



Condensed Interim Financial Statements
For the quarter and three months ended March
31, 2021

The Directors of your Company are pleased to present the condensed interim financial statements (un-audited) for the quarter and three months' ended March 31, 2021:

Financial Highlights:

Profit / Loss	March 31 2021	March 31 2020
	(Rs. in 000') (Unaudited)	
Net (loss) / profit before tax	(89,177)	1,254
Taxation (reversals) / charged	(25,863)	363
Net (loss) / profit after before tax	(63,314)	891
Other comprehensive loss - net	(10,796)	(63,211)
	(in Rupees)	
(Loss) / earning per share	(0.37)	0.01
Break-up value per share (including amount retained in the statutory funds to meet the requirement of Insurance Ordinance)	12.09	12.77

During the first quarter of 2021, gross premium written by your Company (including takaful contributions) stood at Rs. 1.937 billion as against Rs. 1.346 billion in the corresponding period last year. Individual life regular premium (including takaful contributions) posted growth of 55% and stood at Rs. 888 million as against Rs. 573 million in the corresponding period last year.

Group Life premiums / contribution (including takaful group family) stood at Rs. 246 million (2020: Rs. 189 million), posting an increase of 31% from corresponding period of last year. Group Health premium / contribution (including takaful group health) stood at Rs 414 million (2020: Rs. 372 million), posting an increase of 11% from corresponding period of last year.

Single premium / contribution individual policies stood at Rs 388 million as compared to Rs. 212 million written in the corresponding period last year.

The Company posted loss after tax of Rs. 63.314 million as compared to Profit after tax of Rs. 0.891 million in corresponding period of last year. The decline was due to increase in acquisition costs and adverse loss ratios in Group and Individual Life Insurance business lines due to COVID-19.

Window Takaful Operations

Summarised results of Company's Window Takaful Operations for the quarter under review are as follows:

Policyholder' Fund	March 31 2021	March 31 2020
	(Rs. in 000') (Unaudited)	
Gross Contribution	642,302	337,118
Net Contribution	425,064	247,930
Investment Income / (loss)	27,060	(27,192)
Operator's Fund		
Investment Income	473	1,280
Operators' (loss) / profit before tax	(47,523)	1,074
Operators' (loss) / profit after tax	(33,742)	763

Future Outlook

Unfortunately the COVID-19 pandemic continues to wreak havoc on businesses and economic environment. However, with vaccination roll out and safety measures taken by the Government, there is hope that business and economic activities will start to pick up pace in the next few months. While we are already growing our book of business at a very healthy rate, this growth will pick up pace as the year progresses. We are fully geared and committed to provide continued service to our esteemed customers without any disruption.

The Board of Directors would like to express their gratitude to IGI Life customers and business partners. We thank our Stakeholders for the trust they have placed in the Company and our employees for their valuable contributions.

On behalf of the Board of Directors



Shamim Ahmad Khan
Chairman

Dated: April 28, 2021



Syed Hyder Ali
Chief Executive Officer

Dated: April 28, 2021

آپ کی کمپنی کے ڈائریکٹر 31 مارچ 2021 کو ختم ہونے والی سہ ماہی کے (غیر آڈٹ شدہ) عبوری مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

مالیاتی جھلکیاں:

نفع نقصان

31 مارچ 2020

31 مارچ 2021

(دوبے زراہوں میں)

(غیر آڈٹ شدہ)

1,254	(89,177)	خالص (نقصان) / نفع قبل از ٹیکس
363	(25,863)	ٹیکسیشن (ریورسلز) / وصول شدہ
891	(63,314)	خالص (نقصان) / نفع بعد از ٹیکس
(63,211)	(10,796)	دیگر مجموعی نقصان

(دوبوں میں)

0.01	(0.37)	(نقصان) / آمدن فی شیئر
12.77	12.09	فی شیئر بریک اپ ویلیو (اس میں انشورنس آرڈیننس کی تعمیل میں

انٹیجوری فنڈ میں رکھی گئی رقم بھی شامل ہے)

2021 کی پہلی سہ ماہی میں آپ کی کمپنی کا تحریر کردہ مجموعی پریمیم (بشمول تکافل زرتعاون) گزشتہ سال کے اسی مدت کے 1.346 بلین کے مقابلے میں 1.937 بلین رہا۔ انفرادی لائف ایگولر پریمیم (بشمول تکافل زرتعاون) گزشتہ سال کے گزشتہ سال کے اسی مدت کے 573 بلین کے مقابلے میں 55% اضافے کے ساتھ 888 بلین رہا۔

گروپ لائف پریمیم زرتعاون (بشمول گروپ فیملی تکافل) گزشتہ سال کے اسی مدت کے مقابلے میں 31% اضافے کے ساتھ 246 بلین رہا (2020: 189 بلین)۔ گروپ ہیلتھ پریمیم زرتعاون (بشمول گروپ ہیلتھ تکافل) گزشتہ سال کے اسی مدت کے مقابلے میں 11% اضافے کے ساتھ 414 بلین رہا (2020: 372 بلین)۔

سنگل پریمیم زرتعاون انفرادی پالیسیز گزشتہ سال کے اسی مدت کے تحریر کردہ 212 بلین کے مقابلے میں 388 بلین رہا۔

اس سال کمپنی کو گزشتہ سال کے 0.891 بلین بعد از ٹیکس منافع کے مقابلے 63.31 بلین بعد از کا نقصان ہوا۔ یہ نقصان گروپ اور انفرادی لائف انشورنس بزنس میں COVID-19 کی وجہ سے بڑھتے ہوئے اخراجات اور اس کے منفی اثرات کی وجہ سے ہوا۔

وڈ کافل آپریٹرز

کمپنی کے وڈ کافل آپریٹرز کے زیر جائزہ سہ ماہی نتائج کا خلاصہ ذیل میں مذکور ہے:

31 مارچ 2020

31 مارچ 2021

(دوبے زراہوں میں)

(غیر آڈٹ شدہ)

337,118	642,302	مجموعی زرتعاون
247,930	425,064	خالص زرتعاون
(27,192)	27,060	سرماہ کاری آمدن (نقصان)

آپریٹرز

1,280	473	سرماہ کاری آمدن
1,074	(47,523)	آپریٹرز کا (نقصان) / نفع قبل از ٹیکس
763	(33,742)	آپریٹرز کا (نقصان) / نفع بعد از ٹیکس

مستقبل کا مہر نامہ

بدقسمتی سے COVID-19 کے کاروبار اور معاشی ماحول پر تباہ کن وار جاری ہیں۔ البتہ ویکسینیشن کے پھیلاؤ اور حکومت کی طرف سے اٹھائے گئے حفاظتی اقدامات کی وجہ سے امید ہے کہ اگلے چند مہینوں میں معاشی سرگرمیاں درست راستے پر گامزن ہو جائیں گی۔ ہم پہلے ہی اپنی بک آف بزنس کو سخت مندرجہ شرح سے بڑھا رہے ہیں اور یہ اضافہ گزرتے سال کے ساتھ اور بڑھتا جائے گا۔ ہم اپنے معزز کسٹمر کو بلا تعطل خدمات کی فراہمی کے لیے کوشاں ہیں۔

بورڈ آف ڈائریکٹرز اپنے آئی جی آئی لائف کے کسٹمرز اور بزنس پارٹنر کے ممنون ہیں۔ ہم اپنے اسٹیک ہولڈرز کے کمپنی پر اعتماد اور اپنی کمپنی کے ملازمین کی انتھک محنت پر شکریہ ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی نیابت میں

سید حمید علی
چیف ایگزیکٹو آفیسر

بتاریخ: 28 اپریل 2021

فہیمہ امرنان
چیرمین

بتاریخ: 28 اپریل 2021

IGI LIFE INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

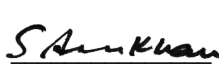
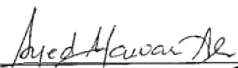
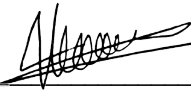
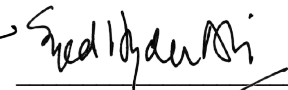

AS AT MARCH 31, 2021

	Note	(Un-audited) March 31 2021	(Audited) December 31, 2020
		----- Rupees in 000 -----	
Assets			
Property and equipment	9	389,480	347,639
Intangible assets	9	372,402	383,324
Investments			
Equity securities	10	43,143	43,143
Mutual funds	10	4,787,373	4,007,910
Government securities	11	13,374,978	13,640,253
Debt securities	12	225,000	225,000
Term deposits	13	655,307	1,101,600
		19,085,801	19,017,906
Loans secured against life insurance policies		177,383	171,811
Insurance / takaful / reinsurance / retakaful receivables		355,412	208,194
Other loans and receivables		415,838	393,085
Taxation - payments less provision		642,082	631,002
Deferred tax asset - net		299,936	265,015
Prepayments		275,971	86,503
Cash and bank	14	428,877	363,263
Total assets		22,443,182	21,867,742
Equity and liabilities			
Capital and reserves attributable to Company's equity holders			
Authorised share capital			
(300,000,000 (2020: 300,000,000) ordinary shares of Rs. 10 each)		3,000,000	3,000,000
Issued, subscribed and paid-up capital		1,705,672	1,705,672
Ledger account C & D		(716,269)	(641,955)
Unappropriated profit		1,081,680	1,070,680
Surplus on revaluation of available for sale investments - net		(8,465)	2,331
Total equity		2,062,618	2,136,728
Liabilities			
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	15	18,474,446	18,152,024
Outstanding claims		588,068	477,224
Retirement benefit obligations		25,124	24,457
Premium received in advance		430,979	398,697
Reinsurance / retakaful payables		51,006	40,965
Other creditors and accruals		647,764	501,433
Lease liability against right-of-use assets		163,177	136,214
Total liabilities		20,380,564	19,731,014
Total equity and liabilities		22,443,182	21,867,742
Contingencies and commitments			

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The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

				
Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

IGI LIFE INSURANCE LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2021

		----- (Un-audited) -----	
		For the quarter and three months ended March 31	
Note		2021	2020
		----- Rupees in 000 -----	
	Premium / contribution revenue	1,936,797	1,346,124
	Less: premium / contribution ceded to reinsurers / retakaful operators	57,383	45,031
17	Net premium / contribution revenue	1,879,414	1,301,093
18	Investment income	269,200	451,681
	Net realised fair value gains / (losses) on financial assets	27,632	(99,515)
	Other income - net	15,440	17,426
		312,272	369,592
	Net income	2,191,686	1,670,685
	Insurance benefits	1,376,156	1,341,405
	Recoveries from reinsurers / retakaful operators	(56,902)	(5,606)
19	Net insurance benefits	1,319,254	1,335,799
		872,432	334,886
	Change in insurance liabilities (other than outstanding claims)	308,220	(99,196)
20	Acquisition expenses	405,206	203,833
21	Marketing and administration expenses	243,494	226,794
22	Other expenses	1,651	1,651
	Total expenses	958,571	333,082
		(86,139)	1,804
	Finance costs	3,038	550
	(Loss) / profit before tax	(89,177)	1,254
23	Income tax	(25,863)	363
	(Loss) / profit after tax	(63,314)	891
		----- Rupees -----	
24	(Loss) / earning per share	(0.37)	0.01






The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

				
Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

IGI LIFE INSURANCE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2021

		<u>------(Un-audited)-----</u>	
		<u>For the quarter and three months ended March 31</u>	
Note		<u>2021</u>	<u>2020</u>
		<u>-----Rupees in 000-----</u>	
	(Loss) / profit after tax	(63,314)	891
Other comprehensive (loss) / income			
	Change in unrealised income / (loss) on available-for-sale financial assets - net of tax	3,406	(238,912)
	Change in insurance liabilities - net	(14,202)	175,701
	Other comprehensive (loss) for the period	(10,796)	(63,211)
	Total comprehensive loss for the period	<u>(74,110)</u>	<u>(62,320)</u>

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

				
Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer






IGI LIFE INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2021

	Attributable to equity holders of the Company				
	Share capital	Un-appropriated profit *	Ledger C & D account	Capital reserve	Total
				Net surplus / (deficit) on revaluation of available for sale investments **	
	-----Rupees in 000-----				
Balance as at December 31, 2019 (audited)	1,705,672	675,543	(148,245)	7,743	2,240,713
Total comprehensive income / (loss)					
Profit / (loss) for the quarter ended March 31, 2020	-	24,977	(24,086)	-	891
Other comprehensive loss for the quarter ended March 31, 2020	-	-	-	(63,211)	(63,211)
	-	24,977	(24,086)	(63,211)	(62,320)
Balance as at March 31, 2020 (un-audited)	1,705,672	700,520	(172,331)	(55,468)	2,178,393
Total comprehensive income / (loss)					
Profit / (loss) for the nine months ended December 31, 2020	-	166,102	(262,718)	-	(96,616)
Other comprehensive loss for the nine months ended December 31, 2020	-	-	(2,848)	57,799	54,951
	-	166,102	(265,566)	57,799	(41,665)
Appropriation of surplus from ledger D to Shareholder fund	-	204,058	(204,058)	-	-
Balance as at December 31, 2020 (audited)	1,705,672	1,070,680	(641,955)	2,331	2,136,728
Total comprehensive income / (loss)					
Profit / (loss) for the quarter ended March 31, 2020	-	11,000	(74,314)	-	(63,314)
Other comprehensive loss for the quarter ended March 31, 2020	-	-	-	(10,796)	(10,796)
	-	11,000	(74,314)	(10,796)	(74,110)
Balance as at March 31, 2021 (un-audited)	<u>1,705,672</u>	<u>1,081,680</u>	<u>(716,269)</u>	<u>(8,465)</u>	<u>2,062,618</u>

* 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.

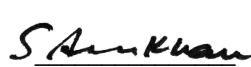

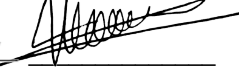
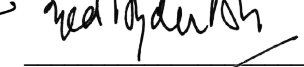

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

				
Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

IGI LIFE INSURANCE LIMITED
STATEMENT OF CASH FLOWS
FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2021

		----- (Un-audited) -----	
		For the quarter and three months ended March 31	
Note		2021	2020
		----- Rupees in 000 -----	
Operating Cash flows			
(a) Underwriting activities			
	Premiums received net of policy transfers	1,831,243	1,344,441
	Reinsurance premium paid	(73,609)	(101,032)
	Claims paid	(318,519)	(427,749)
	Surrenders paid	(949,337)	(957,973)
	Reinsurance recovery received	47,520	33,215
	Commission paid	(308,060)	(183,042)
	Commission received	12,492	9,616
	Net cash inflow from / (outflow on) underwriting activities	241,730	(282,524)
(b) Other operating activities			
	Income tax paid	(15,573)	(73,355)
	Payment for expenses	(304,995)	(225,887)
	Other operating receipts	7,164	4,454
	Loans advanced	(690)	3,534
	Loan repayments received	2,958	(147)
	Net cash outflow on other operating activities	(311,136)	(291,401)
Total cash outflow on all operating activities		(69,406)	(573,925)
Investment activities			
	Profit / return received	230,294	640,008
	Dividend received	2,157	4,137
	Payment for investments	(994,320)	(448,867)
	Proceeds from disposal of investments	491,872	439,006
	Fixed capital expenditure	(49,342)	(68,940)
	Fixed assets disposals	2,133	-
	Capital work in progress	5,933	(43,238)
	Total cash (outflow on) / inflow from investing activities	(311,273)	522,106
Financing activities			
	Dividends paid	-	-
	Total cash (outflow) / inflow on financing activities	-	-
Net cash outflow from all activities		(380,679)	(51,819)
	Cash and cash equivalents at beginning of the year	1,464,863	1,642,569
	Cash and cash equivalents at end of the period	1,084,184	1,590,750
14.2			
Reconciliation to Profit and Loss Account			
	Operating cash flows	(69,406)	(573,925)
	Depreciation and amortisation expenses	(39,421)	(31,476)
	Gain on disposal of fixed assets	2,093	-
	Increase in assets other than cash	351,579	93,613
	Increase in liabilities	(623,091)	389,832
	Investment income	311,538	114,246
	Profit received on bank deposits	3,394	8,601
	(Loss) / profit after taxation	(63,314)	891

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

				
Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

IGI LIFE INSURANCE LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** IGI Life Insurance Limited ("the Company") was incorporated in Pakistan on October 9, 1994 as a public limited company under the Companies Ordinance, 1984 (now the Companies Act, 2017). Its shares are quoted on the Pakistan Stock Exchange Limited. The Company commenced its operations on May 25, 1995 after registration with the Controller of Insurance on April 30, 1995. The registered office of the Company is situated at 7th Floor, The Forum, Suite No. 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi. The registered office is also the principal office of the Company.
- 1.2** The Company is a subsidiary of IGI Holdings Limited ("Holding Company") which holds 82.69% (2019: 82.69%) share capital of the Company.
- 1.3** The Company is engaged in life insurance, carrying on both participating and non-participating business. The Company is also engaged in providing Shariah Compliant family takaful products as an approved window takaful operator.
- 1.4** In accordance with the requirements of the Insurance Ordinance, 2000, the Company established a Shareholders' Fund and Separate Statutory Funds, in respect of each class of life insurance and family takaful business. The Statutory Funds established by the Company, in accordance with the advice of the Appointed Actuary are as follows:
- Life (participating)
 - Life (non-participating) – Individual
 - Life (non-participating) – Group
 - Accident & Health – Individual
 - Accident & Health – Group
 - Pension Business Fund
 - Investment Linked
 - Individual Family Takaful
 - Accident & Health Takaful – Individual
 - Group Family Takaful
 - Group Health Takaful

2 BASIS OF PREPARATION

- 2.1** 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 comprise of:
- Accounting Standards (IAS 34) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012.

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

- 2.2** 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, 2020.
- 2.3** 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, 2020.

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

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

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

There are certain other new and amended standards and interpretations that are mandatory for the Company's accounting period beginning on or after January 1, 2020, but are considered not to be relevant or do not have any significant effect on the Company's operations and are therefore not detailed in these condensed interim financial statements.

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

5.2.1 The following revised standards, amendments and interpretations with respect to the accounting and reporting standards would be effective for the dates mentioned below against the respective standards, amendments or interpretations:

	Effective date (period beginning on or after)
- IFRS 16 - 'Leases' (amendments)	June 1, 2020
- IAS 16 - 'Property, plant and equipment' (amendments)	January 1, 2022
- IAS 37 - 'Provisions, contingent liabilities and contingent assets' (amendments)	January 1, 2022
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2023
- IFRS 9 - 'Financial Instruments'	January 1, 2023*

* The management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Further details relating to temporary exemption from the application of IFRS 9 is given in note 8 to these condensed interim financial statements.

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

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

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those applied to the annual audited financial statements for the year ended December 31, 2020. The Company intends to have an actuarial valuation in respect of staff retirement benefit plan for 2021 conducted at the year end. Hence actuarial gains / losses for the quarter ended March 31, 2021 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, 2020.

8 TEMPORARY EXEMPTION FROM APPLICATION OF IFRS 9

As an insurance company, the management has opted temporary exemption from the application of IFRS 9 as allowed by the International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosures, as required by the IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given in note 8.1 below:

8.1 Fair value of financial assets as at March 31, 2021 and change in the fair values during the quarter ended March 31, 2020:

Financial assets with contractual cash flows that meet the SPPI criteria, excluding those held for trading Rupees in 000

Pakistan Investment Bonds - available for sale (refer note 11)

Opening fair value	2,775,342
Additions / (disposals) during the period	1,585,247
Increase / (decrease) in fair value	(10,042)
Closing fair value	<u>4,350,547</u>

Market Treasury Bills - available for sale (refer note 11)

Opening fair value	10,589,744
Additions / disposals during the period	(1,841,136)
Increase / (decrease) in fair value	(1,269)
Closing fair value	<u>8,747,339</u>

GOP Ijarah Sukuk - available for sale (refer note 11)

Opening fair value	275,167
Additions / disposals during the period	(6,625)
Increase / (decrease) in fair value	8,550
Closing fair value	<u>277,092</u>

Debt Securities - available for sale (refer note 12)

Opening fair value	225,000
Additions / disposals during the period	-
Increase / (decrease) in fair value	-
Closing fair value	<u>225,000</u>

Financial assets that do not meet the SPPI criteria

Mutual funds - available for sale (refer note 10)

Opening fair value	4,007,910
Additions / disposals during the period	1,463,158
Increase / (decrease) in fair value	(683,695)
Closing fair value	<u>4,787,373</u>

Listed equities - available for sale (refer note 10)

Opening fair value	43,143
Additions / disposals during the period	-
Increase / (decrease) in fair value	-
Closing fair value	<u>43,143</u>

9	PROPERTY AND EQUIPMENT	Note	Un-audited March 31, 2021	Audited December 31, 2020
			----- Rupees in 000 -----	
	Tangible assets (including right-of-use-asset)		373,127	325,353
	Capital work-in-progress		16,353	22,286
			389,480	347,639
	Intangible assets		372,402	383,324
		9.1	761,882	730,963
9.1	Opening net book value		708,677	640,601
	Add: Additions during the period / year			
	- Leasehold improvements		7,689	9,403
	- Furniture and fixtures		8,454	11,346
	- Office equipment		990	8,902
	- Computer equipment		10,389	31,195
	- Motor vehicles - owned		-	101
	- Right-of-use assets		39,124	147,967
	- Software and licenses		9,647	26,010
			76,293	234,924
	Less: net book value of disposals		20	2,117
	Less: depreciation and amortisation for the period / year		39,421	164,731
			39,441	166,848
	Closing net book value		745,529	708,677
	Add: capital work-in progress		16,353	22,286
			761,882	730,963

10 INVESTMENTS IN EQUITY SECURITIES

	Un-audited			Audited		
	As at March 31, 2021			As at December 31, 2020		
	Carrying amount	Market value	Surplus on revaluation of investments	Carrying amount	Market value	Surplus on revaluation of investments
-----Rupees in 000-----						
Available for sale:						
Listed equity securities	39,320	43,143	3,823	39,320	43,143	3,823
Mutual Funds	4,772,675	4,787,373	14,698	3,309,517	4,007,910	698,393
	4,811,995	4,830,516	18,521	3,348,837	4,051,053	702,216

11 INVESTMENTS IN GOVERNMENT SECURITIES

	Note	Un-audited			Audited		
		As at March 31, 2021			As at December 31, 2020		
		Carrying amount	Market value	Surplus / (deficit) on revaluation of investments	Carrying amount	Market value	Surplus / (deficit) on revaluation of investments
-----Rupees in 000-----							
Available for sale:							
Pakistan Investment Bonds	11.1 & 11.2	4,357,192	4,350,547	(6,645)	2,771,945	2,775,342	3,397
Market Treasury Bills	11.3	8,745,937	8,747,339	1,402	10,587,073	10,589,744	2,671
GOP Ijarah Sukuk	11.4	278,131	277,092	(1,039)	284,756	275,167	(9,589)
		13,381,260	13,374,978	(6,282)	13,643,774	13,640,253	(3,521)

11.1 The effective yield on Pakistan Investment Bonds ranges from 7.16% to 11.55% (December 31, 2020: 6.40% to 12.68%) per annum. The market yield ranges from 7.00% to 10.50% (December 31, 2020: 7.12% to 8.20%) per annum.

- 11.2** The Company has deposited 10 years Pakistan Investment Bonds having face value amounting to Rs. 193 million (December 31, 2020: Rs. 192.34 million) with the State Bank of Pakistan under section 29 of the Insurance Ordinance, 2000.
- 11.3** The effective yield on Market Treasury Bills ranges from 7.14% to 7.45% (December 31, 2020: 6.50% to 13.12%) per annum. The market yield ranges from 7.21% to 7.36% (December 31, 2020: 7.07% to 7.15%) per annum.
- 11.4** The effective yield on GOP Ijarah Sukuk ranges from 5.95% to 6.67% (December 31, 2020: 6.63% to 7.37%) per annum.

12 INVESTMENTS IN DEBT SECURITIES

Note	Un-audited			Audited		
	As at March 31, 2021			As at December 31, 2020		
	Carrying amount	Market value	Surplus / (deficit) on revaluation of investments	Carrying amount	Market value	Surplus / (deficit) on revaluation of investments
-----Rupees in 000-----						

Available for sale:

Unlisted term finance certificates

12.1	225,000	225,000	-	225,000	225,000	-
	<u>225,000</u>	<u>225,000</u>	<u>-</u>	<u>225,000</u>	<u>225,000</u>	<u>-</u>

- 12.1** The effective yield on term finance certificates are 7.25% to 7.35% (December 31, 2020: 7.25% to 7.35%) per annum.

13 INVESTMENTS IN TERM DEPOSIT RECEIPTS

	Un-audited			Audited		
	As at March 31, 2021			As at December 31, 2020		
	Principal amount	Tenure	Rates	Principal amount	Tenure	Rates
	Rupees in 000			Rupees in 000		

Held to maturity

Term Deposit Receipts	655,307	1 month to 3 months	6.25% to 7% per annum	1,101,600	1 month to 3 months	6.25% to 6.75% per annum
	<u>655,307</u>			<u>1,101,600</u>		

14 CASH AND BANK

Cash in hand

917 650

Cash at bank

- Savings accounts

Note	Un-audited March 31, 2021	Audited December 31, 2020
	----- Rupees in 000 -----	
14.1	427,960	362,613
	<u>428,877</u>	<u>363,263</u>

- 14.1** These savings accounts carry markup rates ranging between 5.5% per annum (December 31, 2020: 5.5%).

14.2 Cash and cash equivalents

Cash and bank balances

14 428,877 363,263

Term deposit receipts (with original maturity of less than 3 months)

13 655,307 1,101,600

1,084,184 1,464,863

Note	Un-audited March 31, 2021	Audited December 31, 2020
	- - - Rupees in 000 - - -	

15 INSURANCE LIABILITIES

Incurred but not reported claims	171,194	169,197
Investment component of unit-linked and account value policies	9,604,591	9,370,557
Liabilities under individual conventional insurance contracts	6,862,685	6,904,090
Liabilities under group insurance contracts	507,097	293,447
Other insurance liabilities	842,709	921,907
Ledger account A and B	486,170	492,826
	<u>18,474,446</u>	<u>18,152,024</u>

16 CONTINGENCIES AND COMMITMENTS

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

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

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

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

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

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

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

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

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

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

Had the sales tax liability on life insurance and health insurance premium been recorded, the loss after tax would have been higher by Rs. 260.906 million while sales tax liability as at March 31, 2021 would have been higher by Rs. 367.474 million.

----- (Un-audited) -----	
For the quarter and three months ended March 31	
2021	2020
----- Rupees in 000 -----	

17 NET PREMIUM / CONTRIBUTION REVENUE

Gross premiums / contribution:

Regular premium / contribution individual policies*

First year	458,216	188,059
Second year renewal	122,902	78,645
Subsequent year renewal	306,917	306,090

Single premium / contribution individual policies	387,730	212,021
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Group policies without cash value	661,032	561,309
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Total gross premiums / contribution	1,936,797	1,346,124
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Less: reinsurance premium / contribution ceded

On individual life first year business	9,197	6,513
On individual life second year business	3,795	1,749
On individual life renewal business	9,555	8,566
On single premium policies	798	1,107
On individual accident and health first year	2,107	607
On group policies	44,423	36,105
Commission from reinsurers	(12,492)	(9,616)
	57,383	45,031

Net premium / contribution	1,879,414	1,301,093
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* Individual policies are those underwritten on an individual basis, and includes joint life policies underwritten as such.

18 INVESTMENT INCOME

Return on government securities	248,022	364,767
Amortisation of discount / (premium)	22	19,906
Dividend income	2,157	4,137
Profit on term deposit receipts	14,050	46,185
Profit on debt securities	4,949	16,686
	269,200	451,681

(Un-audited)	
For the quarter and three months ended March 31	
2021	2020
Rupees in 000	

19 NET INSURANCE BENEFITS

Gross claims

Claims under individual policies

By death	57,485	14,476
By insured event other than death	-	-
By maturity	2,159	3,648
By surrender	949,337	957,973

Total gross individual policy claims

1,008,981	976,097
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Claims under group policies

by death	181,314	77,244
by insured event other than death	188,406	295,447
by surrender	-	-
experience refund	(2,545)	(7,383)

Total gross group policy claims

367,175	365,308
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Total gross policy claims

1,376,156	1,341,405
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Less: reinsurance recoveries

On individual life claims	18,642	1,478
On group life claims	38,260	4,128
	56,902	5,606

Net insurance benefit expense

1,319,254	1,335,799
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20 ACQUISITION EXPENSES

Remuneration to insurance intermediaries

on individual policies:

- Commission on first year premiums / contribution	193,620	71,137
- Commission on second year premiums / contribution	7,870	1,379
- Commission on subsequent renewal premiums / contribution	10,045	12,395
- Commission on single premiums / contribution	12,569	6,656
- Other benefits to insurance intermediaries	93,086	43,760
	317,190	135,327

Remuneration to insurance intermediaries on group policies:

- Commission	21,620	28,613
- Other benefits to insurance intermediaries	833	827
	22,453	29,440

Branch overheads :

- Salaries and other benefits	31,905	14,339
- Other operational cost	30,674	21,180
	62,579	35,519

Other acquisition cost :

- Policy stamps	2,984	3,547
	405,206	203,833

		----- (Un-audited) -----	
		For the quarter and three months ended March 31	
		2021	2020
		----- Rupees in 000 -----	
21	MARKETING AND ADMINISTRATION EXPENSES		
	Salaries, allowances & other benefits	96,576	100,987
	Travelling expenses	838	2,722
	Directors fees	2,100	1,579
	Regulators fee	2,619	4,013
	Actuary's fees	2,535	2,276
	Legal and professional charges	3,436	1,286
	Advertisement and publicity	4,383	4,897
	Printing and stationery	7,866	4,067
	Depreciation and amortisation	39,421	31,476
	Rentals	10,542	11,345
	Vehicles and general repair and maintenance	36,812	38,405
	Utilities-electricity, water and gas	3,988	2,696
	Transportation	298	1,206
	Communication	6,719	8,471
	Consultancy fee	3,291	2,128
	Training and workshop	882	17
	Insurance	1,924	1,652
	Interest on premium deposit in advance	249	436
	Social security	747	760
	Entertainment	7,539	1,814
	Books and subscriptions	1	-
	Miscellaneous expenses	10,728	4,561
		<u>243,494</u>	<u>226,794</u>

22 OTHER EXPENSES

Auditors' remuneration	1,651	1,651
	<u>1,651</u>	<u>1,651</u>

23 TAXATION

As per Income Tax Ordinance, 2001, the current tax expense is chargeable to income attributable to shareholder's fund only. During the three months ended March 31, 2021, the shareholder's fund reflected a profit before tax of Rs. 15.493 million resulting in current tax amounting to Rs. 4.493 million.

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. Therefore the Company has recognised deferred tax of Rs. 292.563 million (December 31, 2020: Rs. 262.208 million) in this respect.

		----- (Un-audited) -----	
		For the quarter and three months ended March 31	
		2021	2020
		----- Rupees in 000 -----	
24	(LOSS) / EARNING PER SHARE		
	Basic / diluted (loss) / earning per share		
	(Loss) / profit for the period	(63,314)	891
	Weighted average number of ordinary shares	<u>170,567,200</u>	<u>170,567,200</u>
		----- (Rupees) -----	
	(Loss) / earning per share	<u>(0.37)</u>	<u>0.01</u>

25 SEGMENT INFORMATION

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

25.1 Revenue Account by Statutory Funds

(Un-audited)											
For the three months ended March 31, 2021											
CONVENTIONAL - STATUTORY FUNDS							TAKAFUL - STATUTORY FUNDS				Total
Life (Participating)	Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	Individual Family	Individual Accidental and Health	Group Family	Group Health	
	Individual	Group		Individual	Group						

----- Rupees in '000 -----

INCOME

Premiums / contribution less reinsurances / retakaful

Net investment income

Other income - net

Total net income

6,486	144,967	190,744	508,093	5,120	367,514	16,254	582,702	2,945	12,008	30,089	1,866,922
37,253	108,729	38	104,119	6	-	1,832	24,492	-	11	72	276,552
1,787	3,928	722	2,167	26	6,099	51	13,245	11	172	1,068	29,276
45,526	257,624	191,504	614,379	5,152	373,613	18,137	620,439	2,956	12,191	31,229	2,172,750

CLAIMS AND EXPENDITURE

Claims, including bonuses, net of reinsurance recoveries

Policy transfers to other statutory funds

Management expenses less recoveries

Total claims and expenditure

49,637	307,766	127,495	475,313	70	181,530	4,484	157,553	-	7,039	8,367	1,319,254
-	-	-	-	-	-	-	-	-	-	-	-
2,399	70,501	21,229	206,765	8,315	55,153	-	249,953	1,180	6,166	13,579	635,240
52,036	378,267	148,724	682,078	8,385	236,683	4,484	407,506	1,180	13,205	21,946	1,954,494

Excess / (shortage) of income over claims and expenditure

(6,510)	(120,643)	42,780	(67,699)	(3,233)	136,930	13,653	212,933	1,776	(1,014)	9,283	218,256
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Add: Policyholders' liabilities at beginning of the period

Less: Policyholders' liabilities at end of the period

Movement in policyholders' liabilities

1,608,424	5,889,954	173,327	6,661,453	18,173	264,633	178,582	2,898,419	2,014	(12,790)	(22,991)	17,659,198
(1,608,570)	(5,749,241)	(240,229)	(6,652,326)	(21,037)	(389,757)	(191,833)	(3,145,957)	(4,451)	11,103	4,022	(17,988,276)
(146)	140,713	(66,902)	9,127	(2,864)	(125,124)	(13,251)	(247,538)	(2,437)	(1,687)	(18,969)	(329,078)

Surplus / (deficit) before tax

Taxation

Surplus / (deficit) after tax

(6,656)	20,070	(24,122)	(58,572)	(6,097)	11,806	402	(34,605)	(661)	(2,701)	(9,686)	(110,822)
-	(5,709)	7,007	17,046	1,770	(3,423)	(116)	9,994	191	780	2,816	30,356
(6,656)	14,361	(17,115)	(41,526)	(4,327)	8,383	286	(24,611)	(470)	(1,921)	(6,870)	(80,466)

Movement in policyholders' liabilities

146	(140,713)	66,902	(9,127)	2,864	125,124	13,251	247,538	2,437	1,687	18,969	329,078
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Transfers (to) or from shareholders' fund

- Capital contributions from shareholders' fund

- Qard-e-Hasna from Operators' Sub Fund to PTF

- Qard-e-Hasna received from PTF to Operators' Sub Fund

- Capital returned to shareholder's fund

- Surplus appropriated to shareholders' fund

-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-

Balance of statutory fund at beginning of the period

2,101,250	6,110,213	175,633	6,502,999	25,083	288,221	186,904	2,603,437	1,486	894	20,740	18,016,860
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Balance of statutory fund at end of the period

2,094,740	5,983,861	225,420	6,452,346	23,620	421,728	200,441	2,826,364	3,453	660	32,839	18,265,472
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Represented by:

Capital contributed by shareholders' fund

Policyholders' liabilities / PTF

Retained earnings attributable to policyholders
(Ledger Account A)

Retained earnings on par business attributable
to shareholders - undistributable (Ledger Account B)

Retained earnings on other than
participating business (Ledger Account D) / PTF

Revaluation surplus / (deficit) on revaluation
of available for sale investments

-	-	-	242,100	42,000	-	6,000	101,500	-	16,200	92,500	500,300
1,608,570	5,749,241	240,229	6,652,326	21,037	389,757	191,833	3,145,957	4,451	(11,103)	(4,022)	17,988,276
441,260	-	-	-	-	-	-	-	-	-	-	441,260
44,910	-	-	-	-	-	-	-	-	-	-	44,910
-	225,032	(14,613)	(441,015)	(39,386)	31,971	2,608	(420,061)	(998)	(4,379)	(55,428)	(716,269)
-	9,588	(196)	(1,065)	(31)	-	-	(1,032)	-	(58)	(211)	6,995

BALANCE OF STATUTORY FUND

2,094,740	5,983,861	225,420	6,452,346	23,620	421,728	200,441	2,826,364	3,453	660	32,839	18,265,472
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(Un-audited)											
For the three months ended March 31, 2020											
CONVENTIONAL - STATUTORY FUNDS							TAKAFUL - STATUTORY FUNDS				Total
Life (Participating)	Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	Individual Family	Individual Accidental and Health	Group Family	Group Health	
	Individual	Group		Individual	Group						

----- Rupees in '000 -----

INCOME

Premiums/contribution less reinsurances/retakaful

Net investment income

Other income - net

Total net income

7,434	98,495	145,168	356,189	1,659	353,059	-	302,496	-	8,467	18,510	1,291,477
110,041	324,744	(732)	(130,870)	(103)	(658)	6,984	(265,033)	-	(940)	(2,480)	40,953
1,976	3,010	965	3,081	14	6,350	-	33,741	-	398	1,442	50,977
119,451	426,249	145,401	228,400	1,570	358,751	6,984	71,204	-	7,925	17,472	1,383,407

CLAIMS AND EXPENDITURE

Claims, including bonuses, net of reinsurance recoveries

Policy transfers to other statutory funds

Management expenses less recoveries

Total claims and expenditure

33,368	265,594	68,448	437,493	(113)	249,764	137	238,277	-	7,639	35,192	1,335,799
-	-	-	-	-	-	-	-	-	-	-	-
1,335	31,491	21,205	171,919	5,547	63,809	-	112,720	-	3,069	7,554	418,649
34,703	297,085	89,653	609,412	5,434	313,573	137	350,997	-	10,708	42,746	1,754,448

Excess of Income over claims and expenditure

84,748	129,164	55,748	(381,012)	(3,864)	45,178	6,847	(279,793)	-	(2,783)	(25,274)	(371,041)
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Add: Policyholders' liabilities at beginning of the period

Less: Policyholders' liabilities at end of the period

Movement in policyholders' liabilities

1,558,617	6,093,433	99,126	5,934,041	14,841	352,032	146,962	2,238,892	-	19,872	(2,877)	16,454,939
(1,569,395)	(6,217,299)	(163,930)	(5,597,633)	(14,079)	(425,773)	(153,943)	(1,965,379)	-	(18,331)	19,690	(16,106,072)
(10,778)	(123,866)	(64,804)	336,408	762	(73,741)	(6,981)	273,513	-	1,541	16,813	348,867

Surplus / (deficit) before tax

Taxation

Surplus / (deficit) after tax

73,970	5,298	(9,056)	(44,604)	(3,102)	(28,563)	(134)	(6,280)	-	(1,242)	(8,461)	(22,174)
-	(13,832)	2,552	11,984	889	8,518	39	(2,252)	-	127	1,814	9,839
73,970	(8,534)	(6,504)	(32,620)	(2,213)	(20,045)	(95)	(8,532)	-	(1,115)	(6,647)	(12,335)

Movement in policyholders' liabilities

10,778	123,866	64,804	(336,408)	(762)	73,741	6,981	(273,513)	-	(1,541)	(16,813)	(348,867)
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Transfers (to) or from shareholders' fund

- Capital contributions from shareholders' fund

- Qard-e-Hasna from Operators' Sub Fund to PTF

- Qard-e-Hasna received from PTF to Operators' Sub Fund

- Capital returned to shareholder's fund

- Surplus appropriated to shareholders' fund

-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-

Balance of statutory fund at beginning of the period

1,967,858	6,558,849	191,462	5,880,468	4,193	375,873	154,363	2,159,828	-	22,817	45,156	17,360,867
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Balance of statutory fund at end of the period

2,052,606	6,674,181	249,762	5,511,440	1,218	429,569	161,249	1,877,783	-	20,161	21,696	16,999,665
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Represented by:

Capital contributed by shareholders' fund

Policyholders' liabilities / PTF

Retained earnings attributable to policyholders

(Ledger Account A)

Retained earnings on par business attributable

to shareholders - undistributable (Ledger Account B)

Retained earnings on other than

participating business (Ledger Account D) / PTF

Revaluation surplus / (deficit) on revaluation

of available for sale investments

-	197,552	-	242,100	12,000	4,300	6,000	101,500	-	1,200	77,500	642,152
1,569,395	6,217,299	163,930	5,597,633	14,079	425,773	153,943	1,965,379	-	18,331	(19,690)	16,106,072
446,660	-	-	-	-	-	-	-	-	-	-	446,660
36,551	-	-	-	-	-	-	-	-	-	-	36,551
-	295,831	85,970	(323,285)	(24,772)	(1,875)	1,306	(173,515)	-	1,514	(33,505)	(172,331)
-	(36,501)	(138)	(5,008)	(89)	1,371	-	(15,581)	-	(884)	(2,609)	(59,439)

BALANCE OF STATUTORY FUND

2,052,606	6,674,181	249,762	5,511,440	1,218	429,569	161,249	1,877,783	-	20,161	21,696	16,999,665
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25.2 Condensed Interim Statement of Financial Position by Segment

	----- Un-audited -----			----- Audited -----		
	March 31, 2021			December 31, 2020		
	Shareholders Fund	Statutory Funds	Total	Shareholders Fund	Statutory Funds	Total
	----- Rupees in 000 -----			----- Rupees in 000 -----		
Assets						
Property and equipment	284,988	104,492	389,480	252,467	95,172	347,639
Intangible assets	17,570	354,832	372,402	11,137	372,187	383,324
Investments						
Equity securities	-	43,143	43,143	-	43,143	43,143
Mutual funds	-	4,787,373	4,787,373	-	4,007,910	4,007,910
Government securities	1,075,746	12,299,232	13,374,978	812,242	12,828,011	13,640,253
Debt securities	-	225,000	225,000	-	225,000	225,000
Term deposits	11,000	644,307	655,307	-	1,101,600	1,101,600
Loans secured against life insurance policies	-	177,383	177,383	-	171,811	171,811
Insurance / takaful / reinsurance / retakaful receivables	-	355,412	355,412	-	208,194	208,194
Other loans and receivables	27,126	388,712	415,838	19,721	373,364	393,085
Taxation - payments less provision	642,082	-	642,082	631,002	-	631,002
Deferred tax asset - net	299,936	-	299,936	265,015	-	265,015
Prepayments	21,601	254,370	275,971	20,089	66,414	86,503
Cash and bank	98,877	330,000	428,877	650	362,613	363,263
Total assets	2,478,926	19,964,256	22,443,182	2,012,323	19,855,419	21,867,742
Liabilities						
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	-	18,474,446	18,474,446	-	18,152,024	18,152,024
Outstanding claims	-	588,068	588,068	-	477,224	477,224
Retirement benefit obligations	-	25,124	25,124	-	24,457	24,457
Premium received in advance	-	430,979	430,979	-	398,697	398,697
Reinsurance / retakaful payables	-	51,006	51,006	-	40,965	40,965
Other creditors and accruals	216,922	430,842	647,764	156,837	344,596	501,433
Liabilities against right-of-use assets	163,177	-	163,177	136,214	-	136,214
Total liabilities	380,099	20,000,465	20,380,564	293,051	19,437,963	19,731,014

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.

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

	----- (Un-audited) -----							
	For the quarter and three months ended March 31,							
	Holding Company		Post Employment Benefit Plans		Key Management Personnel		Other Related Parties	
	2021	2021	2021	2021	2021	2021	2021	2021
	----- (Rupees in '000) -----							
Transactions								
Premium underwritten	-	-	-	-	-	-	25,938	22,411
Premium paid for general insurance	-	-	-	-	-	-	2,005	1,359
Claims paid	-	-	-	-	-	-	11,446	12,304
Claims received	-	-	-	-	-	-	102	88
Charge for administrative services received	-	-	-	-	-	-	6,929	18,402
Charge for administrative services provided	-	2,356	-	-	-	-	1,912	1,800
Rent expense	-	-	-	-	-	-	10,147	12,227
Purchase of fixed asset	-	-	-	-	-	-	-	15,281
Remuneration paid	-	-	-	-	52,777	63,823	-	-
Charge in respect of employees gratuity fund	-	-	3,513	4,267	-	-	-	-
Charge in respect of provident fund	-	-	4,263	3,663	-	-	-	-
	-	-	-	-	-	-	-	-

Holding Company		Post Employment Benefit Plans		Key Management Personnel		Other Related Parties	
March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)

Balances

(Receivable) / payable for group shared services	(1,763)	(1,763)	-	-	-	-	59,017	77,105
Receivable/ payable for general insurance premium	-	-	-	-	-	-	19	145
Premium receivable	-	-	-	-	-	-	-	799
Retirement benefit obligations	-	-	25,124	24,457	-	-	-	-
Receivable to employee provident fund	-	-	3,575	(303)	-	-	-	-

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:

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

As at March 31, 2021 and December 31, 2020, the Company held the following financial instruments measured at fair value:

Assets carried at fair value

Available-for-sale investments

-----Un-audited-----		
As at March 31, 2021		
Level 1	Level 2	Level 3
----- Rupees in 000-----		

43,143	18,387,351	-
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Assets carried at fair value

Available-for-sale investments

-----Audited-----		
As at December 31, 2020		
Level 1	Level 2	Level 3
----- Rupees in 000-----		

43,143	17,873,163	-
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28 GENERAL

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

29 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 28, 2021 by the Board of Directors of the Company.

 Chairman
  Director
  Director
  Chief Executive Officer
  Chief Financial Officer

The logo for IGI (Islamic General Insurance) features the letters 'IGI' in a large, bold, blue serif font. A thin horizontal line is positioned directly beneath the letters.

Life | Window Takaful Operations

The logo for Vitality is written in a vibrant orange, cursive script font. A registered trademark symbol (®) is located at the top right of the word.

**Condensed Interim Financial Statements (Window
Takaful Operation)**


**For the quarter and three months ended March
31, 2021**

IGI LIFE INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT MARCH 31, 2021

	As at March 31, 2021			As at December 31, 2020
	Operator sub fund	Policyholders fund	Total	Total
Note	Rupees in 000			
Assets				
Property and equipment	115,425	-	115,425	75,833
Investments				
Mutual funds	85,267	2,093,980	2,179,247	1,547,908
Government Securities	115,751	161,341	277,092	275,167
Term deposits	11,020	594,307	605,327	1,085,167
	212,038	2,849,628	3,061,666	2,908,242
Takaful / retakaful receivables	-	22,728	22,728	1,713
Other loans and receivables	340,331	-	340,331	333,722
Taxation - payments less provision	43,312	-	43,312	40,658
Deferred tax asset - net	196,941	-	196,941	183,108
Prepayments	112,564	-	112,564	11,974
Cash and bank	31,525	35,748	67,273	(82,102)
Total assets	1,052,136	2,908,104	3,960,240	3,473,148
Equity and liabilities				
Equity and reserves				
Waqf Ceded Money	-	500	500	500
Capital contributed	259,700	-	259,700	259,700
Ledger account C & D	(480,867)	-	(480,867)	(447,125)
Surplus / (deficit) on revaluation of available for sale investments	(1,300)	-	(1,300)	(1,170)
Total equity	(222,467)	500	(221,967)	(188,095)
Liabilities				
Insurance liabilities [including policyholders' liabilities and profit retained in waqf]	86,113	3,049,170	3,135,283	2,864,652
Outstanding claims	-	46,249	46,249	35,003
Contribution received in advance	-	246,273	246,273	51,973
Takaful / retakaful payables	-	10,977	10,977	7,030
Other creditors and accruals	131,332	-	131,332	196,354
Interfund receivable / (payable)	991,801	(445,065)	546,736	471,835
Lease liability against right-of-use assets	65,357	-	65,357	34,396
Total liabilities	1,274,603	2,907,604	4,182,207	3,661,243
Total equity and liabilities	1,052,136	2,908,104	3,960,240	3,473,148
Contingencies and commitments				

9

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


Chairman


Director


Director


Chief Executive Officer


Chief Financial Officer

**IGI LIFE INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2021**

	Note	March 31, 2021			March 31, 2020		
		Operator sub fund	Policyholders fund	Total	Operator sub fund	Policyholders fund	Total
		-----Rupees in 000-----					
Contribution revenue	10	-	642,302	642,302	-	337,118	337,118
Less: wakala fee recognised		204,678	(204,678)	-	82,429	(82,429)	-
		204,678	437,624	642,302	82,429	254,689	337,118
Less: contribution ceded to retakaful operators	10	-	12,560	12,560	-	6,759	6,759
Net contribution revenue		204,678	425,064	629,742	82,429	247,930	330,359
Investment income		264	16,030	16,294	4,020	29,600	33,620
Net realised fair value gains / (losses) on financial assets		209	11,030	11,239	(2,740)	(56,792)	(59,532)
Takaful operator fee income		23,743	(23,743)	-	15,432	(15,432)	-
Other income - net		853	95	948	1,834	132	1,966
		25,069	3,412	28,481	18,546	(42,492)	(23,946)
Net income		229,747	428,476	658,223	100,975	205,438	306,413
Takaful benefits		-	181,751	181,751	-	284,608	284,608
Recoveries from retakaful operators		-	(8,792)	(8,792)	-	(3,500)	(3,500)
Net takaful benefits	11	-	172,959	172,959	-	281,108	281,108
		229,747	255,517	485,264	100,975	(75,670)	25,305
Change in takaful liabilities (including profit retained in waqf fund)		4,394	255,517	259,911	(24,328)	(75,670)	(99,998)
Acquisition expenses	12	201,243	-	201,243	73,142	-	73,142
Marketing and administration expenses		71,633	-	71,633	51,087	-	51,087
Total expenses		277,270	255,517	532,787	99,901	(75,670)	24,231
(Loss) / profit before tax attributable to Operator		(47,523)	-	(47,523)	1,074	-	1,074
Taxation		(13,781)	-	(13,781)	311	-	311
(Loss) / profit after tax attributable to Operator		(33,742)	-	(33,742)	763	-	763

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


Chairman


Director


Director


Chief Executive Officer


Chief Financial Officer

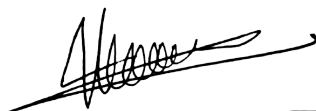
IGI LIFE INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2021

	March 31, 2021			March 31, 2020		
	Operator sub fund	Policyholders fund	Total	Operator sub fund	Policyholders fund	Total
	-----Rupees in 000-----					
(Loss) / profit after tax attributable to Operator	(33,742)	-	(33,742)	763	-	763
Other comprehensive loss						
Change in unrealised (loss) / gains on available-for-sale financial assets - net of tax	(130)	10,717	10,587	(17,057)	(191,869)	(208,926)
Change in takaful liabilities - net	-	(10,717)	(10,717)	-	191,869	191,869
Other comprehensive loss for the period	(130)	-	(130)	(17,057)	-	(17,057)
Total comprehensive loss for the period attributable to Operator	(33,872)	-	(33,872)	(16,294)	-	(16,294)

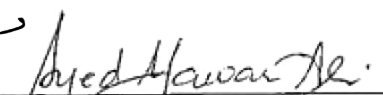
The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



Chairman



Director



Director



Chief Executive Officer



Chief Financial Officer

IGI LIFE INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2021

Attributable to equity holders of the Company				
Capital contributed	Waqf Ceded Money	Ledger C & D account	Surplus / (deficit) on revaluation of available for sale investments **	Total
-----Rupees in 000-----				
229,700	500	(206,270)	(2,016)	21,914
-	-	763	-	763
-	-	-	(17,057)	(17,057)
-	-	763	(17,057)	(16,294)
229,700	500	(205,507)	(19,073)	5,620
-	-	(241,618)	-	(241,618)
-	-	-	17,903	17,903
-	-	(241,618)	17,903	(223,715)
30,000	-	-	-	30,000
259,700	500	(447,125)	(1,170)	(188,095)
-	-	(33,742)	-	(33,742)
-	-	-	(130)	(130)
-	-	(33,742)	(130)	(33,872)
259,700	500	(480,867)	(1,300)	(221,967)

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

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


Chairman


Director


Director


Chief Executive Officer


Chief Financial Officer

IGI LIFE INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2021

OR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2021

	For the quarter and three months ended March 31,	
Note	2021	2020
	-----Rupees in 000-----	
Operating Cash flows		
(a) Underwriting activities		
Premiums received net of policy transfers - net of retakaful	797,152	334,348
Claims paid - net of retakaful recoveries	(9,016)	(40,562)
Surrenders paid	(152,697)	(237,106)
Commissions paid	(165,869)	(69,308)
Net cash inflow from underwriting activities	469,570	(12,628)
(b) Other operating activities		
Payment for expenses	(241,370)	(78,239)
Other operating receipts	38	1
Inter fund transactions	(145,430)	4,700
Net cash outflow on other operating activities	(386,762)	(73,538)
Total cash inflow from all operating activities	82,808	(86,166)
Investment activities		
Profit / return received	17,570	43,198
Dividend received	276	5
Payments (made) / received on investments	(430,922)	246,678
Fixed capital expenditure	(197)	-
Total cash (outflow) / inflow from investing activities	(413,273)	289,881
Net cash (outflow on) / inflow from all activities	(330,465)	203,715
Cash and cash equivalents at beginning of year	1,003,065	1,232,915
Cash and cash equivalents at end of period	672,600	1,436,630
Reconciliation to Profit and Loss Account		
Operating cash flows	82,808	(86,166)
Depreciation and amortisation expenses	10,815	6,900
Increase in assets other than cash	560,447	(244,852)
Decrease in liabilities	(716,293)	348,827
Investment income and other income	27,571	(25,911)
Profit received on bank deposits	910	1,965
Loss after taxation	(33,742)	763

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

				
Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

IGI LIFE INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

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

2 BASIS OF PREPARATION

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

2.1 Statement of compliance

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

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

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

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

The Company has applied the following standards for the first time for their accounting period commencing January 1, 2021:

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 and the Takaful Rules, 2012 shall prevail.

- 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, 2020.

- 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, 2020.

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

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

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

5.2.1 The following revised standards, amendments and interpretations with respect to the accounting and reporting standards would be effective for the dates mentioned below against the respective standards, amendments or interpretations:

	Effective date (period beginning on or after)
- IFRS 16 - 'Leases' (amendments)	June 1, 2020
- IAS 16 - 'Property, plant and equipment' (amendments)	January 1, 2022
- IAS 37 - 'Provisions, contingent liabilities and contingent assets' (amendments)	January 1, 2022
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2023
- IFRS 9 - 'Financial Instruments'	January 1, 2023*

* The management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with takaful. Further details relating to temporary exemption from the application of IFRS 9 is given in note 8 to these condensed interim financial statements.

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

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

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, 2020. The Company intends to have an actuarial valuation in respect of staff retirement benefit plan for 2021 conducted at the year end. Hence actuarial gains / losses for the three months ended March 31, 2021 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 TAKAFUL FINANCIAL AND RISK MANAGEMENT

The Company's takaful risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended December 31, 2020.

8 TEMPORARY EXEMPTION FROM APPLICATION OF IFRS 9

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

9 CONTINGENCIES AND COMMITMENTS

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

10 NET CONTRIBUTION REVENUE

Gross contribution:

Regular contribution individual policies*

First year

Second year renewal

Subsequent year renewal

Single contribution individual policies

Group policies without cash value

Total gross contribution

Less: retakaful contribution ceded

On individual life first year business

On individual life second year business

On individual life renewal business

On single premium policies

On group policies

Commission from reinsurers

Net contribution

(Un-audited)	
For the quarter and three months ended	
2021	2020
---- (Rupees in '000) ----	

283,298	103,566
112,433	35,838
65,673	100,095
134,145	67,419
46,753	30,200
642,302	337,118

4,148	1,890
2,152	767
3,044	1,729
38	36
5,176	3,223
(1,998)	(886)
12,560	6,759
629,742	330,359

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

11 NET TAKAFUL BENEFITS

Gross Claims

Claims under individual policies

By death

By surrender

Total gross individual policy claims

Claims under group policies

by death

by insured event other than death

experience refund

Total gross group policy claims

Total gross policy claims

Less: retakaful recoveries

On Individual life claims

On Group Life claims

Net takaful benefit expense

(Un-audited)	
For the quarter and three months ended	
2021	2020
---- (Rupees in '000) ----	

11,248	1,171
152,697	237,106
163,945	238,277

9,439	9,500
8,367	36,025
-	806
17,806	46,331

181,751	284,608
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6,392	-
2,400	3,500
8,792	3,500
172,959	281,108

12 ACQUISITION EXPENSES

(Un-audited)	
For the quarter and three months ended	
2021	2020
---- (Rupees in '000) ----	

Remuneration to takaful intermediaries on individual policies:

- Commission on first year contribution	111,039	37,209
- Commission on second year contribution	3,562	612
- Commission on subsequent renewal contribution	2,805	3,535
- Commission on single contribution	4,534	2,148
- Other benefits to takaful intermediaries	52,863	19,592
	174,803	63,096

Remuneration to takaful intermediaries on group policies:

- Commission	5,858	2,869
- Other benefits to takaful intermediaries	253	105
	6,111	2,974

Branch overheads :

- Salaries and other benefits	9,424	2,855
- Other operational cost	9,060	4,217
	18,484	7,072

Other acquisition cost :

- Policy stamps	1,845	-
	201,243	73,142

13 SEGMENT INFORMATION

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

13.1 Participants' Investment Fund (PIF)

(Un-audited)					
TAKAFUL - STATUTORY FUNDS				Aggregate	
Individual Family	Individual Accidental and Health	Group Family	Group Health	For the quarter and three months ended March 31,	
				2021	2020
----- (Rupees in '000) -----					
405,120	-	-	-	405,120	229,296
21,277	-	-	-	21,277	(248,656)
12,025	-	-	-	12,025	27,048
438,422	-	-	-	438,422	7,688
152,697	-	-	-	152,697	237,102
26,659	-	-	-	26,659	12,540
12,270	-	-	-	12,270	7,652
11,473	-	-	-	11,473	4,452
203,099	-	-	-	203,099	261,746
235,323	-	-	-	235,323	(254,058)
2,787,811	-	-	-	2,787,811	2,133,423
(3,023,134)	-	-	-	(3,023,134)	(1,879,365)
(235,323)	-	-	-	(235,323)	254,058
-	-	-	-	-	-
235,323	-	-	-	235,323	(254,058)
2,787,811	-	-	-	2,787,811	2,133,423
3,023,134	-	-	-	3,023,134	1,879,365

13.2 Participants' Takaful Fund (PTF)

(Un-audited)					
TAKAFUL - STATUTORY FUNDS				Aggregate	
Individual Family	Individual Accidental and Health	Group Family	Group Health	For the quarter and three months ended March 31,	
				2021	2020
(Rupees in '000)					
10,237	866	6,532	19,930	37,565	26,960
-	-	-	-	-	-
2,435	-	151	1,030	3,616	3,564
12,672	866	6,683	20,960	41,181	30,524
4,856	-	7,039	8,367	20,262	44,006
-	-	-	-	-	-
4,856	-	7,039	8,367	20,262	44,006
7,816	866	(356)	12,593	20,919	(13,482)
49,958	606	(18,034)	(27,414)	5,116	33,373
(51,569)	(1,740)	(15,154)	(27,820)	(96,283)	(82,670)
-	203	29,601	42,641	72,445	66,116
(1,611)	(931)	(3,587)	(12,593)	(18,722)	16,819
6,205	(65)	(3,943)	-	2,197	3,337
1,611	931	3,587	12,593	18,722	(16,819)
-	-	-	-	-	-
49,958	606	7,113	18,995	76,672	79,929
57,774	1,472	6,757	31,588	97,591	66,447

13.3 Operators' Sub Fund (OSF)

(Un-audited)					
TAKAFUL - STATUTORY FUNDS				Aggregate	
Individual Family	Individual Accidental and Health	Group Family	Group Health	For the quarter and three months ended March 31,	
				2021	2020
(Rupees in '000)					
186,964	2,079	5,476	10,159	204,678	82,429
3,215	-	11	72	3,298	(19,797)
783	11	21	38	853	5,855
7,040	-	-	-	7,040	3,328
11,473	-	-	-	11,473	4,452
-	-	-	-	-	-
12,270	-	-	-	12,270	7,652
221,745	2,090	5,508	10,269	239,612	83,919
175,468	1,180	2,774	3,337	182,759	66,070
66,489	(191)	2,612	7,426	76,336	58,470
241,957	989	5,386	10,763	259,095	124,540
(20,212)	1,101	122	(494)	(19,483)	(40,621)
60,650	1,408	5,244	4,423	71,725	89,091
(65,049)	(2,979)	(7,287)	(10,799)	(86,114)	(64,764)
(4,399)	(1,571)	(2,043)	(6,376)	(14,389)	24,327
(24,611)	(470)	(1,921)	(6,870)	(33,872)	(16,294)
4,399	1,571	2,043	6,376	14,389	(24,327)
-	-	-	-	-	-
-	-	-	-	-	-
(234,332)	880	(6,219)	1,745	(237,926)	14,449
(254,544)	1,981	(6,097)	1,251	(257,409)	(26,172)
2,826,364	3,453	660	32,839	2,863,316	1,919,640

14 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

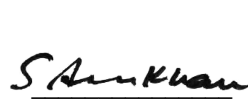
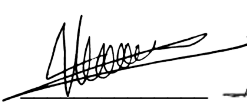
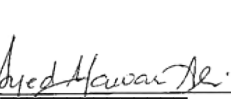
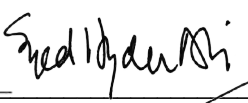

	As at March 31, 2021		
	Level 1	Level 2	Level 3
Assets carried at fair value	----- Rupees in '000-----		
Available-for-sale investments	-	2,456,339	-
	<hr/> <hr/>		
	As at December 31, 2020		
	Level 1	Level 2	Level 3
Assets carried at fair value	----- Rupees in '000-----		
Available-for-sale investments	-	1,823,075	-
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14 GENERAL

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

15 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 28, 2021 by the Board of Directors of the Company.

				
Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer