



Condensed Interim Financial Statements

For the period ended September 30, 2023

The Directors of your Company are pleased to present the condensed interim financial statements (un-audited) for nine months' ended September 30, 2023:

Financial Highlights:
Profit / (Loss)

	September 30 2023	September 30 2022
	(Rs. in 000') (Unaudited)	
Net profit before tax	140,825	23,002
Taxation	(40,840)	(6,631)
Net profit after tax	99,985	16,371
Other comprehensive Income/(Loss) – net	21,320	(43,848)
	(in Rupees)	
Earnings per share	0.59	0.10
Break-up value per share (including amount retained in the statutory funds to meet the requirement of Insurance Ordinance)	10.91	10.06

During the nine months ended September 30, 2023, gross premium written by your Company (including takaful contributions) stood at Rs. 5,567 million as against Rs. 4,573 million in the corresponding period last year. Individual life regular premium (including takaful contributions) posted growth of 6% and stood at Rs. 2,764 million as against Rs. 2,608 million in the corresponding period last year.

Group Life premiums / contribution (including takaful group family) stood at Rs. 716 million (2022: Rs. 763 million), posting a decrease of 6% from corresponding period of last year. Group Health premium / contribution (including takaful group health) stood at Rs 1,096 million (2022: Rs. 892 million), posting an increase of 23% from corresponding period of last year.

Single premium / contribution individual policies stood at Rs 990 million as compared to Rs. 310 million written in the corresponding period last year.

The Company posted profit after tax of Rs. 99.9 million as compared to profit after tax of Rs. 16.4 million in corresponding period of last year.

Window Takaful Operations

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

	September 30 2023	September 30 2022
Policyholder' Fund	(Rs. in 000') (Unaudited)	
Gross Contribution	1,812,596	1,629,539
Net Contribution	1,273,578	1,099,124
Investment Income	65,506	225,138
Operator's Fund		
Investment Income	1,718	15,095
Operators' loss before tax	(136,183)	(99,920)
Operators' loss after tax	(98,317)	(70,903)

Future Outlook

Vitality continues to play an integral part of our growth strategy which has resulted in offering Vitality to our existing customers and corporate customers. Despite the challenging macroeconomic circumstances in the country due to growing inflation, we are committed to maintaining the Company's positive route by building on the momentum and strategy we created last year. We believe the Company's performance will increase over the next few months as a direct result of our efforts.

Customers and partners of IGI Life are appreciated by the Board of Directors. We appreciate the confidence our Stakeholders have shown in the Company and the hard work of all of our staff.

On behalf of the Board of Directors



Shamim Ahmad Khan
Chairman

Dated: October 24, 2023



Ali Nadim
Chief Executive Officer

Dated: October 24, 2023

ڈائریکٹرز رپورٹ برائے ممبران

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2023 کو ختم ہونے والے نو ماہ کے عبوری مالیاتی گوشوارے (غیر آڈٹ شدہ) پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

مالیاتی جھلکیاں:

نفع (نقصان)	30 ستمبر 2023	30 ستمبر 2022
	(روپے ہزاروں میں) (غیر آڈٹ شدہ)	
خالص نفع قبل از ٹیکس	140,825	23,002
ٹیکسیشن	(40,840)	(6,631)
صافی نفع بعد از ٹیکس	99,985	16,371
دیگر مجموعی آمدن (نقصان) - صافی	21,320	(43,848)

(روپوں میں)

آمدن فی شیئر	0.59	0.10
آمدن فی شیئر بریک اپ ویلیو (اس میں انشورنس آرڈیننس کی تعمیل میں اسٹیچوری فنڈ میں رکھی گئی رقم بھی شامل ہے)	10.91	10.06

2023 کی پہلے نو ماہ میں آپ کی کمپنی کا تحریر کردہ مجموعی پربیم (بشمول تکافل زر تعاون) گزشتہ سال کے اسی مدت کے 4,573 ملین کے مقابلے میں 5,567 ملین رہا۔ انفرادی لائف ریگولر پربیم (بشمول تکافل زر تعاون) گزشتہ سال کے اسی مدت کے 2,608 ملین کے مقابلے میں 6% اضافہ کے ساتھ 2,764 ملین رہا۔
گروپ لائف پربیم زر تعاون (بشمول تکافل گروپ فیملی) گزشتہ سال کے اسی مدت کے مقابلے میں 6% کمی کے ساتھ 716 ملین رہا (2022: 763 ملین)۔ گروپ ہیلتھ پربیم زر تعاون (بشمول تکافل گروپ ہیلتھ) گزشتہ سال کے اسی مدت کے مقابلے میں 23% اضافے کے ساتھ 1,096 ملین رہا (2022: 892 ملین)۔
سنگل پربیم زر تعاون انفرادی پالیسیز گزشتہ سال کے اسی مدت کے تحریر کردہ 310 ملین کے مقابلے میں 990 ملین رہا۔
گزشتہ سال اسی مدت کے 16.4 ملین بعد از ٹیکس نفع کے مقابلے میں کمپنی کو اس سال 99.9 ملین بعد از ٹیکس کا نفع ہوا۔

ونڈ و تکافل آپریشنز

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

پالیسی ہولڈرز فنڈ	30 ستمبر 2023	30 ستمبر 2022
	(روپے ہزاروں میں) (غیر آڈٹ شدہ)	
مجموعی زر تعاون	1,812,596	1,629,539
صافی زر تعاون	1,273,578	1,099,124
سرمایہ کاری آمدن	65,506	225,138
آپریٹنگ فنڈ		
سرمایہ کاری آمدن	1,718	15,095
آپریٹنگ کا نقصان قبل از ٹیکس	(136,183)	(99,920)
آپریٹنگ کا نقصان بعد از ٹیکس	(98,317)	(70,903)

مستقبل کا منظر نامہ

ہماری بڑھوتری کی حکمت عملی میں وائٹیلیٹی کا بہت بڑا کردار ہے، جس کی بدولت ہم اپنے موجودہ صارفین اور کارپوریٹ کسٹمز کو وائٹیلیٹی کی پیشکش کر رہے ہیں۔ دن بدن بڑھتی ہوئی مہنگائی کی وجہ سے ملک کے ناموافق بڑے اقتصادی مسائل کے باوجود ہم پر عزم ہیں کہ انہیں خطوط اور حکمت عملی پر کمپنی کا مثبت سفر جاری رکھیں گے، جو ہم نے گزشتہ سال مقرر کیے تھے۔ ہماری انتھک کوششوں سے امید ہے کہ آنے والے کچھ مہینوں میں کمپنی کی کارکردگی بہتر ہوتی رہے گی۔

بورڈ آف ڈائریکٹرز اپنے آئی جی آئی لائف کے کسٹمز اور برنس پارٹنر کے ممنون ہیں۔ ہم اپنے اسٹیک ہولڈرز کے کمپنی پر اعتماد اور اپنی کمپنی کے ملازمین کی قابل قدر اور انتھک محنت پر تہہ دل سے شکریہ ادا کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

Al-Nadim

علی ندیم

چیف ایگزیکٹو آفیسر

تاریخ: 24 اکتوبر، 2023

S. Anwar

شیم احمد خان

چیرمین

تاریخ: 24 اکتوبر، 2023

IGI LIFE INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
Note	----- Rupees in 000 -----	
Assets		
Property and equipment	9 185,652	216,616
Intangible assets	9 335,079	326,960
Investments		
Mutual funds	10 7,130,370	6,039,945
Government securities	11 13,574,945	11,862,395
Debt securities	12 300,000	600,000
	21,005,315	18,502,340
Loans secured against life insurance policies	198,721	175,139
Insurance / takaful / reinsurance / retakaful receivables	327,562	239,119
Other loans and receivables	509,655	475,852
Taxation - payments less provision	741,998	780,540
Deferred tax asset - net	547,695	447,065
Prepayments	82,808	63,174
Cash and bank	13 419,262	218,118
Total assets	<u>24,353,747</u>	<u>21,444,923</u>
Equity and liabilities		
Capital and reserves attributable to Company's equity holders		
Authorised share capital (300,000,000 (2022: 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	(1,280,326)	(1,029,779)
Unappropriated profit	1,503,151	1,152,619
Deficit on revaluation of available for sale investments - net	(66,804)	(88,124)
Total equity	1,861,693	1,740,388
Liabilities		
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	14 20,745,269	18,159,025
Outstanding claims	593,602	623,709
Retirement benefit obligations	29,261	29,261
Premium received in advance	94,080	113,186
Reinsurance / retakaful payables	210,414	129,914
Other creditors and accruals	778,317	573,080
Lease liability against right-of-use assets	41,111	76,360
Total liabilities	22,492,054	19,704,535
Total equity and liabilities	<u>24,353,747</u>	<u>21,444,923</u>
Contingencies and commitments	15	

The annexed notes from 1 to 28 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 (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2023

	Nine months ended		Quarter ended	
	September 30,	September 30,	September 30,	September 30,
	2023	2022	2023	2022
	-----Rupees in 000-----			
Gross premium / contribution revenue	5,566,594	4,573,126	2,221,781	1,632,963
Less: premium / contribution ceded to reinsurers / retakaful operators	246,459	202,617	101,039	76,007
Net premium / contribution revenue	16 5,320,135	4,370,509	2,120,742	1,556,956
Investment income	17 1,772,869	1,393,753	674,042	461,278
Net realised fair value gains/ (losses) on financial assets	165,874	(140,585)	104,920	(53,278)
Other income - net	121,222	57,739	37,334	23,562
	2,059,965	1,310,907	816,296	431,562
Net income	7,380,100	5,681,416	2,937,038	1,988,518
Insurance benefits	3,375,756	4,236,526	1,152,439	1,341,340
Recoveries from reinsurers / retakaful operators	(106,668)	(105,668)	(46,429)	(12,849)
Net insurance benefits	18 3,269,088	4,130,858	1,106,010	1,328,491
	4,111,012	1,550,558	1,831,028	660,027
Change in insurance liabilities (other than outstanding claims)	2,101,304	(254,823)	1,147,422	42,284
Acquisition expenses	19 1,288,481	1,069,071	401,244	342,785
Marketing and administration expenses	20 567,305	692,726	222,436	262,410
Other expenses	21 7,186	5,583	2,395	834
Total expenses	3,964,276	1,512,557	1,773,497	648,313
	146,736	38,001	57,531	11,714
Finance costs	5,911	14,999	2,046	2,760
Profit before tax	140,825	23,002	55,485	8,954
Income tax	22 (40,840)	(6,631)	(16,091)	(2,588)
Profit after tax	99,985	16,371	39,394	6,366
	-----Rupees-----			
Earnings per share	23 0.59	0.10	0.23	0.04

The annexed notes from 1 to 28 form an integral part of these financial statements.

 Chairman	 Director	 Director	 Chief Executive Officer	 Chief Financial Officer
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IGI LIFE INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2023

	Nine months ended		Quarter ended	
	September 30,	September 30,	September 30,	September 30,
	2023	2022	2023	2022
-----Rupees in 000-----				
Profit after tax	99,985	16,371	39,394	6,366
Other comprehensive income/ (loss)				
Change in unrealised loss on available-for-sale financial assets	507,963	(388,896)	380,511	144,821
Less: taxation	(1,702)	18,474	(2,202)	7,585
Change in unrealised loss on available-for-sale financial assets - net of tax	506,261	(370,422)	378,309	152,406
Change in insurance liabilities - net	(484,941)	326,574	(362,149)	(138,471)
Other comprehensive income/ (loss) for the period	21,320	(43,848)	16,160	13,935
Total comprehensive income / (loss) for the period	121,305	(27,477)	55,554	20,301

The annexed notes from 1 to 28 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 (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2023

	Attributable to equity holders of the Company				Total
	Share capital	Un-appropriated profit *	Ledger C & D account **	Capital reserve	
				Net (deficit) / surplus on revaluation of available for sale investments ***	
-----Rupees in '000-----					
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 for nine months ended September 30, 2022	-	9,655	6,716	-	16,371
Other comprehensive loss for the 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
Total comprehensive income / (loss)					
Profit for three months ended December 31, 2022	-	21,085	4,575	-	25,660
Other comprehensive income / (loss) for three months ended December 31, 2022	-	-	2,376	(4,352)	(1,976)
	-	21,085	6,951	(4,352)	23,684
Balance as at December 31, 2022 (audited)	1,705,672	1,152,619	(1,029,779)	(88,124)	1,740,388
Total comprehensive income / (loss)					
Profit for nine months ended September 30, 2023	-	47,993	51,992	-	99,985
Other comprehensive income for nine months ended September 30, 2023	-	-	-	21,320	21,320
	-	47,993	51,992	21,320	121,305
Appropriation of surplus from ledger D to Shareholder fund	-	302,539	(302,539)	-	-
Balance as at September 30, 2023 (un-audited)	<u>1,705,672</u>	<u>1,503,151</u>	<u>(1,280,326)</u>	<u>(66,804)</u>	<u>1,861,693</u>

* 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 28 form an integral part of these 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, 2023

	Note	
	Nine months ended	
	2023	2022
	-----Rupees in 000-----	
Operating cash flows		
(a) Underwriting activities		
Premiums received net of policy transfers	5,471,151	4,171,237
Reinsurance premium paid	(361,882)	(338,771)
Claims paid	(1,083,746)	(1,047,790)
Surrenders paid	(2,254,857)	(3,090,828)
Reinsurance recovery received	94,562	120,132
Commission paid	(613,866)	(641,260)
Commission received	34,923	39,981
Net cash inflow from / (outflow on) from underwriting activities	1,286,285	(787,299)
(b) Other operating activities		
Income tax paid	(104,633)	(72,754)
Marketing and administrative expenses paid	(1,097,588)	(1,169,263)
Other operating receipts	48,274	15,719
Loans advanced	(7,348)	15,977
Loan repayments received	-	2,820
Net cash outflow on other operating activities	(1,161,295)	(1,207,501)
Total cash inflow from / (outflow on) all operating activities	124,990	(1,994,800)
Investment activities		
Profit / return received	1,731,967	1,035,651
Dividend received	32,181	288,540
Payment for investments	(44,061,026)	(3,117,826)
Proceeds from disposal of investments	44,534,241	865,691
Proceeds from disposals of fixed assets	25,746	23,176
Capital work in progress	(18,882)	(12,059)
Fixed capital expenditure	(56,727)	(35,525)
Total cash inflow from investing activities	2,187,500	(952,352)
Financing activities		
Dividends paid	-	(1)
Total cash outflow on financing activities	-	(1)
Net cash inflow from / (outflow on) all activities	2,312,490	(2,947,153)
Cash and cash equivalents at beginning of the period	3,767,513	7,772,539
Cash and cash equivalents at end of the period	13.2 6,080,003	4,825,386
Reconciliation to the condensed interim profit and loss account		
Operating cash flows	124,990	(1,994,800)
Depreciation and amortisation expenses	(89,803)	(109,150)
Gain on disposal of fixed assets	22,995	(4,488)
Increase in assets other than cash	124,212	15,346
Decrease / (increase) in liabilities	(2,574,817)	1,169,068
Investment income	2,435,695	910,726
Profit received on bank deposits	56,713	29,669
Profit after taxation	99,985	16,371

The annexed notes from 1 to 28 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 FINANCIAL STATEMENTS
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2023

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, 2022: 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 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 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, 2022.

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, 2022.

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, 2023, 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 8 - 'Accounting policies, changes in accounting estimates and errors' (amendments)	January 1, 2023
- IAS 12 - 'Income taxes' (amendments)	January 1, 2023
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2024
- IFRS 9 - 'Financial Instruments'	January 1, 2023*
- IFRS 16 - 'Leases' (amendments)	January 1, 2024
- 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, 2022. The Company intends to have an actuarial valuation in respect of staff retirement benefit plan for 2023 conducted at the year end. Hence actuarial gains / losses for the nine months ended September 30, 2023 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, 2022.

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, 2023 and change in the fair values during the nine months ended September 30, 2023:

Financial assets with contractual cash flows that meet the SPPI criteria, excluding those held for trading	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
		----- Rupees in 000 -----	
<i>Pakistan Investment Bonds - available for sale (refer note 11)</i>			
Opening fair value		4,775,838	4,966,853
Additions during the period		82,486	40,443
Decrease in fair value		(134,576)	(231,458)
Closing fair value		<u>4,723,748</u>	<u>4,775,838</u>
<i>Market Treasury Bills - available for sale (refer note 11)</i>			
Opening fair value		6,808,483	6,869,422
Disposals during the period		1,643,731	(49,049)
Increase / (decrease) in fair value		21,582	(11,890)
Closing fair value		<u>8,473,796</u>	<u>6,808,483</u>
<i>GOP Ijarah Sukuk - available for sale (refer note 11)</i>			
Opening fair value		278,074	277,409
Disposals during the period		100,347	(5,484)
Increase in fair value		(1,020)	6,149
Closing fair value		<u>377,401</u>	<u>278,074</u>
<i>Debt Securities - available for sale (refer note 12)</i>			
Opening fair value		600,000	225,000
Additions / disposals during the period		(300,000)	375,000
Increase / (decrease) in fair value		-	-
Closing fair value		<u>300,000</u>	<u>600,000</u>
Financial assets that do not meet the SPPI criteria			
<i>Mutual funds - available for sale (refer note 10)</i>			
Opening fair value		6,039,945	6,095,600
Additions during the period		431,215	(45,511)
Increase / (decrease) in fair value		659,210	(10,144)
Closing fair value		<u>7,130,370</u>	<u>6,039,945</u>
<i>Listed equities - available for sale (refer note 10)</i>			
Opening fair value		-	47,116
Additions during the period		-	(43,077)
Increase / (decrease) in fair value		-	(4,039)
Closing fair value		<u>-</u>	<u>-</u>
9 PROPERTY AND EQUIPMENT			
Tangible assets (including right-of-use-assets)		153,872	211,474
Capital work-in-progress		31,780	5,142
		<u>185,652</u>	<u>216,616</u>
Intangible assets		335,079	326,960
	9.1	<u>520,731</u>	<u>543,576</u>

Note	(Un-audited)	(Audited)	
	September 30, 2023	December 31, 2022	
----- Rupees in 000 -----			
9.1	Opening net book value	525,082	695,625
	Add: additions during the period / year		
	- Leasehold improvements	-	2,161
	- Furniture and fixtures	157	241
	- Office equipment	22	35
	- Computer equipment	2,688	2,658
	- Motor vehicles - owned	-	-
	- Right-of-use assets	-	2,444
	- Software and licenses	53,861	16,028
		56,728	23,567
	Less: net book value of disposals		
	- Leasehold improvements	911	11,059
	- Furniture and fixtures	835	8,418
	- Office equipment	16	1,292
	- Computer equipment	7	128
	- Right-of-use assets	6,882	32,906
		8,651	53,803
	Less: depreciation and amortisation for the period / year	89,804	140,307
	Closing net book value	483,355	525,082
	Add: capital work-in-progress		
	- Advance against civil works	31,780	5,142
	- Advance against software	5,596	13,352
		520,731	543,576

(Un-audited)			(Audited)		
September 30, 2023			December 31, 2022		
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

Mutual Funds	6,572,875	7,130,370	557,495	6,161,660	6,039,945	(101,715)
	<u>6,572,875</u>	<u>7,130,370</u>	<u>557,495</u>	<u>6,161,660</u>	<u>6,039,945</u>	<u>(101,715)</u>

11 INVESTMENTS IN GOVERNMENT SECURITIES

Available for sale

Pakistan Investment Bonds	11.1 & 11.2	5,204,422	4,723,748	(480,674)	5,121,936	4,775,838	(346,098)
Market Treasury Bills	11.3	8,469,822	8,473,796	3,974	6,826,091	6,808,483	(17,608)
GOP Ijarah Sukuk	11.4	379,491	377,401	(2,090)	279,144	278,074	(1,070)
		<u>14,053,735</u>	<u>13,574,945</u>	<u>(478,790)</u>	<u>12,227,171</u>	<u>11,862,395</u>	<u>(364,776)</u>

11.1 The effective yield on Pakistan Investment Bonds ranges from 7.5% to 24.15% (December 31, 2022: 7.50% to 16.28%) per annum. The market yield ranges from 7.5% to 23.57% (December 31, 2022: 15.79% to 16.99%) 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, 2022: 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 21.80% to 23.55% (December 31, 2022: 11.90% to 16.97%) per annum. The market yield ranges from 21.96% to 22.14% (December 31, 2022: 15% to 17%) per annum. These are due to mature by July, 2024.

11.4 The effective yield on GOP Ijarah Sukuk ranges from 20.69% to 23.71% (December 31, 2022: 14.91% to 15.93%) per annum and are due to mature by April, 2025.

12 INVESTMENTS IN DEBT SECURITIES

Note	(Un-audited)			(Audited)			
	September 30, 2023			December 31, 2022			
	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							
Listed Term Finance Certificates	12.1	300,000	300,000	-	300,000	300,000	-
Corporate Sukkuk	12.2	-	-	-	300,000	300,000	-
		<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>

12.1 The effective yield on term finance certificates ranges from 23.83% to 24.69% (December 31, 2022: 16.37% to 17.51%) per annum.

12.2 The effective yield on Corporate Sukkuk ranges from 17.06% to 19.44% (December 31, 2022: 17.06% to 18.45%) per annum.

13 CASH AND BANK	Note	(Un-audited)	(Audited)
		September 30, 2023	December 31, 2022
----- Rupees in 000 -----			
Cash in hand		730	94
Cash at bank			
- Savings accounts	13.1	<u>418,532</u>	<u>218,024</u>
		<u>419,262</u>	<u>218,118</u>

13.1 These savings accounts carry mark-up rate ranges from 14.5% to 20.5% per annum (December 31, 2022: 14% to 15.5%).

13.2 Cash and cash equivalents	Note	(Un-audited)	(Audited)
		September 30, 2023	December 31, 2022
----- Rupees in 000 -----			
Cash and bank balances	13	419,262	218,118
Treasury Bills (with original maturity of less than 3 months)		<u>5,660,741</u>	<u>3,549,395</u>
		<u>6,080,003</u>	<u>3,767,513</u>

14 INSURANCE LIABILITIES	Note	(Un-audited)	(Audited)
		September 30, 2023	December 31, 2022
----- Rupees in 000 -----			
Incurred but not reported claims		145,742	167,653
Investment component of unit-linked and account value policies		12,069,362	10,040,827
Liabilities under individual conventional insurance contracts		6,355,006	6,447,583
Liabilities under group insurance contracts		700,461	365,749
Other insurance liabilities		805,998	621,438
Ledger account A and B		<u>668,700</u>	<u>515,775</u>
		<u>20,745,269</u>	<u>18,159,025</u>

15 CONTINGENCIES AND COMMITMENTS

15.1 There has been no major change relating to provincial sales tax on life and health insurance since disclosed in the financial statements for the year ended December 31, 2022 except that in Sindh the exemption to health insurance relating to group insurance policies has not been further extended beyond June 30, 2023. The Company along with other life Insurance companies has filed a writ petition in the honorable Sindh High Court challenging the vires of the applicability of sales tax on health insurance.

Had the sales tax liability on life insurance and health insurance premium been recorded, the profit after tax would have decreased by Rs. 560.596 million (December 31, 2022: Rs 434.333 million) while sales tax liability as at September 30, 2023 would have been higher by Rs. 789.571 million (December 31, 2022: Rs 611.737 million).

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

16 NET PREMIUM / CONTRIBUTION REVENUE

Gross premiums / contribution:

Regular premium / contribution individual policies*

	------(Un-audited)----- For the nine months ended	
	September 30, 2023	September 30, 2022
	-----Rupees in 000-----	
First year	868,634	1,005,316
Second year renewal	639,077	661,153
Subsequent year renewal	1,256,788	941,722
Single premium / contribution individual policies	990,076	310,128
Group policies without cash value	1,812,019	1,654,807
Total gross premiums / contribution	5,566,594	4,573,126
Less: reinsurance premium / contribution ceded		
On individual life first year business	28,114	22,988
On individual life second year business	18,809	15,272
On individual life renewal business	46,922	35,173
On single premium policies	1,367	9,944
On individual accident and health first year	1,735	3,012
On group policies	184,435	156,209
Less: commission from reinsurers	(34,923)	(39,981)
	246,459	202,617
Net premium / contribution	5,320,135	4,370,509

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

	------(Un-audited)-----	
	For the nine months ended	
	September 30, 2023	September 30, 2022
	-----Rupees in 000-----	
17 INVESTMENT INCOME		
Return on government securities	1,649,552	1,032,081
Amortisation of discount	34,778	31,536
Dividend income	32,181	288,540
Profit on term deposit receipts	-	11,750
Profit on debt securities	56,358	29,846
	<u>1,772,869</u>	<u>1,393,753</u>
18 NET INSURANCE BENEFITS		
Gross claims		
Claims under individual policies		
By death	161,914	160,341
By maturity	7,810	4,952
By surrender	2,247,047	3,085,876
Total gross individual policy claims	<u>2,416,771</u>	<u>3,251,169</u>
Claims under group policies		
by death	244,108	355,938
by insured event other than death	642,590	626,419
experience refund	72,287	3,000
Total gross group policy claims	<u>958,985</u>	<u>985,357</u>
Total gross policy claims	<u>3,375,756</u>	<u>4,236,526</u>
Less: reinsurance recoveries		
On individual life claims	65,693	44,468
On group life claims	40,975	61,200
	<u>106,668</u>	<u>105,668</u>
Net insurance benefit expense	<u>3,269,088</u>	<u>4,130,858</u>
19 ACQUISITION EXPENSES		
Remuneration to insurance intermediaries		
on individual policies:		
- Commission on first year premiums / contribution	321,513	393,644
- Commission on second year premiums / contribution	25,910	40,607
- Commission on subsequent renewal premiums / contribution	50,770	26,882
- Commission on single premiums / contribution	28,931	8,633
- Other benefits to insurance intermediaries	412,211	387,152
	<u>839,335</u>	<u>856,918</u>
Remuneration to insurance intermediaries on group policies:		
- Commission	143,146	121,061
- Other benefits to insurance intermediaries	1,733	4,505
	<u>144,879</u>	<u>125,566</u>
Branch overheads:		
- Salaries and other benefits	67,018	27,329
- Other operational cost	228,038	34,790
	<u>295,056</u>	<u>62,119</u>
Other acquisition cost :		
- Policy stamps	9,211	24,468
	<u>1,288,481</u>	<u>1,069,071</u>

		-----Un-audited-----	
		For the nine months ended	
		September 30, 2023	September 30, 2022
		-----Rupees in 000-----	
20	MARKETING AND ADMINISTRATION EXPENSES		
	Salaries, allowances & other benefits	343,647	310,242
	Travelling expenses	11,238	12,148
	Directors fees	6,513	6,128
	Regulators fee	12,014	14,460
	Actuary's fees	8,038	5,446
	Legal and professional charges	6,821	3,460
	Advertisement and publicity	3,093	8,402
	Printing and stationery	3,499	12,712
	Depreciation and amortisation	89,804	109,150
	Rentals	16,052	31,391
	Vehicles and general repair and maintenance	10,006	104,436
	Utilities-electricity, water and gas	9,813	21,314
	Transportation	826	7,980
	Communication	6,418	12,715
	Consultancy fee	6,117	5,459
	Training and workshop	4,640	1,724
	Insurance	3,243	4,407
	Interest on premium deposit in advance	540	388
	Social security	1,003	928
	Entertainment	9,022	7,104
	Provision for Sindh WWF	866	-
	Miscellaneous expenses	14,092	12,732
		<u>567,305</u>	<u>692,726</u>
21	OTHER EXPENSES		
	Auditors' remuneration	<u>7,186</u>	<u>5,583</u>
22	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, 2023, the shareholder's fund reflected a profit before tax of Rs.493.707 million resulting in current tax amounting to Rs.143.175 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. 522.951 million (December 31, 2022: Rs. 423.697 million) in this respect.

		-----Un-audited-----			
		Nine months ended		Quarter ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
		-----Rupees in 000-----			
23	EARNINGS PER SHARE				
	Basic / diluted earning per share				
	Profit for the period	<u>99,985</u>	<u>16,371</u>	<u>39,394</u>	<u>6,366</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 per share	<u>0.59</u>	<u>0.10</u>	<u>0.23</u>	<u>0.04</u>

24 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:

24.1 Revenue account by statutory funds

(Un-audited)												
For the nine months ended September 30 2023												
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	14,186	600,775	512,057	1,358,176	4,186	1,008,919	28,667	1,679,084	1,221	20,559	57,382	5,285,212
Net investment income	272,522	613,491	3,322	815,303	37	-	32,673	592,542	-	5,216	14,203	2,349,309
Other income - net	8,735	13,793	6,656	43,171	94	23,832	2,478	21,707	16	235	504	121,221
Total net income	295,443	1,228,059	522,035	2,216,650	4,317	1,032,751	63,818	2,293,333	1,237	26,010	72,089	7,755,742
CLAIMS AND EXPENDITURE												
Claims, including bonuses, net of reinsurance recoveries	147,292	627,765	263,295	891,425	925	579,655	25,322	683,671	-	12,125	37,613	3,269,088
Management expenses less recoveries	17,357	278,566	108,297	455,171	12,319	218,741	-	670,441	1,130	18,077	35,070	1,815,169
Total claims and expenditure	164,649	906,331	371,592	1,346,596	13,244	798,396	25,322	1,354,112	1,130	30,202	72,683	5,084,257
Excess / (shortage) of Income over claims and expenditure	130,794	321,728	150,443	870,054	(8,927)	234,355	38,496	939,221	107	(4,192)	(594)	2,671,485
Add: Policyholders' liabilities at beginning of the period	1,562,449	5,092,807	165,940	5,472,909	17,861	302,137	355,811	4,719,947	3,291	(30,717)	(19,185)	17,643,250
Less: Policyholders' liabilities at end of the period	(1,540,318)	(5,150,488)	(221,614)	(6,467,354)	(14,962)	(547,284)	(391,829)	(5,801,974)	(2,220)	39,750	21,723	(20,076,570)
Movement in policyholders' liabilities	22,131	(57,681)	(55,674)	(994,445)	2,899	(245,147)	(36,018)	(1,082,027)	1,071	9,033	2,538	(2,433,320)
Surplus / (deficit) before tax	152,925	264,047	94,769	(124,391)	(6,028)	(10,792)	2,478	(142,806)	1,178	4,841	1,944	238,165
Taxation	-	51,972	(31,614)	37,616	1,793	3,130	(718)	42,553	(342)	(1,407)	(648)	102,335
Surplus / (deficit) after tax	152,925	316,019	63,155	(86,775)	(4,235)	(7,662)	1,760	(100,253)	836	3,434	1,296	340,500
Movement in policyholders' liabilities	(22,131)	57,681	55,674	994,445	(2,899)	245,147	36,018	1,082,027	(1,071)	(9,033)	(2,538)	2,433,320
Transfers (to) or from shareholders' fund												
- Capital contributions from shareholders' fund	-	-	60,000	119,036	7,014	-	-	102,893	-	6,000	11,866	306,809
- Qard-e-Hasna from Operators' Sub Fund to PTF	-	-	-	-	-	-	-	-	-	(6,000)	-	(6,000)
- Qard-e-Hasna received from PTF to Operators' Sub Fund	-	-	-	-	-	-	-	-	-	6,000	-	6,000
- Capital returned to shareholder's fund	-	-	-	-	-	-	-	-	-	-	-	-
- Surplus appropriated to shareholders' fund	-	(426,111)	-	-	-	-	-	-	-	-	-	(426,111)
	-	(426,111)	60,000	119,036	7,014	-	-	102,893	-	6,000	11,866	(119,302)
Balance of statutory fund at beginning of the period	2,078,224	5,635,062	314,603	5,368,342	869	292,243	367,636	4,516,808	8,050	7,665	45,650	18,635,152
Balance of statutory fund at end of the period	2,209,018	5,582,651	493,432	6,395,048	749	529,728	405,414	5,601,475	7,815	8,066	56,274	21,289,670
Represented by:												
Capital contributed by shareholders' fund	-	-	210,000	703,867	49,014	32,057	6,000	658,041	4,095	42,200	163,420	1,868,694
Policyholders' liabilities / PTF	1,540,318	5,150,488	221,614	6,467,354	14,962	547,284	391,829	5,801,974	2,220	(39,750)	(21,723)	20,076,570
Retained earnings attributable to policyholders (Ledger Account A)	634,903	-	-	-	-	-	-	-	-	-	-	634,903
Retained earnings on par business attributable to shareholders - undistributable (Ledger Account B)	33,797	-	-	-	-	-	-	-	-	-	-	33,797
Retained earnings on other than participating business (Ledger Account D) / PTF	-	438,379	61,818	(776,173)	(63,227)	(49,613)	7,585	(854,124)	1,500	5,938	(84,367)	(1,312,284)
Revaluation surplus / (deficit) on revaluation of available for sale investments	-	(6,216)	-	-	-	-	-	(4,416)	-	(322)	(1,056)	(12,010)
BALANCE OF STATUTORY FUND	2,209,018	5,582,651	493,432	6,395,048	749	529,728	405,414	5,601,475	7,815	8,066	56,274	21,289,670

(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	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
Net investment income	154,989	374,960	27,031	197,668	(45)	-	16,377	83,405	618	70	1,076	856,149
Other income - net	6,240	18,540	4,323	11,395	64	20,465	1,972	6,122	3	67	68	69,259
Total net income	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	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
Management expenses less recoveries	6,333	203,450	59,528	475,314	18,556	170,711	-	719,474	1,524	18,511	39,538	1,712,939
Total claims and expenditure	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)
Add: Policyholders' liabilities at beginning of the period	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
Less: Policyholders' liabilities at end of the period	(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)
Movement in policyholders' liabilities	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	53,874	182,465	93,918	(147,494)	(11,865)	(11,804)	(5,448)	(100,707)	2,547	7,826	(15,902)	47,410
Taxation	-	(52,916)	(29,552)	42,332	3,428	3,423	1,580	27,783	(698)	(2,359)	4,291	(2,688)
Surplus / (deficit) after tax	53,874	129,549	64,366	(105,162)	(8,437)	(8,381)	(3,868)	(72,924)	1,849	5,467	(11,611)	44,722
Movement in policyholders' liabilities	(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	-	-	-	342,731	-	32,057	-	453,648	4,095	12,500	59,054	904,085
- Qard-e-Hasna from Operators' Sub Fund to PTF	-	-	-	-	-	-	-	-	-	(12,500)	-	(12,500)
- Qard-e-Hasna received from PTF to Operators' Sub Fund	-	-	-	-	-	-	-	-	-	12,500	-	12,500
- 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
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
Balance of statutory fund at end of the period	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	-	-	150,000	584,831	42,000	32,057	6,000	555,148	4,095	28,700	151,554	1,554,385
Policyholders' liabilities / PTF	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
Retained earnings attributable to policyholders (Ledger Account A)	482,754	-	-	-	-	-	-	-	-	-	-	482,754
Retained earnings on par business attributable to shareholders - undistributable (Ledger Account B)	27,897	-	-	-	-	-	-	-	-	-	-	27,897
Retained earnings on other than participating business (Ledger Account D) / PTF	-	462,255	36,710	(661,571)	(56,269)	(50,169)	(370)	(706,763)	2,005	(1,681)	(82,896)	(1,058,749)
Revaluation surplus / (deficit) on revaluation of available for sale investments	-	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

24.2 Condensed Interim Statement of Financial Position by Segment

	----- Un-audited -----			----- Audited -----		
	September 30, 2023			December 31, 2022		
	Shareholders Fund	Statutory Funds	Total	Shareholders Fund	Statutory Funds	Total
----- Rupees in 000 -----			----- Rupees in 000 -----			
Assets						
Property and equipment	31,780	153,872	185,652	31,701	184,915	216,616
Intangible assets	5,596	329,483	335,079	-	326,960	326,960
Investments						
Mutual funds	-	7,130,370	7,130,370	-	6,039,945	6,039,945
Government securities	305,489	13,269,456	13,574,945	242,637	11,619,758	11,862,395
Debt securities	-	300,000	300,000	-	600,000	600,000
Loans secured against life insurance policies	-	198,721	198,721	-	175,139	175,139
Insurance / takaful / reinsurance / retakaful receivables	-	327,562	327,562	-	239,119	239,119
Other loans and receivables	52,068	457,587	509,655	58,030	417,822	475,852
Taxation - payments less provision	741,998	-	741,998	780,540	-	780,540
Deferred tax asset - net	547,695	-	547,695	447,065	-	447,065
Prepayments	8,960	73,848	82,808	2,847	60,327	63,174
Cash and bank	730	418,532	419,262	94	218,024	218,118
Total assets	1,694,316	22,659,431	24,353,747	1,562,914	19,882,009	21,444,923
Liabilities						
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	-	20,745,269	20,745,269	-	18,159,025	18,159,025
Outstanding claims	-	593,602	593,602	-	623,709	623,709
Retirement benefit obligations	29,261	-	29,261	29,261	-	29,261
Premium received in advance	-	94,080	94,080	-	113,186	113,186
Reinsurance / retakaful payables	-	210,414	210,414	-	129,914	129,914
Other creditors and accruals	291,276	487,041	778,317	193,033	380,047	573,080
Liabilities against right-of-use assets	41,111	-	41,111	76,360	-	76,360
Total liabilities	361,648	22,130,406	22,492,054	298,654	19,405,881	19,704,535

25 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.

25.1 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	
	2023	2022	2023	2022	2023	2022	2023	2022
----- (Rupees in '000) -----								
Transactions								
Premium underwritten	-	1,254	-	-	-	-	311,039	216,333
Premium paid for general insurance	-	-	-	-	-	-	1,873	2,116
Claims paid	923	1,169	-	-	-	-	67,122	57,306
Claims received	-	-	-	-	-	-	-	971
Charge for administrative services received	4,500	1,500	-	-	-	-	80,525	72,972
Charge for administrative services provided	1,673	-	-	-	-	-	32,090	13,762
Rent expense	-	-	-	-	-	-	21,853	23,655
Remuneration paid	-	-	-	-	164,897	141,463	-	-
Charged in respect of employees gratuity fund	-	-	12,892	12,034	-	-	-	-
Charge in respect of provident fund	-	-	7,996	10,422	-	-	-	-
	Holding Company		Post Employment Benefit Plans		Key Management Personnel		Other Related Parties	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
----- (Rupees in '000) -----								
Balances								
(Receivable) / payable for group shared services	4,196	1,368	-	-	-	-	58,193	79,448
Premium receivable	-	438	-	-	-	-	635	1,024
Payable to employee gratuity fund	-	-	29,260	29,260	-	-	-	-
Payable to employee provident fund	-	-	771	813	-	-	-	-

26 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.

26.1 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, 2023 and December 31, 2022, the Company held the following financial instruments measured at fair value:

-----Un-audited-----			
As at September 30, 2023			
Level 1	Level 2	Level 3	
----- Rupees in 000 -----			
Assets carried at fair value			
Available-for-sale investments	-	21,005,315	-






-----Audited-----			
As at December 31, 2022			
Level 1	Level 2	Level 3	
----- Rupees in 000 -----			
Assets carried at fair value			
Available-for-sale investments	-	18,502,340	-

27 GENERAL

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

28 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 24, 2023 by the Board of Directors of the Company.

				
Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

IGI

Life | Window Takaful Operations

Vitality[®]

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

For the period ended September 30, 2023

IGI LIFE INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT SEPTEMBER 30, 2023

	As at			As at
	September 30, 2023			December 31, 2022
	Operator sub fund	Policyholders fund	Total	Total
	----- Rupees in 000 -----			
Assets				
Property and equipment	45,464	-	45,464	59,250
Investments				
Mutual funds	467,533	5,082,123	5,549,656	4,073,660
Government Securities	-	161,491	161,491	161,625
Listed Securities	-	-	-	300,000
Term deposits	-	-	-	-
	467,533	5,243,614	5,711,147	4,535,285
Takaful / retakaful receivables	-	26,944	26,944	21,720
Other loans and receivables	89,447	-	89,447	81,729
Taxation - payments less provision	-	-	-	-
Deferred tax asset - net	-	-	-	-
Prepayments	19,765	-	19,765	16,527
Cash and bank	-	29,432	29,432	98,014
Total assets	622,209	5,299,990	5,922,199	4,812,525
Equity and liabilities				
Equity and reserves				
Waqf Ceded Money	-	500	500	500
Capital contributed	867,256	-	867,256	746,497
Ledger account C & D	(931,052)	-	(931,052)	(832,736)
Surplus / (deficit) on revaluation of available for sale investments	(5,794)	-	(5,794)	(9,424)
Total equity	(69,590)	500	(69,090)	(95,163)
Liabilities				
Insurance liabilities [including policyholders' liabilities and profit retained in waqf]	31,276	5,711,444	5,742,720	4,673,336
Outstanding claims	-	119,025	119,025	137,527
Contribution received in advance	-	30,964	30,964	30,541
Takaful / retakaful payables	-	55,257	55,257	16,496
Other creditors and accruals	43,323	-	43,323	49,788
Interfund receivable / (payable)	617,200	(617,200)	-	-
Lease liability against right-of-use assets	-	-	-	-
Total liabilities	691,799	5,299,490	5,991,289	4,907,688
Total equity and liabilities	622,209	5,299,990	5,922,199	4,812,525
Contingencies and commitments				

9

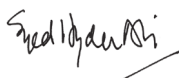
The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.




Chairman



Director



Director



Chief Executive Officer



Chief Financial Officer

**IGI LIFE INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023**

	Note	September 30, 2023			September 30, 2022		
		Operator sub fund	Policyholders fund	Total	Operator sub fund	Policyholders fund	Total
		-----Rupees in 000-----					
Contribution revenue	10	-	1,812,596	1,812,596	-	1,629,539	1,629,539
Less: wakala fee recognised		539,018	(539,018)	-	530,415	(530,415)	-
		539,018	1,273,578	1,812,596	530,415	1,099,124	1,629,539
Less: contribution ceded to retakaful operators	10	-	50,318	50,318	-	55,733	55,733
Net contribution revenue		539,018	1,223,260	1,762,278	530,415	1,043,391	1,573,806
Investment income		1,718	65,506	67,224	15,095	225,138	240,233
Net realised fair value gains / (losses) on financial assets		16,017	105,231	121,248	3,079	(48,152)	(45,073)
Takaful operator fee income		55,258	(55,258)	-	105,716	(105,716)	-
Other income - net		16,882	-	16,882	1,438	2,956	4,394
		89,875	115,479	205,354	125,328	74,226	199,554
Net income		628,893	1,338,739	1,967,632	655,743	1,117,617	1,773,360
Takaful benefits		-	742,633	742,633	-	837,190	837,190
Recoveries from retakaful operators		-	(9,224)	(9,224)	-	(28,147)	(28,147)
Net takaful benefits	11	-	733,409	733,409	-	809,043	809,043
		628,893	605,330	1,234,223	655,743	308,574	964,317
Change in takaful liabilities (including profit retained in waqf fund)		44,180	605,330	649,510	(31,383)	308,574	277,191
Acquisition expenses	12	564,447	-	564,447	601,549	-	601,549
Marketing and administration expenses		156,449	-	156,449	185,497	-	185,497
Total expenses		765,076	605,330	1,370,406	755,663	308,574	1,064,237
(Loss) / profit before tax attributable to Operator		(136,183)	-	(136,183)	(99,920)	-	(99,920)
Taxation		(37,866)	-	(37,866)	(29,017)	-	(29,017)
(Loss) / profit after tax attributable to Operator		(98,317)	-	(98,317)	(70,903)	-	(70,903)

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 STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023**

	September 30, 2023			September 30, 2022		
	Operator sub fund	Policyholders fund	Total	Operator sub fund	Policyholders fund	Total
	-----Rupees in 000-----					
(Loss) / profit after tax attributable to Operator	(98,317)	-	(98,317)	(70,903)	-	(70,903)
Other comprehensive income / (loss)						
Change in unrealised (loss) / gains on available-for-sale financial assets - net of tax	3,630	419,859	423,489	(6,316)	(101,809)	(108,125)
Change in takaful liabilities - net	-	(419,859)	(419,859)	-	101,809	101,809
Other comprehensive income / (loss) for the period	3,630	-	3,630	(6,316)	-	(6,316)
Total comprehensive loss for the period attributable to Operator	(94,687)	-	(94,687)	(77,219)	-	(77,219)

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, 2023**

Note	For the nine months ended September 30, 2023	
	2023	2022
-----Rupees in 000-----		
Operating Cash flows		
(a) Underwriting activities		
Premiums received net of policy transfers - net of retakaful	1,714,684	1,492,912
Claims paid - net of retakaful recoveries	(81,354)	(56,655)
Surrenders paid	(668,223)	(711,060)
Commissions paid	(238,193)	(344,310)
Net cash inflow from underwriting activities	726,914	380,887
(b) Other operating activities		
Payment for expenses	(483,377)	(493,345)
Other operating receipts	7,208	(5,251)
Inter fund transactions	-	(698,043)
Net cash outflow on other operating activities	(476,169)	(1,196,639)
Total cash inflow from / (outflow on) all operating activities	250,745	(815,752)
Investment activities		
Profit / return received	62,376	18,756
Dividend received	19,287	213,047
Payments (made) / received on investments	(397,492)	471,831
Fixed capital expenditure	(3,498)	14,969
Total cash (outflow on) / inflow from investing activities	(319,327)	718,603
Net cash outflow on all activities	(68,582)	(97,149)
Cash and cash equivalents at beginning of period	98,014	148,477
Cash and cash equivalents at end of period	29,432	51,328
Reconciliation to Profit and Loss Account		
Operating cash flows	250,745	(815,752)
Depreciation and amortisation expenses	28,665	34,536
Increase in assets other than cash	66,429	787,950
Decrease in liabilities	(649,510)	(277,191)
Investment income and other income	190,100	189,909
Profit received on bank deposits	15,254	9,645
Loss after taxation	(98,317)	(70,903)

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




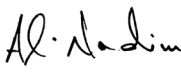

 Chairman	 Director	 Director	 Chief Executive Officer	 Chief Financial Officer
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IGI LIFE INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	Attributable to equity holders of the Company				Total
	Capital contributed	Waqf Ceded Money	Ledger C & D account	Surplus / (deficit) on revaluation of available for sale investments **	
	-----Rupees in 000-----				
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)
Capital Contributed	-	-	-	-	-
Balance as at September 30, 2022	209,700	500	(790,716)	(11,025)	(591,541)
Total comprehensive income / (loss)					
Loss for the three months ended December 31, 2022	-	-	(42,019)	-	(42,019)
Other comprehensive income for the three months ended December 31, 2022	-	-	-	1,601	1,601
	-	-	(42,019)	1,601	(40,418)
Transactions with owners recorded directly in equity					
Capital Contributed	536,797	-	-	-	536,797
Balance as at December 31, 2022	746,497	500	(832,735)	(9,424)	(95,162)
Total comprehensive income / (loss)					
Loss for the nine months ended September 30, 2023	-	-	(98,317)	-	(98,317)
Other comprehensive income for the nine months ended September 30, 2023	-	-	-	3,630	3,630
	-	-	(98,317)	3,630	(94,687)
Transactions with owners recorded directly in equity					
Capital Contributed	120,759	-	-	-	120,759
Balance as at September 30, 2023	867,256	500	(931,052)	(5,794)	(69,090)

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

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
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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, 2023

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, 2023:

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, 2022.

- 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, 2022.

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, 2023, 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, 2024
- IFRS 7 - 'Financial Instruments: Disclosures' (amendments)	January 1, 2024
- IAS 7 - 'Statement of Cash Flows' (amendments)	January 1, 2024
- IFRS 9 - 'Financial Instruments'	January 1, 2023*
- IFRS 16 - 'Leases' (amendments)	January 1, 2024
- 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, 2022. 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, 2023 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 condensed Interim Financial statements as at and for the nine months ended September 30, 2023.

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, 2023. There were no other material contingencies and commitments as at September 30, 2023.

10 NET CONTRIBUTION REVENUE	(Un-audited)	
	For the nine months ended September 30,	
	2023	2022
	---- (Rupees in '000) ----	
Gross contribution:		
Regular contribution individual policies*		
First year	441,010	621,992
Second year renewal	639,320	425,592
Subsequent year renewal	376,453	414,566
Single contribution individual policies	271,710	50,254
Group policies without cash value	84,103	117,135
Total gross contribution	1,812,596	1,629,539
Less: retakaful contribution ceded		
On individual life first year business	12,334	11,250
On individual life second year business	14,277	9,646
On individual life renewal business	20,903	11,906
On single premium policies	98	8,552
On group policies	6,737	22,380
Commission from reinsurers	(4,031)	(8,001)
	50,318	55,733
Net contribution	1,762,278	1,573,806

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

11 NET TAKAFUL BENEFITS	(Un-audited)	
	For the nine months ended September 30,	
	2023	2022
	---- (Rupees in '000) ----	
Gross Claims		
Claims under individual policies		
By death	22,872	55,313
By surrender	668,223	711,060
Total gross individual policy claims	691,095	766,373
Claims under group policies		
by death	13,925	38,043
by insured event other than death	37,613	32,774
experience refund	-	-
Total gross group policy claims	51,538	70,817
Total gross policy claims	742,633	837,190
Less: retakaful recoveries		
On Individual life claims	7,424	22,747
On Group Life claims	1,800	5,400
	9,224	28,147
Net takaful benefit expense	733,409	809,043

		(Un-audited)	
		For the nine months ended September 30,	
		2023	2022
		- - - (Rupees in '000) - - -	
12 ACQUISITION EXPENSES			
Remuneration to takaful intermediaries on individual policies:			
- Commission on first year contribution		161,026	235,270
- Commission on second year contribution		14,515	25,735
- Commission on subsequent renewal contribution		23,711	10,084
- Commission on single contribution		8,166	1,275
- Other benefits to takaful intermediaries		243,055	269,366
		450,473	541,730
Remuneration to takaful intermediaries on group policies:			
- Commission		22,979	25,987
- Other benefits to takaful intermediaries		-	1,843
		22,979	27,830
Branch overheads :			
- Salaries and other benefits		19,606	7,414
- Other operational cost		66,713	9,437
		86,319	16,851
Other acquisition cost :			
- Policy stamps		4,676	15,138
		564,447	601,549

13 SEGMENT INFORMATION

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

13.1 Participants' Investment Fund (PIF)

(Un-audited)						
TAKAFUL - STATUTORY FUNDS				Aggregate		
Individual Family	Individual Accidental and Health	Group Family	Group Health	For the nine months ended Sep 30,		For the year ended December 31,
				2023	2022	2022
- - - - - (Rupees in '000) - - - - -						
Income						
Allocated Contribution	1,232,356	-	-	-	1,232,356	1,513,074
Net Investment Income	667,837	-	-	-	667,837	159,830
Other Income	6,257	-	-	-	6,257	5,148
Total Net Income	1,906,450	-	-	-	1,906,450	1,678,052
Less: Claims and Expenditure						
Surrenders / Partial Surrenders	668,223	-	-	-	668,223	869,771
Risk Contributions	143,667	-	-	-	143,667	168,694
Wakalat-ul-Istismar	19,885	-	-	-	19,885	66,586
Policy admin fee	35,373	-	-	-	35,373	76,323
	867,148	-	-	-	867,148	1,181,374
Excess of Income over Claims and expenditure	1,039,302	-	-	-	1,039,302	496,678
Add: Technical reserves at the beginning	4,605,110	-	-	-	4,605,110	4,108,432
Less: Technical reserves at the end	(5,644,412)	-	-	-	(5,644,412)	(4,605,110)
	(1,039,302)	-	-	-	(1,039,302)	(496,678)
Surplus	-	-	-	-	-	-
Movement in technical reserves	1,039,302	-	-	-	1,039,302	496,678
Balance of PIF at the beginning of the period	4,605,110	-	-	-	4,605,110	4,108,432
Balance of PIF at the end of the period	5,644,412	-	-	-	5,644,412	4,605,110

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 Sep 30.		For the year ended December 31.
				2023	2022	2022
----- (Rupees in '000) -----						
Income						
Contribution net of retakaful	45,870	143	6,274	28,069	80,356	100,663
Net investment income	8,449	-	1,613	-	10,062	19,192
Other income	3,937	-	94	-	4,031	10,487
	58,256	143	7,981	28,069	94,449	130,342
Less: Claims and Expenditure						
Claims	15,448	-	12,125	37,613	65,186	128,170
Wakala fee	-	-	-	-	-	-
	15,448	-	12,125	37,613	65,186	128,170
Excess of Income over Claims and expenditure	42,808	143	(4,144)	(9,544)	29,263	2,172
Add : Technical reserves at the beginning	112,852	1,580	(44,770)	(31,891)	37,771	35,598
Less : Technical reserves at the end	(111,681)	812	(39,446)	(27,942)	(178,257)	(173,078)
Add: Deficit retained in technical reserves	-	(1,742)	80,060	69,377	147,695	126,046
	1,171	650	(4,156)	9,544	7,209	(11,434)
Surplus / (deficit)	43,979	793	(8,300)	-	36,472	(9,262)
Movement in technical reserves	(1,171)	(650)	4,156	(9,544)	(7,209)	11,434
Qard-e-Hasna contributed by Window Takaful Op	-	-	6,000	-	6,000	20,000
Balance of PTF at the beginning of the period	112,852	1,580	377	14,517	129,326	107,154
Balance of PTF at the end of the period	155,660	1,723	2,233	4,973	164,589	129,326

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 Sep 30.		For the year ended December 31.
				2023	2022	2022
----- (Rupees in '000) -----						
Income						
Allocation fee	494,342	1,078	14,285	29,313	539,018	661,898
Investment income	(83,744)	-	3,603	14,203	(65,938)	11,359
Other Income	15,450	16	235	504	16,205	14,111
Wakala fee - PTF	50,184	-	-	-	50,184	59,634
Policy admin fee	35,373	-	-	-	35,373	76,322
Takaful operator fee	-	-	-	-	-	-
Wakalat-ul-Istismar	19,885	-	-	-	19,885	66,586
	531,490	1,094	18,123	44,020	594,727	889,910
Less: Expenses						
Acquisition cost	454,019	1,130	8,812	14,167	478,128	772,820
Administration expenses / deferred taxation	177,806	342	10,766	21,551	210,465	232,872
	631,825	1,472	19,578	35,718	688,593	1,005,692
Excess of (expenditure)/over income	(100,335)	(378)	(1,455)	8,302	(93,866)	(115,782)
Add : Technical reserves at the beginning	1,985	1,711	14,053	12,707	30,456	28,599
Less : Technical reserves at the end	(1,902)	(498)	(9,163)	(19,713)	(31,276)	(30,456)
	83	1,213	4,890	(7,006)	(820)	(1,857)
Deficit	(100,252)	835	3,435	1,296	(94,686)	(117,639)
Movement in technical reserves	(83)	(1,213)	(4,890)	7,006	820	1,857
Capital Contribution during the period	102,893	-	6,000	11,866	120,759	536,797
Qard-e-Hasna contributed to the Participants Takaful Fund	-	-	(6,000)	-	(6,000)	(20,000)
Balance of OSF at the beginning of the period	(201,155)	6,470	7,288	31,133	(156,264)	(557,280)
Balance of OSF at the end of the period	(198,597)	6,092	5,833	51,301	(135,371)	(156,265)
Balance of Family Takaful statutory fund	5,601,475	7,815	8,066	56,274	5,673,630	4,578,171

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, 2023 the Operator and policyholders held the following financial instruments measured at fair value:






As at September 30, 2023		
Level 1	Level 2	Level 3
----- Rupees in '000-----		
Assets carried at fair value		
Available-for-sale investments	5,711,147	-
	<u>5,711,147</u>	<u>-</u>
As at December 31, 2022		
Level 1	Level 2	Level 3
----- Rupees in '000-----		
Assets carried at fair value		
Available-for-sale investments	4,235,285	-
	<u>4,235,285</u>	<u>-</u>

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 24, 2023 by the Board of Directors of the Company.

				
Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer