



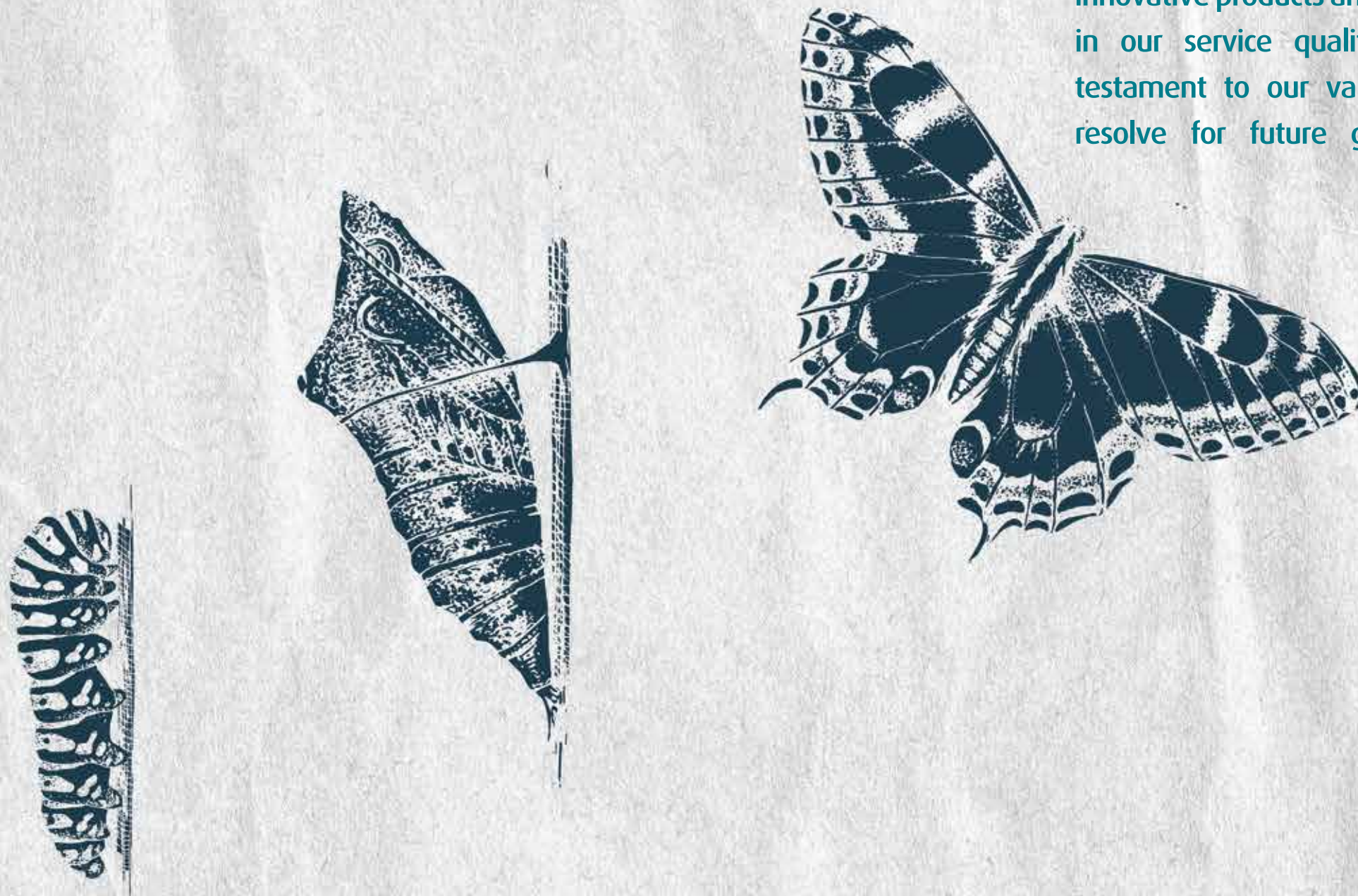
LIFE

# THE ART OF EVOLUTION

ANNUAL REPORT 2019










At EFU Life, evolution is in our DNA - it's constant, inevitable and vital to our progress. It is not just at the core of our services, it is also reflective in our new identity. With a new look and renewed passion, we at EFU Life ensure innovative products and constant improvement in our service quality. Our evolution is a testament to our values and reinforces our resolve for future growth and prosperity.



**EFU LIFE ASSURANCE LTD.**

ISO 9001: 2015 Certified | Rated AA + by VIS

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

(021) 111-338-111  [efulife.com](http://efulife.com)  EFU Life PlanIT  /EFULifeAssurance  @EFU\_Life  /EFULifeOfficial  EFU\_Life 



# Table of Contents

## Introduction

Vision & Mission	4
Strategic Objectives	6
Core Values	8
Key Financial Highlights	10
Technology	12
Distribution Footprint	14
CSR Initiatives	16
Products & Solutions	18
Our Team	20

## Corporate Information

Directors Profile	22
Leadership Team	24
Journey through the year	26
Sustainability & CSR	28
Organogram	29
Management	30
Committees	31
Company Information	32
Access to Reports & Enquiries	33
Company Profile	34
Performance Evaluation of the Board & CEO	35
Role of the Chairman and the CEO	36
Stakeholder Engagement / Quality Assurance	37
Significant Plans / Forward looking Statement / Statement of Business Practices	38
Stakeholders' Engagement Process	39
Whistle Blowing Policy	40
Decisions Taken at the last AGM	41
Code of Conduct	42
Financial Calendar	43
Notice of Meeting	44
Liquidity Management Strategy	50
Management Objectives & Strategies	51
Strategies to achieve strategic objectives	52
Key performance indicator	53
Business Continuity Plan / Disaster Recovery Plan	54
Investor Grievance Policy / Human Resource Development / Avoiding Conflict of Interest	55
Resources, Capital & Changes in Financial Positions / Donations	56

## Management Review and Representations

Sustainability Report	57
Audit Committee- Terms of Reference	59
Report of the Audit Committee	60
Chairman's Review	62
Urdu Translation of Chairman's Review	63

Report of the Directors to the Members	64
Urdu Translation of Report of the Directors to the Members	81
Risk and Opportunity Report	82

## Stakeholder's Information

DuPont Analysis For the year 2019	83
Summary of Cash Flow	84
Segment - Wise Review	85
Performance at a Glance	86
Share Price Sensitivity Analysis	88
Variation in Quarterly Reports	88
Key Financial Data for the Last Six Years	89
Key Operating and Financial Data	90
Graphical Analysis	91
Vertical Analysis	94
Horizontal Analysis	94
Revenue Application	96
Statement of Compliance with the Shariah Principles	97
Shariah Advisory Report to the Board of Directors / Profile of Shariah Advisor	98
Independent Reasonable Assurance Report to the Board of Directors on the Statement of Management's Assessment of Compliance with the Shariah Principles	100
Statement of Compliance with the Code of Corporate Governance	102
Review Report to the Members on Corporate Governance	107
Independent Auditor's Report	108
Statement of Financial Position	113
Profit & Loss Account	114
Statement of Comprehensive Income	115
Cash Flow Statement	116
Statement of Changes in Equity	117

## Disclosures

Notes to and Forming Part of the Financial Statements	118
Statement under Section 52(2)	174

## Other Information

Pattern of Shareholding	175
Glossary	177
Group Benefit - Offices	179
Bancassurance - Offices	179
Individual Life - Offices	180
Window Takaful Offices	188
Form of Proxy	
Form of E-Voting	
Bank Mandate Form	



# VISION & MISSION

## VISION

Our Vision is to make EFU Life one of the most respected and successful financial services organisation in the world. Our strategy to achieve our vision is: build our core capabilities, serve our clients beyond their expectations, adhere to our core values and be a good corporate citizen.

## MISSION

*We shall together build EFU Life into a dynamic and financially sound institution by:*

- Working together as a team
- Continually improving our client services
- Creating an empowered and self-fulfilling culture
- Developing innovative products
- Adopting leading technology

## Envisioning the rise of our success

Every sunset brings the promise of a new dawn. At EFU Life, we envision an ever-lasting growth for us and our stakeholders through transformation. With a renewed passion, our mission is to turn your dreams into reality, while continuing to bring innovation in our business practices.



# STRATEGIC OBJECTIVES

## LEAD THE INDUSTRY

Be the leading provider of insurance and financial planning solutions by achieving growth in existing and new markets.

## VALUE OF SHAREHOLDERS

Achieve a sustainable level of profitability and continuously create value for shareholders.

## BRAND EQUITY

Enhance our brand equity through continuous investments in communication channels and market education.

## INNOVATIVE SOLUTIONS

Continually innovate and deliver a comprehensive range of insurance and savings products meeting the needs of all market segments.

## DISTRIBUTION FOOTPRINT

Strengthen and expand our distribution footprint by connecting to all segments of the market where there is a need for financial planning and protection.

## CUSTOMER OBSESSION

Build a customer-centric culture by not only excelling in caring for our customers and delivering on our promises but also delighting them at every step of the way.

## EMBRACE TECHNOLOGY

Adopt leading technology, deeply entwined with business functions to create optimisation across the organisation.

## The new phase of progress

The moon gets brighter as it progresses through all its phases and then fully shines in all its glory. Our prosperity lies in the achievement of our goals and objectives. With meticulous visualization and planning, each phase of our strategy helps us shine brighter in the glory of our success.



# CORE VALUES

## CHARACTER

Our business principles for achieving exceptional success are a belief that our corporate conduct should be based on uncompromising integrity, ethics and honesty.

## PRIDE

We believe that people want to excel and that extraordinary results can be achieved if given the right support and work climate.

## SERVICE

Our clients are the reason for being in business. We shall deliver to them the highest quality of flawless service to win and keep their loyalty.

## COMMITMENT

We nurture and develop our people to be good human beings, work together as a team to achieve our organisational objectives and obligations, while at the same time fulfill their aspirations.

## CULTURE

Embed a high performance culture that points the organisation towards the common good and intense passion for achievement at all levels.

## Seeding our values

Our ultimate prosperity is strongly rooted in our values. Since inception, our values have guided our progress so our character, pride, commitment, service and culture – all bloom together for our future success.





# KEY FINANCIAL HIGHLIGHTS

**Rs. 5.9 Billion**  
SHAREHOLDER EQUITY

**Rs. 2.74 Billion**  
TOTAL CLAIMS PAID

**Rs. 31.75 Billion**  
GROSS PREMIUM

**150%**  
CASH DIVIDEND

**Rs. 115.12 Billion**  
FUNDS UNDER MANAGEMENT

**Rs. 15.49**  
EARNINGS PER SHARE

**Rs. 1.549 Billion**  
PROFIT AFTER TAX

**Rs. 129 Billion**  
Strong Asset Base

## Discovering New Horizons

Every year we fortify our market leadership, through innovation and a prudent approach towards financial planning. Our renewed passion and uplifted spirits ensure that the upcoming times will lead to our resounding future success.



# TECHNOLOGICAL PROGRESS



## Transforming from within

Evolution is in our DNA. Our business philosophy lies on the premise of transformation that gives our customers an experience beyond their expectations.



# DISTRIBUTION FOOTPRINT



## Reaching out Far & Wide

As the light enters the prism, it disperses into a multitude of colours and grows as far as the eye can see. Our distribution footprint is ever-evolving, as we maximize our network by dispersing the colours of our services as far as we can reach.





# CSR INITIATIVES

A time to gain and a  
time to give back

At EFU Life, our business practices are conducted with utmost sincerity and empathy. We believe that our stakeholders grow as we grow. Like seasons come and go at a constant pace, we strive to give consistently to our society and build a community that prospers with us.



The background of the slide is a microscopic view of cells. Most cells are blue with a textured, bumpy surface. In the center-right, there is a cluster of several red, spherical structures that look like nuclei or specialized cells. The lighting is soft, creating a sense of depth and focus on the central cluster.

# PRODUCTS & SOLUTIONS

## Ever evolving ideas

We believe that evolution begins at the cellular level. When it comes to our products and solutions, our methods have evolved at the deepest level to give our customers the most effective yet contemporary solutions that fit their financial needs.





# OUR TEAM



## Together, we Evolve

As we grow together, we are evolving into an unstoppable force that has the potential to drive our business to greater heights. Together, we embrace the changing times and work in harmony to ensure our Company's success and prosperity.





# Director's Profile



**Rafique R. Bhimjee**

Mr. Rafique R. Bhimjee is B.Sc (Hons) in Management Science, University of Warwick, MBA in Finance from City University, London and a "Certified Director" from Pakistan Institute of Corporate Governance. He has worked overseas in Merrill Lynch Asset Management, New York and Abu Dhabi Investment Authority.

Mr. Rafique Bhimjee was the Chairman of EFU General Insurance Ltd. from February 1999 to July 2011 and became Chairman of EFU Life Assurance Ltd in July 2011. He is also a Director of Allianz EFU Health Insurance Ltd. and EFU Services (Pvt.) Ltd and International Foundation & Garments (Pakistan)) (Pvt) Ltd.



**Taher G. Sachak**

Mr. Taher G. Sachak has studied in the UK and is a graduate in Business Studies from Bournemouth University, and also has a post-graduate Diploma in Management Studies from Liverpool University. Following his studies, he joined the British Civil Service and after 5 years decided to pursue a career in life assurance. He held executive positions in major UK Life Assurance Companies, Allied Dunbar, Trident Life and finally Century Life before coming to Pakistan in 1994 to join EFU Life.

He is also a Director of EFU General Insurance and Vice Chairman of Allianz EFU Health and a "Certified Director" from Pakistan Institute of Corporate Governance.



**Saifuddin N. Zoomkawala**

Mr. Saifuddin N. Zoomkawala has been associated with EFU Group since 1964. He served as Managing Director of EFU General Insurance Ltd from 1990 till 2011 when he was elected Chairman of the Company. He is also the Chairman of Allianz EFU Health Insurance Ltd. He was also Chairman of EFU Life Assurance Ltd. from 1999 to 2011.

He is on the Board of Governors of Shaukat Khanum Memorial Trust; SIUT; Burhani Hospital; and Fakhr-e-Imdad Foundation.



**Hasanali Abdullah**

Mr. Hasanali Abdullah is Chartered Accountant and Certified Director from PICG. He is associated with EFU General Insurance Ltd. since 1979 and is its Managing Director & Chief Executive from 2011. He is Director of Allianz EFU Health Insurance Ltd., EFU Services (Private) Ltd., Tourism Promotion Services (Pakistan) Ltd. (owners of Serena Hotels), Hon. Treasurer of Aga Khan Hospital & Medical College Foundation, Member of National Committee of Pakistan Branch of Aga Khan University Foundation, Geneva. Director of Institute of Financial Markets of Pakistan and Chairman of Pakistan Insurance Institute.

He has served on the Boards, Council and Committees of various Aga Khan Development Network institutions from 1976 to 2002. He has been Director of PICG in 2011, Chairman of Insurance Association of Pakistan in 2008, 2010-11 and 2016 - 17, Executive Committee Member of Federation of Pakistan Chambers of Commerce & Industries in 2011 & 2017.



**Muneer R. Bhimjee**

Mr. Muneer R. Bhimjee, has been associated with EFU since July 1993. He is a Graduate (Hons) in Social Sciences from University of Westminster, London.

He is also a Director of International Foundation Garments (Pak) Pvt. Ltd. and on the board of Allianz EFU Health.



**Heinz Dollberg**

Mr. Heinz Dollberg, based in the Asia Pacific Division of Allianz SE in Munich since 1998, was responsible for managing operations in Asia, the Middle East and North Africa. He frequently travelled between Allianz headquarters in Munich and the subsidiaries to oversee operations. He has over four decades of experience at Allianz. In the 1980's, Mr. Dollberg worked in Tokyo and Hong Kong, and was part of the pioneering team that established the Group's widespread operations in the Asia Pacific.

Mr. Dollberg holds a degree in Law and holds executive positions with numerous subsidiaries of Allianz. He was appointed, Honorary Professor by two well reputed universities in China -- South Western University of Chengdu, as well as the Tongji University of Shanghai.



**Syed Salman Rashid**

Mr. Syed Salman Rashid has done B.Sc. (Hons) from Karachi University and is a "Certified Director" from Pakistan Institute of Corporate Governance. He started his career with EFU General Insurance Limited and has been associated with the company for over three decades and serves as Deputy Managing Director in the company.

He has attended international seminars, meetings and conferences in several countries of the world. Parallel to his professional services, he has also served on the Board of JS Investment Bank Limited and is presently on the Board of Power Cement Limited.



**Ali Raza Siddiqui**

Mr. Ali Raza Siddiqui is a Partner at JS Private Equity. From 2005 - 2010, he was an Executive Director at JS Investments Limited. Prior to joining JS Group he was Assistant Vice President at AIM Investments in Houston, a wholly owned subsidiary of INVESCO (formerly known as AMVESCAP PLC). At AIM, Mr. Siddiqui was part of a team responsible for the management of over USD 60 billion in fixed income assets.

Mr. Siddiqui serves on the Boards of EFU Life Assurance, Pakistan International Bulk Terminals Limited, Jahangir Siddiqui & Co. Ltd., the Mahvash & Jahangir Siddiqui Foundation, and Fakhr-e-Imdad Foundation. He is additionally a trustee for Manzil Pakistan and the Organization for Social Development Initiatives. He holds a Bachelor's Degree from Cornell University with double majors in Economics and Government.



**Rukhsana Shah**

Rukhsana Shah retired as Federal Secretary, Ministry of Textile Industry after 35 years in government service. In 2015, she set up the Autism Welfare Trust in Lahore, with an office in Karachi, to create awareness about Autism, ADHD and Learning Disabilities in Pakistan, and to train parents and teachers of special and mainstream schools in the management of these disabilities.

From January 2016, she served as a nominee director of the Ministry of Finance on the Board of First Women Bank Limited for three years. At present, she is an independent director of Suzuki Motor Company in Pakistan. She completed her Directors' Training Programme in December 2017 from LUMS.

Rukhsana Shah also writes for Dawn on social and human rights issues.



# Leadership Team

**S. Shahid Abbas**  
Chief Financial Officer &  
Executive Director

**M. Ali Ahmed**  
Chief Strategy Officer &  
Executive Director

**Zain Ibrahim**  
Chief Operations Officer &  
Executive Director

**Mustafa Hussain Ali**  
National Sales Director  
Sales Force

**Taher G. Sachak**  
Managing Director &  
Chief Executive

**Husein Sachak**  
Head of Bancassurance

**S. Ali Raza Zaidi**  
Executive Director  
Group Benefits



# Journey Through The Year



## 'Best Life Insurance Company' at Consumer Choice Award 2019

Consumer choice award 2018-19 for 'Best Life Insurance Company in Pakistan' for the 11th Consecutive time, for excellence in management practice and services quality.



## 'Certificate of Excellence' by Management Association of Pakistan

Honored with 'Certificate of Excellence' by Management Association of Pakistan in the insurance sector for the 9th consecutive time. EFU Life has been recognized for demonstrating exemplary standard in management practices.



## Blue and Gold Dragon at Dragons of Asia

Conferred with two awards at the "Dragon of Asia" ceremony held in Kuala Lumpur, Malaysia. EFU Life won the Blue dragon award for 'Best Campaign by Country' and the Golden Dragon award for 'Best use of Media' for its Digital web series 'Humrahi'.



## 'Best Insurance Tech of the Year' at Pakistan Digi Awards

Awarded the 'Best tech for the year 2019' for its chatbot. It is the 2nd consecutive year where EFU Life has been recognized by Pakistan Digi Awards for its revolutionary and innovative approach towards providing better services.



## 'Health & Safety Award' at International Environment Health & Safety Award

Awarded in the category of 'responsibility for health and safety' at the 5th International environment health and safety awards organized by The professional network and ethical business update (EBU)



## CSR Award 2019

'CSR Award 2019' in the category of Social Impact by The Professionals Network and Ethical Business Update (EBU) in recognition of the company's efforts in areas of health, education and environment.



## EFU Life becomes world's 1st insurer to launch BLISS

EFU Life becomes the first life insurance company in the world to offer a biometrically enabled, instant savings-cum-protection policy acquisition system. The system offers a fully digital, paperless experience. Customers can buy a biometrically enabled product at a place of their convenience in just ten minutes



## EFU Life partners with leading banks for the distribution of its products

EFU Life joined hands with HabibMetro Bank and BankIslami Pakistan for the distribution of its Conventional and Hemayah solutions through their bank branches. This collaboration will help in meeting various needs of the customers for their medium to long-term financial planning.

## Celebrating the spirit of Patriotism

EFU Life celebrated the 73rd Independence Day with a holographic display over EFU Life House. It was accompanied with a celebration internally at the Head Office, signifying the spirit of patriotism and unity of the nation.

## Being Socially Responsible

EFU Life, with its deep-rooted ideology of giving back to the society, has contributed towards various welfare activities. The Company has partnered with more than 20 different NGOs in areas of Health, Education and Environment for a sustainable and prosperous community.

### - Join Hands for a Life – Ramadan Social Media Campaign

Leveraging on its strong social media presence, EFU Life launched Join Hands #ForALife campaign by partnering with four leading NGOs to spread awareness about their social cause, and made a donation on every like, share and comment on the official EFU Life and the NGO's social media pages.



### - Developing Future Leaders of Pakistan

For ensuring an Inclusive Society where quality education and literacy are accessible to everyone, without any prejudice, EFU Life has a longstanding partnership with TCF whereby we donate Rs. 50 on the sale of every education policy.



### - Empowering the differently-abled

To empower persons with disabilities and helping them in developing their desired skill set, the Company has funded NOWPDP's Rickshaw project, to help them establish their livelihood so that they could enjoy a comfortable and sustainable lifestyle



### - Save a Life, Give Blood

Sponsored Blood bank at AMTF along with a blood donation drive with Burhani Blood Bank for the eradication of Thalassemia.



### - Green Future Starts with you – Forestation Drive

To ensure a sustainable, clean and clear atmosphere, EFU Life collaborated with The Urban Forest Karachi in conducting an afforestation drive. The campaign 'Green Future Starts with You!' was targeted towards realizing the irreversible effects of rapid deforestation and stepping forward to curtail it or even reverse it.





# Sustainability & Corporate Social Responsibility

For us CSR is more than philanthropy, it is about developing sustainable projects for community development in areas of education, health and environment. We encourage our employees to volunteer regularly and are continuously exploring avenues for empowering individuals to become resourceful individuals of the community.

As a Company, we have an ongoing collaboration with 20 plus NGO's.

## Education for the Underprivileged

A long standing partnership with TCF has been in place whereby we donate Rs. 50 on every Education policy sold through any of our distribution channels. Other than the financial contribution to TCF, the Company actively participates in TCF Rahbar Program, where employees volunteer in the many schools of TCF.

## Developing Future Thought Leaders

Sponsoring the annual tuition fee of children of Family Educational Services Foundation, Deaf Reach initiative. Various campaigns are undertaken with them to promote education for the hearing impaired.

## Awareness and Eradication of Thalassemia

Regular Blood drives and Thalassemia screening sessions are conducted to bring more awareness about Thalassemia and other blood disorders. Additionally, EFU Life has sponsored the Blood Bank at Afzaal Memorial Thalassemia Foundation.

## City Beautification Projects

Ongoing maintenance of the 3 beautification projects undertaken through 'Meri Shaan Mera Pakistan'. The project is aimed at reclaiming the walls of major public spaces in the city through thematic wall art for eradicating wall chalking and negativity on walls.

## NOWPDP's Rickshaw Project

EFU Life collaborated with NOWPDP by supporting their Rickshaw Project. Three Rickshaws were sponsored by the Company to empower persons with disabilities through innovative retrofitted hand controlled rickshaws.

## Promoting an Inclusive Society

Ongoing diversability initiatives to make a society more inclusive for people with disabilities. The Company is offering employment opportunities to the differently abled to empower them to become more integrated into the society.

## For a Greener Pakistan

Conducted an afforestation drive with Urban Forest, Karachi which was aimed to create evergreen forests amidst urban settings. The entire process was based on Miyawaki methodology which results in a fast growing, self sustaining, independent forests within a couple of years.

## Join Hands #ForALife

Yearly CSR campaigns during Ramadan to spread awareness about the NGO's. #JoinHandsForALife campaign supported four NGO's in the year, SIUT, LRBT, NOWPDP, and FESF. The Company donated Rs.10 on every engagement received on the posts and videos of the NGO during the month.

## Certifications acquired for CSR Practices

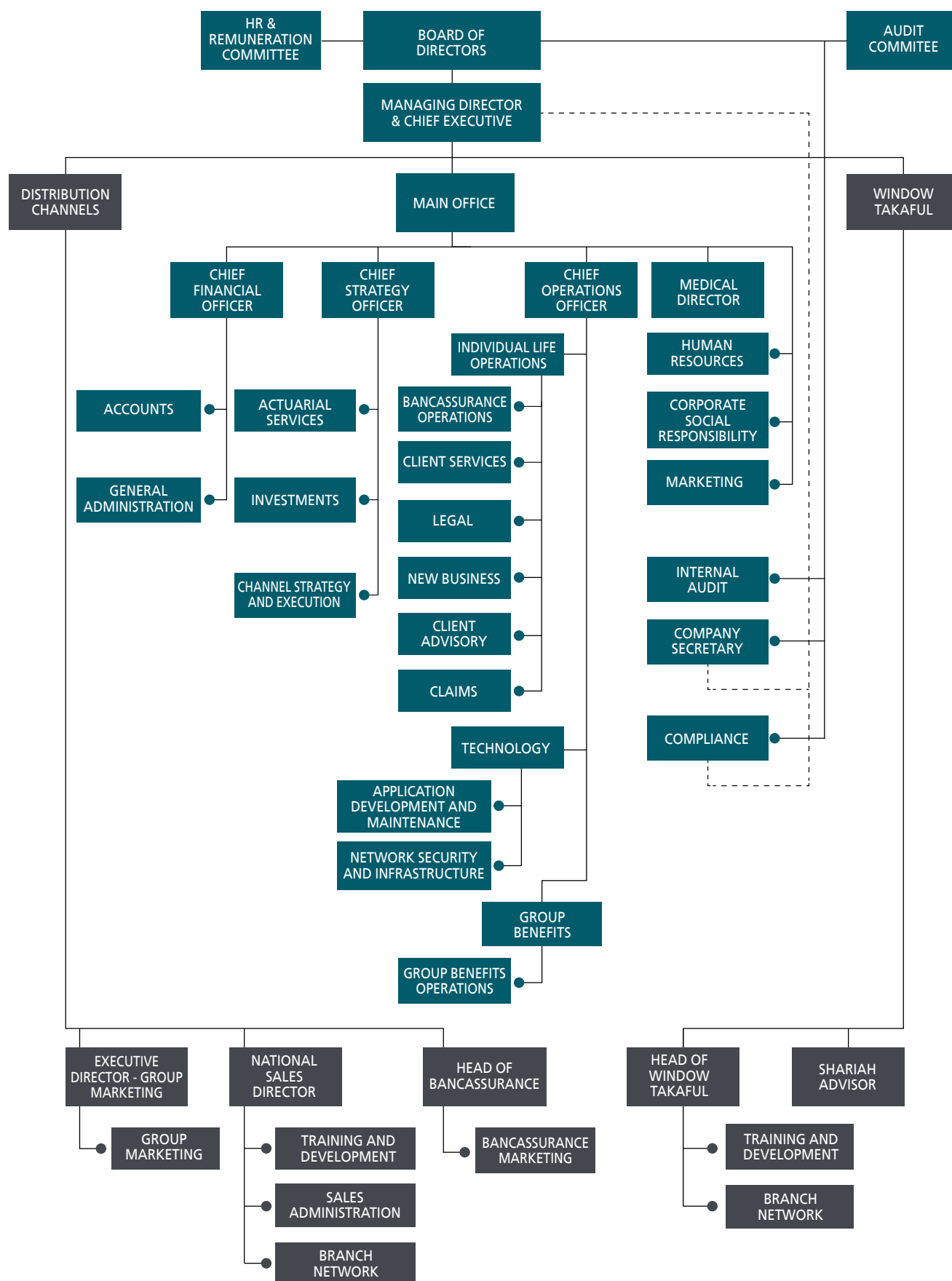
EFU Life has been honored with the CSR award for the 5th consecutive time by The Professionals Network and Ethical Business Update (EBU) for its efforts in areas of health, education and environment.

EFU LIFE Wins International Environment Health & Safety Award at the 5th International Environment Health & Safety Awards, organized by The Professionals Network and Ethical Business Update (EBU) for its contribution towards health sector and its role toward environment and safety.





# Organogram





# Management

## Managing Director & Chief Executive

Taher G. Sachak

## Executive Directors

Mohammed Ali Ahmed  
S. Shahid Abbas  
Zain Ibrahim

## General Managers

Arshad Iqbal  
Ashfaq Ahmad

## Deputy General Managers

Mohammad Asim Khan

## Assistant General Managers

Ali Qureshi  
Aman Hussain  
Jalal Habib Curmally  
M. Hasan Shaikh  
Mohammad Abbas  
Mohammad Faisal  
Nilofer Sohail  
Raza Hasan  
S. Mohammad Owais  
Sajjad Hussain Khan  
Syed Muhammad Raza Rizvi

## Medical Director

Dr. Tajuddin A. Manji,  
F.R.C.P., M.R.C.P.

## Chief Managers

Dr. Asadul Hadi Siddiqui  
Evelyn D. Abrogena  
M. Fawad Habib  
M. Rehan Siddiqui  
Naseeruddin Ahmed  
S. Muhammad Athar  
S. Rizwan Ali Bukhari  
Zia-ur- Rehman Khan

## Senior Managers

Abbas Hussain  
Ali Asghar  
Ammar Qamar  
Asim Maqbool  
Burhan Zahid Chughtai  
Dr. Ammara Moazzum  
Farah Mushtaq  
Farrukh Hasan  
Irfan Junejo

Jibran Masood Khan  
Mariam Ahmed  
Mohammad Zubair  
Nasir Feroz Khan  
S. Abdul Mujeeb  
S. Ahmar Hasan Jafri  
S. Mohammad Amer

## Managers

Adnan Ali Gul  
Adnan Wali  
Akbar Husain Qazilbash  
Ameer Abbas Mir Muhammadi  
Anila Hasan  
Asif Abdul Ali  
Asif Akhtar  
Azfar Hammad Khan  
Danyal Ansari  
Dr. Hayaul Batool Abbai  
Dr. Mohammad Hassan  
Faisal Zahir  
Farhan Baksh Qadri  
Furqan Ahmed  
Imran Mehdi  
Irfan Abbas Hameer  
Irfan Qadir Malik  
Javed Ameen  
M. Adnan Qadeer  
M. Ammar Zaheer  
M. Jawaid Mughal  
M. Masood Sheraz Khan  
M. Naveed Hasan  
Majid Aziz  
Malik Muhammad Rafi Awan  
Mohammad Abbas Zaidi  
Mohammad Faisal  
Moiz Ahmed Khan  
Mubashar Ahmed  
Nazia Shakeel  
Nazish Hasan  
Ramesh Kumar  
S. Muneer Ali  
Saeed-ul- Haq  
Sajid Mahmood Butt  
Shahzad Ahmed  
Shahzad Ghous  
Sheikh Irfan Zafar  
Syed Afsar Raza  
Syed Amir Iqbal  
Tasleem Iqbal  
Waleed Jawaid  
Zohaibullah Ansari

## Distribution Channels

### Sales Force

Mustafa Hussain Ali  
National Sales Director

### Group Benefits

S. Ali Raza Zaidi  
Executive Director

### Bancassurance

Husein Sachak  
Head of Bancassurance

### Takaful Operations

Rehman Fayyaz Khan  
Head of Window Takaful Operations  
  
Mohammad Ali Ameen  
Assistant Sales Director

### Shariah Advisor

Mufti Muhammad Ibrahim Essa

### Shariah Compliance Officer

Nasir Feroz Khan

### Corporate Secretarial & Compliance Officer

Abbas Hussain



# Committees

## Board Committees

### Audit Committee

Rukhsana Shah  
Hasanali Abdullah  
Saifuddin N. Zoomkawala  
Muneer R. Bhimjee  
Ali Raza Siddique

### Ethics, HR & Remuneration Committee

Rukhsana Shah  
Rafique R. Bhimjee  
Saifuddin N. Zoomkawala  
Taher G. Sachak

### Investment Committee

Rafique R. Bhimjee  
Saifuddin N. Zoomkawala  
Taher G. Sachak  
Hasanali Abdullah  
Omer Morshed - Appointed Actuary  
S. Shahid Abbas - Management Executive  
Mohammed Ali Ahmed - Management Executive  
S. Muhammad Owais - Management Executive

## Management Committees

### Underwriting Committee

Taher G. Sachak  
Dr. Tajuddin Manji  
Zain Ibrahim  
Hasan Sheikh  
Dr. Asad- ul- Hadi

### Claim Settlement Committee

Taher G. Sachak  
Arshad Iqbal  
Dr. Ammara Moazzam  
Sajjad Hussain

### Reinsurance Committee

Taher G. Sachak  
Mohammad Ali Ahmed  
Zain Ibrahim  
Raza Hasan  
Ali Qureshi

### Risk Management & Compliance Committee

Taher G. Sachak  
Mohammed Ali Ahmed  
S. Shahid Abbas  
Zain Ibrahim  
Ali Qureshi  
Abbas Hussain  
S. Abdul Mujeeb

### IT Steering Committee

Zain Ibrahim  
S. Shahid Abbas  
Ashfaq Ahmed



# Company Information

## Chairman

Rafique R. Bhimjee

## Managing Director & Chief Executive

Taher G. Sachak

## Directors

Saifuddin N. Zoomkawala

Muneer R. Bhimjee

Hasanali Abdullah

Heinz Walter Dollberg

Syed Salman Rashid

Rukhsana Shah

Ali Raza Siddiqui

## Company Secretary

Abbas Hussain

## Appointed Actuary

Omer Morshed, F.C.A., F.P.S.A., F.I.A.

## Legal Advisor

Mohammad Ali Sayeed, M.A.B.L.

## Auditors

KPMG Taseer Hadi & Co.

Chartered Accountants, Karachi

## Rating

Rating Agency: VIS

Insurer Financial Strength Rating: AA+

Outlook: Stable

## Registrar

CDC Share Registrar Services Ltd.

99-B, Block B, S.M.C.H.S

Main Shahra - e - Faisal

Karachi 74400 - Pakistan

(92-21) 111-111-500

## Website:

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

## Registered Office

Al-Malik Centre

70 W, F-7/G-7

Jinnah Avenue, (Blue Area)

Islamabad

## Main Office

EFU Life House,

Plot No.112, 8th East Street

Phase 1, DHA, Karachi

## Shariah Advisor

Mufti Muhammad Ibrahim Essa



# Access to Reports and Enquiries

## Annual Report

Annual report can be downloaded from the Company's website: [www.efulife.com](http://www.efulife.com); or printed copies obtained by writing to:

The Company Secretary  
EFU Life Assurance Ltd.  
EFU Life House,  
Plot No.112, 8th East Street  
Phase 1, DHA, Karachi, Pakistan

## Quarterly Reports

The company publishes interim reports at the end of first, second and third quarters of the financial year. The interim reports can be accessed at website: [www.efulife.com](http://www.efulife.com); or printed copies can be obtained from the company secretary.

## Shareholder's Enquiries

Shareholders' enquiries about their holding, dividends or share certificates can be directed to share registrar at the following address:

CDC Share Registrar Services Ltd.  
Pakistan Ltd.  
99-B, Block B, S.M.C.H.S  
Main Shahra - e - Faisal  
Karachi 74400 - Pakistan

## Stock Exchange Listing

The shares of the company are listed on Pakistan Stock Exchange. The symbol code is EFUL.



# Company Profile

EFU is the largest insurer group in the country. The group structure comprises of EFU Life Assurance Limited, EFU General Insurance Limited and Allianz EFU Health Insurance Limited.

The EFU Brand has a rich history of over 87 years, starting in 1932 in Calcutta. By 1961, EFU had become the flag bearer of Pakistan's insurance industry on the world stage, and the largest life company in Afro-Asian countries (excluding Japan). It remained so until 1972 when Life insurance business in Pakistan was nationalized. From then onwards EFU operated solely as a General Insurance Company.

In 1992, the Government of Pakistan opened up life insurance to the private sector and EFU Life Assurance Ltd was incorporated as the first private sector life insurance company. Over a span of 25 years EFU Life has established itself as a trusted brand name in providing all types of financial planning solutions. The Company markets its business through three main distribution channels - Sales Force, Bancassurance and Group Benefits. A comprehensive range of retail products are available targeting low-income persons up to high net worth individuals, details can be viewed on our website [www.efulife.com](http://www.efulife.com). In addition, tailor made solutions are offered to the corporate sector through group life schemes.

The Company also has the distinction of being the first Window Family Takaful Operator to be licensed by the SECP and to start window takaful operations. A complete Shariah compliant suite of financial planning products is available through all distribution channels.



# Performance Evaluation of the Board & CEO

## Performance Evaluation of the Board

Board of Directors act as governing trustees of EFU on behalf of the regulator, shareholders and Policy holders of the Company. For this purpose the Board has placed a mechanism to reevaluate its performance annually as required by the Code of Corporate Governance. The mechanism devised is based on emerging and leading trends on the functioning of Board and improving its effectiveness. The placement and functioning of evaluation mechanism is outsource. Also, each member of the Board carried out a self-assessment of his own effectiveness as an individual as well as effectiveness of the Board as a team for the year. Furthermore, the Company is abiding by the Code of Conduct which is formulated by the Board.

The Board set following evaluation criteria to judge its performance.

- Ensures that compliance mechanism is in place and followed diligently.
- Proper risk management tools are in place which supports for company's performance and growth.
- Compliance with all relevant regulatory laws and regulations by management of the company.
- Review of the long term strategic business plans and goals and its achievement.
- Ensuring adequate internal control system within the company and its regular assessment through self-assessment and audit committee.
- Ensuring required quorum of Board meeting is available in order to have detailed deliberation and quality decision on matters of significance.
- Ensures the training of Board member particularly the new members are fully aware of their roles and responsibilities.

## Performance Evaluation of the Chief Executive Officer

The performance of the Company is intricately linked to the CEO's performance and inevitably, the CEO's performance is measured against the Company's performance. The Chief Executive Officer (CEO) is responsible for leading the development and execution of the Company's long term strategy with a view to creating value for its shareholder. The CEO's leadership role also entails being ultimately responsible for all day-to-day management decisions and for implementing the company's long and short term plans.

The performance of CEO is assessed through performance and target given by the Board. The following constitute the benchmarks against which the evaluation takes place:

- Development of future Strategy
- Customer insight and sales leadership
- Financial analysis and management
- Effective deployment of information systems



# Role of the Chairman and the CEO

The roles of the Chairman and the Chief Executive are separate and complementary, with responsibilities clearly set out.

## Chairman

The Chairman is responsible for leadership of the Board. In particular, he will:

- Ensure effective operation of the Board and its committees in conformity with the highest standards of corporate governance.
- Ensure effective communication with shareholders, and other relevant stakeholders and that the views of these groups are understood by the Board.
- Set an agenda which is primarily focused on strategy, performance, value creation and accountability, and ensure that issues relevant to those areas are considered by the Board.
- Ensure that the Board determines the nature and extent of the significant risks the Company is willing to embrace in the implementation of its strategy, and that the Board reviews on an ongoing basis the effectiveness of risk management and internal control systems.
- Set the agenda, style and tone of Board discussions to promote constructive debate and effective decision making.
- Manage the Board to ensure that adequate time is allowed for discussion of all agenda items (in particular strategic issues) and to ensure that complex or contentious issues are dealt with effectively, making sure in particular that non-executive Directors have sufficient time to consider them.
- Ensure that Board members receive accurate, timely and clear information, in particular about the Company's performance.

## Chief Executive

The Chief Executive is responsible for leadership of the life insurance business, managing it within the authorities delegated by the Board and the development and implementation of strategy. In particular, he will:

- Develop strategy proposals for recommendation to the Board and ensure that agreed corporate strategy actions are reflected in the business.
- Be responsible to the Board for the performance of the business consistent with agreed business plans, corporate strategies and policies and keep the Board as a whole updated on progress made against such agreed plans, corporate strategies and policies.
- Facilitate the operating businesses of the Company in developing their own strategic plans for the future ensuring that they are properly evaluated and that they are built into the overall corporate strategy.
- Plan human resourcing to ensure that the Company has the capabilities and resources required to achieve its business plans.
- Develop an organizational structure and establish processes and systems to ensure the efficient organization of resources.
- Lead the Committees, including the development of performance targets and appraisals for the Executive Committees and senior management. Ensure that business is conducted in accordance with the Business Principles.
- Ensure that the flow of information to the Board is accurate, timely and clear. Ensure that reporting lines within the Company are clearly established and are effective.
- Ensure that management puts procedures in place to ensure compliance with all relevant legislation and regulation.
- Develop and maintain an effective framework of internal controls including risk management in relation to all business activities.
- Ensure that the Company has a suitable system and policy for the timely and accurate disclosure of information in accordance with regulatory requirements.
- Keep the Chairman promptly informed on all matters that may be of importance to the Board or of which the Board should be aware.

The Chairman and Chief Executive will meet regularly to review issues, opportunities and problems.



# Stakeholder Engagement / Quality Assurance

## Policy and Procedures for Stakeholder Engagement

### Institutional Investors

The Company convenes Annual General Meeting in accordance with the Companies Ordinance, 1984. The Company's financial reports are published every quarter and are also placed on Company's website for the shareholders and potential investors.

In compliance with the Code of Corporate Governance under the listing regulations of the stock exchange, the Company notifies information to the stock exchange from time to time. This helps the shareholders remain connected with the Company. The dates of the Board of Directors Meetings and financial results are notified to the stock exchange.

### Customers

We believe in customer trust and satisfaction being our strength over the years. To help improve customer service and meet their needs and expectations, feedback from customers are sought.

### Banks

We understand the importance of these stakeholders and ensure continuous interactions with them and manage our relationships.

### Media

We engage with media through press briefing and regular press releases on key achievements, periodical results, and other strategic events.

### Regulators

To maintain compliance with applicable laws and regulations, the applicable statutory returns and forms are filed with various regulatory bodies and federal and provisional taxation authorities

## Procedures Adopted for Quality Assurance of Products / Services

EFU Life believes that meeting customer expectations comes from consistently meeting standards and delivering consistent results is at the core of quality assurance procedures.

It is our responsibility to ensure that every employee understands the quality definitions and how he / she is to make certain those standards are met. Measuring the quality that is delivered is critical for consistent results. Department / Branch Heads monitor work processes and maintain quality standards.

As per ISO 9001:2015 standards, EFU Life has established procedures for quality assurance of services by continually improving the effectiveness of the quality management system through the use of:

- the quality policy,
- quality objectives,
- audit results,
- analysis of data,
- corrective and preventive actions,
- regular management reviews,
- trainings,
- customer feedback system and
- monitoring / measurement activities.

The old expression, "There is always room for improvement," rings true when it comes to quality assurance. To keep our business on the cutting edge, we always ask the question". How can we make this better? By tweaking the process where required or by raising standards each year, we will see our overall business quality improve to levels higher than ever before.



# Significant Plans / Forward looking Statement / Statement of Business Practices

## Significant plans and decisions such as corporate restructuring, business expansion and discontinuance of operations etc.

The Company's continues to expand business by focusing on increasing the outreach of its distribution channels offering products for all the socio-economic segments of the population and using technology as a key enabler. The significant plans and decisions are as follows:

For sales force: Identify and expand geographically in Pakistan, enhance productivity of existing sales operations by focusing on branch productivity, case average and persistency, launch new products based on needs of the various population segments. For Takaful line of business, the Company, over the last 5 years, has set up a dedicated sales force and new branches, and the expansion activity will continue in the next few years for further penetration.

For Bancassurance: Proactively manage partnerships and relationships with all banks (large, medium, small) to fulfill business growth objectives, expand Referral and Direct Sales models, launch new products to penetrate in all customer segments, focus on branch productivity, case average and persistency.

For Group Benefits: Enhance presence in all profitable segments of the corporate sector, offer tailored solutions as per need of the clients, focus on inclusive and mass-market insurance with an aim to increase the number of lives under the insurance social protection net.

The corporate as well as sales management structures in all channels are regularly evaluated for their effectiveness in meeting the business growth objectives, and where required, structural changes are done.

The Company does not plan to discontinue any operations.

## Significant changes in objectives and strategies from prior years.

There are no significant changes in objectives and strategies from prior years.

## Forward looking Statement

EFU Life has a positive outlook on the next 5 years of the life insurance and family takaful industry. The sector has continued to perform well vis-à-vis other sectors in the financial arena, and the Company expects this growth momentum to continue for the medium term. Distribution channels and their effective utilization will continue to be the primary driving force resulting in an increased insurance penetration and expansion of the financial protection safety net. At the same time, alternative mass market channels focusing on including a larger number of lives under the insurance net will continue to be explored by the companies. With the expansion of the distribution channels, the Company expects the industry players to focus more on improving the productivity.

With the opening up of window takaful operations during 2015, and several window takaful operators having started operations, the Company expects takaful outreach to expand and contribute positively in increasing the size of the insurance pie. Investment on Information Technology will continue, especially adopting new trends in technology, and will be one of the key aspects of the industry's strategy. The Company expects investments in enhancing the technology base for back-end operations and for front end sales and services to clients.

## Statement of Business Practices

- Uncompromising integrity. Our business is founded on trust and we manage it ethically, lawfully and fairly.
- Clients first. Nothing we do is more important than protecting and preserving our clients' interests. We hold responsibilities towards our clients in the highest regard.
- Entrepreneurship. We work hard every day to hire the best people, motivate them, reward them and encourage them to innovate. We are a meritocracy and an equal opportunity employer.
- Passion for performance. We contribute towards our Company's financial goals and concentrate on achieving superior results.
- A culture of excellence. We measure our performance on every task we undertake not just by the results but also by the quality of our work.
- A tradition of success. While we are fair and ethical at all times, we compete aggressively by providing excellent service to our clients.



# Stakeholders' Engagement Process

The Company believes in active engagement with the regulator, business partners, associates and investors. The process and frequency varies according to the nature and type of the engagement:

**Customers:** Due to the long term nature of individual life products, the Company is heavily focused on the customer journey, right from the pre-acquisition stage to claim. Regular interaction with customers is done via the sales staff, email, sms, phone calls, letters and social media. This interaction helps to understand and fulfill customer needs in a better way, improves persistency, creates sales leads, helps in upselling and repeat sales. For Bancassurance, the sales management and coordination teams interact on a daily basis with staff in bank branches, regional levels and head office levels to further our business objectives. For corporate clients, the marketing team engages regularly to manage the relationships and offer tailored solutions.

**Media:** The Company has been a trendsetter in launching innovative media campaigns focusing on awareness creation, offering products for various needs as well as enhancing Brand value. The campaigns are on a 360 degree horizon focusing on all mainstream platforms such as TV, radio, print, digital, social media, as well as on-ground engagement and activation. During the course of these campaigns the Company is closely engaged with the media in terms of planning and execution.

**Regulators:** The Company considers an active and healthy engagement with the regulators as a cornerstone of its strategy. This includes SECP, SBP, FBR, provincial tax authorities and any other regulator in the country that has an influence or impact on the Company's business. The nature of such interaction is in one-to-one meetings, group or industry level meetings, workshops, conferences and seminars. The frequency can be as per need of the regulator or the Company and at times is very frequent.

**Banks:** The Company works with all major banks of the country for various objectives. Bancassurance relationships have been covered in the section above. In addition, the Company uses banks for all its banking needs, including investments. The frequency of interaction is on a needs basis and the nature of service. In addition, senior level engagement is ongoing to deepen the relationships which fulfill business objectives.

**Analysts:** The Company has planned its annual corporate briefing on 27 March 2020. In addition, on a needs basis, the Company meets with analysts of various entities to apprise them of the Company's business and operations.

**Institutional Investors:** On a needs basis, institutional investors are engaged to provide updates on the Company's performance.

Stakeholders engagement policy and steps Board has taken to solicit and understand the views of the stakeholders through corporate briefing programs and through investor road show etc. and disclosure of brief summary of analysis and shareholders briefings conducted during the year.

The Company has planned its annual corporate briefing on 27 March 2020 aimed at institutional investors and analysts.



# Whistle Blowing Policy

Whistle Blowing Policy in compliance with the Code of Corporate Governance the Company has adopted Whistle Blowing Policy. The Company has established Code of Ethics which sets out the standards of conduct expected in the management of its business. All the employees are expected to carry out their duties in a manner that is consistent with the Code. If employees become aware of the circumstances which are not in compliance with the Code, they communicate their concerns to the Management Director.

Whistleblower protections are provided in two important areas-confidentiality and against retaliation. Insofar as possible, the confidentiality of the whistleblower will be maintained. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law and to provide accused individuals their legal rights of defense. The Company will not retaliate against a whistleblower. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, or poor work assignments and threats of physical harm. Any whistleblower who believes he/she is being retaliated against must contact the Human Resources Director immediately. The right of a whistleblower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.

## Protection of Whistleblowers are ensured in the following ways

- The information given and the identity of the Whistleblower will be treated in a confidential manner.
- The Company stands committed to protect Whistleblowers for Whistle Blowing, harassment or victimization of the Whistleblower will not be tolerated.
- If the Whistleblower feels that, at his / her place of posting, he / she might be subjected to victimization or harassment by the alleged officials after blowing the whistle, the management may consider transferring him / her to another suitable place on his / her request. However, this assurance is not extended in cases where it is proved that the Whistleblower raised the matters to settle his / her personal grudges or grievances or enmity or where the Whistleblower has been habitually involved in complaining petty issues.
- Protection that Company can extend to Whistleblower is limited to the Company's capability, but any retaliatory action against any Whistleblower as a result of whistle blown by such person under this Policy shall be treated as misconduct and subject to disciplinary action.
- Indemnity from disciplinary action will be provided to the whistleblower employee, against actions / involvement in the activity against which whistle is blown, based on the merits of the subject case.



# Decisions taken at the last AGM

## Annual General Meeting held on April 23, 2019

No Significant issues were raised by the shareholders during the meeting. The following matters taken up in the meeting as per Agenda were approved unanimously and the decisions taken were implemented in due course:

1. Approval of the minutes of the 26th Annual General Meeting held on April 07, 2018.
2. Approval the Audited Financial Statements for the year ended December 31, 2018 together with the Chairman's review, Directors' and Auditors' reports thereon.
3. Approval of Final Cash Dividend at the rate of Rs.11.25/- per share i.e. 112.5% as recommended by the Board of Directors and also approve the Interim cash dividend of Rs.3.75/- per share i.e. 37.5% already paid to shareholders, thus making a total of Rs.15/- per share i.e. 150% for the year ended December 31, 2018.
4. Appoint Auditors for the year 2019 and fix their remuneration.

## SPECIAL BUSINESS:

1. Approval of following resolutions:

"Resolved that the transactions carried out by the Company in the normal course of business with EFU General Insurance Ltd. and Allianz EFU Health Insurance Ltd. (related parties) in 2018 be and are hereby ratified, approved and confirmed."

"Further Resolved that the Managing Director & Chief Executive be and is hereby authorized to approve all the transactions carried out in the normal course of business with EFU General Insurance Ltd. and Allianz EFU Health Insurance Ltd. till the next Annual General Meeting."

"Further Resolved that the Managing Director & Chief Executive and the Company Secretary of the Company be and are hereby authorized to give effect to this resolution and to do or cause to do all acts, deeds and things that may be necessary or required and to sign such documents and take such steps from time to time, as and when necessary for the purposes of implementing this resolution."

"Resolved that consent and approval be and is hereby accorded under Section 199 of the Companies Act, 2017 and "the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012" for following investment in Term Finance Certificate of JS Bank Limited as mentioned in the annexed statement under Section 134(3)."

"Further Resolved that the Chief Executive and/or the Chief Financial Officer and/or the Company's Secretary be and are hereby authorized to take and do and/or cause to be taken or done any/all necessary actions, deeds and things which are or may be necessary for giving effect to the aforesaid resolutions and to do all acts, matters, deeds, and things which are necessary, incidental and/or consequential to the investment of the Company's funds as above as and when required at the time of investment."



# Code of Conduct

## Statement of Ethics

All Directors and Staff are required to:

- Act with integrity, dignity and in an ethical manner when dealing with the public, clients and peers.
- Protect and ensure the confidentiality, integrity and availability of client information at all times except where required by law to disclose it.
- Protect and ensure the confidentiality, integrity and availability of information relating to the Company both during the course of Directorship or employment (as the case may be) and after its termination (regardless of reason).
- Obtain written permission from the Company's Compliance Officer (or the Chief Executive Officer in the event that the Compliance Officer is unavailable) to hold any position (paid or unpaid) with any outside party, firm or organization. For clarity, positions covered include but are not limited to consultant, employee, Director, representative and agent. Furthermore, all staff must disclose in writing to the Company, any such positions they currently hold at the time of signing this statement. Directors are exempt from this requirement.
- Maintain accurate records of business transactions related to the Company or its clients.
- Report any business or professional activities or any beneficial interests that may result in a conflict with or be competitive with the interests of the Company.
- Report any person or activity to the Compliance Officer or CEO that in their opinion is in violation of this statement.
- Disclose their shareholding in the Company's Securities upon signing this agreement and any changes in shareholding within 24 hours of any such change.
- Act diligently and with vigilance to prevent EFU Life products and services from being used for money laundering and terrorist financing.
- Read, understand and act in accordance with EFU Life's Anti Money Laundering Policy
- Adopt appropriate procedures in accordance with EFU Life's policy to gain an understanding of the business and background of our prospective clients and business partners to determine origin and destination of their funds
- Read, understand and act in accordance with EFU Life's Information Security Policy
- Report to the Compliance Officer any suspicious transaction or incident.

## Statement of Business Practices

- Uncompromising integrity. Our business is founded on trust and we manage it ethically, lawfully and fairly.
- Clients first. Nothing we do is more important than protecting and preserving our clients' interests. We hold responsibilities towards our clients in the highest regard.
- Entrepreneur-ship. We work hard every day to hire the best people, motivate them, reward them and encourage them to innovate. We are a meritocracy and an equal opportunity employer.
- Passion for performance. We contribute towards our Company's financial goals and concentrate on achieving superior results.
- A culture of excellence. We measure our performance on every task we undertake not just by the results but also by the quality of our work.
- A culture of inclusion and respect. We work hard to ensure for all our employees a workplace free of gender, class, belief, disability or any other discriminations and to ensure that we treat each other with dignity and respect.
- A tradition of success. While we are fair and ethical at all times, we compete aggressively by providing excellent service to our clients.



# Financial Calendar

## Results

First Quarter ended 31 March	Announced on	27-Apr-19
Half year ended 30 June	Announced on	23-Aug-19
Third quarter ended 30 September	Announced on	25-Oct-19
Year ended 31 December	Announced on	7-Feb-20

## Dividend

<b>1st Interim 2019</b>	Announced On	27-Apr-19
	Amount	15%
	Entitlement date	14-May-19
	Paid On	20-May-19
	Statutory limit upto which payable	5-Jun-19
<b>2nd Interim 2019</b>	Announced On	23-Aug-19
	Amount	15%
	Entitlement date	8-Sep-19
	Paid On	18-Sep-19
	Statutory limit upto which payable	30-Sep-19
<b>3rd Interim 2019</b>	Announced On	25-Oct-19
	Amount	15%
	Entitlement date	10-Nov-19
	Paid On	18-Nov-19
	Statutory limit upto which payable	2-Dec-19
<b>Final Cash 2019</b>	Announced On	7-Feb-20
	Amount	105.0%
	Entitlement date	20-Mar-20
	Statutory limit upto which payable	17-Apr-20
<b>1st Interim 2018</b>	Announced On	26-Apr-18
	Amount	12.5%
	Entitlement date	9-May-18
	Paid On	24-May-18
	Statutory limit upto which payable	30-Apr-18
<b>2nd Interim 2018</b>	Announced On	20-Aug-18
	Amount	12.5%
	Entitlement date	3-Sep-18
	Paid On	17-Sep-18
	Statutory limit upto which payable	25-Sep-18
<b>3rd Interim 2018</b>	Announced On	26-Oct-18
	Amount	12.5%
	Entitlement date	8-Nov-18
	Paid On	16-Nov-18
	Statutory limit upto which payable	30-Nov-18
<b>Final Cash 2018</b>	Announced On	22-Mar-19
	Amount	112.5%
	Entitlement date	16-Apr-19
	Statutory limit upto which payable	15-May-19

## Issuance of Annual Report

2-Mar-20

## 28th Annual General Meeting

27-Mar-20



# Notice of Meeting

Notice is hereby given that the 28th Annual General Meeting of the Shareholders of EFU Life Assurance Ltd. will be held at Kamran Centre, 1st Floor, 85 East, Jinnah Avenue, Blue Area, Islamabad on Friday March 27, 2020 at 11.30 a.m. to:

## A. ORDINARY BUSINESS:

1. confirm the minutes of the 27th Annual General Meeting held on April 23, 2019.
2. receive, consider and approve the Audited Financial Statements for the year ended December 31, 2019 together with the Chairman's review, Directors' and Auditors' reports thereon.
3. consider and if thought fit to approve the payment of Final Cash Dividend at the rate of Rs. 10.5/- per share i.e. 105% as recommended by the Board of Directors and also approve the Interim cash dividend of Rs.4.50/- per share i.e. 45% already paid to shareholders for the year ended December 31, 2019.
4. appoint Auditors for the year 2020 and fix their remuneration. The Audit Committee and the Board of Directors have recommended the name of M/s KPMG Taseer Hadi & Co., Chartered Accountant for re-appointment as auditors with rotation of Partner as approved by SECP.

## B. SPECIAL BUSINESS:

5. To consider, and if thought fit, to pass the following resolutions with or without modification(s)

"Resolved that the transactions carried out by the Company in the normal course of business with EFU General Insurance Ltd. and Allianz EFU Health Insurance Ltd. (related parties) in 2019 be and are hereby ratified, approved and confirmed."

"Further Resolved that the Managing Director & Chief Executive be and is hereby authorized to approve all the transactions carried out in the normal course of business with EFU General Insurance Ltd. and Allianz EFU Health Insurance Ltd. till the next Annual General Meeting."

"Further Resolved that the Managing Director & Chief Executive and the Company Secretary of the Company be and are hereby authorized to give effect to this resolution and to do or cause to do all acts, deeds and things that may be necessary or required and to sign such documents and take such steps from time to time, as and when necessary for the purposes of implementing this resolution."

6. Transact any other matter with the permission of the chair.

Attached to this notice of meeting being sent to the members is a statement under Section 134(3)(b) of the Companies Act, 2017 setting forth :

- a. All material facts concerning the resolutions contained in item 5 of the notice.

By Order of the Board

Abbas Hussain

Company Secretary

Karachi: 07 February 2020

## NOTES

1. A member entitled to attend and vote at the General Meeting is entitled to appoint another member as a proxy to attend and vote in respect of his/her behalf. Form of proxy must be deposited at the Company's Registered Office not later than 48 hours before the time appointed for the meeting.
2. CDC Account holders are advised to follow the following guidelines of the Securities and Exchange Commission of Pakistan.

### **A. For attending the meeting:**

- (i) In case of individuals, the account holder and / or sub-account holder and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- (ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

### **B. For appointing proxies:**

- (i) In case of individuals, the account holder and / or sub-account holder and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
  - (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
  - (iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
  - (iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.
  - (v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
3. The Share Transfer Books of the Company will be closed from March 21, 2020 to March 27, 2020 (both days inclusive). Transfers received in order by our Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 before the close of business on March 20, 2020 will be considered in time to attend and vote at the meeting and for the entitlement of Dividend.
  4. Members are requested to notify/submit the following, in case of book entry securities in CDC to respective CDC participants and in case of physical shares, to the Company's Share Registrar, if not earlier provided/ notified:
    - a. Change in their addresses;
    - b. Valid and legible photocopies of Computerized National Identity Card (CNIC) for Individuals and National Tax Number (NTN) both for individual & corporate entities.



## 5. ELECTRONIC TRANSMISSION OF ANNUAL FINANCIAL STATEMENTS AND NOTICES

Pursuant to Notification vide SRO 787(I)/2014 dated September 08, 2014, the Securities and Exchange Commission of Pakistan (SECP) has directed all companies to facilitate their members receiving annual financial statements and notices of annual general meeting through electronic mail system (E-mail). EFU Life Assurance Ltd., is pleased to offer this facility to our valued members who desire to receive annual financial statements and notices through email in future.

In this regards, those members who wish to avail this facility are hereby requested to convey their consent via email on a standard request form which is available at the Company's website.

Please ensure that your email account has sufficient rights and space available to receive such email which may be greater than 1MB in size. Further, it is the responsibility of member(s) to timely update the share registrar of any change in his (her / its / their) registered email address at the address of Company's registrar.

## 6. ELECTRONIC DIVIDEND MANDATE

Under the section 242 of Companies Act, 2017 it is mandatory for all listed Company to pay cash dividend to its shareholders through electronic mode directly in to the bank account designated by the entitled shareholders.

In order to receive dividend directly into their bank account, shareholders are requested (if not already provided) to fill in Bank Mandate Form for Electronic Credit of Cash Dividend available in the Annual Report and also on the Company's website and send it duly signed along with a copy of CNIC to the Share Registrar of the Company, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S, Main Shahra-e-Faisal, Karachi-74400, in case of physical shares.

In case of shares are held in CDC then electronic dividend mandate form must be directly submitted to shareholder's brokers / participant / CDC account services.

In case of non-receipt of information, the Company will be constrained to withhold payment of dividend to shareholders.

## 7. SUBMISSION OF VALID CNIC (MANDATORY)

As per SECP directives the dividend warrants of the shareholders whose valid CNICs, are not available with the Share Registrar could be withheld. All shareholders having physical shareholding are therefore advised to submit a photocopy of their valid CNICs immediately, if already not provided, to the Company's Share Registrar at the following address, CDC Share Registrar Services Limited, CDC House, 99- B, Block 'B', S.M.C.H.S., Main Shahra\_ e-Faisal, Karachi-74400 without any further delay.

## 8. DEDUCTION OF WITHHOLDING TAX ON THE AMOUNT OF DIVIDEND

Pursuant to SECP directives vide Circular No.19/2014 dated October 24, 2014, SECP has directed all companies to inform shareholders about changes made in the section 150 of the Income Tax Ordinance, we hereby advise shareholder as under;

- (i) The Government of Pakistan through Finance Act, 2020 has made certain amendments in section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:
  - a. for filers of income tax returns: 15%
  - b. for non-filers of income tax returns: 30%

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

- (ii) In the case of shares registered in the name of two or more shareholders, each joint\_ holder is to be treated individually as either a filer or non-filer and tax be deducted by the Company on the basis of shareholding of each joint-holder as may be notified to the Company in writing. The joint-holders are, therefore, requested to submit their shareholdings otherwise each joint-holder shall be presumed to have an equal number of shares.
- (iii) For any query / problem / information, the investors may contact the Company and / or the Share Registrar at the following phone numbers & email address. The contact number of Company Secretary is 021-111-338-111 (Ext: 558) & email: [abbashussain@efulife.com](mailto:abbashussain@efulife.com) and the contact numbers of Share Registrar, CDC Share Registrar Services Limited is 021- 111-111-500 & email: [info@cdcpak.com](mailto:info@cdcpak.com)
- (iv) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or its Share Registrar, Central Depository Company of Pakistan. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

## 9. CONSENT FOR VIDEO CONFERENCING FACILITY

Pursuant to the provision to the Companies Act, 2017 members can also avail the video call facility, in this regard please fill the following and submit to registered address of the Company at-least 10 days before the holding of Annual general meeting. If the Company receives consent from members holding aggregate 10% or more shareholding residing at the geographical location to participate in the meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

I/ We \_\_\_\_\_, of \_\_\_\_\_, being a member of EFU Life Assurance Ltd. holder of \_\_\_\_\_ordinary share(s) as per registered Folio No. \_\_\_\_\_ hereby opt for video conferencing facility.

## 10. UNCLAIMED DIVIDEND

As per the provision of section 244 of the Companies Act 2017, any shares issued or dividend declared by the Company which have remained unclaimed / unpaid for a period of three years from the date on which it was due and payable are required to be deposited with commission for the credit of Federal Government after issuance of notices to the shareholders to file their claim. The details of the shares issued and dividend declared by the Company which have remained due for more than three years was sent to shareholders, uploaded on Company website and Final notice was also issued in newspaper. In case, no claim is lodged with the Company in the given time, deposit the unclaimed / unpaid amount and shares with the Federal Government pursuant to the provision of Section 244 (2) of Companies Act 2017.



## 11. DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNT

As per Section 72 of the Companies Act, 2017, every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the said Act.

The shareholders having shares in physical form are advised to open CDC sub-account with any of the brokers or Investor Account directly with the CDC to place their shares in scrip-less form, this will facilitate them in many ways including safe custody and sale of shares at any time they want, as the trading of physical shares is not permitted as per existing regulations of Pakistan Stock Exchange Limited.

### STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017:

This statement sets out the material facts pertaining to the Special Business to be transacted at the Annual General Meeting of the Company to be held on March 27, 2020.

#### 1. Item No. 5 of the Notice

Transactions carried out with related parties during the year ended December 31, 2019 to be passed as a Special Resolution.

The transactions carried out in normal course of business with associated companies (related parties) are approved by the Board as recommended by the Audit Committee on quarterly basis. In the case of EFU General Insurance Ltd. and Allianz EFU Health Insurance Ltd., a majority of the Directors were interested and in accordance with the provisions of Section 208 of the Companies Act, 2017. Such transactions, therefore, are being placed before the shareholders for approval through special resolution proposed to be passed in the annual general meeting.

In view of the above, the normal business transactions conducted during the year 2019 with EFU General Insurance Ltd. and Allianz EFU Health Insurance Ltd. as per following details are being placed before the shareholders for their consideration and approval / ratification.

		Amount in PKR 000'
EFU General Insurance Ltd.	Premium Written	18,355
EFU General Insurance Ltd.	Premium paid	46,637
EFU General Insurance Ltd.	Claims paid	6,774
EFU General Insurance Ltd.	Dividend received	50,320
EFU General Insurance Ltd.	Dividend paid	684,717
Allianz EFU Health Insurance Ltd.	Premium written	967
Allianz EFU Health Insurance Ltd.	Premium paid	23,304

The names of Directors with interest as director in EFU General Insurance Ltd. and Allianz EFU Health Insurance Ltd.

- Mr. Saifuddin N. Zoomkawala, Director of the Company is also a director in EFU General Insurance Ltd. and Allianz EFU Health Insurance Ltd.
- Mr. Rafique R Bhimjee, Director of the Company is also a director in Allianz EFU Health Insurance Ltd.
- Mr. Muneer R Bhimjee, Director of the Company is also a director in Allianz EFU Health Insurance Ltd.

- iv. Mr. Hasanali Abdullah, Director of the Company is also a director in EFU General Insurance Ltd. and Allianz EFU Health Insurance Ltd.
- v. Mr. Taher G Sachak, Director of the Company is also a director in EFU General Insurance Ltd. and Allianz EFU Health Insurance Ltd.
- vi. Mr. Ali Raza Siddique, Director of the Company is also a director in EFU General Insurance Ltd.
- vii. Mr. Heinz Walter Dollberg, Director of the Company is also a director in Allianz EFU Health Insurance Ltd.

**Authorization to the Chief Executive for the approval of transactions carried out and to be carried out with EFU General Insurance Ltd. & Allianz EFU Health Insurance Ltd. (related party) till the next Annual General Meeting to be passed as a Special Resolution**

The Company would be conducting transactions with EFU General Insurance Ltd. and Allianz EFU Health Insurance Ltd. in the normal course of business. The majority of Directors are interested in these transactions due to their common Directorship and shareholding in EFU General Insurance Ltd. and Allianz EFU Health Insurance Ltd. as detailed herein above. Therefore, in order to comply with the provisions of clause 15 under Listed Companies (Code of Corporate Governance) Regulations, 2019, the shareholders may authorize the Managing Director & Chief Executive to approve transactions carried out and to be carried out in the normal course of business with EFU General Insurance Ltd. and Allianz EFU Health Insurance Ltd. till the next Annual General Meeting.

The names of Directors and nature and extent of their interest in the proposed resolution is the same as mentioned above.



# Liquidity Management Strategy

## Liquidity risk:

- Liquidity risk for insurers:
  - Risk of an actual or perceived shortfall of liquid assets to pay claims or operating expenses.
  - Risk of low investment yield related to liquidity issues, e.g.
    - Investing too safely; maximizes liquidity but hurts performance.
    - Having to get out of a position at an inopportune time and realize a loss (significant research on “cost of distress” issues).

## Impacts of liquidity issues

- Inability to pay claims on a timely basis can produce “run on bank” mentality
- Rating agencies rate willingness and ability to pay - Money invested in illiquid assets is heavily discounted in the rating process. Downgrade=death.
- Poor investment performance related to liquidity issues can contribute to further problems (particularly distressed selling)

## Unique attributes of insurance industry:

- Majority of cash obligations are estimates - not known in nominal or present value
- Analysis that reflects the uncertainty of obligations suggests a different position than a static analysis would
- Liquidity management becomes important

## Liabilities are sensitive to inflation

- Simultaneous impacts on assets and liabilities should be understood
- Forces that could result in increase of liabilities and decrease of assets at the same time impair operating flexibility and can force a liquidity crunch

## Underwriting cycle can produce fluctuating operating cash position

- Changing levels of internally generated cash may alter investment strategy and concerns about liquidity
- Less concern when internally generated cash is readily available

## Catastrophe exposure

- Must account for potential need for significant liquidity

## Regulatory constraints on investing “creativity” (concern for policyholder welfare)

- Strategy must incorporate constraints by external parties
- Practically speaking, this results in a need to keep a safe liquidity posture

Asset management has established conventional wisdoms and risks of deviations

- Departures from traditional approaches often must be supported by strong evidence

## Sometimes poorly institutionalized links between asset and liability side

- More dynamic links can be created

## Enterprise Risk Management and Investment Philosophy

**Asset Allocation Policy** is the primary driver of total investment portfolio return variability and performance over time

**Liquidity Metrics** must be incorporated with other total return measures

**Active Risk Policy** drives relative portfolio performance and significantly enhances performance over time

**Manager Structure** integrates asset allocation policy and active risk policy to avoid uncompensated risks and capture active manager skill to enhance returns.

**Active Manager Skill** adds value over time.

**An Enterprise Risk Management Approach** is essential to enhance overall corporate financial performance.

# Management Objectives & Strategies

Management Objective	Strategies to meet the objectives	Relationship between EFU Result and Objectives
Sustained profitability	Venture into long term profitable business segments	Healthy Profit after tax, declared cash dividend of 150%
Financial Efficiency	Effective financial management	Healthy financial statement
Increase customer retention	Dedicated focus on customer retention, part of all KPIs for distribution channels	Achieved overall persistency of 89.9%
Acquire new customers	Robust distribution setup; multiple channels such as agency sales force, bancassurance, corporate sector, telecommunication companies, branchless banks	Growth of 28% in new business
Introduce new products	Customer segmentation and solutions according to the needs of the target population	Diverse range of products available from pure protection to savings, focusing on short and long term needs of all customer segments, from micro to high networth customers.
Social impact	Products which provide valuable life insurance coverage for financial support of the insured individuals and families	Claims (death and disability) of Rs. 2.55 billion paid during the year
Employ professions who create value for customers	Significant focus through strategic HR policies on employee recruitment and selection to fulfil the organization's human capital needs	A professional and seasoned management team
To develop leadership abilities and potential for our team	Provide opportunities for skill enhancement and leadership traits through identifying development needs and organization's future requirements; professional qualifications are encouraged and supported	High caliber individuals are employed in various technical functions supported by the organization for their continuous professional development.



# Strategies to achieve strategic objectives

The company's strategy revolves around the following areas:

## **Lead the industry:**

The Company is a key player within the life insurance industry and plays a pivotal role in terms of driving the direction of the industry. The strategy to maintain and enhance our position includes healthy engagement with the regulator, robust product range for all market segments, expansive distribution channels, investment in technology, focus on customer journey, employ individuals who create value for the organization and be a good corporate social citizen.

## **Value to Shareholders:**

Strategies in all functions of the Company are designed and implemented with the high-level objective of creating and enhancing value for shareholders.

## **Innovative Solutions:**

The Company has a robust range of products to fulfill savings and insurance protection needs of various customer segments; individual and corporate, conventional and takaful. As part of the strategy, ongoing review of products' suitability for the segments, penetration and uptake, and profitability is carried out to ensure long term sustainability of the product range.

## **Distribution Footprint:**

The Company manages three strong distribution channels which provide it the outreach into all parts of Pakistan. Strategies for business growth have been defined and are being executed. For retail channels, the focus is on enhancing geographical outreach (by opening new sales force branches and utilizing bank partners' branch setup), improving productivity, and retention of clients resulting in high persistency levels. For Corporate clients, presence in all profitable segments continues.

## **Customer Obsession:**

The Company offers medium to long term savings products for its retail customers. Focus is on all aspects of the customer journey, right from the customer acquisition to post sales and claims. Responsiveness to customers needs is an essential part of the strategy to retain customers for the long term. In addition, lead generation from existing customer base, upselling on their current products and repeat sales is a focal point for enhancing the outreach and business. Customer engagement via distribution channels is an ongoing process, while utilizing digital and social media channels is an evolving part of the strategy.

## **Embrace Technology:**

The Company considers technology to be a key enabler in all aspects of its business, be it the front-end support to distribution channels or back-end process efficiency. As part of our strategy, technology is positioned as a means to an end, helping the company achieve more, efficiently. Strategically, the Company has invested heavily in all aspects of technology, software and hardware, to make all functions future-ready. In addition, the company is harnessing the power of data to set its future direction.

# Key performance indicator

EFU Life has always been a stable player in life insurance sector. Challenging political environment in country meant heavy losses on investments made in Equity within Pakistan accompanied with high level competition and economic uncertainties. Despite these challenging conditions, performance of EFU Life remained excellent.

The KPI during 2019 were as follows:

- Growth in premium for each line of business.
- Number of lives insured
- Persistency of individual life business by distribution channel.
- Claims to premium ratio
- Acquisition cost to gross premium
- Growth in the distribution network

Management Objective	KPI	Why is it important
Revenue per policy holder	Servicing Cost	A low value of this CPI could be due to poor agency contracts, sub par customer service or lack of sound investment policy
Average cost per claim	Cost per claim	It is important to categorize by type of claims
Average time to settle claim	Total days taken to settle claim / total claims	It is important to retain current and potential customer
Return on surplus	Premium per policy	This CPI measures companies performance
Renewal / Retention	This measures the customer who continue coverage after initial term has expired	Retention is important for profitability
New Business	Issuance of new policies	It is important indicator of operational performance & can be instrumental in strategy development
Strike Rate	It measures the quality of new business brought in by agents	Underwriting acceptance rate
Average Policy Size	Value of total policies sold / number of policies sold	It helps in evaluating weather the company is achieving the product risk that matches company strategy
Underwriting Process	Time consumed per policy	Process of approval is important for customer satisfaction.



# Business Continuity Plan / Disaster Recovery Plan

## Business Continuity Plan (BCP)

Unforeseen circumstances or factors outside your control can hit any business when you least expect it, but you can still plan for the worst with the Business Continuation Plan (BCP) Like EFU Life does. The impact can be devastating but acting fast and seeking desire counter measures can often be the key to resolving the situation as effectively as possible. It is important to analyze the threats and get to the bottom of what can be happened and why, to find out whether any of your employee, business operations, customers or suppliers are going to be affected. The more you understand about the situation, the better placed you are to assess the damage to your business. EFU Life value its importance and consider the risks in the immediate and longer terms, as the full effects may not unfold for some time. We assure that no matter how difficult the circumstances, our team is capable to find the solution that works best for counter any threats to business.



## Disaster Recovery Plan (DRP)

Every business should always prepare for the worst, and ensure the proper technology is in place to protect operations when disaster strikes. The objective of Disaster Recovery plan (DRP) is to achieve the highest level of readiness and business continuity for the EFU Life services in case of emergencies. EFU Life disaster recovery planning and execution is to ensure the provisions of making the availability of policyholder related services as quickly as possible with the highest standards of efficiency in case of a disaster, God forbid.

Since EFU Life is a technology-oriented company, therefore we cannot bear any downtime or data loss due to disaster. So we have designed and deployed Disaster Recovery site to protect the organization in the event of Disaster for following critical services,

- Database services & Client data
- Business Application
- Corporate communication services including emails
- Partners Integrations
- Call center and Nationwide Telephony services

and Objectives of Disaster Recovery Plan are,

1. Threat Analysis and Reduce Overall Risk
2. Manage access controls and security
3. Frequently Test our Disaster Recovery Plan
4. Ensure to safeguard policy holders information
5. Backup and Restore Day-to-Day Operations
6. Comply with Regulations
7. Swift Response and Assessment of Impact



# Investor Grievance Policy / Human Resource Development / Avoiding Conflict of Interest

## Investors Greivance Policy

EFU Life Assurance Ltd. believes that relations with investors are vital for the financial life line and substantial growth of the organization. Relations with investors also reflect on the goodwill of the organization. It is therefore, imperative to place an efficient and effective mechanism in the organization for providing services to the investors and to address their grievances in accordance with law.

The Company has accordingly provided on its website the necessary information about the Company, the directors, auditors, share registrars, the financial data for the current period and for the last six years and daily stock update showing daily rates of the Company's shares quoted at the Karachi Stock Exchange.

The Chief Financial Officer and Corporate Secretary of the Company is the primary contact on behalf of the Company to whom the investors can contact to re-dress their grievances and resolve their issues.

The management endeavors to investigate and resolve all the complaints and queries of the investors to their utmost satisfaction. An investor who is not satisfied can also approach the Securities & Exchange Commission of Pakistan (SECP) complaint cell through interactive link provided on our website. Our investor grievance policy is broadly based on the following principles:

- Investors calling us in person, telephone, fax or email are received and their complaints are dealt in timely manner.
- Each and every investor is treated fairly at all the times.
- Prompt, efficient and fair treatment is given to all the complaints and queries of the investors.

## Human Resource Development:

We believe that our employees are our most important asset and that the organization's success and quality happens through people. We ensure that all our employees have the opportunity to develop to their full potential and use their skills and knowledge for the continuous improvement of the company. We create a work environment in which employees feel satisfied, empowered and recognized. We promote teamwork, trust and open communications to enhance productivity. We release the energies and talents of our people through a consistent performance management system and a commitment in our style, practices and culture.

Our organization is shaped by exceptional people who are dynamic, emotionally mature team players, and who have the will, leadership qualities, motivation and vision to succeed in a high performance culture.

## Avoiding Actual and Perceived Conflict of Interest

The Company is committed to the transparent disclosure, management and monitoring of existing and potential conflicts of interest. The Company's Board is also cognizant of its obligations as required under the the listed companies (Code of Corporate Governance) Regulation 2019 & COGC for insurer 2016 to ensure that Directors avoid conflicts of interest between their responsibilities and their other interests. All Board members have a duty to avoid actual or perceived conflicts of interest. Every director of the Company who is in any way interested in any contract or arrangement to be entered by the Company is required to disclose the nature of his concern or interest to the Board and shall not take part in the discussion or vote on the matter. Every year in conformity with the section 153 of Companies Act, 2017, COGC and Insurance Companies (Sound and Prudent Management) Regulations, 2012, the Directors of the Company are required to provide a signed Statement of Compliance. The statement requires all the Directors to disclose the names of the companies, firms and businesses where they are associated and that they comply with all legal requirements to hold the position as Directors.



# Resources, Capital & Changes in Financial Positions / Donations

## Our key resources

Our strongest resources consist on excellent human resources, investment in technology, client network, strong relation with partner banks and strong market reputation / presence throughout the country. These resources add great value to the entity. We continually developed our human capital through training and development.

## Liquidity and financing arrangement

Our liquidity is very proactively by our finance department which is also responsible for working capital management. The insurance line of business does not require financing arrangements

## Capital structure

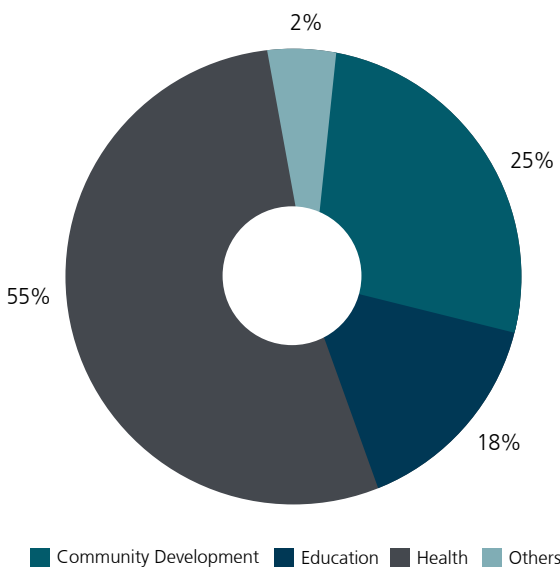
	Rupees in '000'
Capital	1,000,000
General reserve	2,000,000
Accumulated surplus	1,126,420

Above capital structure shows strong capital of the Company and do not reflect any capital inadequacies

## Significant changes in financial position

- Total assets increased by almost 10.72%
- Solvency margin increased by 221 million to 2.49 billion from 2.26 billion
- Company paid 150% dividend

## Donations



# Sustainability Report

## Sustainability

### Energy Conservation

Keeping in view the energy crisis in the country, the company has over time taken steps to reduce its consumption of electricity in its premises by taking the following measures:

- Gradual replacement of all lighting emitting sources with energy savers
- Replacement of all LCD based computer monitors with energy efficient LED screens
- Continue Thin Clients implementation in others department to cut down electricity costs and heat emissions.

### Occupational Safety and Health

The company believes that providing a safe and pleasant working environment to its staff is one of its core responsibilities as an employer. We have taken various steps to ensure that the employees are provided a safe working environment and have the access to opportunities to develop a healthy lifestyle.

- All permanent employees are covered by a comprehensive Health insurance scheme, Group Life and pay continuation cover
- The office is secured by armed security personnel
- CCTV cameras are set up at key locations within the office premises
- Smoke alarms are installed on the premises along with fire extinguishing facilities
- The Company adheres to strict no smoking policy in its offices for both employees and visitors.

### Environmental protection measures:

EFU Life is using state of the art Enterprise Content Management technology from IBM FileNet to digitalize paper documents and automate its business processes and operational workflows (BPM). In 2017, the technology was further implemented in Finance & Accounts, Agency Administration and Group Benefits departments.

ECM is the standard way to manage and organize not only paper document but all forms of organizational content stored in diversified formats. Organizations working in the ECM environment carry out most of their operations using digital documents, stored electronically. Managing organizational content in this way requires specific strategies, methods and tools.

The company has deployed Thin Clients, replacing Desktops machine to achieve the benefits of Data Protection & Security, centralized software management, huge cost saving in power and better control and users management.

EFU Life is using Human Resource Management System to manage employees and their matters related to Organization and Policies. HR Department effectively manages Hiring & Separation, Time Office and Leave Management, Training and Development and Employee Self Portal in a digital way through HRMS.

EFU Life is always ahead of implementing new technology to facilitate its Business Process. Keeping this strategy in line EFU LIFE has deployed Mobile APP to facilitate Sales Force and clients to achieve huge cost saving and minimize Call center Query Load.

EFU Life has Access Control Management System on Building level to manage security and video logs of all areas. By having a proper control room to manage whole building sensitive areas, all challenges managed through a centralized location.

EFU Life is using Enterprise Software of Budgeting to manage Budget on Company level which can expand its monitoring at N-Level to calculate Capital, Expense, Profit & Loss etc. The benefit of having Industrial practice budgeting system is to achieve financial milestones in Organization level.

Automating content through the use of Business Process Management is a key enabling factor in improving process efficiency, business agility, continuous process improvement, process quality and eventually customer satisfaction.

EFU Life has a keen eye for ensuring that the environment in which we are working stays green. We have minimized the usage of filing cabinets, shelves, physical space, paper documents and files which eventually cause paper-pollution and deforestation; thus creating a positive impact on greenhouse environment which exacerbates global warming. Additionally, in line with this objective, we have focused on centralized printers which are more energy efficient and environmentally compliant.



### Policy for safety of records of the company:

In addition to having a data center which is equipped with the latest technologies like virtualization, robotic tapes, Flex Technology, blade servers and SAN storage devices, we have a Disaster recovery plan in place and also a paperless ECM solution to digitally store our physical records. The company has two DR sites, and data back-ups are taken on a daily basis. All of these measures help us ensure the safety of records.

The company has procedures to maintain the integrity and availability of data/records and backup & recovery of all mission-critical application and electronic data. As a first step company has also maintained Cold Disaster Recovery site for critical business data. IT functions with ensuring continuous business operation in case of system or enterprise disaster or failure is in place.

The company has installed latest state of the art Fire Suppression and Detection System to protect its data center. Additionally, we have strengthened our DR Plan with use of Data Guard and Online Transfer of Data to DR Site using Fiber Optic Technology.

### Disclosure of IT Governance Policy

EFU LIFE had moved forward to develop a better and more comprehensive service management structure. All IT strategies are closely aligned with the business requirements of the company drilling down to departmental objectives. EFU Life is committed to ensuring the integrity, reliability, availability and confidentiality of its data and computer systems.

To this aim, the IT Steering Committee has empowered the Information Security to evaluate, establish, maintain and ensure compliance of control measures to protect the EFU Life's information resources from unauthorized or accidental modification, destruction or disclosure. The Information Security Head will advise the IT Steering Committee on standards, policies, and practices related to the security, risk assessment and compliance of rules and regulations used in support of Information Security Policies and Procedures.

### Data Center

Data centers are central elements of today's businesses, as its host data and services required to deliver customer value. Ensuring the uptime for the data center directly contributes to customer satisfaction and business profitability by preventing loss of sensitive information, service unavailability or compliance problems.

This year EFU LIFE maintain uptime is 99.67%.

### Smart Branch Infrastructure

In the year 2018, we have upgraded our branch network infrastructure in 100 locations to Smart Branch Infrastructure with centrally managed services to enhance user performance and to provide better services. Moreover, for critical branches, we have deployed redundant fiber connectivity to increase their uptime and manage their auto fail-over.

### VOIP

We have replaced traditional PBX with digital IP Telephony. VOIP is a technology that allows telephone calls to be made over computer networks like the internet. It is scalable to a large extent and provides a lot of features. The service allows more employees to be provided with Direct Dialing and call receiving capabilities that allow the company to bridge the gap between customers and the internal departments. Therefore, this service aims at meeting the customers' satisfaction, improves business efficiency and productivity, helps increase the number of customers and thus boosts the business growth. Additionally, the cost of using a VoIP telephone is much cheaper than using a conventional phone and calling between Head office and the branches are totally free.

### Access Control System

EFU LIFE implement Access Control system for restricting access to a building or designated area, like a restricted room. It may include doors into a building, access to certain areas within a building, or even access to outside gates.

Access Control System keeps track of who's coming and who's going, logging every entry and exit of each individual. With an Access Control System, a business is able to track who comes and goes and what time they arrive and leave.

# Audit Committee - Terms of Reference

The Board Audit Committee comprises of five members, including the Chairperson of the committee who is an independent director and other members are non-executive Directors. The Committee oversees the effectiveness of internal controls, internal audit function, compliance with laws and regulations and carry out other responsibilities as assigned by the Board of Directors.

The terms of reference of the Audit Committee as laid down by the Board of Directors are as follows:

1. Determine appropriate measures to safeguard the assets of the company.
2. Review of preliminary announcements of results prior to publication.
3. Review quarterly, half yearly and annual financial statements before they are approved by the Board of Directors, focusing on major judgmental areas, significant adjustments resulting from the audit, the going concern assumptions, any changes in accounting policies and practices, compliance with applicable accounting standards and compliance with statutory and regulatory requirements.
4. Review of related party transactions entered into during the year and recommending approval of the Board of Directors thereon;
5. Facilitate external audit and discuss audit observations with the external auditors arising from interim and final audits and any matter that they may wish to highlight (in the absence of management, where necessary).
6. Review management letter issued by external auditor as well as the response of management to the letter.
7. Ensure that proper coordination takes place between external and internal auditors.
8. Review the scope and extent of the internal audit department within the company and ensure that internal audit department has sufficient resources to carry out their tasks effectively and that the department is appropriately placed within the company.
9. Consideration of major findings of the internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto.
10. Ascertain that the adequate and effective internal control system including financial and operational controls, accounting system and reporting structure are in place within the company.
11. Review the Company's statement on the internal control systems prior to endorsement by the Board of Directors.
12. Institute special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and consider communicating any matter to the external auditors or to any other external body.
13. Ensure that the company complies with all the rules and regulations and statutory requirements.
14. Monitor compliance with the best practices of Code of Corporate Governance and identification of any significant violations thereof.
15. Recommend to the Board of Directors the appointment and audit fees of external auditors and consider any question pertaining to the resignation or removal of external auditors.
16. Consideration of any other issue or matter as may be assigned by the Board of Directors.

<u>Sr. No</u>	<u>Name of Directors</u>	<u>Number of Meetings attended</u>	<u>Status</u>
1.	Ms. Rukhsana Shah*	1 out of 2 meetings attended	Independent Director
2.	Mr. Hasanali Abdullah	3 out of 4 meetings attended	Non-Executive Director
3.	Mr. Saifuddin Zoomkawala	4 meetings attended	Non-Executive Director
4.	Mr. Muneer R. Bhimjee	3 out of 4 meetings attended	Non-Executive Director
5.	Mr. Ali Raza Siddiqui	2 out of 4 meetings attended	Non-Executive Director

\*Mr. Kamal Afsar, independent Director, passed away during the year and the casual vacancy was filled by Ms. Rukhsana Shah. He did not attend Audit Committee meeting during the period due to his illness.



# Report of the Audit Committee

The Audit Committee comprises of one independent and four non-executive directors. The Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the external auditors attend Committee meetings by invitation. The Chief Internal Auditor (CIA) attends Committee meetings as Audit Committee Secretary. Four meetings of the Committee were held during the year 2019. Based on the reviews and discussions in these meetings, the Committee reports that:

1. The Committee reviewed and approved the quarterly, half yearly and annual financial statements of the Company and recommended them for approval of the Board of Directors.
2. The Company issued a Statement of Compliance with the Code of Corporate Governance which has also been reviewed by the external auditors of the Company.
3. The Chief Executive Officer and the Chief Financial Officer have endorsed the financial statements of the Company and the Directors' Report. They acknowledge their responsibility for true and fair presentation of the financial statements and compliance with regulations and applicable accounting standards.
4. The financial statements have been prepared in accordance with the approved accounting standards which comprise of such International Financial Reporting Standards (IFRS) as applicable in Pakistan.
5. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment. The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
6. Proper books of accounts have been maintained by the Company.
7. The Committee reviewed and approved all related party transactions and recommended them for approval of the Board of Directors.
8. The Company's system of internal control is sound in design and is continually evaluated for effectiveness and adequacy.
9. For appraisal of internal controls and monitoring compliance, the Company has in place and appropriately staffed, Internal Audit department. The Committee reviewed the resources of the Internal Audit department to ensure that they were adequate for the planned scope of the Internal Audit function.
10. The role of Internal Audit is to review the adequacy of control activities as well as to ensure implementation of and compliance with the defined policies and procedures. The department also ensures timely follow-ups on audit findings to ensure that corrective actions are taken in a timely manner.
11. The Committee on the basis of the internal audit reports reviewed the adequacy of controls and compliance shortcomings in areas audited and discussed corrective actions in the light of management responses. This has ensured the continual evaluation of controls and improved compliance.
12. The Internal auditor has full access to the Chairman of the Board Audit Committee. Further, the internal auditor meets senior management to discuss internal audit reports and is fully independent to access the management at any time to discuss audit issues in order to make the audit process transparent and effective.

13. The external auditors M/s KPMG Taseer Hadi & Co., Chartered Accountants had direct access to the Committee and necessary coordination with internal auditors was ensured. Major findings arising from audits were also discussed.
14. The Committee reviewed the covering Letter issued by the external auditors and the management response thereto.
15. Appointment of external auditors and fixing of their audit fee was reviewed. Since the Listed Companies (Code of Corporate Governance) Regulations, 2019 requires that all inter-related companies/ institutions, engaged in business of providing financial services shall appoint the same firm of auditors to conduct the audit of their accounts.

The Committee recommended to the Board to take clearance from SECP for re-appointment of M/s KPMG Taseer Hadi & Co., Chartered Accountants as external auditors for the year ending 31, December 2020 by extending the approval provided vide letter dated 18th January 2018 as M/s KPMG Taseer Hadi & Co., Chartered Accountants will be completing their five years term after finalization of audit of the financial statements for the year ended 31, December 2021 of the holding Company EFU General Insurance Limited.

SECP vide letter dated 11 February 2020 granted an extension in approval provided earlier for the re-appointment of M/s KPMG Taseer Hadi & Co., Chartered Accountants as external auditors and Shariah auditors for the year ending 31, December 2020.



# Chairman's Review

I am pleased to present to you the Twenty-Eight Annual Report of the Company for the year ended 31 December 2019.

## Economic review:

Economic volatility continued in 2019, and by June 2019 current account deficit was USD 13.6 billion (June 2018: USD 19.9 billion). Moreover, as part of economic stabilization policies, PKR continued to depreciate against the Dollar and State bank increased the policy rate by 325 bps in current year 2019.

The stabilization policies have begun to correct external account imbalances - the current account deficit over July-December 2019 was considerably lower compared to 2018, foreign currency reserves increased to USD 18 billion in 2019 (2018: USD 13.8 billion), and PKR has stabilized. Nonetheless, policy measures, particularly fiscal measures, will affect GDP growth in 2020.

## Insurance Opportunity:

Pakistan has tremendous opportunities for life insurance business. With a population of over 200 million, 60% under the age of 25 years, a growing middle class and increasing awareness on financial services, such as banking and insurance, provides an environment conducive for growth of the life insurance sector. Pakistan has a life insurance penetration rate (gross premiums as % of GDP) of 0.5%, which is low by international and regional standards, and thus provides an opportunity for growth in the years to come. The government has adopted a strategy of creating an enabling environment for financial inclusion of the underserved population, and insurance can act as a formidable pillar of this strategy resulting in further expansion of the life insurance pie in the next 5 to 10 years.

## Insurance and Takaful industry:

The life insurance and family takaful industry of the country comprises of nine players. Your Company is one of the leading players in the private life insurance sector spanning a period of 27 years of successful life operations. The life insurance industry gross premium has crossed the Rs. 200 Billion mark, registering a 5 year annualized growth of approximately 15%, and the future outlook is positive.

The regulatory environment for life insurance remained conducive to growth, with the Securities and Exchange Commission of Pakistan taking a lead on many fronts in engaging with the industry and strengthening the regulatory regime in various areas.

## Company's performance:

Your Company's gross premium (including Takaful contributions) was Rs. 31.75 billion. All distribution channels contributed positively to this performance. During the year, the Company's statutory funds generated a surplus of Rs. 2.08 billion. Out of this surplus, Rs. 1.96 billion was transferred to the Profit & Loss Account after retaining the amount necessary to meet 100% Solvency Margin requirement. After including the performance of the Shareholders' fund, your Company made an after tax profit of Rs. 1.55 billion.

The Board has developed a vision and mission statement, overall corporate strategy and significant policies of the Company. These are aimed at providing the management of the Company a strategic direction and a long-term vision for the business.

Keeping in view this direction from the Board, the Company continues to take strides in the private life insurance sector of the country. Despite the challenging economic times, the overall insurance industry is on a growth trajectory and the Company has a positive outlook for the industry over the next 5 years. The Board will continue to play its vital role in steering the strategic direction of the Company to ensure that it remains amongst the leading life insurance companies and solidifies its market position in the years to come.

On behalf of the Company, I would like to record my appreciation for the tremendous contribution made by the able and eminent officers, staff and distribution channels of the Company towards its development and growth. My gratitude is also due to EFU General Insurance Ltd. for their continuous support and guidance, which has enabled the Company to establish a strong presence in the market.

Rafique R. Bhimjee

# چیرمین کی جائزہ رپورٹ

۳۱ دسمبر ۲۰۱۹ء کو ختم ہونے والے سال کیلئے، مجھے آپ کو کمپنی کی اٹھائیسویں رپورٹ پیش کرنے میں خوش محسوس ہو رہی ہے۔

## معاشی جائزہ

معاشی و اقتصادی اُتار چڑھاؤ ۲۰۱۹ء میں جاری رہا اور جون ۲۰۱۹ء میں کرنٹ اکاؤنٹ خسارہ 13.6 بلین امریکی ڈالر تھا (جون ۲۰۱۸ء: 19.9 بلین امریکی ڈالر)۔ مزید برآں معاشی استحکام کی پالیسیوں کے حصے کے طور پر پاک روپے کی قدر ڈالر کے مقابلے میں مستقل طور پر کم کی جاتی رہی اور اسٹیٹ بینک نے مالی سال ۲۰۱۹ء میں پالیسی ریٹ 325 بی پی ایس تک بڑھا دیا۔

استحکام کی پالیسیاں بیرونی کھاتوں کے عدم توازن کو درست کرنے کیلئے شروع کی گئیں۔ جولائی۔دسمبر ۲۰۱۹ء کے دوران موجودہ کرنٹ اکاؤنٹ خسارہ ۲۰۱۸ء کے مقابلے میں قابل قدر حد تک کم ہوا، غیر ملکی کرنسی کے ذخائر ۲۰۱۹ء میں بڑھ کر 18 بلین امریکی ڈالر ہو گئے (۲۰۱۸ء: 13.8 بلین امریکی ڈالر) اور پاک روپیہ قدر مستحکم ہوا۔ اس کے باوجود پالیسی اقدامات بالخصوص مالیاتی اقدامات سے ۲۰۲۰ء میں جی ڈی پی گروتھ پر اثر پڑے گا۔

## انشورنس کے مواقع

پاکستان بیمہ زندگی کے کاروبار کیلئے شاندار مواقعوں کا حامل ہے۔ 200 ملین نفوس سے زائد کی آبادی کے ساتھ 60 فیصد آبادی 25 سال سے کم عمر کی حامل ہے، اس کے ساتھ متوسط طبقے کی آبادی میں اضافہ ہو رہا ہے جبکہ مالی خدمات کے بارے میں بھی لوگوں میں شعور بیدار ہو چکا ہے جیسا کہ بینکنگ اور لائف انشورنس سیکٹر کے فروغ کے لئے شاندار ماحول فراہم کر رہے ہیں۔ پاکستان میں بیمہ زندگی کے پھیلاؤ کی شرح 0.5 فیصد (مجموعی پرمیئم بطور جی ڈی پی کا فیصد) ہے جو بین الاقوامی اور خطے کے معیار سے کم ہے اور ایسی صورتحال میں آنے والے سالوں میں اس کے فروغ کے کافی مواقع موجود ہیں۔ حکومت نے کم خدمات حاصل کرنے والی آبادی کی مالیاتی شمولیت کے لئے ایک ایسا ماحول فراہم کرنے کی حکمت عملی اختیار کی ہے جو موجودہ صورتحال میں نہایت اہم ہونے کے ساتھ اس حکمت عملی کا ایک لازمی ستون ثابت ہوگی اور اس کے نتیجے میں آئندہ 5 سے 10 سالوں میں بیمہ زندگی کے کاروبار میں مزید توسیع یقینی ہے۔

## انشورنس اور تکافل انڈسٹری

ملک کی بیمہ زندگی اور فیملی تکافل کی صنعت 9 کمپنیوں پر مشتمل ہے۔ آپ کی کمپنی نجی بیمہ کمپنیوں میں سے ایک سرکردہ کمپنی ہے جو کامیاب لائف آپریشنز کے 27 سال کی مدت مکمل کر چکی ہے۔ بیمہ زندگی کی صنعت کا مجموعی پرمیئم 200 بلین روپے کا ہندسہ عبور کر چکا ہے اور لگ بھگ 15 فیصد کی سالانہ فروغ 5 سال کو محیط کر رہا ہے جبکہ مستقبل میں یہ مزید مثبت نظر آتا ہے۔ بیمہ زندگی کیلئے ریگولیٹری ماحول نشوونما کی طرف مائل رہا، جس میں سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کئی محاذوں پر اس انڈسٹری میں شامل رہنے اور کئی جگہوں میں ریگولیٹری نظم و نسق مضبوط کرنے میں آگے سے آگے رہا۔

## کمپنی کی کارکردگی

آپ کی کمپنی کا مجموعی پرمیئم (بشمول تکافل کنٹریبیوشنز) 31.75 بلین روپے رہا۔ اس کارکردگی میں تمام تقسیم کار چینلز نے مثبت طور پر اپنا حصہ ڈالا۔ سال کے دوران کمپنی کے قانونی فنڈز نے 2.08 بلین روپے زائد ضرورت حاصل کئے۔ اس اضافے میں سے، 1.96 بلین روپے، 100 فیصد ادائے قرض کی صلاحیت کی حد کی ضرورت پوری کرنے کیلئے رقم روک کر، نفع نقصان کے کھاتے میں منتقل کئے گئے۔ حصص کنندگان کے فنڈ کی کارکردگی کو شامل کرنے کے بعد، آپ کی کمپنی نے بعد از ٹیکس 1.55 بلین روپے کا منافع حاصل کیا۔

بورڈ نے کمپنی کا ایک ویژن اور مشن بیان، ایک مکمل کارپوریٹ حکمت عملی اور نمایاں پالیسیاں تشکیل دی ہیں۔ ان کا مقصد کمپنی کی انتظامیہ کو ایک حکمت عملی کی سمت مقرر کرنا اور کاروبار کے لئے ایک طویل مدت ویژن فراہم کرنا ہے۔

بورڈ کی جانب سے اس سمت کو مدنظر رکھتے ہوئے کمپنی ملک کے نجی لائف انشورنس سیکٹر میں مزید متحرک ہونے کا سلسلہ جاری رکھے گی۔ اقتصادی چیلنجز صورتحال کے باوجود مجموعی طور پر بیمہ کی صنعت میں بہتری کا رجحان ہے اور کمپنی آئندہ 5 سالوں کے دوران صنعت کیلئے مثبت پس منظر کی توقع رکھتی ہے۔ بورڈ کمپنی کی اسٹریٹجک حکمت عملی کی سمت پر کامزن رہنے کے لئے اپنا نمایاں کردار ادا کرتا رہے گا تاکہ یہ سرکردہ لائف انشورنس کمپنیوں میں اپنا مقام برقرار رکھے اور آنے والے سالوں میں اپنی مارکیٹ پوزیشن کو مزید بہتر بنانے میں کامیاب رہے۔

کمپنی کی جانب سے، اس کی ترقی اور نشوونما کیلئے کمپنی کے قابل اور قابل احترام آفیسروں، عملے اور تقسیم کار چینلز کا خراج تحسین پیش کرنا چاہوں گا۔ مسلسل تعاون اور رہنمائی کے لئے، میں ای ایف یوجنرل انشورنس لمیٹڈ کا بھی ممنون ہوں جس کے باعث کمپنی کو مارکیٹ میں ایک مستحکم موجودگی قائم کرنے کا موقع حاصل ہوا۔

رفیق آ رہیم جی

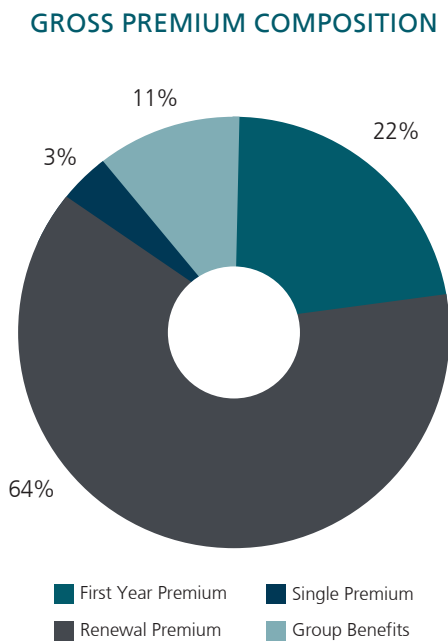


# Report of the Directors to the Members

The Directors of your Company are pleased to present to you the Twenty Eighth Annual Report of the Company for the year ended 31 December 2019.

**Business Performance:**

Your Company achieved a gross premium (including Takaful contributions) of Rs. 31.75 billion (2018: 30.79 billion). The gross premium composition was as follows:



Individual Life regular premiums (including Takaful contributions) grew by 9%, achieving a total premium of Rs.27.45 billion (2018: Rs. 25.18 billion).

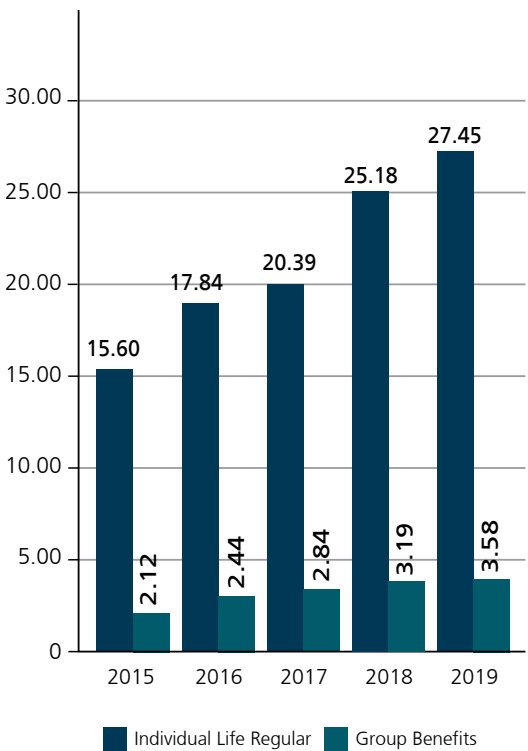
Individual life New Business reached a premium of Rs. 6.99 billion (2018: 6.85 billion). Both individual life distribution channels, Sales Force and Bancassurance, have contributed to the new business.

Renewal premium is the life line of individual life business and grew to Rs. 20.45 billion (2018: Rs. 18.33 billion), with a growth of 11.55%. The Company continues to lay significant focus on client retention for both Sale Force and Bancassurance channels, the latter especially demonstrating a good improvement in persistency during the year.

Group Benefits achieved a gross premium, including Takaful contributions, of Rs. 3.58 billion (2018: Rs 3.19 billion), registering a growth of 12.48%.

Over the last 5 years, the Gross Premium growth has followed an increasing trend as follows (including Takaful contributions):

**GROSS PREMIUM GROWTH  
5 YEAR SUMMARY**  
(Individual Life Regular Premium & Group Benefits)  
(Rupees in Billions)



Single Premium was Rs. 950.8 million (2018: 2.59 billion).

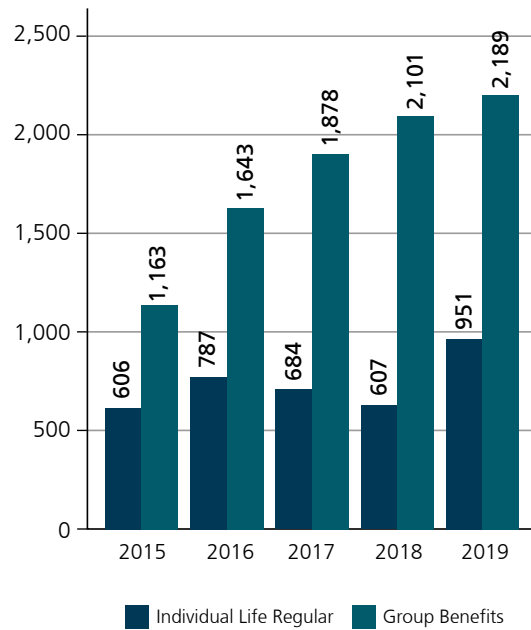
The Window Takaful Operations of the Company, Hemayah, have continued to show good growth. During 2019, the company achieved an Individual Family takaful new business of Rs. 1.77 billion (2018: 1.43 billion), a growth of 24%. For Group Family Takaful, the Company recorded a business of Rs. 326 million (2018: 224 million), a growth of 46% The Company expects this line of business to continue its growth trajectory during 2020.

**Claim payments:**

Efficient claims settlement is one of the core principles of the Company. In 2019, the Company settled total death and disability claims of Rs. 3.14 billion (2018: 2.71 billion), an increase of 16%. Out of this, Individual Life claims were

Rs. 951 million and Group Life claims amounted to Rs. 2.19 billion

GROSS DEATH & DISABILITY CLAIMS  
5 YEAR SUMMARY  
(Rupees in Millions)



Investment Performance:

The Company follows a prudent and pro-active approach for investment management. Following on from 2017 and 2018, 2019 saw significant volatility as the PSX-100 fell from its peak in January to a multi-year low in August, and subsequently recovered to post a 9.9% return for the calendar year. The Policy Rate was raised to 13.25% amidst other economic stabilization measures, the effects of which will materialize over the next few years. The Company repositioned its strategy in 2019 to minimize volatility and earn reasonable returns going forward.

The net asset value of all unit linked funds under management increased from Rs. 104 billion to Rs. 114 in 2019, a growth of 9.6%. At the same time, Net Investment Income was Rs. 7.09 Billion, significantly improving from 2018.

This net asset value of funds under management continues to place your Company amongst the leading asset managers in Pakistan. The Company offers the following funds to its clients, varying by the investment strategy and risk appetite of the clients:

For Conventional unit linked business:

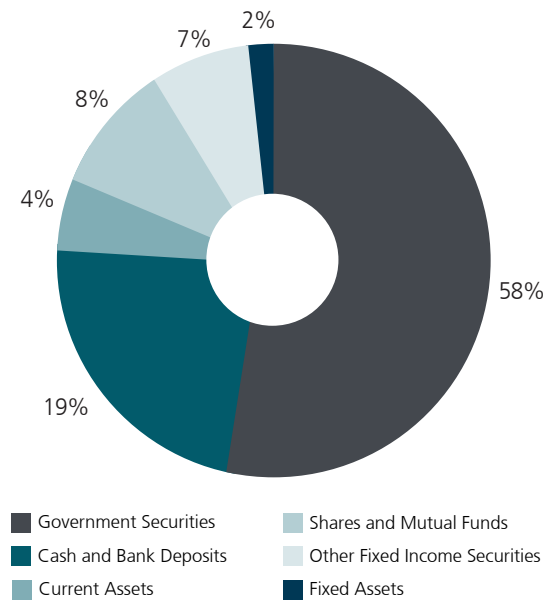
- Managed Growth Fund
- Guaranteed Growth Fund
- Aitemad Growth Fund
- Aggressive Fund

For Takaful unit linked business:

- Takaful Growth Fund
- Takaful Aggressive Fund
- Takaful Conservative Fund

The Company has a strong balance sheet size with total assets of Rs. 129.28 billion (2018: Rs. 116.76 Billion), a growth of 10.72%. The composition of assets is as follows:

ASSETS COMPOSITION



Profitability:

During the year, the Company's statutory funds generated a surplus of Rs. 2.08 billion.

Out of this surplus, Rs.1.96 billion was transferred to the Shareholders' Fund after retaining the amount necessary



to meet 100% Solvency Margin requirement. Your Company made an after-tax profit of Rs.1.55 billion.

### Earnings Per Share

The earnings per share for the year was Rs.15.49 (2018: Rs.15.46)

### Appropriation and Dividend:

Your Directors have pleasure in recommending a dividend of Rs. 10.50 (105%) per share to the Shareholders of the Company whose names appear in the Share Register of the Company at the close of business on 20/03/2020. This cash dividend is in addition to interim cash dividend of Rs.4.50 per share (45%) declared during the year.

	Rupees '000
The amount available for appropriation is:	
Amount brought forward	
from previous year	65,648
Profit after tax for the year	1,546,302
Capital Contribution-	
Window Family Takaful	(12,809)
Retained Earnings on Account of	
Ledger D - Solvency Margin	(170,707)
Amount available for appropriation	1,428,434
Interim Dividend for 2018	
@ 37.5% (2017: 37.5%)	375,000
Final cash dividend for 2018	
@ 112.5 % (2017: 112.5%)	1,125,000
Transfer to general reserve	(150,000)
	<u>1,350,000</u>
Unappropriated profit	
Carried forward	78,434
Profit after tax for the year	1,549,264
Capital Contribution -	
Window Family Takaful	(106,503)
Retained Earnings on Account	
of Ledger D - Solvency Margin	55,225
Available for appropriation	1,576,420
The Directors recommend that	
this amount to be appropriated	
in the following manner	
Interim Dividend for 2019	
@ 4.5% (2018: 37.5%)	(450,000)
Proposed Final Dividend	(1,050,000)
	<u>(1500,000)</u>
	<u>76,420</u>

### Market Share:

Based on the figures compiled by the Insurance Association of Pakistan as of 30 September 2019 the Company has a market share of 22% in the private life insurance sector companies based on the gross premium income.

### Increasing outreach:

Pakistan offers tremendous opportunity longer term for growth of life insurance due to its low insurance penetration, a growing middle class and over 60% of the population under the age of 25 years. The various socio-economic segments are catered to via a wide range of protection and savings solutions.

The Company has a robust product range covering key financial planning needs and focusing on the main segments of the society - ranging from micro segment up to the high net worth segment. The Company's product range offers conventional and takaful products which focus on the needs of savings and wealth accumulation, child education and marriage, retirement planning, as well as protection. For the micro insurance segment, the company focuses on protection solutions such as term life, personal accident and hospital cash.

The Company continued to consolidate its product range by enhancing the existing menu offered through the Sales Force as well as bancassurance partners. In addition, the Company strengthened its presence in the mass market and inclusive insurance segments, and launched innovative financial solutions and distribution models with telecommunication companies, branchless banks, microfinance institutions and technology platforms.

The Company has various distribution channels for its two main lines of businesses - Individual Life and Group Life. For its Individual Life business, the Company utilizes the Agency Sales Force and Bancassurance channels. As part of the Agency Sales Force, the Company also has a dedicated team for Takaful.

For its Group Lifeline of business, the Company utilizes its dedicated marketing team, commercial banks, and other intermediaries such as telecommunication companies, Branchless Banks, MFIs and MFBs, as well as digital and payment platforms.

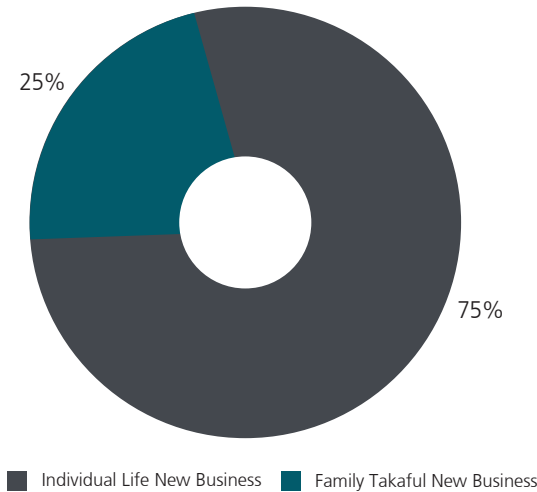
The Company has an individual life branch network of over 200 locations across the country, including dedicated

branches for Takaful. For Bancassurance, the Company has a partnership with 17 banks.

**Family Takaful:**

The Company's Window Takaful Operations, Hemayah, continued to expand in 2019 offering a full range of takaful products, being distributed through its individual life and takaful sales force, bank partners and group benefits setup. 2019 is the fifth year of Window Takaful Operations.

During 2019, the new business contribution of takaful in the total Individual Life/Family takaful segment was as follows:



The Company is very positive about the future growth and potential of Takaful business and expects this line of business to contribute positively to the top line as well as bottom line.

**Critical performance measures:**

The Company, over the years has evaluated its performance on the following key defined measures:

- Growth in premium for each line of business
- Number of lives insured
- Persistency of individual life business by distribution channel
- Loss ratio analysis for short term business
- Expense ratios and trends
- Mortality and morbidity experience
- Growth in profitability for each line of business

The Company expects these parameters to be relevant for future as well and will continue its internal performance measurement based on these criteria.

**Insurer Financial Strength Rating:**

The Company has an IFS rating of AA+ (Outlook: Stable) by VIS Credit Rating Agency. The rating takes into account the Company's strong capitalization level vis-à-vis the nature of risks underwritten and the very high capacity to meet policyholders' obligations. The rating is also a confirmation of the fact that the Company is on a strong financial footing and is one of the leading life insurers in terms of long-term sustainable business strategies, innovative products, superior systems and IT infrastructure, satisfied clients and prudent investment policies resulting in good medium to long term returns to our clients.

**Awards and Achievements:**

Your Company's performance and market leadership was recognized by various independent entities during the year. The Company received the following prestigious awards during 2019:

- 'Best Life Insurance Company' at Consumer Choice Award 2019 for the 11th Consecutive time, for excellence in management practice and services quality.
- 'Certificate of Excellence' in the insurance sector by Management Association of Pakistan for the 9th consecutive time.
- Blue and Gold Dragon at Dragons of Asia for 'Best Campaign by Country' and the Golden Dragon award for 'Best use of Media' for its Digital webseries 'Humrahi'.
- 'Best Insurance Tech of the Year' at Pakistan Digi Awards for the Chatbot.
- 'Health & Safety Award' at International Environment Health & Safety Award.
- 'CSR Award 2019' in the category of Social Impact in recognition of the company's efforts in the areas of health, education and environment.

**Operational Efficiency and Technology:**

The Company has a strong focus on creating Operational efficiencies using technology as an enabler. Some key developments during 2019 are as follows:

The Company launched "Pakistan's First IBM RPA insurance implementation" as a revolutionary stride in digitization of internal processes, thus increasing operational efficiency many times over resulting in far superior and enriching customer experience.

The Branch infrastructure continued to be upgraded during 2019 and now more than 100 locations are in the Smart



Branch category with centrally managed services to enhance user performance and to provide better services. Moreover, critical branches have been deployed with redundant fiber connectivity to increase their uptime and manage their auto fail-over.

In today's digital age, the internet users are highly connected. As more devices and apps deliver instant gratification, the more it sets new standards for customer expectations. The Company launched the first chatbot in the insurance industry, 'EFU LifeBot', on the Facebook platform. 'EFU LifeBot' is a virtual assistant and provides automated responses, creating a better service experience for its clients. It allows for customers to access their policy details, view and pay their policy premium online through debit or credit card.

The Company is in process of implementing & certification of ISO 27001:2013, - a specification for an information security management system (ISMS). An ISMS is a framework of policies and procedures which have been developed, includes all legal, physical and technical controls involved in an organization's information risk management processes.

The Company continued to consolidate the services provided by its Tier III compliance level state of the art Data Center. The Company achieved 99% uptime for the data center providing uninterrupted services to its various internal and external customers.

The Oracle Database 12c is a high-performance, enterprise-class database "the first database designed for the Cloud." The Company has upgraded its databases on Oracle 12c, which fulfill all requirements of next level advance technologies based on cloud.

#### Human Resource Management:

Your Company continued to keep central to its people strategies the belief that, investing in developing and motivating staff plays a pivotal role in their positive contribution to the current and future success of the Company. During 2019, the Company continued to focus on the career development of its professional life insurance management team. Our staff includes experienced insurance sales personnel, accountants, IT professionals, underwriters, medical doctors, lawyers, business management graduates and actuaries, to name a few.

The Company actively supports its staff to acquire relevant professional qualifications and has in place career programs linked to international professional bodies in the field of actuarial science, finance, accounting, underwriting and claims management.

The Company has in place a succession plan for key individuals of the management team. Building upon the initiatives undertaken in 2018, 2019 saw further development in building capacities at the middle management level and in reinforcement of managerial and leadership capacity. The new performance management system introduced in 2018 proceeded to mature in 2019 with its key emphasis on providing timely and transparent feedback and ensuring productivity. A key development in this regard was the development of a comprehensive Management Development Program (MDP) scheduled for rollout in 2020.

Your Company continues to build and strengthen relationships with Universities and Colleges and professional services providers to maintain the strength of our talent pipeline and inductions. Key initiatives were also taken to ensure that the EFU Life Assurance name continues to be rated amongst the employers of choice for fresh talent. We are also now a popular destination for job seekers on social media, LinkedIn and we are rated highly on Glassdoor.

Capacity enhancement and learning and development activities continued to build upon the progress made over the past two years. Our comprehensive capacity enhancement initiatives were expanded to include senior management and leadership development roles.

The Company conducting employee engagement activities throughout the year to ensure that our team remained motivated, productive and engaged with the Company. Additionally, our employee wellness programs were expanded to include initiatives on the physical, mental and emotional wellness and wellbeing of our employees.

#### Environment:

The Company has consciously invested in technology to reduce the usage of paper in its offices. The Enterprise Content Management technology from IBM FileNet has over time expanded into key functions of the Company, to digitalize paper documents and automate business processes and operational workflows (BPM). The Company has a keen eye on ensuring that the work environment

stays green. Due to this system, the Company has minimized the usage of filing cabinets, shelves, physical space, paper documents and files which eventually cause paper-pollution and deforestation; thus, creating a positive impact on the green house environment which exacerbates global warming.

#### **Capital Management and Liquidity:**

The Company has adequate capital to support its existing operations. The Company's paid up capital of Rs. 1 billion is the highest in the private life insurance sector.

The Company's liquidity position also remained very strong with cash and cash equivalents at the end of 2019 of Rs. 25.3 billion (2018: Rs. 19.8 billion).

#### **Related Party Transaction:**

At each Board meeting the Board of Directors approve the Company's transactions made with Associated Companies and Related Parties. All such transactions are executed on arm's length basis.

#### **Internal Audit function:**

The Board is responsible for effective implementation of a sound internal control system including compliance with control procedures. The Audit Committee is assisted by the Internal Auditor in reviewing the adequacy of operational controls and in monitoring and managing risks to provide reasonable assurance that such system continues to operate satisfactorily and effectively in the Company and to add value and improve the Company's operations by providing independent and objective assurance. The principal responsibility of the Internal Auditor is to conduct periodic audits and to ensure adequacy in operational controls, consistency in application of policies and procedures, compliance with laws and regulations.

As part of Corporate Governance, your Company has Underwriting Committee, Claims Settlement Committee, Reinsurance Committee, Risk Management and Compliance Committee.

#### **Risks to business:**

Business risks and mitigation factors are described in detail on page (xx) of this Annual Report.

#### **CSR Initiatives:**

The Company, during 2019, continued to focus on three key areas for developing sustainable projects for community development - education, health and environment. We encourage our employees to volunteer regularly and are continuously exploring avenues for empowering individuals to become resourceful individuals of the community.

The key CSR initiatives during 2019 are as follows:

##### **Meri Shaan Mera Pakistan:**

Giving back to the community is at the heart of EFU Life operations with 'Meri Shaan Mera Pakistan' ongoing campaign. EFU Life supported more than twenty organizations in the year 2019 for a greener, more educated, healthier Pakistan and preservation of colonial heritage.

##### **'The Green Future Starts with You'**

In celebration of 2019 Insurance Day, EFU Life carried out a "Tree Plantation Drive" and partnered with Urban Forest. Employees attended a session to create awareness about urban forest and to contribute towards an eco-friendly environment before going to the Urban Forest park and planting over 470 trees.

##### **'Join Hands for a Life' Social Media Campaign:**

EFU Life has been running a Social Media Campaign for more than five years to create awareness and raise funds for various NGO's. The Company donated Rs.10 for every Like, Comment and Share on its Social Media pages. EFU Life Social Media Campaign in 2019 supported The Sindh Institute of Urology & Transplantation, Layton Rahmatullah Benevolent Trust, Family Educational Services Foundation and Network of Organisations Working for People With Disabilities Pakistan.

##### **Network Organisations Working for People With Disabilities Pakistan:**

An event was organized by EFU Life and Network of Organisations Working for People With Disabilities Pakistan in which three rickshaws were donated to the beneficiaries. The rickshaw distribution was part of the Rickshaw Project which aims to make underprivileged an inclusive part of the mainstream society. The event was part of the campaign 'Join Hands for a Life' during the month of Ramadan.



#### **Dar-ul-sukoon:**

During the month of Ramadan, there was a campaign that ran simultaneously with 'Join Hands for a Life' campaign at the Head Office, Dar-ul-Sukun 'Reuse:Donate to Dar-ul-Sukun' Campaign. Reusable and recyclable items were donated by employees to Dar-ul-Sukun, in addition to financial donations.

#### **Omar Sana Foundation:**

The Company also supported Omar Sana Foundation during Ramadan for Thalassemia patients and their families.

#### **World Blood Donor Day:**

To commemorate the World Blood Donor Day, EFU Life Assurance Ltd. hosted a Blood Donation Camp, 'Give Blood, Share a Life' at the Head Office with Burhani Blood Bank & Thalassemia Centre.

#### **The Citizens Foundation:**

EFU Life and The Citizens Foundation (TCF) have joined hands since 2012 to support the cause of education for the less privileged children in Pakistan through The Citizen's Foundation's "Education Program". As part of our collaboration with TCF, EFU Life will donate Rs. 50 to TCF for every Education Plan sold through Individual Life and Bancassurance sales channels in both Conventional and Takaful business.

In addition to the financial contribution to TCF, the employees of the Company actively participate in the TCF Rahbar and Baghbaan Program.

#### **Family Educational Services Foundation:**

Employees of EFU Life volunteered for a day at the Deaf Reach Karachi Campus. Employees helped FESF teachers in various activities for Independence Day celebration, served meals to students and brought bags of school supplies for each and every student.

EFU Life also partnered and sponsored "Walk for Shoes" for Family Educational Services Foundation (FESF) in support of providing shoes for the underprivileged deaf students of Deaf Reach Schools in Pakistan. In addition, EFU Life sponsored six students by paying their tuition fee for one year.

#### **Layton Rahmatullah Benevolent Trust:**

LRBT and EFU Life joined hands to celebrate World Sight

Day. EFU Life and its employees donated to raise funds for LRBT to celebrate World Sight Day. LRBT professionals conducted an awareness session at EFU Life on how to best take care of your eyes. Employees and donors attended the session wearing their colorful world sight day band to show their support to LRBT's World Sight Day celebration.

#### **Business Ethics, Consumer Protection and anti-corruption measures**

The Board has adopted the statement of ethics and business practices. All employees are informed of this statement and are required to observe these rules of conduct in relation to business and regulations. Statement of Ethics and business practices are based on integrity, dignity, culture of excellence and ethical dealing with clients, peers and the public.

#### **Relationship with other Stakeholders**

Your Company strives to maintain good relationship with:

- Its employees by providing a positive work environment
- Its clients through building trust and providing quality service
- The business community through honest and fair dealing
- The Government through promoting free enterprise along with competitive market system and complying with all applicable laws; and
- Society in general through providing safe and healthy workplace and provide employees the opportunity to improve their skills

#### **Contribution to National Exchequer**

Your Company contributes substantially to the national economy in terms of taxes and duties and the contribution is increasing as the company grows. This year the Company contributed Rs.1,457 million to the national exchequer in the form of Income Tax, Federal Excise Duty, Sales Tax, stamp duty etc.

#### **Compliance with Code of Corporate Governance**

The requirements of the Code of Corporate Governance set out by the regulatory authorities have been duly complied with. A statement to this effect is annexed with the report.

The Directors of your Company were elected at the Extra Ordinary General Meeting held on June 20, 2017 for a term of three years expiring on June 21, 2020.

The number of meeting attended by each Director is given hereunder:

Sr. No	Name of Directors	Number of meetings attended
1.	Rafique R Bhimjee	4 out of 4
2.	Saifuddin N Zoomkawala	4 out of 4
3.	Taher G Sachak	4 out of 4
4.	Ali Raza Siddiqui	2 out of 4
5.	Muneer R Bhimjee	4 out of 4
6.	Hasanali Abdullah	3 out of 4
7.	Heinz Walter Dollberg	3 out of 4
8.	Salman Rashid	4 out of 4
9.	Rukhsana Shah	1 out of 2
	Kamal Afsar (Deceased)	0 out of 1

### Board Committees

Your Company maintains the following three Board Committees.

#### Audit Committee:

The Board is responsible for effective implementation of a sound internal control system including compliance with control procedures. The Audit Committee is assisted by the Internal Auditor in reviewing the adequacy of operational controls and in monitoring and managing risks to provide reasonable assurance that such system continues to operate satisfactorily and effectively in the Company and to add value and improve the Company's operations by providing independent and objective assurance. The principal responsibility of the Internal Auditor is to conduct periodic audit to ensure adequacy in operational controls, consistency in application of policies and procedures, compliance with the laws and regulations. The Committee comprises of the following members:

1. Rukhsana Shah (Chairperson)
2. Saifuddin N Zoomkawala
3. Muneer R Bhimjee
4. Hasanali Abdullah
5. Ali Raza Siddiqui

#### Investment Committee

The Company has a Board level Investment Committee that meets on by-monthly basis to review the investment portfolio. The Committee is also responsible for developing the investment policy for the various funds managed by the Company. The Committee comprises of the following members:

1. Rafique R Bhimjee (Chairman)
2. Saifuddin N Zoomkawala
3. Taher G Sachak

4. Hasanali Abdullah
5. Omer Morshed - Appointed Actuary
6. S. Shahid Abbas - Management Executive
7. Mohammed Ali Ahmed - Management Executive
8. S. Mohammed Owais - Management Executive

### Ethics, HR & Remuneration Committee

The Committee is responsible for recommending to the Board resource management policies of the Company as well as selection, evaluation and compensation of the key officers of the Company. The Committee comprises of the following members:

1. Rukhsana Shah (Chairperson)
2. Rafique R Bhimjee
3. Saifuddin N Zoomkawala
4. Taher G Sachak

### Management Committees:

As part of Corporate Governance, your Company maintains following four Management Committees which meet at least once every quarter:

- Underwriting Committee
- Claim Settlement Committee
- Reinsurance Committee
- Risk Management and Compliance Committee

### Corporate and Financial Reporting Framework

- a) The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flow and changes in equity.
- b) Proper books of accounts have been maintained by the Company.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) The International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- e) System of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon 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 listing regulations.
- h) The key operating and financial data for the last six years is annexed.



- i) The value of investments of provident and pension funds based on their un-audited accounts as on December 31, 2019 were the following:

Provident Fund	Rs. 375 Million
Pension Fund	Rs. 225 Million

The value of investments includes accrued interest.

- j) Trading of Shares by Chief Executive, Directors, Chief Financial Officer, Company Secretary, their spouses and minor children and Substantial Shareholder:

1ST OCTOBER 2019 TO 31ST DECEMBER 2019

<u>PURCHASE OF SHARES</u>	<u>No. Of Shares</u>
EFU General Insurance Ltd.	88,900
Mr. Hasanali Abdullah	50,000
Mrs. Rehana Salman	40,000
<u>SALE OF SHARES</u>	<u>No. Of Shares</u>
Mr. Saifuddin Zoomkawala	5,000

- k) The statement of shareholding in the Company as at 31 December 2019 is included with the Report.

Our external auditors' KPMG Taseer Hadi & Co. Chartered Accountants completed their tenure of five years as of 31st December 2018 which is the maximum period allowed as per CCG for Insurers. One-year extension was obtained for the year 2019 from SECP to have same auditor, KPMG Taseer Hadi & Co. Chartered Accountants as our holding company, EFU General Insurance Limited in pursuance to the requirement of CCG that all inter-related companies/institutions, engaged in business of providing financial services shall appoint the same firm of auditors to conduct the audit of their accounts.

Due to the same reason, the Board has recommended the appointment of KPMG Taseer Hadi & Co. Chartered Accountants for the year ended December 31st, 2020 because they are the auditor of EFU General Insurance Limited subject to the approval of SECP for further extension.

#### Future Outlook of the industry:

Your Company continues to maintain a positive outlook on the next 5 years of the life insurance and family takaful industry. With a significant focus on Financial inclusion, the distribution channels and their effective utilization will

continue to be the primary driving force resulting in an increased insurance penetration and expansion of the financial protection safety net. At the same time, alternative mass market channels focusing on including a larger number of lives under the insurance net will continue to be explored by the companies, as part of the Government's National Financial Inclusion Strategy, using technology as an enabler and a means to an end. With the expansion of the distribution channels, the Company expects the industry players to focus more on improving the productivity.

The Company is optimistic about the growth of Takaful business and expects takaful outreach to expand and contribute positively in increasing the size of the insurance pie. The Company expects investments in enhancing the technology base for back-end operations and for front-end sales and services to clients.

#### Acknowledgements:

We wish to recognize and place on record our appreciation of the contribution made by our Appointed Actuary Mr. Omer Morshed for his invaluable advice on the overall strategy of the Company.

We would also like to record our appreciation and gratitude to Munich Re who are your Company's main reinsurers and who continue to provide full support to your Company.

Our gratitude is also due to EFU General Insurance Ltd. for their continuous support and guidance, which has enabled the Company to establish a strong presence in the market.

The Directors wish to record their appreciation for the tremendous contribution made by the able and eminent officers, staff and field force of the Company towards its development and growth. Their continuous commitment to high ethical standards, client service and hard work has helped your Company emerge and maintain its position as a leading player amongst the private sector life insurers.

Finally, we would like to thank our clients for the confidence expressed in us and also to the Insurance Division of the Securities and Exchange Commission of Pakistan for their guidance, co-operation and understanding extended to us throughout the year.

TAHER G. SACHAK  
Managing Director &  
Chief Executive

HASANALI ABDULLAH  
Director

MUNEER R. BHIMJEE  
Director

RAFIQUE R. BHIMJEE  
Chairman

Karachi February 07, 2020

(ز) کارپوریٹ گورننس کے بہترین طریقہ ہائے کار سے، جن کی تفصیل ریگولیشنز میں دی گئی ہے، کہیں بھی کوئی مادی اختلاف نہیں کیا گیا ہے؛

(ح) پچھلے چھ سالوں کا کلیدی آپریٹنگ اور مالیاتی مواد منسلک ہے؛

(ط) ۳۱ دسمبر ۲۰۱۹ء کو غیر آڈٹ شدہ کھاتوں کی بنیاد پر، پروویڈنٹ اور پنشن فنڈز کی سرمایہ کاری کی قدر درج ذیل رہی:

پروویڈنٹ فنڈ	375 ملین روپے
پنشن فنڈ	225 ملین روپے

سرمایوں کی اس قدر میں ان رقم پر حاصل ہونے والا سود شامل ہے۔

(ی) چیف ایگزیکٹو، ڈائریکٹرز، چیف فنانس آفیسر، کمپنی سیکریٹری، ان کے زوج اور اطفال اور حقیقی حصص کنندگان کی جانب سے حصص کی تجارت:

پہلی اکتوبر ۲۰۱۹ء سے ۳۱ دسمبر ۲۰۱۹ء تک

حصص کی خرید	حصص کی تعداد
ای ایف یو جنرل انشورنس لمیٹڈ	88,900
جناب حسن علی عبداللہ	50,000
مسز رحمانہ سلمان	40,000
حصص کی فروخت	حصص کی تعداد
جناب سیف الدین امین - زومکا والا	5,000

(ک) ۳۱ دسمبر ۲۰۱۹ء کو کمپنی میں شیئر ہولڈنگ کا بیان رپورٹ میں شامل ہے۔

ہمارے ایکسٹرنل آڈیٹرز کے پی ایم جی تا شیر ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے ۳۱ دسمبر ۲۰۱۸ء کو اپنی پانچ سالہ مدت مکمل کر لی تھی جو انشوررز کیلئے سی سی جی کے مطابق مزید زیادہ سے زیادہ مدت ہے۔ ایس ای سی پی سے سال ۲۰۱۹ء کے لئے انی آڈیٹرز یعنی کے پی ایم جی تا شیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی ہماری ہولڈنگ کمپنی کے طور پر ایک سال توسیع کی اجازت حاصل کی گئی۔ ای ایف یو جنرل انشورنس لمیٹڈ سی سی جی کی شرائط کے مطابق عمل کرتی ہے کہ تمام منسلک کمپنیاں/انسٹی ٹیوشنز جو مالیاتی سروسز کی فراہمی کا کاروبار کر رہی ہیں اپنے اکاؤنٹس کے آڈٹ کے لئے آڈیٹرز کی اسی فرم کا تقرر کریں گی۔

اسی وجہ سے بورڈ نے کے پی ایم جی تا شیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی ۳۱ دسمبر ۲۰۲۰ء کو ختم ہونے والے سال کے لئے تقرری کی سفارش کی ہے کیونکہ وہ ای ایف یو جنرل انشورنس لمیٹڈ کے ایس ای سی پی کی منظوری کے تحت مزید توسیع کے لئے بھی آڈیٹرز مقرر کئے گئے ہیں

## انڈسٹری کے مستقبل پر نظر

آپ کی کمپنی لائف انشورنس اور فیملی کفالت انڈسٹری کے آئندہ 5 سال کیلئے مثبت جائزہ برقرار رکھنے کیلئے پُر عزم ہے۔ مالیاتی شمولیت پر خصوصی توجہ کے ساتھ ڈسٹری بیوشن چیلنجز اور ان کا موثر استعمال بنیادی امور چلانے کی قوت کے طور پر جاری رہے گا جس کے نتیجے میں بیمہ کے کاروبار میں اضافے اور مالی تحفظ کے سیٹھی کا دائرہ کار توسیع پذیر ہوگا۔ اس کے ساتھ متبادل عمومی مارکیٹ کے چیلنجز بیمہ دائرہ کار کے تحت وسیع تر زندگیوں کو شامل کرنے پر توجہ دے رہے ہیں اور کمپنیوں کے ذریعے حکومت کی نیشنل فنانشل انکلوژن اسٹریٹجی کے حصے کے طور پر ٹیکنالوجی کو ایک اہم ضرورت کے طور پر استعمال کرتے ہوئے یہ سلسلہ برقرار رہے گا۔ ڈسٹری بیوشن چیلنجز کی توسیع کے ساتھ کمپنی کو توقع ہے کہ صنعت میں موجود کمپنیاں اپنی صلاحیت اور کارکردگی بہتر بنانے پر بھی مزید توجہ دیں گی۔

کمپنی کفالت کاروبار کے فروغ کے بارے میں پُر عزم ہے اور توقع ہے کہ کفالت کا پھیلاؤ مزید بڑھے گا اور مثبت طور پر بیمہ کی صنعت کا حجم بڑھانے میں اپنا کردار ادا کرے گا۔ کمپنی کو توقع ہے کہ سرمایہ کاری میں اضافہ بینک - اینڈ آرپریٹرز اور فرنٹ - اینڈ میگزسمینٹ کلائنٹس کیلئے خدمات کے سلسلے میں ٹیکنالوجی کی بنیاد کو مضبوط بنائے گا۔

## اظہار تشکر

کمپنی کی جملہ حکمت عملی پر اپنے قابل قدر مشورے کیلئے اور ان کے کردار کیلئے ہم اپنے مقرر کردہ انکچر ری جناب عمر مرشد کے مشکور و ممنون ہیں۔

ہم میونخ رے آف جرمنی کے بھی ممنون اور شکر گزار ہیں جو آپ کی کمپنی کے اصل ری انشوررز ہیں اور جنہوں نے آپ کی کمپنی کو مکمل حمایت فراہم کرنا جاری رکھا۔

ای ایف یو جنرل انشورنس لمیٹڈ بھی شکریہ کے حقدار ہیں جنہوں نے کمپنی کو مسلسل اپنی حمایت اور رہنمائی فراہم کی جس باعث کمپنی کو مارکیٹ میں ایک مستحکم مقام حاصل کرنے کا موقع میسر آیا۔

کمپنی کے نامور اور قابل آفیسرز، ملے اور فیلڈ فورس کی طرف سے، کمپنی کی نشوونما اور فروغ کیلئے، ان کی قابل قدر اور زبردست شراکت کیلئے، کمپنی کے ڈائریکٹرز کلمہ ہائے تحسین قلمبند کرنا چاہیں گے۔ ان کی اعلیٰ اخلاقی اقدار سے مسلسل وابستگی، صارف کو دی جانے والی خدمات اور جانفشانی اور محنت سے کام کرنے کے باعث آپ کی کمپنی کو ابھر کر سامنے آنے میں مدد دی اور فنی شعبے کے بیمہ داروں کے درمیان ایک شفاف مارکیٹ لیڈر کی حیثیت سے اس کو برقرار رکھا۔

آخر میں، ہم اپنے صارفین کا شکریہ ادا کرتے ہیں جنہوں نے ہم پر اپنے بھروسے کا اظہار کیا اور سیکورٹیز اینڈ انکسچین کمیشن آف پاکستان کے انشورنس ڈویژن کے بھی شکر گزار ہیں جنہوں نے پورے سال ہمیں مناسب رہنمائی اور تعاون فراہم کیا۔

رفیق آر۔ بھیم جی  
چیئر مین

منیر آر۔ بھیم جی  
ڈائریکٹر

حسن علی عبداللہ  
ڈائریکٹر

طاہر جی۔ ساچک  
ٹیٹنگ ڈائریکٹر چیف ایگزیکٹو

کراچی: ۷ فروری، ۲۰۲۰ء



ڈائریکٹرز نے جتنی میٹنگوں میں شرکت کی، ان کی تعداد درج ذیل ہے:

نمبر شمار	ڈائریکٹر کا نام	تعداد جن میں شرکت کی
1	رفیق آر۔ مجیم جی	4 میں سے 4
2	سیف الدین این۔ زومکا والا	4 میں سے 4
3	طاہر جی۔ ساچک	4 میں سے 4
4	علی رضا صدیقی	4 میں سے 2
5	منیر آر۔ مجیم جی	4 میں سے 4
6	حسن علی عبداللہ	4 میں سے 3
7	بہنر والٹر ڈولبرگ	4 میں سے 3
8	سید سلمان راشد	4 میں سے 4
9	رخسانہ شاہ	2 میں سے 1
10	کمال افسر (مرحوم)	1 میں سے 0

### بورڈ کمیٹی

آپ کی کمپنی درج ذیل 3 بورڈ کمیٹیاں چلاتی ہے:

### آڈٹ کمیٹی

بورڈ ایک متوازن داخلی کنٹرول سسٹم، بشمول کنٹرول کے طریقہ ہائے کار پر عمل پیرا ہونے کے موثر تحکیم کی ذمہ دار ہے۔ آڈٹ کمیٹی کو داخلی آڈیٹر آپریٹنگ کنٹرول کی موزونیت پر نظر ثانی کرنے اور خدشات پر نگاہ رکھنے اور ان کا انتظام چلانے میں مدد فراہم کرتا ہے تاکہ مناسب یقین دہانی میسر ہو جائے کہ کمپنی میں ایسا سسٹم اطمینان بخش طور پر اور موثر طور پر اور آزادانہ اور با مقصد اعتماد مہیا کر کے کمپنی کے امور کو بہتر بنانے کیلئے جاری رہتا ہے۔ داخلی آڈیٹر کی بنیادی ذمہ داری معیاری آڈٹ کرنا ہے اور آپریٹنگ کنٹرول میں موزونیت، پالیسیوں اور طریقہ ہائے کار، قوانین اور ضوابط کی پاسداری کی یقینی دہانی کرنا ہے۔ کمیٹی مندرجہ ذیل ارکان پر مشتمل ہے:

1	رخسانہ شاہ (چیئر پرسن)
2	سیف الدین این۔ زومکا والا
3	منیر آر۔ مجیم جی
4	حسن علی عبداللہ
5	علی رضا صدیقی

### سرمایہ کمیٹی

کمپنی کی ایک بورڈ کے درجے کی سرمایہ کمیٹی بھی ہے جو سرمایہ کاری پورٹ فولیو پر نظر ثانی کیلئے ہر 2 ماہ بعد جمع ہوتی ہے۔ یہ کمیٹی کمپنی کے زیر انتظام مختلف فنڈز کیلئے سرمایہ پالیسی مرتب کرنے کی بھی ذمہ دار ہے۔ کمیٹی مندرجہ ذیل ارکان پر مشتمل ہے:

1	رفیق آر۔ مجیم جی (چیئر مین)
2	سیف الدین این۔ زومکا والا
3	طاہر جی۔ ساچک

4	حسن علی عبداللہ
5	عمر مرشد۔ مقرر کئے گئے ایگزیکٹو
6	سید شاہ عباس۔ مینجمنٹ ایگزیکٹو
7	محمد علی احمد۔ مینجمنٹ ایگزیکٹو
8	سید محمد اویس۔ مینجمنٹ ایگزیکٹو

### اتھنکس، ہیومن ریسورس اور ریویو نریشن کمیٹی

یہ کمیٹی بورڈ کو کمپنی کی ریسورس مینجمنٹ کی پالیسیوں کے ساتھ ساتھ کمپنی کے کلیدی افسران کے انتخاب، ان کی کارکردگی کا تعین اور معاوضے کی سفارشات پیش کرنے کی ذمہ دار ہے۔ اس کمیٹی میں مندرجہ ذیل ارکان شامل ہیں:

1	رخسانہ شاہ (چیئر پرسن)
2	رفیق آر۔ مجیم جی
3	سیف الدین این۔ زومکا والا
4	طاہر جی۔ ساچک

### مینجمنٹ کمیٹی

کارپوریٹ گورننس سے متعلق ہونے کی وجہ سے، آپ کی کمپنی نے درج ذیل 4 مینجمنٹ کمیٹیاں قائم کی ہوئی ہیں جو ہر سہ ماہی پر کم از کم ایک مرتبہ ضرور ملتی ہیں:

- انڈر رائٹنگ کمیٹی
- کلیمز سٹیلٹ کمیٹی
- ری انشورنس کمیٹی
- ریسک مینجمنٹ اینڈ کمپلائنس کمیٹی

### کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک

(الف) کمپنی کی انتظامیہ کے تیار کردہ مالیاتی بیانات اس کے امور کو، اس کے آپریٹنگ کے نتائج، نقد رقوم کے بہاؤ اور ایکویٹی میں تبدیلیاں، واضح طور پر پیش کرتے ہیں؛

(ب) کمپنی نے تمام تر کھاتے صحیح طور پر مرتب کئے ہیں؛

(ج) مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینے مناسب اور محتاط فیصلے پر مبنی ہیں؛

(د) بین الاقوامی اکاؤنٹنگ اسٹینڈرڈز، جیسے ان کا اطلاق پاکستان میں ہوتا ہے، مالیاتی بیانات کی تیاری میں ان پر عمل کیا گیا ہے اور اگر کسی باعث کہیں ان سے اختلاف ہوا ہے تو اس کو مناسب طور پر عیاں کر دیا گیا ہے؛

(و) داخلی کنٹرول کا سسٹم اپنے ڈھانچے کے اعتبار سے کافی متوازن ہے اور موثر طور پر اطلاق شدہ اور زیر نگرانی ہے؛

(و) کمپنی کو یہ کاروبار جاری رکھنے کیلئے اس کی قابلیت کے متعلق کوئی واضح شکوک و شبہات نہیں ہیں؛

## دارال سکون

ماہ رمضان کے دوران ایک مہم ”ایک زندگی بچانے کی مشترکہ کوشش“ مہم کے ساتھ ہیڈ آفس، دارال سکون میں ”دوبارہ استعمال دارال سکون کو عطیات دیں“ مہم کے نام سے ایک ساتھ شروع کی گئی۔ دوبارہ استعمال اور ری سائیکل ہو جانے والی اشیاء کو مالیاتی عطیات کے ساتھ ساتھ دارال سکون کو ملازمین کی جانب سے عطیے میں دیا گیا۔

## عمیر ثناء فاؤنڈیشن

کمپنی نے رمضان المبارک کے دوران تحصیل سیما کے مریضوں اور ان کے خاندانوں کے لئے عمیر ثناء فاؤنڈیشن کی معاونت بھی کی۔

## خون کے عطیات کا عالمی دن

خون کے عطیے کا عالمی دن منانے کے ضمن میں ای ایف یو لائف ایسٹورنس لمیٹڈ نے ایک بلڈ ڈونیشن کمپ ”خون دیجئے ایک زندگی بچائیے“ اپنے ہیڈ آفس میں برہانی بلڈ بینک اور تحصیل سیما سینٹر کے اشتراک سے لگایا۔

## دی سٹیزنز فاؤنڈیشن

ای ایف یو لائف اور دی سٹیزنز فاؤنڈیشن (ٹی سی ایف) ۲۰۱۲ء سے پاکستان بھر میں پس ماندہ علاقوں کے بچوں میں تعلیم کے فروغ کیلئے سٹیزنز فاؤنڈیشن کے ”ایجوکیشن پروگرام“ کے ذریعے اشتراک کار کر رہے ہیں۔ ٹی سی ایف کے ساتھ ہمارے اشتراک کے حصے کے طور پر ای ایف یو لائف ٹی سی ایف کے ہر ایک ایجوکیشن پلان کیلئے ہر ایک انفرادی لائف اور بینکسٹورنس سٹز کے ذریعے کنوینشنل اور کفائل بزنس دونوں میں سے 50 روپے عطیہ دے گا۔

ٹی سی ایف کو مالی اشتراک کے علاوہ کمپنی کے ملازمین ٹی سی ایف رہبر اور باغبان پروگرام میں بھی موثر طور پر شراکت کرتے ہیں۔

## فیملی ایجوکیشنل سروسز فاؤنڈیشن

ای ایف یو لائف کے ملازمین رضا کارانہ طور پر ایک دن ڈیف ریج کراچی کیسپس میں گزارتے ہیں۔ ملازمین کے ایف ای ایس ایف اساتذہ کی یوم آزادی کی تقریبات کی مختلف سرگرمیوں میں معاونت کی، طلباء میں کھانے پینے کی اشیاء تقسیم کیں اور ہر ایک طالب علم میں اسکول کی ضروری اشیاء کے بیگز تقسیم کئے۔

ای ایف یو لائف فیملی ایجوکیشن سروسز فاؤنڈیشن (ایف ای ایس ایف) کیلئے ”واک فار شوڈ“ میں اسپانسر اور شراکت کار ہے جو پس ماندہ علاقوں کے گوتے بہرے بچوں کو پاکستان بھی میں ڈیف ریج اسکولوں میں جوتے فراہم کرنے کے سلسلے میں ہے۔ اس کے علاوہ ای ایف یو لائف ایک سال میں چھ طلباء کی ٹیوشن فیس بھی ادا کرتا ہے۔

## لیٹن رحمت اللہ بنی ولینٹ ٹرسٹ

ایل آر بی ٹی اور ای ایف یو لائف نے ”عالمی یوم بینائی“ منانے کے ضمن میں ایک دوسرے کے ساتھ تعاون کیا۔ ای ایف یو لائف اور اس کے ملازمین نے عالمی یوم بینائی کے حوالے سے ایل آر بی ٹی کیلئے فنڈز اکٹھا کرنے کی مہم چلائی۔ ایل آر بی ٹی کے پروفیشنلز نے ای ایف یو لائف میں ایک آگاہی سیشن کا انعقاد کیا کہ آپ اپنی آنکھوں کی بہترین دیکھ بھال کس طرح کر سکتے ہیں۔ ملازمین اور ڈونرز نے اس سیشن میں رنگ برنگ ورلڈ سائٹ ڈی بینڈ پہن کر شرکت کی اور ایل آر بی ٹی کی عالمی یوم بینائی کی تقریبات میں ان کے ساتھ یکجہتی و تعاون کا اظہار کیا۔

## کاروباری اخلاقیات، صارفین کا تحفظ اور انسداد بدعنوانی کیلئے اقدامات

بورڈ نے ضابطہ اخلاق کا بیان اور کاروباری طریقہ ہائے کار وضع کئے ہوئے ہیں۔ تمام ملازمین اس بیان سے آگاہ ہیں اور کاروبار اور قواعد سے متعلق ان اخلاقی قوانین پر عمل پیرا ہونے کے پابند ہیں۔ ضابطہ اخلاق کا بیان اور کاروباری طریقہ ہائے کار، صارفین، ساتھیوں اور عوام کے ساتھ، سالمیت، وقار، برتری کے کچھ اور اخلاقی طور پر معاملہ سازی پر مبنی ہیں۔

## دیگراسٹیک ہولڈرز کے ساتھ تعلقات

- آپ کی کمپنی اچھے تعلقات برقرار رکھنے کیلئے کوشاں رہتی ہے:
- اپنے ملازمین کے ساتھ ایک مثبت کام کا ماحول میسر کر کے؛
- اپنے صارفین کے ساتھ بھروسہ پیدا کر کے اور معیاری خدمت مہیا کر کے؛
- ایماندارانہ اور صاف ستھری معاملہ سازی کے ذریعے کاروباری کمیونٹی کے ساتھ؛
- حکومت کے ساتھ مسابقتی مارکیٹ سسٹم کے ساتھ آزادانہ فروغ کے ذریعے اور تمام اطلاق شدہ قوانین پر عمل کر کے؛ اور
- معاشرے کے ساتھ عمومی طور پر، محفوظ اور مستند جائے کار مہیا کر کے اور اپنے ملازمین کو اپنی صلاحیتیں بڑھانے کا موقع فراہم کر کے۔

## قومی خزانے میں حصہ

آپ کی کمپنی معقول حد تک ٹیکسوں اور ڈیوٹیوں کے ذریعے قومی معیشت میں اپنا حصہ ڈالتی ہے اور جیسے جیسے کمپنی آگے بڑھتی ہے اس حصے میں بھی اضافہ ہو رہا ہے۔ اس سال کمپنی نے ٹیکس، فیڈرل ایکسائز ڈیوٹی، سیلز ٹیکس، اسٹامپ ڈیوٹی وغیرہ کے شکل میں قومی خزانے کو 1,457 ملین روپے ادا کئے۔

## کارپوریٹ گورننس کے ضابطے کی پابندی

ریگولیٹری اتھارٹیز کے وضع کردہ کارپوریٹ گورننس کے ضابطے پر مکمل طور پر عملدرآمد کیا گیا ہے۔ اس سلسلے میں ایک بیان رپورٹ کے ساتھ منسلک ہے۔

آپ کی کمپنی کے ڈائریکٹرز کا انتخاب ۲۰ جون ۲۰۱۷ء کو منعقد ہونے والی غیر معمولی اجلاس عام میں عمل میں آیا تھا اور 3 سال کی مدت کیلئے جس کا اختتام ۲۱ جون ۲۰۲۰ء کو ہوگا۔



## کارپوریٹ کی سماجی ذمہ داری

کمپنی ۲۰۱۹ء میں عوام الناس کی بہتری کے لئے مسلسل 3 کلیدی قابل برداشت پروجیکٹس کے قیام پر توجہ مرکوز رکھتی ہے، تعلیم، صحت اور ماحول۔ ہم اپنے ملازمین کی ان پروجیکٹس میں باقاعدگی سے رضا کارانہ شمولیت کی حوصلہ افزائی کرتے ہیں اور مسلسل ایسے راستوں کی تلاش میں رہتے ہیں جن سے عام لوگوں کو اختیار حاصل ہو اور وہ عوام الناس کے لئے ذرائع رکھنے والے فرد بن سکیں۔

اس سلسلے میں اس سال کے دوران کی گئی کچھ کلیدی کاوشیں درج ذیل ہیں:

## میری شان میرا پاکستان

ای ایف یو لائف آپریشنز کے دل میں کیونٹی کو جگہ دینے کیلئے ”میری شان میرا پاکستان“ کے نام سے مہم جاری ہے۔ ای ایف یو لائف نے ۲۰۱۹ء میں سرسبز و شاداب، مزید تعلیم یافتہ اور محنتد پاکستان اور ثقافتی ورثے کے تحفظ کے لئے تنظیموں کے ساتھ تعاون کیا۔

## آپ کے ساتھ سبز مستقبل کا آغاز

۲۰۱۹ء انشورنس ڈے کی تقریب میں ای ایف یو لائف نے ”شجرکاری مہم“ شروع کی اور اربن فاریسٹ کے ساتھ شراکت داری کی۔ ملازمین نے اربن فاریسٹ کے بارے میں ایک آگاہی سیشن میں شرکت کی اور ماحولیات دوست اینوائزمنٹ کے ضمن میں اپنی بھرپور شراکت کا مظاہرہ کرتے ہوئے اربن فاریسٹ پارک کی تعمیر میں دلچسپی ظاہر کی اور 470 سے زائد درخت لگائے۔

## ایک زندگی محفوظ بنانے کے لئے مشترکہ کوشش، سوشل میڈیا مہم

ای ایف یو لائف نے 5 سے زائد سالوں کیلئے سوشل میڈیا مہمیں شروع کر رکھی ہیں تاکہ مختلف این جی اوز کے لئے فنڈ اکٹھے کرنے کے ساتھ عوام میں شعور بیدار کیا جاسکے۔ کمپنی اپن سوشل میڈیا صفحات پر ایک لائیک (Like)، کمینٹ اور شیئر کے لئے 10 روپے کا عطیہ دیتی ہے۔ ۲۰۱۹ء میں ای ایف یو لائف سوشل میڈیا مہم نے دی سندھ انسٹی ٹیوٹ آف یورولوجی اینڈ ٹرانسپائرنٹیشن، لیٹن رحمہ اللہ جینی وولنٹ ٹرسٹ، فیملی ایجوکیشنل سروسز فاؤنڈیشن اور نیٹ ورک آف آرگنائزیشنز ورکنگ فار چیلنج و دھ ڈس ایبیلیٹیز پاکستان کے ساتھ تعاون کیا۔

## نیٹ ورک آف آرگنائزیشنز ورکنگ فار چیلنج و دھ ڈس ایبیلیٹیز پاکستان

ای ایف یو لائف اور نیٹ ورک آف آرگنائزیشنز ورکنگ فار چیلنج و دھ ڈس ایبیلیٹیز پاکستان کی جانب سے ایک تقریب کا انعقاد کیا گیا جس میں جینی فیئر ریز کو 3 عدد درکش عطیہ میں دیئے گئے۔ رکش کی تقسیم کاروگرام رکش پروجیکٹ کا ایک حصہ تھا جس کا مقصد پس ماندہ طبقات کو سماج کے کارآمد حصے میں شامل کرنا تھا۔ یہ تقریب ”ایک زندگی بچانے کی مشترکہ کوشش“ مہم کا حصہ تھی جو رمضان میں کی گئی۔

کمپنی نے اس بات پر نگاہ رکھی ہوئی ہے کہ کام کا ماحول سرسبز ہے۔ اس سسٹم کی وجہ سے، کمپنی نے فائنل کمیٹیوں، شیلٹس، جگہ، کاغذی دستاویزات اور فائلوں کا استعمال بہت کم کر دیا ہے جو آخر کار کاغذی آلودگی اور درختوں کا صفایا ہونے کا سبب بنتے ہیں اور چونکہ یہ گلوبل وارمنگ میں شدت پیدا کرتی ہے چنانچہ اس طرح سے کمپنی نے سرسبز ماحول کیلئے ایک مثبت تاثر پیدا کیا ہے۔

## کمپنل مینجمنٹ اور لکویڈیٹی

کمپنی کے پاس اپنے موجودہ امور چلانے کیلئے کافی سرمایہ موجود ہے۔ کمپنی کا پیڈ اپ سرمایہ جو ایک بلین روپے ہے، بیزینس کے فنی شعبے میں سب سے زیادہ ہے۔

کمپنی کی لکویڈیٹی صورت حال بھی بہت مستحکم ہے جس میں نقد اور اس کے مساوی رقوم کا مجموعہ ۲۰۱۹ء کے اختتام پر 25.3 بلین روپے تھا (۲۰۱۸ء: 19.8 بلین روپے)۔

## متعلقہ پارٹیوں سے لین دین

ہر بورڈ میٹنگ میں بورڈ آف ڈائریکٹرز بشمول کمپنیوں اور متعلقہ پارٹیوں سے کئے گئے لین دین کی منظوری دیتے ہیں۔ ایسے تمام لین دین آرمز لینتھ کی بنیاد پر عمل میں لائے جاتے ہیں۔

## داخلی آڈٹ کا عمل

بورڈ ایک متوازن داخلی کنٹرول سسٹم، بشمول کنٹرول کے طریقہ ہائے کار پر عمل پیرا ہونے کے موثر تحکیم کی ذمہ دار ہے۔ آڈٹ کمیٹی کو داخلی آڈیٹر آپریشنل کنٹرول کی موزونیت پر نظر ثانی کرنے اور خدشات پر نگاہ رکھنے اور ان کا انتظام چلانے میں مدد فراہم کرتا ہے تاکہ مناسب یقین دہانی میسر ہو جائے کہ کمپنی میں ایسا سسٹم اطمینان بخش طور پر اور موثر طور پر اور آزادانہ اور با مقصد اعتماد مہیا کر کے کمپنی کے امور کو بہتر بنانے کیلئے جاری رہتا ہے۔ داخلی آڈیٹر کی بنیادی ذمہ داری ہے معیادی آڈٹ کرنا ہے اور آپریشنل کنٹرول میں موزونیت، پالیسیوں اور طریقہ ہائے کار، قوانین اور ضوابط کی پاسداری کی یقین دہانی کرانا ہے۔

کارپوریٹ گورننس کے ایک جڑ کے طور پر، آپ کی کمپنی کی 4 کمیٹیاں ہیں: انڈر رائٹنگ کمیٹی، بکھیر سٹیلٹ کمیٹی، ری انشورنس کمیٹی اور رسک مینجمنٹ اینڈ کمپلینس کمیٹی۔

## کاروبار کو لاحق ممکنہ خطرات

کاروبار کو لاحق ممکنہ خطرات یا اس میں کمی کے عوامل، اس سالانہ رپورٹ کے صفحہ نمبر --- پہ تفصیل سے بیان کئے گئے ہیں۔

کے لئے براچ انفراسٹرکچر مسلسل بڑھایا گیا ہے اور 100 سے زائد مقامات اسمارٹ براچ کنکری میں شامل ہیں۔ مزید برآں، اپناپ ٹائم بڑھانے کیلئے اور خود کار فیل اور کا انتظام چلانے کے لئے کئی اشد ضروری برانچوں کا زبردست قابو کنکریٹی کے ساتھ قیام عمل میں لایا گیا ہے۔

آج کے ڈیجیٹل دور میں انٹرنیٹ استعمال کرنے والے بہترین طور پر ایک دوسرے سے منسلک ہیں۔ مزید ڈاؤن لڈ اور ایپس بہتر و ہموار روابط و اطمینان کا سبب ہیں اور صارفین کی توقعات کے لئے کئے اسٹینڈرڈز طے کر رہے ہیں۔ کمپنی نے انشورنس انڈسٹری میں پہلی چیٹ بوٹ "ای ایف یو لائف بوٹ" فیس بک کے پلیٹ فارم سے متعارف کرائی۔ "ای ایف یو لائف بوٹ" ایک درجہ اول معاون ہے اور خود کار جواب فراہم کرتا ہے جس سے اس کے کلائنٹس کو بہتر سروس کا تجربہ حاصل ہوتا ہے۔ یہ صارفین کیلئے ان کی پالیسی تفصیلات، ڈیٹ اور کریڈٹ کارڈ کے ذریعے ان کی پالیسی پر یکم کی آن لائن ادائیگی تک رسائی بھی دیتا ہے۔

کمپنی ISO 27001:2013 کو نافذ کرنے اور سرٹیفیکیشن کے عمل سے گزر رہی ہے۔ یہ انفارمیشن سکیورٹی منجمنٹ سسٹم (آئی ایس ایم ایس) کیلئے ایک تصریحات ہے۔ ایک آئی ایس ایم ایس پالیسیوں اور طریقہ کار کا ایک فریم ورک ہے جو تمام قانونی، طبعی اور ٹیکنالوجیکل کنٹرولر کے ساتھ تشکیل دیا گیا ہے جو کسی بھی ادارے کے انفارمیشن خطرات سے انتظام کے ضمن میں ملوث ہو سکتے ہیں۔

کمپنی اپنے میٹر III کمپلائنس لیول کے جدید ترین ڈیٹا سینٹر کے ذریعے خدمات کا مجموعہ فراہم کرنے کا سلسلہ جاری رکھے ہوئے ہے۔ کمپنی نے اپنی اندرونی اور بیرونی صارفین کو بلا کار کاؤٹ سروسز فراہم کر کے ڈیٹا سینٹر کیلئے 99 فیصد اضافی ٹائم حاصل کیا۔

اوریکل ڈیٹا بیس 12c ایک بلند تر کارکردگی کا حامل، انٹر پرائز کلاس ڈیٹا بیس "پہلا ڈیٹا بیس تشکیل کردہ برائے کلاؤڈ" ہے۔ کمپنی نے اوریکل 12c پر اپنا ڈیٹا بیس کو اپ گریڈ کیا جو کلاؤڈ پر مشتمل اگلے مرحلے کی جدید ٹیکنالوجیز کی تمام تر ضروریات کو پورا کرتا ہے۔

### ہیومن ریسورس منجمنٹ

آپ کی کمپنی اپنے ملازمین کی حکمت عملیوں کو مرکزی اہمیت دیتی ہے کیونکہ وہ اس امر پر یقین رکھتی ہے کہ ملازمین ترقی اور فعالیت کمپنی کی موجودہ اور مستقبل کی کامیابی میں ان کی مثبت شراکت میں ایک اہم کردار ادا کرتی ہے۔ ۲۰۱۹ء کے دوران، کمپنی نے پیشہ ورانہ بیمہ حیات منجمنٹ ٹیم کی کیریئر کی ترقی پر توجہ مرکوز رکھی۔ ہمارے عملے میں تجربہ کار انشورنس سبزر کے اہلکاروں، اکاؤنٹنٹس، آئی ٹی ماہرین، بیمہ دار، طبی ڈاکٹروں، وکیلوں، بزنس منجمنٹ گریجویٹ اور انکچر ریز شامل ہیں۔

کمپنی متعلقہ پیشہ ورانہ اہلیت حال کرنے کے لئے اپنے عملے کی فعال طور پر معاونت کرتا ہے اور انکچر مل سائنس، مالیات، اکاؤنٹنگ، بیمہ داری اور کلیم منجمنٹ کے میدان میں بین الاقوامی پیشہ ورانہ اداروں سے منسلک کیریئر سے متعلق پروگرام پیش کرتا ہے۔

کمپنی انتظامی ٹیم کے کلیدی افراد کیلئے کامیابی کا ایک مقام رکھتی ہے۔ ۲۰۱۸ء میں کئے گئے اقدامات کو مزید پروان چڑھاتے ہوئے ۲۰۱۹ء میں وسطی انتظامی سطح پر ان کے مزید فروغ و ترقی کیلئے نئے اقدامات دیکھنے میں آئے اور انتظامی و قائدانہ سطح پر کئی اقدام لاگو کئے گئے۔ نیا پرفارمنس منجمنٹ سسٹم ۲۰۱۸ء میں متعارف کرایا گیا جو ۲۰۱۹ء میں بروقت اور شفاف فیڈ بیک کی فراہمی اور یقینی پیداواری صلاحیت پر کلیدی اہمیت کے ساتھ مکمل ہوا۔ اس سلسلے میں ایک نمایاں پیشہ ورفت ایک جامع منجمنٹ ڈیولپمنٹ پروگرام (ایم ڈی پی) کی تشکیل تھی جو ۲۰۲۰ء میں رول آؤٹ کیلئے شیڈیولڈ ہے۔

آپ کی کمپنی جامعات اور کالجوں کے ساتھ پیشہ ورانہ خدمات فراہم کرنے والے اداروں کے ساتھ تعلقات کا مستحکم بنانے کا سلسلہ بھی جاری رکھے ہوئے ہے تاکہ ہمارے ٹیلنٹ کی ضرورت اور بھرتیوں کی طلب کو مستحکم بنانے کا سلسلہ برقرار رہے، کلیدی اقدامات بھی کئے گئے تاکہ اس امر کو یقینی بنایا جاسکے کہ ای ایف یو لائف ایشرس کا نام فریش ٹیلنٹ کے لئے آجروں کے درمیان انتخاب میں ترجیح بن کر رہے۔ ہم اب سوشل میڈیا، لکچران پر جاب کے متلاشی افراد کے لئے ایک مقبول ترین مقام ہیں اور گلاس ڈور پر ہماری حیثیت کافی بلند ہے۔

صلاحیتوں میں اضافے اور سیکھنے و ترقی کی سرگرمیاں کارکردگی کی بنیاد پر بہتر بنائی جارہی ہیں اور دو سال سے یہ سلسلہ برقرار ہے۔ ہمارے صلاحیتوں میں اضافے کیلئے جامع اقدامات کو مزید توسیع دیتے ہوئے اس میں سینئر انتظامیہ اور لیڈرشپ ڈیولپمنٹ روڈز کو بھی شامل کیا گیا ہے۔

کمپنی سال بھر ملازمین کو مصروف رکھنے کی سرگرمیاں منعقد کرتی ہے تاکہ اس امر کو یقینی بنایا جائے کہ ہماری ٹیم فعال، متحرک، پیداواری صلاحیت سے مالا مال اور کمپنی کے ساتھ مصروف رہیں۔ مزید برآں ملازمین کی فلاح کے لئے ہمارے پروگراموں کو توسیع دیتے ہوئے اس میں طبی، ذہنی اور جذباتی رجحانات کی بہتری اور ہمارے ملازمین کی فلاح و بہبود کے اقدامات شامل کئے گئے ہیں۔

### ماحول

کمپنی نے اپنے دفاتر میں کاغذ کے استعمال کو کم سے کم کرنے کیلئے شعوری طور پر ٹیکنالوجی میں سرمایہ لگایا ہے۔ آئی بی ایم فائل نیٹ کی انٹر پرائز کونینٹ منجمنٹ ٹیکنالوجی، وقت کے ساتھ کاغذی دستاویزات کو ڈیجیٹلائز کرنے کیلئے اور کاروبار کے طریقہ ہائے کار اور جملہ آپریشنل امور ہائے کار کو خود کار کرنے کیلئے، رفتہ رفتہ کمپنی کے کلیدی امور تک پھیل



## بیمہ کردہ کی مالیاتی صلاحیت کی درجہ بندی

وی آئی ایس کریڈٹ ریٹنگ ایجنسی کی طرف سے کمپنی کو (Outlook Stable) AA+ کمپنی کی مالیاتی صلاحیت کی درجہ بندی مقرر کی گئی۔ یہ درجہ بندی کمپنی کی مستحکم سرمایہ کاری کے درجہ اور اس کے مقابلے میں بیمہ کئے گئے خطرات کی نوعیت اور بیمہ کنندگان کی فراخ نظر پورا کرنے کی بہت اعلیٰ صلاحیت کی اہمیت کو خاطر میں لاتی ہے۔ یہ درجہ بندی بھی اس حقیقت کی توثیق کرتی ہے کہ کمپنی مستحکم مالیاتی راہ پر گامزن ہے اور طویل مدتی پائیدار کاروباری حکمت عملیوں، جدید و اختراعی پروڈکٹس، بہترین نظام و آئی ٹی انفراسٹرکچر، مطمئن صارفین اور جتنا سرمایہ کاری پالیسیوں کے لحاظ سے سرکردہ لائف انشورنس کمپنیوں میں سے ایک ہے جس کے نتیجے کے طور پر ہمارے کلائنٹس بہترین وسط مدتی تا طویل مدتی منافع جات حاصل کر رہے ہیں۔

## اعزازات اور کامیابیاں

اس سال کے دوران، آپ کی کمپنی کی کارکردگی اور کاروباری قیادت کا، کئی خود مختار اداروں کی جانب سے اعتراف کیا گیا۔ ۲۰۱۹ء کے دوران کمپنی کو درج ذیل قابل فخر اور باوقار اعزازات سے نوازا گیا:

- بہترین انتظامی طریقہ کار اور سروس کے معیار میں اعزاز کیلئے مسلسل 11 ویں مرتبہ کنزیومر چوائس ایوارڈ 2019 میں "بیسٹ لائف انشورنس کمپنی"
- مینجمنٹ ایسوسی ایشن آف پاکستان کی جانب سے انشورنس سیکٹر میں مسلسل 9 ویں مرتبہ "سٹرٹیجک آف ایکسیلنس"
- ڈریکٹرز آف ایشیا میں بلیو اینڈ گولڈن ڈرگین برائے "بیسٹ ہم ہائی کنٹری" اور گولڈن ڈرگین ایوارڈ برائے "میڈیا کا بہترین استعمال" اس کی ڈیجیٹل ویب سیریز، ہمراہی کیلئے۔
- پاکستان ڈیجیٹل ایوارڈز میں چیت بوٹ کے لئے "بیسٹ انشورنس ٹیک آف دی ایئر"
- انٹرنیشنل اینوائزمنٹ، ہیلتھ اور سسٹمی ایوارڈز میں "ہیلتھ اینڈ سسٹمی ایوارڈ"
- ہیلتھ، تعلیم اور ماحولیات کے شعبوں میں کمپنی کی کاوشوں کو تسلیم کرنے کے ضمن میں سماجی اثرات کی کٹگری میں "سی ایس آر ایوارڈ 2019"۔

## ٹیکنالوجی اور اس پر عملدرآمد کی مہارتیں

کمپنی نے ٹیکنالوجی کو ایک محاذ کے طور پر استعمال کرتے ہوئے آپریٹل کارکردگی پر اپنی توجہ مرکوز رکھی۔ ۲۰۱۹ء کے دوران چند کلیدی ترقیاں درج ذیل ہیں:

کمپنی نے اندرونی کارکردگی کو ڈیجیٹل بنانے کے ضمن میں انقلابی اقدام کے طور پر "پاکستان کا پہلا آئی بی ایم۔ آر پی اے" متعارف کرایا جس سے کئی بار آپریٹل کارکردگی میں تیزی و اضافہ ہوا اور بہترین نتائج کے ساتھ صارفین کو بھی خوشگوار تجربہ ہوا۔

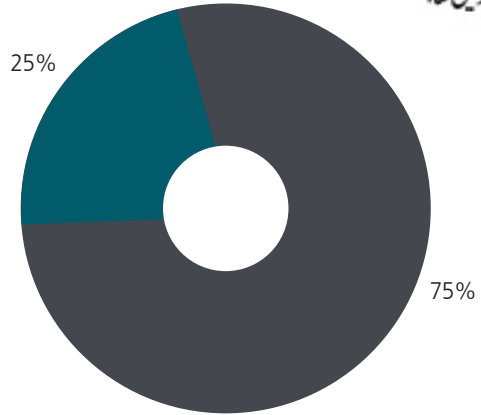
مرکزی طور پر پیش کی جانے والی خدمات کو اور بہتر کرنے کے لئے اور کارکردگی بڑھانے

بشمول ٹیکافل کیلئے وقف کردہ براؤزر۔ بینکٹورنس کیلئے کمپنی کی 17 بینکوں کے ساتھ شراکت ہے۔

## فیملی ٹیکافل

کمپنی کا ونڈو ٹیکافل آپریٹرز جمائیہ ۲۰۱۹ء میں توسیع پذیر رہا اور ٹیکافل پروڈکٹس کی مکمل رینج پیش کرتا رہا، اس کے انفرادی بیمہ زندگی اور ٹیکافل سیکورٹس، بینک شراکت داروں اور گروپ بینیفٹس سیٹ اپ کے ذریعے تقسیم جاری رہی۔ ۲۰۱۹ء ونڈو ٹیکافل آپریٹرز کا پانچواں سال ہے۔

۲۰۱۹ء کے دوران، کل انفرادی لائف / فیملی ٹیکافل کی مد میں ٹیکافل کے نئے کاروبار کا حصہ درج ذیل تھا:



Individual Life New Business Family Takaful New Business

کمپنی مستقبل میں ترقی اور ٹیکافل بزنس کے استحکام کے بارے میں انتہائی مثبت و ہمدامید ہے اور توقع ہے کہ کاروبار کی یہ لائن ٹائپ لائن سے لیکر بائیں لائن (چٹائی سطح تک) مثبت شراکت کا باعث ہوگی۔

## کارکردگی کے لئے اہم اقدامات

سال کے دوران کمپنی کئی کلیدی اقدامات کے ذریعے اپنی کارکردگی کا تعین کرتی ہے، جیسے کہ:

- کاروبار کی ہر مد کیلئے پرییمیم کی نشوونما
- بیمہ شدہ افراد کی تعداد
- تقسیم کار چارجز کے ذریعے انفرادی بیمہ زندگی کے کاروبار کا تسلسل
- قلیل مدت کاروبار کے لئے نقصان کی شرح کا تجزیہ
- اخراجات کی شرح تناسب اور رجحانات
- شرح اموات اور حالات امراض کا تجزیہ
- کاروبار کی ہر مد کیلئے منافع میں نشوونما

کمپنی مستقبل کیلئے ان عوامل کو با مقصد رہنے کی توقع رکھتی ہے اور اس کے ساتھ ساتھ اپنی داخلی کارکردگی کا اقدام اسی کسوٹی کی بنیاد پر جاری رکھے گی۔



## فی حصص آمدن

رواں سال کیلئے فی حصص آمدن 15.49 روپے رہی (۲۰۱۸ء: 15.46 روپے)۔

### مناسبت اور ڈویڈنڈ

آپ کے ڈائریکٹرز، کمپنی کے حصص کنندگان کے لئے جن کے نام ۲۰ مارچ ۲۰۲۰ء کو کاروبار کے اختتام پر کمپنی کے حصص رجسٹر میں موجود ہیں، --- روپے (فیصد) ڈویڈنڈ فی حصص کی تجویز پیش کرنے میں مسرت محسوس کرتے ہیں۔ یہ نقد ڈویڈنڈ، سال کے دوران پیش کئے گئے 4.50 روپے فی شیئر (45 فیصد) کے عبوری نقد ڈویڈنڈ کے علاوہ ہے۔

0,000 روپے

### مناسبت کیلئے دستیاب رقم:

پچھلے سال کی (اس مد میں) دستیاب رقم

سال کے لئے بعد از ٹیکس منافع

سرمائے کا حصہ۔ ونڈوفیلی کفائل

لجروڈی کے کھاتے پر حاصل آمدنی۔

قرض ادائیگی کا مارجن

مناسبت کیلئے دستیاب رقم

اعلان کردہ عبوری ڈویڈنڈ ۲۰۱۸ء

بشرح 37.5 فیصد (۲۰۱۷ء: 37.5 فیصد) 375,000

حتمی نقد ڈویڈنڈ ۲۰۱۸ء: بشرح 112.5 فیصد

(۲۰۱۷ء: 112.5 فیصد) 1,125,000

عام پس انداز یوں کو منتقلی (150,000)

1,350,000

78,434

1,549,264

(106,503)

55,225

1,576,420

پچھلے سال کی غیر مقرر رقم

بعد از ٹیکس سال رواں میں منافع

سرمائے کا حصہ۔ ونڈوفیلی کفائل

لجروڈی کے کھاتے پر حاصل آمدنی۔

قرض ادائیگی کا مارجن

مناسبت کیلئے دستیاب رقم

ڈائریکٹر حضرات نے تجویز دی ہے کہ

اس رقم کو درج ذیل طور پر مقرر کیا جائے:

اعلان کردہ عبوری ڈویڈنڈ ۲۰۱۹ء

بشرح 4.5 فیصد (۲۰۱۸ء: 37.5 فیصد) (450,000)

تجویز کردہ حتمی ڈویڈنڈ: (1,050,000)

(1,500,000)

76,420

## مارکیٹ کی شراکت

۳۰ ستمبر ۲۰۱۹ء کو انشورنس ایسوسی ایشن آف پاکستان کے مرتب کردہ اعداد و شمار کی بنیاد پر، نجی بیمہ زندگی کے شعبے سے منسلک کمپنیوں میں، ہماری کمپنی نے مجموعی پرمیٹیم کی آمدنی کے اعتبار سے مارکیٹ میں 22 فیصد حصہ ڈالا۔

## برہتی ہوئی رسائی

پاکستان اپنے کمتر بیمہ رجحان کے باعث لائف انشورنس کی گروتھ کیلئے طویل مدتی بنیاد پر شاندار مواقع فراہم کرتا ہے کیونکہ یہاں متوسط طبقہ اور 25 سال کی عمر کے اندر آبادی کی تعداد 60 فیصد سے زائد ہے۔ متعدد سماجی۔ اقتصادی شعبہ جات تحفظ اور بچت کے کئی سولوشنز کی رینج کے ذریعے یہ ضرورت پوری کرتے ہیں۔

کمپنی مائیکروسے لے کر اعلیٰ اقدار کے شعبے تک پھیلے ہوئے، کلیدی مالی منصوبہ بندی کی ضروریات پر مشتمل اور معاشرے کے نئے شعبہ جات پر توجہ مرکوز رکھتے ہوئے، زبردست پروڈکٹ رینج رکھتی ہے۔ کمپنی اپنی پروڈکٹ رینج میں روایتی اور کفائل مصنوعات پیش کرتی ہے جو بچتوں، دولت کے مجموعے، بچوں کی تعلیم اور شادی کی ضروریات، ریٹائرمنٹ منصوبہ بندی کی ضروریات پر توجہ پیش کرتی ہیں۔ مائیکرو انشورنس کیلئے، کمپنی تحفظ کے حلوں پر توجہ مرکوز رکھتی ہے جیسے کہ ٹرم لائف، ذاتی حادثہ اور ہاسپٹل کیش۔

کمپنی سٹیز فورس نیز ٹیکنو انس شراکت کاروں کے ذریعے پیش کردہ موجودہ لوازمات میں اضافے کے ذریعے اپنی پروڈکٹ رینج کو مستحکم کرنے پر کاربند ہے۔ اس کے علاوہ کمپنی مجموعی مارکیٹ اور مجموعی بیمہ جات میں اپنی موجودگی کو مستحکم بنانے کے ساتھ جدید اور اختراعی مالیاتی سولوشنز متعارف کرا رہی ہے اور ٹیلی کمیونیکیشن کمپنیوں، برانچ لیس بینکس، مائیکرو فنانس انسٹی ٹیوشنز اور ٹیکنالوجی پلیٹ فارمز کے ساتھ ڈسٹری بیوشن ماڈل کو متعارف کرا رہی ہے۔

کمپنی اپنے کاروبار کی دو بنیادی اقسام کیلئے مختلف تقسیم کاری جوئے رکھتی ہے۔ انفرادی لائف اور گروپ لائف۔ انفرادی لائف کے کاروبار کیلئے، کمپنی ایجنسی سٹیز فورس اور ٹیکنو انس جوئے استعمال کرتی ہے۔ ایجنسی سٹیز فورس کے حصے کے طور پر، کمپنی کفائل کے لئے ایک سرگرم ٹیم رکھتی ہے۔

گروپ لائف لائن کے کاروبار کے لئے، کمپنی اپنی سرگرم مارکیٹنگ ٹیم، تجارتی بینکوں اور دیگر درمیانی جوئے جیسے کہ ٹیلی کمیونی کیشن کمپنیاں، برانچ لیس بینکس، مائیکرو فنانس اداروں اور مائیکرو فنانس بینکوں کے ساتھ ساتھ ڈیجیٹل اور ادائیگی کے پلیٹ فارمز استعمال کرتی ہے۔

پورے ملک میں انفرادی بیمہ زندگی کی شاخوں کا جال 200 مقامات تک پھیل گیا ہے،

انتظامیہ کے تحت فنڈز کے اس حجم نے آپ کی کمپنی کو پاکستان میں بیمہ زندگی کے نجی شعبے میں نمایاں اثاثہ فیبرز میں ایک مقام فراہم کیا ہے۔ کمپنی اپنے صارفین کو، جو صارفین کی سرمایہ کاری کی حکمت عملی اور خطرے کے اندیشے کے میاں کے اعتبار سے مختلف ہیں، درج ذیل فنڈز پیش کرتی ہے:

رداجی اور یونٹ سے منسلک کاروبار کے لئے:

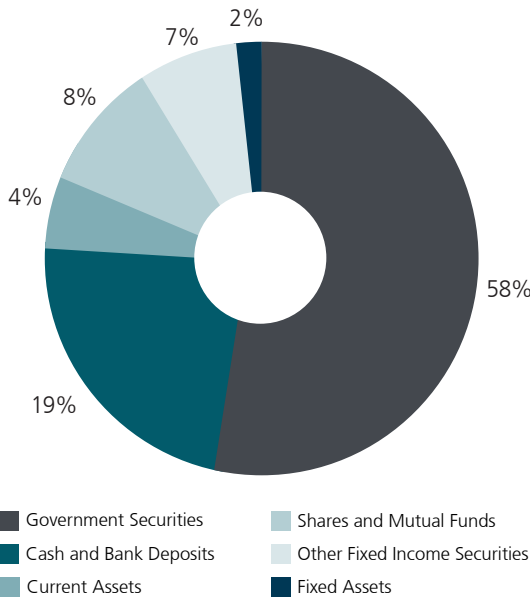
مشینڈ گروتھ فنڈ  
گارنڈ گروتھ فنڈ  
اعتماد گروتھ فنڈ  
ایگریسوفنڈ

یونٹ سے منسلک نکال کاروبار کے لئے:

نیکال گروتھ فنڈ  
نیکال ایگریسوفنڈ  
نیکال کنزرویٹو فنڈ

کمپنی ایک مضبوط بیلنس شیٹ کی حامل ہے جس میں موجودہ جملہ اثاثے 129.28 بلین روپے ہیں (۲۰۱۸ء: 116.76 بلین روپے) یعنی 10.72 فیصد نشوونما سامنے آئی۔ اثاثوں کا مرکب درج ذیل ہے:

#### ASSETS COMPOSITION



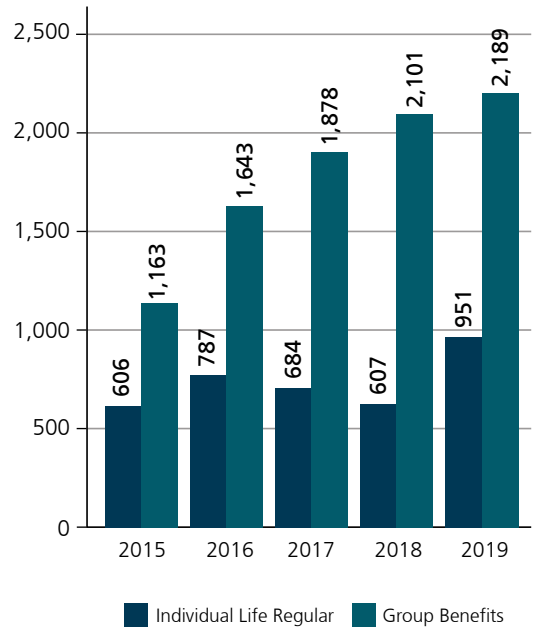
#### منافع جات

سال کے دوران، کمپنی کے قانونی فنڈز نے 2.08 بلین روپے کا منافع حاصل کیا۔

اس منافع میں سے، 1.96 بلین روپے، سو فیصد واجبی قرضہ جات کے مارجن کی ضرورت کیلئے ضروری رقم روکنے کے بعد، حصص کنندگان کے فنڈ میں منتقل کئے گئے۔ آپ کی کمپنی نے بعد از ٹیکس 1.55 بلین روپے کا منافع حاصل کیا۔

انفرادی لائف کلیمز 951 ملین روپے روپے اور گروپ لائف کے کلیمز کا حجم 2.19 بلین روپے رہا۔

#### GROSS DEATH & DISABILITY CLAIMS 5 YEAR SUMMARY (Rupees in Millions)



#### سرمایہ کاری کی کارکردگی

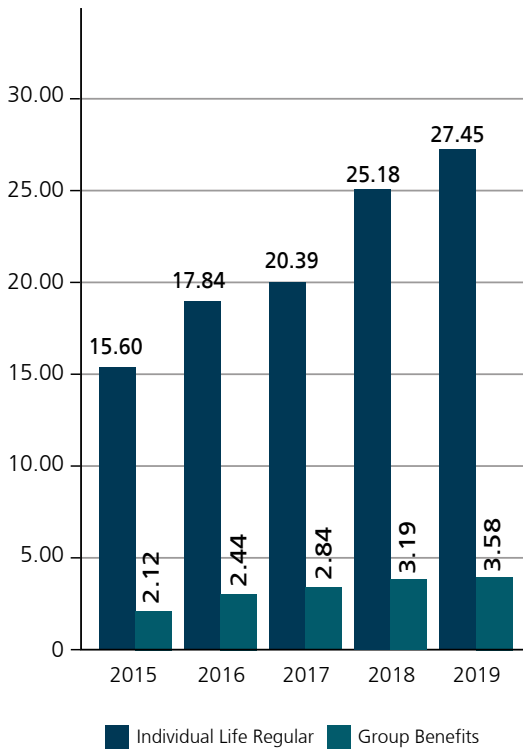
کمپنی نے سرمایہ کاری کے انتظام کے لئے ایک محتاط اور فعال حکمت عملی پر عمل کیا۔ ۲۰۱۷ء اور ۲۰۱۸ء کے بعد ۲۰۱۹ء میں بھی نمایاں اُتار چڑھاؤ کا سامنا رہا کیونکہ PSX-100 جنوری میں اپنی بلند ترین سطح سے گرا اور اگست میں کئی سالوں کے مقابلے میں کمترین ہو گیا بعد ازاں تقویمی سال کیلئے 9.9 فیصد منافع جات کے ساتھ بحال ہوئی۔ پالیسی ریٹ کو دیگر معاشی استحکام کے اقدامات کے ساتھ بڑھا کر 13.25 فیصد کیا گیا جس کے اثرات آئندہ چند سالوں میں واضح ہو پائیں گے۔ کمپنی نے ۲۰۱۹ء میں اپنی حکمت عملی کو برقرار رکھتے ہوئے اُتار چڑھاؤ کو کم کرنے اور مستقبل کیلئے مناسب منافع جات کمانے پر توجہ دی۔

تمام یونٹ سے منسلک فنڈز کی اصل اثاثہ قدر، ۲۰۱۹ء میں 104 بلین روپے سے بڑھ کر 114 بلین روپے تک پہنچ گئی، اس کے حجم میں 9.6 فیصد اضافہ سامنے آیا۔ اسی کے ساتھ خالص سرمایہ کار آمدنی 7.09 بلین روپے رہی اور ۲۰۱۸ء کے مقابلے میں نمایاں بہتری حاصل کی گئی۔

# ڈائریکٹرز رپورٹ برائے سال ۲۰۱۹

پچھلے پانچ سالوں کے دوران مجموعی پریمیم کی شرح نمو میں ترقی کا رجحان (بشمول تکافل کنٹریبونشن) درج ذیل رہا:

**GROSS PREMIUM GROWTH  
5 YEAR SUMMARY**  
(Individual Life Regular Premium & Group Benefits)  
(Rupees in Billions)



واحد پریمیم 950.8 ملین روپے رہا (۲۰۱۸ء: 2.59 ملین روپے)۔

کمپنی کا ونڈ و تکافل آپریشنز حمایہ نے مستقل طور پر بہترین شرح نمو کا ہر کی۔ ۲۰۱۹ء کے دوران کمپنی نے 1.77 ملین روپے کا ایک انفرادی فیملی تکافل کا نیا بزنس حاصل کیا (۲۰۱۸ء: 1.43 ملین روپے) اور 24 فیصد شرح نمو حاصل کی۔ گروپ فیملی تکافل میں کمپنی نے 326 ملین روپے کا بزنس ریکارڈ کیا (۲۰۱۸ء: 224 ملین روپے) اور 46 فیصد شرح نمو حاصل کی۔ کمپنی کو توقع ہے کہ بزنس کی یہ لائن ۲۰۲۰ء کے دوران شرح نمو میں اضافے کا سلسلہ برقرار رکھے گی۔

## کلیم کی ادائیگیاں

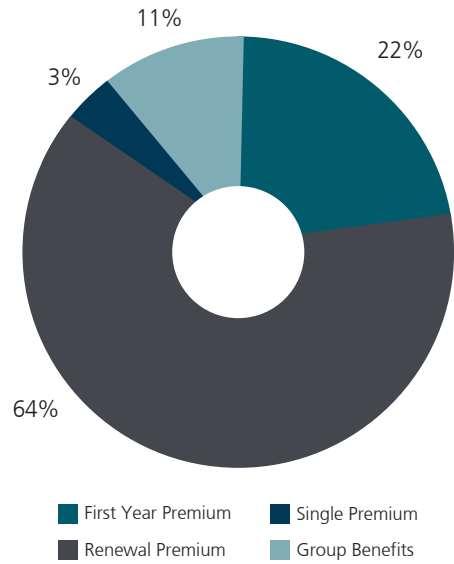
کلیم کی برق رفتار اور تیزی سے نمٹنا کمپنی کے بنیادی اصولوں میں سے ایک ہے۔ ۲۰۱۹ء میں کمپنی نے اسوات اور معذوری کے حوالے سے مجموعی طور پر 3.14 ملین روپے کے کلیم نمٹائے (۲۰۱۸ء: 2.71 ملین روپے) جو 16 فیصد تک اضافہ ہے۔ اس کے علاوہ

آپ کی کمپنی کے ڈائریکٹرز، آپ کو کمپنی کی اٹھائیسویں سالانہ رپورٹ برائے سال ۲۰۱۹ء جس کا اختتام ۳۱ دسمبر ۲۰۱۹ء کو ہوا، پیش کرنے میں مسرت محسوس کرتے ہیں۔

## کاروبار کی کارکردگی

آپ کی کمپنی نے مجموعی پریمیم (بشمول تکافل حصہ جات)، 31.75 بلین روپے (۲۰۱۸ء: 30.79 بلین روپے) حاصل کیا۔ مجموعی پریمیم کا مرکب درج ذیل تھا:

**GROSS PREMIUM COMPOSITION**



انفرادی بیمہ زندگی کے باقاعدہ پریمیمز (بشمول تکافل حصہ جات) 9 فیصد بڑھ کر 27.45 ملین روپے کے مجموعی پریمیم تک پہنچ گئے (۲۰۱۸ء: 25.18 ملین روپے)۔

انفرادی بیمہ کے نئے کاروبار نے 6.99 ملین روپے تک کا پریمیم حاصل کیا (۲۰۱۸ء: 6.85 ملین روپے)۔ انفرادی بیمہ ڈسٹری بیوشن چینلز، سیلز فورس اور ٹیکسٹورس دونوں نے نئے کاروبار میں شراکت کی۔

انفرادی بیمہ بزنس کی لائف لائن تجدید پریمیم ہے اور یہ 20.45 ملین روپے تک بڑھا (۲۰۱۸ء: 18.33 ملین روپے) اور 11.55 فیصد کی شرح نمو حاصل ہوئی۔ کمپنی نے سیلز فورس اور ٹیکسٹورس چینلز دونوں کے لئے کلائنٹ کو برقرار رکھنے پر نمایاں توجہ دینے کا سلسلہ جاری رکھا، دوسرے چینل نے بالخصوص سال کے دوران مستقل بہتری کا مظاہرہ کیا۔

گروپ بینیفٹس کے شعبے نے بشمول تکافل حصہ جات، 3.58 ملین روپے کا مجموعی پریمیم حاصل کیا (۲۰۱۸ء: 3.19 ملین روپے)، یعنی 12.48 فیصد کا اضافہ۔



# Risk and Opportunity Report

**Risk and Opportunity Report:** The Company considers the following to be important risks:

Category of risk	Risk Impact	Plans and strategies for mitigating these risks
Operational Risk	Regulatory changes	The Company believes in having a transparent and open relationship with the regulator. Representatives of the Company are part of the discussion process with the regulator for potential changes to regulatory environment. The Company works closely with peers on matters of importance for the insurance industry.
	Human Resources	The Company provides a professional working environment, market competitive remuneration and career enrichment opportunities. Succession planning is in place for key employees.
	Temporary loss of business continuity	Business Continuity Plan is in place
	Loss of Data, Technology failure, Data Security	Disaster Recovery Plan is in place
Financial Risk	Adverse changes in the equity market and interest rate environment	The Investment monitoring setup governed by the Investment Committee ensures a diversified portfolio of securities with continuous monitoring of the economy, as well as equity, debt and money markets. Investment Policy takes into account limits of exposure in the equity market.
	Default in debt instruments	Prudent exposure limits are set with regular monitoring as well as investment in high credit rated securities.
Reinsurance Risk	Default of reinsurer on its obligations, or its exit from Pakistan	Use of internationally regulated reinsurers with high credit ratings, and maintaining a diversified portfolio of reinsurers.
Commercial Risk	Increased competition from existing and new players in the industry	The Company focuses on its brand equity and financial strength, as well as pricing, product features and customer services to always gain a competitive edge.
Reputational Risk	Events or acts due to which the Company's reputation comes into question	The Company maintains a strong and open relationship with all stakeholders. Internal governance and control documents are in place to aid good governance. Prompt and effective communication is carried out.

## Opportunities:

Pakistan's life insurance penetration rate is 0.54%, one of the lowest in the world. Such a large uninsured population provides a significant opportunity to the Company in the following areas:

- Increasing reach to all parts of the country through expanding distribution network, and identification and utilization of emerging and unconventional channels.
- Focus on insurance awareness through continuous investments in communication channels and market education
- Focus on "Inclusive Insurance" approach by offering affordable financial planning solutions for the micro and mass segments
- Offer takaful solutions through window operations
- With increasing mobile penetration amongst the masses, utilize such platforms for customer interaction, awareness, marketing and sales.

## Key sources of uncertainty:

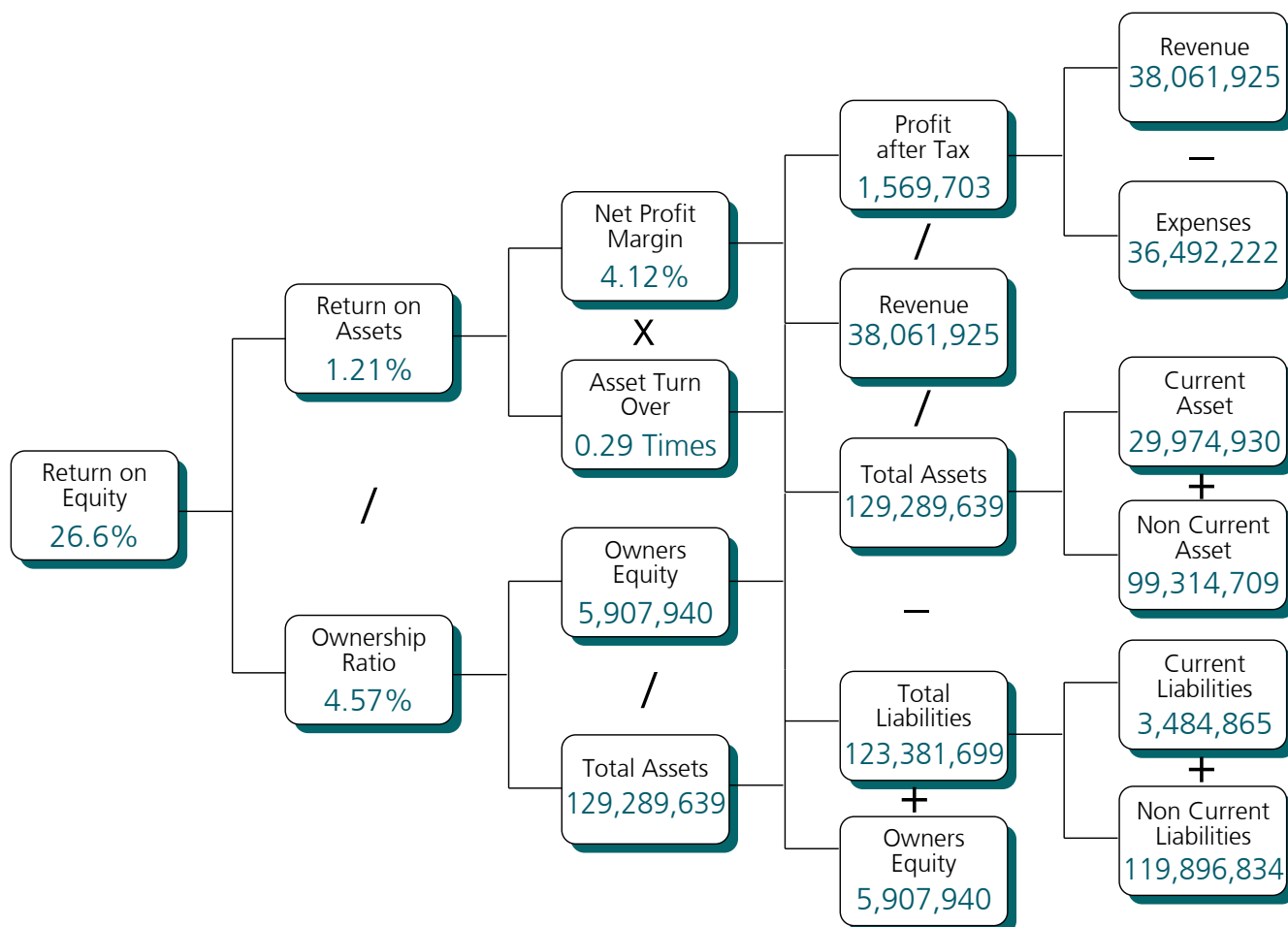
The Key sources of uncertainty in estimation of future benefit payments and premium receipts are as follows:

- Adverse Mortality and Morbidity experience
- Unexpected changes in Lapses and Surrenders
- Expense overruns
- Interest rate movements

# DuPont Analysis

## For the year 2019

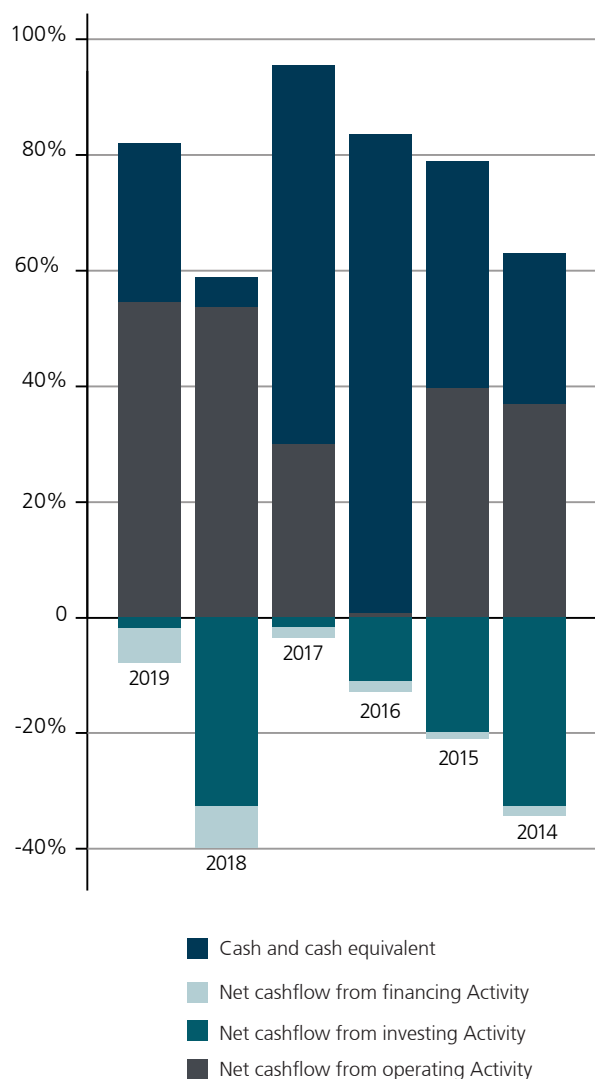
(Rupees in '000)



# Summary of Cash Flow

Summary of cashflow statement for the year ended 31 December 2019

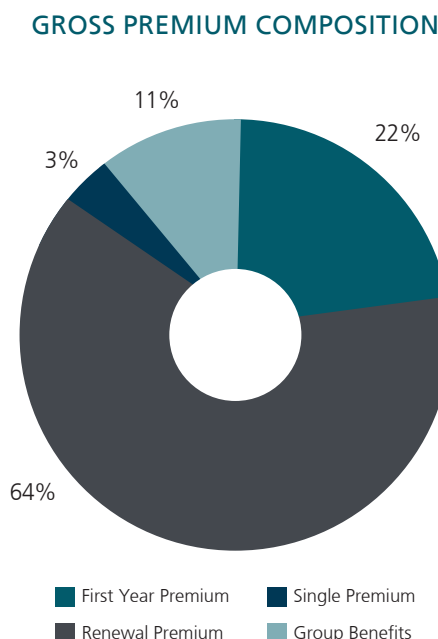
Cashflow	2019	2018	2017	2016	2015	2014
Net cashflow from operating Activity	7 711 193	7 835 807	7 299 968	212 450	15 860 606	7 939 450
Net cashflow from investing Activity	( 599 108 )	( 4 997 258 )	376 356	( 1 223 448 )	( 8 220 388 )	( 7 237 128 )
Net cashflow from financing Activity	( 1 575 000 )	( 1 500 000 )	( 1 575 000 )	( 1 000 000 )	( 900 000 )	( 650 000 )
Cash and cash equivalent	5 537 085	1 338 549	18 496 913	12 395 589	14 406 587	7 666 369





# Segment - Wise Review

Your Company achieved a gross premium (including Takaful contributions) of Rs. 31.75 billion (2018: 30.79 billion). The gross premium composition in 2019 was as follows:



Individual Life regular premiums (including Takaful contributions) grew by 9%, achieving a total premium of Rs.27.45 billion (2018: Rs. 25.18 billion).

Individual life New Business reached a premium of Rs. 6.99 billion (2018: 6.85 billion). Both individual life distribution channels, Sales Force and Bancassurance, have contributed to the new business.

Renewal premium is the life line of individual life business and grew to Rs. 20.45 billion (2018: Rs. 18.33 billion), with a growth of 11.55%. The Company continues to lay significant focus on client retention for both Sale Force and Bancassurance channels, the latter especially demonstrating a good improvement in persistency during the year.

Group Benefits achieved a gross premium, including Takaful contributions, of Rs. 3.58 billion (2018: Rs 3.19 billion), registering a growth of 12.48%.

Over the last 5 years, the Gross Premium growth has followed an increasing trend as follows (including Takaful contributions):

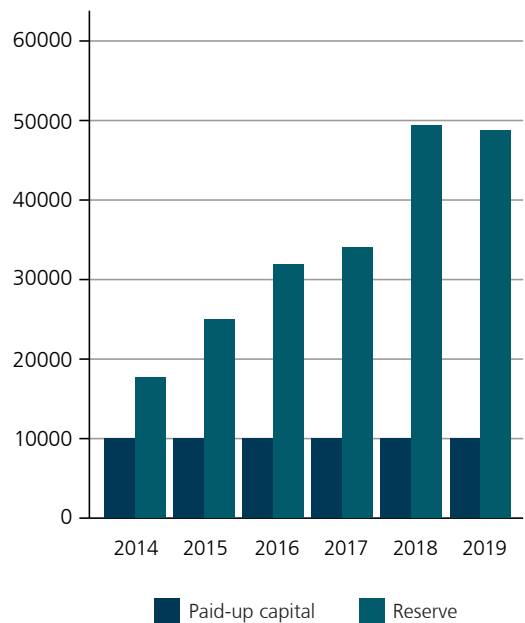
Single Premium was Rs. 950.8 million (2018: 2.59 billion).

The Window Takaful Operations of the Company, Hemayah, have continued to show good growth. During 2019, the company achieved an Individual Family takaful new business of Rs. 1.77 billion (2018: 1.43 billion), a growth of 24%. For Group Family Takaful, the Company recorded a business of Rs. 326 million (2018: 224 million), a growth of 46% The Company expects this line of business to continue its growth trajectory during 2020.

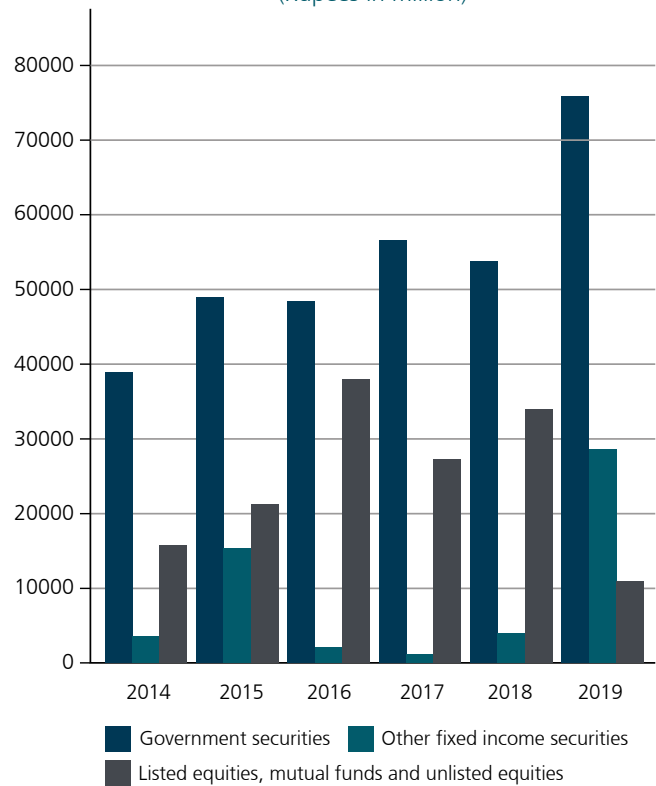
# Performance at a Glance

## Graphical Presentation

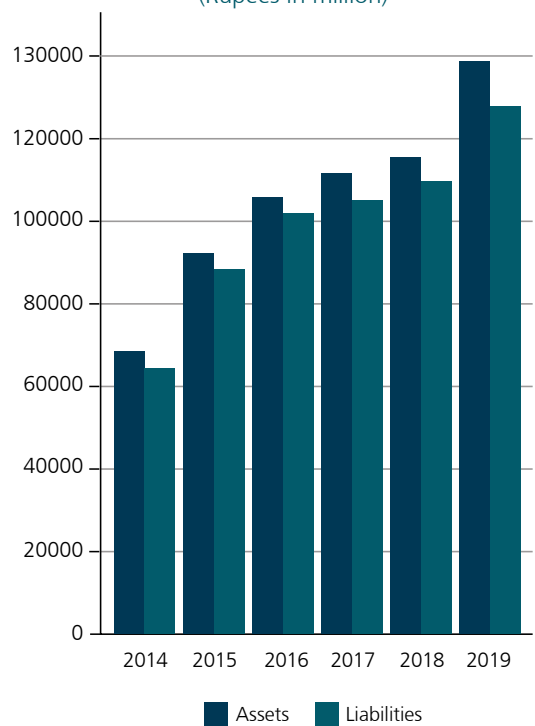
SHARE HOLDER'S EQUITY  
(Rupees in million)



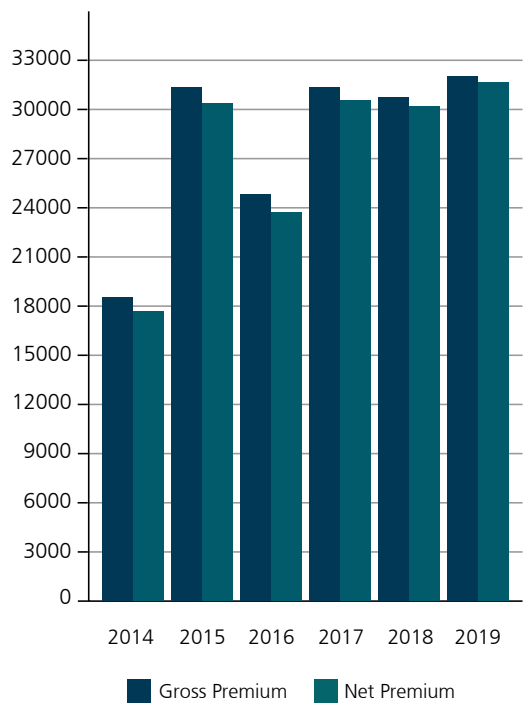
INVESTMENTS  
(Rupees in million)



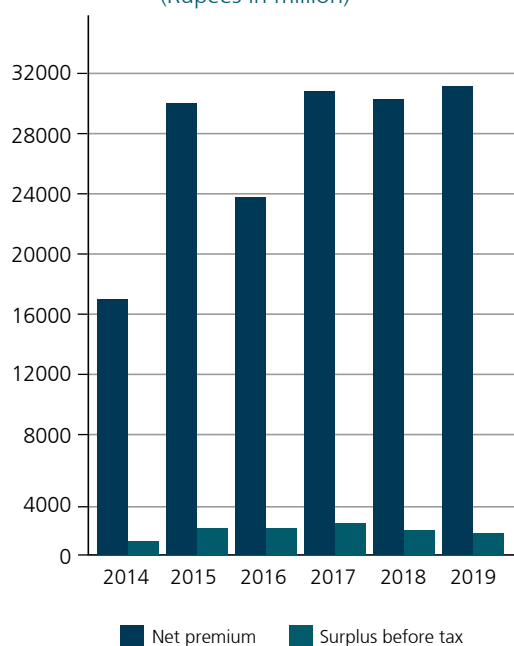
ASSETS & LIABILITIES  
(Rupees in million)



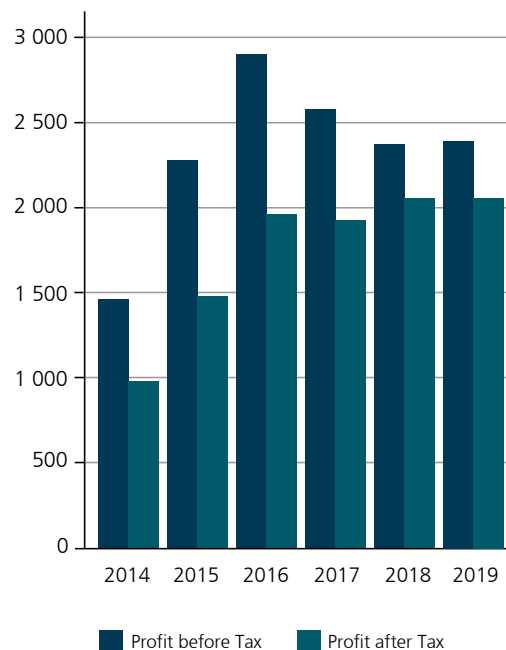
GROSS / NET PREMIUM  
(Rupees in million)



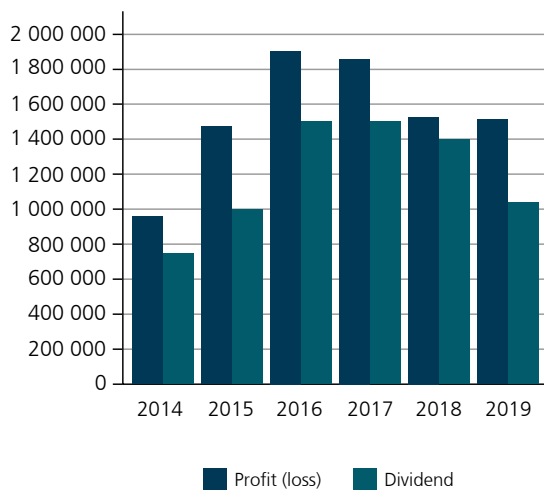
### NET PREMIUM & SURPLUS BEFORE TAX (REVENUE ACCOUNT) (Rupees in million)



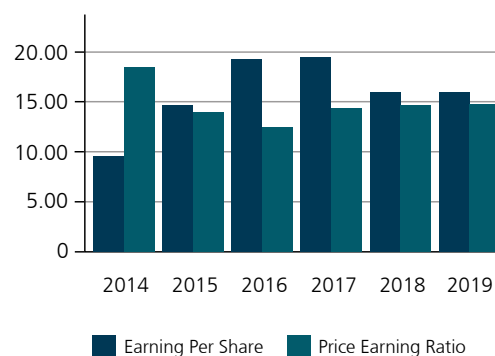
### PROFITABILITY (Rupees in million)



### PROFIT (LOSS) AFTER TAX & DIVIDENDS/BONUS (Rupees in million)



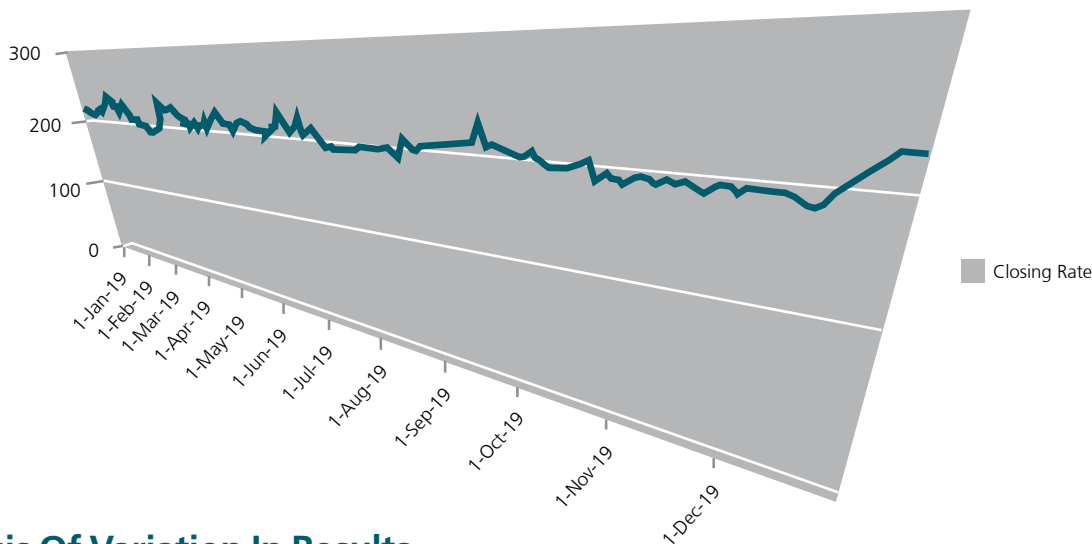
### EARNING PER SHARE & PRICE EARNING RATIO



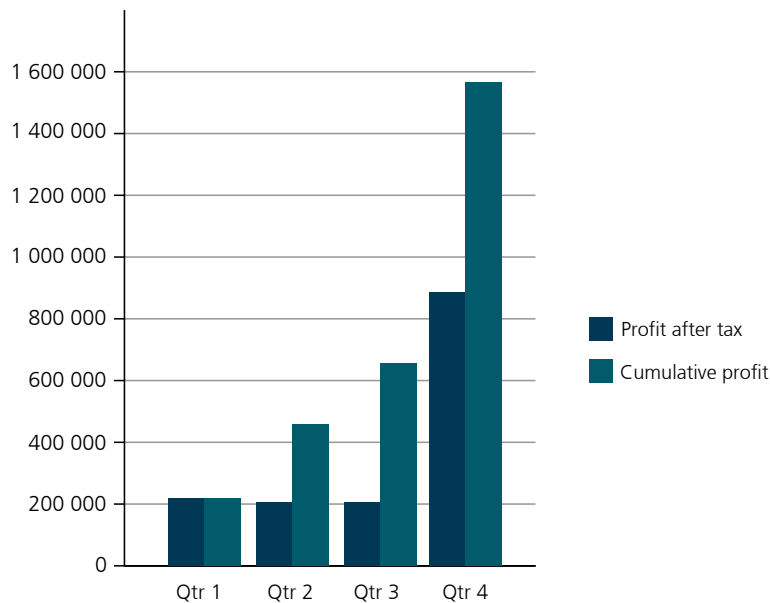


## Share Price Sensitivity Analysis

- Earnings - News on earnings, profits and future positive cashflows develop interest of investors in the shares of the company.
- Introduction of new Products - this could lead to positive earnings growth which in return affects share prices
- Government Policies - Government's policies could be perceived as positive or negative for business these policies may lead to change in Inflation and interest rates, which may affect stock prices.
- Industry specific performance - any changes in Govt policies toward Insurance industry may result in movement of stock prices.
- Investor sentiments / confidence - Positive economic reforms can attract investor.
- Announcement of Dividends - Expected distribution from earning could increase share prices in expectation of realization of profits on investments.



## Analysis Of Variation In Results Reported In Quarterly Accounts



# Key Financial Data

## For The Last Six Years

(Rupees '000)

	2019	2018	2017	2016	2015	2014
Gross Premium / Contribution	31 750 084	30 790 407	31 420 835	24 676 452	31 033 830	18 219 910
<b>REVENUE ACCOUNT</b>						
Premium-net of reinsurance	31 141 634	30 164 268	30 813 133	23 861 851	30 351 972	17 595 939
Interest and other Income	3 845 724	3 266 274	9 438 197	8 128 626	8 117 383	6 796 578
	34 987 358	33 430 542	40 251 330	31 990 477	38 469 355	24 392 517
Claims less reinsurance	15 677 433	13 094 451	14 237 934	17 764 439	8 941 518	4 714 369
Commission and Expense	8 983 369	8 374 022	6 887 965	5 535 953	5 415 109	4 727 382
Provision for (depreciation) / Appreciation (depreciation) on investments	3 074 567	( 3 058 297 )	( 13 094 284 )	7 763 528	748 228	3 699 382
Write back / (Provision) for doubtful debts on available for sale fixed income securities					( 6 559 )	65 379
Provision for Impairment for available for sale Equity Investments					( 22 201 )	347 560
Capital contribution from Shareholders' fund						
Changes in statutory Funds	11 046 950	6 577 382	3 236 906	13 945 180	22 606 826	17 639 714
Profit / (loss) before tax	2 354 173	2 326 390	2 794 241	2 798 096	2 225 370	1 423 373
Provision for Taxation	( 804 909 )	( 745 057 )	( 884 279 )	( 925 200 )	( 749 900 )	( 472 472 )
Profit / (loss) after tax	1 549 264	1 581 333	1 909 962	1 872 896	1 475 470	950 901
<b>BALANCE SHEET</b>						
Investments	116 065 289	105 820 637	85 388 521	88 831 183	71 941 323	55 534 580
Cash & Bank balances	5 713 548	4 786 362	18 496 913	12 395 589	14 406 587	7 666 369
Other Assets	4 602 382	3 698 947	4 143 723	2 920 367	3 249 775	2 943 929
Fixed Assets	2 908 420	2 458 665	2 208 842	2 154 392	1 667 694	1 083 604
	129 289 639	116 764 611	110 237 999	106 301 531	91 265 379	67 228 482
Issued, Subscribed and paid-up capital	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000	1 000 000
Accumulated surplus / (loss)	2 907 940	2 877 596	1 440 648	1 543 383	1 459 743	1 083 773
General Reserve	2 000 000	2 150 000	1 900 000	1 650 000	950 000	750 500
Balance of Statutory Funds	119 153 655	107 603 537	101 233 038	97 782 063	83 836 320	61 222 367
Other liabilities	4 228 044	3 133 478	4 664 313	4 326 085	4 019 316	3 171 842
	129 289 639	116 764 611	110 237 999	106 301 531	91 265 379	67 228 482

# Key Operating and Financial Data

Six years summary  
Financial Ratios

## Profitability Ratios

		2019	2018	2017	2016	2015	2014
Profit / (loss) Before Tax / Gross Premium	%	7.4%	7.6%	8.5%	11%	7%	8%
Profit / (loss) Before Tax / Net Premium	%	7.6%	7.7%	8.7%	12%	7%	8%
Profit / (loss) After Tax / Gross Premium	%	4.9%	5.1%	5.8%	8%	5%	5%
Profit / (loss) After Tax / Net Premium	%	5.0%	5.2%	5.9%	8%	5%	5%
Gross Yield on Earning Assets	%	9.8%	6.3%	6.3%	6%	7%	8%
Net Claims / Net Premium	%	50.3%	43.4%	46.1%	74%	29%	27%
Commission / Net Premium	%	20.1%	14.3%	11.7%	12%	10%	14%
Acquisition Cost / Net Premium	%	23.5%	22.4%	17.7%	18%	14%	21%
Administration Expenses / Net Premium	%	5.7%	5.4%	5.3%	5%	3%	5%
Change in PHL / Net Inflow	%	35.2%	21.7%	11.9%	35%	57%	61%
Net Investment Income / Net Premium	%	22.8%	0.7%	-11.7%	66%	29%	59%
Return On Capital Employed	%	16.1%	17.7%	20.7%	23%	22%	16%
Return on Equity	%	26.2%	26.2%	41.8%	45%	43%	34%

## Liquidity Ratio

Current Ratio		8.60	7.51	4.85	3.54	4.39	3.35
Quick Ratio		8.60	7.51	4.85	3.54	4.39	3.35
Cash to Current Liability	%	728%	633%	397%	287%	358%	242%

## Investment / Market Ratio

Breakup Value Per Share	Rupees	59.08	60.28	43.41	41.93	34.10	28.34
Earnings / (loos) per share (pre tax) Diluted	Rupees	23.54	23.26	26.81	27.98	22.25	14.23
Earnings / (loos) per share (after tax) Diluted	Rupees	15.49	15.81	18.12	18.73	14.75	9.51
Price Earning Ratio -PAT	Times	14.95	14.41	13.99	11.50	13.49	17.86
Mkt price per share at end of the year	Rupees	231.57	227.92	253.49	215.47	199	169.85
Mkt price per share - Highest during the year	Rupees	244.4	311.48	329.95	247.47	260	177.99
Mkt price per share - Lowest during the year	Rupees	223.5	195.66	209	162.3	140	80.60
Cash Dividend per share	Rupees	15	15	15	15	10	7.50
Price to book ratio		0.18	0.20	0.23	0.20	0.22	0.25
Cash Dividend %	%	150%	150%	150%	150%	100%	75%
Dividend Yield	%	6%	7%	6%	7%	5%	4%
Dividend Payout	%	96.82%	94.86%	82.76%	80.09%	67.78%	78.87%
Dividend Cover	Times	0.97	0.95	0.83	0.80	0.68	0.79
Stock Dividend per share	Times	—	—	—	—	—	—
Bonus %	%	—	—	—	—	—	—

## Capital Structure Ratio

Return on Asset	%	1.20%	2.0%	2.4%	3%	2.4%	2%
Earning Asset to total asset	%	91%	91%	92%	95%	94%	93%
Total Liabilities / Equity	Times	20.88	18.37	24.40	24.35	25.77	22.70
Paid-up Capital / Total Asset	%	0.77%	0.86%	0.91%	0.94%	1.10%	1.49%
Equity / total Asset	%	4.57%	5.2%	3.9%	4%	4%	4%

## Comments:

### Profitability Ratios:

Net profit after tax have Increased from 1.546 billion to 1.549 billion. Nominal decrease in profitability ratios is due to impact of IFRS 16 the Company has managed to underwrite Rs. 31.75 billions of business (new and subsequent) in 2018

### Liquidity Ratio

EFU Life's liquidity position had always been very strong. Increase in liquidity ratios is mainly due to effective working capital management

### Investment / Market Ratio

The Company was able to maintain EPS to Rs. 15.49 per share even in poor economic and political condition and ill performance of Pakistan Stock Exchange throughout the year relative increase in P/E ratio is due to decrease in share price as well as EPS Slight decrease in dividend yield ratio is due to increase in the market value of share Despite tough year The Company has announced 105.00% final dividend and 45.00% interim dividend (which sum up to 150% total dividend for 2019), reflecting robust and strong footprint in Industry.

### Capital Structure Ratio

EFU Life's paid up capital is 1 Billion which is the largest in the life insurance industry in Pakistan. Total assets of the company has increased from 116.76 Billion to 129.28 Billion making an increase of almost 10.72%.

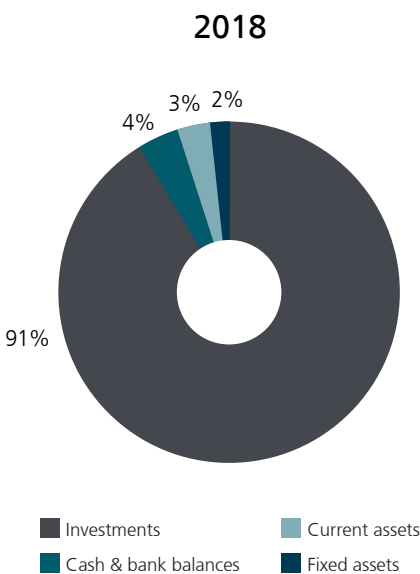
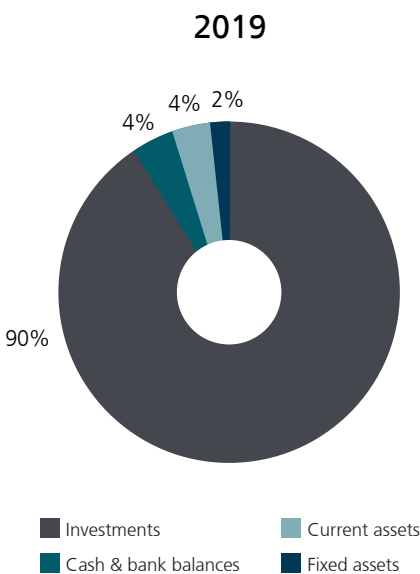
In addition to this, company has maintained Rs. 2.48 billion in ledger account D, along with 3.17 billion in accumulated surplus and reserves.



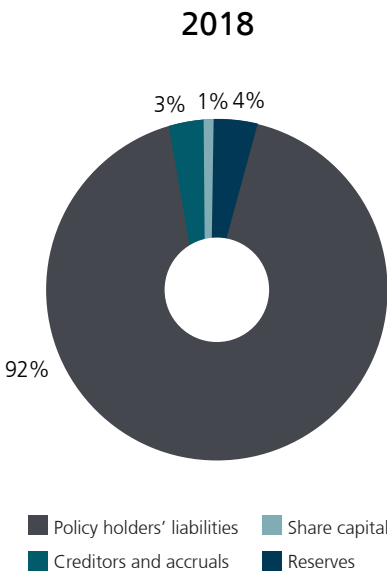
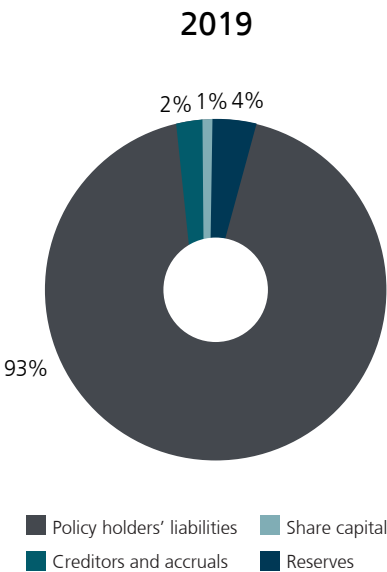
# Graphical Analysis

## Balance Sheet

### ASSETS

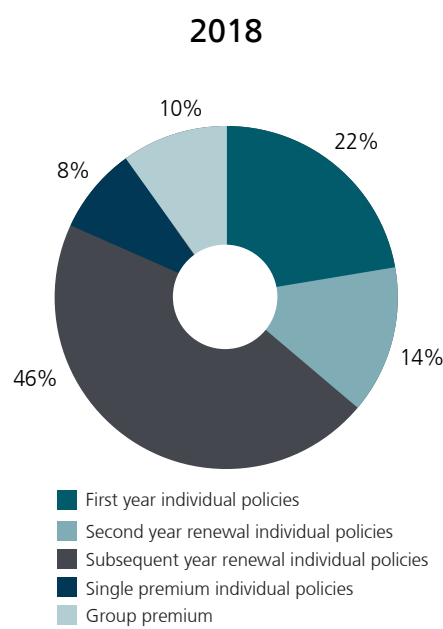
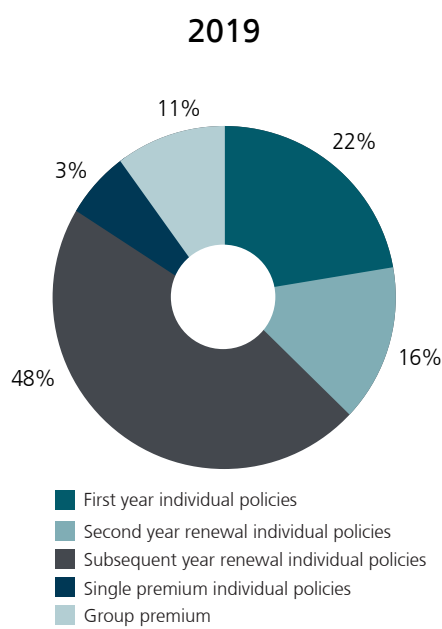


### SHARE CAPITAL & RESERVES AND LIABILITIES

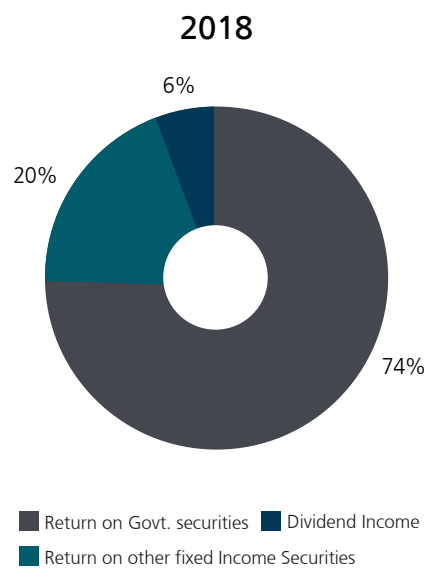
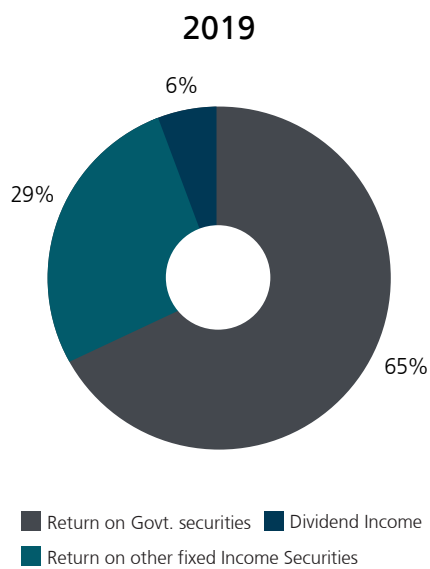


Profit & Loss / Revenue Account

GROSS PREMIUM



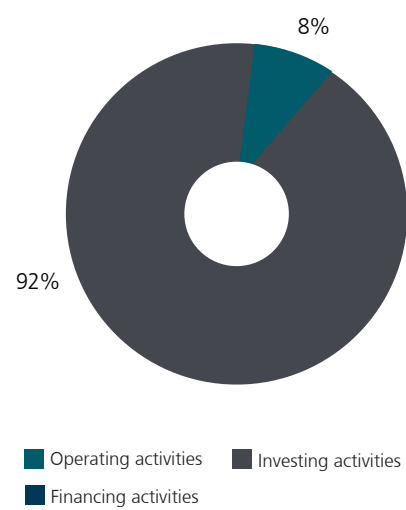
INVESTMENT INCOME



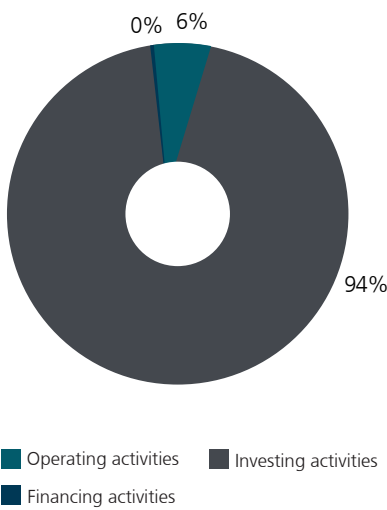
# Cash Flow

## CASH GENERATED / UTILIZED

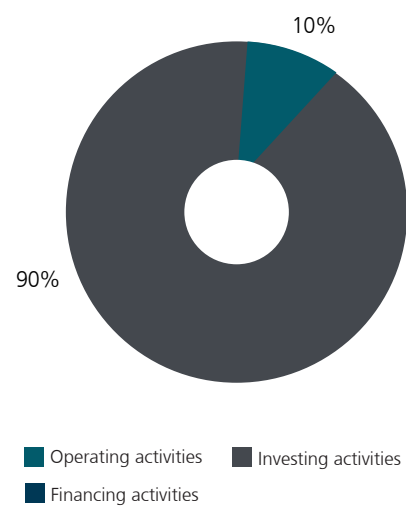
Cash Generated 2019



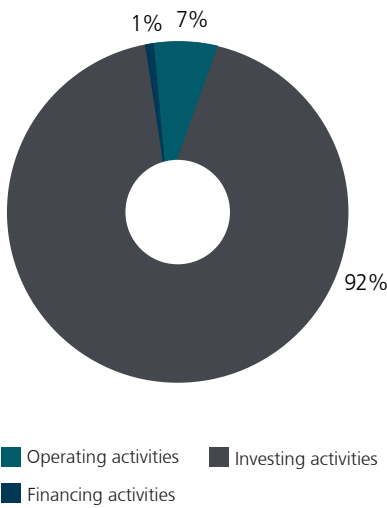
Cash Consumed 2018



Cash Generated 2018



Cash Consumed 2018





# Vertical / Horizontal Analysis

## Vertical Analysis

	2019		2018	
	Rupees in '000	%	Rupees in '000	%
<b>Balance Sheet</b>				
Net Equity	5 907 940	4.57	6 027 596	5.16
Statutory Fund	119 896 834	92.74	105 685 537	90.51
Current Liabilities	3 484 865	2.70	5 051 478	4.33
Total Equity & Liabilities	129 289 639	100	116 764 611	100
Total non-current Assets	2 908 420	2.25	2 458 665	2.10
Investments	116 065 289	89.77	105 820 637	90.63
Current Assets	10 315 930	7.98	8 485 309	7.27
	129 289 639	100	116 764 611	100
<b>Revenue &amp; Profit &amp; Loss Account</b>				
Net Income	38 061 925	100.00	30 372 245	100.00
Claims, Expenditures and Policy-holders Liabilities	( 35 656 474 )	( 117.40 )	( 27 827 308 )	( 91.62 )
Solvency Margin	( 51 278 )	( 0.17 )	( 218 547 )	( 0.72 )
Profit before Tax	2 354 173	( 17.57 )	2 326 390	7.66
Income Tax expense	( 804 909 )	( 2.11 )	( 745 057 )	( 2.45 )
Profit after Tax	1 549 264	( 19.68 )	1 581 333	5.21

## Horizontal Analysis

	2019	2018	2017	2016
	Rupees in '000	Rupees in '000	Rupees in '000	Rupees in '000
<b>Balance Sheet</b>				
Net Equity	5 907 940	6 027 596	5 962 671	4 193 383
Statutory Fund	119 896 834	105 685 537	99 108 155	97 782 063
Current Liabilities	3 484 865	5 051 478	4 474 358	4 326 085
Total Equity & Liabilities	129 289 639	116 764 611	109 545 148	106 301 531
Total non-current Assets	2 908 420	2 458 665	2 208 842	2 246 304
Investments	116 065 289	105 820 637	97 959 122	88 831 183
Current Assets	10 315 930	8 485 309	9 377 220	15 224 044
Total assets	129 289 639	116 764 611	109 545 184	106 301 531
<b>Revenue &amp; Profit &amp; Loss Account</b>				
Net Income	38 061 925	30 372 245	27 157 046	39 952 080
Claims, Expenditures and Policy-holders Liabilities	( 35 656 474 )	( 27 827 308 )	( 24 159 224 )	( 36 892 682 )
Solvency Margin	( 51 278 )	( 218 547 )	( 203 576 )	( 261 302 )
Profit before Tax	2 354 173	2 326 390	2 794 241	2 798 096
Income Tax expense	( 804 909 )	( 745 057 )	( 884 279 )	( 925 200 )
Profit after Tax	1 549 264	1 581 333	1 909 962	1 872 896

2017		2016		2015		2014	
Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
5 962 671	5.44	4 193 383	3.94	3 409 743	3.74	2 834 273	4.22
99 108 155	90.47	97 782 063	91.99	83 836 320	91.86	61 222 367	91.07
4 474 358	4.08	4 326 085	4.07	4 019 316	4.40	3 171 842	4.71
109 545 184	100	106 301 531	100	91 265 379	100	67 228 482	100
2 208 842	2.02	2 246 304	2.11	1 667 694	1.83	1 083 604	1.61
97 959 122	89.42	88 831 183	83.57	71 941 323	78.83	55 534 580	82.61
9 377 220	8.56	15 224 044	14.32	17 656 362	19.35	10 610 298	15.78
109 545 184	100	106 301 531	100	91 265 379	100	67 228 482	100
27 157 046	100	39 952 080	100	39 188 823	100	28 504 838	100
( 24 159 224 )	( 88.96 )	( 36 892 682 )	( 92.34 )	( 36 618 738 )	( 93.44 )	( 26 522 989 )	( 93.05 )
( 203 576 )	( 0.75 )	( 261 302 )	( 0.65 )	( 344 715 )	( 0.88 )	( 558 476 )	( 1.96 )
2 794 241	10.29	2 798 096	7.00	2 225 370	5.68	1 423 373	4.99
( 884 279 )	( 3.26 )	( 925 200 )	( 2.32 )	( 749 900 )	( 1.91 )	( 472 472 )	( 1.66 )
1 909 962	7.03	1 872 896	4.69	1 475 470	3.77	950 901	3.34

% increase / (decrease) over preceding year

2015	2014	2019	2018	2017	2016	2015	2014
Rupees in '000	Rupees in '000						
3 409 743	2 834 273	( 1.99 )	1.09	42.19	22.98	20.30	11.88
83 836 320	61 222 367	13.45	6.64	1.36	16.63	36.94	40.47
4 019 316	3 171 842	( 31.01 )	12.90	3.43	7.63	26.72	6.14
91 265 379	67 228 482	10.73	6.59	3.05	16.48	35.75	36.91
1 667 694	1 083 604	18.29	11.31	2.55	34.70	53.90	33.74
71 941 323	55 534 580	9.68	8.03	( 3.88 )	23.48	29.54	40.29
17 656 362	10 610 298	21.57	( 9.51 )	48.09	( 13.78 )	66.41	21.84
91 265 379	67 228 482	10.73	6.59	3.70	16.48	35.75	36.91
39 188 823	28 504 838	25.32	11.84	( 31.63 )	1.95	37.48	50.06
( 36 618 738 )	( 26 522 989 )	28.13	15.18	( 33.78 )	0.75	38.06	50.78
( 344 715 )	( 558 476 )	( 76.54 )	7.35	( 22.09 )	( 24.20 )	( 38.28 )	9 097.56
2 225 370	1 423 373	1.19	( 16.74 )	( 4.19 )	25.74	56.34	1.79
( 749 900 )	( 472 472 )	8.03	( 15.74 )	( 6.14 )	23.38	58.72	0.70
1 475 470	950 901	( 2.03 )	( 17.21 )	( 3.23 )	26.94	55.17	2.34

# Revenue Application

( Rupees in '000 )

## Revenue

Premium  
Investment  
Other

## Cost

Acquisition Cost  
Employee Benefits  
Other

## Policy Holders

Claims and surrenders  
Policy Holders Movements

## Government

Income & other Taxes

## Shareholders

Dividend

Bonus

## Society

Donations

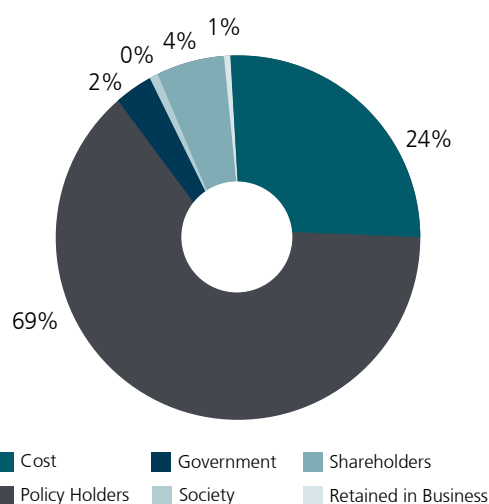
## Retained in Business

Reserve unappropriated profit  
Capital Contribution  
Depreciation / Amortization  
Statutory Reserves - Solvency Margin

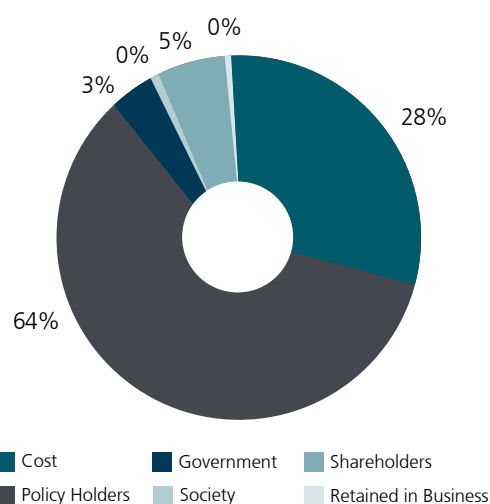
## Revenue

	2019	2018
Premium	31 141 634	30 164 268
Investment	7 430 864	449 766
Other	54 601	54 127
	<u>38 627 099</u>	<u>30 668 161</u>
Acquisition Cost	7 322 982	6 750 979
Employee Benefits	758 157	634 886
Other	1 300 196	1 145 482
	<u>9 381 335</u>	<u>8 531 347</u>
Claims and surrenders	15 669 051	13 085 715
Policy Holders Movements	10 966 414	6 577 382
	<u>26 635 465</u>	<u>19 663 097</u>
Income & other Taxes	715 761	805 100
	<u>715 761</u>	<u>805 100</u>
Dividend	1 500 000	1 500 000
Bonus	1 500 000	1 500 000
Donations	9 024	6 865
	<u>9 024</u>	<u>6 865</u>
Reserve unappropriated profit	499 264	81 333
Capital Contribution	( 106 503 )	( 12 809 )
Depreciation / Amortization	166 561	140 461
Statutory Reserves - Solvency Margin	276 192	( 47 233 )
	<u>385 514</u>	<u>161 752</u>
Revenue	<u>38 627 099</u>	<u>30 668 161</u>

2019



2018





# Statement of Compliance with the Shariah Principles

The financial arrangements, contracts and transactions, entered into by EFU Life Assurance Limited-Window Takaful Operations ('the Company') for the period from 1 January 2019 to 31 December 2019 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 takaful rules, 2012 and rulings of the Shariah Advisor along with a comprehensive mechanism to ensure compliance with such ruling and takaful rules, 2012 in their overall operations with zero tolerance. Further, the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the audit Committee / Shariah Advisor and the Board of Directors have been implemented;
- The Company has imparted training / orientations and ensured availability of all manuals / arrangements approved by Shariah advisor / Board of Directors to maintain the adequate level of awareness, capacity and sensitization of the staff, management;
- All the products and policies have been approved by the shariah Advisor and the financial arrangements 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 (Participants takaful fund and Operator's Sub fund) are segregated from its other assets and liabilities, at all times in accordance with the provisions of the takaful rules, 2012.

This has been duly confirmed by the Shariah Advisor of the Company.

Dated: February 07, 2020

Managing Director  
(Chief Executive Officer)

# Shariah Advisory Report to the Board of Director

MUFTI MUHAMMAD IBRAHIM ESSA

Graduate from Jamiah Darul Uloom Karachi, Pakistan  
Shariah Advisor - Islamic Finance and Takaful/Retakaful

Email: mibrahimesa@yahoo.com

Phone: +92-322-2671867

المفتي ابراهيم عيسى  
خريج الجامعة دارالعلوم كراتشي  
المشير الشرعي للامور المالية الاسلامية

## Annual Shari'ah Review Report For the year ended December 31, 2019

الحمد لله رب العالمين والعاقبة للمتقين والصلاة والسلام على اشرف الانبياء والمرسلين وعلى آله  
 واصحابه اجمعين. اما بعد

EFU Life Assurance Ltd started its Window Takaful Operations on 6th February 2015. By the grace of Allah, the year under review was the fifth successful year of Family Takaful in EFU Life. In this year, the Management, Distribution Channels and Board of Directors demonstrated their sincere efforts for the promotion of Takaful and underwritten good numbers in Takaful.

### Progress of the Year 2019:

During the year under review; EFU Life Window Takaful Operations (EFU Life-WTO) has achieved significant successes, details of which are as follow:

1. Under the guidance of the undersigned EFU Life-WTO developed different Takaful Products especially in BancaTakaful segment focusing on the need of Savings, protection and investment based plans.
2. All the distribution channels of EFU Life- WTO including BancaTakaful, Individual and Group Family Takaful segments performed very well and underwritten good figures in Takaful.
3. Number of Religious Institutions (Madaris) continued their fatawa in favor of Takaful Products of EFU Life-WTO. Their Fatawa can be viewed on the website and Takaful booklet of the Company.

### Shariah Compliance:

As Shari'ah Advisor of EFU Life-WTO and based on my review; I confirm that:

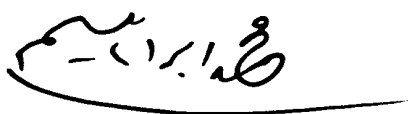
- I have carefully reviewed all the product documents of EFU Life-WTO including Takaful Policies, Brochures, Marketing materials, Agreements of BancaTakaful and Group Takaful etc. and Alhamdulillah I have found them in accordance with Shariah Principles.
- Before launching of any Takaful Product, EFU Life-WTO took guidance and advice of Shari'ah from the undersigned and developed the Takaful Products in accordance with the guidelines provided by me as Shariah Advisor.
- Segregation of Window Takaful Operations is the essential part of valid Takaful contracts. I am pleased to state that EFU Life has realized criticalities of this issue and from the day one, Alhamdulillah, all the Takaful Funds, Investments, Bank Accounts, Systems and other related issues are kept separate from its conventional insurance business, as per requirement of Shariah.
- Conducting Training and Development is an imperative for understanding the principles of Takaful and its practical outline. For this purpose EFU Life-WTO arranged classroom training sessions for its Distribution Channels working in their respective fields and I personally felt that participants gained significantly from these training sessions. I hope EFU Life-WTO will continue this practice in the future.

- In order to grow the Takaful business, it is important that Insurance policies under Aitimad Growth Fund be discontinued. Shariah minded clients should be offered coverage under Takaful concept and underline fund should be any Takaful Fund. I will request from BOD and Board Investment committee to consider this important recommendation of undersigned.
- Few cases which were required to be consulted from the Shariah perspective were discussed with the management and duly resolved.

Generally, the Board of Directors and Management of EFU Life-WTO have shown their sincerity to comply with Shariah Rulings, therefore, I am of the view, that overall operations of Takaful in EFU Life are Shariah Compliant up to the best of my knowledge.

In the end; I pray to Allah Almighty to grant us success and help us at every step, keep us away from every hindrance and difficulty, and give financial success to EFU Life Window Takaful Operations.

والسلام عليكم ورحمة الله وبركاته



Muhammad Ibrahim Essa  
Shariah Advisor  
EFU Life Assurance Limited-Window Takaful Operations  
04th February, 2020

## Profile of Shariah Advisor

The Shari'ah Advisor of EFU Family Takaful is Mufti Muhammad Ibrahim Essa, a prominent scholar from Jamiah Darul Uloom Karachi specializing in Islamic Finance and Takaful. Mufti Ibrahim has completed his Darse Nizami (Masters in Quran and Sunnah) and Takhassus Fil Fiqh (Specialization in Islamic Jurisprudence) from Jamiah Darul Uloom Karachi under the close supervision of Mufti Muhammad Taqi Usmani.

Mufti Ibrahim is also a teacher and member of Darul Ifta, Darul Uloom Karachi (September 2006 to date). He is also associated as Shariah Advisor with different Islamic Financial Institutions, an Islamic Bank, Mudarabas and an auditing Firm.



# Independent Reasonable Assurance Report

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

We were engaged by the Board of Directors of EFU Life Assurance Limited ("the Company") to report on the management's assessment of compliance of the Window Takaful Operations ("Takaful Operations") of the Company, as set out in the annexed statement prepared by the management for the year ended 31 December 2019, with the Takaful Rules, 2012, in the form of an independent reasonable assurance conclusion about whether the annexed statement presents fairly the status of compliance of the Operations with the Takaful Rules, 2012, in all material respects.

### Applicable Criteria

The criteria against which the subject matter information (the Statement) is assessed comprise of the provisions of Takaful Rules 2012.

### Responsibilities of the Management

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

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

### Our Independence and Quality Control

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

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

### Our Responsibilities

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

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

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

The procedures performed included:

- Evaluate the systems, procedures and practices in place with respect to the Takaful operations against the Takaful Rules, 2012 and Shariah advisor's guidelines;
- Evaluating the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee/ Shari'ah Advisor and the Board of Directors;
- Test for a sample of transactions relating to Takaful operations to ensure that these are carried out in accordance with the laid down procedures and practices including the regulations relating to Takaful operations as laid down in Takaful Rules, 2012; and
- Review the statement of management's assessment of compliance of the Takaful transactions during the year ended 31 December 2019, with the Takaful Rules, 2012.

## Conclusion

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

In our opinion, the annexed statement, for the year ended 31 December 2019, presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

Date: 25 February 2020  
Karachi

KPMG Taseer Hadi & Co.  
Chartered Accountants

## Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 & Listed Companies (Code of Corporate Governance) Regulations, 2019, For the year ended 31 December 2019

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

The Company, being an insurer, has applied the principles contained in the said Codes in the following manner:

1. The total number of directors are Nine as per the following:
  - a. Male: Eight
  - b. Female: One
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:

<u>Category</u>	<u>Name</u>
Independent Director	Mrs. Rukhsana Shah
Executive Director	Mr. Taher G. Sachak
Non-Executive Director	Mr. Rafique R. Bhimjee
Non-Executive Director	Mr. Saifuddin N. Zoomkawala
Non-Executive Director	Mr. Muneer R. Bhimjee
Non-Executive Director	Mr. Hasanali Abdullah
Non-Executive Director	Mr. Heinz Walter Dollberg
Non-Executive Director	Mr. S. Salman Rashid
Non-Executive Director	Mr. Ali Raza Siddiqui

The independent director meets the criteria of independence under the Code.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, excluding the listed subsidiaries of listed holding companies, including this company.
4. All the resident directors of the company have confirmed that they are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of stock exchange, has been declared as a defaulter by a stock exchange.
5. A casual vacancy occurring on the Board on 01 April 2019 was filled up by the directors within 27 days thereof i.e. on 27 April 2019.
6. The Company has prepared a Code of Conduct, which has been disseminated among all the directors and employees of the Company.
7. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
8. All powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive directors and the key officers, have been taken by the Board.
9. The meetings of the Board were presided over the Chairman and, in his / her absence, by a director elected by the Board for this purpose and the Board met at least once 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. The Board arranged an Orientation course for all its directors in the form of booklet which was submitted to the Board of Directors during the year to apprise them of their duties and responsibilities and also about changes in Laws and Regulations.
12. The Board has put in place a mechanism for an annual evaluation of the Board's own performance as required under the Listed Companies (CCG) Regulations, 2019.
13. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
14. There was no change of Chief Financial Officer, and Head of Internal Audit during the year 2019. Mr. Abbas Hussain has been appointed as Company Secretary during the year 2019. The Board has approved the remuneration of CFO & Company Secretary and the Head of Internal Audit Department.
15. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and the Listed Companies (CCG) Regulations, 2019 and fully describes the salient matters required to be disclosed.
16. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
17. 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.
18. The Company has complied with all the corporate and financial reporting requirements of the Code and Listed Companies (CCG) Regulations, 2019.
19. The Board has formed the following Management Committees under the Code:

#### **Underwriting Committee:**

<u>Name of the Member</u>	<u>Category</u>
Taher G. Sachak	Chairman (Chief Executive Officer)
Dr. Tajuddin A, Manji	Member
Zain Ibrahim	Member
Hasan Sheikh	Member
Dr. Asadul Hadi Siddiqui	Member

#### **Claim Settlement Committee:**

<u>Name of the Member</u>	<u>Category</u>
Taher G. Sachak	Chairman (Chief Executive Officer)
Arshad Iqbal	Member
Dr. Ammara Moazzum	Member
Sajjad Hussain	Member

#### **Reinsurance & Co-insurance Committee:**

<u>Name of the Member</u>	<u>Category</u>
Taher G. Sachak	Chairman (Chief Executive Officer)
Mohammad Ali Ahmed	Member
Zain Ibrahim	Member
Raza Hasan	Member
Ali Qureshi	Member

#### Risk Management & Compliance Committee:

<u>Name of the Member</u>	<u>Category</u>
Taher G. Sachak	Chairman (Chief Executive Officer)
Mohammed Ali Ahmed	Member
S. Shahid Abbas	Member
Zain Ibrahim	Member
Ali Qureshi	Member
Abbas Hussain	Member
Abdul Mujeeb	Member

20. The Board has formed the following Board Committees.

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

<u>Name of the Member</u>	<u>Category</u>
Rukhsana Shah	Chairman (Independent Director)
Rafique R. Bhimjee	Member (Non-Executive Director)
Saifuddin N. Zoomkawala	Member (Non-Executive Director)
Taher G. Sachak	Member (Chief Executive Officer)

#### Investment Committee:

<u>Name of the Member</u>	<u>Category</u>
Rafique R. Bhimjee	Chairman (Non-Executive Director)
Saifuddin N. Zookawala	Member (Non-Executive Director)
Taher G. Sachak	Member (Chief Executive Officer)
Hasanali Abdullah	Member (Non-Executive Director)
Omer Morshed	Member
S. Shahid Abbas	Member (CFO)
Mohammed Ali Ahmed	Member (Actuary)
S. Muhammad Owais	Member

21. The Board has formed an Audit Committee. It comprises of five members, of whom one is independent director and four are non-executive directors. The chairman of the Committee is an independent director. The composition of the Audit Committee is as follows:

#### Audit Committee:

<u>Name of the Member</u>	<u>Category</u>
Rukhsana Shah	Chairman (Independent Director)
Hasanali Abdullah	Member (Non-Executive Director)
Saifuddin N. Zoomkawala	Member (Non-Executive Director)
Muneer R. Bhimjee	Member (Non-Executive Director)
Ali Raza Siddiqui	Member (Non-Executive Director)

22. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

23. The meetings of the Committees, except Ethics, Human Resource and Remuneration Committee, were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. Only Investment committee was held more than once in the third quarter. Ethics, Human Resource and Remuneration Committee meeting was held once during the year.

24. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

25. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under the Code. The Appointed Actuary of the Company also meets the conditions as laid down in the said Code. Moreover, the persons heading the underwriting, claim, reinsurance, risk management and grievance functions / departments possess qualification and experience of direct relevance to their respective functions, as required under section 12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000):

<u>Name of the Person</u>	<u>Designation</u>
Taher G. Sachak	Chief Executive Officer
S. Shahid Abbas	Chief Financial Officer
Abbas Husain	Compliance Officer
Mohammed Ali Ahmed	Actuary
Abbas Husain	Company Secretary
Mohammad Abbas	Head of Internal Audit
Zain Ibrahim	Head of Underwriting
Dr Ammara Moazzum	Head of Claims
Ali Qureshi	Head of Reinsurance
Ali Qureshi	Head of Risk Management
Arshad Iqbal	Head of Grievance Dept.

26. 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 of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the insurer and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
27. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
28. The Appointed Actuary of the Company has confirmed that he/she or his / her spouse and minor children do not hold shares of the Company.
29. The Board ensures that the Appointed Actuary complies with the requirements set out for him / her in the Code.
30. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code.
31. The Board ensures that the risk management system of the Company is in place as per the requirement of the Code.
32. The Company has set up a risk management function / department, which carries out its tasks as covered under the Code
33. The Board ensures that as part of the risk management system, the Company gets rated from VIS which is being used by its risk management function / department and the respective Committee as a risk monitoring tool. The rating assigned by the said rating agency on 15 March 2019 is AA+ with stable outlook, which carries out its tasks as covered under the Code.
34. The Board has set up a grievance department / function, which fully complies with the requirements of the Code.
35. The Company has not obtained any exemption from the Securities and Exchange Commission of Pakistan in respect of the requirements of the Code.
36. All directors are either already certified or exempt from the said requirement under the Code.



37. The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and the Pakistan stock exchange as required by the Listed Companies (CCG) Regulations, 2019.
38. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper records including basis for inclusion or exclusion of names of persons from the said list.
39. The Company is in the process of complying with the requirements and regulations laid down in Section 208 of the Companies Act, 2017. The compliance is dependent on clarification from the Securities and Exchange Commission of Pakistan (SECP) with respect to definition of related parties. In the meantime, the Company has continued to present the details of all related party transactions as disclosed in the financial statements before the Audit Committee and upon their recommendation to the Board for review and approval.
40. We confirm that all other material principles contained in the Code and the Listed Companies (CCG) Regulations, 2019 have been complied with.

By Order of the Board

Date: 07 February 2020

Name and Signature of the  
Chairman of the Board  
or Chief Executive

# Independent Auditor's Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017 and the Code of Corporate Governance for Insurers, 2016

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

We have reviewed the enclosed Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (combined called 'the Code') prepared by the Board of Directors of EFU Life Assurance Limited ('the Company') for the year ended 31 December 2019 in accordance with the requirements of the Code.

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

As 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 Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Code as applicable to the Company for the year ended 31 December 2019.

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KPMG Taseer Hadi & Co.  
Chartered Accountants

Karachi February 7, 2020

# Independent Auditor's Report

To the members of EFU Life Assurance Limited

Report on the Audit of the Financial Statements

## Opinion

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

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

## Basis for Opinion

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

## Emphasis of Matter

We draw attention to note 24 to the financial statements, which describes that the Company has challenged the scope and applicability of the provincial sales tax on services on the premium from life insurance business.

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 for 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 matters were addressed in our audit
1	<p><b>Insurance Liabilities</b></p> <p>Refer to note 20 to financial statements relating to insurance liabilities.</p> <p>The Company's insurance liabilities represent 97% of its total liabilities. Approximately 96% of these liabilities are for unit linked business. Valuation of insurance / takaful contract liabilities involve significant judgment, actuarial assumptions such as; mortality, persistency, morbidity, investment returns, expense levels and inflation, and the use of methods adopted for actuarial valuations.</p>	<p>Our procedures in respect of this matter included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding, assessed the design and tested the operating effectiveness of controls established for unit linked business for allocation and surrender of units and calculation of bid value per unit;</li> <li>• Assessed the adequacy of the reserve for bid value of allocated units of unit linked business, by applying the bid value to the total number of units extracted from the system;</li> <li>• Assessed the adequacy of reserving of various components of Insurance liabilities, other than bid value reserves including reserves of non-linked businesses, by testing calculations on the relevant data obtained from system generated reports;</li> <li>• Obtained an understanding, evaluated the design and tested the controls related to reinsurance arrangements;</li> <li>• Obtained understanding of the work performed by the appointed actuary;</li> <li>• Used an external actuarial specialist to assist us in challenging the general principles, actuarial assumptions and methods adopted for actuarial valuations by the appointed actuary of the Company; and</li> <li>• Challenged the assumptions used for incurred but not reported claims of businesses where fully credible experience is not available with the Company's historical data of claims.</li> </ul>
2	<p><b>Insurance Benefits</b></p> <p>Refer to note 30 to financial statements for insurance benefits.</p> <p>The total claims expense net of reinsurances and related expenses for the year in respect of death, non-death, maturity, surrenders and partial surrender claims amounted to Rs. 15.68 billion.</p> <p>Claim expenses are recognized on intimation of the insured event except for individual life businesses where the same are recognized at the earlier of the maturity of contract and intimation of insured event.</p> <p>The recognition of insurance benefits involves judgment and a risk that claims may not be recognized in the appropriate period.</p>	<p>Our procedures in respect of this matter included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding, evaluated the design and tested the controls over the process of capturing, processing and recording of information related to the claims;</li> <li>• For a risk based sample of claims outstanding at the year-end, other than for unit linked business, compared the liability recorded with the terms of the policy; and</li> <li>• For a risk based sample of claims reported near to year end and subsequent to year end, evaluated that these are recorded in the appropriate period.</li> </ul>

S.No.	Key audit matters	How the matters were addressed in our audit
3	<p><b>Revenue Recognition</b></p> <p>Refer to note 25 to financial statements for Insurance Premiums / Contributions Revenue and 26 for investment income.</p> <p>The Company receives its revenue primarily from two main sources namely; premiums / contributions and investments income.</p> <p>We identified revenue recognition as a key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not be recognized in the appropriate period.</p>	<p>Our procedures in respect of this matter included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding, evaluated the design and tested the controls over the process of capturing, processing and recording of information related to premiums and investment income;</li> <li>• For a risk based sample of policies of non-unit linked business where premium is outstanding at the year end, compared receivable recorded with the terms of policy;</li> <li>• For a risk based sample of policies of which premium / contribution was received / due near to period end and subsequent to period end, evaluated that these were recorded in the appropriate period; and</li> <li>• For a sample of investment income transactions, tested that investment income is recorded based on the effective interest method or where right to receive the dividend is established.</li> </ul>
4	<p><b>Classification, valuation and impairment of investments</b></p> <p>Refer to note 8 to 12 to financial statements and the accounting policies in notes 3.1.12 for investments.</p> <p>The Company's investment portfolio comprises of government debt securities, equity securities, other fixed income securities and Term deposits.</p> <p>Investments carried at Fair Value through Profit or loss represent 78% of the total investments while investments classified as Available-for-sale and Held to Maturity represent 22% of total investments.</p> <p>We identified the classification, valuation and impairment of investments as key audit matter because of the significance of investments and management's judgment involved in classification and impairment.</p>	<p>Our procedures in respect of this matter included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding, evaluated the design and tested the operating effectiveness of controls designed for classifications and valuation of all investments and for impairment of investments classified as available for sale;</li> <li>• Tested on a sample basis, specific purchases and sale transactions recorded during the year with underlying documentation;</li> <li>• Evaluated designation of securities, recording of investments purchased among the statutory funds by testing the individual transactions on a sample basis;</li> <li>• For a sample of investments we tested the valuation by agreeing the prices with quoted marked yields obtained from Reuters for Government securities, prices quoted on Pakistan Stock Exchange for equity securities and prices quoted by Mutual Funds Association of Pakistan for other debt securities; and</li> <li>• We assessed the appropriateness of impairment in the value of available for sale securities in accordance with the requirements of accounting and reporting standards.</li> </ul>

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

Management is responsible for the Other Information. Other Information obtained at the date of this auditor's report is Director's report and Chairman's review, 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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

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

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

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

### Report on other legal and regulatory requirements

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

- a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XXI 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 Zeeshan Rashid.

Date: February 7, 2019  
Karachi

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KPMG Taseer Hadi & Co.  
Chartered Accountants

# Statement of Financial Position

## As At 31 December 2019

(Rupees '000)

	Note	31 December 2019	31 December 2018 (Restated)
<b>Assets</b>			
Properties and equipments	6	2 883 687	2 431 627
Intangible assets	7	24 733	27 038
Investments			
Equity securities	8	10 472 542	33 542 712
Government securities	9	76 203 542	52 972 866
Debt securities	10	9 319 491	4 078 872
Term deposits	11	19 659 000	15 049 100
Open-ended mutual funds	12	410 714	177 087
Insurance / reinsurance receivables	13	253 999	169 600
Other loans and receivables	14	3 235 945	3 110 438
Taxation - payments less provision		1 061 222	337 727
Prepayments	16	51 216	81 182
Cash & Bank	17	5 713 548	4 786 362
<b>Total Assets</b>		<b>129 289 639</b>	<b>116 764 611</b>
<b>Equity and Liabilities</b>			
Capital and reserves attributable to Company's equity holders			
Authorised share capital			
[150 000 000 ordinary shares (2018: 150 000 000) of Rs.10 each]		1 500 000	1 500 000
Ordinary share capital:100 000 000(2018:100 000 000) ordinary shares of Rs.10 each	18	1 000 000	1 000 000
Retained earnings arising from business other than participating business			
attributable to shareholders (Ledger account D)	18.3	1 730 534	1 679 256
Reserves	19	2 000 000	2 150 000
Surplus on revaluation of available for sale investment - net of tax		50 986	75 713
Unappropriated profit		1 126 420	1 053 434
<b>Total Equity</b>		<b>5 907 940</b>	<b>5 958 403</b>
<b>Liabilities</b>			
Insurance Liabilities	20	119 153 655	107 695 796
Deferred taxation	15	743 179	681 367
Premium received in advance		969 354	714 419
Insurance / reinsurance payables	21	258 031	193 218
Other creditors and accruals	22	2 257 480	1 521 408
		4 228 044	3 110 412
<b>Total Liabilities</b>		<b>123 381 699</b>	<b>110 806 208</b>
<b>Total Equity and Liabilities</b>		<b>129 289 639</b>	<b>116 764 611</b>
<b>Contingency(ies) and commitment(s)</b>	24		

The annexed notes 1 to 48 form an integral part of these financial statements.

TAHER G. SACHAK  
Managing Director &  
Chief Executive

SYED SHAHID ABBAS  
Chief Financial  
Officer

HASANALI ABDULLAH  
Director

MUNEER R. BHIMJEE  
Director

RAFIQUE R. BHIMJEE  
Chairman

Karachi February 07, 2020

# Statement of Profit and Loss Account

## For The Year Ended 31 December 2019

			(Rupees '000)
	Note	31 December 2019	31 December 2018 (Restated)
Premium / Contribution Revenue		31 750 084	30 790 407
Premium / Retakaful ceded to reinsurers		( 608 450 )	( 626 139 )
<b>Net premium revenue</b>	25	31 141 634	30 164 268
Investment income	26	11 589 124	6 942 391
Net realised fair value losses on financial assets	27	( 7 807 925 )	( 3 739 394 )
Net fair value gains / (losses) on financial assets at fair value through profit or loss	28	3 074 567	( 3 058 297 )
Other income	29	64 525	63 277
		6 920 291	207 977
<b>Net income</b>		38 061 925	30 372 245
Insurance benefits		16 115 441	13 589 766
Recoveries from reinsurers		( 446 390 )	( 504 051 )
Claims related expenses		8 382	8 736
<b>Net Insurance Benefits</b>	30	15 677 433	13 094 451
Net Change in Insurance Liabilities (other than outstanding claims)		11 046 950	6 620 835
Acquisition expenses	31	7 322 986	6 750 979
Marketing and administration expenses	32	1 761 327	1 602 816
Other expenses	33	26 482	20 227
Reversal of WWF		( 127 426 )	–
<b>Total Expenses</b>		20 030 319	14 994 857
<b>Profit before tax (Refer note below)</b>		2 354 173	2 282 937
Income tax expense	34	( 804 909 )	( 736 634 )
<b>Profit for the year</b>		1 549 264	1 546 303
<b>Earnings per share - Rupees</b>	35	15.49	15.46

The annexed notes 1 to 48 form an integral part of these financial statements.

Note:

Profit before tax is inclusive of the amount of the profit before tax of the Shareholders' Fund the Surplus Transfer from the Revenue Account of the Statutory Funds to the Shareholders' Fund based on the advice of the Appointed Actuary and the undistributed surplus in the Revenue Account of the Statutory Funds which also includes the solvency margins maintained in accordance with the Insurance Rules 2017. For details of the Surplus Transfer from the Revenue Account of the Statutory Funds to the Shareholders' Fund aggregating to Rs. 1 961 million (2018: Rs.1 992 million) please refer to note 38 relating to segmental information - Revenue Account by Statutory Fund.

TAHER G. SACHAK  
Managing Director &  
Chief Executive

SYED SHAHID ABBAS  
Chief Financial  
Officer

HASANALI ABDULLAH  
Director

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Director

RAFIQUE R. BHIMJEE  
Chairman

Karachi February 07, 2020



# Statement of Comprehensive Income

## For The Year Ended 31 December 2019

(Rupees '000)

	31 December 2019	31 December 2018 (Restated)
Profit for the year - as per Profit and Loss Account	1 549 264	1 546 303
<b>Other Comprehensive Income:</b>		
<b>Items that may be reclassified to profit and loss in subsequent periods:</b>		
Change in unrealised gains / (losses) on available-for-sale financial assets	( 48 054 )	( 30 767 )
Reclassification adjustment relating to available-for-sale investments sold during the year	13 227	7 657
	( 34 827 )	( 23 110 )
Related deferred tax	10 100	6 702
Other comprehensive income for the year- net of tax	( 24 727 )	( 16 408 )
<b>Total comprehensive income for the year</b>	<b>1 524 537</b>	<b>1 529 895</b>

The annexed notes 1 to 48 form an integral part of these financial statements.

TAHER G. SACHAK  
Managing Director &  
Chief Executive

SYED SHAHID ABBAS  
Chief Financial  
Officer

HASANALI ABDULLAH  
Director

MUNEER R. BHIMJEE  
Director

RAFIQUE R. BHIMJEE  
Chairman

Karachi February 07, 2020

# Cash Flow Statement

## For The Year Ended 31 December 2019

	31 December 2019	31 December 2018 (Restated)
<b>Operating cash flows</b>		
<b>a ) Underwriting activities</b>		
Insurance premium / contribution received	31 930 572	30 790 754
Reinsurance premium / Retakaful contribution paid	( 553 589 )	( 398 806 )
Claims paid	( 15 704 531 )	( 13 423 998 )
Reinsurance and other recoveries received	446 390	504 051
Commission paid	( 4 681 691 )	( 4 601 893 )
Marketing and Administrative expenses paid	( 1 761 327 )	( 1 602 816 )
Other acquisition cost paid	( 2 252 359 )	( 1 948 126 )
<b>Net cash flow from underwriting activities</b>	<b>7 423 465</b>	<b>9 319 166</b>
<b>b ) Other operating activities</b>		
Income tax paid	( 1 456 494 )	( 847 653 )
Other operating receipts / (payments)	1 792 155	( 605 734 )
Loans advanced	( 159 777 )	( 52 844 )
Loans repayments received	111 844	22 872
<b>Net cash flow from other operating activities</b>	<b>287 728</b>	<b>( 1 483 359 )</b>
<b>Total cash flow from all operating activities</b>	<b>7 711 193</b>	<b>7 835 807</b>
<b>Investment activities</b>		
Profit / Return received	9 052 766	6 236 055
Dividends received	916 082	1 483 755
Payments for investments	( 399 998 142 )	( 298 284 716 )
Proceed from disposal of investments	389 808 828	286 012 072
Fixed capital expenditure	( 464 115 )	( 516 318 )
Proceeds from sale of property and equipment	85 473	71 894
<b>Total cash flow from investing activities</b>	<b>( 599 108 )</b>	<b>( 4 997 258 )</b>
<b>Financing activities</b>		
Dividends paid	( 1 575 000 )	( 1 500 000 )
<b>Total cash flow from financing activities</b>	<b>( 1 575 000 )</b>	<b>( 1 500 000 )</b>
<b>Net cash flow from all activities</b>	<b>5 537 085</b>	<b>1 338 549</b>
Cash and cash equivalents at beginning of the year	19 835 462	18 496 913
Cash and cash equivalents at end of the year	<b>25 372 547</b>	<b>19 835 462</b>
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	7 711 193	7 835 807
Depreciation expense	( 458 824 )	( 220 306 )
Amortization expense	( 12 871 )	( 14 286 )
Profit on disposal of property and equipment	33 569	39 990
Loss on disposal of investments	( 7 807 925 )	( 3 739 394 )
Other revenue	21 032	14 137
Dividend Income	904 029	1 473 722
Other investment income	10 919 144	5 974 163
Appreciation / ( Depreciation ) in market value of investments	3 274 840	( 3 244 298 )
Reversal / ( Provision ) of impairment in the value of available for sale equity investments	13 350	( 14 427 )
Increase in assets other than cash	219 697	477 238
Increase in liabilities	( 13 267 970 )	( 7 036 043 )
<b>Profit after taxation</b>	<b>1 549 264</b>	<b>1 546 303</b>

The annexed notes 1 to 48 form an integral part of these financial statements.

TAHER G. SACHAK  
Managing Director &  
Chief Executive

SYED SHAHID ABBAS  
Chief Financial  
Officer

HASANALI ABDULLAH  
Director

MUNEER R. BHIMJEE  
Director

RAFIQUE R. BHIMJEE  
Chairman

Karachi February 07, 2020

# Statement of Changes in Equity

## For The Year Ended 31 December 2019

(Rupees '000)

Attributable to the equity holders' of the Company						
Note	Share Capital	General Reserve	Retained earnings arising from business other than participating business attributable to shareholders (ledger account D)-net of tax*	Surplus on revaluation of available for sale investment	Unappropriated Profit	Total
Balance as at 1 January 2018 (as reported)	1 000 000	1 900 000	1 529 902	92 121	1 440 648	5 962 671
Adjustment due to change in accounting policy	5.2		( 34 163 )			( 34 163 )
Balance as at 1 January 2018 re-stated	1 000 000	1 900 000	1 495 739	92 121	1 440 648	5 928 508
<b>Comprehensive Income for the year ended 31 December 2018</b>						
Income for the year ended 31 December 2018 (as reported)	–	–	205 738	–	1 375 595	1 581 333
Adjustment due to change in accounting policy (refer note 3)	–	–	( 35 030 )	–	–	( 35 030 )
Other Comprehensive Income	–	–	–	( 16 408 )	–	( 16 408 )
Total income for the year ended 31 December 2018-restated	–	–	170 708	( 16 408 )	1 375 595	1 529 895
Contribution to increase solvency margin	–	–	12 809	–	( 12 809 )	–
Transfer to General Reserve	–	250 000	–	–	( 250 000 )	–
<b>Transactions with shareholders</b>						
Dividend for the year ended 31 December 2017	–	–	–	–	( 1 125 000 )	( 1 125 000 )
Interim Dividend-1st Quarter 2018	–	–	–	–	( 125 000 )	( 125 000 )
Interim Dividend-2nd Quarter 2018	–	–	–	–	( 125 000 )	( 125 000 )
Interim Dividend -3rd Quarter 2018	–	–	–	–	( 125 000 )	( 125 000 )
	–	–	–	–	( 1 500 000 )	( 1 500 000 )
Balance as at 31 December 2018	1 000 000	2 150 000	1 679 256	75 713	1 053 434	5 958 403
Balance as at 1 January 2019 ( as reported )	1 000 000	2 150 000	1 748 449	75 713	1 053 434	6 027 596
Adjustment due to change in accounting policy	5.2		( 69 193 )			( 69 193 )
	1 000 000	2 150 000	1 679 256	75 713	1 053 434	5 958 403
<b>Comprehensive Income for the year ended 31 December 2019</b>						
Income for the year ended 31 December 2019	–	–	( 55 225 )	–	1 604 489	1 549 264
Other Comprehensive Income	–	–	–	( 24 727 )	–	( 24 727 )
	–	–	( 55 225 )	( 24 727 )	1 604 489	1 524 537
Contribution to increase solvency margin	–	–	106 503	–	( 106 503 )	–
Transfer from General Reserve	–	( 150 000 )	–	–	150 000	–
<b>Transactions with shareholders</b>						
Dividend for the year ended 31 December 2018	–	–	–	–	( 1 125 000 )	( 1 125 000 )
Interim Dividend-1st Quarter 2019	–	–	–	–	( 150 000 )	( 150 000 )
Interim Dividend-2nd Quarter 2019	–	–	–	–	( 150 000 )	( 150 000 )
Interim Dividend-3rd Quarter 2019	–	–	–	–	( 150 000 )	( 150 000 )
	–	–	–	–	( 1 575 000 )	( 1 575 000 )
Balance as at 31 December 2019	1 000 000	2 000 000	1 730 534	50 986	1 126 420	5 907 940

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

The annexed notes 1 to 48 form an integral part of these financial statements.

TAHER G. SACHAK  
Managing Director &  
Chief Executive

SYED SHAHID ABBAS  
Chief Financial  
Officer

HASANALI ABDULLAH  
Director

MUNEER R. BHIMJEE  
Director

RAFIQUE R. BHIMJEE  
Chairman

Karachi February 07, 2020

# Notes to and forming part of the Financial Statements For The Year Ended 31 December 2019

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 EFU Life Assurance Limited (the Company) was incorporated in Pakistan on 09 August 1992 as a public limited company under the Repealed Companies Ordinance, 1984 (now Companies Act, 2017) and started its operation from 18 November 1992. The shares of the Company are quoted on Pakistan Stock Exchange. The Registered office of the Company is located at Al-Malik Centre, 70W, F-7/G-7 Jinnah Avenue, Islamabad while principal place of business is located at EFU Life House Plot No.112, 8th East street, Phase 1, DHA, Karachi.
- 1.2 The Company is a subsidiary of EFU General Insurance Limited on the basis of its ability to control the composition of the Board of Directors of EFU Life Assurance Limited effective 31 March 2018.
- 1.3 The Company is engaged in life insurance business including ordinary life business, pension fund business and accident and health business and has established following statutory funds, as required by the Insurance Ordinance, 2000:
- Investment Linked business (includes individual life business)
  - Conventional business (includes group life and individual life businesses)
  - Pension business (unit linked)\*
  - Accident and health business
  - Family Takaful Investment Linked Business (Refer note 1.4)
  - Family Takaful Protection Business (Refer note 1.4)
- \* The Company had discontinued pension business and accordingly no new business has been written under this fund.
- 1.4 The Company was granted authorisation on 19 January 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Takaful Window Operation in respect of family takaful products by Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations on 6 February 2015 under the brand name "Hemayah". For the purpose of carrying on takaful business, the Company has formed a Waqf namely EFU Life - Window Family Takaful Limited Waqf (here-in-after referred to as the Participant Takaful Fund (PTF)) was formed on 6 February 2015 under a Waqf deed executed by the Company with a cede amount of Rs. 2 million. The cede money is required to be invested in Shariah compliant investments and any profit thereon can be utilized only to pay benefits to participants or defray PTF expenses. Waqf deed also governs the relationship of the Company and policyholders for the management of Takaful operations, investment of policyholders' funds and shareholders' funds as approved by the Shariah Advisor appointed by the Company.

## 2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

- 2.1 These financial statements have been prepared on the format of financial statements issued by the Securities and Exchange Commission of Pakistan (SECP) through the Insurance Rules, 2017 vide its S.R.O. 89(1) / 2017 dated 09 February 2017.
- 2.2 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;
  - Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Takaful Rules, 2012 and Insurance Accounting Regulations, 2017; and
  - Islamic Financial Accounting Standards (IFAS) (as a lease) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017.

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.



## 2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for the available for sale investments which are stated at their fair values.

## 2.4 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency. All financial information presented in Pakistani Rupees has been rounded to the nearest thousands.

## 2.5 Standards, Interpretations and Amendments effective in 2019

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after 01 January 2019 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these financial statements, except those disclosed in note 5 and note 2.5.1.

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

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

The Company has determined that it is eligible for the temporary exemption option since the Company has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the company doesn't engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Company can defer the application of IFRS 9 until the application of IFRS 17.

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

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

The tables below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

- a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and
- b) all other financial assets.

## Financial assets

(Rupees '000)

	31 December 2019			
	Fail the SPPI test		Pass the SPPI test	
	Fair value	Change in unrealized gain or loss during the year	Fair Value	Change in unrealized gain or loss during the year
Cash and bank *	-	-	5 713 548	-
Investments in equity securities	10 472 542	2 531 842	-	-
Investments in debt securities	-	-	85 523 033	511 196
Term Deposits	-	-	19 659 000	-
Mutual Funds	410 714	-	-	-
	<u>10 883 256</u>	<u>2 531 842</u>	<u>110 895 581</u>	<u>511 196</u>

(Rupees '000)

	31 December 2019									
	Gross carrying amounts of debt instruments that pass the SPPI test									
	AA+	A+	AA	AA-	AAA	A-	A-1	A-1+	A-2	Unrated
Cash and bank *	-	-	-	-	-	-	1 054 068	4 626 036	8 906	11 138
Investments in equity securities										
Investments in debt securities	2 570 568	50 000	2 196 459	1 077 809	2 564 430	650 225	-	-	-	-
Term Deposits / Certificate of investment	-	100 000	-	-	-	250 000	5 250 000	14 059 000	-	210 000
<b>Total gross carrying amounts of financial assets that pass the SPPI test</b>	<u>2 570 568</u>	<u>150 000</u>	<u>2 196 459</u>	<u>1 077 809</u>	<u>2 564 430</u>	<u>900 225</u>	<u>6 304 068</u>	<u>18 685 036</u>	<u>8 906</u>	<u>221 138</u>

\* The carrying amount of these financial assets measured applying IAS 39 are a reasonable approximation of their fair values.

## 2.6 Standards, Interpretations and amendments not effective at year end

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2020:

- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

- On 29 March 2018, the International Accounting Standards Board and (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately and contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.
- Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements of the Company.
- IFRS 14 Regulatory Deferral Accounts - (effective for annual periods beginning on or after 1 July 2019) provides interim guidance on accounting for regulatory deferral accounts balances while IASB considers more comprehensive guidance on accounting for the effects of rate regulation. In order to apply the interim standard, an entity has to be rate regulated – i.e. the establishment of prices that can be charged to its customers for goods or services is subject to oversight and/or approved by an authorized body. The term 'regulatory deferral account balance' has been chosen as a neutral descriptor for expense (income) or variance account that is included or is expected to be included by the rate regulator in establishing the rate(s) that can be charged to customers and would not otherwise be recognized as an asset or liability under other IFRSs. The standard is not likely to have any effect on Company's financial statements.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except for the policies and standards disclosed in note 5 of these financial statements which have been adopted by the Company during the current year.

#### 3.1 Property and Equipment

These are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation is calculated so as to write off the depreciable amount of the assets over their expected useful lives at the rates specified in note 6.1 to the financial statements, after taking into account residual value, if any. The useful lives, residual values and depreciation methods are reviewed and adjusted, if appropriate, at each balance sheet date.

Depreciation on additions is charged from the quarter in which an asset is available for use while no depreciation is charged for the quarter in which asset is disposed off.

Subsequent cost are included in the assets carrying amount or recognized as separate asset, as appropriate, only when it is possible that the future economic benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. Revenue expenditures are charged to profit and loss account.

An item of fixed asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gain and losses on disposal, if any, of assets are included in profit and loss account currently.

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate that this carrying value may not be recoverable. If any such indications exist and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount.

### 3.2 Intangible assets

These are stated at cost less accumulated amortization and any impairment in value. Amortization on intangible fixed assets is charged to profit and loss account applying the straight line method at the rates specified in note 7 to the financial statements after taking into account residual value, if any.

Amortization is charged from the quarter the assets are available for use and no amortization is charged for the quarter in which the asset is disposed off. The useful life and amortization method is reviewed, and adjusted if appropriate, at each balance sheet date.

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that this carrying value may not be recoverable, if any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

### 3.3 Insurance Contracts

#### Classification

The Company currently issues contracts that are classified as insurance and takaful contracts as they transfer significant insurance risk (against death, disability and sickness) from the policyholder to the Company. All contracts which include an investment element are unit-linked contracts linked to internal mutual funds.

The Company classifies its business into Individual Life and Group Life businesses, in both cases the form of contract consisting of main plans and supplementary riders (which are generally optional).

Individual life business mainly consists of unit-linked products and conventional protection products, in both cases with optional supplementary riders which generally provide protection only. Group Life business consists primarily of protection products and a relatively small number of unit-linked policies.

### 3.4 Contract details and measurement

The insurance contracts offered by the Company are described below:

#### Individual Life Policies

These consist of the following types of policies:

##### (a) Unit-Linked Products

These are medium to long term unit-linked plans designed to address a variety of future policyholder needs, such as retirement planning, education planning for children, marriage planning for children, life protection and investments and savings for future. Premiums received from policyholders and after deduction of specified charges including risk charges, are invested in internal unit funds of the Company. The basic plan contains life cover over and above the unit value, with additional protection (for death, disability and sickness) being provided through the addition of optional riders.

##### (b) Conventional Protection Products

Two types of products are offered under Individual life conventional business, these being medium to long term contracts with level premiums being paid over the policy period. The Company offers a standard term life assurance product that offers protection in event of death as well as a decreasing term life assurance policy that covers outstanding loan balances.

##### (c) Family Takaful Investment linked Products

These are medium to long term unit-linked plans operated through Window Takaful Operations of EFU Life Assurance Limited.

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



#### **(d) Accident and Health Products**

These consist of long term and short term Accident and Health products providing cover against accidental death, disability, sickness and critical illness, offered both as long term as well as yearly renewable plans.

#### **(e) Other Supplementary Benefits**

The Company also offers a variety of supplementary benefits attached with main plans including additional term life assurance, income benefits, critical illness, sickness and accidental death and disability related benefits.

### **Group Life and Group Family Takaful Protection Policies**

#### **(a) Nature of Contracts:**

The Company's group life and group takaful business consists of one year term life contracts which provide coverage, in the event of death or disability, to:

- employees of a common employer, benefits payable under these contracts being either fixed, in case of death, or linked to the extent of loss incurred by the policyholder, in case of disability;
- customers of financial institutions, the contracts being issued to financial institutions to protect their customers' outstanding loan balances, such as on personal loan, mortgages and credit cards.

Unit Linked Group Life policies are similar in nature to Individual Life Unit linked Products.

### **3.5 Policyholders' Liability**

Policyholders' liabilities are stated at a value determined by the appointed actuary through an actuarial valuation carried out as at each balance sheet date. In determining the value, both acquired policy values (which forms the bulk of policyholders' liabilities) as well as estimated values which will be payable against risks which the Company underwrites are taken into account. The bases used are applied consistently from year to year.

The basic liability consists of the estimated actuarial liability against each contract which is in force. To this are added:

- a) The cash value of policies which have lapsed over the last two years and where the liability would be reinstated in case of the policy being revived; and
- b) A reserve for potential losses on a policy by policy basis.

### **3.6 Reinsurance contracts held**

The Company has entered into reinsurance / retakaful (hereinafter referred to as "reinsurance") arrangements, for both its individual and group businesses, in order to manage risks associated with the frequency and severity of claims. These arrangements include cover under treaties as well as on a facultative basis. The terms of reinsurance treaties vary by type of business, the objective being to maintain a reasonable risk profile suiting the risk appetite and overall exposure to adverse movements in mortality or morbidity.

Primarily, reinsurance assets are amounts due from reinsurers with respect to recoveries under claims and profit commission. Reinsurance recoveries are measured according to the terms and conditions of the reinsurance contracts.

Reinsurance liabilities consist of amounts due to reinsurers on account of reinsurance premiums due which are measured according to the terms of the arrangements.

### **3.7 Receivables and payables related to insurance contracts**

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

### **3.8 Operating Segments**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The Company accounts for segment reporting using the classes or sub classes of business (statutory funds) as specified under the Insurance Ordinance, 2000 and Insurance Rules, 2017 under regulatory accounts.

Based on its classification of Insurance contracts issued, the Company has six business segments for reporting purposes namely investment linked business, conventional business, pension business, accident and health business, Family takaful investment linked business and Family takaful protection business.

### 3.9 Cash and Cash equivalents

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

- Cash at bank in current and saving accounts;
- Policy stamps in hand; and
- Term Deposits Receipts with original maturity upto three months.

### 3.10 Revenue recognition

- First year individual life premiums / contributions are recognized once the related policies have been issued and the premium is received. Renewal premiums are recognized upon receipt of premium provided the policy is still in force. Single premiums are recognized once the related policies are issued against the receipts of premium.
- Group life premiums are recognized when due. A provision for unearned premiums is included in the policyholders' liabilities.
- Interest / profit income on bank deposits is recorded on a time proportion basis.
- Fixed income securities are recorded on a time proportion basis using effective interest rate method.
- Dividend income is recognized when right to receive such dividend is established.

3.10.1 Experience refund of premium payable to Policyholders except for individual life unit linked is included in outstanding claims.

3.10.2 Reinsurance expense is recognized as a liability in accordance with the treaty arrangement of reinsurers.

### 3.11 Investments

All investments are initially recognized at cost, being the fair value of the consideration given and include transaction costs. All purchase and sale of investments that require delivery within the required time frame established by regulations or market convention are accounted for at the trade date. Trade date is the date when the Company commits to purchase or sell the investments. Subsequently, the investments are classified as follows:

- In equity securities

#### Fair Value through profit and loss

Investments in equity securities relating to units assigned to policies of investment linked business, pension business and Family takaful investment linked business are subsequently measured at their fair values and the difference is charged to profit or loss account under the heading 'Fair value through Profit and loss Account'.

#### Available for sale

Investment related to non-unit linked fund subsequently measured at fair value and the difference is charged to Other comprehensive income under the heading 'Available for sale'.

- In debt securities

#### Held-to-maturity

Investment classified as held-to-maturity are subsequently measured at amortised cost less impairment, if any, taking into account any discount and premium on acquisition, using the effective rate of interest method.

#### Fair value through profit and loss account

Investments in debt securities relating to units assigned to policies of investment linked business, pension business and Family takaful investment linked business and investment related to non-unit linked funds are subsequently measured at their fair values and the difference is charged to profit and loss account.

- In term deposits

It represents investment in term deposits with banks held for short term usually less than 12 months.

- In mutual funds

### **Fair Value through profit and loss**

Investments in mutual funds relating to units assigned to policies of investment linked business, pension business and Family takaful investment linked business are subsequently measured at their fair values and the difference taken in fair value through profit and loss account.

### **Available for sale**

Investment related to non - unit linked fund subsequently measured at fair value and the difference is charged to Other comprehensive income under the heading 'Available for sale'.

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

For investments in Government securities, fair / market value is determined by reference to quotations obtained from Reuters page (PKRV) where applicable. For investments in quoted marketable securities, other than Term Finance Certificates, fair / market value is determined by reference to Stock Exchange quoted market price at the close of business on balance sheet date. The fair market value of Term Finance Certificates is as per the rates issued by the Mutual Funds Association of Pakistan (MUFAP).

## **3.12 Off - setting of financial assets and liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet. Company has a legally enforceable right to set off and the Company intends either to settle the assets and liabilities on a net basis or to realize the asset and settle the liability simultaneously.

## **3.13 Provisions**

Provisions are recognized when the Company has a legal or constructive obligation as a result of a past event, and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

## **3.14 Taxation**

### **Current**

Provision of current tax is based on the taxable income for the year determined in accordance with the Income Tax Ordinance, 2001. 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 finalized during the current year for such years.

### **Deferred**

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the balance sheet date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized 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 utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet 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.

## **3.15 Employees' retirement benefits - defined contribution plans**

- 3.15.1 The Company operates a contributory provident fund for all eligible employees to which equal monthly contributions at the rate of 8.33% of basic salary are made by both the Company and the employees. The contributions are recognized as employee benefit expense when they are due.
- 3.15.2 The Company also operates an approved funded contributory pension scheme for all eligible employees, whereby, fixed monthly contributions at the rate of 10% of the basic salary are made by the Company and the employees also have an option to contribute in the fund at the rate of 5%. At the time of cessation of employment / retirement, employees are paid in full for their contribution, whereas, Company's contribution accumulated in the fund is paid to employees over the period of time in accordance with the rules of the fund.

### 3.16 Impairment of assets

The carrying amount of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit and loss account.

### 3.17 Dividends and other appropriations

Cash dividend to shareholders is recognized as liability in the period in which it is approved. Similarly all other appropriations other than those required by law including reserve for issue of bonus shares are recognized in the period in which they are approved.

### 3.18 Reinsurance assets

Reinsurance contracts entered into by the Company with reinsurers for compensation of losses suffered on insurance contracts issued. Claim recoveries receivable from the reinsurers are recognized at the same time as the claim which give rise to the right of recovery and are measured at the amount expected to be recovered.

Reinsurance assets represent balances due from reinsurance companies which are stated on the basis of amounts receivable under the respective contract after considering any impairment in the value of such assets.

### 3.19 Statutory funds

The Company maintains statutory funds for all classes of life insurance business. Assets, liabilities, revenues and expenses are recorded in respective funds, if referable or, on the basis of actuarial advice if not referable. Other assets, liabilities, revenues and expenses are allocated to shareholders' fund. Policyholders' liabilities have been included in statutory funds on the basis of the actuarial valuation carried out by the appointed actuary of the Company on the balance sheet date as required by Section 50 of the Insurance Ordinance, 2000. A capital transfer provided to statutory funds by the shareholders' fund is recorded as a reduction in the shareholders' equity. Changes in the amount of capital contributed to statutory funds is recorded by the shareholders' funds directly in equity.

### 3.20 Provision for outstanding claims

A liability for outstanding claims is recognized in respect of all claims incurred up to the balance sheet date, except for accident and health claims which are recognized as soon as reliable estimates of the claim amount can be made. Claims where intimation of the event giving rise to the claim is received or in respect of investment linked business when the policy ceases to participate in the earnings of the statutory fund are reported as claims in the revenue account. The liability for claims incurred but not reported at the year end is determined by the Appointed Actuary and are included in the policyholders' liabilities. Experience refund of premium calculated by appointed actuary is included in outstanding claims. Experience refund of premium receivable from reinsurers is included in the reinsurance recoveries of claim.

### 3.21 Acquisition costs

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

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

### 3.22 Foreign currency transactions

#### 3.22.1 Foreign currency translations

Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the balance sheet date. Gain and losses on translation are taken into profit & loss account currently. Non monetary - items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non - monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.



### 3.22.2 Financial Instruments

Financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual right to future cash flows from the asset expire or is transferred along with the risk and reward of the ownership of the asset. Financial liabilities are derecognized when obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of the financial asset and liabilities is recognized in the profit and loss account of the current year.

## 3.23 Significant Accounting Policies - Window Family Takaful Operations

### 3.23.1 Takaful Contracts

The takaful contracts are based on the principles of Wakala Waqf Model. Takaful is a program based on Shariah compliant, approved concept founded 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 is 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 Operator sub fund to participant takaful fund and group family takaful. The amount of Qard-e-Hasna is refundable to the Operator sub fund.

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

### 3.23.2 Group Takaful

The group family takaful contracts are issued typically on yearly renewable term basis. The Company offers group term life and group credit plans to its participants.

### 3.23.3 Individual Takaful Contracts Unit - Linked

The Company offers unit-linked Takaful plans which provide Shariah compliant financial protection and investment vehicle to individual participants contribution received from policyholders, after deducting specific charges and takaful donations, are invested in internal unit funds of the Company.

The basic plan contains family takaful cover over and above the unit value with additional protection.

### 3.23.4 Retakaful

These contracts are entered into by the Company with retakaful operator under which the retakaful operator cedes the takaful risk assumed during normal course of its business and according to which the Waqf is compensated for losses on contract 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 recognized in the revenue account.

#### Retakaful Expenses

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

#### Retakaful assets and liabilities

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

Retakaful liabilities represent balances due to retakaful operators. 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 contracts are not offset against expenses or income from related retakaful contracts as required by Insurance Ordinance, 2000.

Retakaful assets and liabilities are derecognized when the contractual rights are extinguished or expired.

3.23.5 Business Segment - Window Family Takaful Operation

The Company has two primary business segments for reporting purposes; Family Takaful Investment Linked Business and Family Takaful Protection Business.

- a) The Family Takaful Investment Linked Business segment provides family takaful coverage to individuals under unit -linked policies issued by the PTF.
- b) The Family Takaful Protection Business segment provides family takaful coverage to member of business enterprises, corporate entities and common interest groups under group family takaful scheme operated by the Company.

3.23.6 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 general and administrative expenses.

The window takaful operator is also entitled for Wakalt-ul-Istismar fee as it manages Participant Investment Fund.

3.23.7 Revenue recognition

Individual first year contribution are recognized once the related policies have been issued and the contribution received. Renewal contribution are recognized upon receipt of contribution provided the policy is still in force. Individual single contribution are recognized once the related policies are issued against the receipts of contribution.

Group contribution are recognized when due. A provision for unearned contribution is included in the policyholders' liabilities.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

	Note
Policyholders' liabilities and underlying actuarial assumptions	3.5 & 20
Provision for outstanding claims	3.20 & 20.1
Classification and impairment of investments	3.11,8,9,10,11,12, 26, 27, 28
Taxation and deferred taxation	3.14,34
Determining the residual value and useful lives of fixed assets	3.1 & 3.2,6 & 7

5 CHANGES IN ACCOUNTING POLICIES

- 5.1 On 1 January 2019, the Company adopted IFRS 16 Leases. A number of other new standards/amendments and interpretations are effective from 1 January 2019 but they do not have a material effect on the Company's financial statements.

IFRS 16 introduced a single lease accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases differently.

The significant judgments in the implementation were determining if a contract contained a lease, and the determination of whether the Company is reasonably certain that it will exercise extension options present in lease contracts. The significant estimates were the determination of incremental borrowing rates. The weighted average discount rate applied to lease liabilities on the transition date 1 January 2019 was 12.34%.

The impact of IFRS 16 on the Company is primarily where the Company is a lessee in property lease contracts. The Company has elected to adopt simplified approach on transition and has not restated comparative information. On 1 January 2019, the Company recognized a lease liability, being the remaining lease payments, including extension options where the renewal is reasonably certain, discounted using the KIBOR rate at the date of initial application. The corresponding right-of-use asset recognized is the amount of the lease liability adjusted by prepaid or accrued lease payments related to those leases. The balance sheet increase, as a result of the recognition of lease liability and right-to-use assets as of 1 January 2019, was Rs. 365.34 million, with no adjustment to retained earnings. The asset is presented in 'Fixed Assets' and the liability is presented in 'Other liabilities'. Also in relation to those leases under IFRS 16, the Company has recognized depreciation and interest costs, instead of operating lease expenses. During the year ended 31 December 2019, the Company recognized depreciation expense of Rs. 130.8 million and interest expense of Rs. 44.4 million on these leases.

The Company has elected not to recognize right-of-use assets and lease liabilities for some leases of low value assets and lease contracts with lease term of 1 year or less. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term. The right-of-use assets are presented in the same line items as it presents underlying assets of the same nature that it owns.

Up to 31 December 2018, assets held under property leases, not equivalent to ownership rights, were classified as operating leases and were not recognized as asset in the statement of financial position. Payments under operating leases were recognized in profit and loss on a straight line basis over term of the lease.

Summary of the effect of this change in accounting policy is as follows:

	(Rupees '000)
	At 31 December 2019
<b>Impact on Statement of Financial Position</b>	
Increase in fixed assets - right-of-use assets	378 024
Decrease in prepayments	( 56 435 )
	321 589
Increase in other liabilities - lease liability against right-of-use assets	( 358 646 )
Decrease in net assets - before tax	( 37 057 )
	(Rupees '000)
	Year ended 31 December 2019
<b>Impact on Profit and Loss account</b>	
Increase in mark-up expense - lease liability against right-of-use assets	( 44 374 )
(Increase) / decrease in administrative expenses:	
– Depreciation on right-of-use assets	( 131 214 )
– Rent expense	138 531
Decrease in profit before tax	( 37 057 )

In view of the application of above IFRS, the Company's accounting policy for the Right of use asset and related lease liability is as follows:

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Company mainly leases properties for its operations. The Company recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method from the commencement date to the earlier of end of the useful life of right-of-use asset or end of the lease term. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, 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 increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

- 5.2 During the year the Company changed its practice of the presentation of the surplus in the Participant Takaful Fund. Earlier this was included in the ledger account D based on the SECP's circular number SRO 88(1)/2017 dated 09 February 2017 relating to the Insurance Accounting Regulations 2017, as per which, for published financial statements under rule number 6 (i) and 6 (ii) balance in ledger accounts C and D shall be included as part of shareholder's Equity. For this reason the surplus in the Participant Takaful Fund was earlier also included in shareholders Equity. Subsequently in 2019 SECP issued a circular number 15 dated November 18,2019 In the said circular SECP has mentioned that retained earnings of Participant Takaful Fund should be part of insurance liabilities. Accordingly based on the suggestion in the said circular and for better presentation, the company has moved retained earnings of Participant Takaful Fund from shareholder's equity to insurance liabilities. The effect of the changes are given in the statement of changes in equity ( reduction of ledger D account balance as of 01 January 2018 as earlier reported by Rs. 34.16 million and by Rs. 69.19 million as of 31 December 2018 net of tax). The liability balance as of 31 December 2018 is now stated at Rs. 92.26 million. Similarly profit for previous year has reduced by Rs. 35.03 million and EPS is reduced by Rs. 0.35 per share. The changes in accounting policies have been applied retrospectively. The effect of the significant changes in accounting policies on the current year and prior period financial statements are summarized below:

	(Rupees in '000)		
	2019	2018	2017
<b>Impact on statement of Financials Position</b>			
(Decrease) / Increase in Equity- Ledger Account D balance	( 122 684 )	( 69 193 )	( 34 163 )
(Decrease) / Increase in Deferred Tax	( 50 110 )	( 23 065 )	( 14 641 )
Increase / (Decrease) Insurance Liability	172 794	92 258	48 804
<b>Impact on profit and loss Account</b>			
(Decrease) / Increase in profit before tax	( 80 535 )	( 43 454 )	( 25 612 )
Decrease / Increase on current taxation	( 27 046 )	( 8 424 )	( 7 684 )
Decrease / Increase in profit after tax	( 53 489 )	( 35 030 )	( 17 928 )
(Decrease) / Increase in EPS- Rupees per share	( 0.53 )	( 0.35 )	( 0.18 )



## 6. PROPERTY AND EQUIPMENT

(Rupees '000)

	Note	31 December 2019	31 December 2018
Operating assets	6.1	2 505 661	2 431 627
Right of use assets		378 026	–
		<u>2 883 687</u>	<u>2 431 627</u>

### 6.1 Operating assets

(Rupees '000)

31 December 2019										
	Cost			Depreciation						
	As at 01 Jan 2019	Additions	Disposals	As at 31 Dec 2019	As at 01 Jan 2019	Charge for the year	On Disposal	As at 31 Dec 2019	Written down value 31 Dec 2019	Depreciation Rate %
Leaseholder land	126 505	–	–	126 505	–	–	–	–	126 505	–
Building	1 333 700	20 418	–	1 354 118	142 739	59 803	–	202 542	1 151 576	5
Office equipment	331 068	25 589	( 5 728 )	350 929	89 654	25 360	( 2 059 )	112 955	237 974	10
Computers	199 985	103 967	( 1 982 )	301 970	128 034	43 171	( 1 842 )	169 363	132 607	30
Furniture and fixture	208 282	39 490	–	247 772	75 405	16 277	–	91 682	156 090	10
Leasehold improvement	288 127	71 319	( 16 984 )	342 462	126 161	62 356	( 11 800 )	176 717	165 745	
Vehicles	731 604	192 766	( 111 238 )	813 132	225 651	120 857	( 68 540 )	277 968	535 164	20
Total	3 219 271	453 549	( 135 932 )	3 536 888	787 644	327 824	( 84 241 )	1 031 227	2 505 661	

31 December 2018										
	Cost			Depreciation						
	As at 01 Jan 2018	Additions	Disposals	As at 31 Dec 2018	As at 01 Jan 2018	Charge for the year	On Disposal	As at 31 Dec 2018	Written down value 31 Dec 2018	Depreciation Rate %
Lease hold land	126 505	–	–	126 505	–	–	–	–	126 505	–
Building	1 318 700	15 000	–	1 333 700	80 254	62 485	–	142 739	1 190 961	5
Office equipment	311 643	19 855	( 430 )	331 068	64 233	25 702	( 281 )	89 654	241 414	10
Computers	163 128	37 497	( 640 )	199 985	106 809	21 810	( 585 )	128 034	71 951	30
Furniture and fixture	416 643	79 768	–	496 411	173 147	28 421	–	201 568	294 843	10
Vehicles	501 957	334 503	( 104 856 )	731 604	216 919	81 888	( 73 156 )	225 651	505 953	20
Total	2 838 576	486 623	( 105 926 )	3 219 273	641 362	220 306	( 74 022 )	787 646	2 431 627	

- 6.1.1 Leasehold improvements are now being separately classified. Initially these were included in furniture and fixtures and depreciated under the reducing balance method at 10%. After change in the classification due to the adoption of IFRS 16 with effect from 01 January 2019, these are being depreciated on a straight line method over 1 to 6.5 years. The financial impact of the re-estimation for the year ended 31 December 2019 is Rs. 42 million which has been recognised in the profit and loss account as an expense.
- 6.1.2 The market value of land and building is estimated at Rs. 3 343 million as at 31 December 2019. The valuations have been carried out by independent valuer.

### 6.1.3 Disposal of fixed assets

(Rupees '000)

	Original Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gain / (Loss) on Sale	Mode of Disposal	Particulars of Buyer	
Vehicles	1 302	939	363	950	587	Negotiation	Mr. Mahesh Kumar	Employee
Vehicles	1 302	918	384	940	556	Negotiation	Mr. Mahmood Ahmed	Employee
Vehicles	1 221	861	360	925	565	Negotiation	Mr. Maqbool Ahmed	Employee
Vehicles	1 703	1 229	474	1 400	926	Negotiation	Mr. Ali Rizwan	Employee
Vehicles	1 044	735	309	800	491	Negotiation	Mr. Asmat Khan	External
Vehicles	678	454	224	450	226	Negotiation	Mr. Hanif Raja	Employee
Vehicles	1 039	713	326	625	299	Negotiation	Mr. Tauqir Hussain	Employee
Vehicles	683	457	226	450	224	Negotiation	Mr. Khawar Ahmed	Employee
Vehicles	1 522	1 072	450	1 350	900	Negotiation	Mr. Abdul Jabbar	Employee
Vehicles	1 271	802	469	920	451	Negotiation	Mr. Farooq Sadruddin	Employee
Vehicles	1 552	1 066	486	1 350	864	Negotiation	Mr. Muhammad Aziz	External
Vehicles	693	450	243	450	207	Negotiation	Mr. Tulsi Dass	Employee
Vehicles	1 552	916	636	1 300	664	Negotiation	Mr. Atif Khan	Employee
Vehicles	1 271	750	521	1 000	479	Negotiation	Mr. Muhammad Jawed	Employee
Vehicles	1 271	718	553	970	417	Negotiation	Shazia Shaukat	Employee
Vehicles	688	404	284	540	256	Negotiation	Mr. Ali Bux	Employee
Vehicles	688	433	255	–	(255)	Company Policy	Mr. Mushtaq Ali (Late)	Employee
Vehicles	44	35	9	10	1	Negotiation	Mr. Mazhar Hussain	Employee
Vehicles	44	33	11	7	(4)	Negotiation	Mr. Sarmad Ali	Employee
Vehicles	850	753	97	240	143	Negotiation	Mr. Syed Jameel	Employee
Vehicles	855	752	103	550	447	Negotiation	Mr. Iftikhar Hassan	Employee
Vehicles	630	549	81	400	319	Negotiation	Mr. Sheikh Irfan	Employee
Vehicles	1 270	1 097	173	958	785	Negotiation	Mr. Muhammad Asif	External
Vehicles	1 270	1 097	173	958	785	Negotiation	Mr. Muhammad Asif	External
Vehicles	1 270	1 097	173	1 000	827	Negotiation	Mr. Azeem Aslam	Employee
Vehicles	822	704	118	450	332	Negotiation	Mr. Faiz Ahmed Khan	Employee
Vehicles	1 156	914	242	700	458	Negotiation	Mr. Khurram Amin	Employee
Vehicles	562	444	118	370	252	Negotiation	Mr. Kashif Waheed	External
Vehicles	1 156	914	242	800	558	Negotiation	Mr. Babar Khan	Employee
Vehicles	732	593	139	473	334	Negotiation	Mr. Muhammad Zubair	Employee
Vehicles	742	585	157	450	293	Negotiation	Mr. Ikram Elhi Shaikh	Employee
Vehicles	1 342	1 058	284	1 150	866	Negotiation	Mr. Adil Hussain Katchi	External
Vehicles	1 495	1 195	300	500	200	Negotiation	Mr. Zaheerudin Babar	Employee
Vehicles	1 447	1 106	341	1 000	659	Negotiation	Mr. Zaheer Ahmed	Employee
Vehicles	1 588	1 232	356	1 200	844	Negotiation	Mr. Danish Turabi	External
Vehicles	1 131	878	253	775	522	Negotiation	Mr. Imran Ahmed	Employee
Vehicles	1 131	878	253	800	547	Negotiation	Mr. Iftikhar Hassan	Employee
Vehicles	632	475	157	425	268	Negotiation	Ms. Hina	Employee
Vehicles	652	507	145	450	305	Negotiation	Mr. Mansoor Bakht	External
Vehicles	1 010	772	238	650	412	Negotiation	Mr. Rizwan Ahmed	Employee
Vehicles	1 010	785	225	600	375	Negotiation	Mr. Mustafa Hussain	Employee
Vehicles	1 005	755	250	575	325	Negotiation	Mr. Tanveer Hussain	Employee
Vehicles	1 005	755	250	600	350	Negotiation	Mr. Syed Mehmood	Employee
Vehicles	652	479	173	400	227	Negotiation	Mr. Waqas Ali	Employee
Vehicles	1 010	757	253	650	397	Negotiation	Mr. Abdul Rehman	Employee
Vehicles	1 010	757	253	600	347	Negotiation	Mr. Ajeet Kumar	Employee
Vehicles	1 171	845	326	850	524	Negotiation	Mr. Imtiaz Hussain	Employee
Vehicles	1 171	861	310	800	490	Negotiation	Mr. Syed Sabir Ali	Employee
Vehicles	2 102	1 575	527	1 400	873	Negotiation	Mr. Syed Munir Ali	Employee
Vehicles	2 087	1 506	581	1 450	869	Negotiation	Mr. Khuwaja Mujibur	Employee
Vehicles	1 184	870	314	800	486	Negotiation	Mr. Jumo Khan	Employee
Vehicles	652	479	173	425	252	Negotiation	Mr. Mazhar Hussain	Employee
Vehicles	656	472	184	375	191	Insurance Claim	Mr. Abdul Wahab	Employee

	Original Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gain / (Loss) on Sale	Mode of Disposal	Particulars of Buyer	
Vehicles	1 014	745	269	600	331	Negotiation	Mr. Rizwan Sharjil	Employee
Vehicles	664	468	196	400	204	Negotiation	Mr. Zafar Abbas	Employee
Vehicles	1 175	829	346	855	509	Negotiation	Mr. Safeer Khan	Employee
Vehicles	1 552	1 117	435	1 200	765	Negotiation	EFU General Claim	Insurance Claim
Vehicles	1 683	1 211	472	1 375	903	Negotiation	Mr. Raza Rizvi	Employee
Vehicles	683	482	201	450	249	Negotiation	Mr. Hanif Raza	Employee
Vehicles	683	470	213	425	212	Negotiation	Ms. Madeeha Tayyeb	Employee
Vehicles	683	493	190	475	285	Negotiation	Mr. Abdul Waheed	External
Vehicles	683	493	190	455	265	Negotiation	Mr. Abdul Waheed	External
Vehicles	683	493	190	425	235	Negotiation	Mr. Shahbaz Ali	Employee
Vehicles	683	470	213	450	237	Negotiation	Mr. Adnan Haider	Employee
Vehicles	683	470	213	430	217	Negotiation	Mr. Asif Meraj	Employee
Vehicles	683	493	190	425	235	Negotiation	Mr. M. Nadeem	Employee
Vehicles	683	470	213	450	237	Negotiation	Mr. Ali Mumtaz	Employee
Vehicles	2 478	1 748	731	1 678	948	Negotiation	Mr. Imran Ahmed	Employee
Vehicles	683	493	190	425	235	Negotiation	Mr. Fazal Mehmood	Employee
Vehicles	683	470	213	380	167	Negotiation	Mr. Zeeshan Sadiq	Employee
Vehicles	683	470	213	500	287	Negotiation	EFU General Ins.Ltd	Insurance Claim
Vehicles	683	493	190	425	235	Negotiation	Ms. Anum Basharat	Employee
Vehicles	1 552	837	715	1 325	610	Negotiation	Mr. Faheem Afzal	Employee
Vehicles	2 025	1 232	793	–	(793)	Company Policy	Mr. Zaheer Aslam (Late)	Employee
Vehicles	1 271	685	586	985	399	Negotiation	Ms. Amna Ibrahim	Employee
Vehicles	1 752	1 066	687	1 750	1 064	Negotiation	Mr. Asmat Khan	External
Vehicles	1 752	1 028	725	1 450	726	Negotiation	Mr. Faisal Masud	Employee
Vehicles	1 039	507	532	750	218	Negotiation	Mr. Ghulam Moin Uddin	External
Vehicles	1 557	795	762	1 350	588	Negotiation	Mr. Mubashir Ahmed	Employee
Vehicles	1 347	614	733	1 050	317	Negotiation	Mr. Shakeel Ahmed Shaikh	Employee
Vehicles	1 347	614	733	1 000	267	Negotiation	Mr. Darius George	Employee
Vehicles	1 347	614	733	1 000	267	Negotiation	Mr. Azeem Abbas	External
Vehicles	1 347	651	696	1 000	304	Negotiation	Ms. Anila Hasan Riaz	Employee
Vehicles	1 347	688	659	900	241	Negotiation	Mr. Muhammad Abbas	Employee
Vehicles	1 567	765	802	1 370	568	Negotiation	Mr. Jamal Haider Zaidi	Employee
Vehicles	1 567	845	722	1 375	653	Negotiation	Mr. Shaikh Faraz	Employee
Vehicles	1 567	765	802	1 450	648	Negotiation	Mr. Ahmed Vellani	Employee
Vehicles	1 567	845	722	1 400	678	Negotiation	Mr. Fahad Ali	Employee
Vehicles	2 429	855	1 574	2 150	576	Negotiation	EFU General Ins. Ltd.	Insurance Claim
Vehicles	742	206	536	730	194	Negotiation	EFU General Ins. Ltd.	Insurance Claim
Vehicles	1 571	302	1 269	1 550	281	Negotiation	EFU General Insclaim	Insurance Claim
Vehicles	2 304	334	1 970	2 200	230	Negotiation	Mr. Dileep Nenwani	Employee
Vehicles	2 229	323	1 906	2 100	194	Negotiation	Mr. Syed Ali Raza	Employee
Vehicles	3 705	185	3 520	3 600	80	Negotiation	Toyota Defense Motor	External
Vehicles	860	86	774	868	94	Negotiation	EFU General Ins. Ltd.	Insurance Claim
Office Equipment	4 562	1 291	3 271	3 673	402			
Leasehold Improvement	16 985	11 405	5 580	–	(5 580)			

**Assets having written down value less  
than Rs.50 000**

Office Equipment	1 160	795	365	250	(115)	Various
Computer	1 963	1 836	127	113	(14)	Various
2019	<u>135 932</u>	<u>84 028</u>	<u>51 904</u>	<u>85 473</u>	<u>33 569</u>	
2018	<u>105 926</u>	<u>74 022</u>	<u>31 904</u>	<u>71 894</u>	<u>39 990</u>	

## 7. INTANGIBLE ASSETS

(Rupees '000)

31 December 2019									
	Cost			Accumulated Amortization					
	As at 01 Jan 2019	Additions	Disposals	As at 31 Dec 2019	As at 01 Jan 2019	Charge for the year	On Disposal	As at 31 Dec 2019	Written down value 31 Dec 2019
Computer software	107 714	10 566	–	118 280	80 676	12 871	–	93 547	24 733
									33
31 December 2018									
	Cost			Accumulated Amortization					
	As at 01 Jan 2018	Additions	Disposals	As at 31 Dec 2018	As at 01 Jan 2018	Charge for the year	On Disposal	As at 31 Dec 2018	Written down value 31 Dec 2018
Computer software	78 019	29 695	–	107 714	66 390	14 286	–	80 676	27 038
									33

### 7.1 Fully amortised intangible assets

Type	Cost	Depreciation 2016	Depreciation 2017	Depreciation 2018	Depreciation 2019	Total Depreciation	Book value
Intangible Asset	7 967	918	2 656	2 656	1 737	7 967	–

## 8. INVESTMENT IN EQUITY SECURITIES

(Rupees '000)

	Note	31 December 2019	31 December 2018
Available for Sale	8.1	250 880	334 244
At fair value through profit or loss (Designated - upon initial recognition)	8.2	10 221 662	33 208 468
		10 472 542	33 542 712

### 8.1 Available for sale

(Rupees in '000)

	Note	31 December 2019			31 December 2018		
		Cost	Impairment / Provision	Carrying Value	Cost	Impairment / Provision	Carrying Value
<b>Related Party</b>							
Listed Shares		306 470	( 254 266 )	52 204	334 522	( 286 748 )	47 774
<b>Others</b>							
Listed Shares		140 317	( 18 212 )	122 105	168 162	–	168 162
Unlisted Shares	8.4/8.5	16 008	–	508	16 008	–	16 008
Surplus on revaluation		–	–	76 063	–	–	102 300

### 8.2 Fair Value through Profit and Loss (Designated - upon initial recognition)

<b>Related Parties</b>							
Listed Shares	8.3	476 653	–	587 286	539 276	–	589 347
<b>Others</b>							
Listed Shares		9 514 742	–	9 634 376	34 961 713	–	32 619 121
		10 454 190	( 272 478 )	10 472 542	36 019 681	( 286 748 )	33 542 712



		(Rupees '000)
	31 December 2019	31 December 2018
<b>Reconciliation of provision for impairment</b>		
Balance at the beginning of the year	286 748	277 092
(Reversal ) / charge for impairment on available for sale investments	( 14 270 )	9 656
Balance at the end of the year	272 478	286 748

- 8.3** Listed equities include investment in EFU General Insurance Limited (the Holding Company) at carrying value of Rs. 516.31 million on behalf of Policyholders (2018: Rs. 468.10 million) representing 2.34% (2018: 2.34 %) of the issued capital of the EFU General Insurance Limited.
- 8.4** This represents investment in ordinary shares of Security General Insurance Company Limited. The breakup value of each ordinary share of Rs.10 is Rs 203.79 based on the latest audited annual financial statements available for the year ended December 31, 2018. The Company's holding as at the year end is 0.67% (number of shares: 457,038) [(2018: 0.67%) (number of shares: 457,038)]. The Chief Executive Officer of Security General Insurance Company Limited is Mr. Farrukh Aleem.
- 8.5** This represents investment in ordinary shares of Planet- N (Private) Limited. The breakup value of each ordinary share of Rs.10 is Rs 2.52 based on the latest audited financial statements available for the period ended 30 June 2019. The Company's holding as at the year end is 0.28% (number of shares: 50,191) [(2018: 0.28%) (number of shares: 50,191)]. The Chief Executive Officer of PLANET-N (Private) Limited is Mr. Nadeem Hussain.

## 9. GOVERNMENT SECURITIES

(Rupees '000)

	Note	31 December 2019	31 December 2018
Held to Maturity	9.1	5 350 047	5 122 953
Fair value through profit and loss (designated - upon initial recognition)	9.2	70 853 495	47 849 913
		76 203 542	52 972 866

### 9.1 Held to Maturity

(Rupees in '000)

	31 December 2019				
	Maturity Year	Effective Yield	Amortised Cost	Principal Repayment	Carrying Value
03 Years Pakistan Investment Bond	2021	7.25	63 463	70 000	63 463
03 Years Pakistan Investment Bond	2022	9	1 269 700	1 350 000	1 269 700
03 Years Pakistan Investment Bond	2022	9	1 410 510	1 500 000	1 410 510
10 Years Pakistan Investment Bond	2028	8.75	11 882	15 000	11 882
20 Years Pakistan Investment Bond	2024	10	54 170	53 700	54 170
3 Months Treasury Bills	2020	13.40	1 523 915	1 550 000	1 523 915
6 Months Treasury Bills	2020	13.40	956 651	1 000 000	956 651
03 Years Government Ijara	2020	5.24	59 756	59 280	59 756
			5 350 047	5 597 980	5 350 047

### 9.2 Fair Value through profit and loss (Designated - upon initial recognition)

03 Years Pakistan Investment Bond	2021	7.25	12 576 605	13 473 500	12 501 514
03 Years Pakistan Investment Bond	2022	9	14 272 674	15 200 000	14 240 631
05 Years Pakistan Investment Bond	2020	9.25	4 999 353	4 987 500	4 936 341
05 Years Pakistan Investment Bond	2023	8	1 042 195	1 175 000	1 061 032
05 Years Pakistan Investment Bond	2024	9.5	22 002 906	23 850 000	22 559 401
05 Years Pakistan Investment Bond	2021	7.75	533 064	560 000	526 850
10 Years Pakistan Investment Bond	2022	12	2 122 940	2 100 000	2 106 635
10 Years Pakistan Investment Bond	2024	12	101 849	100 000	103 329
10 Years Pakistan Investment Bond	2029	10	4 621 220	5 050 000	4 751 431
20 Years Pakistan Investment Bond	2024	10	388 055	392 000	377 370
3 Months Treasury Bills	2020	12.25	6 182 432	6 250 000	6 177 172
03 Years Government Ijara	2020	5.24	89 635	88 920	89 541
10 Years Pakistan Energy Sukuk 1	2029	14.88	1 159 367	1 000 000	1 151 091
08 Years Pakistan Water And Power Development Authority	2021	15.65	272 731	571 099	271 157
			70 365 026	74 798 019	70 853 495

- 9.3 Market value of government securities carried at amortized cost amounted to Rs. 5,340 million (2018: Rs. 5,105 million).
- 9.4 Government securities include Rs.115 million (2018: Rs. 125 million) placed with the State Bank of Pakistan, in accordance with Section 29 of the Insurance Ordinance, 2000.

## 10. INVESTMENT IN DEBT SECURITIES

(Rupees in '000)

		31 December 2019			31 December 2018		
	Note	Cost	Impairment / Provision	Carrying Value	Cost	Impairment / Provision	Carrying Value
Fair Value through Profit and Loss (Designated - upon initial recognition)							
Others							
Term Finance Certificates	10.1	3 796 562	–	3 796 562	2 730 195	–	2 730 195
Corporate Sukuks	10.2	4 677 570	–	4 677 570	1 138 677	–	1 138 677
Commercial papers	10.3	635 359	–	635 359	–	–	–
Certificates of investment	10.4	210 000	–	210 000	210 000	–	210 000
		9 319 491	–	9 319 491	4 078 872	–	4 078 872

### 10.1 Term Finance Certificates

(Rupees in '000)

	Yield	Maturity	No. of Certificates		Face Value	Carrying Amount	
			31 Dec 2019	31 Dec 2018		31 Dec 2019	31 Dec 2018
Engro Fertilizers Ltd.	—	—	—	52 000	4	—	91 000
Bank Al Habib	14.67	2026	80 100	60 000	10	400 000	300 289
Bank Al Habib	14.50	2028	20 000	—	5	99 960	—
Bank Al Habib TFC	14.50	2026	80 000	—	5	392 940	—
Al Baraka Bank	15.15	2021	10 000	10 000	4	14 866	22 189
Byco Oil Pakistan	14.56	2022	20 000	20 000	5	73 781	100 000
Bank Al-Falah Ltd.	15.33	2021	23 063	23 063	10	115 015	115 131
MCB Bank Ltd. (Formerly NIB Bank Limited)	—	—	—	20 000	5	—	101 592
PAEL	—	—	—	20 000	10	—	99 994
United Bank Ltd.	14.89	Perpetual	250 000	250 000	5	1 250 000	1 250 000
Soneri Bank	15.50	Perpetual	10 000	10 000	5	50 000	50 000
Askari Bank Ltd.	14.99	Perpetual	500	500	1 000	500 000	500 000
Dubai Islamic	15.29	Perpetual	20 000	20 000	5	100 000	100 000
HBL	14.82	Perpetual	20 000	—	10	200 000	—
JS Bank Limited	15.73	Perpetual	5 000	—	100	500 000	—
Bank Alfalah Perpetual TFC	15.40	Perpetual	20 000	—	5	100 000	—
						<u>3 796 562</u>	<u>2 730 195</u>

### 10.2 Corporate Sukuks

Hascol Petroleum	15.35	2022	30 000	30 000	7	68 006	99 499
Fatima Fertilizer Company	14.70	2021	—	9 807	4	—	29 677
K Electric	14.50	2022	7 500	7 500	10	885 786	78 361
Dawood Hercules Sukuk	14.50	2022	2 000	2 000	200	1 063 717	200 000
Pakistan Services Limited	14.92	2024	833	833	100	249 990	131 958
Meezan Bank Ltd.	15.30	Perpetual	100 000	100 000	5	500 000	500 000
Fauji Fertilizer Company Ltd.	14.7	2021	2 814	—	10	19 768	—
Hub Power Company Ltd.	14.99	2020	5 000	—	70	200 000	—
HUB Co Sukuk 4 Years	15.91	2024	7 000	—	50 000	350 000	—
IBL Sukuk	14.35	2021	100 000	100 000	202	72 510	99 182
Engro Polymer	14.54	2026	5 000	—	20	227 818	—
Neelum Jhelum	15.23	2026	12 500	—	83	1 039 975	—
						<u>4 677 570</u>	<u>1 138 677</u>

### 10.3 Commercial Paper

(Rupees in '000)

	Yield	Maturity	No. of Certificates		Face Value	Carrying Amount	
			31 Dec 2019	31 Dec 2018		31 Dec 2019	31 Dec 2018
KEL Islamic Commercial Paper (ICP3)	15.23	2020	1	–	100 000	96 975	–
KEL Islamic Commercial Paper (ICPA)	15.38	2020	1	–	500 000	488 660	–
TPL Corp (ICP)	15.53	2020	1	–	50 000	49 724	–
						635,359	–

First Habib Modarba	13.50	2020	1	1	210	210 000	210 000
						9 319 491	4 078 872

### 10.4 Certificate of Investment

## 11. INVESTMENTS IN TERM DEPOSITS

(Rupees '000)

	31 December 2019	31 December 2018
Deposit maturing within 12 months	19 659 000	15 049 100

- 11.1 These have tenure of one to three months (2018: one to three month) and carry mark-up at the rate 11.75% to 13.8 % (2018: 7.5% to 12%) per annum and includes term deposit receipts of Rs. 5.40 billion (2018: Rs. 5.15 billion) held with JS Bank Limited (a related party) which carries mark-up at the rate 13.45 % (2018: 10 to 11 %).

## 12. INVESTMENT IN MUTUAL FUNDS

(Rupees in '000)

	31 December 2019			31 December 2018		
	Cost	Impairment / Provision	Carrying Value	Cost	Impairment / Provision	Carrying Value
<b>Related Parties</b>						
Mutual Funds (fair value through profit and loss designated upon initial recognition)	547	–	1 033	444	–	805
<b>Others</b>						
Mutual Funds (fair value through profit and loss designated upon initial recognition)	253 068	–	264 814	59 215	–	60 315
<b>Related Parties</b>						
Mutual Funds (Available for sale)	26 717	–	26 717	25 523	–	25 523
<b>Others</b>						
Mutual Funds (Available for sale)	116 235	( 11 200 )	105 035	100 147	( 10 280 )	89 867
Surplus on revaluation	–	–	13 115	–	–	577
	396 567	( 11 200 )	410 714	185 329	( 10 280 )	177 087

(Rupees '000)

	31 December 2019	31 December 2018
<b>Reconciliation of provision for impairment</b>		
Balance at the beginning of the year	10 280	5 509
Charge for impairment on available for sale investments	920	4 771
Balance at the end of the year	11 200	10 280

### 13. INSURANCE / REINSURANCE RECEIVABLES

(Rupees '000)

	Note	31 December 2019	31 December 2018
Due from insurance contract holders		230 585	156 138
Due from other insurer / reinsurer		23 414	13 462
		<u>253 999</u>	<u>169 600</u>

### 14. OTHER LOANS AND RECEIVABLES

Accrued investment income		2 760 117	884 760
Security deposits		54 367	35 329
Advance to supplier		39 081	108 610
Loans to agents	14.1	89 744	32 453
Loans to employees	14.1	82 799	136 737
Other receivables		209 837	1 912 549
		<u>3 235 945</u>	<u>3 110 438</u>

- 14.1** This represent housing, vehicle and domestic purpose loans to employees and agents at the interest rate ranging between 8% to 12.5% (2018: 8% to 12.5%) per annum. These loans are recoverable over a period of one to ten years (2018: one to ten years) and are secured against retirement benefit payable to respective employees and security documents of property / vehicle.

### 15. DEFERRED TAXATION

(Rupees '000)

Deferred credits arising due to:

	Note	31 December 2019	31 December 2018
– Fixed assets		135 660	152 900
– Surplus on revaluation of available for sale investment		22 679	32 777
– Retained earning ledger Account D		584 840	495 690
		<u>743 179</u>	<u>681 367</u>

### 16. PREPAYMENTS

Prepaid rent		25 643	56 435
Prepaid Miscellaneous expenses		25 573	24 747
		<u>51 216</u>	<u>81 182</u>

### 17. CASH & BANK

Cash and Cash Equivalent			
Cash in hand		41	299
Policy & Revenue stamps		13 400	5 660
Cash at bank			
Current account		3 807 604	1 231 704
Saving account	17.1	1 892 503	3 548 699
		<u>5 713 548</u>	<u>4 786 362</u>

- 17.1** These carry mark-up ranging from 9% to 12% (2018: 7.5% to 9%) per annum and include balance of Rs. 204.76 million (2018: Rs. 364.36 million) held with JS Bank Limited (a related party).

- 17.2** Cash and cash equivalents for cash flow purpose comprise of the following:

(Rupees '000)

	31 December 2019	31 December 2018
– Cash and others	13 441	5 959
– Cash at bank	5 700 107	4 780 403
– Term deposits maturing within three months	19 659 000	15 049 100
	<u>25 372 548</u>	<u>19 835 462</u>



## 18. SHARE CAPITAL

(Rupees '000)

### Authorised Share Capital

2019	2018		31 December 2019	31 December 2018
(Number of Shares)				
150 000 000	150 000 000	Ordinary shares of Rs 10 each	1 500 000	1 500 000

### Issued, subscribed and paid-up capital

2019	2018		31 December 2019	31 December 2018
(Number of Shares)				
15 000 000	15 000 000	Issued, subscribed and paid-up		
		Ordinary shares of Rs 10 each fully paid in cash	150 000	150 000
85 000 000	85 000 000	Ordinary shares of Rs 10 each issued as fully paid bonus shares	850 000	850 000
100 000 000	100 000 000		1 000 000	1 000 000

- 18.1 As of balance sheet date 43,571,840 (2018: 43,416,840) ordinary shares of Rs. 10/- each were held by the Holding Company.

## 18.2 Employees Stock Option Scheme

The Company's Employees Stock Option Scheme (ESOS) was duly approved by the Company's Shareholders in their Annual General Meeting held on 5 April 2014. Under the ESOS, the Company shall grant share options to the employees selected by the Board's Compensation Committee. The SECP has accordingly approved the ESOS vide its Letter No.SMD/CIW/ESOS/01/2014 dated: 10 February 2017. The scheme is applicable from the year 2018. No options were granted to employees as at 31 December 2019.

(Rupees '000)

## 18.3. Retained Earning ledger account D

Opening balance  
Contribution to increase solvency margin  
Change in solvency margin through profit and loss account

Related Deferred Tax Liability on:

Opening balance  
Reversal / (charge) to profit and loss account  
Closing balance

Net of tax

## 19. RESERVES

General reserve

31 December 2019	31 December 2018
	(Restated)
2 174 946	2 108 700
106 503	12 809
33 923	53 437
2 315 372	2 174 946
( 495 690 )	( 578 798 )
( 89 148 )	83 108
( 584 838 )	( 495 690 )
1 730 534	1 679 256
2 000 000	2 150 000

(Rupees '000)

	Note	31 December 2019	31 December 2018
<b>20. INSURANCE LIABILITIES</b>			
Reported outstanding claims	20.1	2 715 505	2 281 165
Incurred but not reported claims	20.2	734 895	515 733
Investment component of unit-linked and account value policies	20.3	114 383 622	103 569 024
Liabilities under individual conventional insurance contracts	20.4	763 786	784 354
Liabilities under group insurance contracts (other than investment linked)	20.5	383 053	453 261
Participant takaful fund balance	20.6	172 794	92 259
		<u>119 153 655</u>	<u>107 695 796</u>
<b>20.1 Reported Outstanding Claims</b>			
<b>Gross of Reinsurance</b>			
Payable within one year		2 328 910	1 918 000
Payable over a period of time exceeding one year		648 115	646 563
		<u>2 977 025</u>	<u>2 564 563</u>
<b>Recoverable from Reinsurers</b>			
Receivable over a period of time exceeding one year		( 261 520 )	( 283 398 )
		<u>( 261 520 )</u>	<u>( 283 398 )</u>
Net reported outstanding claims		<u>2 715 505</u>	<u>2 281 165</u>
<b>20.2 Incurred But Not Reported Claims</b>			
Gross of reinsurance		863 010	634 042
Reinsurance recoveries		( 128 115 )	( 118 309 )
Net of reinsurance		<u>734 895</u>	<u>515 733</u>
<b>20.3 Investment Component of Unit - Linked and Account Value Policies</b>			
Investment component of unit linked policies		114 383 622	103 569 024
Investment component of account value policies		—	—
		<u>114 383 622</u>	<u>103 569 024</u>
<b>20.4 Liabilities under Individual Conventional Insurance Contracts</b>			
Gross of Reinsurance		941 275	952 718
Reinsurance Credit		( 177 489 )	( 168 364 )
Net of Reinsurance		<u>763 786</u>	<u>784 354</u>
<b>20.5 Liabilities under Group Insurance Contracts (other than investment linked)</b>			
Gross of Reinsurance		456 072	532 584
Reinsurance Credit		( 73 019 )	( 79 323 )
Net of Reinsurance		<u>383 053</u>	<u>453 261</u>
<b>20.6 Participant Takaful Fund Balance</b>		<u>172 794</u>	<u>92 259</u>
<b>20.7 Claim Development</b>			
<b>20.7.1</b>	For investment linked, conventional and accidental and health business, claim experience over the past 5 years indicates that claims reported after the end of the year in which the claim event occurred were less than 10% threshold therefore, the claim development table for all funds is not disclosed.		
<b>20.7.2</b>	For the Window Takaful Operations launched in 2015, as there have been less than 5 year of operations therefore, the Company has not yet developed sufficient credible experience to generate claim development table.		

## 21. INSURANCE & REINSURANCE / RETAKAFUL PAYABLES

(Rupees '000)

	31 December 2019	31 December 2018 (Restated)
Due to reinsurers / retakaful	258 031	193 218
<b>22. OTHER CREDITORS AND ACCRUALS</b>		
Amount due to agents	795 214	726 258
Accrued expenses	751 284	602 191
Unpaid Dividend	2 897	8 570
Unclaimed Dividend	44 540	33 326
Other creditors and accruals	663 545	151 063
	<b>2 257 480</b>	<b>1 521 408</b>

## 23. RETIREMENT BENEFIT OBLIGATIONS

### 23.1 Provident Fund

The following information based on un - audited financial statements of the fund as at 31 December 2018:

(Rupees in '000)

	2019	%	2018	%
Size of the fund - total assets	503 437		468 383	
Cost of investments	363 213	72.15	412 738	88.12
Fair value of investments	375 093	74.51	464 256	99.12

23.1.1 The breakup of fair value of investment in Provident Fund is as follows:

(Rupees in '000)

	2019	%	2018	%
Open end mutual fund	104 804	27.94	117 910	25.40
Shares	649	0.17	779	0.17
Government securities	269 640	71.89	345 567	74.43

The above investments out of provident fund have been made in accordance with the requirement of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

### 23.2 Pension Fund

(Rupees in '000)

	2019	%	2018	%
Size of the fund - total assets	342,791		305,708	
Cost of investments	217,460	63.44	277,773	90.86
Fair value of investments	224,810	65.58	302,562	98.97

23.2.1 The breakup of fair value of investment in Pension Fund is as follows:

(Rupees in '000)

	2019	%	2018	%
Open end mutual fund	44,407	19.75	65,178	21.54
Shares	193	0.09	263	0.09
Government securities	178,987	79.62	235,900	77.97
Term Finance Certificates	1,222	0.54	1,222	0.40

## 24. CONTINGENCIES AND COMMITMENTS

- 24.1 The Income tax assessment of the Company for tax year 2019 has been finalized. In 2013, Income Tax Department imposed an additional tax demand under section 151(1)(d) on account of non-deduction of withholding tax on surrender and maturity amounting to Rs.13.833 million and Rs.15.014 million for Tax Years 2012 and 2013 respectively. The Company filed an appeal before Commissioner Inland Revenue (Appeals) and the same was dismissed. The Company filed second appeal before the Appellate Tribunal against the order of CIT. The learned Appellate Tribunal Inland revenue has now decided the case in Company's favour. Subsequent to the period, the department has filed review application against the order in Honourable Court of Sindh. The decision is still pending. The Company expects a favourable decision.

In 2015 and 2016, The Searle Company Limited issued bonus shares (76,031 shares and 342,480 shares respectively) after withholding 5 percent of bonus shares (3,802 shares and 17,124 shares respectively) and the IBL Healthcare Ltd. issued bonus shares (46,625 shares and 80,311 shares respectively) after withholding 5 percent of bonus shares (2,331 shares and 4,016 shares respectively). In this regard, a constitutional petition had been filed by the Company in Sindh High Court challenging the applicability of withholding tax provision on bonus shares received by the Company. The honorable high court decided the case against the Company. Subsequently, the Company filed an appeal with a larger bench of the Sindh High Court and in response the Sindh High Court has suspended the earlier judgment until the next date of hearing, which has not yet been decided. The Company is of the view that the case will be decided in its favour and no provision has been made for the aforementioned tax. The amount involved is Rs 3.279 million.

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

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

In view of the above the Company has not started billing sales tax to its customers. The amount of sales tax involved is around Rs. 600 million computed on the basis of risk based premium, as per the advice of legal advisor, which nonetheless the Company maintains, based on the legal view, cannot be levied as the insurance is not a service.

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

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

- 24.3 Bank guarantees amounting to Rs. 0.52 million has been given in respect of Group Life coverage. These bank guarantees will expire by 16 January 2020.
- 24.4 There were no capital commitments at the year end.



(Rupees '000)

Aggregate

**25. NET INSURANCE PREMIUM / CONTRIBUTION REVENUE****Gross premium / contribution****Regular premium / contribution individual policies**

First year

6 999 756

6 845 943

Second year renewal

5 084 034

4 267 430

Subsequent year renewal

15 369 434

14 067 312

**Single premium / contribution individual policies**

950 813

2 588 947

Group policies with cash values

54 046

61 538

Group policies without cash values

3 530 594

3 125 315

Less: Experience refund

( 238 593 )

( 166 078 )

**Total gross premium / contribution**

31 750 084

30 790 407

**Less: Reinsurance premium / retakaful contribution ceded**

On individual life first year business

27 073

50 966

On individual life second year business

27 024

39 947

On individual life renewal business

154 994

199 403

On group policies

500 631

469 073

Less: Experience refund from reinsurers

( 90 651 )

( 113 106 )

Less: Reinsurance commission on risk premium

( 10 621 )

( 20 144 )

**Total reinsurance premium / retakaful contribution ceded**

608 450

626 139

**Net premium / contribution**

31 141 634

30 164 268

**26. INVESTMENT INCOME****Income from equity securities****Fair Value through Profit and Loss (designated upon initial recognition)**

Dividend income

895 686

1 460 907

**Available for sale**

Dividend income

20 396

22 848

**Income from debt securities****Fair Value through Profit and Loss (designated upon initial recognition)**

Return on debt securities

1 915 258

524 761

On government securities

6 237 695

3 888 358

**Held to Maturity**

On government securities

485 416

320 128

**Income from term deposits**

Return on term deposits

2 034 673

725 389

11 589 124

6 942 391

(Rupees '000)

		Aggregate	
		31 December 2019	31 December 2018
<b>27. NET REALISED FAIR VALUE GAINS (LOSSES) ON FINANCIAL ASSETS</b>			
Available for sale			
Realised gains on:			
– Equity securities		29 565	2 235 330
Realised losses on:			
– Equity securities		( 7 835 917 )	( 5 971 322 )
– Government securities		( 1 573 )	( 3 402 )
		( 7 807 925 )	( 3 739 394 )
<b>28. NET FAIR VALUE GAINS (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>			
Net unrealised losses on investments in financial assets - Government securities and Debt Securities (fair value through profit and loss designated upon initial recognition)		511 196	( 1 174 039 )
Net unrealised gains on investments at fair value through profit or loss (designated upon initial recognition)- Equity Securities		2 531 842	( 1 889 638 )
Total investment income		3 043 038	( 3 063 677 )
Exchange Gain		23 606	26 908
Provision / (Reversal) of Impairment in value of available for sale securities		13 350	( 14 427 )
Less: Investment related expenses		( 5 427 )	( 7 101 )
		3 074 567	( 3 058 297 )
<b>29. OTHER INCOME</b>			
Gain on sale of fixed assets		33 569	39 990
Return on loans to employees		21 032	14 137
Fees charged to Policyholders		9 924	9 150
		64 525	63 277
<b>30. NET INSURANCE BENEFITS</b>			
<b>Gross claims</b>		<b>31 December 2019</b>	<b>31 December 2018</b>
Claims under individual policies			
by death		930 204	602 244
by insured event other than death		21 269	4 360
by maturity		1 225 700	1 289 748
by surrender		11 712 081	9 577 998
<b>Total gross individual policy claims</b>		<b>13 889 254</b>	<b>11 474 350</b>
Claims under group policies			
by death		2 116 325	1 997 744
by insured event other than death		72 227	102 957
by maturity		399	114
by surrender		37 236	14 601
<b>Total gross group claims</b>		<b>2 226 187</b>	<b>2 115 416</b>
<b>Total gross claims</b>		<b>16 115 441</b>	<b>13 589 766</b>
<b>Less: Reinsurance / retakaful recoveries</b>			
On individual life claims		148 050	106 753
On group life claims		298 340	397 298
<b>Total reinsurance / retakaful recoveries</b>		<b>446 390</b>	<b>504 051</b>
Add: Claims related expenses		8 382	8 736
<b>Net insurance benefit expense</b>		<b>15 677 433</b>	<b>13 094 451</b>

### 30.1 Statement of Age wise Break up of Unclaimed Insurance Benefits As on 31 December 2019

This represents outstanding claims in respect of which cheques have been issued by the Company for claim settlement. However, the same have not been encashed by the claimant. Following is the aging as required by the SECP Circular no.11 of 2014 dated 19 May 2014:

Particulars	(Rupees '000)					
	Total Amount	1 to 6 months	7 to 12 months	13 to 24 months	25 to 35 months	Beyond 36 months
Unclaimed Maturity Benefits	235 415	137 558	55 381	33 413	5 716	3 347
Unclaimed Death Benefits	–	–	–	–	–	–
Unclaimed Disability Benefits	–	–	–	–	–	–
Claims not encashed	10 211	7 956	–	2 255	–	–
Other Unclaimed benefits	–	–	–	–	–	–
<b>Total</b>	<b>245 626</b>	<b>145 514</b>	<b>55 381</b>	<b>35 668</b>	<b>5 716</b>	<b>3 347</b>

### 31. ACQUISITION EXPENSES

Remuneration to insurance intermediaries on individual policies:

- Commission to agent on first year premiums / contributions
- Commission to agent on second year premiums / contributions
- Commission to agent on subsequent renewal premiums / contributions
- Commission to agent on single premiums / contributions
- Override commission to supervisors

Other benefits to insurance intermediaries

- Salaries, allowances and other benefits

Remuneration to insurance intermediaries on group policies:

- Commission
- Other benefits to insurance intermediaries
- Traveling expenses (including cost of contests conventions etc.)
- Printing and stationery
- Depreciation
- Rent rates and taxes
- Electricity gas and water
- Entertainment
- Vehicle running expenses
- Office repairs & maintenance
- Postages telegrams and telephone
- Medical fees
- Finance Cost
- Others

Other acquisition costs - policy stamps

Aggregate	
31 December 2019	31 December 2018
2 773 833	2 847 314
520 408	451 418
426 603	386 606
26 025	76 816
599 520	546 778
1 521 678	1 335 376
404 258	385 240
86 710	73 452
141 903	45 382
26 820	17 267
305 134	94 130
6 311	111 322
51 075	35 035
45 200	30 317
20 764	12 310
19 784	22 441
51 773	39 601
20 500	22 967
42 888	–
127 537	128 233
104 262	88 974
<b>7 322 986</b>	<b>6 750 979</b>

(Rupees '000)

		Aggregate	
	Note	31 December 2019	31 December 2018
<b>32. MARKETING AND ADMINISTRATION EXPENSES</b>			
Employee benefit cost	32.1	758 156	634 886
Traveling expenses		38 114	86 715
Advertisements and sales promotion		116 255	189 438
Printing and stationery		59 683	47 491
Depreciation		153 690	126 176
Amortisation		12 871	14 285
Rent rates and taxes		22 743	15 987
Legal and Professional charges - business related		104 726	82 971
Electricity gas and water		36 629	31 627
Entertainment		50 258	33 080
Vehicle running expenses		5 871	7 157
Office repair and maintenance		85 719	62 784
Appointed actuary fees		13 009	11 399
Bank charges		17 158	13 339
Postage internet and telephone		87 937	76 079
Fees and subscription		33 462	25 541
Annual supervision fee SECP		50 000	50 000
Miscellaneous		115 046	93 861
		<b>1 761 327</b>	<b>1 602 816</b>
<b>32.1 Employee Benefit Cost</b>			
Salaries allowances and other benefits		712 587	628 697
Charges for post employment benefit		45 569	6 189
		<b>758 156</b>	<b>634 886</b>
<b>33. OTHER EXPENSES</b>			
Printing and Stationery		1 264	758
Advertisements and publicity		4 088	1 259
Travelling		666	890
Auditor's remuneration	33.1	8 940	7 755
Directors' fee		1 900	2 700
Donation	33.2	9 024	6 865
Fees and Subscription		600	-
		<b>26 482</b>	<b>20 227</b>
<b>33.1 Auditor's remuneration</b>			
Annual Audit Fee		1 800	1 650
Half yearly review		250	250
Review of code of corporate governance		275	250
Other certifications		5 756	4 755
Out-of-pocket expenses		859	850
		<b>8 940</b>	<b>7 755</b>



(Rupees '000)

			31 December 2019	31 December 2018
<b>33.2 Donations</b>				
Donations include the following in whom the directors are interested:				
<b>Name of Directors</b>	<b>Interest in donee</b>	<b>Name and Address of donee</b>		
Saifuddin N.Zomkawala	Board Member	Sindh Institute of Urology and Transplantation, Civil Hospital Karachi	1 939	1 114
Syed Salman Rashid	Spouse (Trustee)	Anjuman Kashana -E- Atfal-O-Nauniha	50	50
Rafique R. Bhimjee	Spouse (Trustee)	The Garage School	–	500
<b>33.3 Donations to a single party exceeding Rs.500,000</b>				
		The Citizen Foundation	573	–
		Family Educational Services Foundation	997	570
		Dar Ul Sukun	841	848
		Afzaal Memorial Thalassemia Foundation	1 000	1 000
		Layton Rahmatullah Benevolent Trust	1 579	1 080

- 33.4** In 2017, The Honourable Supreme Court of Pakistan (SCP) passed a judgement declaring the insertion of amendments introduced in the Finance Act pertaining to Workers Welfare Fund Ordinance 1971, as unlawful and thereby striking down such amendments. Pursuant to the SCP judgement, the Company filed a rectification application for assessment year 2008 – 2015 to the tax department. In 2019 the assessment orders were rectified. Based on the revised assessment orders, the Company reversed the expenses previously charged on account of WWF, amounting to Rs. 127 million.

	31 December 2019	31 December 2018
<b>34. TAXATION</b>		(Restated)
<b>For the year</b>		
Current	668 367	656 848
Deferred	71 909	( 51 366 )
<b>For the prior years</b>		
Current	64 633	131 152
	<b>804 909</b>	<b>736 634</b>

	31 December 2019	31 December 2018
<b>34.1 Relationship between tax expenses and accounting profit</b>		(Restated)
	<b>Effective tax rate %</b>	
Tax at applicable rate 29% (2018: 29%)	29.00	29.00
Tax effect of income subject to lower tax rates	–	–
Prior year adjustment	2.75	5.74
Others	2.44	( 2.47 )
Tax charge for the year	<b>34.19</b>	<b>32.27</b>

(Rupees '000)

**35. EARNINGS PER SHARE**

Profit (after tax) for the year

**31 December  
2019****31 December  
2018**

(Restated)

1 549 264

1 546 303

(Number in '000)

Weighted average number of ordinary shares

100 000

100 000

(Rupees)

Earnings per share – basic and diluted

15.49

15.46

**36. REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVES**

	31 December 2019			31 December 2018		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
Fees	–	1 900	–	–	2 700	–
Managerial remuneration	28 794	–	445 376	26 693	–	403 075
Bonus	7 171	–	37 279	8 722	–	38 782
Retirement benefits	4 726	–	27 475	4 382	–	23 555
Utilities	779	–	987	824	–	1 837
Medical expenses	336	–	7 545	872	–	5 762
Leave passage	554	–	1 098	585	–	115
	42 360	1 900	519 760	42 078	2 700	473 126
Number of persons	1	6	62	1	6	62

The Chief Executive is provided with Company maintained cars, furnished accommodation and medical insurance cover. The Executives are provided with Company maintained cars, Medical insurance cover and in certain cases, household items and furniture in accordance with their terms of employment. The chairman is provided with free use of Company car, medical insurance cover and residential utilities.

- 36.1 The Non Executive Directors were paid directors meeting fee of Rs. 1.9 million (2018: Rs. 2.7 million). No other remuneration were paid to Non Executive Directors.

### 37. RELATED PARTY TRANSACTIONS

The related parties comprise of holding company, directors, key management personnel, associated companies / associated undertakings, and entities with common directors and retirement benefit fund. Compensation of key management personnel are on employment terms. Contribution to the provident fund is in accordance with the service rules. Change to the defined contribution is in accordance with the actuarial advice. Other transactions are at agreed rates. Details of transactions with related parties during the period, other than those which have been specifically disclosed elsewhere in the financial statements are as follows:

(Rupees '000)

	31 December 2019	31 December 2018
<b>Transactions</b>		
<b>Holding company</b>		
Premium written	18 355	16 479
Premium paid	46 637	10 274
Claims paid	6 774	7 764
Claims received	11 177	1 612
Dividend paid	684 717	650 881
Dividend received	50 320	46 810
<b>Associated companies</b>		
Premium written	95 493	86 076
Premium paid	23 304	38 189
Claims paid	23 222	19 326
Claims received	–	208
Commission paid	215 203	239 150
Travelling expenses	2 685	1 739
Donation paid	1 989	2 903
Dividend paid	670 389	628 480
Interest received	768 185	214 373
Payments of car	19 988	–
Investment bought	500 000	–
Investment sold of related party	25 558	244 483
<b>Key management personnel</b>		
Premium written	1 544	2 930
Loan to key employees	6 000	2 000
Loan recovered	4 400	4 897
Compensation paid	–	–
Dividend paid	10 639	10 072
<b>Employees' funds</b>		
Contribution to provident fund	36 479	31 535
Contribution to pension fund	29 787	( 10 023 )
<b>Balances</b>		
Bank balances	256 279	869 823
Bank deposits	5 400 000	5 150 000
Premium received in advance	1 459	652
Premium receivable	101	1 107
Investment in EFU General Insurance Limited-from designated unit fund	516 310	468 096
Investment in related party	653 525	172 190
Claim outstandings - Holding company	–	–
Claims outstanding - Related party	17 592	5 935
Loan receivable from key employees	25 144	23 544

### 38. SEGMENTAL INFORMATION

#### 38.1 Revenue Account by Statutory Fund

(Rupees '000)

	31 December 19						(Rupees '000)
	Statutory Funds						Aggregate
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	31 December 2019
Income							
Premium / Contribution less reinsurance / retakaful	24 404 187	2 601 542	661	721	3 848 668	274 608	31 130 387
Policy transfer from other statutory funds	–	–	–	–	11 247	–	11 247
Bonus units transfer to statutory fund	–	–	–	–	50 297	–	50 297
Net investment income / wakala income	6 149 458	261 367	1 334	149	538 581	148 472	7 099 361
Total net income	30 553 645	2 862 909	1 995	870	4 448 793	423 080	38 291 292
Insurance Benefits and Expenditures							
Claims net of reinsurance recoveries	13 025 794	1 782 399	3 783	201	741 955	103 672	15 657 804
Policy transfer from other statutory funds	11 247	–	–	–	–	–	11 247
Bonus units transfer to statutory fund	–	–	–	–	50 297	–	50 297
Management expenses less recoveries	6 454 139	686 325	226	358	2 169 633	219 759	9 530 440
Total Insurance Benefits and Expenditures	19 491 180	2 468 724	4 009	559	2 961 885	323 431	25 249 788
Excess of income over Insurance Benefits and Expenditures	11 062 465	394 185	( 2 014 )	311	1 486 908	99 649	13 041 504
Net Change in Insurance Liabilities (Other than outstanding Claims)	( 9 300 837 )	( 144 331 )	2 135	167	( 1 510 853 )	( 12 695 )	( 10 966 414 )
Surplus / (Deficit) before tax	1 761 628	249 854	121	478	( 23 945 )	86 954	2 075 090
Movement in policyholders' liabilities	9 300 837	144 331	( 2 135 )	( 167 )	1 510 853	12 695	10 966 414
Transfer to and from Shareholder's Fund							
Transfer of (surplus) / deficit to shareholders' fund	( 1 636 749 )	( 251 598 )	( 171 )	( 510 )	–	( 71 602 )	( 1 960 630 )
Capital contribution from share holders' fund	–	–	–	–	106 503	–	106 503
Net Transfer to / from shareholders' fund	( 1 636 749 )	( 251 598 )	( 171 )	( 510 )	106 503	( 71 602 )	( 1 854 127 )
Balance of statutory funds at beginning of the year	102 834 817	1 422 896	24 457	1 480	3 559 726	107 368	107 950 744
Balance of statutory funds at end of the year	112 260 533	1 565 483	22 272	1 281	5 153 137	135 415	119 138 121



(Rupees '000)

	31 December 18						(Rupees '000)
	Statutory Funds						Aggregate
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	31 December 2018
Income							
Premium / Contribution less reinsurance / retakaful	24 739 353	2 341 580	941	848	2 887 629	186 791	30 157 142
Policy transfer from other statutory funds	–	–	–	–	7 126	–	7 126
Bonus units transfer to statutory fund	–	–	–	–	26 718	–	26 718
Net investment income	( 310 671 )	145 944	361	379	367 665	91 410	295 088
Total net income	24 428 682	2 487 524	1 302	1 227	3 289 138	278 201	30 486 074
Insurance Benefits and Expenditures							
Claims net of reinsurance recoveries	10 932 970	1 633 396	394	538	441 307	69 984	13 078 589
Policy transfer from other statutory funds	7 126	–	–	–	–	–	7 126
Bonus units transfer to statutory fund	–	–	–	–	26 718	–	26 718
Management expenses less recoveries	6 308 349	628 905	76	271	1 571 473	149 372	8 658 446
Total Insurance Benefits and Expenditures	17 248 445	2 262 301	470	809	2 039 498	219 356	21 770 879
Excess of income over Insurance Benefits and Expenditures	7 180 237	225 223	832	418	1 249 640	58 845	8 715 195
Net Change in Insurance Liabilities (Other than outstanding Claims)	( 5 209 455 )	( 118 564 )	1 454	552	( 1 225 699 )	( 25 670 )	( 6 577 382 )
Surplus / (Deficit) before tax	1 970 782	106 659	2 286	970	23 941	33 175	2 137 813
Movement in policyholders' liabilities	5 209 455	118 564	( 1 454 )	( 552 )	1 225 699	25 670	6 577 382
Transfer of (surplus) / deficit to shareholders' fund	( 1 894 421 )	( 72 810 )	( 2 300 )	( 1 029 )	–	( 21 557 )	( 1 992 117 )
Capital contribution from share holders' fund	–	–	–	–	12 809	–	12 809
Net Transfer to / from shareholders' fund	( 1 894 421 )	( 72 810 )	( 2 300 )	( 1 029 )	12 809	( 21 557 )	( 1 979 308 )
Balance of statutory funds at beginning of the year	97 549 001	1 270 484	25 923	2 092	2 297 278	70 077	101 214 855
Balance of statutory funds at end of the year	102 834 817	1 422 897	24 455	1 481	3 559 727	107 365	107 950 742

## 38.2 Segmental Results By Line Of Business

	Statutory Funds			Statutory Funds		
	Conventional		Total 2019	Conventional		Total 2018
	Individual Life Direct sales force	Individual Life Bancassurance		Individual Life Direct sales force	Individual Life Bancassurance	
<b>Income</b>						
Gross Premiums						
- First Year Individual Regular Premiums	2 410 036	2 816 055	5 226 091	2 485 673	2 932 709	5 418 382
- Individual Renewal Premiums	9 792 954	8 719 623	18 512 577	9 320 382	7 838 447	17 158 829
- Individual Single Premiums	370 075	407 410	777 485	577 986	1 681 389	2 259 375
- Group Premiums	–	–	–	–	–	–
Total Gross Premiums	12 573 065	11 943 088	24 516 153	12 384 041	12 452 545	24 836 586
Reinsurance Premiums						
- Individual	154 100	29 456	183 556	119 178	32 007	151 185
- Group	–	–	–	–	–	–
Total Reinsurance Premiums	154 100	29 456	183 556	119 178	32 007	151 185
<b>Net Premium Revenues</b>	12 418 965	11 913 632	24 332 597	12 264 863	12 420 538	24 685 401
Policy Transfers from Other Statutory Funds	11 247	–	11 247	–	–	–
Net Investment Income	3 661 407	2 471 753	6 133 160	( 174 180 )	( 135 751 )	( 309 931 )
	3 672 654	2 471 753	6 144 407	( 174 180 )	( 135 751 )	( 309 931 )
<b>Total Net Income</b>	16 091 619	14 385 385	30 477 004	12 090 683	12 284 787	24 375 470
<b>Insurance benefits and Expenditures</b>						
Insurance benefits including bonuses net of reinsurance	6 035 550	6 990 244	13 025 794	5 060 081	5 859 083	10 919 164
Policy Transfers to Other Statutory Funds	11 247	–	11 247	7 126	–	7 126
Management Expenses less Recoveries	3 535 758	2 913 102	6 448 860	3 310 550	2 994 301	6 304 851
<b>Total Insurance benefits and Expenditures</b>	9 582 555	9 903 346	19 485 901	8 377 757	8 853 384	17 231 141
<b>Excess of Income over Insurance benefits and Expenditure</b>	6 509 064	4 482 039	10 991 103	3 712 926	3 431 403	7 144 329
Add: Policyholder Liabilities at Beginning of Year	60 243 382	41 054 078	101 297 460	57 593 735	38 495 720	96 089 455
Less: Policyholder Liabilities at End of Year	65 839 307	44 750 427	110 589 734	60 243 382	41 054 078	101 297 460
<b>Surplus Before Tax</b>	913 139	785 690	1 698 829	1 063 279	873 045	1 936 324

### 38.3 Segment statement of financial position

(Rupees '000)

	As at 31 December 2019			As at 31 December 2018		
	Statutory Funds	Shareholder's Funds	Total	Statutory Funds	Shareholder's Funds	Total
Property and equipment	1 278 082	1 605 605	2 883 687	1 317 467	1 114 160	2 431 627
Intangible assets	–	24 733	24 733	–	27 038	27 038
Investments	115 103 349	961 940	116 065 289	103 402 211	2 418 426	105 820 637
Insurance reinsurance receivables	253 999	–	253 999	169 600	–	169 600
Other loans and receivables	3 000 983	234 962	3 235 945	2 928 578	181 860	3 110 438
Taxation - payments less provision	6 334	1 054 887	1 061 221	934	336 793	337 727
Prepayments	51 216	–	51 216	81 182	–	81 182
Cash & Bank	5 669 243	44 304	5 713 547	4 768 942	17 420	4 786 362
<b>Total Assets</b>	<b>125 363 206</b>	<b>3 926 431</b>	<b>129 289 637</b>	<b>112 668 914</b>	<b>4 095 697</b>	<b>116 764 611</b>
Insurance liabilities net of reinsurance recoveries	119 153 655	–	119 153 655	107 695 796	–	107 695 796
Deferred taxation	–	743 179	743 179	–	681 368	681 368
Premium / Contribution received in advance	969 354	–	969 354	714 419	–	714 419
Insurance / reinsurance payables	258 031	–	258 031	193 218	–	193 218
Other creditors and accruals	1 763 076	494 405	2 257 481	1 458 118	63 290	1 521 408
<b>Total Liabilities</b>	<b>122 144 116</b>	<b>1 237 584</b>	<b>123 381 700</b>	<b>110 061 551</b>	<b>744 658</b>	<b>110 806 209</b>

### 39. MOVEMENT IN INVESTMENTS

(Rupees '000)

	Held to maturity	Available for Sale	Fair value through profit & loss account	Deposit maturing within 12 months	Total
<b>At beginning of previous year (Re-stated)</b>	3 081 423	446 022	81 992 677	12 439 000	97 959 122
Additions	13 577 932	52 737	186 291 656	97 052 200	296 974 525
Disposals (sale and redemptions)	( 12 918 657 )	( 14 707 )	( 178 636 608 )	( 94 442 100 )	( 286 012 072 )
Fair value net gains (excluding net realised gains)	–	( 23 110 )	( 3 063 680 )	–	( 3 086 790 )
Impairment losses	–	( 14 148 )	–	–	( 14 148 )
<b>At beginning of current year</b>	<b>3 740 698</b>	<b>446 794</b>	<b>86 584 045</b>	<b>15 049 100</b>	<b>105 820 637</b>
Additions	13 050 623	6 647 402	380 300 117	163 450 000	563 448 142
Disposals (sale and redemptions)	( 13 358 000 )	( 5 250 000 )	( 379 008 661 )	( 158 840 100 )	( 556 456 761 )
Fair value net gains (excluding net realised gains)	–	( 34 827 )	3 274 748	–	3 239 921
Impairment losses	–	13 350	–	–	13 350
<b>At end of current year</b>	<b>3 433 321</b>	<b>1 822 719</b>	<b>91 150 249</b>	<b>19 659 000</b>	<b>116 065 289</b>

### 40. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

#### 40.1 Insurance Risk

##### 40.1.1 Insurance Contracts and Takaful Contracts

##### 40.1.1.1 Classification

The Company currently issues contracts that are classified as insurance and takaful contracts as they transfer significant insurance risk (against death, disability and sickness) from the policyholder to the Company. In the past the Company has issued contracts where the insurance risk transferred is insignificant, these therefore being classified as investment contracts. All contracts which include an investment element being unit - linked contracts linked to internal mutual funds.

The Company classifies its business into Individual Life and Group Life businesses, in both cases the form of contract consisting of main plans and supplementary riders (which are generally optional).

Individual life business mainly consists of unit - linked products and conventional protection products, in both cases with optional supplementary riders which generally provide protection only. Group Life business consists primarily of protection products and a relatively small number of unit - linked policies.

#### 40.1.1.2 Contract details and measurement

The insurance contracts offered by the Company are described below:

##### 40.1.1.2.1 Individual Life Policies

These consist of the following types of policies:

###### (a) Unit - Linked Products:

These are medium to long term unit - linked plans designed to address a variety of future policyholder needs, such as retirement planning, education planning for children, marriage planning for children, life protection and investments and savings for future. Premiums received from policyholders and after deduction of specified charges including risk charges, are invested in internal unit funds of the Company. The basic plan contains life cover over and above the unit value, with additional protection (for death, disability and sickness) being provided through the addition of optional riders.

Policyholder Liabilities for these plans (excluding attached riders) are measured as the sum of the fair value of units attached and the unearned part of any risk premiums charged.

###### (b) Conventional Protection Products:

Two types of products are offered under Individual life conventional business, these being medium to long term contracts with level premiums being paid over the policy period. The Company offers a standard term life assurance product that offers protection in event of death as well as a decreasing term life assurance policy that covers outstanding loan balances.

Policyholder liabilities for both products are determined on a net premium basis by determining the present value of benefits less the present value of future net premiums, a theoretical net premium being calculated using conservative assumptions for mortality and the discount rate.

###### (c) Family Takaful Investment linked Products:

These are medium to long term unit - linked plans operated through Window Takaful Operations of EFU Life Assurance.

The Member liabilities are divided into two broad categories, unit reserves and non - unit reserves. The unit reserve comprises of the total units allocated to the Membership in the Participants' Investment Fund (PIF). The value of these units, at the bid price prevailing on the valuation date, forms the unit reserve. The non - unit reserve is the actuarial reserve in the Participants' Takaful Fund (PTF). The net non - unit reserve is calculated as the unearned mortality reserve which is the calculated as the unexpired portion of the net mortality charges (Net of Wakala Fee and Retakaful Contribution) deposited into the PTF. The gross non - unit reserve is calculated as the net reserve plus the unearned retakaful contribution paid.

###### (d) Accident and Health Products:

These consist of long term and short term Accident and Health products providing cover against accidental death, disability, sickness and critical illness, offered both as long term as well as yearly renewable plans.

Policyholder Liabilities for short term contracts are evaluated using the unearned premium reserve method, taking into account the unexpired future period of risk, with a premium deficiency reserve being provided for where the Company's management perceives that the premium being charged is not adequate. For the critical illness long term contracts, liabilities are evaluated using a net premium method i.e. expected present value of benefits payable less expected present value of net premiums receivable.

###### (e) Other Supplementary Benefits:

The Company also offers a variety of supplementary benefits attached with main plans including additional term life assurance, income benefits, critical illness, sickness and accidental death and disability related benefits.



The methods used to determine policy holder liabilities differ with the nature and terms of these benefits. Most supplementary benefits related to death and critical illness, are identical to some main plans offered in individual life business, the valuation methods used for these being consistent with their related main plans. Measurement of liabilities for benefits related to accident disability, accidental death and sickness are based on unearned premium method.

(f) Reserve for Outstanding Losses (Individual life)

The Company records reported losses as payable upon intimation of any claim. Unpaid claims are assessed from time to time and the liability measured in accordance with management's estimates of whether claims are payable or not.

Claims payable over a duration of more than one year are measured at the discounted value of expected payments.

The Company also provides, as part of policyholder liabilities, a reserve for incurred but not reported claims (IBNR). Due to insufficient claim history of Individual life business, however, the general lag method for IBNR is not used. The Company adopts a methodology based on best estimates of future incurred but not reported claims, as suggested by the appointed actuary of the Company

#### 40.1.1.2.2 Group Life and Group Family Takaful Protection Policies

Nature of Contracts:

The Company's group life and group takaful business consists of one year term life contracts which provide coverage, in the event of death or disability, to:

- 1) Employees of a common employer, benefits payable under these contracts being either fixed, in case of death, or linked to the extent of loss incurred by the policyholder, in case of disability;
- 2) Customers of financial institutions, the contracts being issued to financial institutions to protect their customers' outstanding loan balances, such as on personal loan, mortgages and credit cards.

Unit - Linked Group Life policies are similar in nature to Individual Life Unit linked Products.

Policyholder Liabilities:

Policyholder liabilities consist of the following components:

Net Unearned Premium Reserve

The unearned premium reserve is the portion of premium that had been booked in the current period but pertains to a period that extends beyond the valuation date. The fraction of premium that is to be consumed in the succeeding period is considered to be unearned. The unearned premium is the aggregate for both posted and fluctuations in the unearned premium.

The unearned premium reserve is computed both gross and net of reinsurance, the methodology used for both being similar.

Unit - Linked Group Life Policies

Policyholder Liabilities for these policies are measured as the sum of the fair value of units attached and the unearned part of any risk premiums charged.

Profit Commission Reserve (Accrued for Policyholders)

This is the total accrued profit commission that is payable to Policyholders at a future date. Profit commission for any policy normally becomes payable at the end of three policy years. However, accrued profit commission is calculated at the end of each policy year to account for the liability that has been created for that year. The sum of all such accrued profit commissions for all schemes is the Profit Commission reserve.

Profit Commission Reserve (Accrued from Reinsurer)

This is the total profit commission due from reinsurer on all reinsured schemes. Profit commission rates are applied on insured groups, based on their size. The total profit commission accrued from reinsurer is the sum of profit commissions for each group.

Premium Deficiency Reserve

The need for premium deficiency reserve arises when the Company expects to incur claims in excess of reserves set aside using conventional methods. The Company analyzed its current portfolio of group contracts and evaluated loss ratios of group business. The Company does not expect excessive claims on any schemes and hence no provision for Premium Deficiency Reserve is set aside.

#### Incurred But Not Reported (IBNR) Reserve

The IBNR (incurred but not reported) reserve is an estimate of those claims that might have occurred but not yet reported. This is estimated by using the claim intimation lag from the date of death for the claims that have been reported in the last two years. The system generated IBNR triangle report is used to calculate the ratio of delay to estimate the probable claims pertaining to and not reported up to the valuation date.

#### 40.1.1.3 Liability Adequacy Test

Liability adequacy test is applied to all long term contracts where necessary. The test is carried out using current best estimates of assumptions and future net cash flows, including premiums receivable and benefits payable.

To determine the adequacy of liabilities, assumptions must be based on realistic best estimates. At the moment, the Company does not have sufficient mortality data for comparison with assumed life table EFU (61-66). The Company compares EFU (61-66) with recent mortality studies for similar groups. The comparison suggests that current actual mortality experience is better than the experience reflected in EFU (61-66). Thus the Company uses a modified version of EFU (61-66) as a best estimate of mortality for liability adequacy test.

The investment return currently assumed for valuation is 3.75% p.a. This assumption reflects a long term conservative return that the Company expects to earn on assets backing these liabilities. On a more realistic view of current financial markets, the Company estimates that a long term return on these assets of 6% is reasonable. Liabilities are reevaluated at investment return assumption of 6% for Liability Adequacy Test.

The table below compares total policyholder liabilities under existing valuation basis with policyholder liabilities calculated using best estimate assumptions:

(Rupees in '000)

Assumption	Policyholder liabilities on existing valuation basis	Policyholder liabilities using best estimate assumptions
Mortality	116 721 178	116 493 560
Investment returns	116 721 178	116 708 244

The liabilities evaluated under these assumptions suggest that recognized liabilities are adequate and no further provision is required.

#### 40.1.2 Reinsurance / Retakaful contracts held:

The Company has entered into reinsurance / retakaful (hereinafter referred to as "reinsurance") arrangements, for both its individual and group businesses, in order to manage risks associated with the frequency and severity of claims. These arrangements include cover under treaties as well as on a facultative basis. The terms of reinsurance treaties vary by type of business, the objective being to maintain a reasonable risk profile suiting the risk appetite and overall exposure to adverse movements in mortality or morbidity.

Primarily, reinsurance assets are amounts due from reinsurers with respect to recoveries under claims and profit commission. Reinsurance recoveries are measured according to the terms and conditions of the reinsurance contracts.

"Reinsurance liabilities consist of amounts due to reinsurers on account of reinsurance premiums due which are measured according to the terms of the arrangements.

The details related to reinsurance assets and liabilities are shown below:

(Rupees in '000)

Reinsurer rating	Amounts due from reinsurers	Amounts due to reinsurers
'A' or above	23 414	258 031

The Company assesses impairment on its reinsurance assets on a regular basis to identify any losses in recoveries. As of now, Company's all reinsurance assets are due from reinsurers with a credit rating of "A or Above". The reinsurers maintain a sound credit history and hence no impairment provision is required for now.

#### 40.1.3 Accounting estimates and judgments

The Company makes several estimates of assumptions to evaluate its assets and liabilities reported in its financial statements. On the liability side, there are a number of factors that have a direct impact on policyholder liabilities. Assumptions are continually evaluated using internal analysis and monitoring processes to test validity of these assumptions.

##### 40.1.3.1 Mortality, Disability and Critical Illness

Mortality and disability rates are basic assumptions used in valuation of policyholder liabilities. For mortality, life table EFU (61-66) is being currently used. The life table was published more than 40 years ago and may not reflect mortality improvements. For reserving purposes, a 10% mortality loading is used over EFU (61-66) rates to build in conservatism. An analysis of past mortality experience, reveals that 10% mortality loading for reserving purposes is appropriate to ensure prudence.

Sudden adverse experience in mortality might occur due to epidemics, causing deaths on a mass scale due to incurable contagious illnesses. Mortality may also deteriorate over a period of time, due to wide scale changes in living life styles, eating and health habits.

Sensitivity test with respect to mortality is carried out and impact on policyholder liabilities is observed. When mortality rates increase by 10%, policyholder liabilities increase by 0.062%. Likewise, when mortality rates decrease by 10%, policyholder liabilities decrease by -0.062%.

In absence of credible disability and critical illness incidence rates, the Company uses reinsurance rates for actuarial liability valuation of disability and critical illness benefits.

##### 40.1.3.2 Investment income

Investment income is an important assumption for valuation of long term conventional plans. This is the rate at which future expected benefits and expected premiums are discounted. Currently, the valuation assumption used for investment income is 3.75% p.a.

Sensitivity test with respect to investment income is carried out and its impact on policyholder liabilities observed. When investment rate is increased by 10%, policyholder liabilities decrease by 0.002%. Likewise, when investment income rate is decreased by 10%, policyholder liabilities increase by 0.002%.

#### 40.1.4 Frequency and Severity of claims

Frequency and severity can have a significant impact on total claims paid out by the Company. High frequency of claims could occur due to adverse experience of mortality or disability. Adverse mortality experience, in short-term, could be due to a wide-range spread of fatal contagious disease, an epidemic. Over a longer term, overall health practices, eating and living habits could potentially have an adverse effect on mortality.

About 90% of Company's business is concentrated in the provinces of Sindh and Punjab. This concentration is largely in line with the population of these provinces relative to country's total population. The Company's diversified portfolio of contracts helps limit the frequency and severity of claims. However, in event of large number of deaths or disabilities, Company does face the risk of paying out excessive claims. To manage and mitigate this exposure, arrangements in form of reinsurance and catastrophe cover are in place.

In Group life business, frequency and severity of claims can be affected by concentration of business in a specifically risky class of industry. Claim frequency can rise substantially from businesses in industries that are more prone to accidents due to the nature of work they perform. Likewise, severity of claims can also be associated with business concentration in a specific class of industry. The Company continually monitors its concentration risk and takes measures to keep its business portfolio well diversified.

Contracts in group life, are mainly one year term life contracts, where premium rates are generally guaranteed for one year only. The Company retains the right of changing premium rates by incorporating the claim experience of a group insured, thereby allowing the Company to charge a specific group in line with its claim experience.

The Company regularly carries out an exercise to monitor time lags between intimation and settlement claim dates. The study reveals that a significant portion of claims are settled within twelve months of claim intimation.

40.1.5 Sources of uncertainty in estimation of future benefit payments and premium receipts

The uncertainty with respect to future premiums and benefits may arise due to unexpected changes in mortality or disability experience. Adverse mortality experience will result in excess benefit payments, and reduced future premium income.

Likewise, unexpected changes in surrender and lapse could also have a significant impact on future realized premiums. Estimates of lapses and surrenders are based on internal experience studies carried out annually. Factors that could affect policyholder behavior include market factors such as interest rates, policyholder preferences in terms of the monetary value that a policyholder relates with the insurance policy, the frequency of premium payments and the age of the individual.

40.1.6 Process used to decide on assumptions

Assumptions used to determine policyholder liabilities include mortality, disability, and critical illness rates, investment returns for conventional business, investment returns for investment linked business, expenses and mortality loading.

Mortality assumptions should in principle reflect adequate conservatism in liabilities. The Company considers EFU (61-66) life table to be appropriate for actuarial valuation of policyholder liabilities.

Disability and Critical illness rates used for liability valuation are the reinsurance rates provided by the reinsurer. Due to lack of sufficient claim experience for these disabilities and critical illnesses, the Company considers this as the best estimate available.

The Company uses an investment return assumption of 3.75% per annum to evaluate actuarial liabilities of its conventional plans. Liabilities of conventional products should in principle reflect a long term conservative interest rate, to reflect adequate conservatism. An investment return of 3.75% per annum is hence considered appropriate.

For Unit - Linked products where the death benefit is paid in form of annuity, the Company uses a discount rate of 6% to evaluate present value of future stream of cash flows. In principle, the interest rate assumption set to discount cash flows should reflect the expected returns on assets backing these liabilities. The Company expects to earn at least a 6% return on assets backing these unit - linked liabilities.

In valuation of unearned premium reserve for unit - linked plans a loading of 10% is applied on rates from EFU (61-66). In opinion of Company’s management and appointed actuary this assumption is prudent.

Since from Annual 2014 onwards the Company shall maintain 100% retention on its books on account of Solvency Margin, the Company will no longer keep an extra reserve on account of mortality fluctuation. It is the opinion of Company’s management and appointed actuary that this assumption is prudent.

The Company reserves for any increase in actuarial liability resulting from the possible reinstatement of lapsed policies. The current liability valuation also takes into account cash value of units pertaining to policies lapsed in last 2 years. A unit - linked policy lapses when the second annual premium of policy is not received. In principle, cash value of a lapsed policy is not surrenderable, as per provisions and conditions, unless the second premium is paid and policy is reinstated. However, the Company recognizes the possibility of these lapsed policies to be reinstated and hence carries out periodic studies to determine expected renewals. In opinion of the Company’s management and appointed actuary assumptions used to set aside a liability against these lapsed policies is prudent.

For the purpose of liability adequacy tests the Company makes assumptions relating to expenses. For this purpose regular expense analyses are carried out based on actual expenses and transaction volumes.

40.1.7 Sensitivity Analysis

The basic assumptions used in valuation of liabilities are mortality, disability, critical illness rates and investment returns assumed in discounting future cash flows. The table below presents sensitivity results with respect to above mentioned factors, with their impact observed on policyholder liabilities:

Sensitivity variable	% change in sensitivity variable	% change in policyholder liabilities
Worsening of mortality and critical illness rates	10%	0.062%
Improvement in mortality and critical illness rates	10%	-0.062%
Increase in investment returns	10%	-0.002%
Decrease in investment returns	10%	0.002%



## 40.1.8 Management of insurance, financial and other risks

### 40.1.8.1 Insurance Risk

The risk that Company faces is due to randomness in occurrence of insured events. In principle, the Company faces the risk that total claims exceed the reserves set aside at any point in time.

The occurrence of any single claim and amount paid on a single claim is a random event. However, as the number of contracts and independent lives increase, the estimated claim amounts and the number of claims get closer to the actual figures. This phenomenon is observed when pool of contracts is large enough and lives are independent. To manage this risk, Company monitors its concentration risk, on several parameters, and maintains diversity in its portfolio of insurance contracts.

In order to maintain this diversification, the Company takes a number of steps to manage the overall insurance risk of its portfolio of insurance contracts. The risk of an individual life is broadly assessed in light of its: medical condition, which include living habits, physical health and medical history; occupational condition, which assesses an individual's job profile and whether any characteristics of the job could have a significant impact on that individuals mortality; financial condition, which determines the individuals ability and affordability to purchase and maintain an insurance contract over the long-term.

The Company identifies and defines parameters in its underwriting strategy to clearly identify individuals (sub-standard lives) which could potentially increase the overall risk of insurance portfolio. Based on certain parameters, such individuals pay an extra charge called Extra Mortality Premium, in order to compensate for extra risk added to existing pool of insured individuals. These measures allow the Company to charge an individual life in line with the risk contributed to its insurance portfolio. These underwriting measures also discourage accumulation of sub-standard lives in the insured pool, thereby managing the overall insurance risk of Company in the long-term.

The Company also manages its geographical concentration of risk. Currently the Company's geographical concentration of risk for its Individual Life sales force business is as follows:

Individual Conventional Business	Diversification of Risk Portfolio	
	Before Resinsurance	After Reinsurance
Azad Kashmir	2.08%	2.55%
Baluchistan	5.11%	6.10%
Gilgit Baltistan	1.60%	2.18%
Khyber Pakhtunkhwa	2.06%	2.40%
Punjab	40.89%	41.16%
Sindh	48.27%	45.60%
Individual Family Takaful business	Diversification of Risk Portfolio	
	Before Resinsurance	After Reinsurance
Azad Kashmir	2.22%	2.20%
Baluchistan	0.60%	0.60%
Gilgit Baltistan	0.00%	0.00%
Khyber Pakhtunkhwa	2.74%	4.00%
Punjab	50.30%	52.58%
Sindh	44.14%	40.62%

For Group Life business, the Company's geographical concentration of risk is as follows:

Conventional business:

	Diversification of Risk Portfolio	
	Before Resinsurance	After Reinsurance
Sindh	56.54%	53.23%
Punjab	46.46%	46.77%

Group Family Takaful business:

Sindh	83.15%	78.90%
Punjab	16.85%	21.10%

The Company also has reinsurance arrangements with its reinsurance partners, to whom the Company passes any excess insurance risk beyond its retention levels. Limits are continually monitored and kept in line with the overall risk tolerance. This allows the Company to retain the risk according to its risk capacity and minimizes excessive claim payouts. Currently, the total risk retained on individual life products is Rs. 2,000,000 per life for the death risk, Rs. 500,000 for individual takaful policies and Rs. 1,000,000 for risks associated with critical illness plans. For Group Life, the Company currently retains Rs. 2,000,000 of total life risk on each life and Rs. 1,000,000 for Group Family Takaful business. For critical life cover, 50% of the sum covered is retained for both, Group Life and Group Family Takaful business.

The Company also has arrangements for claims in event of a catastrophic scenario under an Excess of Loss Catastrophe cover which is triggered in event of excessive claims, limiting total amount of claims paid out if such an event occurs.

#### 40.1.8.2 Other risks

The Company faces a number of financial risks in its assets and liabilities, apart from insurance risk. These risks can be broadly categorized as expense risk, lapse risk, market risk, credit risk and liquidity risk. This section describes these risks on the Company level and identifies and describes the processes and strategy of management to manage these risks.

#### 40.1.8.3 Expense risk

The risk that the Company faces is that future expenses may be higher than those used in pricing of products causing an expense overrun. The Company mitigates this risk by incorporating a certain level of acceptable conservatism in building future policy expense factors in pricing and expects to maintain its actual expenses within these limits. Regular monitoring of expenses allows the Company to adjust its pricing in time to account for higher than expected expenses.

The Company closely monitors its expenses by regularly carrying out an expense analysis for its business. The assumptions for future policy expense levels are determined from the Company's most recent annual expense analysis, with an extra margin built-in to account for variability in future expenses. A review of product pricing is carried out each year based on the latest available expense factors. Constant monitoring of expenses enables the Company to take corrective actions in time.

Based on the results of expense analysis, the Company apportions its management expenses to different lines of business.

#### 40.1.8.4 Lapse risk

The risk the Company faces is that future persistency rates may be lower than assumed in pricing, thus impacting the emergence of profit from its portfolio of individual life policies. The Company however is confident that this risk is insignificant as the Company places tremendous emphasis on quality customer services and retention of clients by making persistency standard an integral part of the sales force culture. The Company has been consistently maintaining good levels of persistency and will continue a similar trend in future.

The Company has robust systems in place to regularly monitor the lapse experience. Regular focus on persistency is embedded in the Company culture and is an integral part of the monitoring of the sales force performance and remuneration.

#### 40.1.8.5 Market risk

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company is exposed to market risk in relation to its investments with respect to products other than unit linked products (in unit - linked products, investment risk is borne by the policyholder). The Company limits market risk by maintaining a diversified portfolio and by continuously monitoring developments in government securities, equity and term finance certificates. The Company, along with minimizing market risk by careful diversification in assets, also periodically carries out an Asset Liability management exercise, to match its duration of assets and liabilities.

#### 40.1.8.6 Credit risk and concentration of credit risk

Credit risk arises when one party fails to discharge its obligation and causes the other party to incur a financial loss. Concentration of credit risk arises when a number of counter parties have similar types of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet their contractual obligations. The Company is exposed to credit risk on premiums receivable from group clients, commission and claims recoverable from insurers and investment in term finance certificates. The management monitors exposure to credit risk through regular review of credit exposure, assessing credit worthiness of counter parties and prudent estimates of provision for doubtful debts. The Company believes it is not exposed to any major concentration of credit risk.

#### 40.1.8.7 Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its funding requirements, without incurring a material loss in disposing off its illiquid assets. To guard against this risk, the Company maintains a healthy balance of cash and cash equivalents and readily marketable securities. Liquidity is monitored regularly and assets are frequently rebalanced to

maintain a certain level of liquidity at all times. Going forward, the Company also plans to set up a contingency plan, whereby alternate sources of liquidity will be identified and assets would be analyzed and ranked in their liquidity order, to determine which assets would need to be disposed off first in case of a liquidity crisis.

The expected payouts in liabilities along with maturity profile of assets and liabilities are monitored to ensure that adequate liquidity is maintained within the Company, to avoid the need of liquidating assets below their actual market value.

The following extract, classifies the assets and liabilities of the Company by type of product in each Statutory Fund as at 31 December 2019. The table below also presents details of assets under Shareholder's Fund.

				(Rupees '000)
2019	Investment Linked Products (All unit main linked plans)	Conventional Products (Individual, Group Life, Riders)	Shareholders' Fund	Total
Available for sale:				
- Government Securities	73 449 781			73 449 781
- Other fixed income securities	9 276 491			9 276 491
Held to maturity:				
- Government Securities		2 033 997	719 764	2 753 761
- Other fixed income securities		33 000	10 000	43 000
Available for sale:				
- Listed equities	10 340 471	11 014	120 549	10 472 034
- mutual funds	299 595	—	111 119	410 714
- Unlisted equities and mutual funds	—	—	508	508
Loans and receivables	—	—	172 543	172 543
- Insurance receivables	—	230 585	—	230 585
Reinsurance assets	—	23 414	—	23 414
Cash and cash equivalents	24 449 950	864 852	44 304	25 359 106
Cash and stamps	13 377	64	—	13 441
Investment income accrued	2 706 588	41 110	12 419	2 760 117
Advances and deposits	95 235	57 216	—	152 451
Income tax asset	3 167	3 167	1 054 887	1 061 221
Prepayments	49 579	1 637	—	51 216
Sundry receivables	76 671	24 165	50 000	150 836
Fixed assets	1 278 082	—	1 630 338	2 908 420
<b>Total assets</b>	<b>122 038 987</b>	<b>3 324 221</b>	<b>3 926 431</b>	<b>129 289 639</b>

				(Rupees '000)
	Investment Linked Products (All unit main linked plans)	Conventional Products (Individual, Group Life, Riders)	Shareholders' Fund	Total
<b>Long-term insurance contracts and investment contracts:</b>				
Fixed term	69 309 146	294 573	—	69 603 719
Whole of life	45 676 469	—	—	45 676 469
Short-term insurance contracts	—	1 105 106	—	1 105 106
Riders	—	346 131	—	346 131
Equity	—	—	5 907 940	5 907 940
Other liabilities	7 053 372	1 578 411	( 1 981 509 )	6 650 274
<b>Total liabilities</b>	<b>122 038 987</b>	<b>3 324 221</b>	<b>3 926 431</b>	<b>129 289 639</b>

41 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

41.1 Financial risk management objectives and policies

The Company is exposed to a variety of financial risks: market risk (comprising currency risk, interest rate risk, and other price risk), liquidity risk and credit risk in relation to the financial statements on its balance sheet.

The Company's overall risk management seeks to minimize potential adverse effects on the Company's financial performance of such risk.

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

41.1.1 Market Risk

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company is exposed to market risk with respect to its investments and with respect to products other than unit linked products (where the investment risk is passed on to policyholders). The Company limits market risk by maintaining a diversified portfolio and by continuously monitoring developments in government securities, equity and term finance certificates. The Company, along with minimizing market risk by careful diversification in assets, also periodically carries out an Asset Liability management exercise, to match its duration of assets and liabilities.

41.1.1.1 Interest Rate Risk Exposure

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

The information about Company's exposure to interest rate risk (other than relating to policyholders' liabilities) based on contractual repricing or maturity dates as of 31 December 2019, whichever is earlier, is as follows:

(Rupees '000)

	31 December 2019						
	Interest / Markup Bearing			Non Interest / Non Markup Bearing			
On balance sheet financial instruments	Maturity Up to 1 Year	Maturity after 1 Year	Sub Total	Maturity Up to 1 Year	Maturity after 1 Year	Sub Total	Total
Assets							
Investments	28 203 756	76 978 277	105 182 033	10 883 256	–	10 883 256	116 065 289
Loans and Other Receivables	24 932	194 529	219 461	3 016 484	–	3 016 484	3 235 945
Insurance Receivables	–	–	–	253 999	–	253 999	253 999
Cash and bank	5 700 148	–	5 700 148	13 400	–	13 400	5 713 548
	33 928 836	77 172 806	111 101 642	14 167 139	–	14 167 139	125 268 781
Liability							
Premium received in advance	–	–	–	969 354	–	969 354	969 354
Insurance / reinsurance payables	–	–	–	258 031	–	258 031	258 031
Other creditors and accruals	–	–	–	2 257 480	–	2 257 480	2 257 480
	–	–	–	3 484 865	–	3 484 865	3 484 865
Interest risk sensitivity gap	33 928 836	77 172 806	111 101 642	10 682 274	–	10 682 274	121 783 916
Cumulative interest risk sensitivity gap	33 928 836	111 101 642					



(Rupees '000)

On balance sheet financial instruments	31 December 2018						
	Interest / Markup Bearing			Non Interest / Non Markup Bearing			Total
	Maturity Up to 1 Year	Maturity after 1 Year	Sub Total	Maturity Up to 1 Year	Maturity after 1 Year	Sub Total	
<b>Assets</b>							
Investments	60 763 586	11 337 251	72 100 837	33 719 800	–	33 719 800	105 820 637
Loans and Other Receivables	35 196	88 688	123 884	2 986 554	–	2 986 554	3 110 438
Insurance Receivables	–	–	–	156 138	–	156 138	156 138
Cash and bank	4 786 362	–	4 786 062	13 462	–	13 462	4 799 824
	<u>65 585 144</u>	<u>11 425 939</u>	<u>77 010 783</u>	<u>36 875 954</u>	<u>–</u>	<u>36 875 954</u>	<u>113 887 037</u>
<b>Liability</b>							
Premium received in advance	–	–	–	714 419	–	714 419	714 419
Insurance / reinsurance payables	–	–	–	193 218	–	193 218	193 218
Others creditors and accruals	–	–	–	1 479 512	–	1 479 512	1 479 512
	<u>–</u>	<u>–</u>	<u>–</u>	<u>2 387 149</u>	<u>–</u>	<u>2 387 149</u>	<u>2 387 149</u>
Interest risk sensitivity gap	<u>65 585 144</u>	<u>11 425 939</u>	<u>77 010 783</u>	<u>34 488 805</u>	<u>–</u>	<u>34 488 805</u>	<u>111 499 888</u>
Cumulative interest risk sensitivity gap	<u>65 585 144</u>	<u>77 011 083</u>					

The effective interest rate range (per annum) for the financial assets is as follows:

	2019	2018
Saving and other accounts	9% to 12%	7.5% to 9%
Deposits	11.75% to 13.8%	6.5% to 12%
Loans and advances	8% to 12.5%	8% to 12.5%
Investments	12.74% to 13.74%	7.7% to 12.81%

#### 41.1.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Company, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pak Rupees.

#### 41.1.1.3 Other Price Risk

Other price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

#### 41.1.1.4 Equity Price Risk

The Company's listed securities are susceptible to market price risk arising from uncertainties about the future value of investment securities. The Company limits market risk by maintaining a diversified portfolio. In addition, the Company actively monitors the key factors that affect stock market. In the equity portfolio, the top three sectors by exposure are Oil and Gas, Banks and Chemicals.

#### 41.1.2 Credit Risk

Credit risk arises when one party fails to discharge its obligation and cause the other party to incur a financial loss. Concentration of credit risk arises when a number of counter parties have similar types of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet their contractual obligations. The Company is exposed to credit risk on premiums receivable from group clients, commission and claims recoverable from insurers and investment in term finance certificates. The management monitors exposure to credit risk through regular review of credit exposure, assessing credit worthiness of counter parties and prudent estimates of provision for doubtful debts. The Company believes it is not exposed to any major concentration of credit risk.

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

	(Rupees '000)	
	2019	2018
<u>Rating of Banks*</u>		
A	1 729 068	1 331 824
A+	5 463 339	723 302
AA	2 657 700	2 165 156
A-	100 000	–
AA-	5 400 000	6 194 290
AA+	2 798 000	3 202 129
AAA	7 211 000	6 212 802
	<u>25 359 107</u>	<u>19 829 503</u>

\*Rating of banks performed by PACRA JCR-VIS and Standard and Poors.

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

			(Rupees '000)	
<u>Issuer of TFC</u>	<u>Rating</u>	<u>Rating Agency</u>	2019	2018
Engro Fertilizers Ltd	AA	PACRA	–	91 000
Bank AL Habib ADT 1	AA	PACRA	400 000	300 289
Bank AL Habib ADT 2	AA	PACRA	99 960	–
Bank AL Habib TFC	AA	PACRA	392 940	–
Al Baraka Bank	A-	PACRA	14 866	22 189
Byco Oil Pakistan	AAA	PACRA	73 781	100 000
Bank Al-Falah Ltd	AA	PACRA	115 015	115 131
MCB Bank Ltd.(Formerly NIB Bank Limited)	AAA	PACRA	–	101 592
PAEL	AA-	PACRA	–	99 994
United Bank Ltd.	AAA	VIS	1 250 000	1 250 000
Soneri Bank Tier II Perpetual TFC	A+	PACRA	50 000	50 000
Askari Bank Ltd. TIER I	AA	PACRA	500 000	500 000
Dubai Islamic TIER I	AA	VIS	100 000	100 000
HBL	A1+	VIS	200 000	–
JS Bank Limited	A	PACRA	500 000	–
Bank Alfalah Perpetual TFC	AA	PACRA	100 000	–
			<u>3 796 562</u>	<u>2 730 195</u>

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

The management monitors exposure to credit risk in premium receivable from group clients through regular review of credit exposure and prudent estimates of provision for doubtful debts. As of 31 December 2019, there was no provision for doubtful premiums as all the premiums receivable were considered good.

#### 41.1.3 Capital risk managements

The Company's objective when managing capital is 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 other stakeholders and to maintain a strong capital base to support the sustained development its businesses. The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

Currently the Company has a paid up capital of Rs. 1 billion against the minimum required paid-up capital of Rs. 500 million set by the SECP for the life insurance Companies for the year ended 31 December 2019.

In addition, the Company is also required to maintain minimum solvency in accordance with the rules and regulations set by the SECP, which are fully met by the Company.

## 42. WINDOW TAKAFUL OPERATIONS

The Statement of financial position of Window Takaful Operations as at 31 December 2019 and its financial performance for the year ended 31 December 2019 are as follows:

### 42.1 Balance Sheet

				(Rupees '000)	
	Statutory Funds			Aggregate	
	Shareholders' Funds	Family Takaful Investment Linked Business	Family Takaful Protection Business	31 December 2019 Audited	31 December 2018 Audited
<b>Share capital and reserves</b>					
Operator's Fund	50 000	–	–	50 000	50 000
Accumulated surplus	( 120 579 )	–	–	( 120 579 )	( 157 815 )
General reserves	–	–	–	–	–
Net shareholders' equity	( 70 579 )	–	–	( 70 579 )	( 107 815 )
<b>Balance of statutory fund [including policyholders' liabilities Rs. 5,019.62 million (2018:Rs. 3,496.08 million)]</b>					
Statutory Fund	–	–	–	–	–
Participant Investment Fund	56 348	4 876 132	–	4 932 480	3 431 612
Participant Takaful Fund - Waqf	–	228 244	127 828	356 072	235 482
Cede Money - Waqf	–	2 000	–	2 000	2 000
Shareholder's Fund unit holding in PIF	–	39 027	–	39 027	22 201
	56 348	5 145 403	127 828	5 329 579	3 691 295
<b>Creditors and accruals</b>					
Outstanding Claims	–	71 014	41 350	112 364	69 263
Contribution received in advance	–	116 507	4 905	121 412	94 104
Amounts due to retakaful	–	18 269	54 408	72 677	66 301
Amounts due to agents	–	160 255	5 707	165 962	147 570
Accrued expenses	114 522	–	–	114 522	76 692
Other creditors and accruals	314 880	188 342	606 894	1 110 116	980 323
Capital contribution	192 181	–	–	192 181	179 372
Interfund payable	42 093	97 574	–	139 667	198 917
<b>Total liabilities</b>	663 676	651 961	713 264	2 028 901	1 812 542
<b>Total equity and liabilities</b>	649 445	5 797 364	841 092	7 287 901	5 396 022
<b>Cash and bank deposits</b>					
Policy stamps in hand	4	–	–	4	91
Current and other accounts	252 978	1 065 406	63 963	1 382 347	957 097
Deposits maturing within 12 months	78 000	2 396 000	–	2 474 000	1 374 000
	330 982	3 461 406	63 963	3 856 351	2 331 188
<b>Investments</b>					
Government securities	–	849 875	23 094	872 969	326 977
Other Fixed Income	10 000	1 181 589	10 000	1 201 589	480 000
Listed Equities & Mutual Funds	–	147 634	–	147 634	1 148 408
	10 000	2 179 098	33 094	2 222 192	1 955 385
<b>Current assets - others</b>					
Prepayments	9 019	–	–	9 019	8 019
Contributions due but unpaid	–	–	13 276	13 276	13 318
Amount due from retakaful	–	–	–	–	–
Sundry receivables	144 231	75 785	589 883	809 899	818 357
Investment income accrued	897	81 075	1 210	83 182	33 425
Shareholder's Fund unit holding in PIF	39 027	–	–	39 027	22 201
Capital contribution	106 503	–	–	106 503	12 809
Income Tax Assets	6 334	–	–	6 334	933
Advances and deposits	2 452	–	–	2 452	1 470
Interfund Receivable	–	–	139 666	139 666	198 917
	308 463	156 860	744 035	1 209 358	1 109 449
<b>Total assets</b>	649 445	5 797 364	841 092	7 287 901	5 396 022

## 42.2 Revenue Account

(Rupees '000)

### 42.2.1 Participants' Investment Fund ( PIF)

#### Income

Allocated contribution  
Policy transfer to other Statutory Fund  
Bonus units transfer to Statutory Fund  
Net investment (loss) / income  
Total net income

#### Less: Claims and Expenditure

Investment management charges  
Bid offer spread  
Policy admin fee  
Wakalat-ul-Istismar  
Surrender

#### Excess of income over claims and expenditure

Add : Technical reserves at the beginning of the year  
Less : Technical reserves at the end of the year

#### Surplus / (Deficit)

Movement in technical reserves  
Balance of PIF at the beginning of the year  
Balance of PIF at the end of the year

(a)

Statutory Funds		Aggregate	
Family Takaful Investment Linked Business	Family Takaful Protection Business	31 December 2019	31 December 2018
2 188 610	–	2 188 610	1 636 490
11 063	–	11 063	7 126
50 297	–	50 297	26 718
165 244	–	165 244	126 548
2 415 214	–	2 415 214	1 796 882
58 384	–	58 384	40 166
102 106	–	102 106	77 991
70 655	–	70 655	49 991
231 145	–	231 145	168 148
700 575	–	700 575	421 919
931 720	–	931 720	590 067
1 483 494	–	1 483 494	1 206 815
3 392 638	–	3 392 638	2 185 823
4 876 132	–	4 876 132	3 392 638
( 1 483 494 )	–	( 1 483 494 )	( 1 206 815 )
–	–	–	–
1 483 494	–	1 483 494	1 206 815
3 392 638	–	3 392 638	2 185 823
4 876 132	–	4 876 132	3 392 638

### 42.2.2 Participants' Takaful Fund (PTF)

#### Income

Contribution net of retakaful recoveries  
Net investment income  
Total net income

#### Less: Claims and Expenditure

Claims net of retakaful recoveries  
Wakala fee

#### Excess of income over claims and expenditure

Add : Technical reserves at the beginning of the year  
Less : Technical reserves at the end of the year

#### Surplus / (Deficit) Retained Profit

Distribution of surplus  
Movement in technical reserves

#### Surplus / (Deficit) before distribution

Distribution of surplus  
Surplus / (Deficit) after distribution  
Movement in technical reserves

Balance of PTF at the beginning of the year  
Distribution of Surplus

Qard-e-Hasna

Balance of PTF at the end of the Year

(b)

226 377	274 608	500 985	328 808
29 959	1 522	31 481	12 209
256 336	276 130	532 466	341 017
41 380	103 672	145 052	89 373
69 577	146 950	216 527	136 918
110 957	250 622	361 579	226 291
145 379	25 508	170 887	114 726
45 103	58 336	103 439	58 886
72 462	71 031	143 493	103 439
118 020	12 813	130 833	70 173
–	–	–	–
( 145 379 )	( 25 508 )	( 170 887 )	( 114 726 )
–	–	–	–
–	–	–	–
–	–	–	–
145 379	25 508	170 887	114 726
133 162	102 320	235 482	147 474
( 50 297 )	–	( 50 297 )	( 26 718 )
–	–	–	–
228 244	127 828	356 072	235 482



### 42.2.3 Shareholders' Sub-Fund

(Rupees '000)

#### Income

Un-allocated contribution  
Net investment income  
Wakalat-ul-Istismar - PIF  
Wakala Fee - PTF  
Total net income

#### Less: Expenditure

Acquisition costs  
Administration expenses

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

Add : Technical reserves at the beginning of the year  
Less : Technical reserves at the end of the year

#### (Deficit) / surplus transferred to shareholders' fund

Movement in technical reserves  
Transfer to Shareholder's Fund  
Capital Contribution  
Qard-e-Hasna  
Retained earnings on other than participating business  
Balance of shareholders' sub fund at the end of the year  
Balance of statutory funds at the end of the year

Statutory Funds		Aggregate	
Family Takaful Investment Linked Business	Family Takaful Protection Business	31 December 2019	31 December 2018
1 433 865	—	1 433 865	1 109 122
42 657	—	42 657	15 252
231 145	—	231 145	168 148
69 577	146 950	216 527	136 918
1 777 244	146 950	1 924 194	1 429 440
1 632 825	63 370	1 696 195	1 214 531
236 088	9 438	245 526	201 248
1 868 913	72 808	1 941 721	1 415 779
( 91 669 )	74 142	( 17 527 )	13 661
—	—	—	—
—	—	—	—
( 91 669 )	74 142	( 17 527 )	13 661
—	—	—	—
—	( 71 602 )	( 71 602 )	( 21 557 )
106 503	—	106 503	12 809
—	—	—	—
33 927	5 047	38 974	34 061
(c) 48 761	7 587	56 348	38 974
(a+b+c) 5 153 137	135 415	5 288 552	3 667 094

### 42.3 Statement of contribution

(Rupees '000)

#### Gross contribution

Regular contribution individual policies  
First Year  
Second Year  
Subsequent year renewal  
Single contribution individual policies  
Group policies with cash values  
Group policies without cash values  
Total gross contribution

Statutory Funds		Aggregate	
Family Takaful Investment Linked Business	Family Takaful Protection Business	31 December 2019	31 December 2018
1 773 666	—	1 773 666	1 427 561
996 070	—	996 070	693 899
944 821	—	944 821	482 014
173 329	—	173 329	329 572
960	—	960	1 494
—	325 696	325 696	223 822
3 888 846	325 696	4 214 542	3 158 362

#### 42.3.1 Participants' Investment Fund

Allocated regular contribution  
Allocated single contribution  
Total allocated contribution

2 026 344	—	2 026 344	1 314 044
173 329	—	173 329	329 572
2 199 673	—	2 199 673	1 643 616

#### 42.3.2 Participants' Takaful Fund

Allocated gross contribution  
Less: Retakaful contribution ceded  
On individual life first year business  
On individual life second year business  
On individual life subsequent year business  
On group policies  
Less: Reinsurance commission on risk premium  
Total retakaful contribution ceded  
Net Risk Contribution of PTF

255 308	325 696	581 004	405 624
8 503	—	8 503	23 518
9 946	—	9 946	13 170
14 095	—	14 095	12 830
—	51 088	51 088	37 031
( 3 613 )	—	( 3 613 )	( 9 733 )
28 931	51 088	80 019	76 816
226 377	274 608	500 985	328 808

#### 42.3.3 Shareholders' Sub-Fund

Unallocated regular contribution

1 433 865	—	1 433 865	1 109 122
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## 42.4 Statement of Claims

	Statutory Funds		(Rupees '000) Aggregate	
	Family Takaful Investment Linked Business	Family Takaful Protection Business	31 December 2019	31 December 2018
Claims under Individual Family Takaful	60 191	–	60 191	465 189
Claims under Group Family Takaful	–	121 661	121 661	84 088
<b>Total Gross Claims</b>	<b>60 191</b>	<b>121 661</b>	<b>181 852</b>	<b>549 277</b>
<b>Gross Claims allocated as follows:</b>				
<b>Participant's Investment Fund (PIF)</b>				
Surrenders / Partial withdrawals under Individual Policies	700 575	–	700 575	421 919
<b>Participant's Takaful Fund (PTF)</b>				
Under individual policies by death	60 191	–	60 191	43 270
Under group policies by death	–	116 236	116 236	80 185
Under group policies by event other than death	–	5 425	5 425	4 124
<b>Total gross claims under PTF</b>	<b>60 191</b>	<b>121 661</b>	<b>181 852</b>	<b>127 579</b>
<b>Less: Re-Takaful recoveries under PTF</b>				
On Individual policies	18 811	–	18 811	24 101
On group policies	–	17 989	17 989	14 105
Profit commission	–	–	–	–
	18 811	17 989	36 800	38 206
<b>Net Claims under PTF</b>	<b>41 380</b>	<b>103 672</b>	<b>145 052</b>	<b>89 373</b>
<b>Total Net Claims</b>	<b>741 955</b>	<b>103 672</b>	<b>845 627</b>	<b>511 292</b>

## 42.5 Statement of Expenses

	Statutory Funds		(Rupees '000) Aggregate	
	Family Takaful Investment Linked Business	Family Takaful Protection Business	31 December 2019	31 December 2018
<b>Acquisition costs</b>				
<b>Shareholders' Sub-Fund</b>				
Remuneration to insurance intermediaries on individual policies:				
- commission on first year contribution	739 369	–	739 369	619 556
- commission on renewal contribution	132 075	–	132 075	90 029
- commission on single contribution	4 390	–	4 390	8 512
- override commission	132 596	–	132 596	91 720
- other benefits to insurance intermediaries	427 405	–	427 405	271 822
	1 435 835	–	1 435 835	1 081 639
Remuneration to insurance intermediaries on group policies:				
- commission	8	62 144	62 152	52 292
- other benefits to insurance intermediaries	–	764	764	587
	8	62 908	62 916	52 879
Branch overheads	166 247	–	166 247	59 777
Other acquisition costs				
- policy stamps	28 095	228	28 323	19 147
- Medical fees	2 640	234	2 874	1 089
<b>Total acquisition cost</b>	<b>1 632 825</b>	<b>63 370</b>	<b>1 696 195</b>	<b>1 214 531</b>

(Rupees '000)

	Statutory Funds		Aggregate	
	Family Takaful Investment Linked Business	Family Takaful Protection Business	31 December 2019	31 December 2018
<b>Marketing and Administration expenses</b>				
Salaries and other benefits	109 503	3 550	113 053	88 740
Travelling expenses	9 562	81	9 643	12 322
Advertisements and publicity	6 864	472	7 336	12 051
Printing and stationery	9 429	36	9 465	6 558
Depreciation	19 694	341	20 035	15 138
Amortization	1 668	–	1 668	1 851
Rent rates and taxes	1 447	4	1 451	2 194
Legal and professional charges	4 782	3 971	8 753	7 755
Electricity gas and water	4 689	158	4 847	3 593
Entertainment	7 408	94	7 502	3 872
Vehicle running Expenses	705	27	732	870
Office repairs and maintenance	11 213	5	11 218	8 095
Appointed Actuary's fees	1 686	–	1 686	1 477
Bank charges	2 589	4	2 593	2 246
Postage telegrams and telephone	12 666	37	12 703	10 950
Fees and subscription	4 208	50	4 258	3 252
Annual supervision fee SECP	6 076	509	6 585	4 979
Miscellaneous	21 899	99	21 998	15 305
Gross Management Expenses	1 868 913	72 808	1 941 721	1 415 779
Net Management Expenses	1 868 913	72 808	1 941 721	1 415 779

## 42.6 Statement of Investment Income

(Rupees '000)

	Statutory Funds		Aggregate	
	Family Takaful Investment Linked Business	Family Takaful Protection Business	31 December 2019	31 December 2018
<b>42.6.1 Participants' Investment Fund (PIF)</b>				
Return on government securities	1 970	–	1 970	27 885
Other fixed income securities	322 951	–	322 951	90 969
Dividend income	26 284	–	26 284	26 915
Amortization of (premium) / discount	( 6 260 )	–	( 6 260 )	( 342 )
Loss on sale of investment	( 207 196 )	–	( 207 196 )	( 101 920 )
Unrealized gain on investment	27 495	–	27 495	83 041
Net investment income of PIF	(a) 165 244	–	165 244	126 548
<b>42.6.2 Participants' Takaful Fund (PTF)</b>				
Return on government securities	676	–	676	5 275
Other fixed income securities	7 359	1 522	8 881	4 615
Profit on bank deposits	21 924	–	21 924	2 319
Net investment income of PTF	(b) 29 959	1 522	31 481	12 209
<b>42.6.3 Shareholders' Sub-Fund</b>				
Return on government securities	18	–	18	184
Other fixed income securities	2 972	–	2 972	600
Dividend income	242	–	242	177
Amortization of (premium) / discount	( 58 )	–	( 58 )	( 2 )
Loss on sale of investment	( 1 906 )	–	( 1 906 )	( 672 )
Unrealized gain on investment	253	–	253	547
Profit on bank deposits	41 136	–	41 136	14 418
<b>Net investment income of shareholders' sub-fund</b>	(c) 42 657	–	42 657	15 252
Net Investment Income	(a+b+c) 237 860	1 522	239 382	154 009

### 43. FAIR VALUE

Investments on the balance sheet are carried at fair value except for investments in non unit-linked funds which are stated at lower of cost or market value and unquoted investments which are stated at cost. The Company is of the view that the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are essentially short term in nature.

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

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

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

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

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

(Rupees '000)

31 December 2019											
	Fair value										
On balance sheet financial instruments	Fair value through profit and loss designated upon initial recognition	Available for sale	Held to maturity	Loans and Receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value											
- Investments											
Government Securities (T-bills + PIBs + Sukuks)	70 853 495	-	-	-	-	-	70 853 495	-	70 853 495	-	70 853 495
Sukuk Bonds (other than government)	4 677 570	-	-	-	-	-	4 677 570	-	4 677 570	-	4 677 570
Listed equity securities	10 297 217	174 817	-	-	-	-	10 472 034	10 472 034	-	-	10 472 034
Unlisted equity securities	508	-	-	-	-	-	508	-	-	508	508
Units of mutual funds	265 847	144 867	-	-	-	-	410 714	-	410 714	-	410 714
Debt securities (Listed TFCs)	4 431 921	-	-	-	-	-	4 431 921	4 431 921	-	-	4 431 921
Financial assets not measured at fair value											
- Government Securities (T-bills + PIBs + Sukuks)	-	-	5 350 047	-	-	-	5 350 047	-	5 340 466	-	5 340 466
- Balances with banks *	25 372 548	-	-	-	-	-	25 372 548				
- Certificate of Investment	210 000	-	-	-	-	-	210 000				
- Advances	-	-	-	172 543	-	-	172 543				
- Investment income accrued	-	-	-	-	2 760 117	-	2 760 117				
- Other loans and receivables (excluding markup accrued)*	-	-	-	-	3 063 402	-	3 063 402				
	116 109 106	319 684	5 350 047	172 543	5 823 519	-	127 774 899				
Financial liabilities not measured at fair value											
Deferred taxation	-	-	-	-	-	743 179	743 179				
Premium received in advance	-	-	-	-	-	969 354	969 354				
Insurance / reinsurance payables	-	-	-	-	-	258 031	258 031				
Other creditors and accruals	-	-	-	-	-	2 257 480	2 257 480				
	-	-	-	-	-	4 228 044	4 228 044				
	116 109 106	319 684	5 350 047	172 543	5 823 519	( 4 228 044)	123 546 855				



(Rupees '000)

31 December 2018

31 December 2018

On balance sheet financial instruments	Fair value										
	Fair value through profit and loss designated upon initial recognition	Available for sale	Held to maturity	Loans and Receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value											
- Investments											
Government Securities (Tbills + PIBs + Sukuks)	51 909 147	-	-	-	-	-	51 909 147	-	51 909 147	-	51 909 147
Sukuk Bonds (Other than government)	1 332 919	-	-	-	-	-	1 332 919	-	1 332 919	-	1 332 919
Listed equity securities	33 519 330	7 374	-	-	-	-	33 526 704	33 526 704	-	-	33 526 704
Unlisted equity securities	16 008	-	-	-	-	-	16 008	-	-	16 008	16 008
Units of mutual funds	177 087	-	-	-	-	-	177 087	-	177 087	-	177 087
Debt securities (Listed TFCs)	2 535 953	-	-	-	-	-	2 535 953	2 535 953	-	-	2 535 953
Financial assets not measured at fair value											
- Government Securities (Tbills + PIBs + Sukuks)	-	-	1 063 719	-	-	-	1 063 719	-	1 047 472	-	1 047 472
- Balances with banks *	19 829 503	-	-	-	-	-	19 829 503				
- Certificate of Investment	210 000	-	-	-	-	-	210 000				
- Advances	-	-	-	124 610	884 760	-	1 009 370				
Other assets (Excluding markup accrued)*	-	-	-	-	2 695 536	-	2 695 536				
	109 529 947	7 374	1 063 719	124 610	3 580 296	-	114 305 946				
Financial liabilities not measured at fair value											
Deferred taxation	-	-	-	-	-	704 433	704 433				
Premium received in advance	-	-	-	-	-	714 419	714 419				
Insurance / reinsurance payables	-	-	-	-	-	193 218	193 218				
Other creditors and accruals	-	-	-	-	-	1 521 408	1 521 408				
	-	-	-	-	-	3 133 478	3 133 478				
	109 529 947	7 374	1 063 719	124 610	3 580 296	(3 133 478)	111 172 468				

\*The Company has not disclosed the fair values for these financial assets and liabilities, as these are for short term or reprice over short term. Therefore their carrying amounts are reasonable approximation of fair value.

#### 44. STATEMENT OF SOLVENCY

(Rupees '000)

	Shareholders' Fund	Statutory Funds						Aggregate 31 December 2019
		Investment Linked Business	Conventional Business	Pension Business	Accident & Health Business	Individual Family Takaful	Group Family Takaful	
<b>Assets</b>	1 605 605	1 278 082	–	–	–	–	–	2 883 687
Property and equipment	24 733	–	–	–	–	–	–	24 733
Intangible assets	–	–	–	–	–	–	–	–
Investment property	–	–	–	–	–	–	–	–
Investment in subsidiaries and associates	–	–	–	–	–	–	–	–
<b>Investments</b>								
Equity securities	232 176	10 487 707	11 014	4 725	–	147 634	–	10 883 256
Government securities	719 764	72 597 980	2 010 903	1 926	–	849 875	23 094	76 203 542
Debt securities	10 000	8 089 902	18 000	–	–	1 186 589	15 000	9 319 491
Term deposits	–	17 075 000	100 000	10 000	–	2 435 000	39 000	19 659 000
Others	–	–	–	–	–	–	–	–
Loans secured against life insurance policies								
Insurance / reinsurance receivables	–	–	240 723	–	–	–	13 276	253 999
Other loans and receivables	1 138 678	3 071 428	97 569	79	38	249 878	24 884	4 582 554
Deferred taxation	1 054 888	–	–	–	–	3 167	3 167	1 061 222
Prepayments	–	40 557	1 630	3	7	9 019	–	51 216
Cash and Banks	44 304	3 767 584	479 894	13 845	25 570	1 161 899	220 452	5 713 548
<b>Total Assets (A)</b>	<b>4 830 148</b>	<b>116 408 240</b>	<b>2 959 733</b>	<b>30 578</b>	<b>25 615</b>	<b>6 043 061</b>	<b>338 873</b>	<b>130 636 248</b>
<b>In- admissible assets as per following clauses of section 32 (2)</b>								
32 (2) (o) Interfund	( 903 716 )	–	–	–	–	–	–	( 903 716 )
32 (2) (u) Fixed Asset	( 1 605 605 )	–	–	–	–	–	–	( 1 605 605 )
32 (2) (i) Intangible	( 24 733 )	–	–	–	–	–	–	( 24 733 )
32 (2) (d) Unsecured Loan	( 43 721 )	–	–	–	–	–	–	( 43 721 )
32 (2) (h) Premium due	–	–	( 40 608 )	–	–	–	( 7 587 )	( 48 195 )
Bank Balance	–	–	–	–	–	–	–	–
34 (2) (a) Govt Sec	( 426 )	( 8 112 )	( 4 715 )	–	–	–	–	( 13 253 )
<b>Total In-admissible Assets (B)</b>	<b>( 2 578 201 )</b>	<b>( 8 112 )</b>	<b>( 45 323 )</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>( 7 587 )</b>	<b>( 2 639 223 )</b>
<b>Total Admissible Assets (C=A+B)</b>	<b>2 251 947</b>	<b>116 400 128</b>	<b>2 914 410</b>	<b>30 578</b>	<b>25 615</b>	<b>6 043 061</b>	<b>331 286</b>	<b>127 997 025</b>
<b>Total Liabilities</b>								
Insurance Liabilities net of reinsurance recoveries	–	–	–	–	–	–	–	–
Retirement benefit obligations	–	–	–	–	–	–	–	–
Deferred taxation	158 339	–	–	–	–	–	–	158 339
Borrowings	–	–	–	–	–	41 027	–	41 027
Premium received in advance	–	775 809	72 133	–	–	116 507	4 905	969 354
Insurance / reinsurance payables	–	81 390	103 964	–	–	18 269	54 408	258 031
Other creditors and accruals	494 404	3 290 509	1 218 148	8 305	24 338	714 123	144 144	5 893 971
Taxation - provision less payments	–	–	–	–	–	–	–	–
<b>Total Liabilities (D)</b>	<b>652 743</b>	<b>4 147 708</b>	<b>1 394 245</b>	<b>8 305</b>	<b>24 338</b>	<b>889 926</b>	<b>203 457</b>	<b>7 320 722</b>
<b>Total Net Admissible Assets (E= C-D)</b>	<b>1 599 204</b>	<b>112 252 420</b>	<b>1 520 165</b>	<b>22 273</b>	<b>1 277</b>	<b>5 153 135</b>	<b>127 829</b>	<b>120 676 303</b>
<b>Minimum Solvency Requirement</b>								
Shareholder's Fund	165 000	–	–	–	–	–	–	165 000
Policyholders Liability	–	110 567 700	1 039 632	21 930	1 064	4 948 594	71 031	116 649 951
Solvency Margin	–	1 684 718	480 533	343	213	73 995	47 086	2 286 888
<b>Excess / (Deficit) in Net Admissible Assets over minimum requirement</b>	<b>1 434 204</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>130 546</b>	<b>9 712</b>	<b>1 574 464</b>

The Insurance Accounting Regulations, 2017 have retained the Statutory Fund wise accounting for regulatory returns. The Statement of Solvency has been prepared in accordance with the format prescribed in regulatory returns for solvency statement. The transfer of surplus to Shareholders Fund and the related deferred tax implications have been restricted to amount of surplus recommended by the Appointed Actuary for transfer.

#### 45. NUMBER OF EMPLOYEES

(Rupees '000)

	31 December 2019	31 December 2018
Number of employees as at 31 December	2 561	2 229
Average number of employees as at 31 December	2 395	1 969

#### 46. GENERAL

46.1 Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

46.2 Certain prior year's figures have been rearranged and reclassified, wherever necessary, to facilitate comparisons.

#### 47. SUBSEQUENT EVENTS - NON ADJUSTING

The Board of Directors has proposed a cash dividend of Rs. 10.50/- per share (2018: Rs. 11.25/- per share) amounting to Rs. 1,050 million (2018: Rs. 1,125 million) at its meeting held on 7 February 2020 for the approval of the members at the Annual General Meeting to be held on 27 March 2020. These financial statements do not reflect this appropriation as explained in note 3.1.18.

#### 48. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 7 February 2020.

TAHER G. SACHAK  
Managing Director &  
Chief Executive

SYED SHAHID ABBAS  
Chief Financial  
Officer

HASANALI ABDULLAH  
Director

MUNEER R. BHIMJEE  
Director

RAFIQUE R. BHIMJEE  
Chairman

Karachi February 07, 2020

# Statements under Section 52(2) of Insurance Ordinance 2000

## Statement by Appointed Actuary

I have reviewed the Balance Sheet and Revenue Account and related notes prepared by the Company for the year ending December 31, 2019. In my opinion:

- (a) the policyholder liabilities included in the balance sheet have been determined in accordance with the provisions of the Insurance Ordinance, 2000 ("the Ordinance"); and
- (b) each statutory fund set up by the Company, after accounting for the capital contribution, complies with the solvency requirements of the Ordinance.

**OMER MORSHED, FCA, FPSA, FIA**  
Appointed Actuary

## Statement by Directors

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

### Section 46(6)

- a. In our opinion the annual statutory account of EFU Life Assurance Ltd. set out in the forms attached to the statement have been drawn up in accordance with the Ordinance and any rules made there under.
- b. EFU Life Assurance Ltd. has at all times in the year complied with the provision of the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance arrangements, and
- c. As at December 31, 2019 EFU Life Assurance Ltd, continues to be in compliance with the provisions of the Ordinance and rules made there under relating to paid-up capital, solvency and reinsurance arrangement.

### Section 52(2)(c)

- d. In our opinion each statutory fund of EFU Life Assurance Ltd. complies with the solvency requirement of the Insurance Ordinance, 2000 and the Insurance Rules, 2017.

TAHER G. SACHAK  
Managing Director &  
Chief Executive

HASANALI ABDULLAH  
Director

MUNEER R. BHIMJEE  
Director

RAFIQUE R. BHIMJEE  
Chairman

Karachi February 07, 2020



# Pattern of Shareholding

## as at 31 December 2019

Number of Shareholders	Shareholdings		Holding Shareholders
	From	To	
162	1	100	5 845
242	101	500	68 010
122	501	1 000	100 229
306	1 001	5 000	846 997
71	5 001	10 000	507 358
21	10 001	15 000	262 521
23	15 001	20 000	395 187
11	20 001	25 000	251 400
7	25 001	30 000	194 529
7	30 001	35 000	220 805
5	35 001	40 000	187 867
3	40 001	45 000	127 937
6	45 001	50 000	294 715
6	50 001	55 000	318 043
4	55 001	60 000	228 096
2	60 001	65 000	126 900
2	65 001	70 000	135 104
1	75 001	80 000	76 862
2	80 001	85 000	158 972
4	90 001	95 000	330 756
4	95 001	100 000	400 000
1	100 001	105 000	103 997
2	105 001	110 000	214 061
1	115 001	120 000	120 000
1	120 001	125 000	125 000
1	125 001	130 000	128 469
1	130 001	135 000	131 554
1	135 001	140 000	135 146
1	165 001	170 000	167 000
1	175 001	180 000	176 063
1	180 001	185 000	182 402
1	215 001	220 000	219 600
3	220 001	225 000	700 000
1	225 001	230 000	270 155
1	345 001	350 000	349 865
1	405 001	410 000	406 123
1	490 001	495 000	495 000
1	540 001	545 000	544 971
1	575 001	580 000	576 470
1	585 001	590 000	587 600
3	940 001	945 000	2 834 000
1	945 001	950 000	948 229
1	950 001	955 000	952 621
1	1 185 001	1 190 000	1 189 600
1	1 285 001	1 290 000	1 288 835
1	1 290 001	1 295 000	1 292 518
1	3 480 001	3 485 000	3 482 596
1	3 515 001	3 520 000	3 519 981
1	10 000 001	10 005 000	10 000 463
1	20 045 001	20 050 000	20 047 708
1	43 570 001	43 575 000	43 571 840
1 046			100 000 000

## Information as required under the Code of Corporate Governance

Categories of Shareholders	Shareholders	Shares held	Percentage
<b>Associated Companies, Undertakings and Related Parties</b>			
EFU General Insurance Ltd.		43 571 840	
J S Bank Ltd.		1 189 600	
Jahangir Siddiqui Securities Services Limited		38	
Trustee EFU Life Assurance Ltd., Staff Provident Fund		760	
Energy Infrastructure Holding (Pvt) Ltd		587 600	
Jahangir Siddiqui & Co. Ltd.		20 047 708	
Jahangir Siddiqui		28 000	
Trustee-JSCL Staff Provident Fund		5 700	
	9	65 431 246	65%
<b>Mutual Funds</b>			
IDBL (ICP UNIT)		35	
ICP A/C. Mr. Noman Farooq		471	
ICP A/C. COL M.A. Sheikh		1331	
	3	1837	0.00%
<b>Directors, CEO, &amp; their spouses and minor children</b>			
Rafique R. Bhimjee		3 512 796	
Saifuddin N. Zoomkawala		495 000	
Taher G. Sachak		525 928	
Muneer R. Bhimjee		3 519 981	
Hasanali Abdullah		187 146	
Heinz Walter Dollberg		588	
Syed Salman Rashid		10 000 463	
Ali Raza Siddiqui		500	
Naila Bhimjee		1 288 835	
Lulua Saifuddin Zoomkawala		55 432	
Rehana Salman		182 402	
Rukhsana Shah		500	
	16	19 769 571	19.77%
Executives	7	153 003	0.15%
Banks, Finance Institutions	10	510 156	0.51%
Non-Banking Finance Institutions, Insurance Co.	3	58 600	0.06%
Individuals / Others	989	10 336 747	10.34%
Foreign Investors (repatriable basis)	9	3 738 840	3.74%
<b>Total</b>	1046	100 000 000	100%
<b>Shareholders holding 10 % or more voting interest</b>			
EFU General Insurance Ltd.		43 571 840	43.57%
Jahangir Siddiqui & Co. Ltd.		20 047 708	20.05%
Syed Salman Rashid		10 000 463	10.00%

# Glossary of Important Terms

<b>Acquisition cost</b>	Expenses incurred by the company for acquisition of Insurance/Takaful business. These mainly include expenses relating to the distribution channels.
<b>Administration Expenses</b>	Expenses of the company other than the acquisition cost.
<b>Authorized Share Capital</b>	The maximum value of shares that a Company can issue.
<b>Balance Sheet</b>	An accounting term referring to a listing of a company's assets, liabilities and surplus as of a specific date.
<b>Cash Value</b>	The cash value of an insurance policy or Takaful contract, also called the cash surrender value or surrender value, is the cash amount offered to the policyholder/participant by the life insurer/Takaful operator upon cancellation/maturity of the insurance policy or Takaful contract.
<b>Claims</b>	The amount payable under a contract of insurance/Takaful arising from occurrence of an insured event.
<b>Commission</b>	Remuneration to an insurance/Takaful intermediary for services such as selling and servicing of insurance/Takaful products
<b>Contribution</b>	Monetary contribution paid as lump sum or periodically by a participant to a Takaful operator for the purpose of obtaining Takaful Benefits
<b>Death Claim</b>	Insurance/Takaful claims paid to beneficiaries when the insured person/participant dies during the period of insurance/Takaful.
<b>Disability Claim</b>	Insurance/Takaful claims paid to the insured person/participant in case of a defined disability during the periods of insurance/Takaful
<b>Dividend Yield</b>	A financial ratio that shows how much a company pays out in dividends each year relative to its share price. In the absence of any capital gains, the dividend yield is the return on investment for a stock.
<b>Earnings per Share</b>	The portion of the company's profit allocated to each outstanding share of common stock. Earnings per share serves as an indicator of a company's profitability.
<b>Gross Contribution</b>	Total contribution of the Operator for all takaful lines of business including Individual Family Takaful new business, Individual Family Takaful renewal contributions, Group Family Takaful business and Single Contribution.
<b>Gross Premium</b>	Total premium of the company for all lines of business including individual life new business, individual life renewal premium, Group business and single premium.
<b>Maturity Claim</b>	Insurance/Takaful claim paid to the insured person/Participant in case of maturity of the insurance policy or Takaful contract.
<b>Net Contribution</b>	Gross contribution less the retakaful contribution ceded.
<b>Net Premium</b>	Gross premium less the reinsurance premiums ceded
<b>Outstanding Claims</b>	Claims incurred and reported but not paid as on the date of the financial statements
<b>Paid-up capital</b>	The amount paid or contributed by shareholders in exchange for shares of a company's stock.
<b>Participants</b>	A person who participates in a Takaful scheme and to whom Takaful Contract is issued
<b>Participants' Investment Fund (PIF)</b>	The unit linked investment fund in which a proportion of the gross contribution is invested.
<b>Participants' Takaful Fund (PTF)/Waqf Fund</b>	A fund which is a risk pool for Takaful participants. It is a sub fund of a statutory fund into which participant's risk related contributions are paid and risk related benefits are paid out.

<b>PAT</b>	Gross profit for the year net of the tax for the year, as mentioned in the Profit and Loss Account.
<b>Policyholders' liabilities</b>	It is the value of the obligation of the insurer to its policyholders. A major portion of this is policyholder reserves, which is the amount representing actual or potential liabilities kept by an insurer to cover policyholders benefits.
<b>Premium</b>	Financial cost of obtaining an insurance cover, paid as a lump sum or in installments during the duration of the policy.
<b>Qard - e - Hasna</b>	In case of a deficit in Waqf Fund, Takaful Operator extends a Qard-e-Hasna (interest free loan) to PTF to cover the deficit. This Qard is repaid to the Takaful Operator from future surpluses in the PTF.
<b>Reinsurance Premium</b>	Reinsurance premiums are premiums paid to other insurance companies pursuant to the reinsurance agreements mainly for the purpose of diversification of risks undertaken by the insurer.
<b>Retakaful Contribution</b>	Retakaful contributions are contributions paid to other Takaful operators pursuant to the retakaful agreements mainly for the purpose of diversification of risks undertaken by the Takaful Operator
<b>Retention</b>	The part of insurance/Takaful risk that the insurer/Takaful Operator retains before passing on the excess to a reinsurer/Retakaful.
<b>Return on Equity</b>	Return on equity measures a company's profitability by revealing how much profit a company generates with the money shareholders have invested. ROE is expressed as a percentage and calculated as: $\text{Return on Equity} = \frac{\text{Net Income}}{\text{Shareholder's Equity}}$
<b>Shareholders' Equity</b>	This is the total of Paid-up capital, accumulated surplus and any general reserves.
<b>Shareholders' Fund</b>	A fund that is established in the records of a life insurance/Takaful Operator and which contains that part of the assets and liabilities of a life insurer/Takaful operator which is attributed to it and is not attributed to any statutory fund maintained by that life insurer/Takaful Operator
<b>Solvency</b>	Having sufficient assets-capital, surplus, reserves-and being able to satisfy financial requirements to be eligible to transact insurance/Takaful business and meet liabilities.
<b>Statutory Fund</b>	A fund that is established in the records of a life insurer/ Takaful Operator and which relates solely to the life insurance/Takaful business of that life insurer/takaful operator or a particular part of that life insurance/Takaful business
<b>Surplus in Waqf Fund</b>	The excess of assets over liabilities in Waqf Fund/Participants' Takaful Fund (PTF). Negative surplus would be named as 'Deficit' in Waqf Fund.
<b>Surrender Claim</b>	Insurance/Takaful claims paid to the insured person/participant in case an insurance policy or Takaful contract is terminated before end of its term
<b>Underwriting</b>	The process of assessing and selecting risks for insurance/Takaful and classifying them according to their degrees of insurability so that and appropriate price may be assigned. The process also includes rejection of those risks that do not qualify.
<b>Net Risk Contribution of PTF</b>	The risk related portion of the Participant's contribution paid into the PTF to avail Takaful cover from the PTF.
<b>Takaful Operators Fund</b>	A Fund setup by a Window Takaful Operator which shall undertake all transactions which the Operator undertakes other than those which pertains to Participants Takaful Fund/Participant Investment Fund setup for the Window Takaful Operations.
<b>Wakalah Fee</b>	The fee that takaful operator charges for the management of Waqf Fund or acting as a Wakeel (Manager of PTF).
<b>Window Takaful Operator</b>	A Registered Insurer authorized under Takaful Rules, 2012 to carry out Window Takaful Operations in addition to Conventional Insurance Business.



# Group Benefits & Bancassurance - Offices

## Group Benefits - Offices

### Karachi

EFU Life House  
Plot No. 112, 8th East Street, Phase-I, DHA, Karachi  
Phone: (021) 111-338-111

Hasan Aamir, Regional Sales Director  
S. Afsar Raza, Group Marketing Manager  
Naveed-ul-Haq Bhatti, Group Marketing Manager  
Anila Hassan Riaz, Chief Marketing Manager  
Syed Amir Iqbal, Marketing Manager  
Syed Ahmed Ali Jafry, Senior Marketing Executive  
Syed Qaiser Arsalan Zaidi, Marketing Executive  
Akif Moin Farooqi, Marketing Executive

### Lahore

33/2, Block B-1, Gulberg III, Lahore  
Phone: (042) 38102625

S.A.R. Zaidi, Executive Director  
Fazal Mehmood, Regional Sales Director  
Faisal Masud, Regional Marketing Manager  
Mubashar Ahmed, Group Marketing Manager  
Tasleem Iqbal, Marketing Manager  
Saad Farooqi, Assistant Marketing Manager  
Tahir Mahmood, Senior Marketing Executive

### Islamabad

Office No. 6, 2nd Floor, Yaseen Plaza  
74-W, Jinnah Avenue, Blue Area, Islamabad  
Phone: (051) 8023200-06

Noor-ur-Rehman, Regional Marketing Manager  
Rizwan Bajwa, Marketing Manager  
Rao Asif Khan, Senior Marketing Executive  
Muhammad Nauman Afzal, Senior Marketing Executive

### Faisalabad

2nd Floor, Ajmal Centre 289  
Batala Colony, Faisalabad  
Phone: (041) 5253450

Imran Yaqub, Marketing Manager

### Multan

1st Floor, Rajput Commercial Centre  
Tareen Road, Near Gull Tax Showroom, Multan  
Phone: (061) 8026200, (061) 8026209

Zafar Abbas Chughtai, Marketing Manager

## Bancassurance - Offices

### Karachi

37-K, Block 6, PECHS, Karachi  
Phone: (021) 34541740, 38652300-2305  
Husein Sachak, Director - Bancassurance  
Ali Asghar Khandwala, Deputy Head - Bancassurance  
Rashib Shaikh, National Sales Head - Bancassurance  
Farukh Hassan, Head of Marketing & Development

### Lahore

Office No.202, 203, Al-Hafeez Heights, 2nd Floor  
65-D-1, Gulberg 2, Lahore. Phone: (042) 38102600-615  
Fayyaz Mehmood Tahir,  
National Sales Head - Bancassurance  
Zubair Zahid, National Sales Head - Bancassurance  
Hafiz Muhammad Babar Rafique, Regional Head - Bancassurance  
Syed Zamin Ali, Regional Head - Bancassurance  
Shafqat Ali, Regional Head - Bancassurance

### Islamabad

3rd Floor, Al Malik Centre  
70- W, Jinnah Avenue, Blue Area, Islamabad  
Phone: (051) 8023215, 8023222, 8023234  
Tahir Sultan, National Sales Head - Bancassurance  
Mariam Mani, National Sales Head - Bancassurance  
Kamran Hassan, Regional Head - Bancassurance

### Faisalabad

25 Waheed Center, Kohinoor Town,  
College Road, Opp. Hockey Stadium, Faisalabad  
Phone: (041) 8503370,71,72,73 / 8503338, 39  
Ejaz Ahmad Baig, Area Sales Head - Bancassurance

### Peshawar

2nd Floor, NWR Plaza, Khyber Supermarket  
Near Qayyum Stadium, Bara Road, Peshawar Cantt  
Phone: (091) 5252129, 5606002  
Fawad Farooqi, Regional Head - Bancassurance

### Jhelum

Karim Arcade, Machine Mohalla No.3, Jhelum  
Phone: (0544) 621017  
Kashif Mansoor Ali Khan, Regional Head - Bancassurance

### Multan

2nd Floor, Golden Heights Plaza  
Opp. High Court, Multan Cantt  
Phone: (061) 4587120, 30,40,50  
Syed Mehtab Ali, Area Head - Bancassurance

### Gujranwala

Office No 13/1, 2nd Floor, Bhutta Center, Gujranwala  
Phone: 0322-4001126  
Syed Zamin Ali, Regional Head - Bancassurance

# Individual Life - Offices

## Abbottabad Branch

Alfatah Shopping Center, Opposite Radio Station, Jhungi Abbottabad  
0992341978, 0992403697, 0992334254  
Waqas Khan, Unit Manager

## Ahmed Pur East Branch

Opposite Canal Rest House, Katchery Road, Ahmed Pur East.  
0622273039, 0622273049  
Mazhar Mahmood Khan  
Assistant Branch Manager

## Ali Pur Chatha Branch

1st Floor, Haji Shair Muhammad Heights, Gujranwala Road Ali Pur Chatha Distt., Gujranwala.  
055-6821092  
Muhammad Ishfaq,  
Assistant Branch Manager

## Arifwala Branch

EFU Life Assurance, M-Block, Pakpattan Road Arifwala.  
0457830480, 0457830478, 0457830479, 0457830481, 0457830483, 0457830477  
Ahsaan Talib, Branch Manager

## Asotre Branch

Brigade Road Main Bazar, Astore.  
923355303510  
Munzoom Ali  
Unit Manager

## Attock Branch

1st Floor, Sheikh Jaffar Plaza, Siddiqui Road, Attock City.  
0572703338, 0572602067, 0572701957, 0572702338  
Amjid Hussain Shah, Branch Manager

## Bagh AK Branch

Near Bagh International Hotel  
2nd Floor of Amaar Hospital  
Distt Bagh AK  
5823445367  
S. M Ahtsham Ul Haq Gillani  
Branch Manager

## Bahawal Nagar Branch

Ground Floor Paradise Hotel, Opp City Lab, Chishtian Road  
0632-277247  
Altaf Hussain, Senior Branch Manager

## Bahawalpur Branch

88-A Noor Mahal Road, Near Iqbal Hospital, Bahawalpur  
062-3006120  
Mian M. Afzal, Branch Manager

## Bahawalpur Cantt Branch

88-A Noor Mahal Road, Near Iqbal Hospital, Bahawalpur  
062-3006120  
Junaid Masud, Regional Manager

## Bahawalpur Central Branch

88-A Noor Mahal Road, Near Iqbal Hospital, Bahawalpur  
062-3006120  
Abdul Jabbar, Group Manager

## Bahawalpur City Branch

88-A Noor Mahal Road, Near Iqbal Hospital, Bahawalpur  
062-3006120  
Naeem Akhter Chaudhry  
Senior Branch Manager

## Bahawalpur Garden Branch

88-A Noor Mahal Road, Near Iqbal Hospital, Bahawalpur  
062-3006120  
Muhammad Sajjad  
Assistant Branch Manager

## Baltistan Branch

Anchan Plaza, 2nd Floor, Hussani Chowk, Main Bazar, Sakardu  
05815-450941  
Mubashir Hassan  
Senior Branch Manager

## Bhakkar Branch

1st Floor Ubaid Plaza  
Near MCB Bank, Behal Road, Bhakkar  
0453-515074  
Muhammad Naeem Tariq  
Assistant Branch Manager

## Bhalwal City Branch

Plot # 3 ,Ground Floor, Kuchari Road  
Tehsil Bhalwal District, Sargodha.  
923016949449  
Noman Saeed, Assistant Branch Manager

## Bhimber Branch

Heaven Palace, Basement Sultan Plaza  
Meerpur Chowk, Bhimber, AJK  
923446263378  
M. Rizwan Sadiq  
Assistant Branch Manager

## Bin Qasim Branch

1st Floor Mohyaddin Plaza , Bhanse Colony, Morh Opposite Karachi Medical Center, Bin Qasim, Malir, Karachi.  
923342003635  
Lal Khan, Unit Manager

## Burewala Branch

Upper MCB Bank, Main Multan Road, Burewala  
067-3771338-672016400  
Rafique Ahmad, Branch Manager

## Burewala City Branch

Upper MCB Bank, Main Multan Road, Burewala  
067-3771338-672016400  
M. Abu Bakar, Assistant Branch Manager

## Chakwal Branch

2nd Floor, Haq Plaza, Opposite Shan Mall  
Main Talagang Road, Chakwal.  
923034401951  
Muhammad Tasier Hussain  
Assistant Branch Manager

## Chichawatni Branch

Plot # 901, Block # 5, 1st Floor, Al Haram Center, Wali Jutt Chowk, Chichawatni  
040-58015640  
Muddassar Meraj  
Assistant Branch Manager

## Chilas Branch

Near Karakuram Cooperative Bank, Chilas  
923555112558  
Izhar Ullah, Unit Manager

## Chishtian Branch

13 - Gajyani Road Chishtian.  
063-2500299, 2507334, 2507332, 2301741-3  
Muhammad Amin, Branch Manager

## Choondko Branch

1st Floor on Yaseen Photo State, Opposite TCS Office, Taluka Maro  
P/o Choondiko District, Khairpur  
923053355663  
Zamir Hussain, Assistant Branch Manager

## Chowk Munda Branch

Multan Road, Upper Story Husnain Honda Center.  
923015066146  
Muhammad Ayoob, Unit Manager

## Dadu Royal Branch

Near Circuit House, Sui Gas Office Street  
Dadu.  
923023627170  
Muhammad Yaseen Mallah  
Assistant Branch Manager

## Dadu Branch

Near Ali Honda Show Room Dadu.  
923002564390  
Zulfiqar Ali, Assistant Branch Manager

## Daharki Civic Branch

Near Main GT Road, Daharki District, Ghotki.  
072-3204160  
Muhammad Nadeem  
Assistant Branch Manager

## Danyore Branch

2nd Floor, Micro Fanchise Bank, Main Chowk, Danyore, Gilgit.  
923445949858  
Sajjad Haider  
Assistant Branch Manager

**Darya Khan Branch**

2nd Floor, Yaadgar Plaza, Hashmi Chowk  
Darya Khan.  
923006014459  
Zaheer Hussain, Senior Unit Manager

**Daur Branch**

Near U Bank, Opposite Noor Masjid, Jamali  
Road, Taluka Daur.  
923023240521  
Mumtaz Ali Brohi, Senior Unit Manager

**Depalpur Branch**

Supper Market, Okara Road, Depalpur.  
923336991991  
Ahmad Kamran Javed, Unit Manager

**Dera Allahyar Branch**

Main Quetta Road, Dera Allahyar  
0838-510177  
Jan Muhammad, Branch Manager

**Dera Ghazi Khan Branch**

Rehmania Street, Faridabad Colony,  
Block No 18, Plot #1264 G Floor  
Near Dr. Shahkeel Lighari Jampur Road  
Dera Ghazi Khan  
0642-468116, 0642471056-7  
Mustanser Abbas  
Assistant Branch Manager

**Dera Ismail Khan Branch**

1st Floor Najeeb Centre,  
East Circular Road, Dera Ismail Khan.  
0966-734001-02,03,04,05,06  
Mujahid Khan, Branch Manager

**Dera Murad Jamali Branch**

Near Usta Muhammad Vegun Stand  
Main Quetta Road, Dera Murad Jamali  
0838-710488  
Liaquat Ali, Assistant Branch Manager

**Digri Branch**

House # 70, Near Sindh Medical Center,  
Mehran Hospital Road, Digri District  
Mirpurkhas  
923322661053  
Tassawar Ali, Branch Manager

**Dinga Branch**

1st Floor, Fazil Plaza, Dallyan Chowk,  
Dinga, Tehsil Kahrian, Distt Gujrat  
0537400338, 0537402338, 0537404338,  
0537403399.  
Qaisar Abbas, Senior Branch Manager

**Dokri Branch**

Near Engro Milk Ice Factory,  
Ajaz Ali Theem Sb House # 32,  
Badha Road, Dokri, District Larkana.  
923336933880  
Shahzado Kosar Ali, Branch Manager

**Faisalabad Central Branch**

Plot No C-6, 2nd Floor,  
S-T Plaza, Kohi Noor City  
0415003420  
Mohammad Zahid Bashir  
Assistant Branch Manager

**Faisalabad Chenab Branch**

2nd Floor, Ajmal Centre,  
289 Batala Colony, Faisalabad  
0415003420  
Tajamal Khan, Senior Branch Manager

**Faisalabad City Branch**

2nd Floor, Ajmal Centre,  
289 Batala Colony, Faisalabad  
0415003420  
Syed Bashrat Ali, Assistant Branch Manager

**Lyallpur Green Branch**

2nd Floor, Ajmal Centre,  
289 Batala Colony, Faisalabad  
0415003420  
Tanveer Ahmad, Assistant Branch Manager

**Faisalabad Ravi Branch**

Near Usman Oil Mills, Jaranwala Road  
Satiyana Bangla, Tehsil & District Faisalabad.  
923336561200  
Muhammad Khaleeq uz Zaman  
Assistant Branch Manager

**Fateh Pur Branch**

Old Grain Market, Aasi Plaza, Fateh Pur  
Tahsil Karor Lal Esan, District Layyah.  
0606-841238  
Ghulam Abu Talib, Assistant Branch Manager

**Ghotki Branch**

1st Floor Shadani Shopping Center,  
Opposite Police Station, Ghotki  
0723680352, 0723680351,  
0723684107, 0723682423  
Mahesh Kumar, Senior Branch Manager

**Gilgit Baltistan Branch**

1st Floor, Dar Plaza, Nabi Bazar, Gilgit  
05811459874  
Faiz Ahmed Khan, Group Manager

**Gilgit Baltistan City Branch**

1st Floor, Dar Plaza, Nabi Bazar, Gilgit  
05811459874  
Imran Khan, Unit Manager

**Gujranwala Branch**

Noor Plaza, 1st Floor, Khokharki Sialkot Road,  
Opp Saint Peter School, Gujranwala  
055-3734104-0558316100  
Arfan Yousaf, Branch Manager

**Gujrat Branch**

Dhakar Plaza, Rehman Shaheed Road,  
Gujrat.  
05320166160  
Ali Rizwan, Group Manager  
Faisal Tahir, Regional Manager

**Gujrat City Branch**

Dhakar Plaza, Rehman Shaheed Road,  
Gujrat.  
05320166160  
Majid Navid Akhter, Branch Manager

**Gulshan-e-Hadeed Branch**

1st Floor C-15, Phase # 1, Gulshan-e-Hadeed,  
Bin Qasim, Karachi.  
02134721574-76 and 02134715070-71, 72  
Muhammad Akhtar  
Branch Manager

**Gwadar Branch**

Ashraf Market, Airport Road, Gwadar  
864210244  
Akhtar Ali, Assistant Branch Manager

**Hafizabad Branch**

1st Floor Upper Al Baraka Bank,  
Ali Pur Road, Distt Hafizabad  
0547525639-524639-523693-  
540639-541639  
Mohammad Rafique  
Assistant Branch Manager

**Hala Branch**

Plot # 1403/32 Ground Floor, Opposite Boys  
College, Dargah Road, Hala New.  
0223331390,91,93,400  
Nazia, Senior Unit Manager

**Harappa Branch**

Shalimar Town, Near Latif Hospital, Naiwala  
Bangla Road, Harappa Station, Sahiwal.  
923470603531  
Sajjad Hussain, Assistant Branch Manager

**Haroonabad Branch**

Milad Chowk, Baldia Road, Haroonabad.  
0632253592, 0632253290-1  
Muhammad Kashif, Group Manager

**Hub Chowki Branch**

Main R.C.D. Road, Hub Chowki,  
District Lasbella, Hub Chowki.  
0853302115, 085364098  
Atta Ullah Shad, Assistant Branch Manager

**Hunza Nagar Branch**

1st Floor, Nazar Shah Plaza, Hospital Chowk  
Ali Abad, Hunza  
05813-455172  
Sajjad Haider, Assistant Branch Manager

### Hyderabad Cantt Branch

1st Floor, Plot No. C- 10, Railway Cooperative Housing Society, Near McDonald's Autobahn, Hyderabad  
0228334200  
Muhammad Aulim Solangi  
Senior Branch Manager  
Shams Uddin Shaikh  
Regional Manager

### Hyderabad City Branch

1st Floor, Plot No. C- 10, Railway Cooperative Housing Society, Near McDonald's Autobahn Hyderabad  
0228334200  
Qadir Baksh Sahito, Branch Manager

### Hyderabad Prime Branch

1st Floor, Ploct No. C- 10, Railway Cooperative Housing Society Near McDonald's Autobahn Hyderabad  
0228334200  
Mohammad Farhan Ali, Branch Manager  
Ghulam Shabbir Mirani, Group Manager

### Hyderabad Autobahn Branch

Commercial Hall, Blue Sky Extension (Breeze Tower) Commercial Hall, 2nd Floor, Autobahn Hyderabad.  
0228334260  
Bhesham Kumar, Group Manager

### Hyderabad Galaxy Branch

Commercial Hall, Blue Sky Extension (Breeze Tower) Commercial Hall, 2nd Floor, Autobahn Hyderabad.  
0228334260  
Aasma, Assistant Branch Manager

### Hyderabad Mehran

Commercial Hall, Blue Sky Extension (Breeze Tower) Commercial Hall, 2nd Floor, Autobahn Hyderabad.  
0228334300  
Durdana Khan, Senior Branch Manager

### Hyderabad Model Branch

Commercial Hall, Blue Sky Extension (Breeze Tower) Commercial Hall, 2nd Floor, Autobahn Hyderabad.  
228334260  
Durdana Khan, Senior Branch Manager

### Hyderabad Royal Branch

Commercial Hall, Blue Sky Extension (Breeze Tower) Commercial Hall, 2nd Floor, Autobahn Hyderabad.  
228334260  
Ghulam Mustafa Chandio  
Branch Manager

### Hyderabad Star Branch

Commercial Hall, Blue Sky Extension (Breeze Tower) Commercial Hall, 2nd Floor, Autobahn Hyderabad.  
228334260  
Syed Sabir, Branch Manager

### Hyderabad New City Branch

Office No. 8 ,9 - 2nd Floor, Shelter Shopping Mall, Saddar Cantt, Hyderabad  
0222720550-1,2,3  
Syed Sabir, Branch Manager

### Islamabad Branch

Al-Malik Centre, 2nd Floor, 70-W, Jinnah Avenue (Blue Area), Islamabad  
518023250  
Younis Butt Assistant, Sales Director  
Mohammad Atif Khan, Group Manager  
Muhammad Kashif Khan  
Senior Branch Manager

### Islamabad Civic Branch

Al-Malik Centre, 2nd Floor, 70-W, Jinnah Avenue (Blue Area), Islamabad  
518023250  
S. M. Ali Shafaat Bukhari  
Assistant Branch Manager

### Jacobabad Branch

1st Floor, National Autos, Main Quaid-e-Azam Road, Jacobabad.  
0722650156, 0722651876, 0722654931  
Faqir Muhammad Shaikh  
Senior Branch Manager

### Jhang Branch

Upper Story, Al-Hamd Zarai Corporation, Near Burji Chowk, Toba Road, Jhang Saddar.  
923326264025  
Muhammad Aamir Shahzad  
Unit Manager

### Jhelum Branch

Karim Arcade, M.M. No. 03, Jada Road, Jhelum  
544806440  
Nadeem Shakeel  
Assistant Branch Manager

### Jutial Branch

EFU Life Office, Main Sharah-e-Quaid Azam, Near National Bank, Jutial, Gilgit.  
923555207849  
Kaka Jan  
Senior Unit Manager

### Kallar Syedan Branch

1st Floor, Uper Storey Bank Alfalah, Choa Khalsa Road, Kallar Syedan, District Rawalpindi.  
Rashid Iqbal, Unit Manager

### Kandhkot Branch

Shah Mohammad Malik Plaza  
Office No 3, Opposite Honda Showroom  
Mandi Road, Kandhkot  
0722-570685  
Adnan M. Samejo, Branch Manager

### Karachi Cantt Branch

Nafees Arcade, 3rd Floor, Off No. 301, Opp. Askari Park, University Road, Karachi.  
2138652520  
Reeta, Branch Manager

### Karachi Karsaz Branch

Nafees Arcade, 3rd Floor, Off No. 301, Opp. Askari Park, University Road, Karachi.  
2138652520  
Zahoor Ahmed Khuhro, Group Manager

### Karachi Galaxy Branch

Room No. 620, 6th Floor, EFU House M.A. Jinnah Road. Karachi  
021-32203381 -2138652740  
Jagdeesh Kumar Pahooja  
Senior Branch Manager

### Karachi Garden Branch

Plot No.233/1-A, Amir Trade Center, 3rd Floor, Office No.307, Block-2, P.E.C.H.S., Karachi  
2138652760  
Shehzad Pyarali, Senior Branch Manager

### Karachi Paradise Branch

Plot No.233/1-A, Amir Trade Center, 3rd Floor, Office No.307, Block -2, P.E.C.H.S., Karachi  
2138652760  
Karim, Assistant Branch Manager

### Karachi Gulshan Branch

Nafees Arcade 2nd Floor, Off No. 201, Opp. Askari Park University Road, Karachi.  
2138652500  
Abdul Wahab Shaikh, Branch Manager

### Karachi Indus Branch

Al-Samad Tower, 604-605, Plot # SB-33, Block 13-B, Opposite Bait ul Mukarram Masjid Gulshan-e-Iqbal, Main University Road, Karachi.  
2138652710  
S.Shahid Hussain Zaidi, Group Manager

### Karachi Capital Branch

Al-Samad Tower, 604-605, Plot # SB-33, Block 13-B, Opposite Bait ul Mukarram Masjid Gulshan-e-Iqbal, Main University Road, Karachi.  
2138652710  
Ghulam Sarwar, Branch Manager

### Karachi Central Branch

37- K, Block 6, PECHS Karachi  
02138652300 - 02138652400  
Shahjahan, Assistant Sales Director  
Syed Arif Raza, Zonal Manager

#### **Karachi Crescent Branch**

37- K, Block 6, PECHS, Karachi  
02138652300 - 02138652400  
Faisal Maniar, Branch Manager

#### **Karachi Faisal Branch**

37- K, Block 6, PECHS, Karachi  
02138652300 - 02138652400  
Shah Zaman Shaikh, Branch Manager

#### **Karachi Falcon Branch**

37- K, Block 6, PECHS, Karachi  
02138652300 - 02138652400  
Adil Khan Khilji, Branch Manager

#### **Karachi Imperial Branch**

37- K, Block 6, PECHS, Karachi  
02138652300 - 02138652400  
Ikramullah Atique, Assistant Branch Manager

#### **Karachi Mehran Branch**

37- K, Block 6, PECHS Karachi  
02138652300 - 02138652400  
S.Samar Raza Zaidi, Senior Branch Manager

#### **Karachi Merewether Branch**

37- K, Block 6, PECHS Karachi  
02138652300 - 02138652400  
Rehan Anwar, Zonal Manager

#### **Karachi Metropolitan Branch**

37- K, Block 6, PECHS Karachi  
02138652300 - 02138652400  
Khawar Ahmed, Branch Manager

#### **Karachi Pioneer Branch**

37- K, Block 6, PECHS Karachi  
02138652300 - 02138652400  
Nasir Rashid Bhatti, Group Manager

#### **Karachi Platinum Branch**

37- K, Block 6, PECHS Karachi  
02138652300 - 02138652400  
Andleeb Ajab, Assistant Branch Manager

#### **Karachi Royal Branch**

37- K, Block 6, PECHS Karachi  
02138652300 - 02138652400  
Shahzad Hanif, Branch Manager

#### **Karachi Shaheen Branch**

Office No M1, M2, SC-13 Noor Square,  
Main University Road, Opp Old Sabzi Mandi,  
Karachi.  
2138651601  
Muzaffar Ahmed Bughio, Branch Manager

#### **Karachi Model Branch**

Office No M1, M2, SC-13 Noor Square,  
Main University Road, Opp Old Sabzi Mandi,  
Karachi.  
2138651601  
Bheroo Mal, Assistant Branch Manager

#### **Karachi Star Branch**

Plot # 23/F, 2nd Floor, Commercial Area,  
Muhammad Ali Cooperative Housing Society,  
Karachi  
021-34550488-2138652480  
Khuram Sultan Ali, Assistant Branch Manager

#### **Karachi West Branch**

Plot # 23/F, 2nd Floor, Commercial Area,  
Muhammad Ali Cooperative Housing Society,  
Karachi  
021-34550488-2138652480  
Nadeem Alam Ansari  
Senior Branch Manager

#### **Karor Lal Eson Branch**

Chundi Morh, Layyah Road, Al Qasim Plaza  
2nd Floor, Karor Lal Eson, District Layyah.  
923016091752  
Muhammad Shafique  
Assistant Branch Manager

#### **Kashmore Branch**

Akbar Plaza 1st Floor, Office No 1, Near  
Telephone Exchange, Main Road, Kashmore.  
923337233090  
Rashid Iqbal, Assistant Branch Manager

#### **Khairpur Branch**

Near Bank Al Habib, Kutchery Road, Khairpur  
0243554016, 0243714336, 0243714337,  
0243714330  
Jamaluddin, Senior Branch Manager

#### **Khanpur City Branch**

House # 697, Model Town B,  
Near DSP Office, Khanpur.  
0685955808,0685576809,0685577809  
Waqar Habib, Branch Manager

#### **Khaplu Branch**

Near GPO Main Bazar Khaplu.  
923469555192  
Riaz Yousuf, Assistant Branch Manager

#### **Kharian Branch**

Block-6/B, Al Muqet Center,  
G.T Road, Kharian  
053-7600149,7602661,7602662,76022660  
Muhammad Imran  
Assistant Branch Manager

#### **Kharian City Branch**

Block-6/B, Al Muqet Center,  
G.T Road, Kharian  
053-7600149,7602661,7602662,76022660  
Raja Irfan Qadeer, Branch Manager

#### **Kharmang Branch**

2nd Floor, Wazir Plaza, Near Micro Finance  
Bank, Main Bazar Mehdi Abad, Kharmang.  
923460250651  
Muhammad Sajid, Assistant Branch Manager

#### **Khunjha Branch**

Opposite Admore Filling Station, Near  
Nagrianwala Chungi, Kunjah, Tehsil Gujrat.  
923456875137  
Muhammad Junaid  
Assistant Branch Manager

#### **Khushab Branch**

NBP Road, Adalat Manzil, Upper Storey,  
The First Micro Finance Bank Ltd  
Jaahurabad, Distt Khushab.  
923006036810  
Muhammad Rafique, Senior Unit Manager

#### **Kot Addu Branch**

Mini By Pass, Eid Gah Road, Near Mian  
Mohsin Wali Gali, Kot Addu.  
0662239122  
Fazal Abbas, Assistant Branch Manager

#### **Kot Ghulam Muhammad Branch**

Opposite Town Commette, New Car Stand  
Kot Ghulam Muhammad.  
923003970340  
Veermoon Mal, Assistant Branch Manager

#### **Kotla A.A. Khan Branch**

Near Fruit Mandi Bhimber Road,  
Kotla AA Khan.  
0537575520-21,22  
Muhammad Saeed, Branch Manager

#### **Kotli Branch**

2nd Floor, Rathore Plaza, Rawalpindi Road  
Opposite Gulistan Hotel, Kotli, Azad Kashmir  
0582-6445621  
Sardar Zakauallah Khan, Group Manager

#### **Kotli City Branch**

2nd Floor, Above MCB, Altaf Fazal Plaza,  
Kotli, Azad Kashmir.  
058-26448606  
Gul Nazar, Branch Manager

#### **Kotli Prime Branch**

923425051308  
Adnan Nisar, Branch Manager

#### **Lahore Cantt Branch**

Office No. 101, 1st Floor, Rehman Business  
Center, Opposite Firdous Market,  
Gulberg III, Lahore  
042-35245722-924232303501  
Muhammad Naeem Butt, Branch Manager

#### **Lahore Civic Branch**

Office No. 101, 1st Floor, Rehman Business  
Center, Opposite Firdous Market,  
Gulberg III, Lahore  
042-35245722-924232303501  
Mahmood Ahmed, Senior Branch Manager



#### Lahore Ravi Branch

Office No. 101, 1st Floor, Rehman Business Center, Opposite Firdous Market, Gulberg III, Lahore  
042-35245722-924232303501  
Tanveer Ahmed Khan, Group Manager

#### Lahore Shaheen Branch

Office No. 101, 1st Floor, Rehman Business Center, Opposite Firdous Market, Gulberg III, Lahore  
042-35245722-924232303501  
Shahid Lazir, Assistant Branch Manager

#### Lahore Capital Branch

18-C, 3rd Floor, Commercial Zone, Liberty Market, Gulberg III, Lahore  
042-35711273 & 4238003550  
Iftikhar Hassan, Senior Branch Manager

#### Lahore Pioneer Branch

18-C, 3rd Floor, Commercial Zone, Liberty Market, Gulberg III, Lahore  
042-35711273 & 4238003550  
Syed Abuzer Gilani, Branch Manager

#### Lahore Central Branch

18-C, 3rd Floor, Commercial Zone, Liberty Market, Gulberg III, Lahore  
042-35711273 & 4238003550  
Imran Saleem, Branch Manager

#### Lahore City Branch

18-C, 2nd, Floor Commercial Zone, Liberty Market, Gulberg III, Lahore  
4238003100  
Shahid Iqbal Bhatti, Group Manager

#### Lahore Crescent Branch

18-C, 2nd, Floor Commercial Zone, Liberty Market, Gulberg III, Lahore  
4238003100  
Malik Azhar, Senior Branch Manager

#### Lahore Star Branch

18-C, 2nd, Floor Commercial Zone, Liberty Market, Gulberg III, Lahore  
4238003100  
Kashif Hussain Malik, Branch Manager

#### Lahore Fort Branch

18-C, 2nd, Floor Commercial Zone, Liberty Market, Gulberg III, Lahore  
4238003100  
Moazzam Bashir Kamal, Branch Manager

#### Lahore Defence Branch

2nd Floor, Garden Heights, Abick Block, New Garden Town, Lahore  
042-35941850- 4238003150  
Mian Kashif Naseer, Senior Branch Manager

#### Lahore Garden Branch

2nd Floor, Garden Heights, Abick Block, New Garden Town, Lahore  
042-35941850- 4238003150  
Kh. Sohaib Mumtaz  
Assistant Branch Manager

#### Lahore Gulberg Branch

18-C, 1st Floor, Commercial Zone, Liberty Market, Gulberg III, Lahore  
042-35789551 & 4238003660  
Syed Mehdi Raza Zaidi, Branch Manager

#### Lahore Jouhar Branch

18-C, 1st Floor, Commercial Zone, Liberty Market, Gulberg III, Lahore  
042-35789551 & 4238003660  
Muhammad Amjad  
Branch Manager

#### Lahore Metropolitan Branch

18-C, 1st Floor, Commercial Zone, Liberty Market, Gulberg III, Lahore  
042-35789551 & 4238003660  
Zahid Ali Raza, Group Manager

#### Lahore Model Branch

18-C, 1st Floor, Commercial Zone, Liberty Market, Gulberg III, Lahore  
042-35789551 & 4238003660  
Shoukat Ali, Branch Manager

#### Lahore Prime Branch

18-C, 1st Floor, Commercial Zone, Liberty Market, Gulberg III, Lahore  
042-35789551 & 4238003660  
Imtiaz Hussain, Zonal Manager

#### Lahore Shadman Branch

18-C, 1st Floor, Commercial Zone, Liberty Market, Gulberg III, Lahore  
042-35789551 & 4238003660  
Akbar Ali, Assistant Branch Manager

#### Lalamusa Branch

Shayan Center, 1st Floor, G.T Road, Lalamusa.  
0537515656 -532016350  
Adnan Ghazanfar, Senior Branch Manager

#### Larkana Branch

1st Floor, Bukhari Shopping Centre, Station Road, Larkana  
074-4057435- 748004101  
Shahzado Mal, Group Manager

#### Layyah Branch

1st Floor Opposite Bayco Petrol Pump Chobara Road Layyah  
0606411803, 606216300  
Shafquat Ali Rao, Group Manager

#### Layyah City Branch

2nd Floor, Opposite Bayco Petrol Pump Chobara Road Layyah  
0606411803- 606216300  
Muhammad Hassan  
Assistant Branch Manager

#### Layyah Indus Branch

2nd Floor, Opposite Bayco Petrol Pump Chobara Road, Layyah  
0606411803- 606216300  
Mohammad Shahid, Branch Manager

#### Lodhran Branch

Al Noor Plaza, Upper Storey National Bank of Pakistan, Supper Chowk, Lodhran  
923336388556  
Shahid Raza Shah, Assistant Branch Manager

#### Madeji Branch

2nd Floor, Sukkur Road, Near Shell Petrol Pump, Madeji.  
923223862068  
Abid Hussain, Assistant Branch Manager

#### Mandi Bahauddin Branch

1st Floor, A-D Plaza, Markizi Jama Masjid Road, Mandi Bahauddin.  
0546520955-6, 0546520855,  
0546520755-6  
Abid Mehmood, Branch Manager

#### Mangowal Gharbi Branch

1st Floor, Al-Noor Plaza, Opposite UBL Bank Mangowal Gharbi Tehsil & District Gujrat.  
923456938861  
Shahzada Waqas Ahmed  
Assistant Branch Manager

#### Mansehra Branch

Rakaposhi Plaza, Near Khayber Bank, Abbottabad Road, Mansehra  
0997-300492  
Saqib Hussain, Assistant Branch Manager

#### Mehar City Branch

Shaikh Muhalla, Near Dr.Gulzar Shaikh, Mehar  
0254-730445  
Fahad Hussain, Assistant Branch Manager

#### Mirpur AK Branch

Plot No: 123, Sultan Plaza, 1st Floor, Office No 1, Kotli Road ,Sector F-1, Mirpur, AK.  
05827446477-88  
Tariq Mehmood, Group Manager

#### Mirpur AK City Branch

Plot No: 123, Sultan Plaza, 1st Floor, Office No 1, Kotli Road ,Sector F-1, Mirpur, AK.  
05827446477-88  
Rawal Javed, Branch Manager

**Mirpur Khas City Branch**

Opp: Gama Stadium, Main Hyderabad Road,  
Mirpukhas 69000.  
233204400  
Sharwan Kumar, Branch Manager

**Mirpur Khas Tharparker Branch**

Opp: Gama Stadium, Main Hyderabad Road,  
Mirpukhas 69000.  
233204400  
Muhammad Fawad Faisal, Group Manager

**Mirpur Mathelo Branch**

Sindhu Model Town, Near Digri College,  
Mirpur Mathelo.  
0723-651041  
Mahesh, Senior Branch Manager

**Mithi Branch**

ZTBL Bank Road, Near Water Tank Muslim  
Siran Colony, Mithi.  
923313846698  
Hersingh, Assistant Branch Manager

**Moro Branch**

Ground Floor, Dadu Road, Moro Distt,  
Naushero Feroze.  
0242-422067  
Ghulam Murtaza, Branch Manager

**Multan Cantt Branch**

1st Floor, Rajput Commercial Centre, Taren  
Road, Multan  
618026200  
Mohammad Abid Raza Shah  
Group Manager

**Multan City Branch**

1st Floor, Rajput Commercial Centre, Taren  
Road Multan  
618026200  
Syed Wazir Ali Zaidi, Senior Branch Manager

**Multan Pioneer Branch**

1st Floor, Rajput Commercial Centre, Taren  
Road Multan  
618026200  
Kashif Aslam, Branch Manager

**Muridke Branch**

Bangla Stop, Near J.S Bank, Main G.T Road,  
Muridke.  
042-37166065  
Bilal Iqbal, Unit Manager

**Muzaffarabad Branch**

1st Floor, Allied Bank, Main Branch,  
Bank Road, Muzaffarabad  
05822224080-81  
Abdul Basit Kayani, Assistant Branch Manager

**Muzaffargarh Branch**

Jandeel Plaza, First Floor, Ghang Road  
Muzaffargarh  
066-2552268  
Shahzad Ahmad, Branch Manager

**Naushero Feroze Branch**

DCO Office, Main Road, Naushero Feroze  
0242-448661  
Sarfraz Ahmed Qureshi  
Senior Branch Manager

**Nawabshah Branch**

Plot C.S No: 223 2nd Floor, Near Edhi Chowk,  
Masjid Road, Ward -A, Nawabshah  
0244372807 -08, 0244365033  
Abdullah M. Ghumro, Group Manager

**Noor Shah Branch**

Main Road Noor Shah, Near Zaribank  
923016935774  
Muhammad Mazhar Latif  
Senior Unit Manager

**Okara Branch**

1st Floor, RMZ Building Link, MA Jinnah  
Road, Mehar Colony, Okara.  
923006981617  
Prince Khurram Inayat Ali  
Group Manager

**Pakpattan Branch**

1st Floor, Ganj Shakar Mart, Opposite Attock  
Petrol Pump, Mandi Morh Kachahri Road  
Pakpattan.  
923335231633  
Qamar Abbas, Assistant Branch Manager

**Panjgur Branch**

Office #1, 1st Floor, Haji Nazir Bulding,  
Purana Police Station Road, Opp Bismillah  
Hotel, Chikan Bazar, Panjgur.  
0855-641111  
Mumtaz Ahmed, Unit Manager

**Pano Aqil Branch**

1st Floor Khushali Bank, Baiji Road, Pano  
Aqil, Taluka Pano Aqil, Dist. Sukkar.  
071-5690291  
Shafi M. Ghoto, Branch Manager

**Peshawar Branch**

Plot # 21-EB, Aman Center, 2nd Floor,  
University Road, Peshawar  
917006601  
Syed Jameel Abbas  
Assistant Branch Manager

**Quetta Branch**

1st Floor, Near Bank AL- Fallah, MA Jinnah  
Road Quetta.  
814005140  
Imran Ahmed, Senior Branch Manager

**Quetta Zarghoon Branch**

1st Floor, Near Bank AL-Fallah, MA Jinnah  
Road, Quetta.  
814005140  
Amir Muhammad Jan, Branch Manager

**Quetta Chilton Branch**

1st Floor, Shaheen Views, Model Town,  
Hali Road, Quetta  
814005100  
Suneel Kumar Matree  
Assistant Branch Manager

**Quetta Model Branch**

1st Floor, Shaheen Views, Model Town, Hali  
Road, Quetta  
814005100  
Muhammad Javed, Group Manager

**Quetta Prime Branch**

1st Floor, Shaheen Views, Model Town,  
Hali Road, Quetta  
814005100  
Mohammad Hanif Raza  
Assistant Branch Manager

**Quetta Juniper Branch**

2nd Floor, Plot # 7-A, Model Town Quetta.  
081-2833321,22,23,38,39 & 2822228  
Farzand Ali, Assistant Branch Manager

**Rahim Yar Khan Branch**

Upper Storey, J.S Bank, Near Café Sajawal,  
City Chowk, Model Town, Rahim Yar Khan  
682006371  
Ejaz Ahmed, Assistant Branch Manager

**Rajanpur Branch**

Ramzan Karim Complex, D.G. Khan Road,  
Rajanpur  
0604-688239,-688243,-688242,688238,  
Wahid Javed, Senior Unit Manager

**Ranipur Branch**

Ground Floor, National Highway Ranipur  
Opp. Masha Allah Petrol Pump Tehsil,  
Sobhodero Dist, Khairpur  
0243- 730146  
Safdar Hussain Qureshi  
Assistant Branch Manager

**Rato Dero Branch**

Gul Haseeb Showroom, Near TCS Office,  
Rato Dero  
074-4048981  
Vikash Kumar, Unit Manager

**Rawalakot Branch**

Shalimar Road, Near New Nadra Office,  
Abu Bakar College, Rawalakot,  
Azad Kashmir.  
923359495141  
Tasneem Akhter, Senior Unit Manager

**Rawalpindi Branch**

20-B, 2nd Floor, North Star Plaza,  
Rehmanabad Muree Road, Rawalpindi  
518023061  
Shahid Mehmood Awan  
Senior Branch Manager

**Rawalpindi Cantt Branch**

128-B, 2nd Floor, Din Plaza, Near Chandni Chowk, Main Murree Road, Rawalpindi  
518023001  
Numan Sabir, Senior Branch Manager

**Rawalpindi Chaklala Branch**

128-B, 2nd Floor, Din Plaza, Near Chandni Chowk, Main Murree Road, Rawalpindi  
518023001  
Shahid Mehmood Malik, Branch Manager

**Rawalpindi Shalimar Branch**

128-B, 2nd Floor Din Plaza Near Chandni Chowk Main Murree Road Rawalpindi  
518023001  
Arslan Sabir, Branch Manager

**Rawalpindi Potohar Branch**

128-B, 2nd Floor, Din Plaza, Near Chandni Chowk, Main Murree Road, Rawalpindi  
518023001  
Javed Iqbal Chaudhry  
Assistant Branch Manager

**Rawalpindi Chandni Chowk Branch**

Office # FF-9, 1st Floor, Above Nadra Executive Road, Rehmanabad, Rawalpindi.  
518023300  
Saad Aslam Cheema, Branch Manager

**Rawalpindi Rawal Branch**

Office # FF-9, 1st Floor, Above Nadra Executive Road, Rehmanabad, Rawalpindi.  
518023300  
Earge Ali, Branch Manager

**Rawalpindi Saddar Branch**

Office # FF-9, 1st Floor, Above Nadra Executive Road, Rehmanabad, Rawalpindi.  
518023300  
M. Ashfaq Khan, Assistant Branch Manager

**Rohri Branch**

Opposite Bab-e-Karbala Gate,  
G.T. Road Rohri  
071-5650664  
Ghulam Mustafa Mughal  
Branch Manager

**Sadiqabad City Branch**

Opposite Govt MC Girls High School,  
Iqbal Road, Sadiqabad.  
923027376454  
Muhammad Ashraf  
Senior Unit Manager

**Sadiqabad Branch**

Opposite Govt MC Girls High School,  
Iqbal Road, Sadiqabad.  
068-5957986  
Khalid Maqsood, Senior Branch Manager

**Sahiwal Central Branch**

1st Floor, Central Plaza High Street,  
Sahiwal City.  
408005731  
Muhammad Saqib Chaudhry  
Branch Manager

**Sahiwal City Branch**

1st Floor, Central Plaza, High Street,  
Sahiwal City.  
408005731  
Muhammad Rashid Latif, Zonal Manager

**Sahiwal Civic**

1st Floor, Central Plaza, High Street,  
Sahiwal City.  
408005731  
Ghulam Jelani, Senior Branch Manager

**Sahiwal Model Branch**

1st Floor, Central Plaza High Street,  
Sahiwal City.  
408005731  
Muhammad Waseem Mukhtar  
Unit Manager

**Sahiwal Royal Branch**

1st Floor, Central Plaza High Street,  
Sahiwal City.  
408005731  
Muhammad Naveed  
Assistant Branch Manager

**Sakrand Branch**

Office # 310, Second Floor, Lakyari  
Apartment, Main Qazi Ahmed Road  
Sakrand.  
923024480817  
Abdul Razaque, Assistant Branch Manager

**Saleh Pat Branch**

1st Floor, Honda Agency Showroom,  
Main Road, Saleh Pat, Dist Sukkur  
923053355663  
Zamir Hussain, Assistant Branch Manager

**Sanghar Branch**

House # 962/42, Shahlatif Colony,  
Hyderabad Road, Sanghar.  
923332915046  
Imtiaz Muhammad  
Assistant Branch Manager

**Sargodha Branch**

1st Floor, 66-Civil Lines, Court Road,  
Khan Arcade, Sargodha  
482005601  
Akhtar Husnain Akhtar  
Senior Branch Manager

**Sargodha Eagle Branch**

1st Floor, 66-Civil Lines, Court Road,  
Khan Arcade, Sargodha  
482005601  
Muhammad Naseer, Branch Manager

**Shahdad Kot Branch**

Herabad Mohallah, Sajwal Phataq,  
Shahdad Kot  
074-4012016  
Gulzar Ali, Unit Manager

**Shahdadpur Branch**

Near Zam Zam Petrol Pump, Main Sanghar  
Road, Shahdadpur.  
923083940720  
Nanak Das, Unit Manager

**Shahpur Chakar Branch**

Kamal Shah Colony, Malik Abad, Main  
Nawabshah Road, Shahpur Chakar, District  
Sanghar.  
923332759007  
Ghulam Abbas, Unit Manager

**Shikarpur Branch**

Near Gym Khana, Jahaz Chowk, Shikarpur.  
923025293869  
Zuhaib Ahmed, Assistant Branch Manager

**Sialkot Branch**

2nd Floor, Shareef Plaza, Near Sialkot  
Chamber of Commerce Building ,  
Paris Road, Sialkot.  
0529269855,0524264017  
Syed Adnan Haider  
Assistant Branch Manager

**Sibi Branch**

Opp. Town Commati, Iqbal Road, Near Post  
Office, Sibi.  
923003819981  
Santosh Kumar Pardeep, Unit Manager

**Skardu City Branch**

1st Floor Alamdar Plaza, Alamdar Chowk,  
Near pehchan Bakers, Skardu.  
923469589093  
Muhammad Ayaz Ali, Branch Manager

**Sukkur Branch**

C-433, Ground Floor, Near Qasim Park,  
Opposite Queen's Road, Sukkur  
712004125  
Zaheer Uddin Ghumro, Regional Manager  
Sher Zaman Khan, Group Manager

**Sukkur City Branch**

C-433, Ground Floor, Near Qasim Park,  
Opposite Queen's Road, Sukkur  
712004125  
Muhammad Arif Junejo  
Senior Branch Manager

**Sukkur Civic Branch**

C-433, Ground Floor, Near Qasim Park,  
Opposite Queen's Road, Sukkur  
712004125  
Tariq H. Khosa, Branch Manager

**Thatta Branch**

Office No. 1, 1st Floor, Survey # 116, Shaheed  
Abdul Jaili Memon Kanta Sajawal Road, Main  
National Highway, Thatta.  
0298-550131, 550237,38  
Abid Hussain, Branch Manager

**Thull City Branch**

Near Riaz Chowk Thull, Tehsil Thull,  
Dist. Jacobabad  
0722-611134 & 0722-611089  
Anees ur Rehman  
Assistant Branch Manager

**Toba Tek Singh Branch**

Uper Storey J. S, Bank, Farooq Road,  
Toba Tek Singh  
0462511017-8,9 and 0462514615  
Muhammad Salman Zaheer  
Assistant Branch Manager

**Turbat City Branch**

1st Floor, Allah Wala Market,  
Main Road, Turbat  
0852411718,08582411008-9,10  
Ikhlaq Ahmed, Branch Manager

**Ubauro Branch**

Near Shah Medical Center, G.T. Road,  
Ubauro  
0723688764-5,6,  
Adil Samejo, Group Manager

**Umer Kot Branch**

Near 3 Talwar, Opposite Treasury Office  
Umer Kot.  
923332795974  
Kelash, Unit Manager

**Usta Mohammad Branch**

Near UBL Bank, Jinnah Road, Usta  
Mohammad.  
923023096970  
Ameer Bakhsh, Assistant Branch Manager

**Vehari Branch**

Royal Arcade, Ground Floor, 1 KM,  
Luddon Road, Vehari.  
923002869571  
Imran Mehfooz, Senior Branch Manager

**Wah Cantt**

Office # B-8, 2nd Floor, Din Plaza,  
Main GT Road, Taxila.  
051-4536154  
Munawar Khan, Assistant Branch Manager

# EFU Life Window Takaful - Offices

## Takaful Athara Hazari Branch

Ground Floor, Near Land Record Center  
Opposite Police Station, Athara Hazari.  
923007974723  
Muhammad Nawaz  
Takaful Branch Manager

## Takaful Badin Branch

Plot No. 361, 118/B, 1st Floor,  
Opposite Girl High School Upper UBL Bank,  
Main Quaid-E-Azam Road, Badin.  
0297-861180,82  
Ishtiaq Hussain Shah  
Takaful Senior Branch Manager

## Takaful Bagh AK City Branch

Azeem Plaza, 1st Floor,  
Dhulli Road, Pulli Bagh AJK.  
923129025231  
Abid Hussain  
Takaful Senior Branch Manager

## Takaful Bahawalpur Branch

14 C/4, Model Town-A, Shabir Shaheed  
Road, Near State Bank, Bahawalpur  
062-2886847,2882920,2881920  
Rashid Mehmood  
Takaful Senior Branch Manager

## Takaful Bhalwal Branch

1st Floor, Umar Plaza, Near Khan Baba Hotel  
Main Sargodha, Gujrat Road, Bhalwal.  
923000400129  
Tayyaba Batool  
Takaful Unit Manager

## Takaful Chinari AJK Branch

1st Floor, Near National Bank Chinari Tehsil  
& District Hatian Bala, Chinari.  
923469634020  
Toqeer Hussain Khan  
Takaful Senior Unit Manager

## Takaful Dera Ismail Khan

Office # 1-2, 1st Floor, Huzaifa Trade Center,  
East Circular Road, Near Topan Wala Gate,  
Dera Ismail Khan  
0966-710581-4  
Rehan Ul Haq  
Takaful Assistant Branch Manager

## Takaful Dhirkot AJK Branch

2nd Floor, Saeed Plaza, Near City Hospital  
Bagh Road, Dhirkot AJK.  
923558010127  
Muhammad Nadeem Khan  
Takaful Assistant Branch Manager

## Takaful Faisalabad Branch

Plot #-331-B, 332-B, Pepoles Colony # 1,  
Sun Rise Plaza, 4th Floor, Gat On Wala  
Chowk, Faisalabad.  
415003930  
Muhammad Abbas Raza  
Takaful Senior Unit Manager

## Takaful Faisalabad Civic Branch

Plot #-331-B, 332-B, Pepoles Colony # 1,  
Sun Rise Plaza, 4th Floor, Gat On Wala  
Chowk, Faisalabad.  
415003930  
Ghulam Haider  
Takaful Regional Manager

## Takaful Faisalabad City Branch

Amir Plaza, 2nd Floor, Kohe Noor City  
College Road, Faisalabad.  
DSL 041-8718465 + 0415003900  
Hafiz Muhammad Bilal  
Takaful Assistant Branch Manager

## Takaful Faisalabad Imperial Branch

Amir Plaza, 2nd Floor, Kohe Noor City  
College Road, Faisalabad.  
DSL 041-8718465 + 0415003900  
Ghulam Mujtaba  
Takaful Senior Branch Manager

## Takaful Gojra Branch

Upper Storey Peeaa Furniture House,  
Pensra Road Gojra, District Toba Tek Singh.  
923007970875  
Asif Javed  
Takaful Branch Manager

## Takaful Gujranwala Fort Branch

2nd Floor, Sardar Building, Opposite Lone  
Place, Near Capree Cinema, G.T Road  
Gujranwala.  
055-3251021-24  
Shahzad Ahmad  
Takaful Branch Manager

## Takaful Haripur Branch

1st Floor, Al-Hamra Complex, Near Askari  
Bank, Main GT Road, Haripur  
0995-627391,94-96  
Muhammad Attique  
Takaful Senior Branch Manager

## Takaful Hyderabad Star Branch

Plot No. B3-19/1, Block B-3 Autobhan Road  
Latifabad, Hyderabad  
022-3411176-79 - 0228334319  
Muhammad Umer Keerio  
Takaful Senior Branch Manager

## Takaful Hyderabad Eagles Branch

Plot No. B3-19/1, Block, B- 3 Autobhan Road  
Latifabad, Hyderabad  
022-3411176-79 - 0228334319  
Muhammad Imran Shafi  
Takaful Assistant Branch Manager

## Takaful Hyderabad Royal Branch

Plot No. B1 / 54, Mezzanine Floor,  
Railway Employees Cooperative Housing  
Society, Latifabad, Hyderabad.  
022-8334350  
Irshad Ali Panhwar  
Takaful Senior Branch Manager

## Takaful Jhang

Upper Floor, MCB Ghalla Mandi Branch,  
Toba Road, Jhang Sadar  
0477-651007, 502703  
Nayyar Azam  
Takaful Unit Manager

## Takaful Jhang City Branch

1st Floor, Habib Metro Bank, Yousaf Shah  
Road, Jhang.  
923038023737  
Mazhar Saeed  
Takaful Assistant Branch Manager

## Takaful Karachi Fort Branch

Super View Tower, Mezzanine Floor,  
Plot No C-31, Block 10 Federal B Area,  
Karachi  
02138651735  
Babar Mahmood  
Takaful Zonal Manager

## Takaful Karachi Progressive Branch

Super View Tower, Mezzanine Floor,  
Plot No C-31, Block 10 Federal B Area,  
Karachi  
02138651735  
Hamid Iqbal  
Takaful Assistant Branch Manager

## Takaful Karachi Galaxy Branch

Temporary Sitting In Head Office.  
02138652860  
M Usama Iqbal Khan  
Takaful Senior Branch Manager

## Takaful Karachi Garden City Branch

Temporary Sitting In Head Office.  
02138652860  
Imran Ahmed Khan  
Takaful Senior Branch Manager

## Takaful Karachi Global Branch

Temporary Sitting In Head Office.  
02138652860  
Jamil Ahmed  
Takaful Zonal Manager

## Takaful Karachi Green Branch

Temporary Sitting In Head Office.  
02138652860  
Hamza Laeeque Siddiqui  
Takaful Branch Manager

## Takaful Karachi Gulshan Branch

Plot # FL-I, (TH-16), Block -5, Scheme - 24,  
2nd Floor, Near Bank Al Falah,  
Gulshan e Iqbal, Karachi.  
02136102951  
Muhammad Faizan  
Takaful Zonal Manager

## Takaful Karachi Indus Branch

Plot # FL-I, (TH-16), Block -5, Scheme - 24,  
2nd Floor, Near Bank Al Falah,  
Gulshan e Iqbal, Karachi.  
02136102951  
Noreen Maqbool  
Takaful Branch Manager



**Takaful Karachi Johar Branch**

Plot # FL-I, (TH-16), Block -5, Scheme - 24,  
2nd Floor, Near Bank Al Falah,  
Gulshan e Iqbal, Karachi.  
02136102951  
Ehtesham Ali  
Takaful Senior Branch Manager

**Takaful Karachi Mehran Branch**

Plot # FL-I, (TH-16), Block -5, Scheme - 24,  
2nd Floor, Near Bank Al Falah,  
Gulshan e Iqbal, Karachi.  
02136102951  
Azhar Abbas  
Takaful Branch Manager

**Takaful Karachi Hatf Branch**

A-34, 1st Floor, Hafeez Centre, KCHSU,  
Shahrah-e-Faisal  
021-34386340- 02138652810  
Kinan Amin  
Takaful Senior Branch Manager

**Takaful Karachi Meezan Branch**

A-34, 1st Floor, Hafeez Centre, KCHSU,  
Shahrah-e-Faisal  
021-34386340- 02138652810  
Ayoob Khan  
Takaful Zonal Manager

**Takaful Karachi Nursery Branch**

A-34, 1st Floor, Hafeez Centre, KCHSU,  
Shahrah-e-Faisal  
021-34386340- 02138652810  
Saif Ur Rehman  
Takaful Branch Manager

**Takaful Karachi Royal Branch**

A-34, 1st Floor, Hafeez Centre, KCHSU,  
Shahrah-e-Faisal  
021-34386340- 02138652810  
Naeem Akhtar  
Takaful Regional Manager

**Takaful Karachi Royal City Branch**

Office "B" 3rd Floor 'J.F' Plaza,  
Plot No D-1, Block -D. Five star Chowrangi  
North Nazimabad, Karachi  
02138651650  
Noor Baz Khan  
Takaful Regional Manager

**Takaful Karachi Mayfair Branch**

Office "B" 3rd Floor 'J.F' Plaza,  
Plot No D-1, Block -D. Five star Chowrangi  
North Nazimabad, Karachi  
02138651650  
Fasih Uddin Amjad  
Takaful Zonal Manager

**Takaful Karachi North Branch**

Office "B" 3rd Floor 'J.F' Plaza Plot,  
No D-1, Block-D. Five Star Chowrangi North  
Nazimabad, Karachi  
02138651650  
S. Fasihullah Akber Husaini  
Takaful Senior Branch Manager

**Takaful Karachi Opal Branch**

Office "B" 3rd Floor 'J.F' Plaza,  
Plot No D-1, Block -D. Five star Chowrangi  
North Nazimabad, Karachi  
02138651650  
Naveed Khalid Mirza  
Takaful Branch Manager

**Takaful Kharian Royal Branch**

Younis Plaza, Near Allah Wali Masjid Main  
GT Road, Kharian City.  
923007400135  
Munib Ur Rehman  
Takaful Branch Manager

**Takaful Lahore City Branch**

Al - Qadir Heights, 1- Babar Block,  
Suit # 1, 2, Mezzanine Floor, New Garden  
Town, Lahore  
04238102699  
Muhammad Akbar Munir  
Takaful Regional Manager

**Takaful Lahore Fort Branch**

Al - Qadir Heights, 1- Babar Block,  
Suit # 1, 2, Mezzanine Floor, New Garden  
Town, Lahore  
04238102699  
M. Amin Siddiqui  
Takaful Senior Branch Manager

**Takaful Lahore Warriors Branch**

Al - Qadir Heights, 1- Babar Block,  
Suit # 1, 2, Mezzanine Floor, New Garden  
Town, Lahore  
04238102699  
Muhammad Rizwan  
Takaful Assistant Branch Manager

**Takaful Lahore Pioneer Branch**

Al - Qadir Heights, 1- Babar Block,  
Suit # 1, 2, Mezzanine Floor, New Garden  
Town, Lahore  
04238102699  
Muhammad Imran  
Takaful Zonal Manager

**Takaful Lahore Galaxy Branch**

1st Floor, 43-L, M.M. Alam Road,  
Gulberg III Lahore.  
04238003686-04238003660  
Abdul Razzaq  
Takaful Branch Manager

**Takaful Lahore Sultan Branch**

1st Floor, 43-L, M.M. Alam Road,  
Gulberg III, Lahore.  
04238003686-04238003660  
Azam Iqbal  
Takaful Branch Manager

**Takaful Lahore Mayfair Branch**

1st Floor, Olympia Street, Scheme Mor  
Chowk Main Boulevard, Allama Iqbal Town,  
Lahore  
04238003700  
Fiaz Ahmed  
Takaful Senior Branch Manager

**Takaful Lahore Royal Branch**

1st Floor, Olympia Street, Scheme Mor  
Chowk Main Boulevard, Allama Iqbal Town,  
Lahore  
04238003700  
Umair Ashar  
Takaful Regional Manager

**Takaful Lahore Shaheen Branch**

1st Floor, Olympia Street, Scheme Mor  
Chowk Main Boulevard, Allama Iqbal Town,  
Lahore  
04238003700  
Muhammad Asif Iqbal  
Takaful Branch Manager

**Takaful Layyah Branch**

1st Floor, Shahjehan Car Showroom, Near  
District School Boys Wings, Bypass Multan  
Road, Layyah-Punjab  
0606-410185-186  
Mazhar Abbas Khan  
Takaful Assistant Branch Manager

**Takaful Liaquatpur Branch**

Star Shopping Center, Old Khawaja Bashir  
Cotton Factory, Near Railway Pathak  
Liaquatpur.  
923006759375  
Muhammad Usman Ali  
Takaful Assistant Branch Manager

**Takaful Mardan Branch**

2nd Floor, PRC Plaza, Mardan  
923459368644  
Irfan Ali  
Takaful Senior Branch Manager

**Takaful Mian Channu Branch**

First Floor, Allied Bank Near T,  
Chowk G.T Road, Mian Channu  
065-2660891-5  
Muhammad Afzal  
Takaful Unit Manager

**Takaful Mirpur AK Branch**

Plot No # 73, K. K Plaza C-3,  
Near UBL Bank Fazal Chowk,  
Mirpur Azad Kashmir  
05827-450116-20  
Syed Wajid Ali Shah  
Takaful Zonal Manager

**Takaful Mirpurkhas City Branch**

Hanif Memon Plaza, 1st Floor Above Bank  
Al Habib Islami, Station Road, Mirpurkhas  
0233-872070,71  
Ashok Kumar  
Takaful Unit Manager

**Takaful Multan Branch**

2nd Floor, Golden Hieghts, Opp High Court  
Multan  
061-4587272, 061-4587120,30,40,50,  
4587170  
Muhammad Ali Khan  
Takaful Zonal Manager

#### **Takaful Multan Central Branch**

2nd Floor, Golden Hieghts, Opp High Court  
Multan  
061-4587272,061-4587120,30,40,50,  
4587170  
Sheikh M. Sabir Idrees  
Takaful Senior Branch Manager

#### **Takaful Multan Squad Branch**

2nd Floor, Golden Hieghts, Opp High Court  
Multan  
061-4587272,061-4587120,30,40,50,  
4587170  
Muhammad Ehsan Haider  
Takaful Branch Manager

#### **Takaful Multan Civic Branch**

2nd Floor, Golden Hieghts, Opp High Court  
Multan  
061-4587272,061-4587120,30,40,50,  
4587170  
Qazi Mehboob Rizwan Aslam  
Takaful Zonal Manager

#### **Takaful Multan Eagles Branch**

Muhammad Plaza 1st Floor, Sabzazaar Metro  
Station, Main Bosan Road, Multan.  
061-6520027,28  
Muhammad Ali Khan  
Takaful Zonal Manager

#### **Takaful Multan East Branch**

Muhammad Plaza 1st Floor, Sabzazaar Metro  
Station, Main Bosan Road, Multan.  
061-6520027, 28  
Muhammad Ali Khan  
Takaful Zonal Manager

#### **Takaful Multan South Branch**

Muhammad Plaza 1st Floor, Sabzazaar Metro  
Station, Main Bosan Road, Multan.  
061-652002,28  
Adeel Waqas  
Takaful Branch Manager

#### **Takaful Muzaffarabad City Branch**

3rd Floor MDA Plaza, Opposite Bank Road,  
Muzaffarabad, Azad Kashmir.  
923464554000  
Syed Adnan Aftab  
Takaful Regional Manager

#### **Takaful Muzzafarabad Royal Branch**

3rd Floor, MDA Plaza, Opposite Bank Road  
Muzaffarabad, Azad Kashmir.  
923458199773  
Wajid Khalil  
Takaful Branch Manager

#### **Takaful Nawabshah Star Branch**

Plot No.B-599, 1st Floor, Opposite Al Karim  
Hotel, Katchery Road, Nawabshah.  
0244-365033,372807-8  
Muhammad Waqar  
Takaful Assistant Branch Manager

#### **Takaful Okara Eagle Branch**

1st Floor, Upper K & NS, M.A.Jinnah Road,  
Okara.  
923009696016  
Amjad Mehmood  
Takaful Assistant Branch Manager

#### **Takaful Pattika AJK Branch**

3rd Floor Al Awan Plaza, Near New Road  
Pattika, Tehsil Naseerabad, District  
Muzafarabad.  
923105954609  
Arshid Malik  
Takaful Unit Manager

#### **Takaful Peshawar Branch**

Jasmin Arcade, 2nd Floor, Saddar, Peshawar.  
091-5271212-14, 16  
Muhammad Anwar Khan  
Takaful Senior Regional Manager

#### **Takaful Peshawar City Branch**

Jasmin Arcade, 2nd Floor, Saddar, Peshawar.  
091-5271212-14, 16  
Zia Ur rehman  
Takaful Branch Manager

#### **Takaful Peshawar Khyber Branch**

Jasmin Arcade, 2nd Floor, Saddar, Peshawar.  
091-5271212-14, 16  
Ateeq Akhtar  
Takaful Branch Manager

#### **Takaful Rahim Yar Khan Branch**

Al-Hamra House, 1st Floor, 20- A Model  
Town, Rahim Yar Khan.  
068-5887124-26,,5877126  
Adnan Ahmad  
Takaful Regional Manager

#### **Takaful Rahim Yar Khan City Branch**

Al-Hamra House, 1st Floor, 20- A Model  
Town, Rahim Yar Khan.  
068-5887124-26,,5877126  
Noor Ul Saba  
Takaful Assistant Branch Manager

#### **Takaful Rawalakot City Branch**

Makkah Plaza, 1st Floor, Ravi Restaurant,  
Main Mong Road, Tehssil Rawalakot  
District Poonch.  
923414279100  
Shaista Jabeen Naz  
Takaful Senior Unit Manager

#### **Takaful Rawalpindi Branch**

Office # 32, 3rd Floor, Ferozsons Building  
Hospital Road, Rawalpindi.  
051-5580071- 0518023011  
Hassan Naeem  
Takaful Unit Manager

#### **Takaful Rawalpindi City Branch**

Plot # 357/A, 1st Floor, Sultan Plaza,  
Chourr Horpal, Peshawar Road, Rawalpindi.  
051-5493694,95 - 0518027001  
Muhammad Nadeem  
Takaful Senior Branch Manager

#### **Takaful Rawalpindi Defence Branch**

Plot # 357/A, 1st Floor, Sultan Plaza,  
Chourr Horpal Peshawar Road, Rawalpindi.  
051-5493694,95 - 0518027001  
Muhammad Bilal Riaz  
Takaful Senior Branch Manager

#### **Takaful Sahiwal Branch**

Plot No # 15, Block- E, Street No-30,  
Housing Scheme II District Sahiwal.  
040-4270522-4, 040-4508497  
Muhammad Saeed  
Takaful Assistant Manager

#### **Takaful Sakrand Royal Branch**

Shayan Builders, Flat # 01, Opposite Fahad  
Clinic, Main Qazi Ahmed Road, Sakrand.  
0244-322488,85,84,87  
Zafar Ali  
Takaful Branch Manager

#### **Takaful Sargodha Cantt Branch**

1st Floor, Obaid Plaza 37-C Satellite Town  
Chowk Sargodha,  
048-325268-482005701  
Waqas Ali  
Takaful Branch Manager

#### **Takaful Sargodha Shaheen Branch**

1st Floor, Obaid Plaza, 37-C Satellite Town  
Chowk Sargodha,  
048-325268-482005701  
Mazhar Iqbal  
Takaful Zonal Manager

#### **Takaful Sargodha City Branch**

1st Floor, 66-Civil Lines, Court Road,  
Khan Arcade, Sargodha  
0482005623  
Shafqat Abbas  
Takaful Branch Manager

#### **Takaful Shorkot City Branch**

1st Floor, Ammad Ashraf Plaza, Uper Storey  
khushali Bank, Jhang Road, Tehsil Shorkot  
District Jhang.  
923003630933  
Qaisar Abbas  
Takaful Branch Manager

#### **Takaful Sukkur Prime Branch**

Alpha Tower, 1st Floor, Office # 09, Minara  
Road, Opposite Wapda Office, Sukkur.  
071-5622752,53,54  
Syed Waqar Gillani  
Takaful Branch Manager

**Takaful Swat City Branch**

1st Floor, Rehman Plaza, Near Daewoo Adda  
GT Road, Rahimabad, Mingora, Swat.  
0946-729620-22  
Khair Ul Ihsan  
Takaful Branch Manager

**Takaful Thatta Branch**

Bukera Building, 1st Floor, Bata Shop, Oppt  
HBL Bank, Main National High way, Karachi  
Road Thatta.  
923367711344  
Abdul Sattar Khushik  
Takaful Assistant Branch Manager

**Takaful Timergara Branch**

2nd Floor, MB Plaza, Near Gorgore Chowk  
Timergara.  
923108711619  
Muhammad Yunas  
Takaful Senior Branch Manager

**Takaful Toba Tek Singh Branch**

Upper Floor, UBL Bank, Shorkot Road,  
Toba Tek Singh  
0462-514080-85  
Muhammad Shahid Rafique  
Takaful Senior Branch Manager

**Takaful Twin City Branch**

Dodhy Plaza, 2nd Floor, East Site Office,  
Jinnah Avenue, Blue Area, Islamabad  
051-2604760-0518023340  
Sheikh Waheed Ali  
Takaful Senior Regional Manager

**Takaful Murree Road Branch**

Dodhy Plaza, 2nd Floor, East Site Office,  
Jinnah Avenue, Blue Area, Islamabad  
051-2604760-0518023340  
Waseem Jamal  
Takaful Branch Manager

**Takaful Potohar Branch**

Dodhy Plaza, 2nd Floor, East Site Office,  
Jinnah Avenue, Blue Area, Islamabad  
051-2604760-0518023340  
Mehmoon Hussain  
Takaful Senior Branch Manager

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**LIFE**

***Form of Proxy***

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member of EFU LIFE ASSURANCE LTD. hereby appoint

Mr. \_\_\_\_\_

of \_\_\_\_\_

or failing him \_\_\_\_\_

of \_\_\_\_\_

as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the Company to be held on Friday, March 27, 2020 at 11.30 am and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2020

**WITNESS:**

1. Signature: \_\_\_\_\_

Name: \_\_\_\_\_

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

CNIC or \_\_\_\_\_

Passport No: \_\_\_\_\_

2. Signature: \_\_\_\_\_

Name: \_\_\_\_\_

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

CNIC or \_\_\_\_\_

Passport No: \_\_\_\_\_

Revenue  
Stamp

Signature of Member(s)

Shareholder's Folio No. \_\_\_\_\_

and/or CDC

Participant ID. No. \_\_\_\_\_

and Sub Account No. \_\_\_\_\_

**Important:**

This form of Proxy, duly completed, must be deposited at the Company's Registered Office at Al-Malik Centre, 70 W, F-7/G-7 Jinnah Avenue (Blue Area), Islamabad not later than 48 hours before the time appointed for the meeting.

CDC Shareholders and their Proxies are each requested to attach attested photocopy of their Computerised National Identity Card (CNIC) or Passport with this proxy form before submission to the Company.

CDC Shareholders or their Proxies are requested to bring with them their Original Computerised National Identity Card or Passport along with the Participant's ID number and their account number at the time of attending the Annual General Meeting in order to facilitate their identification.



AFFIX  
POSTAGE

**EFU LIFE ASSURANCE LTD.**  
**The Company Secretary**  
**Al-Malik Centre,**  
**70 W, F-7/G-7**  
**Jinnah Avenue (Blue Area)**  
**Islamabad.**

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LIFE

پراکسی فارم

میں/ہم \_\_\_\_\_

برائے \_\_\_\_\_

EFU لائف انشورنس لمیٹڈ کا/کی/ممبر کی حیثیت سے بذریعہ لہذا

کے/کی \_\_\_\_\_

یا \_\_\_\_\_ جناب/محترمہ

کے/کی \_\_\_\_\_ ان کی جگہ

کو، \_\_\_\_\_ جناب/محترم

کمپنی کے 28 واں سالانہ اجلاس عام میں اپنی جگہ شرکت کرنے اور ووٹ دینے کے لیے اپنا/ہمارا پراکسی تقرر کرتا/کرتی ہوں/کرتے ہیں۔ یہ اجلاس بروز جمعہ 27 مارچ 2020 کو صبح 11:30 بجے یا التواء کی صورت میں کسی بھی دیگر وقت مقررہ پر منعقد ہوگا۔

دستخط کردہ بروز \_\_\_\_\_ بتاریخ \_\_\_\_\_ 2020

گواہان:



1. دستخط: \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

CNIC یا

پاسپورٹ نمبر: \_\_\_\_\_

ممبر (ممبران) کے دستخط

2. دستخط: \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

CNIC یا

پاسپورٹ نمبر: \_\_\_\_\_

شیئر ہولڈر کا فوئیو نمبر \_\_\_\_\_

اور/یا CDC شریک کا آئی ڈی نمبر \_\_\_\_\_

اور ذیلی اکاؤنٹ نمبر \_\_\_\_\_

اہم نوٹ:

- باضابطہ مکمل شدہ یہ پراکسی فارم کمپنی کے رجسٹرڈ آفس بمقام الملک سینٹر، 70W, F-7/G-7، جناح ایوی بیورو (بلیو ایریا) اسلام آباد میں اجلاس کے وقت سے 48 گھنٹے قبل پہنچ جانا چاہیئے۔
- CDC شیئر ہولڈرز اور ان کے پراکسیز سے درخواست ہے کہ وہ کمپنی کو یہ پراکسی فارم جمع کروانے سے قبل اس کے ساتھ اپنے کمپیوٹر انڈسٹری شانتی کارڈ (CNIC) یا پاسپورٹ کی تصدیق شدہ نقل منسلک کریں۔
- CDC شیئر ہولڈرز یا ان کے پراکسیز سے درخواست ہے کہ وہ اپنی شناخت میں سہولت کے لیے سالانہ اجلاس عام میں شرکت کے وقت شرکت کنندہ کے ID نمبر اور اپنے اکاؤنٹ نمبر کے ساتھ اپنے اصل کمپیوٹر انڈسٹری شانتی کارڈ یا پاسپورٹ بھی ہمراہ لائیں۔

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**LIFE**

***Form of E-Voting***

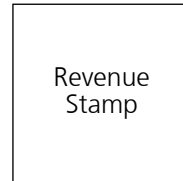
I/We \_\_\_\_\_  
of \_\_\_\_\_ being a member of EFU LIFE ASSURANCE LTD. hereby opt for  
e-voting through intermediary as proxy and will exercise e-voting as per the Companies  
(e-voting) Regulations, 2016 and hereby demand for poll for resolutions at the 28th Annual  
General Meeting of the Company to be held on Friday March 27, 2020 at 11:30 a.m. and at any  
adjournment thereof.

My secured email address is \_\_\_\_\_, please send login details,  
password and electronic signature through email.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

**WITNESSES:**

1. Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
CNIC Or  
Passport No: \_\_\_\_\_



*Signature of Member(s)*

2. Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
CNIC Or  
Passport No: \_\_\_\_\_

Shareholder's Folio No. \_\_\_\_\_  
and / or CDC  
Participant I.D.No. \_\_\_\_\_  
and Sub Account No. \_\_\_\_\_

**Note:**

This form of Proxy, duly completed, must be deposited at Al-Malik Centre, 70 W, F-7/G-7, Jinnah Avenue  
(Blue Area), Islamabad or through email: [abbashussain@efulife.com](mailto:abbashussain@efulife.com).



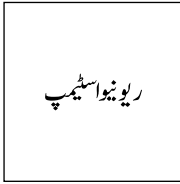
## ای۔وونگ فارم

میں/ہم \_\_\_\_\_ ساکن \_\_\_\_\_  
بحیثیت ای ایف یولائف ایسٹورس لمیٹڈ کی/کے ممبر بذریعہ ہذا ای۔وونگ کیلئے بذریعہ ثالثی بطور پراکسی کی اجازت دیتا ہوں/دیتے ہیں اور یہ کمپنیز  
(ای۔وونگ) ریگولیشنز 2016 کے مطابق ای۔وونگ کا حق استعمال کریں گے اور بذریعہ ہذا کمپنی کے 28 واں سالانہ اجلاس عام منعقدہ بروز  
جمعہ 27 مارچ 2020 بوقت صبح 11:30 بجے یا کسی زیر التواء تاریخ پر میں قرارداد کیلئے پول کا مطالبہ کرتا ہوں/کرتے ہیں۔

میرا محفوظ ای میل ایڈریس \_\_\_\_\_ ہے۔ برائے مہربانی لاگ ان تفصیلات، پاس ورڈ اور الیکٹرونک دستخط بذریعہ ای میل ارسال کریں۔

دستخط بروز \_\_\_\_\_ بتاریخ \_\_\_\_\_ 2020

### گواہان:



ممبر (میران) کے دستخط

۱۔ دستخط: \_\_\_\_\_  
نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_  
سی این آئی سی یا پاسپورٹ نمبر \_\_\_\_\_

۲۔ دستخط: \_\_\_\_\_  
نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_  
سی این آئی سی یا پاسپورٹ نمبر \_\_\_\_\_

### نوٹ:

پراکسی کا یہ فارم باقاعدہ مکمل کر کے الملک سینٹر، 70W, F-7/G-7، جناح ایونیو (بلیو ایریا) اسلام آباد یا بذریعہ  
ای میل: [abbashussain@efulife.com](mailto:abbashussain@efulife.com) ارسال کریں۔





**LIFE**

**Bank Mandate Form**

Folio / CDS Account No. \_\_\_\_\_

Date \_\_\_\_\_

Name of Shareholder \_\_\_\_\_

S/o, D/o, W/o \_\_\_\_\_

Address \_\_\_\_\_

**Bank Mandate Form For Electronic  
Credit of Cash Dividend**

Dear Shareholder,

This is to inform you that in accordance with the Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Please note that giving bank mandate for dividend payments is **mandatory** and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the following information:

<b>(i) Shareholder's detail</b>	
Name of the Shareholder	
Folio No. / CDC Account No.	
CNIC No.	
Passport No. (in case of foreign shareholder)	
Cell Number of Shareholder	
Landline Number of Shareholder, if any	
E-mail address	

<b>(ii) Shareholder's bank detail</b>	
Title of the Bank Account	
IBAN "24 Digits"	
Bank's Name	
Branch Name and Code No.	
Branch Address	

It is stated that the above mentioned information is correct and in case of any change therein, I/we will immediately intimate Participant / Share Registrar accordingly.

\_\_\_\_\_  
Signature of the Shareholder

You are requested to kindly send this Form duly filled in and signed along with legible photocopy of your valid CNIC to your Broker / CDC Participant / CDC Investor Account Service (in case your shareholding is in Book Entry Form) or in case your shareholding is in physical form to our Share Registrar, **CDC Share Registrar Services Ltd. CDC House, 99-B, Block B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi-74400, Pakistan.**



## بینک مینڈیٹ فارم

فولیو/سی ڈی سی نمبر \_\_\_\_\_  
 شیئر ہولڈر کا نام \_\_\_\_\_  
 ولد \_\_\_\_\_  
 پتہ \_\_\_\_\_

### بینک مینڈیٹ فارم برائے نقد منافع منقسمہ کالیکٹرونگ کریڈٹ

معزز شیئر ہولڈر،

آپ کو بذریعہ اطلاع دی جاتی ہے کہ کمپنیز ایکٹ ۲۰۱۷ء کے سیکشن ۲۴۲ کے مطابق نقد کی صورت میں قابل ادائی کوئی بھی منافع منقسمہ صرف بذریعہ الیکٹرونک طریقہ کار براہ راست استحقاق کے حامل شیئر ہولڈر کی جانب سے نامزد کردہ بینک اکاؤنٹ میں جمع کرا دیا جائے گا۔ برائے مہربانی آگاہ رہیں کہ منافع منقسمہ کی ادائیگیوں کیلئے بینک مینڈیٹ فراہم کرنا لازم ہے اور اس قانونی شرط پر عملدرآمد کے ضمن میں اور اپنے بینک اکاؤنٹ میں منافع منقسمہ کی رقم براہ راست جمع کرانے کی سہولت حاصل کرنے کے لئے آپ سے درخواست ہے کہ درج ذیل معلومات فراہم کریں۔

(i) شیئر ہولڈر کی تفصیل	
شیئر ہولڈر کا نام	
فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر	
سی این آئی سی نمبر	
پاسپورٹ نمبر (غیر ملکی شیئر ہولڈر ہونے کی صورت میں)	
شیئر ہولڈر کا موبائل نمبر	
شیئر ہولڈر کا لینڈ لائن نمبر، اگر کوئی ہو	
ای میل ایڈریس	

(ii) شیئر ہولڈر کے بینک کی تفصیل	
بینک اکاؤنٹ کا نام	
آئی بی اے این "۲۳ ہندسوں پر مشتمل"	
بینک کا نام	
برانچ کا نام اور کوڈ نمبر	
برانچ کا پتہ	

یہ واضح کیا جاتا ہے کہ مذکورہ بالا معلومات درست ہیں اور ان میں کسی بھی تبدیلی سے میں/ہم فوری طور پر اپنے بروکر/سی ڈی سی پارٹنر/سی ڈی سی نوٹسٹر اکاؤنٹ سروسز یا شیئر رجسٹرار کو لازمی آگاہ کروں گا/کریں گے۔

شیئر ہولڈر کے دستخط

آپ سے درخواست ہے کہ براہ مہربانی اس فارم کو باقاعدہ طور پر بھریں اور اس پر دستخط کر کے اپنے کارآمد سی این آئی سی کی واضح کاپی کے ہمراہ اپنے بروکر/سی ڈی سی پارٹنر/سی ڈی سی نوٹسٹر اکاؤنٹ سروسز (بک انٹری کی صورت میں شیئر ہولڈنگ ہونے پر) یا فزیکل شکل میں آپ کی شیئر ہولڈنگ ہونے کی صورت میں ہمارے شیئر رجسٹرار، سی ڈی سی نوٹسٹر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، ۹۹-بی، بلاک-بی، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی-۷۴۰۰۰، پاکستان کو ارسال کر دیں۔

