

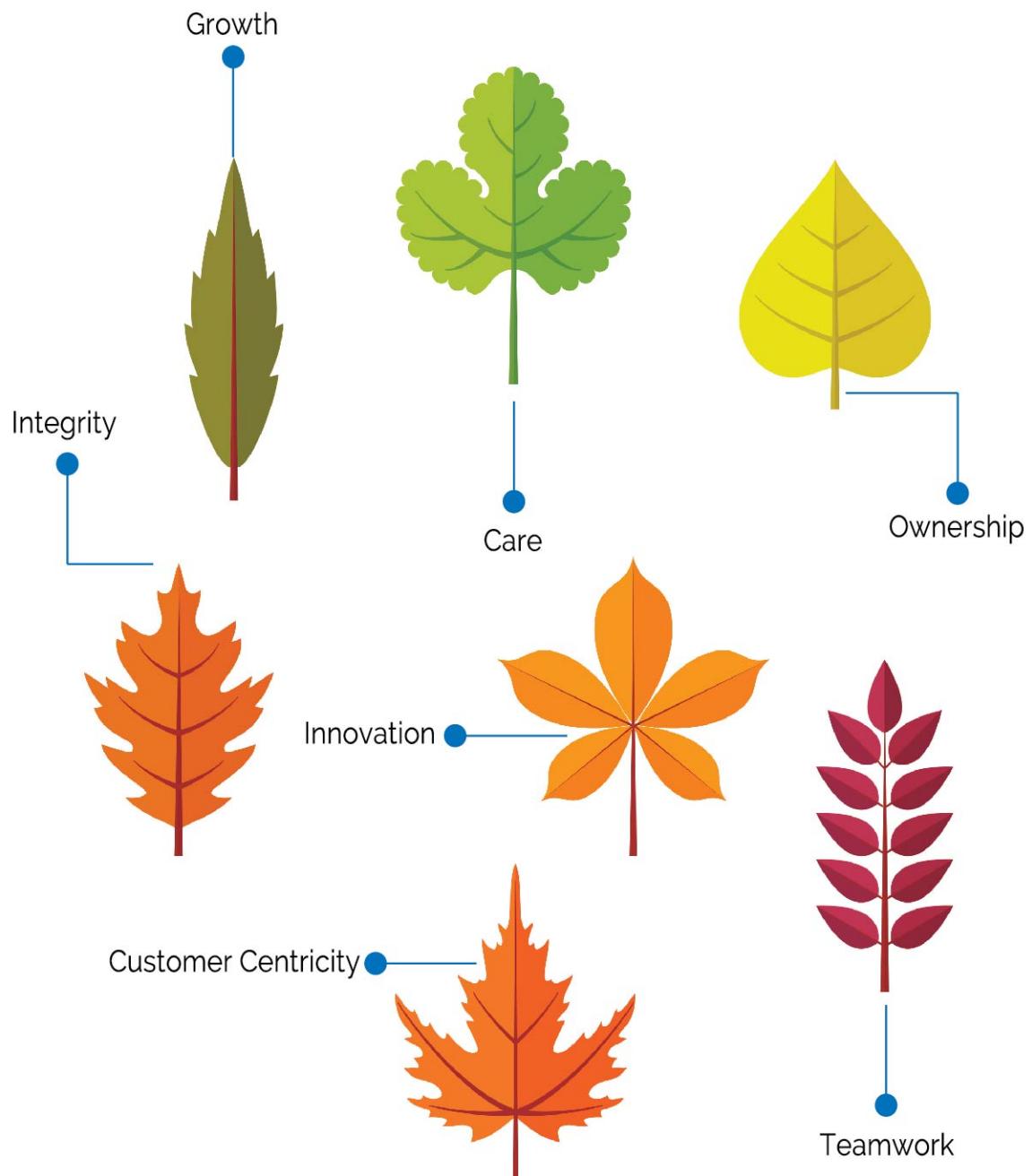
Half Yearly Report  
For the period ended June 30, 2018

**IGI|Life**  
IGI Life Insurance Limited



Seasons of Life

# Values





## Vision

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Assure financial future today for a better tomorrow

## What we do

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IGI Life provides innovative life and health insurance as well as investment solutions through groundbreaking innovation and exemplary customer service, leveraging different distribution channels.



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## Corporate Information

### Board of Directors

Shamim Ahmad Khan	Chairman	Hasan Askari	Director
Syed Hyder Ali	Chief Executive Officer	Ehsan Ali Malik	Director
Syed Yawar Ali	Director	Muhammad Kamal Syed	Director
Khurram Raza Bakhtayari	Director		

### Audit Committee

Hasan Askari	Chairman	Syed Yawar Ali	Member
Ehsan Ali Malik	Member	Khurram Raza Bakhtayari	Member
Muhammad Kamal Syed	Member	Yasir Ali Quraishi	Secretary to Audit Committee

### Claims Settlement Committee

Shamim Ahmed Khan	Chairman	Akif Zia Malik	Member
Syed Yawar Ali	Member	Muhammad Wasif Ali	Member
Dr. Bakht Jamal	Member	Dr. Sabeeh Jaffery	Secretary to the Committee

### Underwriting & Reinsurance Committee

Syed Hyder Ali	Chairman	Syed Fahad Subhan	Member
Nadeem Rehman Malik	Member	Ali Nadim	Member
Muhammad Kamal Syed	Member	Muhammad Yousuf Ansari	Secretary to the Committee

### Investment Committee

Muhammad Kamal Syed	Chairman	Khurram Raza Bakhtayari	Member
Nadeem R Malik	Member	Ehsan Ali Malik	Member
Hasan Askari	Member	Syed Fahad Subhan	Member
Syed Hyder Ali	Member	Ali Nadim	Member
Syed Yawar Ali	Member	Sajjad Iftikhar	Secretary of the Committee

### Ethics, Human Resources, Nomination & Remuneration Committee

Ehsan Ali Malik	Chairman	Nayab Baig	Member
Syed Yawar Ali	Member	Syed Hyder Ali	Member
Khurram Raza Bakhtayari	Member	Sheharyar Iqbal	Secretary of the Committee

### Risk Management and Compliance Committee

Shamim Ahmed Khan	Chairman	Muhammad Kamal Syed	Member
Ehsan A. Malik	Member	Khurram Raza Bakhtayari	Member
Syed Yawar Ali	Member	Roshail Khalid	Secretary of the Committee

## Corporate Information

### Chief Financial Officer

Syed Fahad Subhan      ACA

### Chief Operating Officer

Ali Nadim      FSA

### Appointed Actuary

Shujat Siddiqui      MA, FIA, FPSA

### Company Secretary

Yasir Ali Quraishi      LLB

### Head of Internal Audit

Shahzaib Haider      ACA

### Head of Window Takaful Operations

Dr. Bakht Jamal

### Shariah Advisor

Dr. Mufti Ismatullah

### Shariah Compliance Officer

Mufti Muhammad Hanif

### Legal Advisor

Surridge and Beecheno  
HaidermotaBNR & Co.  
OrrDignam & Co.

### Rating

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

### Auditor

A.F.Ferguson & Co.  
Chartered Accountant  
a member firm of  
PriceWater House Coopers

### Share Registrar

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

### Registered Office

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

### Internal Auditor

Ernst & Young  
Ford Rhodes  
Sidat Hyder  
Chartered Accountant.

## Bankers

Bank Alfalah Limited

Dubai Islamic Bank Pakistan Limited

Standard Chartered Bank (Pakistan) Limited

Samba Bank Limited

Bank Al-Habib Limited

United Bank Limited

Bank Islami Pakistan Limited

Bank Al Baraka Limited

Faysal Bank Limited

Telenor Microfinance Bank Limited

Habib Bank Limited

Mobilink Microfinance Bank Limited

Soneri Bank Limited

U-Micro Finance Bank Limited

Habib Metropolotan Bank Limited

FINCA Microfinance Bank Limited

MCB Bank Limited

First Microfinance Bank Limited

Meezan Bank Limited

Khushali Microfinance Bank Limited

Summit Bank Limited

NRSP Microfinance Bank Limited

## Our Nationwide Network

### Head Office

IGI Life Insurance Limited  
 7th Floor, The Forum, Suit No. 701-713,  
 G-20, Khayaban-e-Jami, Block 9,  
 Clifton, Karachi 75600, Pakistan  
 Call: (+92) 21-35360040  
 Fax: (+92) 21 35290042  
 Email: [service-pakistan@igi.com.pk](mailto:service-pakistan@igi.com.pk)  
 (Email for Corporate Customers)

### Customer Services Center

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

### Vitality Branch

S-2, 3, 4, 5, 24, 25, 26  
 2nd Floor, Tace Mall,  
 Fortress Stadium,  
 Lahore Cantt.

### Central Region      Lahore

#### Packages Lahore Branch

**Regional Head Central's Office**  
**Muhammad Jamil**  
 Regional Head - Central  
 Floor 1, Behind MCB Walton  
 Road Branch, Shahrah-e-Roomi,  
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 E-mail: [muhammad.jamil@igi.com.pk](mailto:muhammad.jamil@igi.com.pk)

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 Floor 1, Behind MCB Walton  
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 Road Branch, Shahrah-e-Roomi,  
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#### Packages Lahore Branch

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#### Davis Road Lahore Branch

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#### Davis Road Lahore Branch

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**Kamran Mansoor**  
 Senior Branch Manager  
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 19-Davis Road, Lahore  
 Tel: 042-36300847  
 E-mail: [kamran.mansoor@igi.com.pk](mailto:kamran.mansoor@igi.com.pk)

#### Lahore Branch IGI Financial Services Institute

**Muneef Abid**  
 IGI Financial Services Institute  
 Floor 1, Ali Institute of Education,  
 Near Naseerabad Bus Stop,  
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 Lahore.  
 Tel: 0301-8405533  
 E-mail: [muneef.abid@igi.com.pk](mailto:muneef.abid@igi.com.pk)

## Our Nationwide Network

### Central Region

### Faisalabad

#### Regency Plaza Faisalabad Branch

**Tariq M. Tariq**  
Group Manager  
Office No. 2, 5, 8, Ground Floor,  
Regency International, Faisalabad  
Tel: 041-2618913  
E-mail: [tariq.mahmood@igi.com.pk](mailto:tariq.mahmood@igi.com.pk)

#### Regency Plaza Faisalabad Branch

**Abdul Sattar**  
Senior Branch Manager  
Office No. 2, 5, 8, Ground Floor,  
Regency International, Faisalabad  
Tel: 041-2623466  
E-mail: [abdulsattar@igi.com.pk](mailto:abdulsattar@igi.com.pk)

#### D-Ground Branch Faisalabad Branch

**Muhammad Zulqarnain**  
Senior Branch Manager  
Floor 2, F. M. Plaza 15-D, D- Ground,  
Peoples Colony, Faisalabad  
Tel: 041-8549537  
E-mail: [faisalabad.branch2@igi.com.pk](mailto:faisalabad.branch2@igi.com.pk)

### Central Region

### Kasur

#### Kasur Branch

**Muhammad Javed**  
Senior Branch Manager  
Floor 1, Upper Floor ZTBL Bank, Minhas Colony  
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### Central Region

### Okara

#### Okara

**Asif Tariq**  
Senior Branch Manager  
Floor 1, M.R. Center, M.A. Jinnah Road, Okara  
Tel: 0442-2510529  
Email: [asif.tariq@igi.com.pk](mailto:asif.tariq@igi.com.pk)

### Central Region

### Multan

#### Multan Branch

**Regional Head Multan's Office**  
Floor 1 & 2, Khawar Centre,  
Near S. P. Chowk, Nusrat Road,  
Multan Cantt, Multan  
Tel: 061-4517972  
E-mail: [multan.branch@igi.com.pk](mailto:multan.branch@igi.com.pk)

#### Multan Branch

**Rao Azmat Ali**  
Group Manager  
Floor 1 & 2, Khawar Centre,  
Near S. P. Chowk, Nusrat Road,  
Multan Cantt, Multan  
Tel: 061-4510260  
E-mail: [azmat.ali@igi.com.pk](mailto:azmat.ali@igi.com.pk)

#### Multan Branch

**Saima Jabeen**  
Senior Branch Manager  
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Near S. P. Chowk, Nusrat Road,  
Multan Cantt, Multan  
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E-mail: [saima.jabeen@igi.com.pk](mailto:saima.jabeen@igi.com.pk)

### North Region

### Rawalpindi

#### Murree Road Rawalpindi Branch

**Regional Head North's Office**  
**Zulqarnain Bin Masood**  
Regional Head - North  
Floor 2 & 3, Umar Plaza, B-134,  
Murree Road, Near Chandni Chowk,  
Rawalpindi  
Tel: 051-4572144  
Email: [zulqarnain.masood@igi.com.pk](mailto:zulqarnain.masood@igi.com.pk)

#### Murree Road Rawalpindi Branch

**M. Arif Zuberi**  
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Murree Road, Near Chandni Chowk,  
Rawalpindi  
Tel: 051-4571360  
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#### Murree Road Rawalpindi Branch

**Muhammad Aslam Javaid**  
Senior Branch Manager  
Floor 2, Umar Plaza, B-134,  
Murree Road, Near Chandni Chowk,  
Rawalpindi  
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Email: [aslam.javaid@igi.com.pk](mailto:aslam.javaid@igi.com.pk)

## Our Nationwide Network

### North Region Rawalpindi

#### Murree Road Rawalpindi Branch

**Zohaib Jamid**

Senior Branch Manager  
Floor 3, Umar Plaza, B-134, Murree Road,  
Near Chandni Chowk, Rawalpindi  
Tel: 051-4571169  
E-mail: [zohaib.jamid@igi.com.pk](mailto:zohaib.jamid@igi.com.pk)

#### Murree Road Rawalpindi Branch

**Sadia Kausar**

Senior Branch Manager  
Floor 3, Umar Plaza, B-134, Murree Road,  
Near Chandni Chowk, Rawalpindi  
Tel: 051-4571395  
E-mail: [sadia.kausar@igi.com.pk](mailto:sadia.kausar@igi.com.pk)

### North Region Islamabad

#### Islamabad Branch

**Abdul Lateef**

Branch Manager  
Plot # 22, Block B, Floor 1, Saeed Plaza,  
Jinnah Avenue, Blue Area, Islamabad.  
Tel: 051-2878165  
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### North Chakwal

#### Bhaun Road Chakwal Branch

**M. Ehsan Sunny**

Senior Branch Manager  
Floor 1, Al-Mahmood Centre,  
Near Islamia High School,  
Islamia Chowk, Bhaun Road, Chakwal  
Tel: 0543-600994  
E-mail: [ehsan.sunny@igi.com.pk](mailto:ehsan.sunny@igi.com.pk)

### North Region Sialkot

#### Sialkot Branch

**Asif Hussain**

Group Manager  
Floor 1, Suit 7 & 8, Soni Square,  
Khadim Ali Road, Mubarik Pura, Sialkot  
Tel: 052-3259422 | Fax: 052-3259424  
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**Madiha Arif**

Senior Branch Manager  
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Tel: 052-3259422 | Fax: 052-3259424  
Email: [madiha.arif@igi.com.pk](mailto:madiha.arif@igi.com.pk)

### North Gujranwala

#### Ghouri Centre - Gujranwala Branch

**Ibrar Hussain**

Zonal Manager  
Floor 3, Ghouri Centre,  
G. T. Road, Gujranwala  
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Email: [ibrar.hussain@igi.com.pk](mailto:ibrar.hussain@igi.com.pk)

**Shahid Iqbal**

Senior Branch Manager  
Floor 3, Ghouri Centre,  
G. T. Road, Gujranwala  
Tel: 055-3843586  
Email: [shahid.iqbal@igi.com.pk](mailto:shahid.iqbal@igi.com.pk)

### North Region Gujrat

#### G. T. Road Gujrat Branch

**Gujrat Branch**

Floor 2, Faisal Plaza,  
G. T. Road, Gujrat  
Tel: 053-3523321  
Email: [gujrat.branch@igi.com.pk](mailto:gujrat.branch@igi.com.pk)

### North Mirpur

#### Mirpur Branch

**Muhammad Shahzad**

Group Manager  
Floor 1, Jarral Plaza, Kotli Road,  
Sector F-1, Mirpur Azad Kashmir  
Tel: 05827-437126  
Email: [muhammad.shahzad@igi.com.pk](mailto:muhammad.shahzad@igi.com.pk)

## Our Nationwide Network

### North Region Peshawar

#### Peshawar Branch

Asif Khan  
**Senior Branch Manager**  
Floor 2, The Mall Tower, Mall Road,  
Peshawar Cantt., Peshawar  
Tel: 091 5608490  
Email: [peshawar.branch@igi.com.pk](mailto:peshawar.branch@igi.com.pk)

### South Region Karachi

#### Regional Office Shahrah-e-Faisal Karachi

**Regional Head North's Office**  
**Hermith Mana**  
Regional Head - South Room # 701-702  
Floor 7, Room No. 701, Park Avenue,  
Shahrah-e-Faisal, Block-6,  
P.E.C.H.S., Karachi  
Tel: 021-34320170  
Email: [hermith.man@igi.com.pk](mailto:hermith.man@igi.com.pk)

#### Regional Office Shahrah-e-Faisal Karachi

**Zaki Ahmed**  
Senior Branch Manager  
Floor 7, Room No. 701, Park Avenue,  
Shahrah-e-Faisal, Block-6,  
P.E.C.H.S., Karachi  
Tel: 021-34312069  
Email: [zaki.ahmed@igi.com.pk](mailto:zaki.ahmed@igi.com.pk)

#### Regional Office Shahrah-e-Faisal Karachi

**Junaid Shakir**  
Senior Branch Manager  
Floor 7, Room No. 701, Park Avenue,  
Shahrah-e-Faisal, Block-6,  
P.E.C.H.S., Karachi  
Tel: 021-34312077  
Email: [junaid.shakir@igi.com.pk](mailto:junaid.shakir@igi.com.pk)

### South Region Karachi

#### Regional Office Shahrah-e-Faisal Karachi

**M. B. Shahzad**  
Senior Branch Manager  
Floor 7, Room No. 701, Park Avenue,  
Shahrah-e-Faisal, Block-6,  
P.E.C.H.S., Karachi  
Tel: 021-34312079  
Email: [mb.shahzad@igi.com.pk](mailto:mb.shahzad@igi.com.pk)

#### Vitality Branch - Karachi

**Adnan Ahmed**  
Branch Manager  
The Plaza, Floor 3, Office # 307, G-7,  
Clifton Block-9, Karachi.  
Tel: 021-35308750  
Email: [adnan.ahmed@igi.com.pk](mailto:adnan.ahmed@igi.com.pk)

#### Madina Mall Branch IGI Financial Services Institute

**Shangweel Ahmed**  
Branch Manager  
Suit # 512, Floor 5, Madina City Mall,  
Zainab Market, Saddar, Karachi.  
Tel: 021-35223731  
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### South Region Hyderabad

#### Hyderabad Branch

**Nazeer Sayal**  
Senior Branch Manager  
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#### Hyderabad Branch

**Muhammad Asif**  
Senior Branch Manager  
Floor 2, Badri Manzil, C. S. # F-17,  
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Tel: 022-2728312  
022-2783168  
0303-2444462  
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### South Region Sukkur

#### Sukkur Branch

**Abdul Maroof Larik**  
Branch Manager  
Mazzanine Floor-B, Chamber Plaza,  
Near Chamber Of Commerce,  
Bunder Road, Sukkur  
Tel: 071-5621008  
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## DIRECTORS' REVIEW

The Directors of your Company are pleased to present the Condensed Interim Financial Information (Unaudited) for the six months period ended June 30, 2018.

Financial Highlights	June 30, 2018	June 30, 2017 (Restated)
	(Rs. in 000')	
Net Premium	<b>2,619,925</b>	2,894,451
Investment Income - Charged to profit and loss account	<b>544,257</b>	687,005
Profit before tax	<b>42,948</b>	161,506
Taxation	<b>Nil</b>	17,919
Profit after taxation	<b>42,948</b>	143,587
Other comprehensive income / (loss)- net of deferred tax	<b>1,570</b>	(62,758)
	<b>Rupees</b>	
Earnings per Share	<b>0.61</b>	2.03
Break-up value of shares (including amount retained in the Statutory Funds to meet the requirements of Insurance Ordinance)	<b>22.52</b>	23.05

During the half year 2018, Gross Premium written by your Company (including Family Takaful Contributions) stood at Rs. 2.69 billion as against Rs. 2.95 billion in the corresponding period last year. The decline is attributable to lower Single Premium written due to shift in the focus of the partner bank. However, Regular premium/contributions increased by 16% touching a total premium of Rs. 1,097.56 million as against Rs. 946.7 million in the corresponding period last year. Renewal premium/contribution registered growth of 19% to Rs. 786.9 million.

Individual Family Takaful overall premium written during first half of 2018 amounted to Rs. 656.52 million, registering a strong growth. The Window Takaful Operations of the Company were launched in the third quarter of 2015 and have since registered consistent growth.

The Group Life & Health premium/contribution stood at Rs. 920.56 million, posting an accelerated growth of 25% over prior year. The Group business mainly comprises of corporate customers.

The Company generated a profit after tax of Rs. 42.95 million as compared to profit after tax of Rs. 143.59 million in corresponding period of last year. The decrease is mainly on account of lower investment income due to stock market situation. Furthermore, the Company has invested in distribution channel and also in development of sales force through our newly introduced training institute.

Your Company has, based on its performance so far, secured an A+ rating from Pakistan Credit Rating Agency (PACRA).

Due to application of Insurance Rules, 2017, the Company has changed its accounting policy which has been fully disclosed in note 5 of this interim financial information.

### Future Outlook

Your Company is well positioned to capture the evolving opportunities in the marketplace. For this purpose, we continue to innovate our product suite and explore new distribution channels.

The Board of Directors would like to record its appreciation for the contribution made by the employees. Furthermore, the Board of Directors wish to express their gratitude towards the policyholders and shareholders for their continuous support and patronage.

On behalf of the Board of Directors



**Shamim Ahmad Khan**  
Chairman  
Dated: August 28, 2018



**Syed Hyder Ali**  
Chief Executive Officer  
Dated: August 28, 2018

## ڈاکٹر کیٹر ز کی رپورٹ برائے ہم برائے

آپ کی کمپنی کے ڈاکٹر کیٹر ز بمسرت 30 جون 2018 کو قائم ہونے والی شماہی مدت کے لئے مجموعی عبوری مالیاتی حسابات (غیر آڈ شدہ) پیش کر رہے ہیں۔

### مالیاتی نکات

30 جون	30 جون	
2017	2018	
(روپے 000 میں)	(روپے 000 میں)	خاص پریمیم
(دوبارہ بیان کردہ)	(دوبارہ بیان کردہ)	سرماہی کاری کی آمدنی - نفع و نقصان اکاؤنٹ کے لئے پارچ کر دہ
2,894,451	2,619,925	منافع مل ارٹکل
687,005	544,257	ٹکسیشن
161,506	42,948	منافع بعد از ٹکسیشن
17,919	کوئی نہیں	دیگر جامع آمدنی / (خسارہ) - ڈیزئنڈیکس کا خاص
143,587	42,948	
(62,758)	1,570	
	(روپے میں)	
2.03	0.61	آمدنی فی شیئر
23.05	22.52	شیئر ز کی بریک اپ ولیو (بیشول انشورنس آرڈیننس کی شرائط پر) کرنے کے لئے اسٹپوری فیڈر میں برقرار کی گئی رقم)

2018 کی شماہی کے دوران آپ کی کمپنی کا مجموعی پریمیم (بیشول فیلی ہائی کافل کنٹری یوشن) 2.69 ارب روپے پر موجود تھا جو گزشتہ سال کی اس مدت میں 2.95 ملین روپے تھا۔ کمپنی کو پاٹریٹنک کی جانب تجدی دینے کے باعث کمٹر سٹکل پریمیم سے منسوب کیا جاتا ہے۔ تاہم رکوکل پریمیم کنٹری یوشن 16 فیصد سے بڑھ گئے اور مجموعی پریمیم 1097.56 ملین روپے ہو گیا جو اس کے برخلاف گزشتہ سال میں اس مدت میں 946.70 ملین روپے تھا تجذبی پریمیم کنٹری یوشن 19 فیصد اضافے سے 786.9 ملین روپے رہا۔

2018 کی پہلی شماہی کے دوران انفرادی فیلی ہائی کافل کا مجموعی پریمیم کا جم 52.65 ملین روپے تھا اور 2.2 گناہ مسٹھان گر تھوڑے جھٹکی گئی۔ کمپنی کا وہ مل ارٹکل آپریشنز 2015 کی تیسرا سماں میں متعارف کرایا گیا تھا اور اسی وقت میں مسلسل بہتر کر کر دی جھٹکی گئی۔

گروپ کالائنس اور ہیلتھ پریمیم / کنٹری یوشن 920.56 روپے پر موجود تھا جس سے گزشتہ سال کے مقابلے میں 25 فیصد تیز رفتار ترقی نظاہر ہوتی ہے۔ گروپ کا کاروبار بیانی طور پر کارپوریٹ صارفین پر مشتمل ہے۔

کمپنی نے 42.95 ملین روپے کا منافع بعد از ٹکسیشن حاصل کیا جبکہ گزشتہ سال کی اسی مدت کے دوران 59.52 ملین روپے کا منافع بعد از ٹکسیشن حاصل کیا گیا تھا۔ اس کی کمی بیانی طور پر اتنا کم رکیٹ کی صورت حال کی وجہ سے سرمایہ کاری کی آمدنی میں کمی کا ہوتا تھا۔ مزید برآں کمپنی نے ڈسٹری یوشن چیل میں سرمایہ کاری کی اور اپنے منے متعارف کر دی ٹریننگ اسٹریٹیجی (PACRA) سے مکھوٹ (A+ اس) ریننگ حاصل کر چکی ہے۔

انشورنس روپاٹ 2017 پر عملدرآمد کے باعث کمپنی نے اپنی اکاؤنٹنگ پالیسی کو تبدیل کر دیا ہے جس کو مل طور پر اس عبوری مالیاتی حسابات کے نوٹ نمبر 5 میں ظاہر کیا گیا ہے۔

### مستقبل کا جائزہ

آپ کی کمپنی مارکیٹ میں موجود موقع حاصل کرنے کے لئے بہترین پوزیشن میں ہے اور اس مقصد کے لئے ہم اپنے پروڈکٹ کی توسعہ اور منے ڈسٹری یوشن چیل نہاد تھا ش کرنے کا سلسلہ جاری رکھیں گے۔

بوروڈ آف ڈاکٹر کیٹر ز میں کی ملکا نہ جدوجہد پر انہیں خراج تھیں پیش کرنا چاہتے ہیں۔ مزید برآں بوروڈ آف ڈاکٹر کیٹر ز پالیسی ہولڈرز اور شیئر ہولڈرز کے مستقل تعاون اور ان کی سرپرستی پر ان کا شکریہ ادا کرتے ہیں۔

مبارک بوروڈ آف ڈاکٹر کیٹر ز

شیخ اسماعیل خان

چیئرمین

مورخہ 28 اگست 2018

سید حمیر علی  
چیف ایگزیکیوٹیو فائسر  
مورخہ 28 اگست 2018

# INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF IGI LIFE INSURANCE LIMITED ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

## Introduction

We have reviewed the accompanying condensed interim statement of financial position of IGI Life Insurance Limited ("the Company") as at June 30, 2018 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the interim financial statements for the quarter ended June 30, 2017 and June 30, 2018 have not been reviewed and we do not express a conclusion on them.

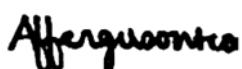
## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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



**A. F. FERGUSON & CO.**  
Chartered Accountants  
Karachi  
Dated: August 29, 2018

**Condensed Interim Statement Of Financial Position - As at June 30, 2018**

	Note	(Un-audited) June 30, 2018	(Audited) December 31, 2017
		Ruppees in 000's (Restated)	
<b>Assets</b>			
Property and equipment			125,552
Intangible assets			2,337
			<b>127,889</b>
<b>Investments</b>			
Equity securities	9	124,725	54,038
Mutual funds	9	3,485,825	3,552,502
Government securities	10	12,891,498	14,014,091
Debt securities	11	50,000	-
Term deposits	12	605,000	151,183
			<b>17,157,048</b>
			<b>17,771,814</b>
Loans secured against life insurance policies		173,209	167,539
Reinsurance / retakaful receivables		94,587	120,165
Other loans and receivables		554,921	340,923
Experience refund receivables		6,147	16,299
Accrued interest		234,663	269,492
Deferred tax asset		9,474	10,119
Taxation - payments less provision		445,935	403,108
Prepayments		58,760	64,789
Cash and Bank	13	739,942	746,277
			<b>19,745,330</b>
			<b>20,038,414</b>
<b>Total Assets</b>			

Chief Financial Officer

Chief Executive Officer

Director

Director

Chairman

## Condensed Interim Statement Of Financial Position - As at June 30, 2018

	Note	(Un-audited) June 30, 2018	(Audited) December 31, 2017
		Rupees in 000's (Restated)	
<b>Equity and Liabilities</b>			
<b>Capital and reserves attributable to Company's equity holders</b>			
Authorised share capital (100,000,000 ordinary shares of Rs. 10 each)		<u>1,000,000</u>	<u>1,000,000</u>
Share capital		<u>705,672</u>	<u>705,672</u>
Ledger account C & D		<u>288,637</u>	<u>244,304</u>
Unappropriated profit		<u>617,975</u>	<u>689,927</u>
Deficit on revaluation of available for sale investments		<u>(23,197)</u>	<u>(24,767)</u>
<b>Total Equity</b>		<u>1,589,087</u>	<u>1,615,136</u>
<b>Liabilities</b>	14		
Insurance liabilities (including policyholders' liabilities and ledger account A & B)		<u>17,417,799</u>	<u>17,741,157</u>
Outstanding claims		<u>237,840</u>	<u>230,477</u>
Retirement benefit obligations		<u>29,169</u>	<u>22,377</u>
Premium received in advance		<u>80,979</u>	<u>81,422</u>
Reinsurance / reinsurance payables		<u>37,923</u>	<u>24,930</u>
Other creditors and accruals		<u>218,588</u>	<u>166,800</u>
Experience refund payables		<u>48,629</u>	<u>26,701</u>
Accrued expenses		<u>67,623</u>	<u>113,202</u>
Unclaimed dividend		<u>2,577</u>	<u>1,097</u>
Liabilities against assets subject to finance lease		<u>15,116</u>	<u>15,115</u>
<b>Total Liabilities</b>		<u>18,156,243</u>	<u>18,423,278</u>
<b>Total Equity and Liabilities</b>		<u>19,745,330</u>	<u>20,038,414</u>
<b>Contingencies and commitments</b>	15		
The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.			



Chairman



Chief Executive Officer



Director



Director



Chairman



Chief Financial Officer

## Condensed Interim Statement of Profit and Loss Account (Unaudited) – for the Quarter and Half Year ended June 30, 2018

	Note	AGGREGATE		
		Half year ended June 30, 2018	2018 (Restated) (Rupees in '000)	Quarter ended June 30, 2017 (Restated) (Rupees in '000)
<b>Premium / contribution revenue</b>	16	<b>2,686,768</b>	<b>2,955,604</b>	<b>1,233,843</b>
Less: Premium ceded to reinsurers / retakaful	16	<b>66,843</b>	<b>61,153</b>	<b>32,941</b>
<b>Net premium / contribution revenue</b>		<b>2,619,925</b>	<b>2,894,451</b>	<b>1,200,902</b>
Investment Income				
Net realised fair value gains on financial assets				
Other income - net				
<b>Net income</b>	17	<b>504,088</b>	<b>553,288</b>	<b>264,697</b>
Insurance benefits	18	<b>40,169</b>	<b>133,717</b>	<b>21,669</b>
Recoveries from reinsurers	18	<b>39,039</b>	<b>38,249</b>	<b>15,765</b>
<b>Net insurance benefits</b>		<b>583,296</b>	<b>725,254</b>	<b>302,131</b>
		<b>3,203,221</b>	<b>3,619,705</b>	<b>1,503,033</b>
Change in Insurance Liabilities (other than outstanding claims)				
Acquisition expenses	19	<b>(2,608,938</b>	<b>2,331,142</b>	<b>1,336,638</b>
Marketing and administration expenses	20	<b>(10,986)</b>	<b>(48,213)</b>	<b>(4,688)</b>
Other expenses	21	<b>2,597,952</b>	<b>2,282,899</b>	<b>1,331,950</b>
<b>Total Expenses</b>		<b>605,269</b>	<b>1,336,806</b>	<b>171,083</b>
Finance costs				
<b>Profit / (loss) before tax</b>		<b>(146,868)</b>	<b>532,174</b>	<b>(150,777)</b>
Income tax expense / (reversal)		<b>358,218</b>	<b>367,340</b>	<b>177,759</b>
<b>Profit / (loss) after tax</b>		<b>15,133</b>	<b>268,515</b>	<b>171,374</b>
		<b>562,321</b>	<b>7,271</b>	<b>8,789</b>
		<b>42,948</b>	<b>1,175,300</b>	<b>207,145</b>
		<b>-</b>	<b>-</b>	<b>-</b>
		<b>42,948</b>	<b>161,506</b>	<b>(36,062)</b>
		<b>-</b>	<b>17,919</b>	<b>82,628</b>
		<b>42,948</b>	<b>143,587</b>	<b>(55)</b>
				<b>82,628</b>
				<b>4,838</b>
				<b>77,790</b>
Earnings / (loss) per share - Rupees	23	<b>0.61</b>	<b>2.03</b>	<b>(0.51)</b>
The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.				



Chief Financial Officer



Chief Executive Officer



Director



Chairman

## Condensed Interim Statement Of Comprehensive Income (Un-audited) - for the Quarter and Half Year ended June 30, 2018

	Note	AGGREGATE		
		Half year ended June 30, 2018	2018 (Restated) (Rupees in '000)	Quarter ended June 30, 2017 (Restated) (Rupees in '000)
Profit / (loss) after tax		42,948	143,587	(36,007)
<b>Other comprehensive income / (loss):</b>				
Change in unrealised gains / (losses) on available-for-sale financial assets - net of tax		(174,920)	(56,002)	(348,975)
Change in insurance liabilities - net		176,490	(6,756)	339,617
<b>Other comprehensive income / (loss) for the period</b>		<b>1,570</b>	<b>(62,758)</b>	<b>(9,358)</b>
<b>Total comprehensive income / (loss) for the period</b>		<b>44,518</b>	<b>80,829</b>	<b>(45,365)</b>
The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.				

**IGI Life**






Chairman

Chief Executive Officer

Director

Director

Chairman

Chief Financial Officer

## Condensed Statement of Changes In Equity - For the Quarter and Half Year ended June 30, 2018

	Share capital	Unappropriated profit / (loss)*	Ledger C & D Account	Surplus / (deficit) on revaluation of available for sale investments	Total
Attributable to equity holders of the Company					
<b>Balance as at December 31, 2016 as previously reported (audited)</b>	605,000	813,443	-	109,717	1,418,443
Effect of changes in accounting policies (note 5)	-	-	-	-	217,925
<b>Balance as at January 01, 2017 (restated)</b>	605,000	813,443	-	109,717	1,636,368
<b>Total comprehensive income</b>	-	41,811	101,776	(62,758)	143,587
Profit for the half year ended June 30, 2017 (restated)	-	41,811	101,776	(62,758)	80,829
Other comprehensive loss for the half year ended June 30, 2017 (restated)	-	(90,750)	-	-	(90,750)
<b>Transactions with owners recorded directly in equity</b>	-	48,400	-	-	-
Final dividend for the year ended December 31, 2016 - Re. 15 per share	48,400	(48,400)	-	-	-
Issuance of bonus shares - 8%	48,400	(139,150)	-	-	(90,750)
<b>Balance as at June 30, 2017 (restated) (un-audited)</b>	653,400	716,104	211,493	45,450	1,626,447
<b>Total comprehensive income</b>	-	26,095	38,503	(70,217)	64,598
Profit for the half year ended from July 01, 2017 to December 31, 2017 (restated)	-	26,095	(5,692)	(70,217)	(75,909)
Other comprehensive period for the half year ended from July 01, 2017 to December 31, 2017 (restated)	-	26,095	32,811	(11,311)	-
<b>Transactions with owners recorded directly in equity</b>	-	52,272	(52,272)	-	-
Issuance of bonus shares - 8%	-	705,672	689,927	244,304	(24,767)
<b>Balance as at December 31, 2017 (restated) (audited)</b>	705,672	-	-	-	1,615,136
<b>Total comprehensive income</b>	-	(1385)	44,333	(1570)	42,948
Profit for the half year ended June 30, 2018	-	-	-	1570	1570
Other comprehensive income for the half year ended June 30, 2018	-	(1385)	44,333	44,518	44,518
<b>Transactions with owners recorded directly in equity</b>	-	(70,567)	-	-	(70,567)
Final Dividend for the year ended December 31, 2017 - Re. 1 per share	-	61,7975	288,637	(23,197)	1,589,087
Balance as at June 30, 2018 (un-audited)	705,672	-	-	-	-

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

The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements



Chief Financial Officer



Chief Executive Officer



Director



Director



Chairman

## Condensed Interim Cash Flow Statement (Un-audited) - For the Quarter and Half Year ended June 30, 2018

	Note	Aggregate	
		<b>Six Months ended June 30, 2018</b>	<b>2017</b>
Rupees in 000's (Restated)			
<b>Operating Cash flows</b>			
<b>(a) Underwriting activities</b>			
Premiums received net of policy transfers		2,597,574	2,788,575
Reinsurance premium paid		(92,825)	(99,242)
Claims paid		(551,193)	(469,284)
Surrenders paid		(2,018,392)	(1,861,578)
Reinsurance recovery received		36,594	32,563
Commissions paid		(252,526)	(275,156)
Commission received		38,975	41,542
<b>Net cash (outflow) / inflow from underwriting activities</b>		(241,733)	157,420
<b>(b) Other operating activities</b>			
Income tax paid		(37,390)	(66,236)
Payment for expenses		(558,379)	(402,544)
Other operating receipts		28,738	20,558
Loans advanced		(733)	(4,029)
Loan repayments received		3,974	5,653
<b>Net cash outflow from other operating activities</b>		(563,790)	(446,568)
<b>Total cash outflow on all operating activities</b>		(805,523)	(289,148)
<b>Investment activities</b>			
Profit / return received		584,631	669,086
Dividend received		1,845	3,381
Payment for investments		(3,621,886)	(8,825,930)
Proceeds from disposal of investments		4,437,238	8,434,539
Fixed capital expenditure		32,757	(9,359)
Capital work in progress		(123,092)	(24,998)
Proceeds from sale of property, plant and equipment		564	-
<b>Total cash inflow from investing activities</b>		1,312,057	246,719
<b>Financing activities</b>			
Capital contribution to statutory funds		(100,000)	(38,500)
Capital payments received by statutory funds		100,000	38,500
Dividends paid		(59,052)	(10,854)
<b>Total cash outflow from financing activities</b>		(59,052)	(10,854)
Net cash inflow from / (outflow on) all activities		447,482	(53,283)
<b>Cash and cash equivalents at beginning of period</b>		897,460	1,010,880
<b>Cash and cash equivalents at end of period</b>		1,344,942	957,597

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## Condensed Interim Cash Flow Statement (Un-audited) - For The Quarter And Half Year Ended June 30, 2018

### Reconciliation to Profit and Loss Account

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

### Profit after taxation

Note	Aggregate	
	Six Months ended June 30, 2018	2017
	Rupees in 000's (Restated)	
	(805,523)	(289,148)
	(20,005)	(16,206)
	564	-
	231,489	244,438
	294,906	(396,331)
	351,355	652,687
	37,738	35,627
	(47,576)	(87,480)
	<u>42,948</u>	<u>143,587</u>

The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.







Chairman

Chief Executive Officer

Director

Director

Chairman

Chief Financial Officer

## Notes To And Forming Part Of The Condensed Interim Financial Statements (Unaudited)

For the Quarter and Half Year ended June 30, 2018

### 1. **LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 IGI Life Insurance Limited ("the Company") was incorporated in Pakistan on October 9, 1994 as a public limited company under the Companies Ordinance, 1984. Its shares are quoted on the Pakistan Stock Exchange Limited. The Company commenced its operations on May 25, 1995 after registration with the Controller of Insurance on April 30, 1995. The registered office of the Company is situated at 7th Floor, The Forum, Suite No. 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi which is also the principal office of the Company.
- 1.2 The Company is a subsidiary of IGI Holdings Limited that holds 81.97% (December 31, 2017 : 81.97%) share capital of the Company.
- 1.3 The Company is engaged in life insurance, carrying on both participating and non-participating business. The Company is also engaged in providing Shariah Compliant family takaful products as an approved window takaful operator.
- 1.4 In accordance with the requirements of the Insurance Ordinance, 2000, the Company established a Shareholders' Fund and Separate Statutory Funds, in respect of each class of life insurance and family takaful business. The Statutory Funds established by the Company, in accordance with the advice of the Appointed Actuary are as follows:
  - Life (participating)
  - Life (non-participating) – Individual
  - Life (non-participating) – Group
  - Accident & Health – Individual
  - Accident & Health – Group
  - Pension Business Fund
  - Investment Linked
  - Individual Family Takaful
  - Group Family Takaful
  - Group Health Takaful
- 1.5 The Board of Directors of the Company in their meeting held on December 23, 2017 has approved to enter into collaboration with Vitality Group International. The collaboration agreement will enable the Company to launch shared value life insurance products in Pakistan. The implementation of the proposed collaboration agreement is subject to procurement of all applicable statutory and regulatory approvals.

### 2. **BASIS OF PREPARATION**

#### 2.1 **Statement of compliance**

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

- International Accounting Standard (IAS 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012.

## Notes To And Forming Part Of The Condensed Interim Financial Statements (Unaudited)

### For the Quarter and Half Year ended June 30, 2018

Where the provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules 2017, the Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules 2017, the Insurance Accounting Regulations 2017, the Takaful Rules, 2012 shall prevail.

- 2.2 The Securities and Exchange Commission of Pakistan (SECP) through its notification SRO 89(1) / 2017 dated February 9, 2017 had issued Insurance Rules, 2017 (the Rules) which had come into force at once. The Rules prescribed a revised format of annual financial statements for life insurers. Further, the SECP through SRO 88 (1) /2017 dated February 9,2017 had also issued Insurance Accounting Regulations, 2017 (the Regulations). The Regulations were applicable from April 1, 2017. However, the SECP on application filed by the management had allowed the Company to apply the Regulations effective from the accounting year commencing from January 1, 2018. The presentation of the condensed interim financial statements has been brought in line with the revised format of the financial statements as prescribed under the Rules.
- 2.3 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2017.
- 2.4 These condensed interim financial statements are unaudited and are being submitted to shareholders in accordance with the Pakistan Stock Exchange Limited Regulations and section 237 of the Companies Act, 2017.

### 3 BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared on historical cost convention except for certain investments which are carried at fair value and obligations in respect of defined benefit obligation is carried at present value.

### 4 FUNCTIONAL AND PRESENTATION CURRENCY

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

### 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these condensed interim financial statements are same as those applied in the preparation of financial statements of the Company for the year ended December 31, 2017 except for the changes mentioned below:

## Notes To And Forming Part Of The Condensed Interim Financial Statements (Unaudited)

For the Quarter and Half Year ended June 30, 2018

- 5.1 The presentation of the condensed interim financial statements has been brought in line with the revised format of financial statements as prescribed under the Insurance Rules, 2017 (as explained in note 2.2). The new Rules require life insurance companies to prepare a single aggregate statement of financial position and profit and loss account. Previously, the balances and transactions pertaining to the Shareholders Fund and the different Statutory Funds were required to be presented separately. Further, the surplus / retained earnings on other than participating business (Ledger Account D balances) attributable to the Company's Shareholders Fund is treated as part of equity under the new Rules. In addition, certain primary statements such as revenue account, statement of premiums, statement of claims, statement of expenses and statement of investment income which were previously part of the financial statements have now been excluded from the financial statements in accordance with the requirements of the Rules.
- 5.2 During the current period, consequent to the application of the Insurance Accounting Regulations, 2017 the Company has changed its accounting policy relating to the subsequent measurement and impairment of available for sale investments to comply with the requirements of IAS 39, "Financial Instruments: Recognition and Measurement." As per the revised policy available for sale investments are measured at fair value subsequent to initial recognition with changes in fair value recognised in other comprehensive income through the statement of comprehensive income. A significant or prolonged decline in the value of equity securities below its cost is also considered as an objective evidence of impairment. Impairment losses, if any, on available for sale investments are recognised directly in the income statement. Previously, available for sale investments (other than those relating to investment linked business) were stated subsequent to initial recognition at the lower of cost or market value (market value being taken as lower if fall is other than temporary) in accordance with the requirements of SEC (Insurance) Rules, 2002. Any decline in market value recognised by the Company was taken to the income statement. Further, any gain or loss arising on subsequent measurement at fair value of available for sale investments relating to the Company's investment linked business was previously taken to the revenue account.

As a result of the change in accounting policy relating to subsequent measurement of investments classified as available for sale, the management have decided to adopt the practice of 'shadow accounting' permitted under IFRS 4, whereby related adjustments to insurance liability are also recognised in other comprehensive income, if, the unrealised gains or losses are recognised in other comprehensive income.

- 5.3 Consequent to the application of the Insurance Accounting Regulations, 2017 the Company has changed its accounting policy in respect of recognition of actuarial gains and losses on re-measurement of staff retirement obligations. Amount arising as a result of "Re-measurements" representing the actuarial gains and losses and the difference between the actual investment returns and the return implied by the net interest cost are recognised in the Statement of Financial Position immediately, with a charge or credit to Other Comprehensive Income in the period in which they occur. Previously, these re-measurements were taken to the Revenue Account as the previous format of presentation and disclosure of financial statements notified by the SECP did not require presentation of Comprehensive Income in statutory funds.

The above changes in accounting policies have been applied retrospectively in accordance with the requirements of International Accounting Standard (IAS) - 8, "Accounting Policies, Change in Accounting Estimates and Errors". The effects of the changes in accounting policies on the current and prior period financial statements have been summarised below:

## Notes To And Forming Part Of The Condensed Interim Financial Statements (Unaudited)

For the Quarter and Half Year ended June 30, 2018

	As at	
	December 31, 2017	December 31, 2016
-----(Rupees in '000)-----		
<b>Impact on Statement of Financial Position</b>		
Increase in deferred tax liabilities	-	44,199
Increase in deferred tax asset	10,119	-
Increase in investments	118,452	315,163
Increase in Policyholder's liability	153,337	162,756
Increase in Equity - Ledger Account D	244,304	109,717
Impact on (deficit) / surplus on revaluation of available for sale investments	(14,648)	152,407
-----For the year ended December 31, 2017 2016-----		
-----(Rupees in '000)-----		
<b>Impact on Profit and Loss Account</b>		
Increase in surplus of statutory fund	134,587	58,800
Increase / (decrease) in remeasurement of post employment benefits	5,692	(28,096)
-----(Rupees)-----		
Increase in earnings per share	1.99	0.44

### 6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those applied to the annual financial statements for the year ended December 31, 2017. The Company intends to have an actuarial valuation in respect of staff retirement benefit plan for 2018 conducted at the year end. Hence actuarial gains / losses are not quantifiable and are also considered immaterial by the management. Accordingly the resulting impact has not been accounted for in these condensed interim financial statements

### 7 INSURANCE AND FINANCIAL RISK MANAGEMENT

The Company's insurance and financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended December 31, 2017.

## Notes To And Forming Part Of The Condensed Interim Financial Statements (Unaudited)

For the Quarter and Half Year ended June 30, 2018

(Un-audited) (Audited)  
June 30, 2018 December 31, 2017  
-----(Rupees in '000)-----

### 8 PROPERTY AND EQUIPMENT

Operating assets	132,474	109,689
Capital work in progress	138,955	15,863
	<u>271,429</u>	<u>125,552</u>
8.1 Opening net book value	109,689	75,545
Add: Additions during the period		
- Leasehold improvements	2,350	20,025
- Furniture and fixtures	2,217	14,833
- Office equipment	3,565	8,486
- Computer equipment	34,453	8,621
- Motor vehicles	80	16,264
- Software and licenses	-	-
	42,665	68,229
Less: Net book value of deletion	-	550
Depreciation for the period	19,880	33,535
	<u>19,880</u>	<u>34,085</u>
Closing net book value	132,474	109,689
Add: Capital work in progress	138,955	15,863
	<u>271,429</u>	<u>125,552</u>

### 9 INVESTMENTS IN EQUITY SECURITIES

Note	(Un-audited) As at June 30, 2018			(Audited) As at December 31, 2017 (Restated)		
	Cost	Market value	Deficit on revaluation of investments	Cost	Market value	Deficit on revaluation of investments
-----Rupees in 000's-----						
<b>Available for sale:</b>						
Listed equity securities	133,763	124,725	(9,038)	62,033	54,038	(7,995)
Listed Mutual Funds	3,501,324	3,485,825	(15,499)	3,764,741	3,552,502	(212,239)
	<u>3,635,087</u>	<u>3,610,550</u>	<u>(24,537)</u>	<u>3,826,774</u>	<u>3,606,540</u>	<u>(220,234)</u>

## Notes To And Forming Part Of The Condensed Interim Financial Statements (Unaudited)

For the Quarter and Half Year ended June 30, 2018

### 10 INVESTMENTS IN GOVERNMENT SECURITIES

Note	(Un-audited) As at June 30, 2018			(Audited) As at December 31, 2017 (Restated)		
	Cost	Market value	Surplus / (deficit) on revaluation of investments	Cost	Market value	Surplus on revaluation of investments
-----Rupees in 000's-----						
<b>Available for sale:</b>						
Pakistan Investment Bonds	10.1 & 10.2	11,958,704	11,927,452	(31,252)	11,911,647	11,997,834
Market Treasury Bills	10.3	964,000	964,046	46	1,999,853	2,016,257
		<u>12,922,704</u>	<u>12,891,498</u>	<u>(31,206)</u>	<u>13,911,500</u>	<u>14,014,091</u>
						<u>102,591</u>

- 10.1 The effective yield on Pakistan Investment Bond ranges from 5.96% to 14.10% (December 31, 2017: 6.14% to 12.97%) per annum. The market yield ranges from 6.92% to 8.82% (December 31, 2017: 6.01% to 7.44%) per annum.
- 10.2 The Company has deposited 5 years Pakistan Investment Bonds amounting to Rs. 71.34 million (December 31, 2017: Rs. 65.34 million) with State Bank of Pakistan under section 29 of Insurance Ordinance, 2000.
- 10.3 The effective yield on Market Treasury Bills ranges from 6.23% to 6.26% (December 31, 2017: 5.99%) per annum. The market yield ranges from 6.70% to 6.82% (December 31, 2017: 5.84% to 5.85%) per annum.

### 11 INVESTMENTS IN DEBT SECURITIES

Note	(Un-audited) As at June 30, 2018			(Audited) As at December 31, 2017 (Restated)		
	Cost	Market value	Surplus / (deficit) on revaluation of investments	Cost	Market value	Surplus / (deficit) on revaluation of investments
-----Rupees in 000's-----						
<b>Available for sale:</b>						
Listed term finance certificates	11.1	50,000	50,000	-	-	-

- 11.1 The mark-up rate on term finance certificates is 7.71% (December 31, 2017: nil) per annum.

### 12 INVESTMENTS IN TERM DEPOSIT RECEIPTS

	(Un-audited) As at June 30, 2018			(Audited) As at December 31, 2017 (Restated)		
	Principle Amount	Tenure	Rate	Principle Amount	Tenure	Rate
-----Rupees in 000's-----						
Term Deposit Receipts	605,000	1 month to 3 months	6.3% to 8% per annum	151,183	1 month to 3 months	8.75% to 9.4% per annum

## Notes To And Forming Part Of The Condensed Interim Financial Statements (Unaudited)

For the Quarter and Half Year ended June 30, 2018

(Un-audited)  
June 30, 2018      (Audited)  
December 31, 2017  
-----  
(Rupees in '000)-----

### 13 CASH AND BANK

Cash and cash equivalents		
- Cash in hand	695	620
Cash at Bank		
- Savings account	739,247	745,657
	<u>739,942</u>	<u>746,277</u>

#### 13.1 Cash and cash equivalents

Cash and bank balances	739,942	746,277
Term deposit receipts (with original maturity of less than 3 months)	605,000	151,183
	<u>1,344,942</u>	<u>897,460</u>

(Un-audited)  
June 30, 2018      (Audited)  
December 31, 2017  
-----  
(Rupees in '000)-----  
(Restated)

### 14 INSURANCE LIABILITIES

Incurred but not reported claims	164,727	145,840
Investment component of unit-linked and account value policies	8,595,582	9,067,947
Liabilities under individual conventional insurance contracts	6,842,953	6,688,947
Liabilities under group insurance contracts	456,056	251,420
Other insurance liabilities	969,111	1,200,001
Ledger account A and B	<u>389,370</u>	<u>387,002</u>
	<u>17,417,799</u>	<u>17,741,157</u>

### 15 CONTINGENCIES AND COMMITMENTS

Commitment to purchase term finance certificates	100,000	-
Commitment against acquisition of fixed assets	<u>319,500</u>	<u>-</u>

- 15.1 While finalising the tax assessment for the accounting years ended December 31, 2012 (Tax Year 2013) and December 31, 2011 (Tax Year 2012) the taxation officer raised additional tax demand of Rs. 1.029 million and Rs. 6.910 million respectively on the Company on non-deduction of withholding tax under section 151(d) of the Income Tax Ordinance, 2001 on the amount of surrenders paid during the respective years.

The Company filed appeal before Commissioner Inland Revenue Appeals (CIRA) in respect of said tax years which were decided in favour of the Company. The Commissioner Inland Revenue has now filed an appeal before Appellate Tribunal (ATIR) challenging the order passed by CIRA. The management of the Company is of the view that the matter would be settled in its favour and hence no provision is required.



## Notes To And Forming Part Of The Condensed Interim Financial Statements (Unaudited)

For the Quarter and Half Year ended June 30, 2018

		(Un-audited) Half year ended June 30, 2018		2017
		-----(Rupees in '000)-----		
<b>18</b>	<b>NET INSURANCE BENEFITS</b>			
	<b>Gross Claims</b>			
	<b>Claims under individual policies</b>			
	By death	64,386	88,401	
	By insured event other than death	4	23	
	By maturity	2,097	3,358	
	By surrender	2,018,285	1,861,082	
	<b>Total Gross Individual Policy Claims</b>	<u>2,084,772</u>	<u>1,952,864</u>	
	<b>Claims under group policies</b>			
	by death	61,258	82,995	
	by insured event other than death	452,554	302,171	
	by surrender	17	496	
	experience refund	10,337	(7,384)	
	<b>Total gross group policy claims</b>	<u>524,166</u>	<u>378,278</u>	
	<b>Total gross policy claims</b>	<u>2,608,938</u>	<u>2,331,142</u>	
	<b>Less: Reinsurance Recoveries</b>			
	On Individual life claims	8,619	47,405	
	On Group Life claims	2,367	838	
	<b>Net insurance benefit expense</b>	<u>10,986</u>	<u>48,243</u>	
		<u>2,597,952</u>	<u>2,282,899</u>	
		(Un-audited) Half year ended June 30, 2018		2017
		-----(Rupees in '000)-----		
<b>19</b>	<b>ACQUISITION EXPENSES</b>			
	Remuneration to insurance intermediaries on individual policies:			
	- Commission on first year premiums/contribution	149,977	120,612	
	- Commission on second year premiums/contribution	10,472	8,501	
	- Commission on subsequent renewal premiums/contribution	14,513	13,630	
	- Commission on single premiums/contribution	466	43,931	
	- Other benefits to insurance intermediaries	78,479	99,428	
		<u>253,907</u>	<u>286,102</u>	
	Remuneration to insurance intermediaries on group policies:			
	- Commission	57,323	47,455	
	- Other benefits to insurance intermediaries	1,332	2,913	
		<u>58,655</u>	<u>50,368</u>	
	Branch overheads :			
	- Salaries and other benefits	9,700	7,151	
	- Other operational cost	33,532	19,566	
		<u>43,232</u>	<u>26,717</u>	
	Other acquisition cost :			
	- Policy stamps	2,424	4,153	
		<u>358,218</u>	<u>367,340</u>	

## Notes To And Forming Part Of The Condensed Interim Financial Statements (Unaudited)

For the Quarter and Half Year ended June 30, 2018

(Un-audited)  
Half year ended June 30,  
2018

2017

-----  
(Rupees in '000)-----

### 20 MARKETING AND ADMINISTRATION EXPENSES

#### Administration Expenses

	2018	2017
Salaries, allowances & other benefits	179,306	154,940
Travelling expenses	11,055	3,648
Directors' fees	2,358	3,228
Auditors' remuneration	1,756	3,734
Actuary's fees	2,156	13,613
Medical fees	366	782
Advertisement and publicity	13,550	3,785
Computer expenses	2,718	4,267
Printing and stationery	10,950	6,851
Depreciation and amortisation	20,005	16,206
Rental	20,084	8,445
	264,304	219,499

#### Other Management Expenses

	2018	2017
Vehicles and general repair and maintenance	6,562	1,814
Utilities-electricity, water and gas	2,154	7,881
Transportation	3,033	1,817
Communication	12,312	7,835
Consultancy fee	7,530	6,777
Training and workshop	1,819	1,353
Insurance	3,760	1,507
Interest on premium deposit in advance	486	901
Social security	682	550
Entertainment	9,551	3,864
Books and subscriptions	38	361
Miscellaneous expenses	23,607	14,356
	71,534	49,016
	335,838	268,515

### 21 OTHER EXPENSES

	2018	2017
Legal and professional charges	5,434	1,476
Regulators fee	9,206	5,471
Interest on Finance Lease Obligations	-	143
Others	493	181
	15,133	7,271

## Notes To And Forming Part Of The Condensed Interim Financial Statements (Unaudited)

For the Quarter and Half Year ended June 30, 2018

### 22 TAXATION

As per Income Tax Ordinance, 2001, the current tax expense is chargeable to income attributable to shareholder's fund only. During the half year ended June 30, 2018, the shareholder's fund reflected a loss before tax of Rs. 1.385 million resulting in no amount chargeable to current tax.

The Income Tax Ordinance, 2000 requires insurance companies to charge tax on the surplus transferred to shareholder's fund. However, due to application of the Insurance Accounting Regulations, 2017, the surplus generated by statutory funds (other than participating fund) of the Company are also presented in profit and loss account on aggregate basis. The matter with respect to recognition of the deferred tax on the surplus generated by the statutory funds (other than participating fund) since inception was raised with the Securities and Exchange Commission of Pakistan (SECP). The SECP vide its letter ID/PRDD/IAP/2018/16188 dated August 20, 2018, has granted exemption from the applicability of International Standard of Accounting (IAS) 12 with respect to recognition of deferred tax on surplus of the statutory funds held in ledger account D for the half year ended June 30, 2018.

### 23 EARNINGS / (LOSS) PER SHARE

	(Un-audited)			
	Half year ended June 30,		Quarter ended June 30,	
	2018	2017	2018	2017
	(Rupees in '000)		(Rupees in '000)	
	(Restated)		(Restated)	
<b>Basic / diluted earnings / (loss) per share</b>				
Profit / (loss) for the period	42,948	143,587	(36,007)	77,790
Weighted average number of ordinary shares	70,567,200	70,567,200	70,567,200	70,567,200
	..... (Rupees) .....		..... (Rupees) .....	
Earnings / (loss) per share	0.61	2.03	(0.51)	1.10
	.....		.....	

### 24 SEGMENT INFORMATION

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

## Notes To And Forming Part Of The Condensed Interim Financial Statements (Unaudited)

For the Quarter and Half Year ended June 30, 2018

(Un-audited)												
For the period ended June 30, 2018												
24.1	Revenue Account by Statutory Funds	CONVENTIONAL-STATUTORY FUNDS						TAKAFUL-STATUTORY FUNDS				
		Life (Participating)	Life Individual	Life (Non-participating) Group	Investment Linked	Accident & Health Individual	Accident & Health Group	Pension Business Fund	Individual Family	Group Family	Group Health	Total
----- (Rupees in '000) -----												
<b>INCOME</b>												
Premiums/contribution less reinsurances/retakaful	20,313	324,074	140,067	727,076	6,284	618,882	-	652,782	12,577	105,460	2,607,515	
Policy transfers from other statutory funds	-	-	-	-	-	-	-	-	-	-	-	
Net investment income	39,246	126,042	2,817	168,448	493	1380	(95)	4,646	(48)	(618)	342,311	
Other income - net	4134	7,385	1,620	16,369	31	13,065	3	8,854	17	144	51,622	
<b>Total net income</b>	63,093	457,501	144,504	911,893	6,808	633,327	(92)	666,282	12,546	104,986	3,001,448	
<b>CLAIMS AND EXPENDITURE</b>												
Claims, including bonuses, net of reinsurance recoveries	68,007	361,481	57,034	1,586,879	2,263	413,257	17	57,523	3,739	47,752	2,597,952	
Policy transfers to other statutory funds	-	-	-	-	-	-	-	-	-	-	-	
Management expenses less recoveries	3,350	71,723	37,744	286,819	13,767	104,353	-	158,244	983	4,653	681,646	
<b>Total claims and expenditure</b>	71,357	433,204	94,778	1,873,898	16,030	517,610	17	215,767	4,722	52,405	3,279,598	
<b>Excess of Income over claims and expenditure</b>	(7,674)	24,297	49,726	(961,805)	(9,222)	115,717	(109)	450,515	7,824	52,581	(278,150)	
Add: Policyholders' liabilities at beginning of the period	157,3079	6,119,617	75,342	8,109,869	11,624	262,524	74,927	111,1274	5,397	10,502	17,354,455	
Less: Policyholders' liabilities at end of the period	(1563,037)	(6,050,123)	(113,608)	(7,193,123)	(11,491)	(379,495)	(74,828)	(122,232)	(63,938)	(17,028,429)		
Movement in policyholders' liabilities	10,042	69,494	(38,266)	916,746	133	(116,971)	99	(455,280)	(6,835)	(53,436)	325,726	
<b>Surplus / (deficit)</b>	2,368	93,791	11,460	(45,059)	(9,089)	(1254)	(10)	(4,765)	989	(855)	47,576	
Movement in policyholders' liabilities	(10,042)	(69,494)	38,266	(916,746)	(133)	(116,971)	(99)	(455,280)	6,835	53,436	(35,726)	
<b>Transfers (to) or from shareholders' fund</b>												
- Capital contributions from shareholders' fund	-	-	-	50,000	10,000	-	-	30,000	-	10,000	100,000	
- Cede money - Waqf	-	-	-	-	-	-	-	-	-	-	(100,000)	
- Capital returned to shareholder's fund	-	-	-	-	-	-	-	-	-	-	-	
- Surplus appropriated to shareholders' fund	-	-	-	-	-	-	-	-	-	-	-	
<b>Balance of statutory fund at beginning of the period</b>	1,960,081	6,460,164	174,887	8,276,513	12,230	388,296	79,477	1,144,118	7,290	14,905	18,517,981	
<b>Balance of statutory fund at end of the period</b>	1,952,407	6,384,461	224,613	7,364,708	13,008	504,013	79,368	1,624,633	15,114	77,486	18,239,811	
<b>Represented by:</b>												
Capital contributed by shareholders' fund	-	97,552	-	292,100	12,000	4,300	6,000	121,500	1,200	12,500	547,152	
Policyholders' liabilities / PTF	1,563,037	6,050,123	113,608	7,193,123	11,491	379,495	(74,828)	1,566,554	12,232	63,938	(17,028,429)	
Retained earnings attributable to policyholders (Ledger Account A)	355,043	-	-	-	-	-	-	-	-	-	355,043	
Retained earnings on par business attributable to shareholders - undistributable (Ledger Account B)	34,327	-	-	-	-	-	-	-	-	-	34,327	
Retained earnings on other than participating business (Ledger Account D) / PTF	-	236,786	113,379	(115,016)	(10,320)	123,286	(1,460)	(61,523)	1,771	1,734	288,637	
Surplus / (deficit) on revaluation of available for sale investments	-	-	(2,374)	(5,499)	(163)	(3,068)	-	(1,898)	(89)	(686)	(13,777)	
<b>BALANCE OF STATUTORY FUND</b>	1,952,407	6,384,461	224,613	7,364,708	13,008	504,013	79,368	1,624,633	15,114	77,486	18,239,811	

## Notes To And Forming Part Of The Condensed Interim Financial Statements (Unaudited)

For the Quarter and Half Year ended June 30, 2018

(Un-audited)										
For the period ended June 30, 2017 (Restated)										
	CONVENTIONAL-STATUTORY FUNDS					TAKAFUL-STATUTORY FUNDS				
	Life (Participating)	Life Individual	Life Non-participating Group	Investment Linked	Accident & Health Individual	Pension Business Fund	Individual Family	Group Family	Group Health	Total
(Rupees in '000)										
<b>INCOME</b>										
Premiums/contribution less reinsurances/retakaful	22,382	354,706	132,423	1,501,112	5,894	544,739	1,763	299,543	1,225	18,699
Policy transfers from other statutory funds	-	-	-	-	-	-	-	-	-	2,882,486
Net investment income	71,837	226,479	3,254	224,766	749	3,700	3,059	31,639	862	567,780
Other income - net	4,007	8,368	637	20,248	31	11,651	228	2,988	3	48,161
Total net income	98,226	589,553	136,314	1,746,126	6,674	560,090	5,050	334,170	2,087	3,498,427
<b>CLAIMS AND EXPENDITURE</b>										
Claims, including bonuses, net of reinsurance recoveries	62,246	310,432	67,357	1,513,060	1116	304,582	496	18,605	400	4,605
Policy transfers to other statutory funds	-	-	-	-	-	-	-	-	-	2,282,899
Management expenses less recoveries	2,787	69,174	35,379	294,571	9,485	88,928	2	123,310	37	217
<b>Total claims and expenditure</b>	65,033	379,606	102,736	1,807,631	10,601	393,510	498	141,915	437	4,822
<b>Excess of income over claims and expenditure</b>	33,193	209,947	33,578	(61,505)	(3,927)	166,580	4,552	192,255	1,650	15,315
Add: Policyholders' liabilities at beginning of the period	1,404,766	5,818,509	77,322	8,695,396	9,338	212,748	63,855	239,008	573	16,524,629
Less: Policyholders' liabilities at end of the period	(1,424,585)	(5,987,340)	(107,063)	(8,660,503)	(10,125)	(341,008)	(68,181)	(434,683)	(1,194)	(17,051,777)
Movement in policyholders' liabilities	(19,819)	(168,831)	(29,741)	34,893	(787)	(128,260)	(4,326)	(195,675)	(621)	(12,381)
<b>Surplus / (deficit)</b>	13,374	41,116	3,837	(26,612)	(4,714)	38,320	226	(3,420)	1,029	2,934
Movement in policyholders' liabilities	19,819	168,831	29,741	(34,893)	787	128,260	4,326	195,675	621	12,381
<b>Transfers (to) or from shareholders' fund</b>										
- Capital contributions from shareholders' fund	-	-	-	-	-	-	-	38,000	-	38,500
- Cede money - Waqf	-	-	-	-	-	-	-	-	-	(60,000)
- Capital returned to shareholder's fund	-	-	-	-	-	-	-	-	-	-
- Surplus appropriated to shareholders' fund	-	-	-	-	-	-	-	38,000	-	500
	-	-	-	-	-	(60,000)	-	-	500	(21,500)
<b>Balance of statutory fund at beginning of the period</b>	1,982,324	6,072,596	187,124	8,875,491	19,647	407,091	67,911	235,588	1,517	4,528
<b>Balance of statutory fund at end of the period</b>	<u>2,015,517</u>	<u>6,282,543</u>	<u>220,702</u>	<u>8,813,986</u>	<u>15,720</u>	<u>513,671</u>	<u>72,463</u>	<u>465,843</u>	<u>3,167</u>	<u>20,343</u>
<b>Represented by:</b>										
Capital contributed by shareholders' fund	-	197,552	-	242,100	-	4,300	6,000	84,500	1,200	2,500
Policyholders' liabilities / PTF	1,424,585	5,987,340	107,063	(8,660,503)	10,125	341,008	(68,181)	(434,683)	1,194	15,495
Retained earnings attributable to policyholders (Ledger Account A)	537,549	-	-	-	-	-	-	-	-	17,050,177
Retained earnings on par business attributable to shareholders - undistributable (Ledger Account B)	53,383	-	-	-	-	-	-	-	-	537,549
Retained earnings on other than participating business (Ledger Account D) / PTF	-	97,651	112,981	(89,502)	3,895	164,606	(1,718)	(77,864)	144	1300
Surplus / (deficit) on revaluation of available for sale investments	-	-	658	885	1,700	3,757	-	24,524	629	1048
<b>BALANCE OF STATUTORY FUND</b>	<u>2,015,517</u>	<u>6,282,543</u>	<u>220,702</u>	<u>8,813,986</u>	<u>15,720</u>	<u>513,671</u>	<u>72,463</u>	<u>465,843</u>	<u>3,167</u>	<u>20,343</u>
										<u>18,423,955</u>

## Notes To And Forming Part Of The Condensed Interim Financial Statements (Unaudited)

For the Quarter and Half Year ended June 30, 2018

### 24.2 Statement of Financial Position by Segment

	June 30, 2018			December 31, 2017		
	Shareholders Fund (Un-audited)	Statutory Fund (Un-audited)	Total (Un-audited)	Shareholders Fund (Un-audited)	Statutory Fund (Un-audited)	Total (Un-audited)
-----Rupees in 000's-----						
<b>Assets</b>						
Property and equipment	196,004	75,425	271,429	125,552	-	125,552
Intangible assets	2,215	-	2,215	2,337	-	2,337
Equity securities	124,725	-	124,725	54,038	-	54,038
Mutual funds	122,302	3,363,523	3,485,825	156,697	3,395,805	3,552,502
Government securities	70,084	12,821,414	12,891,498	112,735	13,901,356	14,014,091
Debt securities	50,000	-	50,000	-	-	-
Term deposits	50,000	555,000	605,000	51,183	100,000	151,183
Loans secured against life insurance policies	-	173,209	173,209	-	167,539	167,539
Reinsurance / retakaful receivables	-	94,587	94,587	-	120,165	120,165
Other loans and receivables	30,847	521,074	551,921	1,839	339,084	340,923
Experience refund receivables	-	6,147	6,147	-	16,299	16,299
Accrued interest	2,318	232,345	234,663	24	269,468	269,492
Deferred tax asset	3,847	5,627	9,474	4,134	5,985	10,119
Taxation - payments less provision	445,935	-	445,935	403,108	-	403,108
Prepayments	-	58,760	58,760	-	64,789	64,789
Cash and Bank	34,360	705,582	739,942	25,662	720,615	746,277
<b>Total Assets</b>	<b>1,132,637</b>	<b>18,612,693</b>	<b>19,745,330</b>	<b>937,309</b>	<b>19,101,105</b>	<b>20,038,414</b>
<b>Liabilities</b>						
Insurance liabilities (including policyholders' liabilities and ledger account A & B)	-	17,417,799	17,417,799	-	17,741,157	17,741,157
Outstanding claims	-	237,840	237,840	-	230,477	230,477
Retirement benefit obligations	-	29,169	29,169	-	22,377	22,377
Premium received in advance	-	80,979	80,979	-	81,422	81,422
Reinsurance / retakaful payables	-	37,923	37,923	-	24,930	24,930
Other creditors and accruals	148,196	70,392	218,588	86,637	80,163	166,800
Experience refund payables	-	48,629	48,629	-	26,701	26,701
Accrued expenses	-	67,623	67,623	-	113,202	113,202
Unclaimed dividend	2,577	-	2,577	1,097	-	1,097
Liabilities against assets subject to finance lease	15,116	-	15,116	15,115	-	15,115
<b>Total Liabilities</b>	<b>165,889</b>	<b>17,990,354</b>	<b>18,156,243</b>	<b>102,849</b>	<b>18,320,429</b>	<b>18,423,278</b>

## Notes To And Forming Part Of The Condensed Interim Financial Statements (Unaudited)

For the Quarter and Half Year ended June 30, 2018

### 25 REVENUE ACCOUNT - WINDOW TAKAFUL OPERATIONS

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

	TAKAFUL - STATUTORY FUNDS			AGGREGATE	
	Individual Family	Group Family	Group Health	Half year ended June 30,	
				2018 (Unaudited)	2017 (Unaudited)
----- (Rupees in '000) -----					(Restated)
<b>Income</b>					
Allocated Contribution	510,969	-	-	510,969	211,174
Net Investment Income	(1,728)	-	-	(1,728)	(1,953)
Other Income	4,407	-	-	4,407	571
<b>Total Net Income</b>	<b>513,648</b>	-	-	<b>513,648</b>	<b>209,792</b>
<b>Less: Claims and Expenditure</b>					
Surrenders / Partial Surrenders	52,480	-	-	52,480	14,780
Risk Contributions	8,440	-	-	8,440	6,672
Wakalat-ul-Istismar	10,331	-	-	10,331	2,166
Policy admin fee	4,876	-	-	4,876	2,763
	<b>76,127</b>	-	-	<b>76,127</b>	<b>26,381</b>
<b>Excess of Income over Claims and expenditure</b>	<b>437,521</b>	-	-	<b>437,521</b>	<b>183,411</b>
Add: Technical reserves at the beginning of the period	1,055,194	-	-	1,055,194	215,730
Less: Technical reserves at the end of the period	(1,492,715)	-	-	(1,492,715)	(399,141)
	<b>(437,521)</b>	-	-	<b>(437,521)</b>	<b>(183,411)</b>
<b>Surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Movement in technical reserves	437,521	-	-	437,521	183,411
Balance of PIF at the beginning of the period	1,055,194	-	-	1,055,194	215,730
<b>Balance of PIF at the end of the period</b>	<b>1,492,715</b>	<b>-</b>	<b>-</b>	<b>1,492,715</b>	<b>399,141</b>

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

<b>Income</b>					
Contribution net of retakaful	2,404	4,499	98,020	104,923	20,530
Net investment income	-	-	-	-	-
Other income	1,736	17	144	1,897	631
	<b>4,140</b>	<b>4,516</b>	<b>98,164</b>	<b>106,820</b>	<b>21,161</b>
<b>Less: Claims and Expenditure</b>					
Claims	3,021	3,739	47,752	54,512	7,528
Wakala fee	-	-	-	-	-
	<b>3,021</b>	<b>3,739</b>	<b>47,752</b>	<b>54,512</b>	<b>7,528</b>
<b>Excess of Income over Claims and expenditure</b>	<b>1,119</b>	<b>777</b>	<b>50,412</b>	<b>52,308</b>	<b>13,633</b>
Add : Technical reserves at the beginning of the period	8,018	3,074	9,546	20,638	6,214
Less : Technical reserves at the end of the period	(8,912)	(6,500)	(62,776)	(78,188)	(16,295)
	<b>(894)</b>	<b>(3,426)</b>	<b>(53,230)</b>	<b>(57,550)</b>	<b>(10,081)</b>
<b>Surplus</b>	<b>225</b>	<b>(2,649)</b>	<b>(2,818)</b>	<b>(5,242)</b>	<b>3,552</b>
Movement in technical reserves	894	3,426	53,230	57,550	10,081
Qard-e-Hasna contributed by Window Takaful Operator	-	2,700	2,900	5,600	-
Balance of PTF at the beginning of the period	8,018	3,174	10,746	21,938	6,914
<b>Balance of PTF at the end of the period</b>	<b>9,137</b>	<b>6,651</b>	<b>64,058</b>	<b>79,846</b>	<b>20,547</b>

## Notes To And Forming Part Of The Condensed Interim Financial Statements (Unaudited)

For the Quarter and Half Year ended June 30, 2018

### 25.3 Operators' Sub Fund ( OSF )

	TAKAFUL - STATUTORY FUNDS			AGGREGATE	
	Individual Family	Group Family	Group Health	Half year ended June 30,	
	2018	2018	2017	(Restated)	
----- (Rupees in '000) -----					
<b>Income</b>					
Allocation fee	145,558	8,078	7,440	161,076	92,551
Investment income	7,902	(48)	(618)	7,236	25,880
Wakala fee - PTF	2,291	-	-	2,291	1,884
Policy admin fee	4,876	-	-	4,876	2,763
Takaful operator fee	-	-	-	-	-
Wakalat-ul-Istismar	10,331	-	-	10,331	2,166
	170,958	8,030	6,822	185,810	125,244
<b>Less: Expenses</b>					
Acquisition cost	110,311	677	4,424	115,412	84,513
Administration expenses	48,772	306	229	49,307	39,626
	159,083	983	4,653	164,719	124,139
Excess of (expenditure)/over income	11,875	7,047	2,169	21,091	1,105
Add : Technical reserves at the beginning of the period	48,062	2,323	956	51,341	21,121
Less : Technical reserves at the end of the period	(64,702)	(8,381)	(3,980)	(77,063)	(32,384)
	(16,640)	(6,058)	(3,024)	(25,722)	(11,263)
<b>Surplus / (Deficit)</b>					
Movement in technical reserves	16,640	6,058	3,024	25,722	11,263
Capital Contribution during the period	30,000	-	10,000	40,000	38,500
Qard-e-Hasna contributed to the Participants Takaful Fund	-	(2,700)	(2,900)	(5,600)	
Balance of OSF at the beginning of the period	80,906	4,116	4,159	89,181	30,055
<b>Balance of OSF at the end of the period</b>	<b>122,781</b>	<b>8,463</b>	<b>13,428</b>	<b>144,672</b>	<b>69,660</b>
<b>Balance of Family Takaful statutory fund</b>	<b>1,624,633</b>	<b>15,114</b>	<b>77,486</b>	<b>1,717,233</b>	<b>489,348</b>

### 26 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of holding company, associated companies, retirement benefit funds, directors and key management personnel of the Company. Remuneration to the key personnel is determined in accordance with the terms of their appointments. All transactions involving related parties arise in the normal course of business. Transactions with the key management personnel are made under their terms of employment / entitlements. Contributions to the employee retirement benefits are made in accordance with the terms of employee retirement benefit schemes and actuarial advice. There are few companies with certain common directors but not considered as related parties in accordance with requirements of IAS 24 Related party Disclosures. Accordingly, transactions with such companies have not been disclosed here.

## Notes To And Forming Part Of The Condensed Interim Financial Statements (Unaudited)

For the Quarter and Half Year ended June 30, 2018

- 26.1** The details of transactions with related parties, other than those which have been specifically disclosed elsewhere in the condensed interim financial information are as follows:

	Holding Company		Post Employment Benefit Plans		Key Management Personnel		Other Related Parties	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
..... (Rupees in '000) .....								
<b>Transactions</b>								
Premium written	-	-	-	-	825	4,461	10,759	48,378
Premium paid for general insurance	-	-	-	-	-	-	3,826	5,868
Claims paid	-	-	-	-	-	-	26,790	11,467
Charge for administrative services received	-	-	-	-	-	-	21,700	11,388
Charge for administrative services provided	-	-	-	-	-	-	3,984	12,393
Rent expense	-	-	-	-	-	-	14,250	11,313
Remuneration paid	-	-	-	-	93,858	62,384	-	-
Contribution to gratuity fund	-	-	6,812	5,078	-	-	-	-
Contribution to provident fund	-	-	7,325	5,594	-	-	-	-
Dividend paid	57,841	74,384	-	-	-	-	-	-
..... (Rupees in '000) .....								
<b>Balances</b>								
Payable for administrative services received	-	-	-	-	-	-	22,584	24,312
Payable for general insurance premium	-	-	-	-	-	-	289	173
Premium receivable	-	-	-	-	-	-	9,514	-
Payable to provident fund	-	-	879	7,994	-	-	-	-

### 27 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

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

## Notes To And Forming Part Of The Condensed Interim Financial Statements (Unaudited)

For the Quarter and Half Year ended June 30, 2018

As at June 30, 2018, the Company held the following financial instruments measured at fair value:

	(Unaudited) As at June 30, 2018		
	Level 1	Level 2	Level 3
	----- Rupees in '000 -----		
<b>Assets carried at fair value</b>			
Available-for-sale investments	<u>3,610,550</u>	<u>12,941,498</u>	<u>-</u>
 (Audited) As at December 31, 2017 (restated)			
	Level 1	Level 2	Level 3
	----- Rupees in '000 -----		
<b>Assets carried at fair value</b>			
Available-for-sale investments	<u>3,606,540</u>	<u>14,014,091</u>	<u>-</u>

### 28 GENERAL

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

### 29 CORRESPONDING FIGURES

Corresponding figures has been rearranged or reclassified, wherever necessary, to align them with the presentation requirements of the Insurance Accounting Regulations, 2017 as explained in note 5 of the condensed interim financial statements.

### 30 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on August 29, 2018 by the Board of Directors of the Company.



Chairman



Director



Director



Chief Executive Officer



Chief Financial Officer

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