



**Condensed Interim Financial Statements**  
**For the quarter and three months ended**  
**March 31, 2022**

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, 2022:

**Financial Highlights:**
**Profit / Loss**

	<b>March 31 2022</b>	<b>March 31 2021</b>
	<b>(Rs. in 000') (Unaudited)</b>	
Net profit / (loss) profit before tax	5,238	(89,177)
Taxation (charged) / reversal	(1,521)	25,863
Net profit / (loss) after tax	3,717	(63,314)
Other comprehensive loss - net	(9,036)	(10,796)
	<b>(in Rupees)</b>	
Earnings / (loss) per share	0.02	(0.37)
Break-up value per share (including amount retained in the statutory funds to meet the requirement of Insurance Ordinance)	10.19	12.09

During the first quarter of 2022, gross premium written by your Company (including takaful contributions) stood at Rs. 1.631 billion as against Rs. 1.937 billion in the corresponding period last year. Individual life regular premium (including takaful contributions) posted a growth of 2% and stood at Rs. 906 million as against Rs. 888 million in the corresponding period last year.

Group Life premiums / contribution (including takaful group family) stood at Rs. 188 million (2021: Rs. 246 million), posting a decrease of 24% from corresponding period of last year. Group Health premium / contribution (including takaful group health) stood at Rs 332 million (2021: Rs. 414 million), posting a decrease of 20% from corresponding period of last year.

Single premium / contribution individual policies stood at Rs 206 million as compared to Rs. 388 million written in the corresponding period last year.

The Company posted profit after tax of Rs. 3.717 million as compared to loss after tax of Rs. 63.314 million in corresponding period of last year. The management is addressing the issues of higher acquisition costs and repricing the products of corporate life and health business to improve the profitability of the company.

### Window Takaful Operations

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

	March 31 2022	March 31 2021
	(Rs. in 000') (Unaudited)	
<b>Policyholder' Fund</b>		
Gross Contribution	541,344	642,302
Net Contribution	363,441	425,064
Investment Income	10,306	27,060
<b>Operator's Fund</b>		
Investment Income	-	473
Operators' loss before tax	(45,482)	(47,523)
Operators' loss) after tax	(34,775)	(33,742)

### Future Outlook

With one of the lowest Life Insurance penetration ratios, we believe that Pakistani market has a huge potential for growth. Vitality, our flagship product which besides providing insurance coverage encourages healthy life style, has made significant contribution towards our growth during the last two years. Thankfully, severity of the pandemic has diminished with the roll out of vaccines and better understanding of the treatment pathways, and we hope that this will have a positive impact on our product margins and investment returns.

Having attained a critical mass, we plan to consolidate our growth in the year 2022 which will further reduce the strain on our bottom line. Besides, the management is addressing the issues of high acquisition cost of business and revisiting corporate life and health portfolio in order to further strengthen the financial health of the company.

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 27, 2022



**Syed Hyder Ali**  
**Chief Executive Officer**

Dated April 27, 2022

## ڈائریکٹر ز رپورٹ برائے ممبران

آپ کی کمپنی کے ڈائریکٹر 31 مارچ 2022 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 2022	31 مارچ 2021
	(روپے ہزاروں میں) (غیر آڈٹ شدہ)	
خالص (نقصان) / نفع قبل از ٹیکس	5,238	(89,177)
ٹیکسیشن ریپورسلز (وصول شدہ)	(1,521)	25,863
خالص (نقصان) / نفع بعد از ٹیکس	3,717	(63,314)
دیگر مجموعی نقصان	(9,036)	(10,796)

(روپوں میں)

(نقصان) / آمدن فی شیئر	0.02	(0.37)
فی شیئر بریک اپ ویلیو (اس میں انشورنس آرڈیننس کی تعمیل میں اسٹیچوری فنڈ میں رکھی گئی رقم بھی شامل ہے)	10.19	12.09

2022 کی پہلی سہ ماہی میں آپ کی کمپنی کا تحریر کردہ مجموعی پریمیم (بشمول مکافل زرتعاون) گزشتہ سال کے اسی مدت کے 1.937 بلین کے مقابلے میں 1.631 بلین رہا۔ انفرادی لائف ریگولر پریمیم (بشمول مکافل زرتعاون) گزشتہ سال کے اسی مدت کے 888 ملین کے مقابلے میں 2% اضافے کے ساتھ 906 ملین رہا۔ گروپ لائف پریمیم زرتعاون (بشمول گروپ فیملی مکافل) گزشتہ سال کے اسی مدت کے مقابلے میں 24% کمی کے ساتھ 188 ملین رہا (2021: 246 ملین)۔ گروپ ہیلتھ پریمیم زرتعاون (بشمول گروپ ہیلتھ مکافل) گزشتہ سال کے اسی مدت کے مقابلے میں 20% کمی کے ساتھ 332 ملین رہا (2021: 414 ملین)۔ سنگل پریمیم زرتعاون انفرادی پالیسیز گزشتہ سال کے اسی مدت کے تحریر کردہ 388 ملین کے مقابلے میں 206 ملین رہا۔ گزشتہ سال اسی مدت کے 63.314 ملین بعد از ٹیکس نقصان کے مقابلے میں کمپنی کو اس سال 3.717 ملین بعد از ٹیکس کا نفع ہوا۔ انتظامیہ کمپنی کے نفع کی شرح کو بڑھانے کے لیے بزنس کے حصول میں ہونے والی اضافی لاگت، کارپوریٹ لائف اور ہیلتھ بزنس کی پراڈکٹ کی قیمتوں پر نظر ثانی کر رہی ہے۔

ونڈ وٹکافل آپریشنز

کمپنی کے وٹکافل آپریشنز کے زیر جائزہ سہ ماہی نتائج کا خلاصہ ذیل میں مذکور ہے:

31 مارچ 2021

31 مارچ 2022

(روپے ہزاروں میں)  
(غیر آڈٹ شدہ)

پالیسی ہولڈرز فنڈ

642,302

541,344

مجموعی زرتعاون

425,064

363,441

خالص زرتعاون

27,060

10,306

سرمایہ کاری آمدن (نقصان)

آپریٹنگ فنڈ

473

-

سرمایہ کاری آمدن

(47,523)

(45,482)

آپریٹنگ (نقصان) / نفع قبل از ٹیکس

(33,742)

(34,775)

آپریٹنگ (نقصان) / نفع بعد از ٹیکس

## مستقبل کا منظر نامہ

سب سے کم لائف انشورنس کی شرح اور کام کرنے والے بالغ افراد کی زیادہ شرح کے باوجود، ہمارا یقین ہے کہ پاکستانی مارکیٹ میں بڑھوتری کے کافی زیادہ امکانات ہیں۔ حالیہ تاریخ کے سب سے مشکل وقت کے دوران گزشتہ دو سالوں میں ہم نے اپنی ٹاپ لائن میں اضافہ کیا جو ہماری پہچان بننے والی وائٹ نیٹ پر ڈاکٹ اور ہمارے ڈسٹریبیوشن نیٹ ورک کی جدوجہد کا نتیجہ ہے۔ ہمیں یقین ہے کہ پاکستان میں لائف انشورنس مارکیٹ کی بڑھوتری کا مکمل فائدہ اٹھانے کے لیے ہم اپنی اس مضبوط قوت کو بروئے کار لائیں گے۔ ویکسین کی فراہمی اور علاج کی بہتر سمجھ کی وجہ سے وبا کی رفتار اور تیزی میں کمی آچکی ہے۔ ہمیں امید ہے کہ عمومی طور پر اس کا پاکستانی معیشت پر اچھا اثر ہوگا، جس کے نتیجے میں ہمارا پراڈکٹ مارجن اور سرمایہ کاری منافع بھی بڑھے گا۔ اہم بڑھوتری حاصل کرنے کے بعد اب ہم سال 2022 میں اپنی گروتھ کو یکجا کر رہے ہیں جس کی وجہ سے ہماری نفع میں تناؤ کی کیفیت میں کمی آئے گی۔

سال 2020 اور 2021 میں خسارے کی ایک اہم وجہ بزنس کے حصول اور ڈسٹری بیوشن چینلز کو بڑھانے کی لاگت میں اضافہ اور Covid-19 کی وجہ سے ہیلتھ اور لائف کے بزنس میں غیر معمولی نقصان کا ہونا ہے۔ کمپنی کی انتظامیہ ان تمام مسائل پر غور و فکر کر رہی ہے اور کمپنی کی مالیاتی قوت میں اضافہ کے لیے کچھ اقدامات بھی کیے ہیں۔ ہم 2022 اور آنے والے سالوں میں کمپنی کا رخ سود مند کی طرف موڑنے کے لیے پرعزم 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۔

منجانب بورڈ آف ڈائریکٹرز

شمیم احمد خان

چیئر مین

سید حیدر علی

چیف ایگزیکٹو آفیسر

بتاریخ: 27 اپریل 2022

بتاریخ: 27 اپریل 2022

**IGI LIFE INSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2022**

	Note	(Un-audited) March 31 2022	(Audited) December 31, 2021
		Rupees in '000	
<b>Assets</b>			
Property and equipment	9	333,710	354,097
Intangible assets	9	347,561	350,785
<b>Investments</b>			
Equity securities	10	47,116	47,116
Mutual funds	10	6,348,397	6,095,600
Government securities	11	11,992,804	12,113,684
Debt securities	12	225,000	225,000
Term deposits	13	344,800	590,150
		18,958,117	19,071,550
Loans secured against life insurance policies		173,013	178,706
Insurance / takaful / reinsurance / retakaful receivables		289,255	192,913
Other loans and receivables		404,804	375,727
Taxation - payments less provision		705,406	690,471
Deferred tax asset - net		445,427	439,029
Prepayments		145,113	79,942
Cash and bank	14	28,620	312,967
<b>Total assets</b>		<b>21,831,026</b>	<b>22,046,187</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves attributable to Company's equity holders</b>			
Authorised share capital (300,000,000 (2021: 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		(1,049,766)	(1,043,446)
Unappropriated profit		1,131,916	1,121,879
(Deficit) / surplus on revaluation of available for sale investments - net		(48,960)	(39,924)
<b>Total equity</b>		<b>1,738,862</b>	<b>1,744,181</b>
<b>Liabilities</b>			
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	15	18,606,854	18,700,567
Outstanding claims		544,208	508,077
Retirement benefit obligations		29,241	29,241
Premium received in advance		218,596	334,396
Reinsurance / retakaful payables		45,098	39,348
Other creditors and accruals		510,217	545,088
Lease liability against right-of-use assets		137,950	145,289
<b>Total liabilities</b>		<b>20,092,164</b>	<b>20,302,006</b>
<b>Total equity and liabilities</b>		<b>21,831,026</b>	<b>22,046,187</b>

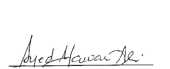
**Contingencies and commitments**

16

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

  
Chairman

  
Director

  
Director

  
Chief Executive Officer

  
Chief Financial Officer

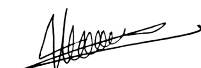
**IGI LIFE INSURANCE LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2022**

		------(Un-audited)-----	
		For the quarter and three months ended March 31	
		2022	2021
		-----Rupees in '000-----	
Note			
	Gross premium / contribution revenue	1,631,109	1,936,797
	Less: premium / contribution ceded to reinsurers / retakaful operators	55,045	57,383
	<b>Net premium / contribution revenue</b>	<b>1,576,064</b>	<b>1,879,414</b>
17			
	Investment income	344,195	269,200
18	Net realised fair value (losses) / gains on financial assets	(20,527)	27,632
	Other income - net	16,087	15,440
		339,755	312,272
	<b>Net income</b>	<b>1,915,819</b>	<b>2,191,686</b>
	Insurance benefits	1,453,358	1,376,156
	Recoveries from reinsurers / retakaful operators	(43,758)	(56,902)
19	<b>Net insurance benefits</b>	<b>1,409,600</b>	<b>1,319,254</b>
		506,219	872,432
	Change in insurance liabilities (other than outstanding claims)	(67,972)	308,220
20	Acquisition expenses	385,566	405,206
21	Marketing and administration expenses	179,302	243,494
22	Other expenses	1,815	1,651
	<b>Total expenses</b>	<b>498,711</b>	<b>958,571</b>
		7,508	(86,139)
	Finance costs against right-of-use assets	2,270	3,038
	Surplus appropriated to Shareholders' Fund from Ledger Account C	-	-
	<b>Profit / (Loss) before tax</b>	<b>5,238</b>	<b>(89,177)</b>
23	Income tax	(1,521)	25,863
	<b>Profit / (Loss) after tax</b>	<b>3,717</b>	<b>(63,314)</b>
		-----Rupees-----	
24	Profit / (Loss) per share	0.02	(0.37)

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



Chairman



Director



Director



Chief Executive Officer


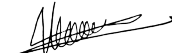
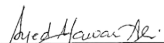
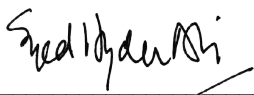



Chief Financial Officer

**IGI LIFE INSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2022**

	<b>----- (Un-audited) -----</b>	
	<b>For the quarter and three months ended March 31</b>	
	<b>2022</b>	<b>2021</b>
	<b>----- Rupees in '000 -----</b>	
Profit / (Loss) after tax	3,717	(63,314)
<b>Other comprehensive (loss) / income</b>		
<b>Items that will be reclassified subsequently to the profit and loss:</b>		
Change in unrealised (loss) / income on available-for-sale financial assets	(36,671)	3,406
Less: taxation	1,894	-
Change in unrealised (loss) / income on available-for-sale financial assets - net of tax	(34,777)	3,406
Change in insurance liabilities - net	25,741	(14,202)
	(9,036)	(10,796)
<b>Items that will not be reclassified subsequently to the profit and loss:</b>		
Actuarial losses on retirement benefit scheme	-	-
Other comprehensive loss for the period	(9,036)	(10,796)
<b>Total comprehensive loss for the period</b>	<b>(5,319)</b>	<b>(74,110)</b>

The annexed notes from 1 to 29 form an integral part of these 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, 2022**

	Attributable to equity holders of the Company				
	Share capital	Un-appropriated profit *	Ledger C & D account **	Capital reserve	Total
				Net (deficit) / surplus on revaluation of available for sale investments **	
	-----Rupees in '000-----				
Balance as at December 31, 2020 (audited)	1,705,672	1,070,680	(641,955)	2,331	2,136,728
Total comprehensive income / (loss)					
Profit / (loss) for the year ended December 31, 2021	-	51,199	(400,356)	-	(349,157)
Other comprehensive loss for the year ended December 31, 2021	-	-	(1,135)	(42,255)	(43,390)
	-	51,199	(401,491)	(42,255)	(392,547)
Appropriation of surplus from ledger D to Shareholder fund	-	-	-	-	-
Balance as at December 31, 2021 (audited)	1,705,672	1,121,879	(1,043,446)	(39,924)	1,744,181
Total comprehensive income / (loss)					
Profit / (loss) for the three months ended March 31, 2022	-	10,037	(6,320)	-	3,717
Other comprehensive loss for the three months ended March 31, 2022	-	-	-	(9,036)	(9,036)
	-	10,037	(6,320)	(9,036)	(5,319)
Balance as at March 31, 2022 (un-audited)	1,705,672	1,131,916	(1,049,766)	(48,960)	1,738,862

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

\*\* This represents reserve appropriated to shareholders.

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

  
Chairman

  
Director

  
Director


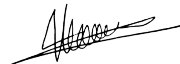
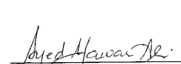


  
Chief Executive Officer

  
Chief Financial Officer

**IGI LIFE INSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2022**

		<div>------(Un-audited)-----</div>	
		For the quarter and three months ended March 31	
Note		2022	2021
		<div>-----Rupees in '000-----</div>	
Operating cash flows			
(a) Underwriting activities			
	Premiums received net of policy transfers	1,413,428	1,831,243
	Reinsurance premium paid	(72,819)	(73,609)
	Claims paid	(359,546)	(318,519)
	Surrenders paid	(1,057,681)	(949,337)
	Reinsurance recovery received	49,297	47,520
	Commission paid	(255,317)	(308,060)
	Commission received	12,024	12,492
	Net cash inflow from underwriting activities	(270,614)	241,730
(b) Other operating activities			
	Income tax paid	(19,035)	(15,573)
	Marketing and administrative expenses paid	(385,609)	(304,995)
	Other operating receipts	5,718	7,164
	Loans advanced	9,834	(690)
	Loan repayments received	1,222	2,958
	Net cash outflow on other operating activities	(387,870)	(311,136)
Total cash outflow on all operating activities		(658,484)	(69,406)
Investment activities			
	Profit / return received	288,233	230,294
	Dividend received	21,069	2,157
	Payment for investments	(653,773)	(994,320)
	Proceeds from disposal of investments	474,443	491,872
	Proceeds from disposals of fixed assets	1,729	(47,209)
	Fixed capital expenditure	(2,913)	5,933
	Total cash inflow from / (outflow on) investing activities	128,788	(311,273)
Financing activities			
	Dividends paid	-	-
	Total cash outflow on financing activities	-	-
Net cash inflow from / (outflow on) all activities		(529,696)	(380,679)
Cash and cash equivalents at beginning of the period		903,116	1,464,863
Cash and cash equivalents at end of the period	14.2	373,420	1,084,184
Reconciliation to the profit and loss account			
	Operating cash flows	(658,484)	(69,406)
	Depreciation and amortisation expenses	(34,125)	(39,421)
	Gain on disposal of fixed assets	(1,027)	2,093
	Increase in assets other than cash	705	351,579
	Increase in liabilities	395,376	(623,091)
	Investment income	295,044	311,538
	Profit received on bank deposits	6,228	3,394
	Surplus appropriated to shareholders' fund	-	-
	Profit / (Loss) after taxation	3,717	(63,314)

The annexed notes from 1 to 29 form an integral part of these 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**  
**FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2022**

**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, 2021: 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, 2021.
- 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, 2021.

#### 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 new and amended standards and interpretations that are mandatory for the Company's accounting period beginning on or after January 1, 2022, but are considered not to be relevant or 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*
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023 and yet to be notified by the Securities and Exchange Commission of Pakistan.	

\* The management 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, 2021. 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, 2022 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, 2021.

## 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, 2022 and change in the fair values during the quarter ended March 31, 2021:

<b>Financial assets with contractual cash flows that meet the SPPI criteria, excluding those held for trading</b>	<b>Rupees in 000</b>
<i>Pakistan Investment Bonds - available for sale (refer note 11)</i>	
Opening fair value	4,966,853
Additions during the period	296,070
Increase in fair value	(325,964)
Closing fair value	<u>4,936,959</u>
<i>Market Treasury Bills - available for sale (refer note 11)</i>	
Opening fair value	6,869,422
Disposals during the period	(73,937)
Decrease in fair value	(19,267)
Closing fair value	<u>6,776,218</u>
<i>GOP Ijarah Sukuk - available for sale (refer note 11)</i>	
Opening fair value	277,409
Disposals during the period	-
Increase in fair value	2,218
Closing fair value	<u>279,627</u>
<i>Debt Securities - available for sale (refer note 12)</i>	
Opening fair value	225,000
Additions / disposals during the period	-
Increase / (decrease) in fair value	-
Closing fair value	<u>225,000</u>
<b>Financial assets that do not meet the SPPI criteria</b>	
<i>Mutual funds - available for sale (refer note 10)</i>	
Opening fair value	6,095,600
Additions during the period	166,919
Decrease in fair value	85,878
Closing fair value	<u>6,348,397</u>
<i>Listed equities - available for sale (refer note 10)</i>	
Opening fair value	47,116
Additions during the period	577
Increase in fair value	(577)
Closing fair value	<u>47,116</u>

9	PROPERTY AND EQUIPMENT	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
			Rupees in 000	
	Tangible assets (including right-of-use-assets)		330,236	350,623
	Capital work-in-progress		3,474	3,474
			333,710	354,097
	Intangible assets		347,561	350,785
		9.1	681,271	704,882
9.1	Opening net book value		695,625	708,677
	Add: Additions during the period / year			
	- Leasehold improvements		-	17,175
	- Furniture and fixtures		-	16,746
	- Office equipment		-	4,177
	- Computer equipment		1,392	21,223
	- Motor vehicles - owned		-	82
	- Right-of-use assets		-	71,388
	- Software and licenses		7,426	20,942
			8,818	151,733
	Less: net book value of disposals		1,217	5,141
	Less: depreciation and amortisation for the period / year		34,125	159,644
			35,342	164,785
	Closing net book value		669,101	695,625
	Add: capital work-in-progress		12,170	9,257
			681,271	704,882

## 10 INVESTMENTS IN EQUITY SECURITIES

	(Un-audited)			(Audited)		
	As at March 31, 2022			As at December 31, 2021		
	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	43,654	47,116	3,462	43,077	47,116	4,039
Mutual Funds	6,354,089	6,348,397	(5,692)	6,187,171	6,095,600	(91,571)
	6,397,743	6,395,513	(2,230)	6,230,248	6,142,716	(87,532)

## 11 INVESTMENTS IN GOVERNMENT SECURITIES

	Note	(Un-audited)			(Audited)		
		As at March 31, 2022			As at December 31, 2021		
		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	5,377,564	4,936,959	(440,605)	5,081,494	4,966,853	(114,641)
Market Treasury Bills	11.3	6,801,203	6,776,218	(24,985)	6,875,140	6,869,422	(5,718)
GOP Ijarah Sukuk	11.4	284,627	279,627	(5,000)	284,627	277,409	(7,218)
		12,463,395	11,992,804	(470,591)	12,241,261	12,113,684	(127,577)

- 11.1** The effective yield on Pakistan Investment Bonds ranges from 7.80% to 11.88% (December 31, 2021: 7.80% to 11.88%) per annum. The market yield ranges from 8.16% to 12.05% (December 31, 2021: 7.17% to 12%) per annum.
- 11.2** The Company has deposited 5 years Pakistan Investment Bonds having face value amounting to Rs. 193 million (December 31, 2021: Rs. 193 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 10.15% to 11.94% (December 31, 2021: 7.1% to 10.31%) per annum. The market yield ranges from 10.59% to 12.44% (December 31, 2021: 10.05% to 10.28%) per annum.
- 11.4** The effective yield on GOP Ijarah Sukuk ranges from 7.53% to 8.42% (December 31, 2021: 5.95% to 8.53%) per annum.

## 12 INVESTMENTS IN DEBT SECURITIES

Note	(Un-audited)			(Audited)			
	As at March 31, 2022			As at December 31, 2021			
	Carrying amount	Market value	Surplus / (deficit) on revaluation of investments	Carrying amount	Market value	Surplus / (deficit) on revaluation of investments	
-----Rupees in 000-----							
<b>Available for sale</b>							
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 8.13% to 10.37% (December 31, 2021: 7.25% to 7.35%) per annum.

## 13 INVESTMENTS IN TERM DEPOSITS

	(Un-audited)			(Audited)		
	As at March 31, 2022			As at December 31, 2021		
	Principal amount	Tenure	Rates	Principal amount	Tenure	Rates
Rupees in 000				Rupees in 000		
<b>Loans and receivables</b>						
Deposits maturing within 12 months	344,800	1 month to 3 months	8.5% to 10.5% per annum	590,150	1 month to 3 months	6% to 10.5% per annum

14 CASH AND BANK	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
		----- Rupees in 000 -----	
Cash in hand		852	453
Cash at bank			
- Savings accounts	14.1	27,768	312,514
		28,620	312,967

- 14.1** These savings accounts carry markup rate of 6.6% to 8.25% per annum (December 31, 2021: 9% to 14%).

	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
---- Rupees in 000 ----			
<b>14.2 Cash and cash equivalents</b>			
Cash and bank balances	14	28,620	312,967
Term deposit receipts (with original maturity of less than 3 months)	13	344,800	590,150
Treasury Bills (with original maturity of less than 3 months)		-	6,869,422
		<u>373,420</u>	<u>7,772,539</u>

## 15 INSURANCE LIABILITIES

Incurred but not reported claims	165,595	189,143
Investment component of unit-linked and account value policies	10,362,155	10,407,554
Liabilities under individual conventional insurance contracts	6,608,789	6,721,168
Liabilities under group insurance contracts	418,685	319,592
Other insurance liabilities	586,744	606,333
Ledger account A and B	464,885	456,777
	<u>18,606,853</u>	<u>18,700,567</u>

## 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 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 in fact, in sum and substance, a contingent contract under which payment is made on the occurrence of an event, specified in the terms of contract or policy, and is thus a financial arrangement. Superior courts in foreign jurisdictions have held that insurance is not a service.

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

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



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

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

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

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

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

Had the sales tax liability on life insurance and health insurance premium been recorded, the loss after tax would have been higher by Rs. 338.690 million while sales tax liability as at March 31, 2022 would have been higher by Rs. 477.028 million.

## 17 NET PREMIUM / CONTRIBUTION REVENUE

### Gross premiums / contribution:

#### Regular premium / contribution individual policies\*

	2022	2021
First year	335,604	458,216
Second year renewal	239,926	122,902
Subsequent year renewal	330,449	306,917
Single premium / contribution individual policies	205,607	387,730
Group policies without cash value	519,523	661,032
<b>Total gross premiums / contribution</b>	<b>1,631,109</b>	<b>1,936,797</b>

### Less: reinsurance premium / contribution ceded

On individual life first year business	8,795	9,197
On individual life second year business	5,400	3,795
On individual life renewal business	11,621	9,555
On single premium policies	498	798
On individual accident and health first year	937	2,107
On group policies	39,818	44,423
Less: commission from reinsurers	(12,024)	(12,492)
	55,045	57,383

### Net premium / contribution

	<b>1,576,064</b>	<b>1,879,414</b>
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\* Individual policies are those underwritten on an individual basis, and includes joint life policies underwritten as such.

------(Un-audited)-----	
For the quarter and three months ended	
March 31,	
2022	2021
-----Rupees in 000-----	

**18 INVESTMENT INCOME**

------(Un-audited)-----		
For the quarter and three months ended		
March 31,		
	2022	2021
-----Rupees in 000-----		
Return on government securities	294,524	248,022
Amortisation of discount	10,766	22
Dividend income	21,069	2,157
Profit on term deposit receipts	11,423	14,050
Profit on debt securities	6,413	4,949
	<u>344,195</u>	<u>269,200</u>

**19 NET INSURANCE BENEFITS****Gross claims**

Claims under individual policies

By death	54,075	57,485
By maturity	2,182	2,159
By surrender	1,055,499	949,337

**Total gross individual policy claims**

	<u>1,111,756</u>	<u>1,008,981</u>
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Claims under group policies

by death	120,005	181,314
by insured event other than death	221,597	188,406
experience refund	-	(2,545)

**Total gross group policy claims**

	<u>341,602</u>	<u>367,175</u>
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**Total gross policy claims**

	<u>1,453,358</u>	<u>1,376,156</u>
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**Less: reinsurance recoveries**

On individual life claims

On group life claims

10,738	18,642
33,020	38,260
43,758	56,902

**Net insurance benefit expense**

<u>1,409,600</u>	<u>1,319,254</u>
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**20 ACQUISITION EXPENSES**

Remuneration to insurance intermediaries

on individual policies:

- Commission on first year premiums / contribution	134,086	193,620
- Commission on second year premiums / contribution	15,571	7,870
- Commission on subsequent renewal premiums / contribution	9,982	10,045
- Commission on single premiums / contribution	5,940	12,569
- Other benefits to insurance intermediaries	104,638	93,086
	<u>270,217</u>	<u>317,190</u>

Remuneration to insurance intermediaries on group policies:

- Commission

- Other benefits to insurance intermediaries

47,611	21,620
1,016	833
<u>48,627</u>	<u>22,453</u>

Branch overheads :

- Salaries and other benefits

- Other operational cost

27,328	31,905
34,789	30,674
<u>62,117</u>	<u>62,579</u>

Other acquisition cost :

- Policy stamps

4,605	2,984
<u>385,566</u>	<u>405,206</u>

**21 MARKETING AND ADMINISTRATION EXPENSES**

<b>-----Un-audited-----</b>		
<b>For the quarter and three months ended</b>		
	<b>2022</b>	<b>2021</b>
	<b>-----Rupees in 000-----</b>	
Salaries, allowances & other benefits	73,587	96,576
Travelling expenses	703	838
Directors fees	2,551	2,100
Regulators fee	4,489	2,619
Actuary's fees	2,148	2,535
Legal and professional charges	1,126	3,436
Advertisement and publicity	2,005	4,383
Printing and stationery	3,443	7,866
Depreciation and amortisation	34,125	39,421
Rentals	516	10,542
Vehicles and general repair and maintenance	14,576	36,812
Utilities-electricity, water and gas	664	3,988
Transportation	778	298
Communication	3,434	6,719
Consultancy fee	1,767	3,291
Training and workshop	69	882
Insurance	1,451	1,924
Interest on premium deposit in advance	205	249
Social security	765	747
Entertainment	781	7,539
Books and subscriptions	-	1
Miscellaneous expenses	30,119	10,728
	<u>179,302</u>	<u>243,494</u>

**22 OTHER EXPENSES**

Auditors' remuneration	<u>1,815</u>	<u>1,651</u>
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**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, 2022, the shareholder's fund reflected a profit before tax of Rs. 14.137 million resulting in current tax amounting to Rs.4.1 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, 2021: Rs. 426.2 million) in this respect.

**24 PROFIT / (LOSS) PER SHARE****Basic / diluted earning / (loss) per share**

<b>-----Un-audited-----</b>		
<b>For the quarter and three months ended</b>		
	<b>2022</b>	<b>2021</b>
	<b>-----Rupees in 000-----</b>	
Profit / (Loss) for the period	<u>3,717</u>	<u>(63,314)</u>
	<b>-----No of shares-----</b>	
Weighted average number of ordinary shares	<u>170,567,200</u>	<u>170,567,200</u>
	<b>----- (Rupees)-----</b>	
Earning / (Loss) per share	<u>0.02</u>	<u>(0.37)</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, 2022											
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**

4,031	159,694	145,421	410,470	2,674	289,997	26,363	506,312	1,154	2,602	15,322	1,564,040
43,874	94,545	(23)	95,953	(4)	-	4,266	25,261	-	(215)	(857)	262,800
2,124	11,498	663	2,731	19	7,212	648	2,522	(1)	(4)	23	27,435
50,029	265,737	146,061	509,154	2,689	297,209	31,277	534,095	1,153	2,383	14,488	1,854,275

### CLAIMS AND EXPENDITURE

Claims, including bonuses, net of reinsurance recoveries

Management expenses less recoveries

**Total claims and expenditure**

84,911	238,185	80,885	595,875	2,279	208,475	32	179,768	-	6,100	13,090	1,409,600
1,783	55,353	27,800	146,233	5,772	59,343	-	240,546	563	3,446	9,331	550,170
86,694	293,538	108,685	742,108	8,051	267,818	32	420,314	563	9,546	22,421	1,959,770

**Excess / (shortage) of income over claims and expenditure**

(36,665)	(27,801)	37,376	(232,954)	(5,362)	29,391	31,245	113,781	590	(7,163)	(7,933)	(105,495)
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Add: Policyholders' liabilities at beginning of the period

Less: Policyholders' liabilities at end of the period

Movement in policyholders' liabilities

1,627,464	5,373,432	120,654	6,336,304	20,256	325,979	267,072	4,184,891	5,763	(15,479)	(2,546)	18,243,790
(1,582,691)	(5,273,283)	(150,144)	(6,141,524)	(20,256)	(357,132)	(297,685)	(4,333,659)	(5,997)	19,371	1,031	(18,141,969)
44,773	100,149	(29,490)	194,780	-	(31,153)	(30,613)	(148,768)	(234)	3,892	(1,515)	101,821

**Surplus / (deficit) before tax**

Taxation

**Surplus / (deficit) after tax**

Movement in policyholders' liabilities

8,108	72,348	7,886	(38,174)	(5,362)	(1,762)	632	(34,987)	356	(3,271)	(9,448)	(3,674)
-	(20,948)	(2,110)	12,428	1,623	1,062	(183)	7,807	(104)	747	2,257	2,579
8,108	51,400	5,776	(25,746)	(3,739)	(700)	449	(27,180)	252	(2,524)	(7,191)	(1,095)
(44,773)	(100,149)	29,490	(194,780)	-	31,153	30,613	148,768	234	(3,892)	1,515	(101,821)

### 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**

2,084,241	5,713,320	242,059	6,016,888	14,275	284,191	276,570	3,642,390	5,818	(6,846)	16,945	18,289,851
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**Balance of statutory fund at end of the period**

<b>2,047,576</b>	<b>5,664,571</b>	<b>277,325</b>	<b>5,796,362</b>	<b>10,536</b>	<b>314,644</b>	<b>307,632</b>	<b>3,763,978</b>	<b>6,304</b>	<b>(13,262)</b>	<b>11,269</b>	<b>18,186,935</b>
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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

-	-	150,000	242,100	42,000	-	6,000	101,500	-	16,200	92,500	650,300
1,582,691	5,273,283	150,144	6,141,524	20,256	357,132	297,685	4,333,659	5,997	(19,371)	(1,031)	18,141,969
436,988	-	-	-	-	-	-	-	-	-	-	436,988
27,897	-	-	-	-	-	-	-	-	-	-	27,897
-	396,101	(22,136)	(583,549)	(51,611)	(42,488)	3,947	(669,495)	307	(9,829)	(79,109)	(1,057,862)
-	(4,813)	(683)	(3,713)	(109)	-	-	(1,686)	-	(262)	(1,091)	(12,357)

**BALANCE OF STATUTORY FUND**

<b>2,047,576</b>	<b>5,664,571</b>	<b>277,325</b>	<b>5,796,362</b>	<b>10,536</b>	<b>314,644</b>	<b>307,632</b>	<b>3,763,978</b>	<b>6,304</b>	<b>(13,262)</b>	<b>11,269</b>	<b>18,186,935</b>
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(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	<b>1,866,922</b>
37,253	108,729	38	104,119	6	-	1,832	24,492	-	11	72	<b>276,552</b>
1,787	3,928	722	2,167	26	6,099	51	13,245	11	172	1,068	<b>29,276</b>
45,526	257,624	191,504	614,379	5,152	373,613	18,137	620,439	2,956	12,191	31,229	<b>2,172,750</b>

**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	<b>1,319,254</b>
-	-	-	-	-	-	-	-	-	-	-	-
2,399	70,501	21,229	206,765	8,315	55,153	-	249,953	1,180	6,166	13,579	<b>635,240</b>
52,036	378,267	148,724	682,078	8,385	236,683	4,484	407,506	1,180	13,205	21,946	<b>1,954,494</b>

**Excess 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	<b>218,256</b>
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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)	<b>17,659,198</b>
(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	<b>(17,988,276)</b>
(146)	140,713	(66,902)	9,127	(2,864)	(125,124)	(13,251)	(247,538)	(2,437)	(1,687)	(18,969)	<b>(329,078)</b>

**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)	<b>(110,822)</b>
-	(5,709)	7,007	17,046	1,770	(3,423)	(116)	9,994	191	780	2,816	<b>30,356</b>
(6,656)	14,361	(17,115)	(41,526)	(4,327)	8,383	286	(24,611)	(470)	(1,921)	(6,870)	<b>(80,466)</b>

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	<b>329,078</b>
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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	<b>18,016,860</b>
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**Balance of statutory fund at end of the period**

<b>2,094,740</b>	<b>5,983,861</b>	<b>225,420</b>	<b>6,452,346</b>	<b>23,620</b>	<b>421,728</b>	<b>200,441</b>	<b>2,826,364</b>	<b>3,453</b>	<b>660</b>	<b>32,839</b>	<b>18,265,472</b>
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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	<b>500,300</b>
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)	<b>17,988,276</b>
441,260	-	-	-	-	-	-	-	-	-	-	<b>441,260</b>
44,910	-	-	-	-	-	-	-	-	-	-	<b>44,910</b>
-	225,032	(14,613)	(441,015)	(39,386)	31,971	2,608	(420,061)	(998)	(4,379)	(55,428)	<b>(716,269)</b>
-	9,588	(196)	(1,065)	(31)	-	-	(1,032)	-	(58)	(211)	<b>6,995</b>

**BALANCE OF STATUTORY FUND**

<b>2,094,740</b>	<b>5,983,861</b>	<b>225,420</b>	<b>6,452,346</b>	<b>23,620</b>	<b>421,728</b>	<b>200,441</b>	<b>2,826,364</b>	<b>3,453</b>	<b>660</b>	<b>32,839</b>	<b>18,265,472</b>
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## 25.2 Condensed Interim Statement of Financial Position by Segment

	----- Un-audited -----			----- Audited -----		
	March 31, 2022			December 31, 2021		
	Shareholders Fund	Statutory Funds	Total	Shareholders Fund	Statutory Funds	Total
	----- Rupees in '000 -----			----- Rupees in '000 -----		
<b>Assets</b>						
Property and equipment	98,495	235,215	333,710	107,513	246,584	354,097
Intangible assets	26,643	320,918	347,561	12,559	338,226	350,785
Investments						
Equity securities	2,924	44,192	47,116	-	47,116	47,116
Mutual funds	(2,924)	6,351,321	6,348,397	-	6,095,600	6,095,600
Government securities	442,642	11,550,162	11,992,804	485,687	11,627,997	12,113,684
Debt securities	-	225,000	225,000	-	225,000	225,000
Term deposits	-	344,800	344,800	-	590,150	590,150
Loans secured against life insurance policies	-	173,013	173,013	-	178,706	178,706
Insurance / takaful / reinsurance / retakaful receivables	-	289,255	289,255	-	192,913	192,913
Other loans and receivables	65,704	339,100	404,804	56,917	318,810	375,727
Taxation - payments less provision	705,406	-	705,406	690,471	-	690,471
Deferred tax asset - net	445,427	-	445,427	439,029	-	439,029
Prepayments	17,341	127,772	145,113	8,561	71,381	79,942
Cash and bank	28,620	-	28,620	453	312,514	312,967
<b>Total assets</b>	<b>1,830,278</b>	<b>20,000,748</b>	<b>21,831,026</b>	<b>1,801,190</b>	<b>20,244,997</b>	<b>22,046,187</b>
<b>Liabilities</b>						
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	-	18,606,854	18,606,854	-	18,700,567	18,700,567
Outstanding claims	-	544,208	544,208	-	508,077	508,077
Retirement benefit obligations	29,241	-	29,241	29,241	-	29,241
Premium received in advance	77	218,519	218,596	88,694	245,702	334,396
Reinsurance / retakaful payables	-	45,098	45,098	-	39,348	39,348
Other creditors and accruals	200,971	309,246	510,217	158,688	386,400	545,088
Liabilities against right-of-use assets	137,950	-	137,950	145,289	-	145,289
<b>Total liabilities</b>	<b>368,239</b>	<b>19,723,925</b>	<b>20,092,164</b>	<b>421,912</b>	<b>19,880,094</b>	<b>20,302,006</b>

## 26 TRANSACTIONS WITH RELATED PARTIES

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

- 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:

	Holding Company		Post Employment Benefit Plans		Key Management Personnel		Other Related Parties	
	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in '000)							
<b>Transactions</b>								
Premium underwritten	-	-	-	-	-	2,679	135,265	25,938
Premium paid for general insurance	-	-	-	-	-	-	1,846	2,005
Claims paid	-	-	-	-	-	-	14,187	11,446
Claims received	-	-	-	-	-	-	432	102
Charge for administrative services received	-	-	-	-	-	-	18,293	6,929
Charge for administrative services provided	-	-	-	-	-	-	2,440	1,912
Rent expense	-	-	-	-	-	-	7,885	10,147
Purchase of fixed asset	-	-	-	-	-	-	-	-
Proceeds from disposal of fixed assets	-	-	-	-	-	-	-	-
Remuneration paid	-	-	-	-	35,459	52,777	-	-
Charge in respect of employees gratuity fund	-	-	4,011	3,513	-	-	-	-
Charge in respect of provident fund	-	-	3,569	4,263	-	-	-	-

Holding Company		Post Employment Benefit Plans		Key Management Personnel		Other Related Parties	
2022	2021	2022	2021	2022	2021	2022	2021

(Rupees in '000)

**Balances**

(Receivable) / payable for group shared services	211	(211)	-	-	-	(111,887)	85,607
(Receivable) / payable for general insurance premium	-	-	-	-	-	-	11
Premium receivable	-	-	-	-	-	-	2,933
Retirement benefit obligations	-	-	33,252	29,241	-	-	-
(Receivable)/payable to employee provident fund	-	-	2,556	4,217	-	-	-

**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, 2022 and December 31, 2021, 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, 2022		
Level 1	Level 2	Level 3

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

47,116	18,566,201	-
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**Assets carried at fair value**

Available-for-sale investments

-----Audited-----		
As at December 31, 2021		
Level 1	Level 2	Level 3

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

47,116	18,434,284	-
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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 27, 2022 by the Board of Directors of the Company.



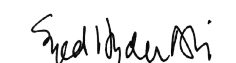
Chairman



Director



Director



Chief Executive Officer



Chief Financial Officer



Life | Window Takaful Operations



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

**For the quarter and three months ended  
March 31, 2022**


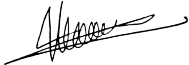





**IGI LIFE INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT MARCH 31, 2022**

	As at March 31, 2022			As at December 31, 2021
	Operator sub fund	Policyholders fund	Total	Total
Note	----- Rupees in 000 -----			
<b>Assets</b>				
Property and equipment	103,732	-	103,732	111,184
Investments				
Mutual funds	170,218	3,767,513	3,937,731	3,519,207
Government Securities	344,734	161,575	506,309	277,409
Term deposits	-	-	-	308,200
	514,952	3,929,088	4,444,040	4,104,816
Takaful / retakaful receivables	-	20,855	20,855	8,927
Other loans and receivables	327,263	-	327,263	328,923
Taxation - payments less provision	52,258	-	52,258	50,727
Deferred tax asset - net	307,882	-	307,882	295,933
Prepayments	63,948	-	63,948	15,149
Cash and bank	(236,761)	-	(236,761)	(159,723)
<b>Total assets</b>	<b>1,133,274</b>	<b>3,949,943</b>	<b>5,083,217</b>	<b>4,755,936</b>
<b>Equity and liabilities</b>				
<b>Equity and reserves</b>				
Waqf Ceded Money	-	500	500	500
Capital contributed	259,700	-	259,700	259,700
Ledger account C & D	(754,588)	-	(754,588)	(719,813)
Surplus / (deficit) on revaluation of available for sale investments	(6,577)	-	(6,577)	(4,709)
<b>Total equity</b>	<b>(501,465)</b>	<b>500</b>	<b>(500,965)</b>	<b>(464,322)</b>
<b>Liabilities</b>				
Insurance liabilities [including policyholders' liabilities and profit retained in waqf]	86,113	4,233,141	4,319,254	4,287,319
Outstanding claims	-	105,096	105,096	81,486
Contribution received in advance	-	44,139	44,139	71,185
Takaful / retakaful payables	-	7,663	7,663	1,238
Other creditors and accruals	84,949	-	84,949	141,941
Interfund receivable / (payable)	1,411,287	(440,596)	970,691	580,378
Lease liability against right-of-use assets	52,390	-	52,390	56,711
<b>Total liabilities</b>	<b>1,634,739</b>	<b>3,949,443</b>	<b>5,584,182</b>	<b>5,220,258</b>
<b>Total equity and liabilities</b>	<b>1,133,274</b>	<b>3,949,943</b>	<b>5,083,217</b>	<b>4,755,936</b>
<b>Contingencies and commitments</b>				

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, 2022**

			March 31, 2022			March 31, 2021		
			Operator sub fund	Policyholders fund	Total	Operator sub fund	Policyholders fund	Total
			-----Rupees in 000-----					
Contribution revenue	10	-	541,344	541,344	-	642,302	642,302	
Less: wakala fee recognised		164,471	(164,471)	-	204,678	(204,678)	-	
		164,471	376,873	541,344	204,678	437,624	642,302	
Less: contribution ceded to retakaful operators	10	-	13,432	13,432	-	12,560	12,560	
<b>Net contribution revenue</b>		164,471	363,441	527,912	204,678	425,064	629,742	
Investment income		-	15,414	15,414	264	16,030	16,294	
Net realised fair value gains / (losses) on financial assets		-	(5,108)	(5,108)	209	11,030	11,239	
Takaful operator fee income		34,581	(34,581)	-	23,743	(23,743)	-	
Other income - net		(384)	1,058	674	853	95	948	
		34,197	(23,217)	10,980	25,069	3,412	28,481	
<b>Net income</b>		198,668	340,224	538,892	229,747	428,476	658,223	
Takaful benefits		-	205,966	205,966	-	181,751	181,751	
Recoveries from retakaful operators		-	(7,008)	(7,008)	-	(8,792)	(8,792)	
<b>Net takaful benefits</b>	11	-	198,958	198,958	-	172,959	172,959	
		198,668	141,266	339,934	229,747	255,517	485,264	
Change in takaful liabilities (including profit retained in waqf fund)		(12,256)	141,266	129,010	4,394	255,517	259,911	
Acquisition expenses	12	200,418	-	200,418	201,243	-	201,243	
Marketing and administration expenses		55,988	-	55,988	71,633	-	71,633	
<b>Total expenses</b>		244,150	141,266	385,416	277,270	255,517	532,787	
<b>(Loss) / profit before tax attributable to Operator</b>		(45,482)	-	(45,482)	(47,523)	-	(47,523)	
Taxation		(10,707)	-	(10,707)	(13,781)	-	(13,781)	
<b>(Loss) / profit after tax attributable to Operator</b>		(34,775)	-	(34,775)	(33,742)	-	(33,742)	

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, 2022**

	March 31, 2022			March 31, 2021		
	Operator sub fund	Policyholders fund	Total	Operator sub fund	Policyholders fund	Total
	-----Rupees in 000-----					
(Loss) / profit after tax attributable to Operator	(34,775)	-	(34,775)	(33,742)	-	(33,742)
<b>Other comprehensive loss</b>						
Change in unrealised (loss) / gains on available-for-sale financial assets - net of tax	(1,868)	17,617	15,749	(130)	10,717	10,587
Change in takaful liabilities - net	-	(17,617)	(17,617)	-	(10,717)	(10,717)
<b>Other comprehensive loss for the period</b>	(1,868)	-	(1,868)	(130)	-	(130)
<b>Total comprehensive loss for the period attributable to Operator</b>	<b>(36,643)</b>	<b>-</b>	<b>(36,643)</b>	<b>(33,872)</b>	<b>-</b>	<b>(33,872)</b>

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

  
**Chairman**

  
**Director**

  
**Director**

  
**Chief Executive Officer**

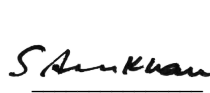
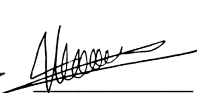
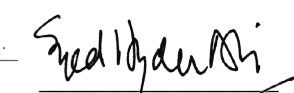

  
**Chief Financial Officer**

**IGI LIFE INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2022**

	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, 2020	259,700	500	(447,125)	(1,170)	(188,095)
Total comprehensive loss					
Loss for the quarter and three months ended March 31, 2021	-	-	(33,742)	-	(33,742)
Other comprehensive loss for the quarter and three months ended March 31, 2021	-	-	-	(130)	(130)
	-	-	(33,742)	(130)	(33,872)
Balance as at March 31, 2021	259,700	500	(480,867)	(1,300)	(221,967)
Total comprehensive income					
Loss for the nine months ended December 31, 2021	-	-	(238,946)	-	(238,946)
Other comprehensive income for the nine months ended December 31, 2021	-	-	-	(3,409)	(3,409)
	-	-	(238,946)	(3,409)	(242,355)
Transactions with owners recorded directly in equity					
Capital Contributed	-	-	-	-	-
Balance as at December 31, 2021	259,700	500	(719,813)	(4,709)	(464,322)
Total comprehensive loss					
Loss for the quarter and three months ended March 31, 2022	-	-	(34,775)	-	(34,775)
Other comprehensive loss for the quarter and three months ended March 31, 2022	-	-	-	(1,868)	(1,868)
	-	-	(34,775)	(1,868)	(36,643)
Balance as at March 31, 2022	259,700	500	(754,588)	(6,577)	(500,965)

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


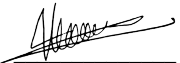
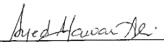
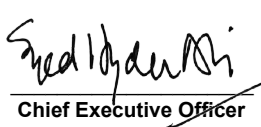

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

				
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, 2022**

Note	For The Quarter and Three Months ended March 31	
	2022	2021
	-----Rupees in 000-----	
<b>Operating Cash flows</b>		
<b>(a) Underwriting activities</b>		
Premiums received net of policy transfers - net of retakaful	482,232	797,152
Claims paid - net of retakaful recoveries	(8,963)	(9,016)
Surrenders paid	(164,144)	(152,697)
Commissions paid	(132,781)	(165,869)
<b>Net cash inflow from underwriting activities</b>	<b>176,344</b>	<b>469,570</b>
<b>(b) Other operating activities</b>		
Payment for expenses	(213,089)	(241,370)
Other operating receipts	(1,020)	38
Inter fund transactions	19,273	(145,430)
<b>Net cash outflow on other operating activities</b>	<b>(194,836)</b>	<b>(386,762)</b>
<b>Total cash inflow from all operating activities</b>	<b>(18,492)</b>	<b>82,808</b>
<b>Investment activities</b>		
Profit / return received	4,576	17,570
Dividend received	10,431	276
Payments (made) / received on investments	(383,193)	(430,922)
Fixed capital expenditure	1,440	(197)
<b>Total cash (outflow) / inflow from investing activities</b>	<b>(366,746)</b>	<b>(413,273)</b>
<b>Net cash (outflow on) / inflow from all activities</b>	<b>(385,238)</b>	<b>(330,465)</b>
Cash and cash equivalents at beginning of period	148,477	1,003,065
<b>Cash and cash equivalents at end of period</b>	<b>(236,761)</b>	<b>672,600</b>
<b>Reconciliation to Profit and Loss Account</b>		
Operating cash flows	(18,492)	82,808
Depreciation and amortisation expenses	11,234	10,815
Increase in assets other than cash	327,281	560,447
Decrease in liabilities	(365,778)	(716,293)
Investment income and other income	9,286	27,571
Profit received on bank deposits	1,694	910
<b>Loss after taxation</b>	<b>(34,775)</b>	<b>(33,742)</b>

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, 2022**

**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, 2021.
- 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, 2021.

#### 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, 2022, 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*
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023 and yet to be notified by the Securities and Exchange Commission of Pakistan.	

\* The management 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, 2021. The Company intends to have an actuarial valuation in respect of staff retirement benefit plan for 2022 conducted at the year end. Hence actuarial gains / losses for the three months ended March 31, 2022 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, 2021.

## 8 TEMPORARY EXEMPTION FROM APPLICATION OF IFRS 9

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

## 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, 2022. There were no other material contingencies and commitments as at March 31, 2022.

## 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 March 31	
2022	2021
--- (Rupees in '000) ---	

228,427	283,298
139,710	112,433
135,158	65,673
17,474	134,145
20,575	46,753
541,344	642,302

5,202	4,148
3,611	2,152
4,082	3,044
28	38
3,031	5,176
(2,522)	(1,998)
13,432	12,560
527,912	629,742

\* 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 March 31	
2022	2021
--- (Rupees in '000) ---	

21,232	11,248
164,144	152,697
185,376	163,945

7,500	9,439
13,090	8,367
-	-
20,590	17,806

205,966	181,751
---------	---------

5,608	6,392
1,400	2,400
7,008	8,792
198,958	172,959



## 12 ACQUISITION EXPENSES

(Un-audited)	
For the quarter and three months ended March 31	
2022	2021
---- (Rupees in '000) ----	

Remuneration to takaful intermediaries on individual policies:

- Commission on first year contribution	88,945	111,039
- Commission on second year contribution	9,058	3,562
- Commission on subsequent renewal contribution	3,138	2,805
- Commission on single contribution	486	4,534
- Other benefits to takaful intermediaries	74,639	52,863
	176,266	174,803

Remuneration to takaful intermediaries on group policies:

- Commission	889	5,858
- Other benefits to takaful intermediaries	438	253
	1,327	6,111

Branch overheads :

- Salaries and other benefits	8,663	9,424
- Other operational cost	11,027	9,060
	19,690	18,484

Other acquisition cost :

- Policy stamps	3,135	1,845
	200,418	201,243

## 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)

Participants' Investment Fund and 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	
				2022	2021
----- (Rupees in '000) -----					
<b>Income</b>					
Allocated Contribution	360,788	-	-	360,788	405,120
Net Investment Income	23,727	-	-	23,727	21,277
Other Income	2,890	-	-	2,890	12,025
Total Net Income	387,405	-	-	387,405	438,422
<b>Less: Claims and Expenditure</b>					
Surrenders / Partial Surrenders	164,144	-	-	164,144	152,697
Risk Contributions	39,299	-	-	39,299	26,659
Wakalat-ul-Istismar	18,428	-	-	18,428	12,270
Policy admin fee	16,153	-	-	16,153	11,473
	238,024	-	-	238,024	203,099
<b>Excess of Income over Claims and expenditure</b>	149,381	-	-	149,381	235,323
Add: Technical reserves at the beginning	4,108,432	-	-	4,108,432	2,787,811
Less: Technical reserves at the end	(4,257,814)	-	-	(4,257,814)	(3,023,134)
	(149,382)	-	-	(149,382)	(235,323)
<b>Surplus</b>	(1)	-	-	(1)	-
Movement in technical reserves	149,382	-	-	149,382	235,323
Balance of PIF at the beginning of the period	4,108,432	-	-	4,108,432	2,787,811
<b>Balance of PIF at the end of the period</b>	4,257,813	-	-	4,257,813	3,023,134

### 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	
				2022	2021
----- (Rupees in '000) -----					
Income					
Contribution net of retakaful	12,488	234	828	11,992	25,542
Net investment income	-	-	-	-	-
Other income	2,522	-	-	34	2,556
	15,010	234	828	12,026	28,098
					41,181
Less: Claims and Expenditure					
Claims	15,624	-	6,100	13,090	34,814
Wakala fee	-	-	-	-	-
	15,624	-	6,100	13,090	34,814
					20,262
Excess of Income over Claims and expenditure	(614)	234	(5,272)	(1,064)	(6,716)
					20,919
Add : Technical reserves at the beginning	74,634	2,770	(23,874)	(17,932)	35,598
Less : Technical reserves at the end	(74,634)	(1,488)	(15,752)	(31,325)	(123,199)
Add: Deficit retained in technical reserves	-	(1,282)	36,965	50,321	86,004
	-	-	(2,661)	1,064	(1,597)
					(18,722)
Surplus / (deficit)	(614)	234	(7,933)	-	(8,313)
Movement in technical reserves	-	-	2,661	(1,064)	1,597
Qard-e-Hasna contributed by Window Takaful Ope	-	-	-	-	-
Balance of PTF at the beginning of the period	74,634	2,770	1,273	28,477	107,154
					76,672
Balance of PTF at the end of the period	74,020	3,004	(3,999)	27,413	100,438
					97,591

### 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	
				2022	2021
----- (Rupees in '000) -----					
Income					
Allocation fee	158,447	920	1,774	3,330	164,471
Investment income	1,534	-	(215)	(857)	462
Other Income	(368)	(1)	(4)	(11)	(384)
Wakala fee - PTF	13,888	-	-	-	13,888
Policy admin fee	16,153	-	-	-	16,153
Takaful operator fee	-	-	-	-	-
Wakalat-ul-Istismar	18,428	-	-	-	18,428
	208,082	919	1,555	2,462	213,018
					239,612
Less: Expenses					
Acquisition cost	178,838	563	536	791	180,728
Administration expenses / deferred taxation	56,423	104	2,163	6,283	64,973
	235,261	667	2,699	7,074	245,701
					259,095
Excess of (expenditure)/over income	(27,179)	252	(1,144)	(4,612)	(32,683)
					(19,483)
Add : Technical reserves at the beginning	1,825	2,993	8,395	15,386	28,599
Less : Technical reserves at the end	(1,825)	(2,993)	(9,775)	(17,965)	(32,558)
	-	-	(1,380)	(2,579)	(3,959)
					(14,389)
Deficit	(27,179)	252	(2,524)	(7,191)	(36,642)
Movement in technical reserves	-	-	1,380	2,579	3,959
Capital Contribution during the period	-	-	-	-	-
Qard-e-Hasna contributed to the Participants Takaful Fund	-	-	-	-	-
Balance of OSF at the beginning of the period	(540,677)	3,048	(8,119)	(11,532)	(557,280)
					(237,926)
Balance of OSF at the end of the period	(567,856)	3,300	(9,263)	(16,144)	(589,963)
					(257,409)
Balance of Family Takaful statutory fund	3,763,977	6,304	(13,262)	11,269	3,768,288
					2,863,316

#### 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, 2022 the Operator and policyholders held the following financial instruments measured at fair value:

##### Assets carried at fair value

Available-for-sale investments

As at March 31, 2022		
Level 1	Level 2	Level 3
Rupees in '000-----		

-	4,444,040	-
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##### Assets carried at fair value

Available-for-sale investments

As at December 31, 2021		
Level 1	Level 2	Level 3
Rupees in '000-----		

-	3,796,616	-
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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

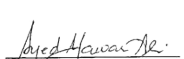
These condensed interim financial statements were authorised for issue on April 27, 2022 by the Board of Directors of the Company.



Chairman



Director



Director



Chief Executive Officer



Chief Financial Officer