Condensed Interim Financial Statements

For the nine months ended September 30, 2021

The Directors of your Company are pleased to present the condensed interim financial statements (un-audited) for the nine months ended September 30, 2021:

Financial Highlights:

Profit / Loss	**Sep 30 2021**	**Sep 30 2020**
	(Rs. in 000')	
	(Unaudited)	
Net loss before tax	(297,018)	(97,995)
Taxation reversals	(86,135)	(28,419)
Net loss after tax	(210,883)	(69,576)
Other comprehensive loss - net	(14,937)	(30,448)
	(in Rupees)	
Loss per share	(1.24)	(0.41)
Break-up value per share (including amount retained in the statutory funds to meet the requirement of Insurance Ordinance)	11.20	12.55

During the nine months ended September 30, 2021, gross premium written by your Company (including takaful contributions) stood at Rs. 5.395 billion as against Rs. 4.484 billion in the corresponding period last year. Individual life regular premium (including takaful contributions) posted growth of 33% and stood at Rs. 2.625 billion as against Rs. 1.975 billion in the corresponding period last year. This rapid growth is a direct result of our investment in the Vitality Product in partnership with Discovery, South Africa. Vitality, with its focus on healthy living has been a huge success for us.

Group Life premiums / contribution (including takaful group family) stood at Rs. 528 million (2020: Rs. 618 million), posting a decrease of 15% from corresponding period of last year in line with our strategy to focus on improving the profitability of the business by shedding loss making business. Group Health premium / contribution (including takaful group health) stood at Rs 1,119 million (2020: Rs. 911 million), posting an increase of 23% from corresponding period of last year.

Single premium / contribution individual policies stood at Rs 1,124 million as compared to Rs. 983 million written in the corresponding period last year.

The Company posted loss after tax of Rs. 211 million as compared to loss after tax of Rs. 69 million in corresponding period of last year. The increase was due to increase in upfront acquisition costs as a result of rapid growth in our First Year Regular Premium 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 period ended under review are as follows:

Policyholders' Fund	**Sep 30 2021**	**Sep 30 2020**
	(Rs. in 000')	
	(Unaudited)	
Gross Contribution	2,064,947	1,106,476
Net Contribution	1,453,946	724,731
Investment Income / (Loss)	130,331	(28,617)
Operator's Fund		
Investment Income and other income	10,077	73,397
Operator's loss before tax	(273,874)	(182,877)
Operator's loss after tax	(194,451)	(129,843)

Future Outlook

The pace and severity of the pandemic has started to slow down with the roll out of vaccines and better understanding of the treatment pathways. We hope that this will have a positive impact on the economy in general. We expect to continue to grow at a healthy pace on the back of our flagship product, Vitality and our commitment to service with excellence. We are committed to creating long term value for our shareholders.

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: October 26, 2021

Syed Hyder Ali
Chief Executive Officer
Dated: October 26, 2021

IGI Life Vitality

ڈائریکٹرز رپورٹ برائے ممبرز

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر، 2021 کو ختم ہونے والے 9 ماہ کے لیے غیر پڑتال شدہ عبوری مالیاتی گوشوارے پیش کرنے میں انتہائی مسرت محسوس کر رہے ہیں۔

مالیاتی جھلکیاں

منافع/نقصان

	30 ستمبر 2021ء	30 ستمبر 2020ء
	روپے '000 میں	
	(غیر پڑتال شدہ)	
قبل از ٹیکس خالص نقصان	(297,018)	(97,995)
ٹیکسیشن کی تنسیخ	(86,135)	(28,419)
بعد از ٹیکس خالص نقصان	(210,883)	(69,576)
دیگر مجموعی نقصان۔ خالص	(14,937)	(30,448)
	(روپے میں)	
فی شیئر نقصان	(1.24)	(0.41)
بریک آپ ویلیو (اس میں انشورنس آرڈیننس کی تعمیل میں اسٹیچوری فنڈز میں رکھی رقم شامل ہے۔)	(11.20)	(12.55)

2021 میں ختم ہونے والے 9 ماہ کے دوران آپ کی کمپنی کی طرف سے تحریر کردہ مجموعی پریمیم (بشمول تکافل زرتعاون) گزشتہ سال اسی مدت کے دوران 4.484 بلین روپے کے مقابلے میں 5.395 بلین روپے رہیں۔ انفرادی زندگی کا ریگولر پریمیم (بشمول تکافل زرتعاون) 33 فیصد اضافے کے بعد 2.625 بلین روپے رہا جبکہ گزشتہ سال اسی مدت کے دوران ریگولر پریمیم 1.975 بلین روپے تھا۔ یہ تیز ترین نمو ''ڈسکوری''، جنوبی افریقہ کے ساتھ شراکت داری میں ''وائیٹلیٹی'' پراڈکٹ میں ہماری سرمایہ کاری کا نتیجہ ہے۔ وائیٹلیٹی ہمارے لئے ایک بڑا کامیاب پراڈکٹ ثابت ہوا ہے جو صحت مند طرز زندگی پر توجہ مرکوز کرتا ہے۔

گروپ لائف پریمیمز / زرتعاون (بشمول تکافل گروپ فیملی) میں گزشتہ سال کے مقابلے میں 15 فیصد کمی کے ساتھ 528 ملین روپے رہے (2020: 618 ملین روپے) جو کمپنی کے نقصان کی وجہ بننے والے کاروبار کو کم کر کے مجموعی منافع بڑھانے کو کمپنی کی حکمت عملی کے عین مطابق ہے۔ گروپ ہیلتھ پریمیم / زرشمولیت (بشمول تکافل گروپ ہیلتھ) 1,119 ملین روپے رہے (2020: 911 ملین روپے) جس میں گزشتہ سال اسی مدت کے مقابلے میں 23 فیصد اضافہ ہوا ہے۔

سنگل پریمیم / زرشمولیت انفرادی پالیسیاں گزشتہ سال کی اسی مدت کے 983 ملین روپے کے مقابلے میں اس سال 1,124 ملین روپے رہی۔

کمپنی نے گزشتہ سال کے 69 ملین روپے بعد ٹیکس نقصان کے مقابلے میں 211 ملین روپے کا بعد از ٹیکس نقصان ریکارڈ کیا ہے۔ یہ اضافہ فرسٹ ایئر ریگولر پریمیم میں تیز نمو کی وجہ سے ہونے والے کاروباری حصول کے اخراجات اور COVID-19 کی وجہ سے گروپ اور انفرادی انشورنس کے نقصان میں اضافہ کے تناسب کی وجہ سے ہے۔

IGI Life Vitality

ونڈو تکافل آپریشنز

زیر جائزہ ختم ہونے والے 9 ماہ کے لیے کمپنی کے ونڈو کافل آپریشنز کے نتائج کا خلاصہ مندرجہ ذیل ہے:

	30 ستمبر 2021ء	30 ستمبر 2020ء
پالیسی ہولڈر فنڈ	روپے '000 میں (غیر پڑتال شدہ)	
مجموعی زرشمولیت	2,064,947	1,106,476
خالص زرشمولیت	1, 453,946	724,731
سرمایہ کاری کی آمدنی	130,331	(28,617)
آپریٹرز فنڈ		
سرمایہ کاری کی آمدنی	10,077	73,397
قبل از ٹیکس آپریٹرز کا خسارہ	(273,874)	(182,877)
بعد از ٹیکس آپریٹرز کا خسارہ	(194,451)	(129,843)

مستقبل کے خدوخال

کورونا ویکسین کی دستیابی اور علاج کے طریقہ کار سے بہتر مفاہمت کے باعث COVID-19 کے پھیلاؤ کی رفتار اور شدت میں کمی آنا شروع ہوگئی ہے۔ ہم امید کرتے ہیں کہ اس کے معیشت پر مثبت اثرات مرتب ہوں گے۔ ہم توقع کرتے ہیں کہ ہماری فلیگ شپ پراڈکٹ "وائیٹیلیٹی" کے ساتھ ہماری ترقی کی رفتار جاری رہے گی۔ ہم اپنے شیئر ہولڈرز کیلئے طویل المدت قدر پیدا کرنے کیلئے پرعزم ہیں۔

بورڈ آف ڈائریکٹرز آئی جی آئی لائف کے صارفین اور کاروباری شراکت داروں کے شکر گزار ہیں۔ ہم کمپنی پر اعتماد کا اظہار کرنے پر اپنے سٹیک ہولڈرز اور اپنے ملازمین کی قابل قدر شراکت کا تہہ دل سے شکریہ ادا کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

شمیم احمد خان
چیئرمین
تاریخ: 26 اکتوبر، 2021

سید حیدر علی
چیف ایگزیکٹو آفیسر
تاریخ: 26 اکتوبر، 2021

IGI LIFE INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
		---------- Rupees in 000 ----------	
Assets			
Property and equipment	9	370,328	347,639
Intangible assets	9	331,190	383,324
Investments			
Equity securities	10	46,980	43,143
Mutual funds	10	5,610,309	4,007,910
Government securities	11	12,869,960	13,640,253
Debt securities	12	225,000	225,000
Term deposits	13	393,102	1,101,600
		19,145,351	19,017,906
Loans secured against life insurance policies		183,997	171,811
Insurance / takaful / reinsurance / retakaful receivables		231,346	208,194
Other loans and receivables		420,076	393,085
Taxation - payments less provision		668,613	631,002
Deferred tax asset - net		366,871	265,015
Prepayments		336,125	86,503
Cash and bank	14	183,663	363,263
Total assets		22,237,560	21,867,742
Equity and liabilities			
Capital and reserves attributable to Company's equity holders			
Authorised share capital			
(300,000,000 (December 31, 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		(886,111)	(641,955)
Unappropriated profit		1,103,953	1,070,680
(Deficit) / surplus on revaluation of available for sale investments - net		(12,606)	2,331
Total equity		1,910,908	2,136,728
Liabilities			
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	15	18,738,516	18,152,024
Outstanding claims		621,199	477,224
Retirement benefit obligations		24,622	24,457
Premium received in advance		148,701	398,697
Reinsurance / retakaful payables		44,305	40,965
Other creditors and accruals		594,195	501,433
Lease liability against right-of-use assets		155,114	136,214
Total liabilities		20,326,652	19,731,014
Total equity and liabilities		22,237,560	21,867,742
Contingencies and commitments	16		

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 (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2020

	Note	Nine months ended September 30, 2021	Nine months ended September 30, 2020	Quarter ended September 30, 2021	Quarter ended September 30, 2020
		----------Rupees in 000----------			
Premium / contribution revenue		5,395,546	4,483,602	1,818,199	1,831,961
Less: premium / contribution ceded to reinsurers / retakaful operators		160,442	157,341	49,318	51,543
Net premium / contribution revenue	17	5,235,104	4,326,261	1,768,881	1,780,418
Investment income	18	1,037,943	1,347,572	274,657	364,965
Net realised fair value gains / (losses) on financial assets		752	217,605	(63,626)	315,090
Other income - net		49,802	50,173	16,938	15,816
		1,088,497	1,615,350	227,969	695,871
Net income		6,323,601	5,941,611	1,996,850	2,476,289
Insurance benefits		3,878,093	3,312,139	1,316,630	1,165,577
Recoveries from reinsurers / retakaful operators		(123,311)	(82,213)	(25,595)	(44,767)
Net insurance benefits	19	3,754,782	3,229,926	1,291,035	1,120,810
		2,568,819	2,711,685	705,815	1,355,479
Change in insurance liabilities (other than outstanding claims)		729,135	1,171,938	71,566	709,890
Acquisition expenses	20	1,373,989	1,011,161	452,446	430,765
Marketing and administration expenses	21	744,023	612,837	270,849	238,795
Other expenses	22	4,947	7,321	623	4,020
Total expenses		2,852,094	2,803,257	795,484	1,383,470
		(283,275)	(91,572)	(89,669)	(27,991)
Finance costs against right-of-use assets		13,743	6,423	6,933	3,449
Loss before tax		(297,018)	(97,995)	(96,602)	(31,440)
Income tax	23	(86,135)	(28,419)	(28,013)	(9,117)
Loss after tax		(210,883)	(69,576)	(68,589)	(22,323)
		----------Rupees----------			
Loss per share	24	(1.24)	(0.41)	(0.40)	(0.13)

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 COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2020

	Note	Nine months ended September 30, 2021	Nine months ended September 30, 2020	Quarter ended September 30, 2021	Quarter ended September 30, 2020
		----------Rupees in 000----------			
Loss after tax		(210,883)	(69,576)	(68,589)	(22,323)
Other comprehensive (loss) / income					
Change in unrealised (loss) / income on available-for-sale financial assets - net of tax		(157,580)	(120,484)	(102,224)	(197,801)
Change in insurance liabilities - net		142,643	90,036	91,110	211,521
Other comprehensive (loss) / profit for the period		(14,937)	(30,448)	(11,114)	13,720
Total comprehensive loss for the period		(225,820)	(100,024)	(79,703)	(8,603)

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 NINE MONTHS ENDED SEPTEMBER 30, 2020

	Attributable to equity holders of the Company				
	Share capital	Un-appropriated profit *	Ledger C & D account	Capital reserve Net (deficit) / surplus on revaluation of available for sale investments **	Total
	----------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 nine months ended September 30, 2020	-	63,596	(133,172)	-	(69,576)
Other comprehensive loss for the nine months ended September 30, 2020	-	-	-	(30,448)	(30,448)
	-	63,596	(133,172)	(30,448)	(100,024)
Balance as at September 30, 2020 (un-audited)	1,705,672	739,139	(281,417)	(22,705)	2,140,689
Total comprehensive income / (loss)					
Profit / (loss) for the three months ended December 31, 2020	-	127,483	(153,632)	-	(26,149)
Other comprehensive (loss) / income for the three months ended December 31, 2020	-	-	(2,848)	25,036	22,188
	-	127,483	(156,480)	25,036	(3,961)
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 nine months ended September 30, 2021	-	33,273	(244,156)	-	(210,883)
Other comprehensive loss for the nine months ended September 30, 2021	-	-	-	(14,937)	(14,937)
	-	33,273	(244,156)	(14,937)	(225,820)
Balance as at September 30, 2021 (un-audited)	1,705,672	1,103,953	(886,111)	(12,606)	1,910,908

* 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
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2020

	Note	Nine months ended September 30, 2021	2020
		----------Rupees in 000----------	
Operating Cash flows			
(a) Underwriting activities			
Premiums received net of policy transfers		5,088,607	4,527,528
Reinsurance premium paid		(237,759)	(271,016)
Claims paid		(1,168,740)	(1,193,156)
Surrenders paid		(2,560,547)	(2,135,311)
Reinsurance recovery received		157,102	154,644
Commission paid		(738,951)	(834,485)
Commission received		37,111	35,548
Net cash inflow from underwriting activities		576,823	283,752
(b) Other operating activities			
Income tax paid		(51,202)	(150,234)
Payment for expenses		(1,358,622)	(666,344)
Other operating receipts		22,119	15,008
Loans advanced		1,196	12,498
Loan repayments received		1,575	4,121
Net cash outflow on other operating activities		(1,384,934)	(784,951)
Total cash outflow on all operating activities		(808,111)	(501,199)
Investment activities			
Profit / return received		741,509	1,578,311
Dividend received		214,055	106,898
Payment for investments		(2,068,151)	(1,852,403)
Proceeds from disposal of investments		1,080,817	112,230
Fixed capital expenditure		(64,827)	(175,491)
Disposals of fixed assets		3,244	3,976
Capital work in progress		13,367	(26,047)
Total cash outflow on investing activities		(79,986)	(252,526)
Financing activities			
Dividends paid		(1)	(17)
Total cash outflow on financing activities		(1)	(17)
Net cash outflow from all activities		(888,098)	(753,742)
Cash and cash equivalents at beginning of the period		1,464,863	1,642,569
Cash and cash equivalents at end of the period	14.2	576,765	888,827
Reconciliation to Condensed Interim Profit and Loss Account			
Operating cash flows		(808,111)	(501,199)
Depreciation and amortisation expenses		(122,604)	(116,709)
Gain on disposal of fixed assets		2,730	1,553
Increase in assets other than cash		233,312	267,088
Increase in liabilities		(409,831)	(1,195,597)
Investment income		879,320	1,452,427
Profit received on bank deposits		14,301	22,861
Loss after taxation		(210,883)	(69,576)

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 (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 IGI Life Insurance Limited ("the Company") was incorporated in Pakistan on October 9, 1994 as a public limited company under the Companies Ordinance, 1984 (now the Companies Act, 2017). Its shares are quoted on the Pakistan Stock Exchange Limited. The Company commenced its operations on May 25, 1995 after registration with the Controller of Insurance on April 30, 1995. The registered office of the Company is situated at 7th Floor, The Forum, Suite No. 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi. The registered office is also the principal office of the Company.

1.2 The Company is a subsidiary of IGI Holdings Limited ("Holding Company") which holds 82.69% (December 31, 2020: 82.69%) share capital of the Company.

1.3 The Company is engaged in life insurance, carrying on both participating and non-participating business. The Company is also engaged in providing Shariah Compliant family takaful products as an approved window takaful operator.

1.4 In accordance with the requirements of the Insurance Ordinance, 2000, the Company established a Shareholders' Fund and Separate Statutory Funds, in respect of each class of life insurance and family takaful business. The Statutory Funds established by the Company, in accordance with the advice of the Appointed Actuary are as follows:

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

2 BASIS OF PREPARATION

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

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

Accordingly, the Company has prepared and annexed to these condensed interim financial statements, a standalone set of financial statements for Window Takaful Operations of the Company, as if these are carried out by a Standalone Takaful Operator. This standalone set of 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.

2.1 Statement of compliance

2.1.1 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.

2.1.2 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.

2.1.3 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:

There are certain 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)
- IAS 1 - 'Presentation of financial statements' (Amendments)	January 01, 2023
- IAS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors' (Amendments)	January 01, 2023
- IAS 12 - 'Income Taxes' (Amendments)	January 01, 2023
- IAS 16, - 'Property, plant and equipment' (amendments)	January 01, 2022
- IAS 37, - 'Provision, contingent liabilities and contingent assets' (amendments)	January 01, 2022
- IFRS 9 - 'Financial instruments'	January 01, 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 condensed interim financial statements of the Company.

5.2.2 There are certain other 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 nine months ended September 30, 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 September 30, 2021 and change in the fair values during the nine months ended September 30, 2021:

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 during the period	3,316,751
Increase in fair value	20,300
Closing fair value	6,112,393
Market Treasury Bills - available for sale (refer note 11)	
Opening fair value	10,589,744
Disposals during the period	(3,825,364)
Decrease in fair value	(287,988)
Closing fair value	6,476,392
GOP Ijarah Sukuk - available for sale (refer note 11)	
Opening fair value	275,167
Disposals during the period	(6,762)
Increase in fair value	12,770
Closing fair value	281,175
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	225,000
Financial assets that do not meet the SPPI criteria	
Mutual funds - available for sale (refer note 10)	
Opening fair value	4,007,910
Additions during the period	2,476,279
Decrease in fair value	(873,880)
Closing fair value	5,610,309
Listed equities - available for sale (refer note 10)	
Opening fair value	43,143
Additions during the period	2,417
Increase in fair value	1,420
Closing fair value	46,980

		Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
9	**PROPERTY AND EQUIPMENT**		--------- Rupees in 000 ---------	
	Tangible assets (including right-of-use-assets)		361,409	325,353
	Capital work-in-progress		8,919	22,286
			370,328	347,639
	Intangible assets		331,190	383,324
		9.1	701,518	730,963

9.1	Opening net book value	708,677	640,601
	Add: Additions during the period / year		
	- Leasehold improvements	11,334	9,403
	- Furniture and fixtures	13,944	11,346
	- Office equipment	3,748	8,902
	- Computer equipment	18,770	31,195
	- Motor vehicles - owned	83	101
	- Right-of-use assets	49,203	147,967
	- Software and licenses	9,958	26,010
		107,040	234,924
	Less: net book value of disposals	514	2,117
	Less: depreciation and amortisation for the period / year	122,604	164,731
		123,118	166,848
	Closing net book value	692,599	708,677
	Add: capital work-in-progress	8,919	22,286
		701,518	730,963

10 INVESTMENTS IN EQUITY SECURITIES

	(Un-audited) As at September 30, 2021			(Audited) As at December 31, 2020		
	Carrying amount	Market value	Surplus / (deficit) on revaluation of investments	Carrying amount	Market value	Surplus on revaluation of investments
	----------Rupees in 000----------					
Available for sale						
Listed equity securities	41,737	46,980	5,243	39,320	43,143	3,823
Mutual Funds	5,785,796	5,610,309	(175,487)	3,309,517	4,007,910	698,393
	5,827,533	5,657,289	(170,244)	3,348,837	4,051,053	702,216

11 INVESTMENTS IN GOVERNMENT SECURITIES

	Note	(Un-audited) As at September 30, 2021			(Audited) As at December 31, 2020		
		Carrying amount	Market value	Surplus 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	6,088,696	6,112,393	23,697	2,771,945	2,775,342	3,397
Market Treasury Bills	11.3	6,761,709	6,476,392	(285,317)	10,587,073	10,589,744	2,671
GOP Ijarah Sukuk	11.4	277,994	281,175	3,181	284,756	275,167	(9,589)
		13,128,399	12,869,960	(258,439)	13,643,774	13,640,253	(3,521)

11.1 The effective yield on Pakistan Investment Bonds ranges from 7.67% to 11.55% (December 31, 2020: 6.40% to 12.68%) per annum. The market yield ranges from 9.22% to 9.83% (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 7.17% to 7.45% (December 31, 2020: 6.50% to 13.12%) per annum. The market yield ranges from 7.41% to 7.54% (December 31, 2020: 7.07% to 7.15%) per annum.

11.4 The effective yield on GOP Ijarah Sukuk ranges from 6.40% to 7.27% (December 31, 2020: 6.63% to 7.37%) per annum.

12 INVESTMENTS IN DEBT SECURITIES

	Note	(Un-audited) As at September 30, 2021			(Audited) 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	-
		225,000	225,000	-	225,000	225,000	-

12.1 The effective yield on term finance certificates are 8.94% to 9.70% (December 31, 2020: 7.25% to 7.35%) per annum.

13 INVESTMENTS IN TERM DEPOSITS

	(Un-audited) As at September 30, 2021			(Audited) As at December 31, 2020		
	Principal amount	Tenure	Rates	Principal amount	Tenure	Rates
	Rupees in 000			Rupees in 000		
Loans and receivables						
Deposits maturing within 12 months	393,102	1 month to 3 months	6.40% to 7.00% per annum	1,101,600	1 month to 3 months	6.25% to 6.75% per annum

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
14 CASH AND BANK		--------- Rupees in 000 ---------	
Cash in hand		917	650
Cash at bank			
- Savings accounts	14.1	182,746	362,613
		183,663	363,263

14.1 These savings accounts carry markup rate of 5.5% per annum (December 31, 2020: 5.5%).

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
		- - - - Rupees in 000 - - - -	
14.2 Cash and cash equivalents			
Cash and bank balances	14	183,663	363,263
Term deposit receipts (with original maturity of less than 3 months)	13	393,102	1,101,600
		576,765	1,464,863

15 INSURANCE LIABILITIES

Incurred but not reported claims	165,799	169,197
Investment component of unit-linked and account value policies	10,120,372	9,370,557
Liabilities under individual conventional insurance contracts	6,752,714	6,904,090
Liabilities under group insurance contracts	543,500	293,447
Other insurance liabilities	664,073	921,907
Ledger account A and B	492,058	492,826
	18,738,516	18,152,024

16 CONTINGENCIES AND COMMITMENTS

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

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

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

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

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

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

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

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

In January 2020, the SRB, PRA and BRA invited the IAP and insurance industry to hold a dialogue for an amicable settlement of the matter. The Company, along with the IAP and other insurance companies participated in the meeting convened by 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 Honourable Lahore High Court and Honourable Sindh High Court, against the imposition of the provincial sales taxes on life and health insurance in the Punjab and on life insurance in Sindh.

Had the sales tax liability on life insurance and health insurance premium been recorded, the loss after tax would have been higher by Rs. 292.554 million while sales tax liability as at September 30, 2021 would have been higher by Rs. 412.048 million.

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

	----------(Un-audited)----------	
	For the nine months ended September 30,	
	2021	**2020**
	----------Rupees in 000--------	
17 NET PREMIUM / CONTRIBUTION REVENUE		
Gross premiums / contribution:		
Regular premium / contribution individual policies*		
First year	1,236,543	812,457
Second year renewal	413,507	279,266
Subsequent year renewal	974,560	883,365
Single premium / contribution individual policies	1,123,604	982,968
Group policies without cash value	1,647,332	1,525,546
Total gross premiums / contribution	5,395,546	4,483,602
Less: reinsurance premium / contribution ceded		
On individual life first year business	26,600	20,334
On individual life second year business	10,882	5,083
On individual life renewal business	29,030	25,437
On single premium policies	5,153	3,133
On individual accident and health first year	4,319	2,016
On group policies	121,569	136,886
Less: commission from reinsurers	(37,111)	(35,548)
	160,442	157,341
Net premium / contribution	5,235,104	4,326,261

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

		----------(Un-audited)----------	
		For the nine months ended September 30,	
		2021	2020
		----------Rupees in 000--------	
18	**INVESTMENT INCOME**		
	Return on government securities	762,471	1,059,026
	Amortisation of discount	19,248	56,252
	Dividend income	214,055	106,898
	Profit on term deposit receipts	26,822	96,031
	Profit on debt securities	15,347	29,365
		1,037,943	1,347,572
19	**NET INSURANCE BENEFITS**		
	Gross claims		
	Claims under individual policies		
	By death	192,558	109,185
	By maturity	5,408	8,785
	By surrender	2,560,547	2,135,311
	Total gross individual policy claims	2,758,513	2,253,281
	Claims under group policies		
	by death	463,068	424,687
	by insured event other than death	658,809	690,193
	experience refund	(2,297)	(56,022)
	Total gross group policy claims	1,119,580	1,058,858
	Total gross policy claims	3,878,093	3,312,139
	Less: reinsurance recoveries		
	On individual life claims	63,204	40,318
	On group life claims	60,107	41,895
		123,311	82,213
	Net insurance benefit expense	3,754,782	3,229,926
20	**ACQUISITION EXPENSES**		
	Remuneration to insurance intermediaries on individual policies:		
	- Commission on first year premiums / contribution	499,622	325,319
	- Commission on second year premiums / contribution	23,869	17,515
	- Commission on subsequent renewal premiums / contribution	23,637	24,391
	- Commission on single premiums / contribution	44,401	33,297
	- Other benefits to insurance intermediaries	580,525	351,642
		1,172,054	752,164
	Remuneration to insurance intermediaries on group policies:		
	- Commission	69,635	118,205
	- Other benefits to insurance intermediaries	3,024	2,463
		72,659	120,668
	Branch overheads :		
	- Salaries and other benefits	61,709	67,657
	- Other operational cost	54,467	60,350
		116,176	128,007
	Other acquisition cost :		
	- Policy stamps	13,100	10,322
		1,373,989	1,011,161

		----------(Un-audited)----------	
		For the nine months ended September 30,	
		2021	2020
21	**MARKETING AND ADMINISTRATION EXPENSES**	----------Rupees in 000--------	
	Salaries, allowances & other benefits	311,900	266,434
	Travelling expenses	4,203	3,978
	Directors fees	6,074	4,869
	Regulators fee	9,255	12,486
	Actuary's fees	6,159	6,809
	Legal and professional charges	9,156	4,086
	Advertisement and publicity	12,235	12,384
	Printing and stationery	25,939	14,384
	Depreciation and amortisation	122,604	116,709
	Rentals	48,983	40,222
	Vehicles and general repair and maintenance	76,790	62,509
	Utilities-electricity, water and gas	20,172	12,908
	Transportation	3,447	3,212
	Communication	18,673	18,335
	Consultancy fee	8,040	7,050
	Training and workshop	1,825	703
	Insurance	5,661	6,765
	Interest on premium deposit in advance	684	1,035
	Social security	2,561	2,200
	Entertainment	16,496	5,274
	Miscellaneous expenses	33,166	10,485
		744,023	612,837
22	**OTHER EXPENSES**		
	Auditors' remuneration	4,947	7,321

23 TAXATION

As per Income Tax Ordinance, 2001, the current tax expense is chargeable to income attributable to shareholder's fund only. During the nine momnths ended September 30, 2021, the shareholder's fund reflected a profit before tax of Rs. 46.864 million resulting in current tax amounting to Rs. 13.591 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. 361.933 million (December 31, 2020: Rs. 262.208 million) in this respect.

		----------Un-audited----------			
		Nine months ended September 30,		Quarter ended September 30,	
24	**LOSS PER SHARE**	2021	2020	2021	2020
		----------Rupees in 000----------			
	Basic / diluted loss per share				
	Loss for the period	(210,883)	(69,576)	(68,589)	(22,323)
		----------No of shares----------			
	Weighted average number of ordinary shares	170,567,200	170,567,200	170,567,200	170,567,200
		---------- (Rupees)----------		---------- (Rupees)----------	
	Loss per share	(1.24)	(0.41)	(0.40)	(0.13)

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 nine months ended September 30, 2021											
	CONVENTIONAL - STATUTORY FUNDS							TAKAFUL - STATUTORY FUNDS				Total
	Life (Participa-ting)	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	18,405	393,406	373,607	1,330,599	11,757	993,354	50,331	1,912,957	5,106	34,745	73,726	5,197,993
Net investment income	120,270	341,949	250	285,207	40	-	7,368	27,433	-	124	609	783,250
Other income - net	5,916	9,680	1,410	6,687	70	20,817	1,294	26,929	13	412	2,782	76,010
Total net income	144,591	745,035	375,267	1,622,493	11,867	1,014,171	58,993	1,967,319	5,119	35,281	77,117	6,057,253
CLAIMS AND EXPENDITURE												
Claims, including bonuses, net of reinsurance recoveries	121,225	801,520	385,312	1,432,367	1,170	620,018	4,672	339,027	-	15,352	34,119	3,754,782
Management expenses less recoveries	7,875	188,129	37,810	632,442	22,903	178,481	-	943,620	2,170	22,273	40,890	2,076,593
Total claims and expenditure	129,100	989,649	423,122	2,064,809	24,073	798,499	4,672	1,282,647	2,170	37,625	75,009	5,831,375
Excess / (shortage) of Income over claims and expenditure	15,491	(244,614)	(47,855)	(442,316)	(12,206)	215,672	54,321	684,672	2,949	(2,344)	2,108	225,878
Add: Policyholders' liabilities at beginning of the period	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
Less: Policyholders' liabilities at end of the period	(1,624,683)	(5,495,790)	(193,138)	(6,398,085)	(20,071)	(452,811)	(231,610)	(3,831,028)	(4,443)	10,058	(4,857)	(18,246,458)
Movement in policyholders' liabilities	(16,259)	394,164	(19,811)	263,368	(1,898)	(188,178)	(53,028)	(932,609)	(2,429)	(2,732)	(27,848)	(587,260)
Surplus / (deficit) before tax	(768)	149,550	(67,666)	(178,948)	(14,104)	27,494	1,293	(247,937)	520	(5,076)	(25,740)	(361,382)
Taxation	-	(46,188)	19,507	51,260	4,072	(7,973)	(375)	70,888	(151)	1,421	7,265	99,726
Surplus / (deficit) after tax	(768)	103,362	(48,159)	(127,688)	(10,032)	19,521	918	(177,049)	369	(3,655)	(18,475)	(261,656)
Movement in policyholders' liabilities	16,259	(394,164)	19,811	(263,368)	1,898	188,178	53,028	932,609	2,429	2,732	27,848	587,260
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
Balance of statutory fund at end of the period	**2,116,741**	**5,819,411**	**147,285**	**6,111,943**	**16,949**	**495,920**	**240,850**	**3,358,997**	**4,284**	**(29)**	**30,113**	**18,342,464**
Represented by:												
Capital contributed by shareholders' fund	-	-	-	242,100	42,000	-	6,000	101,500	-	16,200	92,500	500,300
Policyholders' liabilities / PTF	1,624,683	5,495,790	193,138	6,398,085	20,071	452,811	231,610	3,831,028	4,443	(10,058)	4,857	18,246,458
Retained earnings attributable to policyholders (Ledger Account A)	447,148	-	-	-	-	-	-	-	-	-	-	447,148
Retained earnings on par business attributable to shareholders - undistributable (Ledger Account B)	44,910	-	-	-	-	-	-	-	-	-	-	44,910
Retained earnings on other than participating business (Ledger Account D) / PTF	-	324,135	(45,217)	(524,782)	(45,021)	43,109	3,240	(569,145)	(159)	(5,947)	(66,324)	(886,111)
Revaluation surplus / (deficit) on revaluation of available for sale investments	-	(514)	(636)	(3,460)	(101)	-	-	(4,386)	-	(224)	(920)	(10,241)
BALANCE OF STATUTORY FUND	**2,116,741**	**5,819,411**	**147,285**	**6,111,943**	**16,949**	**495,920**	**240,850**	**3,358,997**	**4,284**	**(29)**	**30,113**	**18,342,464**

	(Un-audited)											
	For the nine months ended September 30, 2020											
	CONVENTIONAL - STATUTORY FUNDS							TAKAFUL - STATUTORY FUNDS				Total
	Life (Participa-ting)	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	20,385	316,907	468,235	1,519,713	5,650	878,825	1,268	1,039,192	206	15,320	25,012	**4,290,713**
Net investment income	210,644	670,570	1,158	395,624	(47)	(1,418)	13,005	(21,757)	-	(81)	(212)	**1,267,486**
Other income - net	5,843	8,389	3,148	11,518	47	18,072	7	75,356	1	755	3,497	**126,633**
Total net income	236,872	995,866	472,541	1,926,855	5,650	895,479	14,280	1,092,791	207	15,994	28,297	**5,684,832**
CLAIMS AND EXPENDITURE												
Claims, including bonuses, net of reinsurance recoveries	89,123	707,993	295,812	1,051,723	313	637,176	9,483	363,811	-	28,067	46,425	**3,229,926**
Management expenses less recoveries	6,734	124,601	70,135	545,359	18,432	179,155	-	603,935	77	11,715	23,142	**1,583,285**
Total claims and expenditure	95,857	832,594	365,947	1,597,082	18,745	816,331	9,483	967,746	77	39,782	69,567	**4,813,211**
Excess of income over claims and expenditure	141,015	163,272	106,594	329,773	(13,095)	79,148	4,797	125,045	130	(23,788)	(41,270)	**871,621**
Add: Policyholders' liabilities at beginning of the period	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**
Less: Policyholders' liabilities at end of the period	(1,600,039)	(6,109,772)	(249,354)	(6,400,938)	(13,876)	(411,869)	(150,454)	(2,524,871)	(111)	(341)	24,377	**(17,437,248)**
Movement in policyholders' liabilities	(41,422)	(16,339)	(150,228)	(466,897)	965	(59,837)	(3,492)	(285,979)	(111)	19,531	21,500	**(982,309)**
Surplus / (deficit) before tax	99,593	146,933	(43,634)	(137,124)	(12,130)	19,311	1,305	(160,934)	19	(4,257)	(19,770)	**(110,688)**
Taxation	-	(48,194)	12,518	39,663	3,515	(5,762)	(379)	46,173	(6)	1,206	5,661	**54,395**
Surplus / (deficit) after tax	99,593	98,739	(31,116)	(97,461)	(8,615)	13,549	926	(114,761)	13	(3,051)	(14,109)	**(56,293)**
Movement in policyholders' liabilities	41,422	16,339	150,228	466,897	(965)	59,837	3,492	285,979	111	(19,531)	(21,500)	**982,309**
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**
Balance of statutory fund at end of the period	**2,108,873**	**6,673,927**	**310,574**	**6,249,904**	**(5,387)**	**449,259**	**158,781**	**2,331,046**	**124**	**235**	**9,547**	**18,286,883**
Represented by:												
Capital contributed by shareholders' fund	-	197,552	-	242,100	12,000	4,300	6,000	101,500	-	1,200	77,500	**642,152**
Policyholders' liabilities / PTF	1,600,039	6,109,772	249,354	6,400,938	13,876	411,869	150,454	2,524,871	111	341	(24,377)	**17,437,248**
Retained earnings attributable to policyholders (Ledger Account A)	472,283	-	-	-	-	-	-	-	-	-	-	**472,283**
Retained earnings on par business attributable to shareholders - undistributable (Ledger Account B)	36,551	-	-	-	-	-	-	-	-	-	-	**36,551**
Retained earnings on other than participating business (Ledger Account D) / PTF	-	379,960	61,570	(391,051)	(31,202)	33,090	2,327	(292,074)	13	(1,126)	(42,924)	**(281,417)**
Revaluation surplus / (deficit) on revaluation of available for sale investments	-	(13,357)	(350)	(2,083)	(61)	-	-	(3,251)	-	(180)	(652)	**(19,934)**
BALANCE OF STATUTORY FUND	**2,108,873**	**6,673,927**	**310,574**	**6,249,904**	**(5,387)**	**449,259**	**158,781**	**2,331,046**	**124**	**235**	**9,547**	**18,286,883**

25.2 Condensed Interim Statement of Financial Position by Segment

	---------- Un-audited ----------			---------- Audited ----------		
	September 30, 2021			December 31, 2020		
	Shareholders Fund	Statutory Funds	Total	Shareholders Fund	Statutory Funds	Total
	---------- Rupees in 000 ----------			---------- Rupees in 000 ----------		
Assets						
Property and equipment	267,429	102,899	370,328	252,467	95,172	347,639
Intangible assets	11,068	320,122	331,190	11,137	372,187	383,324
Investments						
Equity securities	-	46,980	46,980	-	43,143	43,143
Mutual funds	-	5,610,309	5,610,309	-	4,007,910	4,007,910
Government securities	948,708	11,921,252	12,869,960	812,242	12,828,011	13,640,253
Debt securities	-	225,000	225,000	-	225,000	225,000
Term deposits	10,800	382,302	393,102	-	1,101,600	1,101,600
Loans secured against life insurance policies	-	183,997	183,997	-	171,811	171,811
Insurance / takaful / reinsurance / retakaful receivables	-	231,346	231,346	-	208,194	208,194
Other loans and receivables	37,716	382,360	420,076	19,721	373,364	393,085
Taxation - payments less provision	668,613	-	668,613	631,002	-	631,002
Deferred tax asset - net	366,871	-	366,871	265,015	-	265,015
Prepayments	18,702	317,423	336,125	20,089	66,414	86,503
Cash and bank	33,663	150,000	183,663	650	362,613	363,263
Total assets	**2,363,570**	**19,873,990**	**22,237,560**	**2,012,323**	**19,855,419**	**21,867,742**
Liabilities						
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	-	18,738,516	18,738,516	-	18,152,024	18,152,024
Outstanding claims	-	621,199	621,199	-	477,224	477,224
Retirement benefit obligations	-	24,622	24,622	-	24,457	24,457
Premium received in advance	-	148,701	148,701	-	398,697	398,697
Reinsurance / retakaful payables	-	44,305	44,305	-	40,965	40,965
Other creditors and accruals	171,071	423,124	594,195	156,837	344,596	501,433
Liabilities against right-of-use assets	155,114	-	155,114	136,214	-	136,214
Total liabilities	**326,185**	**20,000,467**	**20,326,652**	**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 nine months ended September 30							
	Holding Company		Post Employment Benefit Plans		Key Management Personnel		Other Related Parties	
	2021	2020	2021	2020	2021	2020	2021	2020
	---------- (Rupees in '000) ----------							
Transactions								
Premium underwritten	-	-	-	-	-	-	87,596	73,247
Premium paid for general insurance	-	-	-	-	-	-	3,752	3,881
Claims paid	-	-	-	-	-	-	41,838	29,940
Claims received	-	-	-	-	-	-	1,679	664
Charge for administrative services received	-	-	-	-	-	-	61,579	68,287
Charge for administrative services provided	-	-	-	-	-	-	10,798	10,151
Rent expense	-	-	-	-	-	-	31,284	31,156
Purchase of fixed asset	-	-	-	-	-	-	5,642	16,030
Proceeds from disposal of fixed assets	-	-	-	-	-	-	531	-
Remuneration paid	-	-	-	-	140,143	182,553	-	-
Charge in respect of employees gratuity fund	-	-	10,538	14,233	-	-	-	-
Charge in respect of provident fund	-	-	12,420	7,383	-	-	-	-

	Holding Company		Post Employment Benefit Plans		Key Management Personnel		Other Related Parties	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	(Rupees in '000)							
Balances								
(Receivable) / payable for group shared services	(1,763)	(1,763)	-	-	-	-	87,087	77,105
Receivable)/ payable for general insurance premium	-	-	-	-	-	-	69	145
Premium receivable	-	-	-	-	-	-	280	799
Retirement benefit obligations	-	-	24,621	24,457	-	-	-	-
Receivable to employee provident fund	-	-	1,799	(303)	-	-	-	-

27 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

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

Fair value of investments is determined as follows:

- Fair value of listed equity securities is determined on the basis of closing market prices quoted on the Pakistan Stock Exchange.

- Fair value of mutual funds is determined on the basis of closing net assets value (NAV) per unit published by Mutual Fund Association of Pakistan (MUFAP).

- Fair values of Treasury Bills and Pakistan Investment Bonds are derived using the PKRV rates (Reuters page).

- The fair value of all other financial assets and financial liabilities of the Company approximate their carrying amounts due to short term maturities of these instruments.

27.1 Fair value hierarchy

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

- 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 September 30, 2021 and December 31, 2020, the Company held the following financial instruments measured at fair value:

	----------Un-audited----------		
	As at September 30, 2021		
	Level 1	Level 2	Level 3
Assets carried at fair value	---------- Rupees in 000----------		
Available-for-sale investments	46,980	18,705,269	-

	----------Audited----------		
	As at December 31, 2020		
	Level 1	Level 2	Level 3
Assets carried at fair value	---------- Rupees in 000----------		
Available-for-sale investments	43,143	17,873,163	-

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 October 26, 2021 by the Board of Directors of the Company.

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

Condensed Interim Financial Statements (Window Takaful Operation)

For the nine months ended September 30, 2021

IGI LIFE INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT SEPTEMBER 30, 2021

	Note	As at September 30, 2021			As at December 31, 2020
		Operator sub fund	Policyholders fund	Total	Total
		---------- Rupees in 000 ----------			
Assets					
Property and equipment		113,797	-	113,797	75,833
Investments					
Mutual funds		146,454	3,058,599	3,205,053	1,547,908
Government Securities		117,457	163,718	281,175	275,167
Term deposits		10,884	302,302	313,186	1,085,167
		274,795	3,524,619	3,799,414	2,908,242
Takaful / retakaful receivables		-	12,426	12,426	1,713
Other loans and receivables		343,240	-	343,240	333,722
Taxation - payments less provision		47,716	-	47,716	40,658
Deferred tax asset - net		264,311	-	264,311	183,108
Prepayments		55,025	-	55,025	11,974
Cash and bank		(391,796)	181,085	(210,711)	(82,102)
Total assets		707,088	3,718,130	4,425,218	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		(641,576)	-	(641,576)	(447,125)
Surplus / (deficit) on revaluation of available for sale investments		(5,529)	-	(5,529)	(1,170)
Total equity		(387,405)	500	(386,905)	(188,095)
Liabilities					
Insurance liabilities [including policyholders' liabilities and profit retained in waqf]		86,113	3,744,157	3,830,270	2,864,652
Outstanding claims		-	68,439	68,439	35,003
Contribution received in advance		-	59,749	59,749	51,973
Takaful / retakaful payables		-	5,891	5,891	7,030
Other creditors and accruals		137,583	-	137,583	196,354
Interfund receivable / (payable)		808,527	(160,606)	647,921	471,835
Lease liability against right-of-use assets		62,270	-	62,270	34,396
Total liabilities		1,094,493	3,717,630	4,812,123	3,661,243
Total equity and liabilities		707,088	3,718,130	4,425,218	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 NINE MONTHS ENDED SEPTEMBER 30, 2020

		September 30, 2021			September 30, 2020		
		Operator sub fund	Policyholders fund	Total	Operator sub fund	Policyholders fund	Total
	Note	----------Rupees in 000----------					
Contribution revenue	10	-	2,064,947	2,064,947	-	1,106,476	1,106,476
Less: wakala fee recognised		578,991	(578,991)	-	358,058	(358,058)	-
		578,991	1,485,956	2,064,947	358,058	748,418	1,106,476
Less: contribution ceded to retakaful operators	10	-	32,010	32,010	-	23,687	23,687
Net contribution revenue		578,991	1,453,946	2,032,937	358,058	724,731	1,082,789
Investment income		5,091	159,220	164,311	72,750	46,346	119,096
Net realised fair value gains / (losses) on financial assets		631	(29,659)	(29,028)	(2,071)	(75,379)	(77,450)
Takaful operator fee income		79,407	(79,407)	-	40,750	(40,750)	-
Other income - net		4,355	770	5,125	2,718	416	3,134
		89,484	50,924	140,408	114,147	(69,367)	44,780
Net income		668,475	1,504,870	2,173,345	472,205	655,364	1,127,569
Takaful benefits		-	421,649	421,649	-	470,691	470,691
Recoveries from retakaful operators		-	(33,151)	(33,151)	-	(32,388)	(32,388)
Net takaful benefits	11	-	388,498	388,498	-	438,303	438,303
		668,475	1,116,372	1,784,847	472,205	217,061	689,266
Change in takaful liabilities (including profit retained in waqf fund)		(73,007)	1,116,372	1,043,365	13,153	217,061	230,214
Acquisition expenses	12	804,870	-	804,870	498,945	-	498,945
Marketing and administration expenses		210,486	-	210,486	142,984	-	142,984
Total expenses		942,349	1,116,372	2,058,721	655,082	217,061	872,143
(Loss) / profit before tax attributable to Operator		(273,874)	-	(273,874)	(182,877)	-	(182,877)
Taxation		(79,423)	-	(79,423)	(53,034)	-	(53,034)
(Loss) / profit after tax attributable to Operator		(194,451)	-	(194,451)	(129,843)	-	(129,843)

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 NINE MONTHS ENDED SEPTEMBER 30, 2020

	September 30, 2021			September 30, 2020		
	Operator sub fund	Policyholders fund	Total	Operator sub fund	Policyholders fund	Total
	----------Rupees in 000----------					
(Loss) / profit after tax attributable to Operator	(194,451)	-	(194,451)	(129,843)	-	(129,843)
Other comprehensive loss						
Change in unrealised (loss) / gains on available-for-sale financial assets - net of tax	(4,359)	(77,750)	(82,109)	(2,066)	14,845	12,779
Change in takaful liabilities - net	-	77,750	77,750	-	(14,845)	(14,845)
Other comprehensive loss for the period	(4,359)	-	(4,359)	(2,066)	-	(2,066)
Total comprehensive loss for the period attributable to Operator	(198,810)	-	(198,810)	(131,909)	-	(131,909)

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 NINE MONTHS ENDED SEPTEMBER 30, 2020

	Attributable to equity holders of the Company				
	Capital contributed	Waqf Ceded Money	Ledger C & D account	Surplus / (deficit) on revaluation of available for sale investments **	Total
	----------Rupees in 000----------				
Balance as at December 31, 2019	229,700	500	(206,270)	(2,016)	21,914
Total comprehensive loss					
Loss for the nine months ended September 30, 2020	-	-	(129,843)	-	(129,843)
Other comprehensive loss for the three months ended September 30, 2020	-	-	-	(2,066)	(2,066)
	-	-	(129,843)	(2,066)	(131,909)
Balance as at September 30, 2020	229,700	500	(336,113)	(4,082)	(109,995)
Total comprehensive income					
Loss for the three months ended December 31, 2020	-	-	(111,012)	-	(111,012)
Other comprehensive income for the three months ended December 31, 2020	-	-	-	2,912	2,912
	-	-	(111,012)	2,912	(108,100)
Transactions with owners recorded directly in equity					
Capital Contributed	30,000	-	-	-	30,000
Balance as at December 31, 2020	259,700	500	(447,125)	(1,170)	(188,095)
Total comprehensive loss					
Loss for the nine months ended September 30, 2021	-	-	(194,451)	-	(194,451)
Other comprehensive loss for the three months ended September 30, 2021	-	-	-	(4,359)	(4,359)
	-	-	(194,451)	(4,359)	(198,810)
Balance as at September 30, 2021	259,700	500	(641,576)	(5,529)	(386,905)

** 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 NINE MONTHS ENDED SEPTEMBER 30, 2020

	Note	2021	2020
		----------Rupees in 000----------	
Operating Cash flows			
(a) Underwriting activities			
Premiums received net of policy transfers - net of retakaful		2,024,683	1,124,259
Claims paid - net of retakaful recoveries		(41,635)	(55,449)
Surrenders paid		(315,724)	(352,938)
Commissions paid		(425,939)	(426,174)
Net cash inflow from underwriting activities		1,241,385	289,698
(b) Other operating activities			
Payment for expenses		(631,552)	(206,088)
Other operating receipts		57	136
Inter fund transactions		(139,563)	255,301
Net cash outflow on other operating activities		(771,058)	49,349
Total cash inflow from all operating activities		470,327	339,047
Investment activities			
Profit / return received		39,956	93,323
Dividend received		131,745	38,120
Payments (made) / received on investments		(1,538,752)	(820,186)
Fixed capital expenditure		(3,866)	(3,702)
Total cash (outflow) / inflow from investing activities		(1,370,917)	(692,445)
Net cash (outflow on) / inflow from all activities		(900,590)	(353,398)
Cash and cash equivalents at beginning of year		1,003,065	1,208,683
Cash and cash equivalents at end of period		102,475	855,285
Reconciliation to Profit and Loss Account			
Operating cash flows		470,327	339,047
Depreciation and amortisation expenses		35,322	25,484
Increase in assets other than cash		706,703	177,139
Decrease in liabilities		(1,547,211)	(716,293)
Investment income and other income		135,340	41,782
Profit received on bank deposits		5,068	2,998
Loss after taxation		(194,451)	(129,843)

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 NINE MONTHS ENDED SEPTEMBER 30, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 IGI Life Insurance Limited ("the Company") was incorporated in Pakistan on October 9, 1994 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). Its shares are quoted on the Pakistan Stock Exchange Limited. The Company commenced its operations on May 25, 1995 after registration with the Controller of Insurance on April 30, 1995. The registered office of the Company is situated at 7th Floor, The Forum, Suite No. 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi which is also the principal office of the Company.

1.2 The Company was granted approval on July 02, 2015 under Rule 6 of the Takaful Rules, 2012 to start its Window Takaful Operations ("the Operations") by the Securities and Exchange Commission of Pakistan ("the SECP") in Pakistan. The Waqf deed was executed on June 20, 2015 and the operations were commenced also commenced in year 2015.

1.3 In accordance with the requirements of the Insurance Ordinance, 2000 and Takaful Rules, 2012, the Company established a Operator Sub Fund (OSF), Participant Investment Fund (PIF) and Participant Waqf Fund (PTF) under each statutory funds mentioned below:

- Individual Family Takaful
- Individual Accidental and Health Takaful
- Group Family Takaful
- Group Health Takaful

2 BASIS OF PREPARATION

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

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

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
- IAS 1 - 'Presentation of financial statements' (Amendments)	January 01, 2023
- IAS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors' (Amendments)	January 01, 2023
- IAS 12 - 'Income Taxes' (Amendments)	January 01, 2023
- IAS 16, - 'Property, plant and equipment' (amendments)	January 01, 2022
- IAS 37, - 'Provision, contingent liabilities and contingent assets' (amendments)	January 01, 2022
- IFRS 9 - 'Financial instruments'	January 01, 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 nine months ended September 30, 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 September 30, 2021. There were no other material contingencies and commitments as at September 30, 2021:

10 NET CONTRIBUTION REVENUE

	(Un-audited) For the nine months ended September 30	
	2021	2020
	- - - - (Rupees in '000) - - -	
Gross contribution:		
Regular contribution individual policies*		
First year	810,924	491,703
Second year renewal	376,639	299,792
Subsequent year renewal	224,716	148,238
Single contribution individual policies	535,965	113,272
Group policies without cash value	116,703	53,471
Total gross contribution	2,064,947	1,106,476
Less: retakaful contribution ceded		
On individual life first year business	11,583	6,449
On individual life second year business	5,930	2,018
On individual life renewal business	8,292	5,030
On single premium policies	3,208	93
On group policies	9,400	13,156
Commission from reinsurers	(6,403)	(3,059)
	32,010	23,687
Net contribution	2,032,937	1,082,789

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

11 NET TAKAFUL BENEFITS

	(Un-audited) For the nine months ended September 30	
	2021	2020
	- - - - (Rupees in '000) - - -	
Gross Claims		
Claims under individual policies		
By death	47,354	25,630
By surrender	315,724	352,938
Total gross individual policy claims	363,078	378,568
Claims under group policies		
by death	26,749	42,769
by insured event other than death	34,119	52,033
experience refund	(2,297)	(2,679)
Total gross group policy claims	58,571	92,123
Total gross policy claims	421,649	470,691
Less: retakaful recoveries		
On Individual life claims	24,051	14,757
On Group Life claims	9,100	17,631
	33,151	32,388
Net takaful benefit expense	388,498	438,303

	(Un-audited) For the nine months ended September 30	
	2021	2020
12 ACQUISITION EXPENSES	- - - - (Rupees in '000) - - -	
Remuneration to takaful intermediaries on individual policies:		
- Commission on first year contribution	308,050	191,700
- Commission on second year contribution	13,188	7,925
- Commission on subsequent renewal contribution	2,270	7,357
- Commission on single contribution	25,609	3,628
- Other benefits to takaful intermediaries	387,799	240,434
	736,916	451,044
Remuneration to takaful intermediaries on group policies:		
- Commission	25,420	7,620
- Other benefits to takaful intermediaries	885	437
	26,305	8,057
Branch overheads :		
- Salaries and other benefits	17,559	16,240
- Other operational cost	15,499	17,357
	33,058	33,597
Other acquisition cost :		
- Policy stamps	8,591	6,247
	804,870	498,945

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 For the nine months ended September 30	
	Individual Family	Individual Accidental and Health	Group Family	Group Health	2021	2020
	- (Rupees in '000) -					
Income						
Allocated Contribution	1,414,768	-	-	-	1,414,768	705,819
Net Investment Income	17,506	-	-	-	17,506	(39,940)
Other Income	21,875	-	-	-	21,875	70,720
Total Net Income	1,454,149	-	-	-	1,454,149	736,599
Less: Claims and Expenditure						
Surrenders / Partial Surrenders	315,724	-	-	-	315,724	352,938
Risk Contributions	88,307	-	-	-	88,307	38,704
Wakalat-ul-Istismar	39,253	-	-	-	39,253	24,818
Policy admin fee	40,153	-	-	-	40,153	15,932
	483,437	-	-	-	483,437	432,392
Excess of Income over Claims and expenditure	970,712	-	-	-	970,712	304,207
Add: Technical reserves at the beginning	2,787,811	-	-	-	2,787,811	2,133,423
Less: Technical reserves at the end	(3,758,523)	-	-	-	(3,758,523)	(2,437,630)
	(970,712)	-	-	-	(970,712)	(304,207)
Surplus	-	-	-	-	-	-
Movement in technical reserves	970,712	-	-	-	970,712	304,207
Balance of PIF at the beginning of the period	2,787,811	-	-	-	2,787,811	2,133,423
Balance of PIF at the end of the period	3,758,523	-	-	-	3,758,523	2,437,630

13.2 Participants' Takaful Fund (PTF)

	(Un-audited)					
	TAKAFUL - STATUTORY FUNDS				Aggregate	
	Individual Family	Individual Accidental and Health	Group Family	Group Health	For the nine months ended September 30	
					2021	2020
	(Rupees in '000)					
Income						
Contribution net of retakaful	36,074	1,342	13,849	46,597	97,862	44,388
Net investment income	242	-	82	339	663	-
Other income	7,357	-	323	2,629	10,309	9,230
	43,673	1,342	14,254	49,565	108,834	53,618
Less: Claims and Expenditure						
Claims	23,303	-	15,352	34,119	72,774	85,365
Wakala fee	-	-	-	-	-	-
	23,303	-	15,352	34,119	72,774	85,365
Excess of Income over Claims and expenditure	20,370	1,342	(1,098)	15,446	36,060	(31,747)
Add : Technical reserves at the beginning	49,958	606	(18,034)	(27,414)	5,116	33,373
Less : Technical reserves at the end	(53,482)	(782)	(19,298)	(31,230)	(104,792)	(71,244)
Add: Deficit retained in technical reserves	-	(514)	32,044	43,198	74,728	60,428
	(3,524)	(690)	(5,288)	(15,446)	(24,948)	22,557
Surplus / (deficit)	16,846	652	(6,386)	-	11,112	(9,190)
Movement in technical reserves	3,524	690	5,288	15,446	24,948	(22,557)
Qard-e-Hasna contributed by Window Takaful Ope	-	-	-	-	-	-
Balance of PTF at the beginning of the period	49,958	606	7,113	18,995	76,672	79,929
Balance of PTF at the end of the period	70,328	1,948	6,015	34,441	112,732	48,182

13.3 Operators' Sub Fund (OSF)

	(Un-audited)					
	TAKAFUL - STATUTORY FUNDS				Aggregate	
	Individual Family	Individual Accidental and Health	Group Family	Group Health	For the nine months ended September 30	
					2021	2020
	(Rupees in '000)					
Income						
Allocation fee	527,201	3,764	20,896	27,129	578,990	358,038
Investment income	9,685	-	42	270	9,997	15,813
Other Income	4,100	13	89	153	4,355	2,718
Wakala fee - PTF	23,220	-	-	-	23,220	10,189
Policy admin fee	40,154	-	-	-	40,154	15,932
Takaful operator fee	-	-	-	-	-	-
Wakalat-ul-Istismar	39,253	-	-	-	39,253	24,818
	643,613	3,777	21,027	27,552	695,969	427,508
Less: Expenses						
Acquisition cost	743,337	2,170	13,272	13,033	771,812	463,269
Administration expenses / deferred taxation	135,798	151	7,580	20,592	164,121	123,548
	879,135	2,321	20,852	33,625	935,933	586,817
Excess of (expenditure)/over income	(235,522)	1,456	175	(6,073)	(239,964)	(159,309)
Add : Technical reserves at the beginning	60,650	1,408	5,244	4,423	71,725	89,091
Less : Technical reserves at the end	(2,177)	(2,495)	(9,074)	(16,825)	(30,571)	(61,690)
	58,473	(1,087)	(3,830)	(12,402)	41,154	27,401
Deficit	(177,049)	369	(3,655)	(18,475)	(198,810)	(131,908)
Movement in technical reserves	(58,473)	1,087	3,830	12,402	(41,154)	(27,401)
Capital Contribution during the period	-	-	-	-	-	-
Qard-e-Hasna contributed to the Participants Takaful Fund	-	-	-	-	-	-
Balance of OSF at the beginning of the period	(234,332)	880	(6,219)	1,745	(237,926)	14,449
Balance of OSF at the end of the period	(469,854)	2,336	(6,044)	(4,328)	(477,890)	(144,860)
Balance of Family Takaful statutory func	3,358,997	4,284	(29)	30,113	3,393,365	2,340,952

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 September 30, 2021 the Operator and policyholders held the following financial instruments measured at fair value:

	As at September 30, 2021		
	Level 1	Level 2	Level 3
Assets carried at fair value	---------- Rupees in '000	----------	
Available-for-sale investments	-	3,486,228	-

	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	-

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 October 26, 2021 by the Board of Directors of the Company.

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer