



Condensed Interim Financial Statements

For the nine months ended September 30, 2022

The Directors of your Company are pleased to present the condensed interim financial statements (un-audited) for the nine months ended September 30, 2022:

Financial Highlights:
Profit / Loss

	Sep 30 2022	Sep 30 2021
	(Rs. in 000') (Unaudited)	
Net profit / (loss) profit before tax	23,002	(297,018)
Taxation (charged) / reversals	(6,631)	86,135
Net profit / (loss) after tax	16,371	(210,883)
Other comprehensive loss – net	(43,848)	(14,937)
	(in Rupees)	
Earnings / (loss) per share	0.10	(1.24)
Break-up value per share (including amount retained in the statutory funds to meet the requirement of Insurance Ordinance)	10.06	11.2

During the nine months ended September 30, 2022, gross premium written by your Company (including takaful contributions) stood at Rs. 4.573 billion as against Rs. 5.395 billion in the corresponding period last year. Individual life regular premium (including takaful contributions) posted decline of 1% and stood at Rs. 2.608 billion as against Rs. 2.625 billion in the corresponding period last year.

Group Life premiums / contribution (including takaful group family) stood at Rs. 763 million (2021: Rs. 528 million), posting a growth of 44% from corresponding period of last year. Group Health premium / contribution (including takaful group health) stood at Rs 892 million (2021: Rs. 1,119 million), posting a decrease of 20% from corresponding period of last year.

Single premium / contribution individual policies stood at Rs 310 million as compared to Rs. 1,124 million written in the corresponding period last year.

The Company posted profit after tax of Rs. 16.371 million as compared to loss after tax of Rs. 210.883 million in corresponding period of last year. The Management and the Board are pleased to inform the profit after tax for the nine months' ended September 30, 2022. However, we are committed to further improving the company's performance and making efforts to address any operational issues to strengthen financial health of the Company.

Window Takaful Operations

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

	September 30, 2022	September 30, 2021
	(Rs. in 000') (Unaudited)	
Policyholder' Fund		
Gross Contribution	1,629,539	2,064,947
Net Contribution	1,099,124	1,485,956
Investment Income	225,138	159,220
Operator's Fund		
Investment Income	15,095	5,091
Operators' loss before tax	(99,920)	(273,874)
Operators' loss after tax	(70,903)	(194,451)

Future Outlook

Due to the current economic challenges facing the country, the Company expects the uncertainty will challenge the pace of insurance penetration. Nevertheless, with our customer centric approach and aligned strategy, the Company believes it will still be able to maintain its strong footprint in the industry and will continue to serve its valuable customers to the best of its capacity

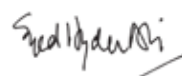
The Board of Directors would like to express their gratitude to IGI Life customers and business partners. We thank our Stakeholders for the trust they have placed in the Company and our employees for their valuable contributions.

On behalf of the Board of Directors



Shamim Ahmad Khan
Chairman

Dated: October 26, 2022



Syed Hyder Ali
Chief Executive Officer

Dated: October 26, 2022

ڈائریکٹرز رپورٹ برائے ممبران

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2022 کو ختم ہونے والی نو ماہی کے (غیر آڈٹ شدہ) عبوری مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

مالیاتی جھلکیاں:

نفع/نقصان	30 ستمبر 2022	30 ستمبر 2021
	(روپے ہزاروں میں) (غیر آڈٹ شدہ)	
خالص نفع/نقصان (قبل از ٹیکس)	23,002	(297,018)
لاگو کردہ ٹیکس واپسی	(6,631)	86,135
خالص نفع/نقصان (بعد از ٹیکس)	16,371	(210,883)
دیگر مجموعی نقصان - خالص	(43,848)	(14,937)

(روپوں میں)

آمدن/نقصان (فی شیئر)	0.10	(1.24)
فی شیئر بریک اپ ویلیو (اس میں انشورنس آرڈیننس کی تعمیل میں اسٹیچوری فنڈ میں رکھی گئی رقم بھی شامل ہے)	10.06	11.2

30 ستمبر 2022 کو ختم ہونے والی نو ماہی میں آپ کی کمپنی کا تحریر کردہ مجموعی پربیم (بشمول تکافل زرتعاون) گزشتہ سال کے اسی مدت کے 5.395 ملین کے مقابلے میں 4.573 ملین رہا۔ انفرادی لائف ریگولر پربیم (بشمول تکافل زرتعاون) گزشتہ سال کے اسی مدت کے 2.625 ملین کے مقابلے میں 1% کمی کے ساتھ 2.608 ملین رہا۔

گروپ لائف پربیم زرتعاون (بشمول گروپ فیملی تکافل) گزشتہ سال کے اسی مدت کے مقابلے میں 44% اضافے کے ساتھ 763 ملین رہا (2021: 528 ملین)۔ گروپ ہیلتھ پربیم زرتعاون (بشمول گروپ ہیلتھ تکافل) گزشتہ سال کے اسی مدت کے مقابلے میں 20% کمی کے ساتھ 892 ملین رہا (2021: 1,119 ملین)۔

سنگل پربیم زرتعاون انفرادی پالیسیز گزشتہ سال کے اسی مدت کے تحریر کردہ 1,124 ملین کے مقابلے میں 310 ملین رہا۔

گزشتہ سال اسی مدت کے 210.883 ملین بعد از ٹیکس نقصان کے مقابلے میں کمپنی کو اس سال 16.371 ملین بعد از ٹیکس کا نفع ہوا۔ کمپنی کی انتظامیہ اور بورڈ کو 30 ستمبر 2022 کو ختم ہونے والی نو ماہی کے بعد از ٹیکس نفع کی اطلاع پر خوشی محسوس ہو رہی ہے۔ بہر حال، ہم کمپنی کی کارکردگی کو بہتر بنانے اور کمپنی کو مالی طور پر مضبوط کرنے میں حائل انتظامی رکاوٹوں کے حوالے سے خوب جدوجہد کے لیے پُر عزم ہیں۔

ونڈ و تکافل آپریشنز

کمپنی کے ونڈ و تکافل آپریشنز کے زیر جائزہ سہ ماہی نتائج کا خلاصہ ذیل میں مذکور ہے:

30 ستمبر 2021

30 ستمبر 2022

(روپے ہزاروں میں)
(غیر آڈٹ شدہ)

پالیسی ہولڈرز فنڈ

2,064,947
1,485,956
159,220

1,629,539
1,099,124
225,138

مجموعی زرتعاون

خالص زرتعاون

سرمایہ کاری آمدن

آپریٹنگ فنڈ

سرمایہ کاری آمدن

آپریٹنگ نقصان قبل از ٹیکس

آپریٹنگ نقصان بعد از ٹیکس

5,091
(273,874)
(194,451)

15,095
(99,920)
(70,903)

مستقبل کا منظر نامہ

ملک کو درپیش موجودہ معاشی چیلنجز کی وجہ سے کمپنی کو لگتا ہے کہ یہ غیر یقینی کیفیت لوگوں تک انشورنس کی رسائی کی رفتار کو دھیمی کر سکتی ہے۔ اس کے باوجود، ہمارے کسٹمر کو فائدہ پہنچانے کے نقطہ نظر اور درست حکمت عملی کی وجہ سے کمپنی کا اس بات پر یقین ہے کہ ہم انڈسٹری میں اپنے قدموں کو مضبوطی سے جمائے رکھیں گے اور جتنا ممکن ہو سکے گا اپنے معزز کسٹمر کی خدمت میں کوشاں رہیں گے۔

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

منجانب بورڈ آف ڈائریکٹرز

Syed H. Ali

سید حیدر علی

چیف ایگزیکٹو آفیسر

بتاریخ: 26 اکتوبر 2022

S. A. Khan

شمیم احمد خان

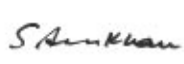


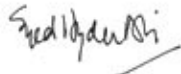

چیئرمین

بتاریخ: 26 اکتوبر 2022

IOI LIFE INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

	Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
		Rupees in 000	
Assets			
Property and equipment	9	271,879	364,097
Intangible assets	9	327,234	350,785
Investments			
Equity securities	10	-	47,116
Mutual funds	10	5,857,762	6,085,800
Government securities	11	11,967,746	12,118,684
Debt securities	12	455,000	225,000
Term deposits	13	-	680,150
		18,280,510	19,071,550
Loans secured against life insurance policies		175,078	178,706
Insurance / takaful / reinsurance / retakaful receivables		385,371	182,913
Other loans and receivables		480,481	375,727
Taxation - payments less provision		759,282	680,471
Deferred tax asset - net		468,003	439,029
Prepayments		104,734	79,942
Cash and bank	14	129,631	312,967
Total assets		21,331,883	22,046,187
Equity and liabilities			
Capital and reserves attributable to Company's equity holders			
Authorised share capital (300,000,000 (December 31, 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		(1,036,730)	(1,043,448)
Unappropriated profit		1,131,634	1,121,879
Deficit on revaluation of available for sale investments - net		(83,772)	(39,824)
Total equity		1,716,704	1,744,181
Liabilities			
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	16	16,119,170	16,700,667
Outstanding claims		602,885	508,077
Retirement benefit obligations		29,241	29,241
Premium received in advance		119,429	334,396
Reinsurance / retakaful payables		135,521	39,348
Other creditors and accruals		512,447	545,088
Lease liability against right-of-use assets		98,386	145,289
Total liabilities		18,615,179	20,302,006
Total equity and liabilities		21,331,883	22,046,187
Contingencies and commitments	16		




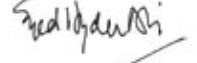

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

				
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, 2022

Notes	Nine months ended		Quarter ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Rupees in 000				
Gross premium / contribution revenue	4,573,128	5,385,546	1,532,983	1,818,169
Less: premium / contribution ceded to reinsurers / retakaful operators	202,617	180,442	78,007	48,318
Net premiums / contribution revenue	17 4,370,509	5,235,104	1,558,958	1,768,881
Investment income	18 1,383,753	1,037,943	461,278	274,657
Net realised fair value (losses) / gains on financial assets	(140,585)	752	(63,278)	(63,825)
Other income - net	57,738	48,802	23,582	16,838
	1,310,907	1,088,497	431,582	227,669
Net income	5,681,416	6,323,601	1,990,518	1,996,650
Insurance benefits	4,238,528	3,878,083	1,341,340	1,816,630
Recoveries from reinsurers / retakaful operators	(105,888)	(123,311)	(12,849)	(25,585)
Net insurance benefits	19 4,130,658	3,754,782	1,328,491	1,791,035
	1,550,558	2,568,819	660,027	705,615
Change in insurance liabilities (other than outstanding claims)	(254,823)	728,135	42,284	71,666
Acquisition expenses	20 1,089,071	1,373,989	342,785	452,448
Marketing and administration expenses	21 682,728	744,023	262,410	270,849
Other expenses	22 6,588	4,847	834	823
Total expenses	1,512,557	2,862,884	648,813	795,484
Finance costs against right-of-use assets	38,001	(283,275)	11,714	(89,889)
	14,999	13,743	2,760	6,933
Profit / (loss) before tax	23,002	(297,018)	8,954	(98,802)
Income tax	23 (6,631)	88,135	(2,588)	28,013
Profit / (loss) after tax	16,371	(210,883)	6,366	(68,569)
	Rupees		Rupees	
Earnings / (loss) per share	24 0.10	(1.24)	0.04	(0.40)

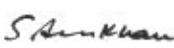


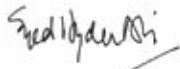

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

				
Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

IGI LIFE INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2022

	Nine months ended		Quarter ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	Rupees in 000			
Profit / (loss) after tax	16,371	(210,883)	6,366	(88,686)
Other comprehensive (loss) / income				
Change in unrealised loss on available-for-sale financial assets	(388,896)	(166,439)	144,821	(107,849)
Less: taxation	18,474	7,859	7,586	5,425
Change in unrealised loss on available-for-sale financial assets - net of tax	(370,422)	(157,580)	162,406	(102,224)
Change in insurance liabilities - net	326,574	142,843	(136,471)	91,110
Other comprehensive (loss) / income for the period	(43,848)	(14,937)	13,996	(11,114)
Total comprehensive (loss) / profit for the period	(27,477)	(226,820)	20,301	(79,793)

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, 2022

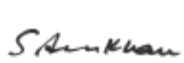


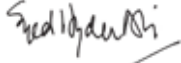

	Attributable to equity holders of the Company				
	Share capital	Un-appropriated profit *	Ledger C & D account **	Capital reserve	Total
				Net (deficit) / surplus on revaluation of available for sale investments ***	
	-----Rupees in '000-----				
Balance as at December 31, 2020 (audited)	1,705,672	1,070,680	(641,955)	2,331	2,136,728
Total comprehensive income / (loss)					
Profit / (loss) for the 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
Total comprehensive income / (loss)					
Profit / (loss) for the three months ended December 31, 2021	-	17,926	(156,200)	-	(138,274)
Other comprehensive loss for the three months ended December 31, 2021	-	-	(1,135)	(27,318)	(28,453)
	-	17,926	(157,335)	(27,318)	(166,727)
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 nine months ended September 30, 2022	-	9,655	6,716	-	16,371
Other comprehensive loss for nine months ended September 30, 2022	-	-	-	(43,848)	(43,848)
	-	9,655	6,716	(43,848)	(27,477)
Balance as at September 30, 2022 (un-audited)	1,705,672	1,131,534	(1,036,730)	(83,772)	1,716,704

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

** This represents reserve appropriated to shareholders.

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

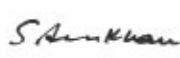




The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

				
Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

IGI LIFE INSURANCE LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2022

	Note	Nine months ended	
		September	September
		30, 2022	30, 2021
		Rupees in 000	
Operating cash flows			
(a) Underwriting activities			
Premiums received net of policy transfers		4,171,237	5,088,607
Reinsurance premium paid		(338,771)	(237,758)
Claims paid		(1,047,790)	(1,168,740)
Summers paid		(3,090,828)	(2,580,547)
Reinsurance recovery received		120,132	157,102
Commission paid		(641,260)	(738,951)
Commission received		39,981	37,111
Net cash (outflow) on / inflow from underwriting activities		(787,288)	576,823
(b) Other operating activities			
Income tax paid		(72,754)	(51,202)
Marketing and administrative expenses paid		(1,169,263)	(1,358,622)
Other operating receipts		15,719	22,119
Loans advanced		15,977	1,196
Loan repayments received		2,820	1,575
Net cash outflow on other operating activities		(1,207,501)	(1,384,934)
Total cash outflow on all operating activities		(1,994,800)	(808,111)
Investment activities			
Profit / return received		1,035,651	741,509
Dividend received		288,540	214,055
Payment for investments		(3,117,828)	(2,088,151)
Proceeds from disposal of investments		885,891	1,080,817
Fixed capital expenditure		(35,625)	(64,827)
Proceeds from disposal of fixed assets		23,178	3,244
Capital work in progress		(12,059)	13,367
Total cash outflow on investing activities		(952,352)	(78,988)
Financing activities			
Dividends paid		(1)	(1)
Total cash outflow on financing activities		(1)	(1)
Net cash outflow on all activities		(2,947,153)	(888,088)
Cash and cash equivalents at beginning of the period		7,772,539	1,464,883
Cash and cash equivalents at end of the period	14.2	4,825,388	576,795
Reconciliation to the condensed interim profit and loss account			
Operating cash flows		(1,994,800)	(808,111)
Depreciation and amortisation expenses		(108,150)	(122,804)
Gain on disposal of fixed assets		(4,488)	2,730
Increase in assets other than cash		15,348	233,312
Decrease / (Increase) in liabilities		1,169,068	(409,831)
Investment income		910,728	878,320
Profit received on bank deposits		29,869	14,301
Profit / (loss) after taxation		16,371	(210,883)

The annexed notes from 1 to 28 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, 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

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 the 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 are 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, 2021.

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, 2021.

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, 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)
- 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, 2023, 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 2022 conducted at the year end. Hence actuarial gains / losses for the nine months ended September 30, 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 September 30, 2022 and change in the fair values during the nine months ended September 30, 2022:

Financial assets with contractual cash flows that meet the SPPI criteria, excluding those held for trading	Note	(Un-audited)	(Audited)
		September 30, 2022	December 31, 2021
		----- Rupees in 000 -----	
<i>Pakistan Investment Bonds - available for sale (refer note 11)</i>			
Opening fair value		4,966,853	2,775,342
Additions during the period		31,637	2,309,549
Decrease in fair value		(106,608)	(118,038)
Closing fair value		<u>4,891,882</u>	<u>4,966,853</u>
<i>Market Treasury Bills - available for sale (refer note 11)</i>			
Opening fair value		6,869,422	10,589,744
Disposals during the period		(47,872)	(3,711,933)
Decrease in fair value		(24,242)	(8,389)
Closing fair value		<u>6,797,307</u>	<u>6,869,422</u>
<i>GOP Ijarah Sukuk - available for sale (refer note 11)</i>			
Opening fair value		277,409	275,167
Disposals during the period		(5,315)	(129)
Increase in fair value		6,465	2,371
Closing fair value		<u>278,559</u>	<u>277,409</u>
<i>Debt Securities - available for sale (refer note 12)</i>			
Opening fair value		225,000	225,000
Additions / disposals during the period		230,000	-
Increase / (decrease) in fair value		-	-
Closing fair value		<u>455,000</u>	<u>225,000</u>
Financial assets that do not meet the SPPI criteria			
<i>Mutual funds - available for sale (refer note 10)</i>			
Opening fair value		6,095,600	4,007,910
Additions during the period		(43,691)	2,877,654
Decrease in fair value		(194,147)	(789,964)
Closing fair value		<u>5,857,762</u>	<u>6,095,600</u>
<i>Listed equities - available for sale (refer note 10)</i>			
Opening fair value		47,116	43,143
Additions during the period		(43,077)	3,757
(Decrease) / increase in fair value		(4,039)	216
Closing fair value		<u>-</u>	<u>47,116</u>
PROPERTY AND EQUIPMENT			
Tangible assets (including right-of-use-assets)		261,767	350,623
Capital work-in-progress		<u>9,912</u>	<u>3,474</u>
		271,679	354,097
Intangible assets		<u>327,234</u>	<u>350,785</u>
	9.1	<u>598,913</u>	<u>704,882</u>

Note	(Un-audited)	(Audited)
	September 30, 2022	December 31, 2021
	----- Rupees in 000 -----	

9.1 Opening net book value

695,625 708,677

Add: additions during the period / year

- Leasehold improvements
- Furniture and fixtures
- Office equipment
- Computer equipment
- Motor vehicles - owned
- Right-of-use assets
- Software and licenses

1,118	17,175
-	16,746
35	4,177
1,962	21,223
-	82
-	71,388
11,442	20,942
14,557	151,733

Less: net book value of disposals

- Leasehold improvements
- Furniture and fixtures
- Office equipment
- Computer equipment
- Motor vehicles - owned
- Right-of-use assets
- Software and licenses

10,075	43
6,996	1,772
1,140	859
128	49
1,997	-
3,130	2,418
-	-
23,466	5,141

Less: depreciation and amortisation for the period / year

109,150 159,644

Closing net book value

577,566 695,625

Add: capital work-in-progress

- Advance against civil works
- Advance against software

9,912 3,474
11,435 5,783

598,913 704,882

(Un-audited)			(Audited)		
September 30, 2022			December 31, 2021		
Carrying amount	Market value	Deficit on revaluation of investments	Carrying amount	Market value	Surplus / (deficit) on revaluation of investments
----- Rupees in 000 -----					

10 INVESTMENTS IN EQUITY SECURITIES

Available for sale

Listed equity securities

- - - 43,077 47,116 4,039

Mutual Funds

6,143,480	5,857,762	(285,718)	6,187,171	6,095,600	(91,571)
6,143,480	5,857,762	(285,718)	6,230,248	6,142,716	(87,532)

11 INVESTMENTS IN GOVERNMENT SECURITIES

Available for sale

Pakistan Investment Bonds 11.1 & 11.2

5,113,131 4,891,882 (221,249) 5,081,494 4,966,853 (114,641)

Market Treasury Bills 11.3

6,827,268 6,797,307 (29,960) 6,875,140 6,869,422 (5,718)

GOP Ijarah Sukuk 11.4

279,312 278,559 (753) 284,627 277,409 (7,218)

12,219,710	11,967,748	(251,962)	12,241,261	12,113,684	(127,577)
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11.1 The effective yield on Pakistan Investment Bonds ranges from 7.5% to 16.54% (December 31, 2021: 7.80% to 11.88%) per annum. The market yield ranges from 7.5% to 12.00% (December 31, 2021: 7.17% to 12%) per annum. These are due to mature by August, 2029.

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 11.90% to 15.97% (December 31, 2021: 7.10% to 10.31%) per annum. The market yield ranges from 15.02% to 15.80% (December 31, 2021: 10.05% to 10.28%) per annum. These are due to mature by March, 2023.

11.4 The effective yield on GOP Ijarah Sukuk ranges from 13.45% to 14.79% (December 31, 2021: 5.95% to 8.53%) per annum and are due to mature by April, 2025.

12 INVESTMENTS IN DEBT SECURITIES

Note	(Un-audited)			(Audited)			
	September 30, 2022			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-----							
Available for sale							
Unlisted term finance certificates	12.1	225,000	225,000	-	225,000	225,000	-
Corporate Sukkuk	12.2	230,000	230,000	-	-	-	-
		<u>455,000</u>	<u>455,000</u>	<u>-</u>	<u>225,000</u>	<u>225,000</u>	<u>-</u>

12.1 The effective yield on term finance certificates ranges from 16.37% to 17.51% (December 31, 2021: 9.61% to 13.50%) per annum.

12.2 The effective yield on Corporate Sukuk ranges from 17.06% to 17.51% .

13 INVESTMENTS IN TERM DEPOSITS

	(Un-audited)			(Audited)		
	September 30, 2022			December 31, 2021		
	Principal amount	Tenure	Rates	Principal amount	Tenure	Rates
Rupees in 000				Rupees in 000		
Loans and receivables						
Deposits maturing within 12 months	-	-	-	590,150	1 month to 3 months	6% to 10.5% per annum

14 CASH AND BANK	Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
		Rupees in 000	
Cash in hand		-	453
Cash at bank			
- Savings accounts	14.1	<u>129,531</u>	<u>312,514</u>
		<u>129,531</u>	<u>312,967</u>

14.1 These savings accounts carry mark-up rate ranges from 6.6% to 14.5% per annum (December 31, 2021: 9% to 14%).

14.2 Cash and cash equivalents	Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
		Rupees in 000	
Cash and bank balances	14	129,531	312,967
Term deposit receipts (with original maturity of less than 3 months)	13	-	590,150
Treasury Bills (with original maturity of less than 3 months)		<u>4,695,855</u>	<u>-</u>
		<u>4,825,386</u>	<u>903,117</u>

Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	----- Rupees in 000 -----	

15 INSURANCE LIABILITIES

Incurring but not reported claims	174,874	189,143
Investment component of unit-linked and account value policies	9,724,020	10,407,554
Liabilities under individual conventional insurance contracts	6,489,201	6,721,168
Liabilities under group insurance contracts	591,153	319,592
Other insurance liabilities	629,271	606,333
Ledger account A and B	510,651	456,777
	<u>18,119,170</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 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 petitions in the Honourable Lahore High Court against the same. The petitions are 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 Honorable 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 Honorable Lahore High Court and Honorable Sindh High Court, against the imposition of the provincial sales taxes on life and health insurance in the Punjab and on life insurance in Sindh.

Had the sales tax liability on life insurance and health insurance premium been recorded, the profit after tax would have decreased by Rs. 416.986 million (December 31, 2021: Rs 309.424 million) while sales tax liability as at September 30, 2022 would have been higher by Rs. 586.915 million (December 31, 2021: Rs 435.809 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	September
30,	30,
2022	2021
-----Rupees in 000-----	

17 NET PREMIUM / CONTRIBUTION REVENUE

Gross premiums / contribution:

Regular premium / contribution individual policies*

First year	1,005,316	1,236,543
Second year renewal	661,153	413,507
Subsequent year renewal	941,722	974,560

Single premium / contribution individual policies	310,128	1,123,604
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Group policies without cash value	1,654,807	1,647,332
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Total gross premiums / contribution	4,573,126	5,395,546
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Less: reinsurance premium / contribution ceded

On individual life first year business	22,988	26,600
On individual life second year business	15,272	10,882
On individual life renewal business	35,173	29,030
On single premium policies	9,944	5,153
On individual accident and health first year	3,012	4,319
On group policies	156,209	121,569
Less: commission from reinsurers	(39,981)	(37,111)
	202,617	160,442

Net premium / contribution	4,370,509	5,235,104
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* Individual policies are those underwritten on an individual basis and include joint life policies underwritten as such.

18 INVESTMENT INCOME

		(Un-audited)	
		For the nine months ended	
		September	September
		30.	30.
		2022	2021
		-----Rupees in 000-----	
Return on government securities		1,032,081	762,471
Amortisation of discount		31,536	19,248
Dividend income		288,540	214,055
Profit on term deposit receipts		11,750	26,822
Profit on debt securities		29,846	15,347
		<u>1,393,753</u>	<u>1,037,943</u>

19 NET INSURANCE BENEFITS

Gross claims

Claims under individual policies

By death	160,341	192,558
By maturity	4,952	5,408
By surrender	3,085,876	2,560,547

Total gross individual policy claims

	<u>3,251,169</u>	<u>2,758,513</u>
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Claims under group policies

by death	355,938	463,068
by insured event other than death	626,419	658,809
experience refund	3,000	(2,297)

Total gross group policy claims

	<u>985,357</u>	<u>1,119,580</u>
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Total gross policy claims

	<u>4,236,526</u>	<u>3,878,093</u>
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Less: reinsurance recoveries

On individual life claims	44,468	63,204
On group life claims	61,200	60,107
	<u>105,668</u>	<u>123,311</u>

Net insurance benefit expense

	<u>4,130,858</u>	<u>3,754,782</u>
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20 ACQUISITION EXPENSES

Remuneration to insurance intermediaries

on individual policies:

- Commission on first year premiums / contribution	393,644	499,622
- Commission on second year premiums / contribution	40,607	23,869
- Commission on subsequent renewal premiums / contribution	26,882	23,637
- Commission on single premiums / contribution	8,633	44,401
- Other benefits to insurance intermediaries	387,152	580,525
	<u>856,918</u>	<u>1,172,054</u>

Remuneration to insurance intermediaries on group policies:

- Commission	121,061	69,635
- Other benefits to insurance intermediaries	4,505	3,024
	<u>125,566</u>	<u>72,659</u>

Branch overheads:

- Salaries and other benefits	27,329	61,709
- Other operational cost	34,790	54,467
	<u>62,119</u>	<u>116,176</u>

Other acquisition cost :

- Policy stamps	24,468	13,100
	<u>1,069,071</u>	<u>1,373,989</u>

21 MARKETING AND ADMINISTRATION EXPENSES

		(Un-audited)	
		For the nine months ended	
		September	September
		30,	30,
		2022	2021
		-----Rupees in 000-----	
Salaries, allowances & other benefits		310,242	311,900
Travelling expenses		12,148	4,203
Directors fees		6,128	6,074
Regulators fee		14,460	9,255
Actuary's fees		5,446	6,159
Legal and professional charges		3,460	9,156
Advertisement and publicity		8,402	12,235
Printing and stationery		12,712	25,939
Depreciation and amortisation		109,150	122,604
Rentals		31,391	48,983
Vehicles and general repair and maintenance		104,436	76,790
Utilities-electricity, water and gas		21,314	20,172
Transportation		7,980	3,447
Communication		12,715	18,673
Consultancy fee		5,459	8,040
Training and workshop		1,724	1,825
Insurance		4,407	5,661
Interest on premium deposit in advance		388	684
Social security		928	2,561
Entertainment		7,104	16,496
Miscellaneous expenses		12,732	33,166
		<u>692,726</u>	<u>744,023</u>

22 OTHER EXPENSES

Auditors' remuneration	<u>5,583</u>	<u>4,947</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 nine months ended September 30, 2022, the shareholder's fund reflected a profit before tax of Rs.13.598 million resulting in current tax amounting to Rs.3.943 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. 423.471 million (December 31, 2021: Rs. 426.2 million) in this respect.

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

		Un-audited			
		Nine months ended		Quarter ended	
		September	September	September	September
		30,	30,	30,	30,
		2022	2021	2022	2021
		-----Rupees in 000-----			
Profit / (loss) for the period		<u>16,371</u>	<u>(210,883)</u>	<u>6,366</u>	<u>(68,589)</u>
		-----No of shares-----		-----No of shares-----	
Weighted average number of ordinary shares		<u>170,567,200</u>	<u>170,567,200</u>	<u>170,567,200</u>	<u>170,567,200</u>
		----- (Rupees)-----		----- (Rupees)-----	
Earning / (loss) per share		<u>0.10</u>	<u>(1.24)</u>	<u>0.04</u>	<u>(0.40)</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 nine months ended September 30, 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

12,081	482,046	550,527	861,607	6,537	809,473	42,452	1,467,845	1,814	56,965	39,181	4,330,528
154,989	374,960	27,031	197,668	(45)	-	16,377	83,405	618	70	1,076	856,149
6,240	18,540	4,323	11,395	64	20,465	1,972	6,122	3	67	68	69,259
173,310	875,546	581,881	1,070,670	6,556	829,938	60,801	1,557,372	2,435	57,102	40,325	5,255,936

CLAIMS AND EXPENDITURE

Claims, including bonuses, net of reinsurance recoveries

Management expenses less recoveries

Total claims and expenditure

165,738	669,627	265,095	1,623,744	3,966	586,224	7,421	742,611	1,015	32,643	32,774	4,130,858
6,333	203,450	59,528	475,314	18,556	170,711	-	719,474	1,524	18,511	39,538	1,712,939
172,071	873,077	324,623	2,099,058	22,522	756,935	7,421	1,462,085	2,539	51,154	72,312	5,843,797

Excess / (shortage) of Income over claims and expenditure

1,239	2,469	257,258	(1,028,388)	(15,966)	73,003	53,380	95,287	(104)	5,948	(31,987)	(587,861)
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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
(1,574,829)	(5,193,436)	(283,994)	(5,455,410)	(16,155)	(410,786)	(325,900)	(4,380,885)	(3,112)	17,357	18,631	(17,608,519)
52,635	179,996	(163,340)	880,894	4,101	(84,807)	(58,828)	(195,994)	2,651	1,878	16,085	635,271

Surplus / (deficit) before tax

Taxation

Surplus / (deficit) after tax

Movement in policyholders' liabilities

53,874	182,465	93,918	(147,494)	(11,865)	(11,804)	(5,448)	(100,707)	2,547	7,826	(15,902)	47,410
-	(52,916)	(29,552)	42,332	3,428	3,423	1,580	27,783	(698)	(2,359)	4,291	(2,688)
53,874	129,549	64,366	(105,162)	(8,437)	(8,381)	(3,868)	(72,924)	1,849	5,467	(11,611)	44,722
(52,635)	(179,996)	163,340	(880,894)	(4,101)	84,807	58,828	195,994	(2,651)	(1,878)	(16,085)	(635,271)

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

-	-	-	342,731	-	32,057	-	453,648	4,095	12,500	59,054	904,085
-	-	-	-	-	-	-	-	-	(12,500)	-	(12,500)
-	-	-	-	-	-	-	-	-	12,500	-	12,500
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	342,731	-	32,057	-	453,648	4,095	12,500	59,054	904,085

Balance of statutory fund at beginning of the period

Balance of statutory fund at end 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
2,085,480	5,662,873	469,765	5,373,563	1,737	392,674	331,530	4,219,108	9,111	9,243	48,303	18,603,387

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	584,831	42,000	32,057	6,000	555,148	4,095	28,700	151,554	1,554,385
1,574,829	5,193,436	283,994	5,455,410	16,155	410,786	325,900	4,380,885	3,112	(17,357)	(18,631)	17,608,519
482,754	-	-	-	-	-	-	-	-	-	-	482,754
27,897	-	-	-	-	-	-	-	-	-	-	27,897
-	462,255	36,710	(661,571)	(56,269)	(50,169)	(370)	(706,763)	2,005	(1,681)	(82,896)	(1,058,749)
-	7,182	(939)	(5,107)	(149)	-	-	(10,162)	(101)	(419)	(1,724)	(11,419)

BALANCE OF STATUTORY FUND

2,085,480	5,662,873	469,765	5,373,563	1,737	392,674	331,530	4,219,108	9,111	9,243	48,303	18,603,387
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(Un-audited)											
For the nine months ended September 30, 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

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
120,270	341,949	250	285,207	40	-	7,368	27,433	-	124	609	783,250
5,916	9,680	1,410	6,687	70	20,817	1,294	26,929	13	412	2,782	76,010
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

Management expenses less recoveries

Total claims and expenditure

121,225	801,520	385,312	1,432,367	1,170	620,018	4,672	339,027	-	15,352	34,119	3,754,782
7,875	188,129	37,810	632,442	22,903	178,481	-	943,620	2,170	22,273	40,890	2,076,593
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
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Add: Policyholders' liabilities at beginning of the period

Less: Policyholders' liabilities at end of the period

Movement in policyholders' liabilities

1,608,424	5,889,954	173,327	6,661,453	18,173	264,633	178,582	2,898,419	2,014	(12,790)	(22,991)	17,659,198
(1,624,683)	(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)
(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

Taxation

Surplus / (deficit) after tax

(768)	149,550	(67,666)	(178,948)	(14,104)	27,494	1,293	(247,937)	520	(5,076)	(25,740)	(361,382)
-	(46,188)	19,507	51,260	4,072	(7,973)	(375)	70,888	(151)	1,421	7,265	99,726
(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
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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	2,803,437	1,486	894	20,740	18,016,860
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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
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Represented by:

Capital contributed by shareholders' fund

Policyholders' liabilities / PTF

Retained earnings attributable to policyholders

(Ledger Account A)

Retained earnings on par business attributable

to shareholders - undistributable (Ledger Account B)

Retained earnings on other than

participating business (Ledger Account D) / PTF

Revaluation surplus / (deficit) on revaluation

of available for sale investments

-	-	-	242,100	42,000	-	6,000	101,500	-	16,200	92,500	500,300
1,624,683	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
447,148	-	-	-	-	-	-	-	-	-	-	447,148
44,910	-	-	-	-	-	-	-	-	-	-	44,910
-	324,135	(45,217)	(524,782)	(45,021)	43,109	3,240	(569,145)	(159)	(5,947)	(66,324)	(886,111)
-	(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
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25.2 Condensed Interim Statement of Financial Position by Segment

	----- Un-audited -----			----- Audited -----		
	September 30, 2022			December 31, 2021		
	Shareholders Fund	Statutory Funds	Total	Shareholders Fund	Statutory Funds	Total
	----- Rupees in 000 -----			----- Rupees in 000 -----		
Assets						
Property and equipment	83,312	188,367	271,679	107,513	246,584	354,097
Intangible assets	11,404	315,830	327,234	12,559	338,226	350,785
Investments						
Equity securities	-	-	-	-	47,116	47,116
Mutual funds	-	5,857,762	5,857,762	-	6,095,600	6,095,600
Government securities	225,496	11,742,252	11,967,748	485,687	11,627,997	12,113,684
Debt securities	-	455,000	455,000	-	225,000	225,000
Term deposits	-	-	-	-	590,150	590,150
Loans secured against life insurance policies	-	175,078	175,078	-	178,706	178,706
Insurance / takaful / reinsurance / retakaful receivables	-	365,371	365,371	-	192,913	192,913
Other loans and receivables	54,041	406,420	460,461	56,917	318,810	375,727
Taxation - payments less provision	759,282	-	759,282	690,471	-	690,471
Deferred tax asset - net	458,003	-	458,003	439,029	-	439,029
Prepayments	55	104,679	104,734	8,561	71,381	79,942
Cash and bank	-	129,531	129,531	453	312,514	312,967
Total assets	1,591,593	19,740,290	21,331,883	1,801,190	20,244,997	22,046,187
Liabilities						
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	-	18,119,170	18,119,170	-	18,700,567	18,700,567
Outstanding claims	-	602,985	602,985	-	508,077	508,077
Retirement benefit obligations	29,241	-	29,241	29,241	-	29,241
Premium received in advance	-	119,429	119,429	88,694	245,702	334,396
Reinsurance / retakaful payables	-	135,521	135,521	-	39,348	39,348
Other creditors and accruals	233,479	278,968	512,447	158,688	386,400	545,088
Liabilities against right-of-use assets	96,386	-	96,386	145,289	-	145,289
Total liabilities	359,106	19,256,073	19,615,179	421,912	19,880,094	20,302,006

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	
	2022	2021	2022	2021	2022	2021	2022	2021
	----- (Rupees in '000) -----							
Transactions								
Premium underwritten	1,254	-	-	-	-	-	216,333	87,596
Premium paid for general insurance	-	-	-	-	-	-	2,116	3,752
Claims paid	1,169	-	-	-	-	-	57,306	41,838
Claims received	-	-	-	-	-	-	971	1,679
Charge for administrative services received	1,500	-	-	-	-	-	81,368	61,579
Charge for administrative services provided	-	-	-	-	-	-	13,762	10,798
Rent expense	-	-	-	-	-	-	15,260	31,284
Purchase of fixed asset	-	-	-	-	-	-	-	5,642
Proceeds from disposal of fixed assets	-	-	-	-	-	-	-	531
Remuneration paid	-	-	-	-	133,793	140,143	-	-
Charge in respect of employees gratuity fund	-	-	12,034	10,538	-	-	-	-
Charge in respect of provident fund	-	-	10,422	12,420	-	-	-	-

Holding Company		Post Employment Benefit Plans		Key Management Personnel		Other Related Parties	
September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
(Rupees in '000)							

Balances

(Receivable) / payable for group shared services	1,290	(210)	-	-	-	-	93,852	85,607
(Receivable) / payable for general insurance premium	-	-	-	-	-	-	-	11
Premium receivable	-	-	-	-	-	-	-	2,933
Retirement benefit obligations	-	-	29,241	29,241	-	-	-	-
(Receivable)/payable to employee provident fund	-	-	3,019	4,217	-	-	-	-

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, 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 September 30, 2022		
Level 1	Level 2	Level 3
-----Rupees in 000-----		

-	18,280,510	-
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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 **October 26, 2022** by the Board of Directors of the Company.



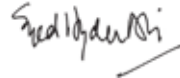
Chairman



Director



Director



Chief Executive Officer



Chief Financial Officer



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




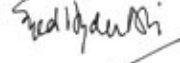

For the nine months ended September 30, 2022

IGI LIFE INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT SEPTEMBER 30, 2022

	As at			As at
	September 30, 2022			December 31, 2021
	Operator sub fund	Policyholders fund	Total	Total
	Rupees in 000			
Assets				
Property and equipment	79,195	-	79,195	111,184
Investments				
Mutual funds	179,722	3,558,198	3,735,918	3,519,207
Government Securities	117,550	182,195	279,745	277,409
Listed Securities	-	230,000	230,000	-
Term deposits	-	-	-	308,200
	297,272	3,948,391	4,245,663	4,104,816
Takaful / retakaful receivables	-	19,958	19,958	8,927
Other loans and receivables	85,218	-	85,218	328,823
Taxation - payments less provision	59,179	-	59,179	50,727
Deferred tax asset - net	328,053	-	328,053	285,933
Prepayments	35,399	-	35,399	15,149
Cash and bank	-	51,328	51,328	(158,723)
Total assets	864,314	4,019,677	4,883,991	4,755,936
Equity and liabilities				
Equity and reserves				
Waqf Ceded Money	-	500	500	500
Capital contributed	738,997	-	738,997	209,700
Ledger account C & D	(790,716)	-	(790,716)	(719,813)
Surplus / (deficit) on revaluation of available for sale investments	(11,025)	-	(11,025)	(4,709)
Total equity	(62,744)	500	(62,244)	(614,322)
Liabilities				
Insurance liabilities (including policyholders' liabilities and profit retained in waqf)	31,188	4,316,821	4,348,009	4,172,829
Outstanding claims	-	120,573	120,573	81,486
Contribution received in advance	-	34,889	34,889	71,185
Takaful / retakaful payables	-	28,825	28,825	1,238
Other creditors and accruals	26,927	-	26,927	141,941
Interfund (receivable) / payable	868,943	(481,711)	387,232	745,068
Lease liability against right-of-use assets	-	-	-	58,711
Total liabilities	927,058	4,019,177	4,946,235	5,270,258
Total equity and liabilities	864,314	4,019,677	4,883,991	4,755,936
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
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MI LIFE INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

		September 30, 2022				September 30, 2021		
		Operator sub	Policyholders	Total		Operator sub	Policyholders	Total
		Surul	Surul	Surul		Surul	Surul	Surul
Notes		Rupees in 000				Rupees in 000		
Contribution revenue	10	-	1,620,838	1,620,838		-	2,064,947	2,064,947
Less: website fee recognized		690,418	(690,418)	-		678,991	(678,991)	-
		690,418	1,090,124	1,620,838		678,991	1,460,886	2,064,947
Less: contribution ceded to reinsured operators	10	-	55,733	55,733		-	32,010	32,010
Net contribution revenue		690,418	1,068,291	1,673,898		678,991	1,463,948	2,622,837
Investment income		16,098	226,138	240,233		5,091	168,220	164,311
Net realized fair value gains / (losses) on financial assets		3,079	(46,193)	(46,073)		931	(28,990)	(28,028)
Takaful operator fee income		168,718	(136,718)	-		78,407	(78,487)	-
Other income - net		1,438	2,898	4,294		4,389	779	5,128
		126,328	74,228	199,864		86,484	69,624	140,408
Net income		896,743	1,117,817	1,773,908		868,478	1,804,870	2,173,346
Takaful benefits		-	637,198	637,198		-	421,649	421,649
Recoveries from reinsured operators		-	(28,147)	(28,147)		-	(33,151)	(33,151)
Net takaful benefits	11	-	609,043	609,043		-	388,498	388,498
		896,743	308,674	994,317		868,478	1,116,372	1,764,847
Change in technical liabilities (including profit retained in year fund)	12	(81,558)	308,674	227,191		(73,007)	1,116,372	1,043,365
Acquisition expenses		661,548	-	661,548		804,870	-	804,870
Marketing and administration expenses		185,487	-	185,487		318,488	-	318,488
Total expenses		755,563	308,674	1,094,287		642,346	1,116,372	3,058,721
Loss before tax attributable to Operator		(88,838)	-	(88,838)		(373,874)	-	(373,874)
Taxation		28,017	-	28,017		78,423	-	78,423
Loss after tax attributable to Operator		(70,823)	-	(70,823)		(295,451)	-	(295,451)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



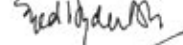
Chairman



Director



Director



Chief Executive Officer

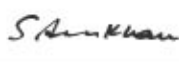


Chief Financial Officer

MI LIFE INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	September 30, 2022			September 30, 2021		
	Operator sub	Policyholders	Total	Operator sub	Policyholders	Total
	fund	fund		fund	fund	
	Rupees in 000					
Loss after tax attributable to Operator	(70,808)	-	(70,808)	(194,481)	-	(194,481)
Other comprehensive loss						
Change in unrealized loss on available-for-sale financial assets - net of tax	(8,318)	(101,808)	(106,126)	(4,368)	(77,780)	(82,148)
Change in technical liabilities - net	-	101,808	101,808	-	77,780	77,780
Other comprehensive loss for the period	(8,318)	-	(8,318)	(4,368)	-	(4,368)
Total comprehensive loss for the period attributable to Operator	(77,318)	-	(77,318)	(198,849)	-	(198,849)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


Chairman


Director


Director

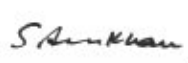


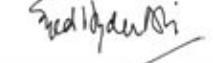


Chief Executive Officer


Chief Financial Officer

IGI LIFE INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	For The nine months ended September 30, 2022	
Note	2022	2021
	Rupees in 000	
Operating Cash flows		
(a) Underwriting activities		
Premiums received net of policy transfers - net of reinsurance	1,492,812	2,024,883
Claims paid - net of reinsurance recoveries	(58,855)	(41,835)
Surrenders paid	(711,060)	(315,724)
Commissions paid	(344,310)	(425,839)
Net cash inflow from underwriting activities	380,687	1,241,388
(b) Other operating activities		
Payment for expenses	(493,345)	(631,552)
Other operating receipts	(5,251)	57
Inter fund transactions	(698,043)	(139,563)
Net cash outflow on other operating activities	(1,196,639)	(771,058)
Total cash (outflow) / Inflow from all operating activities	(815,752)	470,327
Investment activities		
Profit / return received	18,756	39,958
Dividend received	213,047	131,745
Payments (made) / received on investments	486,800	(1,538,752)
Fixed capital expenditure	-	(3,888)
Total cash (outflow) / Inflow from investing activities	718,603	(1,370,817)
Net cash outflow from all activities	(97,149)	(900,690)
Cash and cash equivalents at beginning of period	148,477	1,003,065
Cash and cash equivalents at end of period	51,328	102,475
Reconciliation to Profit and Loss Account		
Operating cash flows	(815,752)	470,327
Depreciation and amortisation expenses	34,536	35,322
Increase in assets other than cash	767,950	706,703
Decrease in liabilities	(277,191)	(1,547,211)
Investment income and other income	169,909	135,340
Profit received on bank deposits	9,845	5,068
Loss after taxation	(70,963)	(194,451)

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 NINE MONTHS ENDED SEPTEMBER 30, 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	209,700	500	(447,125)	(1,170)	(238,095)
Total comprehensive loss					
Loss for the nine months ended September 30, 2021	-	-	(194,451)	-	(194,451)
Other comprehensive loss for the nine months ended September 30, 2021	-	-	-	(4,359)	(4,359)
	-	-	(194,451)	(4,359)	(198,810)
Balance as at September 30, 2021	209,700	500	(641,576)	(5,529)	(436,905)
Total comprehensive income					
Loss for the three months ended December 31, 2021	-	-	(78,237)	-	(78,237)
Other comprehensive income for three months ended December 31, 2021	-	-	-	820	820
	-	-	(78,237)	820	(77,417)
Transactions with owners recorded directly in equity					
Capital Contributed	-	-	-	-	-
Balance as at December 31, 2021	209,700	500	(719,813)	(4,709)	(514,322)
Total comprehensive loss					
Loss for the nine months ended September 30, 2022	-	-	(70,903)	-	(70,903)
Other comprehensive loss for the nine months ended September 30, 2022	-	-	-	(6,316)	(6,316)
	-	-	(70,903)	(6,316)	(77,219)
Transactions with owners recorded directly in equity					
Capital Contributed	529,297	-	-	-	529,297
Balance as at September 30, 2022	738,997	500	(790,716)	(11,025)	(62,244)

** 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
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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, 2022:

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)
- 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, 2023, 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 nine months ended September 30, 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 September 30, 2022. There were no other material contingencies and commitments as at September 30, 2022.

(Un-audited)	
For the nine months ended September, 30	
2022	2021
----	----
(Rupees in '000) ----	

11,250	11,583
9,646	5,930
11,906	8,292
8,552	3,208
22,380	9,400
(8,001)	(6,403)
55,733	32,010
<hr/> 1,573,806	<hr/> 2,032,937

(Un-audited)	
For the nine months ended September, 30	
2022	2021
----	----
(Rupees in '000)	(Rupees in '000)

55,313	47,354
711,060	315,724
<u>766,373</u>	<u>363,078</u>

38,043	26,749
32,774	34,119
-	(2,297)
70,817	58,571
<hr/>	<hr/>
837,190	421,649
22,747	24,051
5,400	9,100
28,147	33,151
<hr/>	<hr/>
809,043	388,498

12 ACQUISITION EXPENSES

(Un-audited)	
For the nine months ended September, 30	
2022	2021
---- (Rupees in '000) ----	
Remuneration to takaful intermediaries on individual policies:	
- Commission on first year contribution	235,270
- Commission on second year contribution	25,735
- Commission on subsequent renewal contribution	10,084
- Commission on single contribution	1,275
- Other benefits to takaful intermediaries	269,366
	541,730
Remuneration to takaful intermediaries on group policies:	
- Commission	25,987
- Other benefits to takaful intermediaries	1,843
	27,830
Branch overheads :	
- Salaries and other benefits	7,414
- Other operational cost	9,437
	16,851
Other acquisition cost :	
- Policy stamps	15,138
	601,549
	804,870

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 (PIF)

(Un-audited)					
TAKAFUL - STATUTORY FUNDS				Aggregate	
Individual Family	Individual Accidental and Health	Group Family	Group Health	For the nine months ended September 30,	For the year ended December 31,
				2022	2021
----- (Rupees in '000) -----					
Income					
Allocated Contribution	1,035,264	-	-	1,035,264	1,921,884
Net Investment Income	66,748	-	-	66,748	53,803
Other Income	4,788	-	-	4,788	27,303
Total Net Income	1,106,800	-	-	1,106,800	2,002,990
Less: Claims and Expenditure					
Surrenders / Partial Surrenders	711,060	-	-	711,060	446,155
Risk Contributions	94,875	-	-	94,875	124,480
Wakalat-ul-Istismar	49,467	-	-	49,467	55,514
Policy admin fee	56,249	-	-	56,249	56,220
	911,651	-	-	911,651	682,369
Excess of Income over Claims and expenditure	195,149	-	-	195,149	1,320,621
Add: Technical reserves at the beginning	4,108,432	-	-	4,108,432	2,787,811
Less: Technical reserves at the end	(4,303,581)	-	-	(4,303,581)	(4,108,432)
	(195,149)	-	-	(195,149)	(1,320,621)
Surplus	-	-	-	-	-
Movement in technical reserves	195,149	-	-	195,149	1,320,621
Balance of PIF at the beginning of the period	4,108,432	-	-	4,108,432	2,787,811
Balance of PIF at the end of the period	4,303,581	-	-	4,303,581	4,108,432

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,	For the year ended December 31,
				2022	2021
----- (Rupees in '000) -----					
19,993	(109)	19,711	21,877	61,472	122,801
6,119	-	-	-	6,119	663
7,560	-	-	34	7,594	13,227
33,672	(109)	19,711	21,911	75,185	136,691
31,551	-	32,643	32,774	96,968	106,209
-	-	-	-	-	-
31,551	-	32,643	32,774	96,968	106,209
2,121	(109)	(12,932)	(10,863)	(21,783)	30,482
74,634	2,770	(23,874)	(17,932)	35,598	5,116
(78,347)	(310)	(32,765)	(16,960)	(128,382)	(86,762)
-	(1,192)	49,081	45,755	93,644	68,959
(3,713)	1,268	(7,558)	10,863	860	(12,687)
(1,592)	1,159	(20,490)	-	(20,923)	17,795
3,713	(1,268)	7,558	(10,863)	(860)	12,687
-	-	12,500	-	12,500	-
74,634	2,770	1,273	28,477	107,154	76,672
76,755	2,661	841	17,614	97,871	107,154

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,	For the year ended December 31.
				2022	2021
----- (Rupees in '000) -----					
473,934	1,923	37,254	17,304	530,415	826,940
10,538	618	70	1,076	12,302	14,626
1,334	3	67	34	1,438	4,818
33,529	-	-	-	33,529	32,664
56,249	-	-	-	56,249	56,220
-	-	-	-	-	-
49,467	-	-	-	49,467	55,514
625,051	2,544	37,391	18,414	683,400	990,782
555,344	1,524	11,754	16,076	584,698	1,087,742
143,907	698	9,557	19,171	173,333	222,393
699,251	2,222	21,311	35,247	758,031	1,310,135
(74,200)	322	16,080	(16,833)	(74,631)	(319,353)
1,825	2,993	8,395	15,386	28,599	71,725
(549)	(1,466)	(19,009)	(10,164)	(31,188)	(28,599)
1,276	1,527	(10,614)	5,222	(2,589)	43,126
(72,924)	1,849	5,466	(11,611)	(77,220)	(276,227)
(1,276)	(1,527)	10,614	(5,222)	2,589	(43,126)
453,648	4,095	12,500	59,054	529,297	-
-	-	(12,500)	-	(12,500)	-
(540,677)	3,048	(8,119)	(11,532)	(557,280)	(237,926)
(161,229)	7,465	7,961	30,689	(115,114)	(557,279)
4,219,107	10,126	8,802	48,303	4,286,338	3,658,307

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

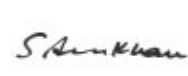
	As at September 30, 2022		
	Level 1	Level 2	Level 3
Assets carried at fair value	Rupees in '000		
Available-for-sale investments	-	4,015,883	-
	As at December 31, 2021		
	Level 1	Level 2	Level 3
Assets carried at fair value	Rupees in '000		
Available-for-sale investments	-	3,796,616	-

15 GENERAL

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

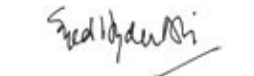
16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 26, 2022 by the Board of Directors of the Company.


Chairman


Director


Director


Chief Executive Officer


Chief Financial Officer