,577	-	7,752	1,068	5,965	-	7,033
Utilities / telephone	-	-	-	-	-	-	-	-
Other benefits	-	-	-	-	-	-	-	-
	<u>22,273</u>	<u>162,032</u>	<u>9,900</u>	<u>194,205</u>	<u>22,926</u>	<u>150,156</u>	<u>7,710</u>	<u>180,792</u>
	----- (Number) -----							
Number of persons, including those who worked part of the year	<u>1</u>	<u>29</u>	<u>7</u>	<u>37</u>	<u>1</u>	<u>25</u>	<u>7</u>	<u>33</u>

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

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

39 TRANSACTIONS WITH RELATED PARTIES

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

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

	Holding Company		Post Employment Benefit Plans		Key Management Personnel		Other Related Parties	
	2021	2020	2021	2020	2021	2020	2021	2020
(Rupees in '000)								
Transactions								
Premium underwritten	2,154	-	-	-	-	2,679	137,861	98,668
Premium paid for general insurance	-	-	-	-	-	-	3,640	4,553
Claims paid	1,283	-	-	-	-	-	60,244	41,684
Claims received	-	-	-	-	-	-	1,486	1,069
Charge for administrative services received	1,552	1,293	-	-	-	-	83,971	72,543
Charge for administrative services provided	-	-	-	-	-	-	13,297	7,027
Rent expense	-	-	-	-	-	-	41,350	41,607
Purchase of fixed asset	-	-	-	-	-	-	5,642	16,030
Proceeds from disposal of fixed assets	-	-	-	-	-	-	531	-
Remuneration paid	-	-	-	-	184,305	156,415	-	-
Charge in respect of employees gratuity fund	-	-	14,051	13,436	-	-	-	-
Charge in respect of provident fund	-	-	16,179	14,752	-	-	-	-
(Rupees in '000)								
	Holding Company		Post Employment Benefit Plans		Key Management Personnel		Other Related Parties	
	2021	2020	2021	2020	2021	2020	2021	2020
Balances								
(Receivable) / payable for group shared services	(210)	(1,763)	-	-	-	-	85,607	74,049
(Receivable) / payable for general insurance premium	-	-	-	-	-	-	11	145
Premium receivable	-	-	-	-	-	-	2,933	799
Retirement benefit obligations	-	-	29,241	24,457	-	-	-	-
(Receivable)/payable to employee provident fund	-	-	4,217	(303)	-	-	-	-

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

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

40 SEGMENT INFORMATION

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

40.1 Revenue account by statutory funds

2021	CONVENTIONAL - STATUTORY FUNDS						TAKAFUL - STATUTORY FUNDS					
	Life (Participating)	Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	Individual Family	Accident & Health - Individual	Group Family	Group Health	Total
		Individual	Group		Individual	Group						
INCOME Premiums / contribution less reinsurances / retakaful Net investment income Other income - net Total net income	24,447	564,219	418,456	1,809,781	17,138	1,089,343	84,255	2,642,023	7,811	39,046	90,929	6,787,448
	139,862	369,517	227	352,398	36	-	9,175	67,804	-	236	1,052	940,307
	7,018	13,380	1,480	8,335	88	27,549	1,656	32,826	17	405	3,287	96,041
	171,327	947,116	420,163	2,170,514	17,262	1,116,892	95,086	2,742,653	7,828	39,687	95,268	7,823,796
CLAIMS AND EXPENDITURE Claims, including bonuses, net of reinsurance recoveries Management expenses less recoveries Total claims and expenditure Excess of income over claims and expenditure	161,051	1,034,759	420,265	1,880,019	2,501	861,440	4,940	482,634	-	19,752	49,978	4,917,339
	10,272	253,151	95,921	841,406	30,807	286,186	-	1,320,846	3,258	29,712	58,886	2,930,445
	171,323	1,287,910	516,186	2,721,425	33,308	1,147,626	4,940	1,803,480	3,258	49,464	108,864	7,847,784
	4	(340,794)	(96,023)	(550,911)	(16,046)	(30,734)	90,146	939,173	4,570	(9,777)	(13,596)	(23,988)
Surplus / (deficit) before tax Taxation Surplus / (deficit) after tax Movement in policyholders' liabilities Transfers (to) or from shareholders' fund - Capital contributions from shareholders' fund - Gard-e-Hasna from Operators' Sub Fund to PTF - Gard-e-Hasna received from PTF to Operators' Sub Fund - Capital returned to shareholder's fund - Surplus appropriated to shareholders' fund Balance of statutory fund at beginning of the year Balance of statutory fund at end of the year	1,608,424	5,889,954	173,327	6,661,453	18,173	264,633	178,582	2,898,419	2,014	(12,790)	(22,991)	17,659,198
	(1,627,464)	(5,373,432)	(120,654)	(6,336,304)	(20,256)	(325,979)	(267,072)	(4,184,891)	(5,763)	15,479	2,546	(18,243,790)
	(19,040)	516,522	52,673	325,149	(2,083)	(61,346)	(88,490)	(1,286,472)	(3,749)	2,689	(20,445)	(584,592)
	(19,036)	175,728	(43,350)	(225,762)	(18,129)	(92,080)	1,656	(347,299)	821	(7,088)	(34,041)	(608,580)
Surplus / (deficit) after tax Movement in policyholders' liabilities Transfers (to) or from shareholders' fund - Capital contributions from shareholders' fund - Gard-e-Hasna from Operators' Sub Fund to PTF - Gard-e-Hasna received from PTF to Operators' Sub Fund - Capital returned to shareholder's fund - Surplus appropriated to shareholders' fund Balance of statutory fund at beginning of the year Balance of statutory fund at end of the year	-	(56,099)	12,449	64,800	5,238	26,704	(480)	99,780	(238)	2,037	9,801	163,992
	(19,036)	119,629	(30,901)	(160,962)	(12,891)	(65,376)	1,176	(247,519)	583	(5,051)	(24,240)	(444,588)
	19,040	(516,522)	(52,673)	(325,149)	2,083	61,346	88,490	1,286,472	3,749	(2,689)	20,445	584,592
	-	-	150,000	-	-	-	-	-	-	-	-	150,000
Surplus / (deficit) after tax Movement in policyholders' liabilities Transfers (to) or from shareholders' fund - Capital contributions from shareholders' fund - Gard-e-Hasna from Operators' Sub Fund to PTF - Gard-e-Hasna received from PTF to Operators' Sub Fund - Capital returned to shareholder's fund - Surplus appropriated to shareholders' fund Balance of statutory fund at beginning of the year Balance of statutory fund at end of the year	(17,013)	-	150,000	-	-	-	-	-	-	-	-	(17,013)
	(17,013)	-	150,000	-	-	-	-	-	-	-	-	132,987
	2,101,250	6,110,213	175,633	6,502,999	25,083	288,221	186,904	2,603,437	1,486	894	20,740	18,016,860
	2,084,241	5,713,320	242,059	6,016,888	14,275	284,191	276,570	3,642,390	5,818	(6,846)	16,945	18,289,851

2021	CONVENTIONAL - STATUTORY FUNDS						TAKAFUL - STATUTORY FUNDS				Total	
	Life (Participating)	Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	Individual Family	Accident & Health - Individual	Group Family		Group Health
		Individual	Group		Individual	Group						
----- (Rupees in '000) -----												
Represented by: Capital contributed by shareholders' fund Policyholders' liabilities / PTF Retained earnings attributable to policyholders (Ledger Account A) Retained earnings on par business attributable to shareholders - undistributable (Ledger Account B) Retained earnings on other than participating business (Ledger Account D) / PTF Surplus / (deficit) on revaluation of available for sale investments - net	-	-	150,000	242,100	42,000	-	6,000	101,500	-	16,200	92,500	650,300
	1,627,464	5,373,432	120,654	6,336,304	20,256	325,979	267,072	4,184,891	5,763	(15,479)	(2,546)	18,243,790
	428,880	-	-	-	-	-	-	-	-	-	-	428,880
	27,897	-	-	-	-	-	-	-	-	-	-	27,897
	-	348,399	(27,936)	(557,931)	(47,876)	(41,788)	3,498	(639,880)	55	(7,455)	(72,532)	(1,043,446)
-	(8,511)	(659)	(3,585)	(105)	-	-	-	(4,121)	-	(112)	(477)	(17,570)
Balance of statutory fund	2,084,241	5,713,320	242,059	6,016,888	14,275	284,191	276,570	3,642,390	5,818	(6,846)	16,945	18,289,851

2020	CONVENTIONAL - STATUTORY FUNDS						TAKAFUL - STATUTORY FUNDS					
	Life (Participating)	Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	Individual Family	Accident & Health - Individual	Group Family	Group Health	Total
		Individual	Group		Individual	Group						
----- (Rupees in '000) -----												
INCOME												

2020	CONVENTIONAL - STATUTORY FUNDS						TAKAFUL - STATUTORY FUNDS					
	Life (Participating)	Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	Individual Family	Accident & Health - Individual	Group Family	Group Health	Total
		Individual	Group		Individual	Group						
----- (Rupees in '000) -----												
Add: Policyholders' liabilities at beginning of the year Less: Policyholders' liabilities at end of the year Movement in policyholders' liabilities	1,558,617 (1,608,424) (49,807)	6,093,433 (5,889,954) 203,479	99,126 (173,327) (74,201)	5,934,041 (6,661,453) (727,412)	14,841 (18,173) (3,332)	352,032 (264,633) 87,399	146,962 (178,582) (31,620)	2,238,892 (2,898,419) (659,527)	- (2,014) (2,014)	19,872 12,790 32,662	(2,877) 22,991 20,114	16,454,939 (17,659,198) (1,204,259)
	99,706 -	331,599 20,796	(126,659) 36,629	(147,906) 43,025	(17,529) 5,087	45,929 (1,882)	1,298 (377)	(304,373) 88,455	(744) 216	(6,015) 1,754	(27,255) 7,953	(151,949) 201,656
	99,706 49,807	352,395 (203,479)	(90,030) 74,201	(104,881) 727,412	(12,442) 3,332	44,047 (87,399)	921 31,620	(215,918) 659,527	(528) 2,014	(4,261) (32,662)	(19,302) (20,114)	49,707 1,204,259
	-	-	-	-	30,000	-	-	-	-	15,000	15,000	60,000
	-	-	-	-	-	-	-	-	-	(25,000)	-	-
-	-	-	-	-	-	-	-	-	25,000	-	-	25,000
-	(197,552)	-	-	-	(4,300)	-	-	-	-	-	-	(201,852)
(16,121)	(400,000)	-	-	-	-	(40,000)	-	-	-	-	-	(456,121)
(16,121)	(597,552)	-	-	-	30,000	(44,300)	-	-	-	15,000	15,000	(597,973)
1,967,858	6,558,849	191,462	5,880,468	4,193	375,873	154,363	2,159,828	-	22,817	45,156	17,360,867	
2,101,250	6,110,213	175,633	6,502,999	25,083	288,221	186,904	2,603,437	1,486	894	20,740	18,016,860	

Represented by: Capital contributed by shareholders' fund Policyholders' liabilities / PTF Retained earnings attributable to policyholders (Ledger Account A) Retained earnings on par business attributable to shareholders - undistributable (Ledger Account B) Retained earnings on other than participating business (Ledger Account D) / PTF Surplus / (deficit) on revaluation of available for sale investments - net	-	-	-	242,100	42,000	-	6,000	101,500	-	16,200	92,500	500,300
	1,608,424	5,889,954	173,327	6,661,453	18,173	264,633	178,582	2,898,419	2,014	(12,790)	(22,991)	17,659,198
	447,916	-	-	-	-	-	-	-	-	-	-	447,916
	44,910	-	-	-	-	-	-	-	-	-	-	44,910
	-	211,053	2,540	(399,281)	(35,053)	23,588	2,322	(395,592)	(528)	(2,469)	(48,535)	(641,955)
	-	9,206	(234)	(1,273)	(37)	-	-	(890)	-	(47)	(234)	6,491
Balance of statutory fund	2,101,250	6,110,213	175,633	6,502,999	25,083	288,221	186,904	2,603,437	1,486	894	20,740	18,016,860

SHARE HOLDERS' FUND	CONVENTIONAL - STATUTORY FUNDS						TAKAFUL - STATUTORY FUNDS				2021	
	Life (Participating)	Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	Individual Family	Accident & Health Individual	Group Family		Group Health
		Individual	Group		Individual	Group						
----- (Rupees in '000) -----												
Assets												
Property and equipment	107,513	8,320	24,963	6,935	87,106	5,546	4,161	-	109,553	-	-	354,097
Intangible assets	12,559	-	-	89,267	248,959	-	-	-	-	-	-	350,785
Investments												
Equity securities	-	-	-	-	-	47,116	-	-	-	-	-	47,116
Mutual funds	-	-	463,247	3,070	2,109,587	489	-	-	3,509,915	-	2,045	6,095,600
Government securities	485,687	1,527,619	4,687,394	346,000	4,266,874	45,000	212,000	263,678	255,530	7,702	6,200	12,113,684
Debt securities	-	-	-	-	225,000	-	-	-	-	-	-	225,000
Term deposits	-	-	251,600	-	30,350	-	-	-	278,600	-	-	590,150
Inter-fund balances	775,619	449,939	320,056	(22,309)	(647,909)	(12,258)	(171,789)	6,694	(641,390)	(1,238)	6,177	-
Loans secured against life insurance policies	-	88,182	90,524	-	-	-	-	-	-	-	-	178,706
Insurance / takaful / reinsurance / retakaful receivables	-	18,619	-	50,213	36,739	-	76,174	-	2,241	-	(2,189)	192,913
Other loans and receivables	56,917	17,900	79,377	-	18,343	152	140,591	6,198	40,762	1,388	-	375,727
Taxation - payments less provision	690,471	-	-	-	-	-	-	-	-	-	-	690,471
Deferred tax asset - net	439,029	-	-	-	-	-	-	-	-	-	-	439,029
Prepayments	8,561	-	-	3,298	6,857	-	47,452	-	5,555	-	(1,019)	79,942
Cash and bank	453	-	-	-	-	-	-	-	310,514	-	2,000	312,967
Total assets (A)	2,576,809	2,110,579	5,917,161	476,474	6,429,022	38,929	308,589	276,570	3,871,280	7,852	13,214	22,046,187
Total inadmissible assets												
Other loans and receivables	-	-	-	-	-	-	59,225	-	-	1,097	-	64,189
Insurance / takaful / reinsurance / retakaful receivables	-	-	-	22,865	-	-	34,686	-	-	-	-	57,551
Prepayments	-	-	-	-	-	-	33,242	-	-	-	-	41,633
Asset subject to encumbrance	24,237	-	-	-	-	-	-	-	-	-	-	24,237
Property and equipment	45,986	4,998	14,996	4,166	81,814	3,331	2,500	-	96,262	-	-	254,053
Intangible assets	12,559	-	-	89,267	243,176	-	-	-	-	-	-	345,002
Deferred tax asset - net	439,029	-	-	-	-	-	-	-	-	-	-	439,029
Interfund balances	775,619	449,939	320,056	(22,309)	(647,909)	(12,258)	(171,789)	6,694	(641,390)	(1,238)	6,177	-
Total inadmissible assets (B)	1,297,430	454,937	335,052	93,989	(322,919)	(8,927)	(42,136)	6,694	(545,128)	(141)	6,177	1,225,694
Total admissible assets (C=A-B)	1,279,379	1,655,642	5,582,109	382,485	6,751,941	47,856	350,725	269,876	4,416,408	7,993	7,037	20,820,493
Liabilities												
Insurance liabilities	857,467	1,629,304	5,378,268	148,070	6,339,805	23,202	326,327	269,876	4,187,518	5,961	(13,023)	18,243,790
Outstanding claims	-	1,627,464	5,373,432	120,654	6,336,304	20,256	325,979	267,072	4,184,891	5,763	(15,479)	508,077
Retirement benefit obligations	29,241	18,022	87,445	195,221	118,684	7,219	-	-	64,840	-	16,646	29,241
Premium received in advance	88,694	2,010	41,184	-	129,742	1,581	-	-	71,185	-	-	334,396
Reinsurance / retakaful payables	-	-	20,637	62	-	13,635	1,535	-	-	2,033	1,446	39,348
Other creditors and accruals	158,688	6,306	54,575	39,132	163,710	2,219	22,863	-	92,865	(1)	1,968	545,088
Liabilities against assets subject to finance lease	145,289	-	-	-	-	-	-	-	-	-	-	145,289
Total liabilities (D)	421,912	1,653,802	5,577,273	355,069	6,748,440	44,910	350,377	267,072	4,413,781	7,795	4,581	19,845,229
Total net admissible assets (E=C-D)	857,467	1,840	4,836	27,416	3,501	2,946	348	2,804	2,627	198	2,456	975,264
Margin for solvency												
Shareholders' fund	165,000	-	-	-	-	-	-	-	-	-	-	165,000
Statutory funds	-	67,619	117,796	139,334	70,882	4,181	212,918	10,683	54,355	1,153	7,176	693,783
Solvency margins (F)	165,000	67,619	117,796	139,334	70,882	4,181	212,918	10,683	54,355	1,153	7,176	858,783
Excess of minimum solvency requirements												
	692,467	(65,779)	(112,960)	(111,918)	(67,381)	(1,235)	(212,570)	(7,879)	(51,728)	(955)	(4,720)	116,481

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

MOVEMENT IN INVESTMENTS

As at 1st January 2020

Additions	5,594,000	34,108,570	39,702,570
Disposals(sale and redemption)	(6,024,507)	(32,056,495)	(38,081,002)
Fair value net gains			
(excluding net realised gain)	-	45,400	45,400
Designated at fair value through profit or loss upon initial recognition	-	-	-
Classified as held for trading	-	-	-
Impairment losses	-	-	-

As at 1st January 2021

Additions	3,128,716	56,979,730	60,108,446
Disposals(sale and redemption)	(3,640,166)	(56,203,267)	(59,843,433)
Fair value net gains			
(excluding net realised gain)	-	(211,369)	(211,369)
Designated at fair value through profit or loss upon initial recognition	-	-	-
Classified as held for trading	-	-	-
Impairment losses	-	-	-

At the end of current year

Held to maturity	Available for sale	Total
(Rupees in '000)		
1,532,107	15,818,831	17,350,938
5,594,000	34,108,570	39,702,570
(6,024,507)	(32,056,495)	(38,081,002)
-	45,400	45,400
-	-	-
-	-	-
-	-	-
1,101,600	17,916,306	19,017,906
3,128,716	56,979,730	60,108,446
(3,640,166)	(56,203,267)	(59,843,433)
-	(211,369)	(211,369)
-	-	-
-	-	-
-	-	-
590,150	18,481,400	19,071,550

MANAGEMENT OF INSURANCE AND FINANCIAL RISK

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

43.1 Insurance risk

43.1.1 Individual life (unit linked policies, universal life policies and traditional policies)

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

The risk underwritten is mainly death and sometimes disability and/or critical illness. The risk of death and disability will vary from region to region. The Company may get exposed to poor risks due to:

- Unexpected experience in terms of claim severity or frequency. This can be a result of anti-selection, fraudulent claims, a catastrophe or poor persistency.
- Additionally, the risk of poor persistency may result in the Company being unable to recover expenses incurred at policy acquisition.

The Company manages these risks through its:

- Pricing:

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

- Underwriting:

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

- Reinsurance:

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

- Claims handling policy:

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

- Persistency:

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

a) Frequency and severity of claims

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

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

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

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

Individual life participating

Benefits assured per life

Rupees

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

Assured at the end of 2021			
Total benefits assured			
Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
0 - 200,000	0.73%	30,138	0.92%
200,001 - 400,000	1.95%	78,505	2.40%
400,001 - 800,000	7.16%	277,175	8.48%
800,001 - 1,000,000	11.30%	417,595	12.77%
More than 1,000,000	78.86%	2,465,961	75.43%
Total	100.00%	3,269,374	100.00%

Individual life non - participating

Benefits assured per life

Rupees

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

Assured at the end of 2021			
Total benefits assured			
Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
0 - 200,000	0.82%	165,606	1.26%
200,001 - 400,000	4.86%	945,189	7.19%
400,001 - 800,000	14.48%	2,824,044	21.49%
800,001 - 1,000,000	9.50%	1,652,993	12.58%
14,194,117	70.34%	7,550,862	57.48%
Total	100.00%	13,138,694	100.00%

Investment linked

Benefits assured per life

Rupees

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

Assured at the end of 2021			
Total benefits assured			
Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
0 - 200,000	2.19%	440,141	4.84%
200,001 - 400,000	3.68%	730,946	8.02%
400,001 - 800,000	11.06%	1,912,952	21.00%
800,001 - 1,000,000	5.93%	882,342	9.68%
15,527,456	77.14%	5,144,122	56.46%
Total	100.00%	9,110,503	100.00%

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

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

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

c) Process used to decide on assumptions

- **Mortality:** The expected mortality is assumed at 85% of 1975-80 US SOA Select and Ultimate Mortality Table.
- **Persistency:** A periodic analysis of the Company's recent and historic experience is performed and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel.
- **Expense levels and inflation:** A periodic study is conducted on the Company's current business expenses and future projections to calculate per policy expenses. Expense inflation is assumed in line with assumed investment return.
- **Investment returns:** The investment returns assumptions are based on assets backing the portfolio.

- Liability adequacy test

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

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

The investment return assumed for valuation is 3.75% per annum. This rate is prescribed by law. On a more realistic basis, based on the returns on assets backing the policyholder liabilities, Company expects to earn a long term return of 9.17% and 8.74% for Conventional and Takaful lines of business respectively. Liabilities are also determined on these rates of return assumption for Liability Adequacy Test.

The table below shows the liability held as at December 31, 2021 and the liability determined through best estimate assumptions:

	Liability Held as at December 31, 2021	Best Estimate Liability
	-----Rupees-----	
Mortality	18,317,869,147	18,317,869,147
Investment	18,317,869,147	18,269,217,693

Liability adequacy shows that the liability held as at December 31, 2021 is adequate in comparison to the best estimate liability.

d) Change in assumptions

There has been no material change in assumptions.

43.1.2 Group life

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

The Company manages these risks through its:

- Pricing and underwriting:

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

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

At the same time, due caution is applied in writing business in areas of high probability of terrorism. The Company ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor exposure.

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

- Reinsurance:

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

- Claims handling policy:

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

a) Frequency and severity of claims

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

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

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

Group life

Benefits assured per life

Rupees	Assured at the end of 2021			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	%	(Rupees in '000)	%
0-500,000	37,866,437	5.82%	37,308,652	7.10%
500,001-1,000,000	47,951,141	7.37%	47,244,805	8.99%
1,000,001-1,500,000	79,571,567	12.23%	78,399,452	14.92%
1,500,001-2,000,000	48,862,017	7.51%	48,142,264	9.16%
2,000,001-2,500,000	40,338,816	6.20%	39,744,612	7.56%
More than 2,500,000	396,036,083	60.87%	274,722,214	52.27%
Total	650,626,061	100.00%	525,561,999	100.00%

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

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

c) Process used to decide on assumptions

Where data is sufficient to be statistically credible, the statistics generated by the data is assigned appropriate credibility factors to account for the group's experience.

d) Changes in assumptions

There has been no material change in assumptions.

e) Sensitivity analysis

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

	Change in variable	Increase in Liability 2021 Rupees in '000
Worsening of mortality rates for risk policies	10%	3,450,285
Increase in reporting lag	10%	3,450,285

43.1.3 Accident & health - conventional & takaful

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

The Company manages these risks through its:

- Pricing and underwriting:

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

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

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

- Claims handling policy:

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

- Reinsurance:

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

a) Frequency and severity of claims

The Company measures concentration of risk by its exposure to catastrophic events. Concentration of risk arising from geographical area is not a factor of concern due to spread of risks across various parts of the country.

The following table presents the concentration of insured benefits across five bands of insured benefits. The benefit insured figures are shown gross and net of the reinsurance contracts described above.

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

Individual Accident and Health

Benefits assured per life

Rupees

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

Assured at the end of 2021			
Total benefits assured			
Before reinsurance		After reinsurance	
(Rupees in '000)	%	(Rupees in '000)	%
1,242	0.01%	1,242	0.01%
26,014	0.12%	26,014	0.19%
2,039,022	9.62%	2,039,022	15.33%
763,703	3.60%	763,453	5.74%
18,372,954	86.65%	10,475,443	78.73%
21,202,935	100.00%	13,305,174	100.00%

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

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

c) Process used to decide on assumptions

The assumptions are set using the data available.

d) Changes in assumptions

There has been no material change in the assumptions.

43.1.4 Management of takaful risk and financial risk

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

Takaful risk

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

- Individual Family Takaful
- Group Family Takaful
- Group Health Takaful
- Individual A&H Non-Participating Takaful

43.1.4.1 Individual family takaful

These risks are managed along similar lines as explained for individual family unit linked business.

a) Frequency and severity of claims

Concentration of risk is not a factor of concern due to spread of risks across various parts of the country. However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis. However, a risk of concentration of risk on any one Participant of the PTF still exists. The Company caters to this risk by entering into suitable Retakaful arrangements. The Company charges for mortality risk (credited to the PTF) on a monthly basis for all Takaful contracts without fixed term.

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

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

The amounts presented show total exposure of the PTF including exposure in respect of supplemental benefits attached to the main membership.

Benefits assured per life

Rupees

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

Assured at the end of 2021			
Total benefits assured			
Before retakaful		After retakaful	
(Rupees in '000)	%	(Rupees in '000)	%
332,024	1.00%	332,014	2.56%
2,039,270	6.11%	2,031,828	15.67%
3,974,738	11.92%	3,746,411	28.89%
3,164,025	9.49%	1,851,422	14.28%
23,838,211	71.48%	5,005,103	38.60%
33,348,268	100.00%	12,966,778	100.00%

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

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

c) Process used to decide on assumptions

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

d) Changes in assumptions

There has been no change in assumptions.

43.1.4.2 Group Life Family Takaful

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

The Company manages these risks through its:

a) Pricing and Underwriting:

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

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

At the same time, due caution is applied in writing business in areas of high probability of terrorism. The Company ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor exposure.

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

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

b) Retakaful:

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

c) Claims handling policy:

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

d) Frequency and severity of claims:

The Company measures concentration of risk by its exposure to catastrophic events. Concentration of risk arising from geographical area is not a factor of concern due to spread of risks across various parts of the country. To mitigate risk accumulation resulting from catastrophic events, the Company maintains a catastrophe excess of loss retakaful agreement which protects the waqf fund from exposure to the catastrophic events.

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

Rupees	Covered at the end of 2021			
	Total takaful benefits			
	Before retakaful		After retakaful	
	(Rupees in '000)	%	(Rupees in '000)	%
0-500,000	12,571,155	35.21%	13,909,157	51.27%
500,001-1,000,000	9,914,918	27.78%	7,544,497	27.81%
1,000,001-1,500,000	3,253,108	9.11%	1,955,811	7.21%
1,500,001-2,000,000	4,229,284	11.85%	1,755,116	6.47%
2,000,001-2,500,000	2,115,274	5.93%	1,096,718	4.04%
More than 2,500,000	3,611,478	10.12%	869,229	3.20%
Total	35,695,217	100.00%	27,130,528	100.00%

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

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

f) Process used to decide on assumptions

Where data is sufficient to be statistically credible, the statistics generated by the data is assigned appropriate credibility factors to account for the group's experience.

h) Changes in assumptions

There has been no material change in assumptions.

i) Sensitivity analysis

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

	Change in variable	Increase in Liability 2021
		Rupees in '000
Worsening of mortality rates	10%	233,897
Increase in reporting lag	10%	233,897

43.1.4.3 Group Health Takaful

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

The Company manages these risks through its:

a) Pricing and Underwriting:

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

Pricing is done in line with the actual experience of the Company. The contribution charged takes into account the actual experience of the client and the nature of mortality and morbidity exposure the group faces. The rates are certified by the Appointed Actuary for large groups.

At the same time, due caution is applied in writing business in areas of high probability of terrorism. The Company ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor exposure.

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

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

b) Claims handling policy:

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

The Company has pre-determined charges for certain illnesses with its panel hospitals, and to keep a check on medical inflation, it continues to negotiate these rates. The portfolio has a spread across various geographical regions. On the claims handling side, the Company ensures that payment of any fraudulent claims is avoided.

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

c) Concentration risk:

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

d) Frequency and severity of claims

The Company measures concentration of risk by its exposure to catastrophic events. Concentration of risk arising from geographical area is not a factor of concern due to spread of risks across various parts of the country.

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

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

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

f) Process used to decide on assumptions

Where data is sufficient to be statistically credible, the statistics generated by the data is assigned appropriate credibility factors to account for the group's experience.

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

g) Changes in assumptions

There has been no material change in assumptions.

43.1.4.4 Concentration of insurance risk

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

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

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

	Gross sum insured		Reinsurance / Retakaful		Net	
	2021	2020	2021	2020	2021	2020
(Rupees in million)						
Life (participating)	4,102	4,832	833	1,312	3,520	3,520
Life (non-participating) – Individual	20,178	21,021	7,039	7,625	13,396	13,396
Life (non-participating) – Group	650,626	675,039	125,064	141,353	533,686	533,686
Investment Linked	20,128	20,413	11,017	11,376	9,037	9,037
Accident & Health – Individual	21,203	18,880	7,898	4,335	14,545	14,545
Family Takaful – Individual	33,348	23,652	20,381	13,923	9,729	9,729
Family Takaful – Group	35,695	55,474	8,564	17,366	38,108	38,108
	785,280	819,311	180,796	197,290	622,021	622,021

43.1.5 Unclaimed insurance benefit

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

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

	Age-wise Breakup					
	Total Amount	1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months
<hr/> <div>(Rupees in '000)</div> <hr/>						
Unclaimed maturity benefits	3,620	954	433	846	794	593
Unclaimed death benefits	-	-	-	-	-	-
Unclaimed disability benefits	-	-	-	-	-	-
Claims not encashed	21,249	-	5,987	4,604	3,556	7,102
Others unclaimed benefits	-	-	-	-	-	-
Total	24,869	954	6,420	5,450	4,350	7,695

43.1.6 Assets - liabilities matching

2021									
Fixed and guaranteed insurance and investment contracts	Contract with PDF		Unit-linked contracts			Corporate		Total	
	Insurance contract	Investment contract	Insurance contract	Investment contract	Short-term insurance contracts	Other financial assets and liabilities	Other assets and liabilities		
(Rupees in '000)									
Debt securities									
Available for sale - unlisted securities	4,687,394	1,527,619	-	4,747,404	-	-	1,376,267	-	12,338,684
Equity securities									
Available for sale - listed securities	463,247	-	-	357,823	5,308,795	-	12,851	-	6,142,716
Loans and receivables									
-Loans secured against life insurance policies	90,524	88,182	-	-	-	-	-	-	178,706
-Others at amortised cost	-	-	-	-	-	-	278	-	278
Reinsurance / retakaful assets	-	18,619	-	38,980	-	-	-	-	57,599
Cash and cash equivalents	251,600	-	-	619,464	-	-	32,053	-	903,117
Other assets	424,396	476,159	-	(741,812)	-	-	2,266,344	-	2,425,087
Total assets	5,917,161	2,110,579	-	5,021,859	5,308,795	-	3,687,793	-	22,046,187
Long-term insurance contracts and investment contracts with DPF:									
-Insurance contracts	5,373,432	2,084,241	-	10,521,195	-	-	-	-	17,978,868
Short-term insurance contracts	-	-	-	-	-	-	721,699	-	721,699
Amounts due to related parties, trade payables, and other provisions at amortised cost	20,637	-	-	-	-	-	18,711	-	39,348
Other liabilities	183,204	26,338	-	641,026	-	-	711,523	-	1,562,091
Total liabilities	5,577,273	2,110,579	-	11,162,221	-	-	1,451,933	-	20,302,006

2020									
Fixed and guaranteed insurance and investment contracts	Contract with PDF		Unit-linked contracts			Corporate		Total	
	Insurance contract	Investment contract	Insurance contract	Investment contract	Short-term insurance contracts	Other financial assets and liabilities	Other assets and liabilities		
(Rupees in '000)									
Debt securities									
Available for sale - unlisted securities	5,370,794	1,817,353	-	5,051,657	-	-	1,625,449	-	13,865,253
Equity securities									
Available for sale - listed securities	501,026	-	-	220,743	3,311,758	-	17,526	-	4,051,053
Loans and receivables									
-Loans secured against life insurance	88,044	83,767	-	-	-	-	-	-	171,811
-Others at amortised cost	-	-	-	-	-	-	278	-	278
Reinsurance assets	-	16,741	-	38,643	-	-	38,331	-	93,715
Cash and cash equivalents	16,500	-	-	1,334,713	-	-	113,650	-	1,464,863
Other assets	283,611	403,187	-	(272,533)	-	-	1,806,504	-	2,220,769
Total assets	6,259,975	2,321,048	-	6,373,223	3,311,758	-	3,601,738	-	21,867,742
Long-term insurance contracts and investment contracts with DPF:									
-Insurance contracts	5,889,954	2,101,250	-	9,559,872	-	-	-	-	17,551,076
Short-term insurance contracts	-	-	-	-	-	-	600,948	-	600,948
Amounts due to related parties, trade payables, and other provisions at amortised cost	19,208	-	-	4,697	-	-	17,060	-	40,965
Other liabilities	130,554	219,798	-	496,235	-	-	691,438	-	1,538,025
Total liabilities	6,039,716	2,321,048	-	10,060,804	-	-	1,309,446	-	19,731,014

43.2 Financial risk management

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

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

Risk management framework

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

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

43.2.1 Credit risk

Credit risk is the risk that arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counterparties in various industries and by continually assessing the credit worthiness of counterparties.

43.2.1.1 Exposure to credit risk

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

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

	2021	2020
	(Rupees in '000)	
Cash and bank	312,514	362,613
Investments		
Mutual funds	6,095,600	4,007,910
Debt securities	225,000	225,000
Term deposits	590,150	1,101,600
Loans secured against life insurance policies	178,706	171,811
Insurance / takaful / reinsurance / retakaful receivables	192,913	208,194
Other loans and receivables	375,727	393,085
	7,970,610	6,470,213

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

	Rating		Rating Agency
	Short term	Long term	
Albaraka Bank (Pakistan) Limited	A-1	A+	VIS
Bank AllHabib Limited	A1+	AAA	PACRA
Bank Alfalah Limited	A-1+	AA+	VIS
Bank Islami Pakistan Limited	A-1	A+	PACRA
Bank of Punjab	A-1+	AA+	PACRA
The First Microfinance Bank Limited	A-1	A+	VIS
Khushali Microfinance Bank Limited	A-1	A+	VIS
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS
Faysal Bank Limited	A-1+	AA	PACRA
FINCA Microfinance Bank Limited	A-1	A	PACRA
Habib Bank Limited	A-1+	AAA	VIS
Meezan Bank Limited	A-1+	AAA	VIS
MCB Bank Limited	A-1+	AAA	PACRA
MCB Islamic Bank Limited	A-1	A	PACRA
Mobilink Microfinance Bank Limited	A-1	A	PACRA
NRSP Microfinance Bank Limited	A-1	A	PACRA
National Bank of Pakistan	A-1+	AAA	VIS
Samba Bank Limited	A-1	AA	VIS
Silk Bank Limited	A-2	A-	VIS
Soneri Bank Limited	A-1+	AA-	PACRA
Standard Chartered Bank (Pakistan) Limited	A-1+	AAA	PACRA
Summit Bank Limited	Not rated	Not rated	VIS
Telenor Microfinance Bank Limited	A-1	A	PACRA
U Microfinance Bank Limited	A-1	A+	PACRA
United Bank Limited	A-1+	AAA	VIS
Allied Bank Limited	A1+	AAA	PACRA

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

Rating	Government securities	Debt Securities	Open end mutual funds	Term deposit receipts	Cash and cash equivalents	Total
(Rupees in '000)						
AAA	-	50,000	-	30,350	57,760	138,110
AA+ / AM2++	-	125,000	932,261	150,000	370	1,207,631
AA / AM2+	-	-	1,515,855	340,200	233,854	2,089,909
AA-	-	-	-	69,600	4,896	74,496
A+ / AM1	-	50,000	3,483,553	-	30	3,533,583
A	-	-	-	-	3,040	3,040
A-	-	-	163,931	-	4,226	168,157
BBB+	-	-	-	-	-	-
BBB	-	-	-	-	-	-
Not Rated	12,113,684	-	-	-	8,338	12,122,022
	12,113,684	225,000	6,095,600	590,150	312,514	19,336,948

Premiums / contribution due but unpaid

Concentration of credit risk

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

	2021		2020	
	Rupees in '000	%	Rupees in '000	%
Banks	5,381	3.98%	2,804	2.45%
Insurance	84	0.06%	2,113	1.85%
Textiles	5,990	4.43%	5,039	4.40%
Food and allied industries	12,582	9.30%	10,019	8.75%
Chemical and pharmaceuticals	14,365	10.62%	1,294	1.13%
Technology & communication	751	0.56%	31,662	27.66%
Oil and gas	8,739	6.46%	1,892	1.65%
Miscellaneous	87,422	64.59%	59,656	52.11%
	135,314	100.00%	114,479	100.00%

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

Amount due from other insurers / reinsurers / retakaful

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

Rating	Amounts due from reinsurers net of recoveries	
	2021	2020
	------(Rupees in '000)-----	
A or Above	57,599	93,715

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

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

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

	2021	2020
	------(Rupees in '000)-----	
Cash and bank	312,514	362,613
Term deposit receipts	590,150	1,101,600
Debt securities	225,000	225,000
Loans secured against life insurance policies	178,706	171,811
Insurance / takaful / reinsurance / retakaful receivables	192,913	208,194
Other loans and receivables	375,727	393,085
The carrying value of the financial assets which are past due but not impaired are as under:		
Premiums / contribution due but unpaid	57,751	50,807

43.2.1.2 Fair value of financial instruments

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

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

Fair value of investments is determined as follows:

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

43.2.1.3 Fair value hierarchy

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

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

As at December 31, 2021, the Company held the following financial instruments measured at fair value:

	As at December 31, 2021		
	Level 1	Level 2	Level 3
	------(Rupees in '000)-----		
Financial assets carried at fair value			
Available-for-sale investments	47,116	18,434,284	-
	As at December 31, 2020		
	Level 1	Level 2	Level 3
	------(Rupees in '000)-----		
Financial assets carried at fair value			
Available-for-sale investments	43,143	17,873,163	-

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

43.2.2 Liquidity risk

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

The following are the contractual maturities of financial liabilities:

	2021			2020		
	Carrying Amount	Contractual cash flows upto one year	Contractual cash flows for more than one year	Carrying Amount	Contractual cash flows upto one year	Contractual cash flows for more than one year
	------(Rupees in '000)-----					
Non-derivative financial liabilities						
Outstanding claims	508,077	508,077	-	477,224	477,224	-
Reinsurance / retakaful payables	39,348	39,348	-	40,965	40,965	-
Other creditors and accruals	520,850	520,850	-	479,766	479,766	-
Lease liabilities against right-of-use- assets	145,289	53,892	130,034	136,214	48,962	108,390
	1,213,564	1,122,167	130,034	1,134,169	1,046,917	108,390

43.2.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All transactions are carried in Pak Rupees therefore, the Company is not exposed to any significant foreign exchange risk. The Company invests in government securities, debt securities, open ended mutual funds and listed equity securities which are accounted for at fair value, therefore the change in market prices is shown in note 41.2.3.1.

43.2.3.1 Price risk

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

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

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

Sensitivity analysis

The table below summarises the Company's equity price risk as of December 31, 2021 and December 31, 2020 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse in the Company's equity investment portfolio because of the nature of equity markets. The impact of hypothetical change would be as follows:

	Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase / (decrease) in total comprehensive income
				----- (Rupees in '000) -----	
2021	370,674	10% increase	407,741	37,067	37,067
		10% decrease	333,607	(37,067)	(37,067)
2020	238,269	10% increase	262,096	23,827	23,827
		10% decrease	214,442	(23,827)	(23,827)

43.2.4 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from investment in government securities and balances held in profit and loss sharing accounts with reputable banks. At the reporting date the detailed interest rate profile of the Company's interest-bearing financial instruments is disclosed in note 43.2.4.1. The table below summarises Company's interest rate risk as of December 31, 2021 and 2020 and shows the effects of a hypothetical 1% increase and a 1% decrease in interest rates as at the year end.

Cash flow sensitivity analysis for fixed rate instruments

As at December 31, 2021

Cash flow sensitivity - fixed rate financial assets	1,175	(1,175)
---	-------	---------

As at December 31, 2020

Cash flow sensitivity - fixed rate financial assets	770	(770)
---	-----	-------

Cash flow sensitivity analysis for variable rate instruments

As at December 31, 2021

Cash flow sensitivity - variable rate financial assets	31	(31)
--	----	------

As at December 31, 2020

Cash flow sensitivity - variable rate financial assets	27	(27)
--	----	------

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

43.2.4.1 Interest rate profile

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

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

----- 2020 -----						
Effective Yield / Interest rate %	Total	Upto one year	Over one year upto five years	Over five years upto ten years	Over ten years	Non-interest bearing financial instruments
----- (Rupees in '000) -----						
Statement of financial position - financial instruments						
Financial assets						
Cash and others	650	-	-	-	-	650
Current and other accounts	362,613	362,613	-	-	-	-
Equity securities	43,143	-	-	-	-	43,143
Mutual funds	4,007,910	-	-	-	-	4,007,910
Government securities	13,640,253	10,740,970	315,898	2,583,385	-	-
Debt securities	225,000	-	225,000	-	-	-
Term deposits	1,101,600	1,101,600	-	-	-	-
Loans secured against life insurance policies	171,811	171,811	-	-	-	-
Insurance / takaful / reinsurance / retakaful receivables	208,194	-	-	-	-	208,194
Other loans and receivables	393,085	-	-	-	-	393,085
	20,154,259	12,376,994	540,898	2,583,385	-	4,652,982
Financial liabilities						
Outstanding claims	477,224	-	-	-	-	477,224
Reinsurance / retakaful payables	40,965	-	-	-	-	40,965
Other creditors and accruals	479,766	-	-	-	-	479,766
Lease liabilities against right-of-use-assets	136,214	41,655	94,559	-	-	-
	1,134,169	41,655	94,559	-	-	997,955
Balance sheet gap	19,020,090	12,335,339	446,339	2,583,385	-	3,655,027
Total yield / interest rate risk sensitivity gap		12,335,339	446,339	2,583,385	-	
Cumulative yield / interest rate risk sensitivity gap		12,335,339	12,781,678	15,365,063	15,365,063	

43.2.5 Foreign currency risk

As at reporting date, there are no material financial instruments denominated in foreign currency. Therefore, the Company is not materially exposed to risk from foreign currency exchange rate fluctuation.

43.3 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets and financial liabilities

Financial assets

Loans and receivables - amortised cost

Cash and bank	312,967	363,263
Term deposit receipts	590,150	1,101,600
Loans secured against life insurance policies	178,706	171,811
Insurance / takaful / reinsurance / retakaful receivables	192,913	208,194
Other loans and receivables	375,727	393,085
	1,650,463	2,237,953

Investments - available for sale

Equity securities	47,116	43,143
Mutual funds	6,095,600	4,007,910
Government securities	12,113,684	13,640,253
Debt securities	225,000	225,000
	18,481,400	17,916,306

Financial liabilities

Amortised cost

Outstanding claims	508,077	477,224
Amount due to other insurers / reinsurers / retakaful	39,348	40,965
Other creditors and accruals	520,850	479,766
Lease liabilities against right-of-use-assets	145,289	136,214
	1,213,564	1,134,169

44 CAPITAL MANAGEMENT

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

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

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

45 GENERAL


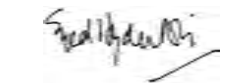

All figures have been rounded off to the nearest of thousand, except otherwise stated.

46 CORRESPONDING FIGURES

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

47 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 25th March, 2022 by the Board of Directors of the Company.

				
Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

A close-up photograph of a person's arm and hand. A black smartwatch is worn on the wrist. Overlaid on the arm is a semi-transparent circular graphic divided into eight segments, each containing a white icon representing a different health or fitness metric: a running person, a person stretching, a heart with an ECG line, a pair of lungs, a sneaker, a water bottle with a lightning bolt, a foot, and a person sitting. The background is a blurred outdoor scene with a blue sky.

**WINDOW
TAKAFUL
OPERATIONS
FINANCIAL
STATEMENTS**

Statement of Financial Position (Un-Audited)

As at December 31, 2021

	As at			As at
	December 31, 2021			December 31, 2020
	Operator sub fund	Policyholders fund	Total	Total
Note	Rupees in 000			
Assets				
Property and equipment	111,184	-	111,184	75,833
Investments				
Mutual funds	144,383	3,374,824	3,519,207	1,547,908
Government Securities	115,884	161,525	277,409	275,167
Term deposits	-	308,200	308,200	1,085,167
	260,267	3,844,549	4,104,816	2,908,242
Takaful / retakaful receivables	-	8,927	8,927	1,713
Other loans and receivables	328,923	-	328,923	333,722
Taxation - payments less provision	50,727	-	50,727	40,658
Deferred tax asset - net	295,933	-	295,933	183,108
Prepayments	15,149	-	15,149	11,974
Cash and bank	(159,723)	-	(159,723)	(82,102)
Total assets	902,460	3,853,476	4,755,936	3,473,148
Equity and liabilities				
Equity and reserves				
Waqf Ceded Money	-	500	500	500
Capital contributed	259,700	-	259,700	259,700
Ledger account C & D	(719,813)	-	(719,813)	(447,125)
Surplus / (deficit) on revaluation of available for sale investments	(4,709)	-	(4,709)	(1,170)
Total equity	(464,822)	500	(464,322)	(188,095)
Liabilities				
Insurance liabilities [including policyholders' liabilities and profit retained in waqf]	86,113	4,201,206	4,287,319	2,864,652
Outstanding claims	-	81,486	81,486	35,003
Contribution received in advance	-	71,185	71,185	51,973
Takaful / retakaful payables	-	1,238	1,238	7,030
Other creditors and accruals	141,941	-	141,941	196,354
Interfund receivable / (payable)	1,082,517	(502,139)	580,378	471,835
Lease liability against right-of-use assets	56,711	-	56,711	34,396
Total liabilities	1,367,282	3,852,976	5,220,258	3,661,243
Total equity and liabilities	902,460	3,853,476	4,755,936	3,473,148

9

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


Chairman


Director


Director


Chief Executive Officer


Chief Financial Officer

IGI Life Insurance Limited - Window Takaful Operations

Profit and Loss Account (Un-Audited)

For the year ended December 31, 2021

	December 31, 2021			December 31, 2020		
	Operator sub fund	Policyholders fund	Total	Operator sub fund	Policyholders fund	Total
	Rupees in 000			Rupees in 000		
Contribution revenue	-	2,832,841	2,832,841	-	1,823,196	1,823,196
Less: wakala fee recognised	826,940	(826,940)	-	648,144	(648,144)	-
	826,940	2,005,901	2,832,841	648,144	1,175,052	1,823,196
Less: contribution ceded to retakaful operators	-	44,219	44,219	-	32,848	32,848
Net contribution revenue	826,940	1,961,682	2,788,622	648,144	1,142,204	1,790,348
Investment income	5,094	172,828	177,922	2,446	136,838	139,284
Net realised fair value gains / (losses) on financial assets	631	(40,025)	(39,394)	(4,346)	(65,239)	(69,585)
Takaful operator fee income	111,734	(111,734)	-	59,741	(59,741)	-
Other income - net	4,818	1,188	6,006	11,101	522	11,623
	122,277	22,257	144,534	68,942	12,380	81,322
Net income	949,217	1,983,939	2,933,156	717,086	1,154,584	1,871,670
Takaful benefits	-	601,349	601,349	-	623,711	623,711
Recoveries from retakaful operators	-	(48,985)	(48,985)	-	(36,625)	(36,625)
Net takaful benefits	-	552,364	552,364	-	587,086	587,086
Change in takaful liabilities (including profit retained in waqf fund)	949,217	1,431,575	2,380,792	717,086	567,498	1,284,584
Acquisition expenses	(88,233)	1,431,575	1,343,342	(47,064)	567,498	520,434
Marketing and administration expenses	1,158,178	-	1,158,178	897,306	-	897,306
Total expenses	263,340	-	263,340	206,077	-	206,077
(Loss) / before tax attributable to Operator	1,333,285	1,431,575	2,764,860	1,056,319	567,498	1,623,817
Taxation	(384,068)	-	(384,068)	(339,233)	-	(339,233)
(Loss) / after tax attributable to Operator	(111,380)	-	(111,380)	(98,378)	-	(98,378)
	(272,688)	-	(272,688)	(240,855)	-	(240,855)

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


Chairman


Director


Director


Chief Executive Officer


Chief Financial Officer

Statement of Comprehensive Income (Un-Audited)

For the year ended December 31, 2021

	December 31, 2021		December 31, 2020	
	Operator sub fund	Policyholders fund	Operator sub fund	Policyholders fund
	Total		Total	
	Rupees in 000		Rupees in 000	
(Loss) / profit after tax attributable to Operator	(272,688)	-	(272,688)	(240,855)
Other comprehensive loss				
Change in unrealised (loss) / gains on available-for-sale financial assets - net of tax	(3,539)	(35,368)	(38,907)	846
Change in takaful liabilities - net	-	35,368	35,368	-
Other comprehensive loss for the period	(3,539)	-	(3,539)	846
Total comprehensive loss for the period attributable to Operator	(276,227)	-	(276,227)	(240,009)
				(240,009)
				846
				(88,331)
				89,177

(Loss) / profit after tax attributable to Operator

Other comprehensive loss

Change in unrealised (loss) / gains on available-for-sale financial assets - net of tax
Change in takaful liabilities - net

Other comprehensive loss for the period

Total comprehensive loss for the period attributable to Operator

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


Chairman


Director


Director


Chief Executive Officer


Chief Financial Officer

Statement of Changes in Equity (Un-Audited)

For the year ended December 31, 2021

	Attributable to equity holders of the Company				
	Capital contributed	Waqf Ceded Money	Ledger C & D account	Surplus / (deficit) on revaluation of available for sale investments **	Total
	Rupees in 000				
Balance as at December 31, 2019	229,700	500	(206,270)	(2,016)	21,914
Total comprehensive loss					
Loss for the year ended December 31, 2020	-	-	(240,855)	-	(240,855)
Other comprehensive income for the year December 31, 2020	-	-	-	846	846
	-	-	(240,855)	846	(240,009)
	229,700	500	(447,125)	(1,170)	(218,095)
Transactions with owners recorded directly in equity					
Capital Contributed	30,000	-	-	-	30,000
Balance as at December 31, 2020	259,700	500	(447,125)	(1,170)	(188,095)
Total comprehensive loss					
Loss for the year ended December 31, 2021	-	-	(272,688)	-	(272,688)
Other comprehensive loss for the year December 31, 2021	-	-	-	(3,539)	(3,539)
	-	-	(272,688)	(3,539)	(276,227)
Balance as at December 31, 2021	259,700	500	(719,813)	(4,709)	(464,322)

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

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


Chairman


Director


Director


Chief Executive Officer

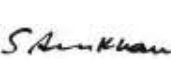

Chief Financial Officer

Cash Flow Statement (Un-Audited)

For the year ended December 31, 2021

Note	2021	2020
-----Rupees in 000-----		
Operating Cash flows		
(a) Underwriting activities		
Premiums received net of policy transfers - net of retakaful	2,795,358	1,841,211
Claims paid - net of retakaful recoveries	(64,264)	(92,881)
Surrenders paid	(446,155)	(475,419)
Commissions paid	(570,313)	(324,516)
Net cash inflow from underwriting activities	1,714,626	948,395
(b) Other operating activities		
Payment for expenses	(838,717)	(727,078)
Other operating receipts	130	5,876
Inter fund transactions	284,839	362,113
Net cash outflow on other operating activities	(553,748)	(359,089)
Total cash inflow from all operating activities	1,160,878	589,306
Investment activities		
Profit / return received	53,191	115,981
Dividend received	136,795	39,391
Payments (made) / received on investments	(2,085,796)	(973,423)
Fixed capital expenditure	(119,656)	(6,873)
Total cash (outflow) / inflow from investing activities	(2,015,466)	(824,924)
Financing activities		
Capital payments received by statutory funds	-	30,000
Net cash (outflow on) / inflow from all activities	(854,588)	(205,618)
Cash and cash equivalents at beginning of year	1,003,065	1,208,683
Cash and cash equivalents at end of period	148,477	1,003,065
Reconciliation to Profit and Loss Account		
Operating cash flows	(854,588)	589,306
Depreciation and amortisation expenses	47,099	36,376
Increase in assets other than cash	1,949,282	172,446
Decrease in liabilities	(1,559,015)	(1,120,305)
Investment income and other income	138,658	75,575
Profit received on bank deposits	5,876	5,747
Loss after taxation	(272,688)	(240,855)

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



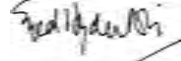
Chairman



Director



Director



Chief Executive Officer



Chief Financial Officer

Notes to and Forming Part of these Financial Statements (Un-Audited)

For the year ended December 31, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 IGI Life Insurance Limited ("the Company") was incorporated in Pakistan on October 9, 1994 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). Its shares are quoted on the Pakistan Stock Exchange Limited. The Company commenced its operations on May 25, 1995 after registration with the Controller of Insurance on April 30, 1995. The registered office of the Company is situated at 7th Floor, The Forum, Suite No. 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi which is also the principal office of the Company.
- 1.2 The Company was granted approval on July 02, 2015 under Rule 6 of the Takaful Rules, 2012 to start its Window Takaful Operations ("the Operations") by the Securities and Exchange Commission of Pakistan ("the SECP") in Pakistan. The Waqf deed was executed on June 20, 2015 and the operations were commenced also commenced in year 2015.
- 1.3 In accordance with the requirements of the Insurance Ordinance, 2000 and Takaful Rules, 2012, the Company established a Operator Sub Fund (OSF), Participant Investment Fund (PIF) and Participant Waqf Fund (PTF) under each statutory funds mentioned below:
- Individual Family Takaful
 - Individual Accidental and Health Takaful
 - Group Family Takaful
 - Group Health Takaful

2 BASIS OF PREPARATION

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

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

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

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

2.1 Statement of compliance

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

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

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

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

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2021 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore, have not been stated in these financial statements.

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

The following standards, amendments and interpretations of the accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after January 1, 2021:

	Effective date (period beginning on or after)
- IAS 16 - 'Property, plant and equipment' (amendments)	January 1, 2022
- IAS 37 - 'Provisions, contingent liabilities and contingent assets' (amendments)	January 1, 2022
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2023
- IFRS 9 - 'Financial Instruments'	January 1, 2023*

*The management has opted temporary exemption from the application of IFRS 9 as allowed by the International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Further details relating to temporary exemption from the application of IFRS 9 are given in note 2.3.1.1 to these financial statements.

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

There are certain other new and amended standards and interpretations that are mandatory for the Company's accounting period beginning on or after January 1, 2021, but are considered not to be relevant or do not have any significant effect on the Company's operations and are therefore not detailed in these financial statements.

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2021 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore, have not been stated in these financial statements.

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

3 BASIS OF MEASUREMENT

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

4 FUNCTIONAL AND PRESENTATION CURRENCY

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

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are same as those applied in the preparation of annual financial statements of the Company for the year ended December 31, 2021.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing these financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those applied to the annual financial statements for the year ended December 31, 2021.

7 TAKAFUL FINANCIAL AND RISK MANAGEMENT

The Company's takaful risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended December 31, 2021.

8 TEMPORARY EXEMPTION FROM APPLICATION OF IFRS 9

As an takaful operator, the management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with takaful line of business.

9 CONTINGENCIES AND COMMITMENTS

The contingencies and commitments reported in the main financials of the Company also includes impacts of Window Takaful Operations as at December 31, 2021. There were no other material contingencies and commitments as at December 31, 2021.

10 NET CONTRIBUTION REVENUE

Gross contribution:

Regular contribution individual policies*

First year	1,152,908	914,864
Second year renewal	510,566	237,613
Subsequent year renewal	446,819	449,448

Single contribution individual policies

Group policies without cash value

Total gross contribution

Less: retakaful contribution ceded

On individual life first year business	13,307	11,088
On individual life second year business	7,324	3,428
On individual life renewal business	11,153	7,233
On single premium policies	8,886	125
On group policies	12,362	18,773
Commission from reinsurers	(8,813)	(7,799)

Net contribution

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

11 NET TAKAFUL BENEFITS

Gross Claims

Claims under individual policies

By death	74,314	31,948
By surrender	446,155	475,419

Total gross individual policy claims

Claims under group policies

by death	33,199	60,512
by insured event other than death	49,978	60,164
experience refund	(2,297)	(4,332)

Total gross group policy claims

Total gross policy claims

Less: retakaful recoveries

On Individual life claims	37,835	15,824
On Group Life claims	11,150	20,801

Net takaful benefit expense

12 ACQUISITION EXPENSES

Remuneration to takaful intermediaries on individual policies:

- Commission on first year contribution
- Commission on second year contribution
- Commission on subsequent renewal contribution
- Commission on single contribution
- Other benefits to takaful intermediaries

Remuneration to takaful intermediaries on group policies:

- Commission
- Other benefits to takaful intermediaries

Branch overheads :

- Salaries and other benefits
- Other operational cost

Other acquisition cost :

- Policy stamps

(Un-audited)	
2021	2020
---- (Rupees in '000) ----	
453,982	358,816
18,981	12,300
11,936	10,489
18,845	4,655
532,860	438,909
1,036,604	825,169
36,899	11,715
1,202	592
38,101	12,307
34,777	20,322
35,659	28,352
70,436	48,674
13,037	11,156
1,158,178	897,306

13 SEGMENT INFORMATION

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

13.1 Participants' Investment Fund (PIF)

(Un-audited)					
TAKAFUL - STATUTORY FUNDS				Aggregate	
Individual Family	Individual Accidental and Health	Group Family	Group Health	FOR THE YEAR ENDED DECEMBER 31	
				2021	2020
---- (Rupees in '000) ----					
Income					
Allocated Contribution	1,921,884	-	-	1,921,884	1,121,258
Net Investment Income	53,803	-	-	53,803	56,915
Other Income	27,303	-	-	27,303	85,261
Total Net Income	2,002,990	-	-	2,002,990	1,263,434
Less: Claims and Expenditure					
Surrenders / Partial Surrenders	446,155	-	-	446,155	475,419
Risk Contributions	124,480	-	-	124,480	74,286
Wakalat-ul-Istismar	55,514	-	-	55,514	34,892
Policy admin fee	56,220	-	-	56,220	24,449
	682,369	-	-	682,369	609,046
Excess of Income over Claims and expenditure	1,320,621	-	-	1,320,621	654,388
Add: Technical reserves at the beginning	2,787,811	-	-	2,787,811	2,133,423
Less: Technical reserves at the end	(4,108,432)	-	-	(4,108,432)	(2,787,811)
	(1,320,621)	-	-	(1,320,621)	(654,388)
Surplus	-	-	-	-	-
Movement in technical reserves	1,320,621	-	-	1,320,621	654,388
Balance of PIF at the beginning of the period	2,787,811	-	-	2,787,811	2,133,423
Balance of PIF at the end of the period	4,108,432	-	-	4,108,432	2,787,811

13.2 Participants' Takaful Fund (PTF)

(Un-audited)					
TAKAFUL - STATUTORY FUNDS				Aggregate	
Individual Family	Individual Accidental and Health	Group Family	Group Health	FOR THE YEAR ENDED DECEMBER 31	
				2021	2020
---- (Rupees in '000) ----					
Income					
Contribution net of retakaful	51,146	2,164	13,507	55,984	122,801
Net investment income	242	-	82	339	663
Other income	9,767	-	323	3,137	13,227
	61,155	2,164	13,912	59,460	136,691
Less: Claims and Expenditure					
Claims	36,479	-	19,752	49,978	106,209
Wakala fee	-	-	-	-	-
	36,479	-	19,752	49,978	106,209
Excess of Income over Claims and expenditure	24,676	2,164	(5,840)	9,482	30,482
Add: Technical reserves at the beginning of the period	49,958	606	(18,034)	(27,414)	5,116
Less: Technical reserves at the end of the period	(54,650)	(536)	(8,534)	(23,042)	(86,762)
Add: Deficit retained in technical reserves	-	(1,048)	29,033	40,974	68,959
	(4,692)	(978)	2,465	(9,482)	(12,687)
Surplus / (deficit)	19,984	1,186	(3,375)	-	17,795
Movement in technical reserves	4,692	978	(2,465)	9,482	12,687
Qard-e-Hasna contributed by Window Takaful Operator	-	-	-	-	25,000
Balance of PTF at the beginning of the period	49,958	606	7,113	18,995	76,672
	74,634	2,770	1,273	28,477	107,154
Balance of PTF at the end of the period	74,634	2,770	1,273	28,477	76,672

13.3 Operators' Sub Fund (OSF)

(Un-audited)					
TAKAFUL - STATUTORY FUNDS				Aggregate	
Individual Family	Individual Accidental and Health	Group Family	Group Health	FOR THE YEAR ENDED DECEMBER 31	
				2021	2020
---- (Rupees in '000) ----					
Income					
Allocation fee	760,809	5,647	25,539	34,945	826,940
Investment income	13,759	-	154	713	14,626
Other Income	4,569	17	82	150	4,818
Wakala fee - PTF	32,664	-	-	-	32,664
Policy admin fee	56,220	-	-	-	56,220
Takaful operator fee	-	-	-	-	-
Wakalat-ul-Istismar	55,514	-	-	-	55,514
	923,535	5,664	25,775	35,808	990,782
Less: Expenses					
Acquisition cost	1,046,383	3,258	17,208	20,893	1,087,742
Administration expenses / deferred taxation	183,496	238	10,467	28,192	222,393
	1,229,879	3,496	27,675	49,085	1,310,135
Excess of (expenditure)/over income	(306,344)	2,168	(1,900)	(13,277)	(319,353)
Add: Technical reserves at the beginning of the period	60,650	1,408	5,244	4,423	71,725
Less: Technical reserves at the end of the period	(1,825)	(2,993)	(8,395)	(15,386)	(28,599)
	58,825	(1,585)	(3,151)	(10,963)	43,126
Surplus / (deficit)	(247,519)	583	(5,051)	(24,240)	(276,227)
Movement in technical reserves	(58,825)	1,585	3,151	10,963	(43,126)
Capital Contribution during the period	-	-	-	-	-
Qard-e-Hasna contributed to the Participants	-	-	-	-	30,000
Takaful Fund	-	-	-	-	(25,000)
Balance of OSF at the beginning of the period	(234,332)	880	(6,219)	1,745	(237,926)
	(540,676)	3,048	(8,119)	(11,532)	(557,279)
Balance of OSF at the end of the period	(540,676)	3,048	(8,119)	(11,532)	(557,279)
Balance of Family Takaful statutory fund	3,642,390	5,818	(6,846)	16,945	3,658,307
					2,626,557

14 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

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

As at December 31, 2021 the Operator and policyholders held the following financial instruments measured at fair value:

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

Assets carried at fair value	As at December 31, 2020		
	Level 1	Level 2	Level 3
----- Rupees in '000 -----			
Available-for-sale investments	-	1,823,075	-

14 GENERAL

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

15 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 25th March, 2022 by the Board of Directors of the Company.


Chairman


Director


Director


Chief Executive Officer


Chief Financial Officer

Statement of Directors

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

Section 46 (6)

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

Section 52 (2)

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


Chairman


Director


Director


Chief Executive Officer

Statement of Actuary

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

In my opinion:

- a) The policyholder liabilities included in the balance sheet of IGI Life Insurance Limited as at December 31, 2021 have been determined in accordance with the provisions of the Insurance Ordinance, 2000; and
- b) With reference to SECP letter dated July 26, 2012 (ref: ID/SUP/SLV/01) granting permission to IGI Life Insurance Limited to maintain solvency margin in aggregate, the Shareholders' Fund and the Statutory fund of the Company meet the solvency requirements of the Insurance Ordinance, 2000 as at December 31, 2021 in aggregate.

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

Notice of 27th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Seventh Annual General Meeting of IGI Life Insurance Limited (the “Company”) will be held at the Auditorium Hall at The Institute of Chartered Accountants of Pakistan, Karachi on Thursday, April 28, 2022 at 10:30 a.m. to transact the following business:

Ordinary Business

- 1. To confirm the minutes of the last Annual General Meeting (AGM) of the Company held on April 28, 2021.
- 2. To receive, consider and approve the Audited Financial Statements of the Company for the year ended December 31, 2021, together with the Chairman’s Review, Directors’ and Auditors’ Report thereon.
- 3. To appoint statutory auditors for the year 2022 and fix their remuneration. The current Auditors, M/s. A.F. Ferguson & Co. (Chartered Accountants) have consented to be appointed as auditors and the Board of Directors has recommended their appointment.
- 4. To transact any other business with the permission of the Chairman.

April 6, 2022
Karachi

By order of the Board
Nadia Perveen Hussain
Company Secretary

PARTICIPATION IN THE 27TH AGM PROCEEDINGS VIA VIDEO LINK FACILITY:

In view of the prevailing situation of Pandemic COVID-19, particularly in the wake of its fifth wave and concerning the well-being of the participants of the AGM, this general meeting is being conducted as per the guidelines circulated by the Securities and Exchange Commission of Pakistan (“SECP”) vide its Circular No. 4 of 2021 dated 15th February 2021 and Circular No. 6 of 2021 dated 3rd March 2021. Accordingly, the following arrangements have been made by the Company to facilitate the participation of the shareholders in the AGM through Zoom either in-person or through appointed proxies:

The shareholders/proxies are requested to please provide the below tabulated information to our Company Secretary in an email to igilifeagm@igi.com.pk with the subject “Registration for IGI Life AGM 2022”, at least 48 hours before the time of AGM i.e. latest by 10:30 am on April 26th 2022. To attend through video-link, members can download the application/software through <https://zoom.us/download> and login via video-link to participate in the AGM proceedings.

Folio / CDC Account No.	Name of Shareholder / Proxy	CNIC No.	Cellphone No.	Email Address

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

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

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

Notice of 27th Annual General Meeting

OTHER NOTES

- 1. The Share Transfer Books of the Company will remain closed from April 21, 2022 to April 28, 2022 (both days inclusive).
- 2. Any individual beneficial owner having an account or sub-account with the Central Depository Company (“CDC”), entitled to vote at this meeting, must provide his/her Computerized National Identity Card (CNIC) to prove his/her identity, and in case of proxy must enclose an attested copy of his/her CNIC. The representatives of corporate bodies should provide attested copies of their board of directors’ resolution/powers of attorney and/or all such documents as are required under Circular No. 1 dated January 26, 2000 issued by the SECP for the purpose.
- 3. Members (Non-CDC) are requested to promptly notify the Company’s Share Registrar of any change in their addresses and also provide the email address, if possible.
- 4. Pursuant to Section 223 (7) of the Companies Act, 2017, the financial statements and annual reports have been placed on website of the Company and can be accessed on <http://igilife.com.pk/investor-relations/financial-reports/>

Members are hereby further informed that in pursuant to SECP’s S.R.O. 787(1)/2014 dated September 8, 2014 and Companies Act, 2017, the Companies have been allowed to circulate the Annual Report to members through email. For this purpose, we have attached the request form in the Annual Report and also uploaded the same on our company’s website at <http://igilife.com.pk/investor-relations/agm-related-forms/#1588198218774-0a90803a-a8bd> Members who want to avail this facility are requested to submit the duly filled request form to the Share Registrar.

- 5. Further, in accordance with SRO 470(I) / 2016 dated May 31, 2016, through which SECP has allowed companies to circulate the annual audited accounts to its members through CD/DVD/USB instead of transmitting the hard copies at their registered addresses, subject to consent of shareholders and compliance with certain other conditions.
- 6. In accordance with the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay the cash dividend to its shareholders only through electronic mode directly into the bank account designated by the entitled shareholders. In order to receive your dividends directly into your bank account, please complete the particulars in E-Credit Dividend Mandate Form. This form has been attached in the Annual Report and is also available on our Company’s website - www.igilife.com.pk. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In the absence of a member’s valid bank account details and/or IBAN, the Company will be constrained to withhold the payment of dividend to such members till provision of prescribed details.
- 7. Shareholders, who by any reason, could not claim their dividend/ physical/bonus shares, if any, are advised to contact our Share Registrar at the address mentioned above.
- 8. In accordance with the Companies (Postal Ballot) Regulations, 2018, for any agenda item subject to the requirements of Section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot i.e. by post or e-voting, in the manner and subject to the conditions contained in the aforesaid regulations.

Request for Annual Report and Notices Through Post

The Registrar

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

Dear Sir,

I hereby request you to send me Annual Report of IGI Life Insurance Limited and notices for the year ended December 31, 2021 under the Companies Act, 2017 at my postal address given below:

(Postal address of the shareholder)

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

Regards,

(Signature)

Name of the Shareholders

Folio No: _____

(In case of physical shareholding)

CDC Account No.: _____

Note: Individual CDC Account holders should submit copy of their renewed Computerized National Identity Card (CNIC) alongwith this request form.

درخواست برائے سالانہ رپورٹ اور نوٹسز بذریعہ ڈاک

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

عزیز محترم

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

(شیئر ہولڈر کا ایڈریس)

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

مخائب

(دستخط)

شیئر ہولڈر کا نام

فولیو نمبر:

(فزیکل شیئر ہولڈنگ کی صورت میں)

سی ڈی سی اکاؤنٹ نمبر:

نوٹ: انفرادی سی ڈی سی اکاؤنٹ ہولڈرز کو اس درخواست فارم کے ساتھ اپنے تجدید شدہ کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) کی کاپی جمع کرانی ہوگی۔

اطلاع برائے 27 واں سالانہ اجلاس عام

بذریعہ ہذا نوٹس مطلع کیا جاتا ہے کہ آئی جی آئی لائف انشورنس لمیٹڈ (کمپنی) کا 27 واں سالانہ اجلاس عام مورخہ 28 اپریل 2022 بروز جمعرات بوقت 10:30 بجے صبح انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس پاکستان، کراچی آڈیٹوریوم ہال میں منعقد ہوگا۔ اجلاس میں درج ذیل امور زیر بحث لائے جائیں گے:

عمومی کارروائی

- 1- مورخہ 28 اپریل 2021 کو منعقد ہونے والے گزشتہ سالانہ اجلاس کے نکات کی توثیق۔
- 2- مورخہ 31 دسمبر 2021 کو ختم ہونے والے گزشتہ سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں مع چیئرمین رپویو، آڈیٹرز اور ڈائریکٹرز کی رپورٹ کی وصولی، غور و خوض، اور منظوری۔
- 3- سال 2022 کے لیے اسٹیجوری آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین۔ موجودہ آڈیٹرز میسر اے ایف فرگوسن اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹس) نے آڈیٹر کے طور پر تقرری کے لیے رضامندی ظاہر کی ہے اور بورڈ آف ڈائریکٹرز نے ان کی تقرری کی سفارش کی ہے۔
- 4- چیئرمین کی اجازت سے کسی بھی دیگر امور کی انجام دہی۔

6 اپریل 2022 کراچی

محکم بورڈ
نادیہ پروین حسین
کمپنی سیکریٹری

27 ویں سالانہ اجلاس عام کی کارروائی میں بذریعہ ویڈیو لنک شرکت

سالانہ اجلاس عام کے ممبران کی خیر و عافیت اور COVID-19 کی پانچویں لہر کو مد نظر رکھتے ہوئے یہ اجلاس عام سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی طرف سے بالترتیب 15 فروری 2021 اور 3 مارچ 2021 کو جاری کردہ ہدایات بذریعہ سرکلر نمبر 4 برائے 2021 اور سرکلر نمبر 6 برائے 2021 کی روشنی میں منعقد کی جارہی ہے، اسی لحاظ سے سالانہ اجلاس عام میں حصص یافتگان کی Zoom کے ذریعے بذات خود یا بذریعہ نائب (پراکسی) شرکت کے حوالے سے مندرجہ ذیل انتظامات کیے جارہے ہیں۔

وہ اراکین رپراکسیز جو بذریعہ ویڈیو لنک اجلاس میں شرکت کرنا چاہتے ہیں ان سے درخواست ہے کہ وہ ”رجسٹریشن برائے آئی جی آئی لائف سالانہ اجلاس عام 2022“ کے عنوان سے مندرجہ ذیل ٹیبل میں ذکر کردہ معلومات ہمارے کمپنی سیکریٹری کو سالانہ اجلاس عام سے کم از کم 48 گھنٹے پہلے یعنی 26 اپریل 2022 کو 10:30 بجے سے پہلے igilifeagm@igi.com.pk پر ای میل کر دیں۔ بذریعہ ویڈیو لنک اجلاس کی کارروائی میں شرکت کرنے کے لیے اراکین <https://zoom.us/download> کے ذریعے اپلیکیشن رسافٹ ویئر ڈاؤنلوڈ کر کے لاگ ان کر سکتے ہیں۔

فولیورسی ڈی سی اکاؤنٹ نمبر	شیر ہولڈر کا نام رپراکسی (نائب)	شناختی کارڈ نمبر	موبائل نمبر	ایمیل ایڈریس

شیر ہولڈر رپراکسی کی جانب سے مذکورہ بالا معلومات موصول ہونے کے بعد کمپنی لاگ ان کی تفصیلات ان کے ایمیل ایڈریس پر ارسال کرے، جس سے وہ سالانہ عام اجلاس میں بذریعہ ویڈیو لنک شرکت کر سکیں گے۔

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

سالانہ اجلاس عام کے دوران اگر حق رائے دہی استعمال کرنے کی ضرورت پیش آئے تو ممبران ویڈیو لنک کے ذریعہ فیکو پورٹل www.famco.com.pk/evoting.html پر Login ہو کر اپنا حق رائے دہی استعمال کر سکتے ہیں۔

دیگر گزارشات:

- 1- کمپنی کی حصص منتقلی کی کتب (Share transfer Book) مورخہ 21 اپریل 2022 سے 28 اپریل 2022 (دونوں دن شامل ہیں) تک بند رہیں گی۔
- 2- وہ انفرادی (Beneficial Owner) جن کے اکاؤنٹ یا سب اکاؤنٹ سینٹرل ڈپازٹری کمپنی (CDC) میں ہوں اور وہ اجلاس میں اپنا حق رائے دہی استعمال کرنے کے مجاز ہوں وہ اپنا کمپیوٹر انڈیا یا سمارٹ قومی شناختی کارڈ اپنی شناخت کے لیے ضرور فراہم کریں اور نمائندہ (پراکسی) مقرر کرنے کی صورت میں اس کے کمپیوٹر انڈیا یا سمارٹ قومی شناختی کارڈ کی مصدقہ نقل فراہم کریں۔ کارپوریٹ ادارے کے نمائندگان (پراکسیز) کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد رپورٹ آف انٹرنی اور S.E.C.P کی طرف سے اس مقصد کے لیے مورخہ 26 جنوری 2000 کو جاری کردہ اعلامیہ نمبر 1 کے مطابق مطلوب تمام ضروری دستاویزات کی مصدقہ نقول فراہم کرنا ضروری ہے۔
- 3- اراکین (نان سی ڈی سی) سے التماس ہے کہ اگر ان کے پتے میں کسی قسم کی تبدیلی ہو تو فوراً کمپنی کے شیر رجسٹرار کو اس تبدیلی کی اطلاع کر دیں اور اگر ممکن ہو تو اپنا ای میل ایڈریس بھی فراہم کر دیں۔
- 4- کمپنی انکلیچر یہ 2017 کی دفعہ (7) 223 کے تحت مالیاتی گوشوارے اور سالانہ رپورٹ کمپنی کی ویب سائٹ پر اپلوڈ کر دی گئی ہیں اور اس کی رسائی <http://igilife.com.pk/investor-relations/financial-reports/> کے ذریعے ممکن ہے۔
- 5- ممبران کو مزید مطلع کیا جاتا ہے کہ S.E.C.P کے ایس آر او 470 (I)/2016 کے تحت کمپنیز ایکٹ 2017 کے تحت کمپنیز کو سالانہ رپورٹ بذریعہ ای میل فراہم کرنے کی اجازت دیدی گئی ہے۔ اس حوالے سے ہم نے درخواست فارم سالانہ رپورٹ کے ساتھ منسلک کر دیا ہے اور مزید یہ کہ کمپنی کی ویب سائٹ <http://igilife.com.pk/investor-relations/agm-related-forms/#1588198218774-0a90803a-a8bd> پر بھی اپلوڈ کر دیا گیا ہے۔ جو اراکین یہ سہولت حاصل کرنا چاہتے ہیں وہ اپنا مکمل شدہ فارم شیر رجسٹرار کو جمع کروادیں۔
- 6- کمپنی ایکٹ مجریہ 2017 کی دفعہ 242 کے تحت لسٹڈ کمپنیز کے لیے ضروری ہے کہ وہ نقد منافع منقسمہ براہ راست اپنے اہل حصص یافتگان کے مقررہ بینک اکاؤنٹس میں صرف بذریعہ برقی طریقہ کار منتقل کریں۔ اپنے منافع منقسمہ براہ راست اپنے بینک اکاؤنٹ میں بذریعہ برقی طریقہ کار وصول کرنے کے لیے ازراہ کرم منافع منقسمہ کاربئی کرڈٹ مینڈیٹ فارم پُر کریں۔ یہ فارم سالانہ رپورٹ کے ساتھ منسلک ہے اور ہماری ویب سائٹ www.igilife.com.pk پر بھی موجود ہے۔ اگر حصص CDC میں موجود ہیں تو مذکورہ بالا معلومات سے کمپنی کو باخبر رکھنے اور منتقل کرنے کے لیے براہ راست CDS کے شراکت داروں کو جمع کروائیں۔ اراکین کے اکاؤنٹ IBAN نمبر کی تفصیل غلط ہونے کی صورت میں کمپنی منافع منقسمہ کی رقم کو مذکورہ بالا معلومات فراہم ہونے تک اپنے پاس روک رکھے گی۔
- 7- وہ حصص یافتگان جو کسی بھی وجہ سے اپنا منافع منقسمہ رفرنسیل ربنس شیر حاصل نہیں کر سکے ان سے گزارش کی جاتی ہے کہ اوپر ذکر کردہ شیر رجسٹرار سے فوری رابطہ کریں۔
- 8- کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 کی تعمیل کے تحت کسی بھی ایجنڈا آئٹم کے لیے کمپنیز انکلیچر یہ 2017 کی دفعہ 143 اور 144 کی ضرورت سے مشروط حصص یافتگان کو مذکورہ ضوابط میں شامل شرائط و ضوابط کے مطابق پوسٹل بیلٹ یعنی پوسٹ یا ای وونگ (e-voting) کے ذریعے اپنا حق استعمال کرنے کی اجازت ہوگی۔

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

اخلاقیات، ہیومن ریسورس، مشاہرے اور نامزدگیوں کی کمیٹی

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

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

انویسٹمنٹ کمیٹی

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

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

بورڈ کے تجزیہ کا طریقہ کار

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

ڈائریکٹرز کا مشاہرہ

ڈائریکٹرز کا مشاہرہ کمپنی کے آرٹیکل آف ایسوسی ایشن کے زیر انتظام ہے جس کی رو سے کمپنی کے ڈائریکٹرز وقتاً فوقتاً ڈائریکٹرز کے مشاہرے کی تعیین کے مجاز ہیں۔

ماحول پر اثر

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

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

چیف ایگزیکٹو آفیسر، چیف فنانسز آفیسر، کمپنی سیکریٹری مقرر کردہ ایکچوری اور دیگر ایگزیکٹو نے دوران سال حصص کی تجارت نہیں کی۔

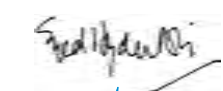
پیٹرن آف شیئرز ہولڈنگ

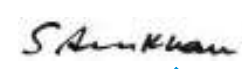
کمپنیز ایکٹ مجریہ 2017 کے سیکشن 227 کے تحت 31 دسمبر 2021 تک کا پیٹرن آف شیئرز ہولڈنگ سالانہ رپورٹ میں شامل ہے۔

ضابطہ اخلاق

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

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


سید حیدر علی
چیف ایگزیکٹو آفیسر
تاریخ: 25 مارچ 2022


شیم احمد خان
چیئر مین
تاریخ: 25 مارچ 2022

کوڈ آف کارپوریٹ گورننس برائے انشورر 2016، لسٹڈ کمپنیز ریگولیشنز 2019 (کوڈ آف کارپوریٹ گورننس) اور پاکستان اسٹاک ایکسچینج رول بک کی تعمیل

آپ کی کمپنی کے ڈائریکٹرز کی رائے ہیں:

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

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

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

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

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

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

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

(ح) ٹیکس، ڈیویڈنڈ اور چارجز کی مد میں کوئی بھی قانونی ادائیگی 31 دسمبر 2021 تک واجب الاداء نہیں ہے، سوائے اس ادائیگی کے جس کو فنانسشل اسٹیٹمنٹ میں بیان کیا گیا ہے۔

(ط) ملازمین کے ریٹائرمنٹ فنڈ کی مالیت غیر آڈٹ شدہ فنانسشل اسٹیٹمنٹ کے مطابق 31 دسمبر 2021 تک درج ذیل ہے:

ملازمین کا پراویڈنٹ فنڈ: 62.19 ملین روپے

ملازمین کا گریجویٹ فنڈ: 29.24 ملین روپے

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

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

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

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

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

بورڈ آف ڈائریکٹرز

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

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

بورڈ اور کمپنی مینٹنرز

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

منعقدہ بورڈ مینٹنرز کی تعداد	ڈائریکٹرز کے نام
4	شیم احمد خان
4	سید حیدر علی
4	سید یاور علی
4	خرم رضا بختیاری
4	محمد کمال سید
4	زہرہ نقوی
4	فریدہ احسن

آڈٹ کمیٹی

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

منعقدہ کمیٹی مینٹنرز کی تعداد	اراکین کے نام
4	محمد کمال سید
4	سید یاور علی
4	خرم رضا بختیاری
4	زہرہ نقوی

کلیمز تصفیہ کمیٹی

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

منعقدہ کمیٹی مینٹنرز کی تعداد	اراکین کے نام
4	شیم احمد خان
4	سید یاور علی
4	فریدہ احسن

انڈر رائٹنگ اور ری انشورنس کمیٹی

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

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

مزید یہ کہ خیر پختونخواہ ریونیو اتھارٹی نے خیر پختونخواہ فائنانس ایکٹ 2021 کے ذریعے لائف انشورنس پر یکم جولائی 2021 سے 15% کے ریٹ کے اعتبار سے معاشی شکل دینے کے لیے ٹیکس عائد کر دیا، جس سے انشورنس کمپنیز پہلے مستثنیٰ تھیں۔ انشورنس ایسوسی ایشن پاکستان کی طرف سے یہ معاملہ خیر پختونخواہ ریونیو اتھارٹی کے سامنے اٹھایا گیا، جس میں یہ موقف اپنایا گیا کہ ”انشورنس“ وفاقی معاملہ ہے، اس لیے انشورنس سے متعلق قوانین صوبوں کی طرف سے نہیں بنائے جانے چاہئیں۔

پراڈکٹس اور ڈسٹری بیوشن چینل

کمپنی اپنی منفرد مصنوعات کے فروغ کو جاری رکھے ہوئے ہے۔ نکافل کی مختلف پراڈکٹس کو عینکا انشورنس اور ایجنسی کے ڈسٹری بیوشن چینل میں متعارف کروادیا گیا ہے۔ کمپنی نے ڈسٹریلا نڈیشن کی جانب قدم بڑھاتے ہوئے اپنی پراڈکٹس کی ڈیجیٹل پلیٹ فارمز پر دستیابی کے لیے مختلف اداروں کے ساتھ شراکت داری بھی کی ہے۔

بورڈ کی تشکیل اور اس کا معاوضہ

بورڈ کی تشکیل اور اس کی ذیلی کمیٹیوں کے ممبران کے نام صفحہ نمبر 22 اور 23 پر دیکھے جاسکتے ہیں۔ کمپنیز ایکٹ 2017 اور لنڈ کمپنیز ریگولیشنز (کوڈ آف کارپوریٹ گورننس) 2019 کے مطابق آپ کی کمپنی نے اپنے ڈائریکٹرز کے معاوضے کے حوالے سے ایک شفاف فریم ورک تیار کیا ہے۔

انڈر رائٹنگ، ری انشورنس اور رسک منجمنٹ

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

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

کمپیوٹل منجمنٹ اور لیکوڈیٹی

کمپنی اپنی موجودہ اور مستقبل کی کاروباری سرگرمیوں کو چلانے کے لیے ایک خاص مقدار میں سرمایہ برقرار رکھتی ہے۔ کمپنی کا پیڈ اپ کمپیوٹل اور برقرار رکھی ہوئی آمدن بالترتیب 1,705 ملین اور 38.9 ملین ہے۔ کمپنی کا ایک طے شدہ فریم ورک ہے، جس کے ذریعے کلیم کی ادائیگیوں اور اخلاقی اخراجات کو پورا کرنے کے لیے مناسب لیکوڈیٹی برقرار رہتی ہے۔ کمپنی کے پاس 31 دسمبر 2021 تک کمیشن اور کمیشن کے مساوی 17.78 ارب (2020 میں 1.46 ارب) روپے موجود رہے ہیں۔

کمپنی اور اس کے بزنس سے متعلق رسک اور مواقع کی مکمل تفصیل اور اس سے نمٹنے کے کنٹرولز کو واضح طور پر رپورٹ کے صفحہ نمبر 32 اور 33 میں بیان کیا گیا ہے۔

انفارمیشن ٹیکنالوجی اور آپریٹنگ مہارت

آپ کی کمپنی اپنے پالیسی ہولڈرز، شراکت داروں اور دیگر اسٹیک ہولڈرز کو بہترین خدمات کی فراہمی کے لیے ہر دم سرگرم عمل ہے۔

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

مزید برآں، کمپنی نے کسٹمر سروس کی فراہمی کو بہتر کرنے کے لیے خصوصاً COVID-19 کے باعث ہونے والے لاک ڈان کے دوران اپنے کال سنٹر کو اپ گریڈ کیا ہے۔

متعلقہ پارٹی لین دین

ہر بورڈ میٹنگ میں بورڈ آف ڈائریکٹرز آڈٹ کمپنی کی سفارشات کی بنیاد پر متعلقہ کمیٹیوں اور پارٹیوں کے ساتھ ہونے والی ٹرانزیکشنز کی منظوری دیتے ہیں۔ ایسی تمام ٹرانزیکشن ”Arms Length“ پر انجام دی جاتی ہیں۔ اس طریقہ کار کو موازنے کے قابل لاگتی شراک کے انتظامات کی بنیاد پر طے کیا جاتا ہے۔

افراد کی قوت کا انتظام

موجودہ سال کمپنی نے سیلز اور مارکیٹنگ، انڈر رائٹنگ، کلیم، فنانس، ایکچوریل، ہیومن ریسورس اور کسٹمر سروس سمیت بہت سے شعبوں میں ماہر اور باصلاحیت بھرتیاں کر کے اپنی افرادی قوت کو مضبوط کیا ہے۔ سال 2021 کے دوران کمپنی نے اپنے اسٹاف اور سیلز فورس کے لیے متعدد ٹریننگ اور تربیتی کورسز کا انعقاد کیا۔

انٹرنل آڈٹ

آپ کی کمپنی کا اپنا ایک انٹرنل آڈٹ کا شعبہ ہے جس کی نگرانی ایک آڈٹ کمیٹی کرتی ہے۔ انٹرنل آڈٹ فنکشن قانونی ذمہ داریوں کی تعمیل کو یقینی بناتا ہے۔

آڈیٹرز

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

ہولڈنگ کمپنی

کمپنی آئی جی آئی ہولڈنگز لمیٹڈ (سابقہ آئی جی آئی انشورنس) کی ذیلی کمپنی ہے جو کمپنی کے 82.69% شیئرز (2020 میں 82.69%) کی مالک ہے۔

انشورر کی مالیاتی قوت کی ریٹنگ

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

کارپوریٹ سماجی ذمہ داریوں (CSR) کی سرگرمیاں

کارپوریٹ سماجی ذمہ داری، آئی جی آئی لائف کی اولین ترجیحات میں سے ایک ہے۔ ہم نے حال ہی میں کراچی میں چھٹا سالانہ ”Deaf Reach“، گالف ٹورنامنٹ سانسر کیا۔ ہم پاکستان میں سماعت سے محروم افراد کی تعلیم کی حوصلہ افزائی کرتے ہیں۔ Family Educational Services Foundation کا ایک پروگرام Deaf Reach and Training بھی ہے، جو بچوں اور جوانوں کو تعلیم اور تعلیمات میں تربیت فراہم کرتا ہے۔ آئی جی آئی لائف وائٹیلیٹی نے ایک پروگرام منعقد کیا جہاں 200 کے قریب گالف کھلاڑیوں نے سماعت سے محروم افراد کی تعلیم میں تعاون کے لیے حصہ لیا۔

آؤٹ لک

سب سے کم لائف انشورنس کی شرح اور کام کرنے والے بالغ افراد کی زیادہ شرح کے باوجود، ہمارا یقین ہے کہ پاکستانی مارکیٹ میں بڑھوتری کے کافی زیادہ امکانات ہیں۔ حالیہ تاریخ کے سب سے مشکل وقت کے دوران گزشتہ دو سالوں میں ہم نے اپنی ٹاپ لائن میں اضافہ کیا جو ہماری پہچان بننے والی وائٹیلیٹی پراڈکٹ اور ہمارے ڈسٹری بیوشن نیٹ ورک کی جدوجہد کا نتیجہ ہے۔ ہماری مالیاتی قوت اور بزنس آپریشن کی مضبوطی کو اس طرح جانچا جاسکتا ہے کہ ہم نے کسٹرز کو بلا تعطل سروس کی فراہمی کے ساتھ 1.67 ارب ادا کیے (2020 میں 1.61 ارب)۔ ہمیں یقین ہے کہ پاکستان میں لائف انشورنس مارکیٹ کے بڑھوتری کے لیے اپنی اس مضبوط قوت کا استعمال کریں گے۔ ویکسین کی فراہمی اور علاج کی بہتر سمجھ کی وجہ سے وبا کی رفتار اور تیزی میں کمی آچکی ہے۔ ہمیں امید ہے کہ اس کا پاکستانی معیشت پر اچھا اثر ہوگا جس کے نتیجے میں ہمارا پراڈکٹ مارجن اور سرمایہ کاری منافع بھی بڑھے گا۔ اہم بڑھوتری حاصل کرنے کے بعد اب ہم سال 2022 میں اپنی گروٹھ کو یکجا کر رہے ہیں جس کی وجہ سے ہماری نفع میں تناؤ کی کیفیت میں کمی آئے گی۔ سب سے بڑھ کر طویل المدتی قدر آنے والے سال میں ہمارے نفع اور نقصان اکاؤنٹ کے بہاؤ کو بھی درست سمت میں لے جائے گا۔

میکرو اکنامکس کی ان مثبت علامات کے ساتھ، پیش کردہ منظر پراڈکٹ اور پہلے سال کے بڑھے ہوئے بزنس کے مالی فوائد نفع اور نقصان کے اکاؤنٹ میں ظاہر ہو رہے ہیں، ہم 2022 اور آنے والے سالوں میں کمپنی کا رخ سود مند کی طرف موڑنے کے لیے پرعزم ہیں۔

کلمات شکریہ

ہم اس موقع پر SECP کے گراں قدر تعاون، حمایت اور رہنمائی پر ممنون ہیں۔ بورڈ آف ڈائریکٹرز اپنے ملازمین کی طرف سے پیش کردہ خدمات پر ان کا شکریہ ادا کر رہے ہیں۔ آخر میں، ہمارے پالیسی ہولڈرز اور شیئرز ہولڈرز کا شکریہ جن کا مسلسل اعتماد کمپنی کی حوصلہ افزائی کا ذریعہ بنا رہا۔

Syed Hasham

سید حیدر علی

چیف ایگزیکٹو آفیسر

تاریخ: 25 مارچ 2022

S. Am Khan

شیم احمد خان

چیئر مین

تاریخ: 25 مارچ 2022

ڈائریکٹرز رپورٹ برائے ممبران

کمپنی کے ڈائریکٹرز 31 دسمبر 2021 کو ختم ہونے والے سال کی سالانہ رپورٹ، آڈٹ شدہ مالیاتی گواہی اور ان کے ساتھ پیش کرتے ہوئے نہایت مسرت محسوس کر رہے ہیں۔

کووڈ-19 وبا کی وجہ سے ایک مرتبہ پھر گزشتہ سال مشکلات کا سال ثابت ہوا اور اکثر کاروبار کو اس کی وجہ سے شدید باؤ اور تنہاؤ کا سامنا رہا۔ اس وبا کی وجہ سے لائف انشورنس انڈسٹری اپنی تمام پراڈکٹس میں نقصان کے ساتھ خصوصی طور پر متاثر رہی۔ اس بڑھتے ہوئے نقصان کی بنا پر مجموعی نفع گراؤ کا شکار رہا جس کے نتیجے میں ہمارے بزنس کے نفع میں کمی واقع ہوئی۔

کاروبار میں تعطل اور سماجی و اقتصادی میدان کی ابتر حالات کے باوجود آپ کی کمپنی نے پہلے سال کے ریگولر پریمیم میں گزشتہ سال کے مقابلے میں %19 کی عمدہ بڑھوتری حاصل کی۔ اس ترقی میں وائٹ پیپلیٹی پیش پیش رہا اور گزشتہ دو سالوں کے دورانیے میں وائٹ پیپلیٹی کی پراڈکٹ ہماری پہچان بن گئی اور صارفین کے لیے ہماری ایجنسی اور بینکار انشورنس پارٹنرز کے ذریعے فروخت کی جا رہی ہے۔ سیلز کی بڑھوتری نے طویل المدت قدر میں اضافہ کیا، جبکہ بزنس کے حصول کے پیشگی اخراجات نے قلیل المدتی دورانیے میں ہماری بزنس کے خالص نفع میں تناؤ پیدا کیا۔

2021 کے پورے سال میں ملک کی میکرو اکنامک صورتحال غیر مستحکم رہی۔ کم شرح سود اور غیر مستحکم اسٹاک مارکیٹ کی وجہ سے شیئرز ہولڈرز کی ایکوٹی اور زیر انتظام اثاثہ جات مناسب سرمایہ کاری منافع فراہم نہیں کر سکے۔

اضافی کلیمز کے وقوع، کم سرمایہ کاری آمدن اور ٹاپ لائن میں بڑھوتری کے تناؤ کی وجہ سے 31 دسمبر 2021 کو مکمل ہونے والا سال نقصان کے ساتھ اختتام پذیر ہوا۔ بہر حال، ہمارے مجموعی پریمیم اور خصوصاً پہلے سال کے ریگولر پریمیم میں بڑھوتری کی وجہ سے یہ نتیجہ نکالا جاسکتا ہے کہ ہمارے نئے بزنس کی قدر میں اضافہ ہوا ہے۔ آنے والے سالوں میں یہ بتی ہوئی قدر ہمارے ریکارڈ کے بہاؤ میں معاون ثابت ہوگی۔ اس نقصان اور تعطل کے باوجود ہم نے آئی جی آئی لائف میں کسٹمرز کو ٹیکنالوجی کے مؤثر استعمال اور جدید پراڈکٹس کے ذریعے ان کی ضروریات کو پورا کرنے کے لیے بلا تعطل معیاری سروس کی فراہمی کو یقینی بنایا ہے۔

ہم اپنے شیئرز ہولڈرز کے لیے طویل المدت قدر میں اضافہ کے لیے پُر عزم ہیں۔

کمپنی کی کارکردگی کا جائزہ 2021

مجموعی پریمیم

آپ کی کمپنی کا تحریر کردہ مجموعی پریمیم (بشمول تکافل زرتعاون) 2020 کے 6.16 ارب کے مقابلے میں اس سال 7.05 ارب رہا۔

انفرادی لائف ریگولر پریمیم (بشمول تکافل زرتعاون) %21 کی شرح نمو کے ساتھ گزشتہ سال کے 3.22 ارب کی نسبت اس سال 3.88 ارب رہا۔ تجدید شدہ پریمیم (گزشتہ سال 2020 کے 1.75 ارب سے بڑھ کر) %22 فیصد اضافے کے ساتھ اس سال 2.14 ارب رہا۔

گروپ لائف اور گروپ ہیلتھ پریمیم (بشمول تکافل گروپ فیملی اور ہیلتھ) اس سال %7 اضافہ کے ساتھ (2020 کے 1.75 ارب کے مقابلے میں) 1.87 ارب رہا۔

سنگل پریمیم زرتعاون والی انفرادی پالیسیز 1.18 ارب سے بڑھ کر 1.29 ارب تک پہنچ گئیں اور یوں اس سال %9 اضافہ دیکھنے میں آیا۔

سرمایہ کاری

آپ کی کمپنی نے اسمارٹ لاک ڈاؤن کے پیش نظر مارکیٹ کی غیر مستحکم صورتحال، افغانستان کے سکیورٹی خدشات، تیزی سے بدلتی مانیٹری پالیسی، اجناس کی غیر معمولی طلب، بڑھتے ہوئے کرٹ اکاؤنٹ خسارہ، مہنگائی اور سیاسی غیر یقینی کے باوجود پچھلے سال اسی دورانیے میں 1.862 ارب کے مقابلے میں اس سال 1.260 ارب سرمایہ کاری آمدنی حاصل کی۔ ہم آئندہ بھی اپنے شیئرز ہولڈرز اور پالیسی ہولڈرز کو مناسب منافع کی فراہمی کے لیے مارکیٹ کی صورتحال دیکھتے ہوئے اپنی سرمایہ کاری کی حکمت عملیوں کو بروئے کار لاتے رہیں گے۔

آپ کی کمپنی کے پاس اس سال 19.07 ارب کا مختلف النوع سرمایہ کاری پورٹ فولیو ہے (2020 میں 19.02 ارب) جو کہ کمپنی کے مجموعی اثاثوں کا %86 ہے (%87: 2020)۔ کمپنی اپنے پالیسی ہولڈرز کے منافع میں استحکام اور تسلسل کو یقینی بنانے کے لیے نہایت محتاط سرمایہ کاری کی پالیسی پر عمل پیرا ہے۔

کمپنی روایتی انشورنس بزنس میں 13 اور انفرادی فیملی تکافل میں 3 یونٹ لٹکل فنڈز پیش کرتی ہے۔ ہر فنڈ پر فنڈ کارسک مختلف ہے اور اس کا انحصار صارف پر ہوتا ہے کہ وہ اپنے فنڈز کے لیے کس حد تک منافع اور رسک کا سامنا کرنے کو تیار ہے۔

کونٹینل جارجانہ، متوازن، محفوظ اور محتاط فنڈز نے دوران سال بالترتیب %0.4، %4.1، %6.2 اور %7.5 کا مجموعی منافع حاصل کیا۔

کمپنی نے سال 2015 میں اپنے ونڈو تکافل آپریشنز کا آغاز کیا جو کہ چھ سال کے دورانیے میں 4.1 ارب کی میٹمنٹ کر کے فنڈز بنا چکی ہے۔ تکافل جارجانہ، متوازن اور محتاط فنڈز نے سال 2021 کے دوران بالترتیب - %1.00، %2.6 اور %5.5 منافع حاصل کیا ہے۔

نفع

نفع اور نقصان کا ایک مختصر جائزہ درج ذیل ہے:

نفع و خسارہ

2021	2020
روپے '000	-----
قبل از ٹیکس خالص خسارہ	(492,237)
ٹیکس	(143,080)
بعد از ٹیکس خالص خسارہ	(349,157)
دیگر خالص مجموعی آمدن (خسارہ) - صافی	(43,390)
فی شیئر خسارہ	(2.05)
فی شیئر بریک اپ ویلیو (اس میں وہ رقم بھی شامل ہے جو انشورنس	10.23
آرڈیننس کی ضروریات کو پوری کرنے کے لیے اسٹیچوری فنڈ میں	12.53

موجود رہتی ہے)

کمپنی کو 2020 کے بعد از ٹیکس 95.72 ملین نقصان کے مقابلے میں 2021 میں 349.15 ملین نقصان ہوا ہے (بشمول اسٹیچوری فنڈ کا نفع نقصان)۔

اس خسارے کی ایک اہم وجہ کوڈ -19 ڈسٹری بیوشن چینلر کو بڑھانے کی لاگت میں اضافہ کی وجہ سے ہیلتھ اور لائف کے بزنس میں غیر معمولی نقصان کا ہونا ہے۔

تصریحات اور سالیٹنی

مقرر کردہ ایکچوری کی تجویز اور بورڈ کی منظوری کے بعد کمپنی نے اسٹیچوری فنڈز سے 17.013 ملین کی سرپلس کی رقم شیئرز ہولڈرز کے فنڈز میں منتقل کر چکی ہے۔

لائف پارٹنر پیپنگ فنڈز

لائف پارٹنر پیپنگ فنڈز کے تحت چچی گنی پالیسیز SECP کی بیان کردہ حد تک اس کے پالیسی ہولڈرز کو اس مدت کے دوران ہونے والے سرپلس کا حق دار بناتی ہیں۔ یہ رقم بونس کی شکل میں پالیسی ہولڈرز کو دی جاتی ہے۔ یہ بونس مقرر کردہ ایکچوری کی تجویز اور بورڈ کی منظوری سے تقسیم کیا جاتا ہے۔ دوران سال 153 ملین (2020 میں 145 ملین) کا بونس پالیسی ہولڈرز کے درمیان تقسیم کیا گیا۔

کلیمز

کلیمز پر فوری اور مؤثر کاروائی ہمیشہ سے کمپنی کی پہلی ترجیح رہی ہے۔ سالہا سال سے کمپنی کی کوشش رہی ہے کہ کلیم تصفیہ کے طریقہ کار کو بہتر سے بہتر بنایا جائے تاکہ کلیم پراسس کے دورانیے کو کم سے کم اور اس کے انتظام پر مضبوط کنٹرول قائم کیا جاسکے۔

دوران سال کمپنی کلیم کی مد میں 1.67 ارب (2020 میں 1.61 ارب) روپے کی ادائیگی کر چکی ہے۔

آڈٹ رپورٹ

کمپنی کے اسٹیچوری آڈیٹرز نے اپنی آڈٹ رپورٹ میں صاف شفاف رائے کا اظہار کیا ہے۔ بہر حال، لائف انشورنس سروسز پر پنجاب سیلر ٹیکس اور سندھ سیلر ٹیکس کے دائرہ کار اور قابل اطلاق ہونے سے متعلق آڈیٹر کی رپورٹ میں ’’اہم معاملہ‘‘ ہے جیسا کہ مالیاتی گوشوارے کے نوٹ نمبر 25.1 میں ذکر کیا گیا ہے۔

اسٹیچوری آڈیٹر نے اپنی آڈٹ کی رائے میں کسی تبدیلی کے بغیر درج ذیل معاملہ سے متعلق اہم ہیرا گراف کا اضافہ کیا ہے:

2019 کے دوران، کمپنی نے دیگر لائف انشورنس اداروں کے ساتھ مل کر اپنے ٹیکس کنسلٹنٹ کے مشورے سے لاہور اور سندھ ہائی کورٹ میں پٹیشن دائر کی، جس میں پنجاب اور سندھ کی لائف انشورنس کمپنیز پر عائد پنجاب سیلر ٹیکس اور سندھ سیلر ٹیکس کو چیلنج کیا ہے۔ پٹیشن میں مذکور حقائق اور کمپنی کی جانب سے حاصل کردہ قانونی رائے کے اعتبار سے انشورنس پریمیم پر ’’سروسز‘‘ کی تعریف کا اطلاق نہیں ہوتا بلکہ انشورنس پالیسی ایک مالیاتی انتظام ہے، جس کی اصل حقیقت و دوطرفہ معاہدہ کی ہے تا کہ سروسز فراہم کرنے کی جس پریسیلر ٹیکس عائد کیا جائے (اور یہ کہ انشورنس کمپنی کوئی سروس فراہم نہیں کر رہی)۔ قانونی رائے میں لائف انشورنس پر عائد ہونے والے صوبائی سیلر ٹیکس پر اٹھنے والے سوال کی آئینی حیثیت کو بھی ذکر کیا گیا ہے، ان کی رائے میں یہ وفاقی معاملہ ہے۔ قانونی رائے میں اس بات کو بھی ذکر کیا گیا ہے کہ پالیسی کی مدت کے دوران پالیسی ہولڈرز کی جانب سے حاصل ہونے والے پریمیم کا اکثر حصہ پالیسی ہولڈر کے سرمایہ کاری اکاؤنٹ سے مل جاتا ہے اور یہ کہ رولز میں موجود غلطیوں کو ظاہر کرنا بھی انتہائی ضروری ہے۔ مزید یہ کہ پٹیشن دائر کرنے کے بعد 11 جنوری 2020 کو تمام صوبائی اتھارٹیئرز یعنی سندھ ریونیو بورڈ، پنجاب ریونیو اتھارٹی اور بلوچستان ریونیو اتھارٹی نے پریمیم پر سیلر ٹیکس کے معاملے کو زیر بحث لانے کے لیے انڈسٹری کے نمائندگان کے ساتھ ایک میٹنگ منعقد کی۔ اس میٹنگ میں اس معاملہ کو تفصیل سے ذکر کیا گیا اور انڈسٹری کے نمائندگان اور تمام صوبائی ٹیکس اتھارٹیئرز کے اشتراک سے ایک جوائنٹ کمیٹی تشکیل دی گئی۔ مزید یہ کہ 5 فروری 2020 کو آگے کا لانچر عمل طے کرنے کے لیے لاہور میں پنجاب ریونیو اتھارٹی کے دفتر میں اس تشکیل کردہ کمیٹی کی ملاقات ہوئی۔ جس کے بعد کووڈ-19 اور اس کے نتیجے میں ہونے والے لاک ڈاؤن کی وجہ سے جوائنٹ کمیٹی کی میٹنگز منعقد نہیں ہو سکیں۔

Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Proxy Form

Shareholder's Folio No. _____ Number of shares held _____

I/We _____ of (full address) _____

being member(s) of IGI Life Insurance Limited, (the Company) hereby appoint Mr. / Ms. _____ of _____

(full address) _____ or failing him/her Mr. / Ms. _____ of _____

(full address) _____ as my/our proxy in my/our absence to attend and vote for

me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, April 28, 2022 at 10:30 am, at the Auditorium Hall, of The Institute of Chartered Accountants of Pakistan, as notified in the AGM notice and at any adjournment thereof.

Signed this _____ day of _____ 2022

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

Witness : _____

Address : _____

CNIC/NICOP No. : _____

Witness : _____

Address : _____

CNIC/NICOP No. : _____

NOTES:

General:

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a person as proxy to attend and vote instead of him/her.
2. The instrument appointing a proxy should be signed by the appointer or his/her attorney duly authorised in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
3. The Proxy Form, duly completed together with Power of Attorney, if any, under which it is signed or a notarially certified copy thereof should be deposited at the Share Registrar of the Company namely "FAMCO Associates (Pvt.) Ltd", at 8-F, Next to Hotel Faran, Nursery, Block - 6, P.E.C.H.S, Shahrah-e-Faisal, Karachi as soon as possible but not later than forty-eight (48) hours before the time of holding the Meeting.
4. If a member appoints more than one proxy, and more than one instrument of proxy are deposited by a member with the Share Registrar, all such instruments of proxy shall be rendered invalid.
5. Applicable stamp duty shall be paid/affixed on the proxy form in accordance with the place of execution.

For CDC Account Holders / Corporate Entities:

1. In addition to the above, the following requirements have to be met for CDC Account Holders / Corporate Entities: The proxy form shall be witnessed by two persons whose names, addresses and CNIC / NICOP or Passport numbers shall be mentioned on the form.
2. Attested copies of CNIC / NICOP or the Passport of the beneficial owners of the beneficial owners and the proxy shall be furnished with the proxy form on the mailing address mentioned above.
3. The proxy shall produce his/her original CNIC / NICOP or original Passport at the time of the Meeting.
4. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

Signature(s) of
Member(s)

پراکسی فارم

شیر ہولڈر کا فلیو نمبر _____ موجودہ شیر ز کی تعداد _____

میں / ہم _____ (مکمل پتہ)

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

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

کو 28 اپریل 2022 بروز جمعرات صبح 10:30 بجے انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹ پاکستان، کراچی کے آڈیٹوریم ہال میں منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں یا کسی بھی التواء کی صورت میں میری / ہماری غیر موجودگی میں اپنا ہمارا حق رائے دہی استعمال کرنے کے لیے اپنا ہمارا نائب (پراکسی) مقرر کرتا ہوں / کرتی ہوں / کرتے ہیں۔

بتاریخ _____ بمابہ _____ 2022 کو اس پر دستخط کیے گئے۔

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

برائے مہربانی 5 روپے کی
ریونیوسٹمپ چسپاں کریں
ممبر کے دستخط

گواہ _____

پتہ _____

کمپیوٹرائزڈ / اسمارٹ قومی شناختی کارڈ نمبر _____

گواہ _____

پتہ _____

کمپیوٹرائزڈ / اسمارٹ قومی شناختی کارڈ نمبر _____

نوٹس:

جزل:

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

سی ڈی سی اکاؤنٹ ہولڈر / کارپوریٹ ادارے

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



IGI Life Insurance Limited

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A Packages Group Company



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