

STATE LIFE INSURANCE CORPORATION OF PAKISTAN
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

| | | June 30, 2022 (Un-audited) | December 31, 2021 (Audited) |
|--|------|----------------------------------|-----------------------------------|
| | Note | -----Rupees in '000----- | |
| ASSETS | | | |
| Property and equipment | 4 | 875,367 | 881,186 |
| Investment properties | 5 | 3,575,871 | 3,618,967 |
| Investment in subsidiaries and associates | | 323,618 | 323,618 |
| Investments | | | |
| Equity securities | 6 | 86,030,586 | 88,913,774 |
| Government securities | 7 | 1,067,153,725 | 910,069,819 |
| Debt securities | 8 | 8,708,080 | 4,091,596 |
| Mutual funds | 9 | 7,969,841 | 8,554,292 |
| Loans secured against life insurance policies | | 160,231,163 | 151,464,401 |
| Insurance / reinsurance receivables | 10 | 32,071,545 | 37,430,191 |
| Other loans and receivables | 11 | 58,414,369 | 56,221,789 |
| Taxation - payments less provision | | 3,293,023 | 3,474,427 |
| Prepayments | 12 | 50,968 | 66,367 |
| Cash and bank | 13 | 34,262,142 | 101,002,030 |
| TOTAL ASSETS | | 1,462,960,298 | 1,366,112,457 |
| EQUITY AND LIABILITIES | | | |
| CAPITAL AND RESERVES ATTRIBUTABLE TO CORPORATION'S EQUITY HOLDERS | | | |
| Ordinary share capital | | 4,900,000 | 4,900,000 |
| Ledger account C & D | | 11,819,081 | 8,544,917 |
| Reserves | | 208,305 | 4,725 |
| Unappropriated profit | | 1,207,477 | 1,923,866 |
| Capital contributed to statutory fund | | 100,000 | 100,000 |
| TOTAL EQUITY | | 18,234,863 | 15,473,508 |
| LIABILITIES | | | |
| Insurance liabilities | 14 | 1,407,361,871 | 1,310,641,293 |
| Retirement benefit obligations | | 4,956,481 | 3,483,912 |
| Deferred capital grant | | 37,201 | 15,886 |
| Deferred taxation | 15 | 5,103,614 | 3,489,579 |
| Premium received in advance | | 1,838,061 | 5,569,399 |
| Insurance / reinsurance payables | 16 | 612,273 | 521,942 |
| Other creditors and accruals | 17 | 24,815,934 | 26,916,938 |
| TOTAL LIABILITIES | | 1,444,725,435 | 1,350,638,949 |
| TOTAL EQUITY AND LIABILITIES | | 1,462,960,298 | 1,366,112,457 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 18 | | |

The annexed notes 1 to 37 form an integral part of these unconsolidated condensed interim financial statements.



CHAIRMAN

Shoab Javed Hussain



Anwar Mansoor Khan



Pouruchisty Sidhwa



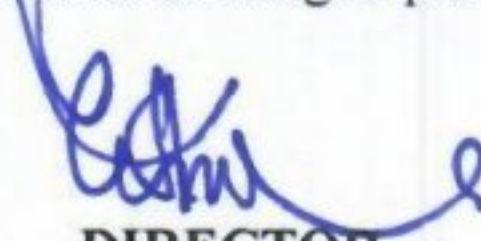
CHIEF FINANCIAL OFFICER
Muhammad Rashid

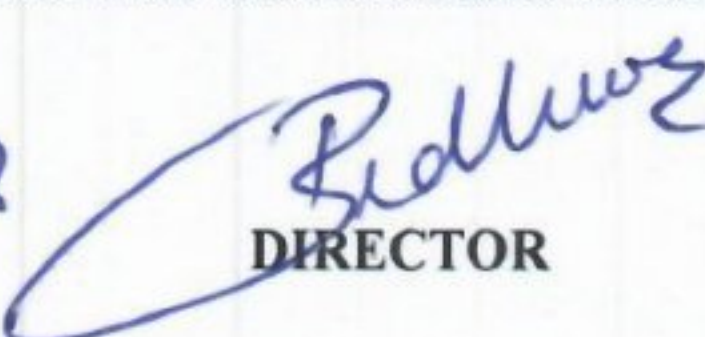
STATE LIFE INSURANCE CORPORATION OF PAKISTAN
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2022

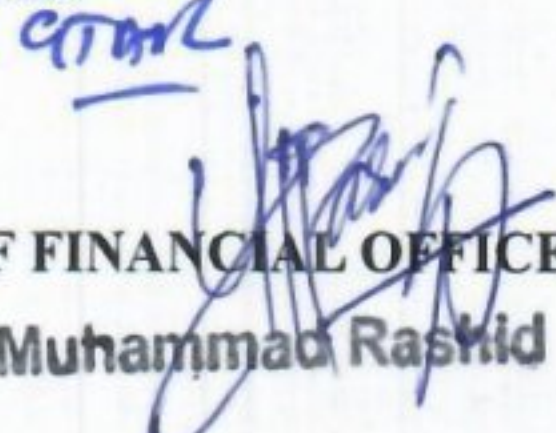
| Note | Six-months period ended | | Three-months period ended | |
|--|-------------------------|---------------|---------------------------|---------------|
| | June 30, 2022 | June 30, 2021 | June 30, 2022 | June 30, 2021 |
| -----Rupees in '000----- | | | | |
| Premium revenue | 97,740,345 | 59,395,984 | 37,239,309 | 29,109,321 |
| Premium ceded to reinsurers | (372,576) | (160,203) | (173,748) | (79,564) |
| Net premium revenue | 19 97,367,769 | 59,235,781 | 37,065,561 | 29,029,757 |
| Investment income | 20 53,569,048 | 47,633,816 | 27,320,029 | 24,014,044 |
| Net realized fair value gain on financial assets | 21 105,487 | 9,458 | 8,318 | 3,934 |
| Net fair value (loss) / gain on financial asset at fair value through profit or loss | 22 (3,477,485) | 967,207 | (3,970,757) | 3,452,800 |
| Net rental income | 23 395,173 | 259,380 | 183,075 | 17,497 |
| Other income | 24 12,676,158 | 5,565,053 | 7,737,342 | 2,791,881 |
| | 63,268,381 | 54,434,914 | 31,278,007 | 30,280,156 |
| Total Net Income | 160,636,150 | 113,670,695 | 68,343,568 | 59,309,913 |
| Insurance benefits | (68,272,494) | (42,351,387) | (39,243,615) | (23,906,053) |
| Recoveries from reinsurers | 125,625 | 275,041 | 31,016 | 209,676 |
| Claim related expenses | (5,266) | (5,205) | (2,472) | (1,375) |
| Net Insurance Benefits | 25 (68,152,135) | (42,081,551) | (39,215,071) | (23,697,752) |
| Net Change in Insurance Liabilities (other than outstanding claims) | 26 (73,689,418) | (56,206,446) | (19,097,298) | (28,403,561) |
| Acquisition expenses | 27 (6,432,317) | (5,877,655) | (3,293,065) | (2,675,289) |
| Marketing and administration expenses | 28 (5,502,519) | (4,863,906) | (3,011,095) | (2,701,547) |
| Other expenses | (166,173) | (127,224) | (96,753) | (65,376) |
| Total Expenses | (85,790,427) | (67,075,231) | (25,498,211) | (33,845,773) |
| Profit before tax for the period | 6,693,588 | 4,513,913 | 3,630,286 | 1,766,388 |
| Income tax expense | 29 (2,211,947) | (1,309,678) | (1,321,310) | (512,670) |
| Profit after tax for the period | 4,481,641 | 3,204,235 | 2,308,976 | 1,253,718 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | 4,481,641 | 3,204,235 | 2,308,976 | 1,253,718 |
| Earnings (after tax) per share - Rupees | 30 91.46 | 69.66 | 47.12 | 27.25 |

The annexed notes 1 to 37 form an integral part of these unconsolidated condensed interim financial statements.


CHAIRMAN
Shoaib Javed Hussain


DIRECTOR
Anwar Mansoor Khan


DIRECTOR
Pouruchisty Sidhwa


CHIEF FINANCIAL OFFICER
Muhammad Rashid

STATE LIFE INSURANCE CORPORATION OF PAKISTAN
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2022

Six-months period ended
June 30, 2022 June 30, 2021
-----Rupees in '000-----

Operating Cash Flows

(a) Underwriting activities

| | | |
|---|-------------------|-------------------|
| Insurance Premiums received | 98,195,393 | 74,930,476 |
| Reinsurance premiums paid | (282,244) | (246,859) |
| Claims paid | (29,208,304) | (17,895,549) |
| Surrenders paid | (16,038,296) | (15,395,238) |
| Reinsurance and other recoveries received | 119,844 | 109,885 |
| Commissions paid | (7,901,500) | (6,056,562) |
| Other underwriting payments | (1,534,541) | (1,544,176) |
| Net cash flow generated from underwriting activities | 43,350,352 | 33,901,977 |

(b) Other operating activities

| | | |
|---|--------------------|---------------------|
| Income tax paid | (416,475) | (189,933) |
| General management expenses paid | (3,616,629) | (5,108,858) |
| Loans secured against life insurance policies - advanced | (5,383,769) | (11,906,923) |
| Loans secured against life insurance policies - repayments received | 4,054,643 | 6,918,640 |
| Other operating payments | (786,249) | (1,862,017) |
| Net cash flow used in other operating activities | (6,148,479) | (12,149,091) |

Total cash flow generated from operating activities

37,201,873 21,752,886

Investment Activities

| | | |
|---|----------------------|---------------------|
| Profit / return received | 48,500,994 | 42,930,643 |
| Dividends received | 4,042,921 | 3,590,097 |
| Rentals received | 1,261,896 | 583,313 |
| Payments for investments | (181,143,242) | (161,912,064) |
| Proceeds from disposal of investments | 26,158,571 | 92,132,463 |
| Fixed capital expenditure | (3,473) | (126,663) |
| Total cash flow used in investing activities | (101,182,333) | (22,802,211) |

Finance Activities

| | | |
|---|--------------------|--------------------|
| Dividend paid | (1,720,286) | (1,460,496) |
| Total cash flow used in financing activities | (1,720,286) | (1,460,496) |

Net cash flow from all activities

(65,700,746) (2,509,821)

Cash and cash equivalents at beginning of the period

92,894,679 45,938,842

Cash and cash equivalents at end of the period

27,193,933 43,429,021

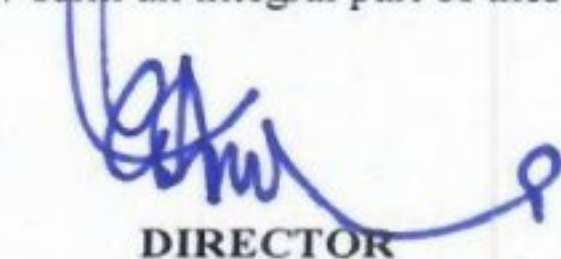
Reconciliation to Profit and Loss Account

| | | |
|---|------------------|------------------|
| Operating cash flows | 37,201,873 | 21,752,886 |
| Depreciation expense | (52,388) | (57,121) |
| Investment income | 63,268,381 | 54,434,915 |
| Amortization/capitalization | 368,619 | 385,945 |
| Non cash adjustments (APL) | (6,320,144) | (2,067,294) |
| Decrease in assets other than cash | 4,101,755 | 4,045,825 |
| Decrease in liabilities other than running finance | (18,783,002) | (20,393,951) |
| Other adjustments | (1,614,035) | 1,309,476 |
| Net change in insurance liabilities (other than outstanding claims) | (73,689,418) | (56,206,446) |
| Profit after taxation | 4,481,641 | 3,204,235 |

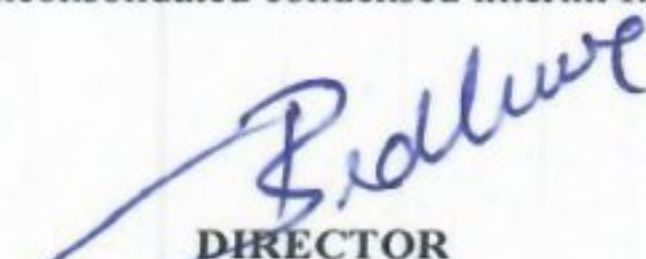
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CHAIRMAN

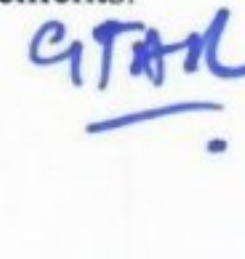
Shoaib Javed Hussain


DIRECTOR

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Pouruchisty Sidhwa


CHIEF FINANCIAL OFFICER

CHIEF FINANCIAL OFFICER

Muhammad Rashid

**STATE LIFE INSURANCE CORPORATION OF PAKISTAN
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2022**

| | Attributable to equity holders of the Corporation | | | | | Total |
|---|---|---------------------------------------|------------------|-----------------------------------|-----------------------|-------------------|
| | Share capital | Capital contributed to statutory fund | Revenue reserves | | Unappropriated profit | |
| | | | General reserves | Ledger account C & D [Refer Note] | | |
| -----Rupees in '000 ----- | | | | | | |
| Balance as at January 01, 2021 - (Audited) | 4,600,000 | - | 304,725 | 3,943,311 | 1,460,496 | 10,308,532 |
| Dividend for the year ended December 31, 2020 | - | - | - | - | (1,460,496) | (1,460,496) |
| Total comprehensive income for the period | - | - | - | - | 3,204,235 | 3,204,235 |
| Surplus for the period retained in statutory funds-net of tax | - | - | - | 2,219,400 | (2,219,400) | - |
| Balance as at June 30, 2021 - (Audited) | <u>4,600,000</u> | <u>-</u> | <u>304,725</u> | <u>6,162,711</u> | <u>984,835</u> | <u>12,052,271</u> |
| Balance as at January 01, 2022 | 4,900,000 | 100,000 | 4,725 | 8,544,917 | 1,923,866 | 15,473,508 |
| Dividend for the year ended December 31, 2021 | - | - | - | - | (1,720,286) | (1,720,286) |
| Transfer to General Reserve | - | - | 203,580 | - | (203,580) | - |
| Total comprehensive income for the period | - | - | - | - | 4,481,641 | 4,481,641 |
| Surplus for the period retained in statutory funds-net of tax | - | - | - | 3,274,164 | (3,274,164) | - |
| Balance as at June 30, 2022 | <u>4,900,000</u> | <u>100,000</u> | <u>208,305</u> | <u>11,819,081</u> | <u>1,207,477</u> | <u>18,234,863</u> |

Note: This includes balances maintained in accordance with the requirements of Section 35 of the Insurance Ordinance, 2000 read with Rule 14 of the Insurance Rules, 2017 (previously the SEC Insurance Rules, 2002) to meet solvency margins, which are mandatorily maintained for the carry on of the life insurance business.

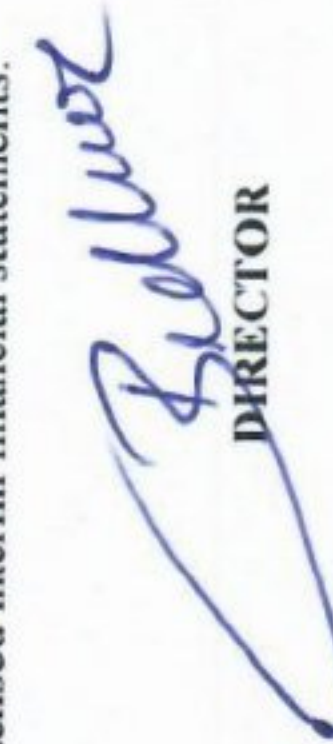
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**STATE LIFE INSURANCE CORPORATION OF PAKISTAN
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2022**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 State Life Insurance Corporation of Pakistan (the Corporation) was incorporated in Pakistan on November 01, 1972 under the Life Insurance Nationalization Order, 1972 (LINO). The Corporation's principal office is located at State Life Building No. 9, Dr. Ziauddin Ahmad Road, Karachi. It operates in Pakistan through 33 zones for individual life business, 4 zones for group life business and in the gulf countries comprising United Arab Emirates (UAE) and Kuwait through zonal office located at Dubai (UAE).
- 1.2 The Corporation is engaged in the life insurance, health, accident insurance business and takaful business. The brief description of accounting policies are defined in the note 3 of the unconsolidated financial statement for the year ended December 31, 2021.
- 1.3 The Corporation was issued the certificate of authorization for commencement of Window Takaful Operation under rule 6 of the Takaful rules, 2012 by Securities Exchange Commission of Pakistan vide letter no. 0097, dated September 22, 2016. For the purpose of carrying on the takaful business, the Corporation has formed an Individual Family Participant Takaful Fund (IFPTF) on August 18, 2017 under the Waqf deed and cede Rupees 1 million to the IFPTF. The Waqf deed governs the relationship of Corporation and participants for management of takaful operations. The Corporation launched the Window Takaful Operations on January 28, 2021.
- 1.4 The Presidential Order dated April 06, 2016 in respect of State Life (Reorganization and Conversion) Ordinance, 2016 was issued by Government of Pakistan Ministry of Law and Justice to provide for the re-organization and conversion of the State Life Insurance Corporation of Pakistan into a Public Limited Company. After the commencement of this Ordinance, the Federal Government established a Company namely, State Life Insurance Company Limited under the repealed Companies Ordinance, 1984 (XLVII of 1984) with the objective of taking over the business, functions, contracts, policies, proceedings, undertakings, assets, liabilities etc of the Corporation on fulfillment of the statutory requirements. The National Assembly converted the said Ordinance into Bill for the conversion of State Life Insurance Corporation of Pakistan to State Life Insurance Company Limited and sent the Bill to Senate for approval and the Senate, instead of passing the Bill, proposed few amendments in the Bill.

For the consideration of the proposed amendments the matter was moved to National Assembly Standing Committee on Commerce. Subsequently, Ministry of Commerce vide letter No.1(7)/2013-SLIC-INS dated 10-09-2020 informed that the Senate of Pakistan passed the Bill with certain amendments.

The amended Bill, as passed by the Senate, was forwarded to the National Assembly as per Article 70(2) of the Constitution of Pakistan. The National Assembly did not pass the amended Bill within 90 days, therefore, request was made to the Ministry of Parliamentary Affairs to place the same before the Joint Session of the Parliament for consideration. However, Bill was not passed by the Joint Session due to dissolution of Assembly at that day. Hence, in terms of Article 76(3) of the Constitution of Pakistan said Bill has been lapsed, despite the fact that it had been passed by the Senate. After detailed deliberation on the issue between Privatization Commission and Ministry of Commerce, it was agreed that view/comments/input from SLIC may first be obtained in the matter.

Ministry of commerce conveyed the decision of Cabinet Committee dated September 10, 2021 vide MoC letter No. 1(1)/2020-Ins.Mise./Service dated September 22, 2021 requesting to prepare draft amendments in LINO for the divestment of State Life Insurance Corporation of Pakistan and share it with ministry of commerce. The amendments in LINO were sent to MoC vide letter dated October 06, 2021. No correspondence was received by MoC regarding the matter as at reporting date.

- 1.5 The Corporation maintains a shareholders' fund and five statutory funds, separately in respect of its each class of life insurance business. This note should be read in conjunction with the Corporation's annual unconsolidated financial statements for the year ended December 31, 2021.

2 BASIS OF PREPARATION

These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual unconsolidated financial statements and should be read in conjunction with the Corporation's annual unconsolidated financial statements for the year ended December 31, 2021.

The figures in the unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement and condensed interim unconsolidated statement of changes in equity together with the relevant notes to the unconsolidated condensed interim financial statements for the six-months period ended June 30, 2022 are not audited. Further, the figures for the three-months period ended June 30, 2022 and 2021 in the unconsolidated condensed interim statement of comprehensive income have also not been reviewed by the auditors.

2.1 Statement of compliance

The unconsolidated condensed interim financial statements of the Corporation has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of;

- International Accounting Standard (IAS) 34, Interim Financial Reporting issued by the International Accounting and Standard Board (IASB) as notified under the Companies Act, 2017; and
- 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.

In case requirements differ, the provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 have been followed.

2.2 Basis of measurement

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except certain investments which are carried at fair value and the obligations under policy holder liability and certain employee benefits that are measured at present value.

2.3 Financial risk management / judgement and estimates

The financial risk management objectives and policies are consistent with those disclosed in the annual unconsolidated financial statements of the Corporation for the year ended December 31, 2021. In preparing this unconsolidated condensed interim financial statements, the management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Corporation's and the key sources of estimation uncertainty are the same as those that applied to the annual unconsolidated financial statements for the year ended December 31, 2021.

2.4 Functional and presentation currency

These unconsolidated condensed interim financial statements are prepared and presented in Pakistani Rupees, which is the Corporation's functional and presentation currency.

2.5 Summary of significant events and transactions

Sehat Sahulat Program was expanded phase wise and expansion under universal coverage was completed by the end of February 2021 in Khyber Pakhtunkhwa. In the year 2022, expansion of Sehat Sahulat Program as Universal was carried out under Sehat Sahulat Program phase wise which completed by the end of March 2022 in Punjab. Premium rate per family under Universal Scheme of Sehat Sahulat Program also increased during the period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and method of computation adopted for the preparation of this unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Corporation for the year ended December 31, 2021. Certain amendments and interpretations to approved accounting standards became effective during the period were not relevant to the Corporation's operation and do not have any impact on accounting policies of the Corporation.

| | June 30, 2022 (Un-audited) | December 31,2021 (Audited) |
|---|----------------------------------|----------------------------------|
| | -----Rupees in '000 ----- | |
| 4. PROPERTY AND EQUIPMENT | | |
| Operating fixed assets | | |
| Net book value as at the beginning of the period / year | 881,186 | 850,816 |
| Additions / adjustments during the period / year | 57,652 | 284,793 |
| Disposal during the period / year | (96) | (3,276) |
| Net depreciation charge during the period / year | (63,375) | (251,147) |
| Net book value as at the end of the period / year | <u>875,367</u> | <u>881,186</u> |

5 INVESTMENT PROPERTIES

| | | |
|---|------------------|------------------|
| Investment Properties | 3,178,742 | 3,222,331 |
| Less : Provision for impairment in value of investment property | (2,757) | (2,757) |
| | <u>3,175,985</u> | <u>3,219,574</u> |
| Capital work-in-progress | 399,886 | 399,393 |
| | <u>3,575,871</u> | <u>3,618,967</u> |

5.1 The market value of the investment properties, owned by the Corporation as determined by the independent valuers on yearly basis, amounted to Rs. 64,951 million as of December 31, 2021.

6 INVESTMENTS IN EQUITY SECURITIES

| | June 30 2022 (Un-audited) | | | December 31 2021 (Audited) | | |
|--|---------------------------|---------------------------|-------------------|----------------------------|---------------------------|-------------------|
| | Cost | Impairment / provision | Carrying value | Cost | Impairment / provision | Carrying value |
| | -----Rupees in '000----- | | | | | |
| Fair value through profit or loss | | | | | | |
| Related parties | | | | | | |
| Listed shares | 3,517,424 | - | 17,363,602 | 3,517,424 | - | 15,980,374 |
| Unlisted shares | 5,000 | - | 5,000 | 5,000 | - | 5,000 |
| Others | | | | | | |
| Listed shares | 30,398,994 | - | 68,601,595 | 30,414,748 | - | 72,867,269 |
| Unlisted shares | 276,097 | (216,855) | 59,242 | 276,510 | (216,855) | 59,655 |
| Unlisted preference shares | 3,743 | (2,596) | 1,147 | 3,743 | (2,267) | 1,476 |
| | <u>34,201,258</u> | <u>(219,451)</u> | <u>86,030,586</u> | <u>34,217,425</u> | <u>(219,122)</u> | <u>88,913,774</u> |

7 INVESTMENTS IN GOVERNMENT SECURITIES

| | June 30, 2022 (Un-audited) | | | | December 31, 2021 (Audited) | |
|------------------------------------|----------------------------|---------------------|----------------|---------------------|-----------------------------|----------------|
| | Maturity Year | Effective Yield (%) | Amortized Cost | Principal Repayment | Carrying Value | Carrying Value |
| -----Rupees in '000----- | | | | | | |
| Held to maturity | | | | | | |
| Pakistan Investment Bond | | | | | | |
| 3 year Pakistan Investment Bonds | 2022 - 2023 | 14.21% - 15.15% | 53,777,376 | 54,090,000 | 53,777,376 | 53,457,214 |
| 5 year Pakistan Investment Bonds | 2023 - 2025 | 13.31% - 15.32% | 195,919,073 | 205,450,000 | 195,919,073 | 148,924,146 |
| 10 year Pakistan Investment Bonds | 2022 - 2030 | 12.90% - 13.80% | 506,958,049 | 522,706,600 | 506,958,049 | 467,877,767 |
| 15 year Pakistan Investment Bonds | 2023 - 2035 | 12.97% - 15.11% | 115,377,479 | 113,377,100 | 115,377,479 | 115,420,011 |
| 20 year Pakistan Investment Bonds | 2024 - 2039 | 12.90% - 14.50% | 70,628,007 | 69,461,000 | 70,628,007 | 70,604,408 |
| 30 year Pakistan Investment Bonds | 2036 - 2038 | 13.25% - 13.54% | 37,750,843 | 40,050,000 | 37,750,843 | 37,726,056 |
| Islamic Republic of Pakistan Bonds | | | 12,963,815 | - | 12,963,815 | 9,170,935 |
| | | | 993,374,641 | 1,005,134,700 | 993,374,641 | 903,180,537 |
| Treasury Bills | | | | | | |
| Treasury Bills | 2022 - 2023 | 10.54% - 15.00% | 73,464,102 | 77,500,000 | 73,464,102 | 6,714,396 |
| Other | | | | | | |
| Sukuk Bonds (Takaful) | 2025 - 2027 | | 314,982 | 316,600 | 314,982 | 174,886 |
| | | | 1,067,153,725 | 1,082,951,300 | 1,067,153,725 | 910,069,819 |

8 INVESTMENTS IN DEBT SECURITIES

| | Note | June 30 2022 (Un-audited) | | | December 31 2021 (Audited) | | |
|---------------------------------|------|---------------------------|------------------------|----------------|----------------------------|------------------------|----------------|
| | | Cost | Impairment / provision | Carrying value | Cost | Impairment / provision | Carrying value |
| -----Rupees in '000----- | | | | | | | |
| Held to maturity | | | | | | | |
| Debentures | 8.1 | 7,573 | (7,573) | - | 7,573 | (7,573) | |
| Foreign fixed income securities | | 8,708,080 | - | 8,708,080 | 4,091,596 | - | |
| | | 8,715,653 | (7,573) | 8,708,080 | 4,099,169 | (7,573) | |

8.1 Debentures include an amount of Rs. 7.573 million (2021: Rs. 7.573 million) pertaining to those companies which are in liquidation process since 1974.

9 INVESTMENTS IN MUTUAL FUNDS

| | June 30 2022 (Un-audited) | | | December 31 2021 (Audited) | | |
|--|---------------------------|------------------------|----------------|----------------------------|------------------------|----------------|
| | Cost | Impairment / provision | Carrying value | Cost | Impairment / provision | Carrying value |
| -----Rupees in '000----- | | | | | | |
| Fair value through profit or loss | | | | | | |
| Listed | | | | | | |
| Open & close ended mutual fund | 3,282,446 | - | 6,198,375 | 3,282,446 | - | 6,627,281 |
| Unlisted | | | | | | |
| Close end mutual fund | 594,190 | - | 1,771,465 | 594,190 | - | 1,927,011 |
| | 3,876,636 | - | 7,969,841 | 3,876,636 | - | 8,554,292 |

June 30, 2022 (Un-audited) **December 31, 2021 (Audited)**

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

10 INSURANCE / REINSURANCE RECEIVABLES

Unsecured and considered good

| | | |
|---|-------------------|-------------------|
| Due from insurance contract holders | 31,691,631 | 37,056,058 |
| Less: provision for impairment of receivables from Insurance contract holders | - | - |
| Due from other insurers / reinsurers | 379,914 | 374,133 |
| Less: provision for impairment of due from other insurers / reinsurers | - | - |
| | <u>32,071,545</u> | <u>37,430,191</u> |

| | June 30, 2022 (Un-audited) | December 31, 2021 (Audited) |
|---|--|--|
| Note | -----Rupees in '000 ----- | |
| 11 OTHER LOANS AND RECEIVABLES | | |
| Accrued investment income | 53,475,711 | 52,173,604 |
| Loans to agents | 117,969 | 81,736 |
| Loans to employees | 998,277 | 953,738 |
| Advance to contractors & security deposit | 401,575 | 432,265 |
| Other receivables | 2,974,837 | 2,034,446 |
| Deposit against bank guarantee | 446,000 | 546,000 |
| | <u>58,414,369</u> | <u>56,221,789</u> |
| 12 PREPAYMENTS | | |
| Prepaid rent | 13,443 | 50,438 |
| Prepaid miscellaneous expenses | 37,525 | 15,929 |
| | <u>50,968</u> | <u>66,367</u> |
| 13 CASH AND BANK | | |
| Cash and Cash Equivalent | | |
| Cash in hand | 27,711 | 9,635 |
| Cash in transit | 1,548,900 | 33,118 |
| | 1,576,611 | 42,753 |
| Cash at bank | | |
| Current and PLS accounts | 10,671,669 | 30,491,571 |
| Savings accounts | 13.2 14,945,654 | 62,360,355 |
| Fixed deposits maturing within 12 months | 7,068,208 | 8,107,351 |
| | <u>34,262,142</u> | <u>101,002,030</u> |
| 13.1 Cash and cash equivalent include the following for the purposes of the cash flow statement: | | |
| Cash and cash equivalent | | |
| Cash in hand | 27,711 | 9,635 |
| Cash in transit | 1,548,900 | 33,118 |
| | 1,576,611 | 42,753 |
| Cash at bank | | |
| Current accounts | 10,671,668 | 30,491,571 |
| Savings accounts | 14,945,654 | 62,360,355 |
| | <u>27,193,933</u> | <u>92,894,679</u> |
| 13.2 | These carry mark-up ranging from 9.50% to 16.00 % (2021: 6.60% to 18.00%) per annum. | |

| | June 30, 2022 | December 31, 2021 | | | | | | | | | | | | |
|--|--|---|--|---|------------------------------------|--------------------------|--|--|--|-----------|-----------|---|-----------|--|
| | (Un-audited) | (Audited) | | | | | | | | | | | | |
| | -----Rupees in '000 ----- | | | | | | | | | | | | | |
| 14 INSURANCE LIABILITIES | | | | | | | | | | | | | | |
| Reported outstanding claims (including claims in payment) | 77,495,584 | 54,464,424 | | | | | | | | | | | | |
| Incurred but not reported claims (IBNR) | 7,403,466 | 7,264,935 | | | | | | | | | | | | |
| Investment Component of Unit Linked and Account Value Policies | 111,263 | 73,839 | | | | | | | | | | | | |
| Liabilities under individual conventional insurance contracts | 1,307,524,050 | 1,240,729,899 | | | | | | | | | | | | |
| Liabilities under group insurance contracts (other than investment linked) | 5,122,053 | 6,859,785 | | | | | | | | | | | | |
| Other insurance liabilities | 9,705,455 | 1,248,411 | | | | | | | | | | | | |
| | <u>1,407,361,871</u> | <u>1,310,641,293</u> | | | | | | | | | | | | |
| 15 DEFERRED TAXATION | | | | | | | | | | | | | | |
| Deferred tax credit arising in respect of On retained balance on Ledger Account D | <u>5,103,614</u> | <u>3,489,579</u> | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th style="text-align: center;">Balance as at January 1, 2022</th> <th style="text-align: center;">Recognised in statement of comprehensive income</th> <th style="text-align: center;">Recognised in Other Comprehensive Income</th> <th style="text-align: center;">Balance as at June 30, 2022</th> </tr> </thead> <tbody> <tr> <td colspan="4" style="text-align: center;">-----Rupees in '000-----</td> </tr> <tr> <td style="text-align: right;">3,489,579</td> <td style="text-align: right;">1,614,035</td> <td style="text-align: center;">-</td> <td style="text-align: right;">5,103,614</td> </tr> </tbody> </table> | Balance as at January 1, 2022 | Recognised in statement of comprehensive income | Recognised in Other Comprehensive Income | Balance as at June 30, 2022 | -----Rupees in '000----- | | | | 3,489,579 | 1,614,035 | - | 5,103,614 | |
| Balance as at January 1, 2022 | Recognised in statement of comprehensive income | Recognised in Other Comprehensive Income | Balance as at June 30, 2022 | | | | | | | | | | | |
| -----Rupees in '000----- | | | | | | | | | | | | | | |
| 3,489,579 | 1,614,035 | - | 5,103,614 | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th style="text-align: center;">Balance as at January 1, 2021</th> <th style="text-align: center;">Recognised in statement of comprehensive income</th> <th style="text-align: center;">Recognised in Other Comprehensive Income</th> <th style="text-align: center;">Balance as at December 31, 2021</th> </tr> </thead> <tbody> <tr> <td colspan="4" style="text-align: center;">-----Rupees in '000-----</td> </tr> <tr> <td style="text-align: right;">1,610,642</td> <td style="text-align: right;">1,878,937</td> <td style="text-align: center;">-</td> <td style="text-align: right;">3,489,579</td> </tr> </tbody> </table> | Balance as at January 1, 2021 | Recognised in statement of comprehensive income | Recognised in Other Comprehensive Income | Balance as at December 31, 2021 | -----Rupees in '000----- | | | | 1,610,642 | 1,878,937 | - | 3,489,579 | |
| Balance as at January 1, 2021 | Recognised in statement of comprehensive income | Recognised in Other Comprehensive Income | Balance as at December 31, 2021 | | | | | | | | | | | |
| -----Rupees in '000----- | | | | | | | | | | | | | | |
| 1,610,642 | 1,878,937 | - | 3,489,579 | | | | | | | | | | | |
| 16 INSURANCE / REINSURANCE PAYABLES | | | | | | | | | | | | | | |
| Due to other insurers / reinsurers | <u>612,273</u> | <u>521,942</u> | | | | | | | | | | | | |
| 17 OTHER CREDITORS AND ACCRUALS | | | | | | | | | | | | | | |
| Agents commission payable | 1,924,484 | 4,928,208 | | | | | | | | | | | | |
| Accrued expenses | 9,782,890 | 10,499,148 | | | | | | | | | | | | |
| Other liabilities | 13,108,560 | 11,489,582 | | | | | | | | | | | | |
| | <u>24,815,934</u> | <u>26,916,938</u> | | | | | | | | | | | | |

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

There are no material changes in the status of contingencies as same reported in note 22.1 to the annual unconsolidated financial statements of the Corporation for the year ended December 31, 2021, except as specified below:

- 18.1.1 The Corporation had filed nine appeals on different issues before the Honorable High Court of Sindh contesting the decision of the Appellate Tribunal Inland Revenue (ATIR) for the income years 1992-1993 to 2002-2003 mainly relating to turnover tax and excess perquisites. In addition, the issue of tax rate was raised for the income years 1992-93 to 1996-97. The Inland Revenue Department added back the excess perquisites to the taxable income and tax liability was enhanced accordingly. Further, Inland Revenue Department re-opened these assessments and rectified to invoke provisions of turnover tax on the ground that the tax paid under Fourth Schedule of the Income Tax Ordinance, 2001 is less than turnover tax and hence, should be paid accordingly. The Corporation then filed aforesaid appeals on the ground that the Fourth Schedule of the Income Tax Ordinance, 2001 restricts taxable income to that portion of actuarial surplus which is attributed to the shareholders fund by the appointed Actuary.

Out of nine appeals, Sindh High Court vide judgement dated November 24, 2020 decided four appeals against the Corporation. The Corporation filed CPLAs before the Honorable Supreme Court against judgement of the Sindh High Court. Honourable Supreme Court on hearing fixed on June 15, 2022 has granted leave to appeal in Civil Petitions filed by the Corporation. The Management of the Corporation is of the opinion that the Corporation has a strong case and it will be most likely be decided in favour of the Corporation.

- 18.1.2 According to the Sindh Sales Tax Act 2011, sales tax is payable on premium of life and health insurance policies written in the province of Sindh. The Punjab and Baluchistan Revenue Authorities have also introduced sales tax on life and health insurance premium effective from November 01, 2018 and July 03, 2015 respectively.

This being a collective issue of the industry, the Insurance Association of Pakistan (IAP) has actively taken up the matter with the provincial revenue authorities for the exemption on sales tax. The industry's main contention is that life insurance is not a service, but in fact, in sum and substance, a contingent contract under which payment is made on occurrence of an event, specified in the terms of the contract or policy, and thus is a financial arrangement. Superior courts in foreign jurisdictions have held that insurance is not a service.

In this relation, the legal advisors have also opined that an insurance contract is essentially a financial transaction, which is unrelated to the sale of any identifiable consumer goods or service, and as such, in leading jurisdictions, it has been widely held that insurance is not a service and hence, does not fall within the scope of taxability under the provincial sales tax laws.

Subsequently, life insurance companies collectively filed Constitutional Petitions (CPs) before Lahore High Court (LHC) and Sindh High Court (SHC) against levy of sales tax on life and health insurance in Punjab and Sindh respectively that are pending adjudication. As far as Baluchistan Revenue Authority (BRA) is concerned, no notice or communication has been received by the Corporation in this respect and hence, no petitions were filed before any court.

The Honorable LHC in its order dated October 03, 2019 has restrained Punjab Revenue Authority (PRA) from taking any coercive measures against applicants. The Corporation has filed another petition at Hon'ble LHC against impugned show cause notice no. PRA/LIFE/PREMIUM/SLCP /1592 was issued by the PRA on October 02, 2019. The Hon'ble LHC, in its order dated December 15, 2021, has directed that no final order shall be passed in pursuance of the impugned show cause by PRA and shall not take any coercive measures. This and the connected petitions are then disposed of accordingly.

Latest hearing in the main petition related to PRA i.e. WP. 55421 of 2019 was fixed on May 12, 2022. Next date of hearing has not yet been announced.

The Honorable SHC, in its interim order dated December 02, 2019, directed that the request of the petitioners, seeking exemption in terms of Section 10 of the Sindh Sales Tax Act, 2011, shall be considered by the Sindh Revenue Board (SRB), in accordance with the law. Further, the Hon'ble SHC through its interim order dated December 08, 2020 impleaded that the Federal Government be also added as one of the respondents.

Sindh Revenue Board (SRB) vide notification No.3-4/13/2020 dated June 22, 2020, has exempted life insurance from levy of service tax up to June 30, 2020 subject to the condition that the person providing insurance services commences e-depositing the amount of Sindh sales tax due on such services from July, 2020 onwards.

Further, Sindh Revenue Board (SRB) vide notification SRB-3-4/5/2019 dated May 08, 2019 had also exempted health insurance from levy of service tax up till June 30, 2019. The exemption to health insurance has been further extended by SRB up to June 30, 2023, vide notification no. SRB-3-4/19/2022 dated June 28, 2022.

Through the Khyber Pakhtunkhwa Finance Act, 2021, the exemption in respect of the sales tax on services of life and health insurance in the province of Khyber Pakhtunkhwa (KP) has been withdrawn from July 01, 2021. As a consequence, life insurance is taxable at the rate of 15% and health insurance is taxable at a reduced rate of 1% without any input tax adjustment. This withdrawal of the exemption was intimated by Khyber Pakhtunkhwa Revenue Authority (KPRA) on July 29, 2021 vide letter no. F.No. 7(10)/KPRA/ADC(HQ)/2021/12114. In reply, the Corporation most respectfully requested KPRA to exempt the levy of sales tax on life and health insurance vide letter no. F&A/KPRA/ST/47 Dated: August 9th , 2021. Moreover, on October 05, 2021, the Corporation sent a letter to the Ministry of Finance, Government of KP, in which the Corporation requested to allow the permanent exemption from sales tax on services under the Khyber Pakhtunkhwa Sales Tax on Services Act, 2013.

In view of the opinion of the legal advisor, the Corporation has calculated estimated aggregated amount of sales tax liability amounting to Rs. 4,743.05 million (December 31, 2021: Rs. 3,882.37 million), which is calculated based on risk premium and excluding the investment amount allocated to policies.

- 18.1.3 Additional Commissioner Inland Revenue, Audit Range B, Zone-III, LTU Karachi served notice u/s 122(9) of the Ordinance dated November 26, 2019 to the Corporation in respect of tax year 2019. Vide above notice, ACIR confronted certain issues like deduction claimed on account of unrealized loss on investment, impairment in value, investment property related expenses, advances to employees at an interest rate lower than benchmark rate and adjustment of tax liability against outstanding appeal effect of the prior year.

Based on the reply filed by the Corporation through a tax consultant, ACIR passed amended order u/s 122(5A) of the Ordinance dated March 13, 2020 and raised a demand of Rs. 164.68 million.

Since, the Corporation has pending refunds/appeal effects towards Inland Revenue Department, therefore Corporation through its authorized representative filed an application for a stay of demand. Further, being aggrieved from above amended order, the Corporation also filed an appeal before CIR-A. CIR(A) passed an order dated April 20, 2020 wherein issue related to deduction claimed on account of impairment in value of investment has been decided in favor of the Corporation. However, issue of disallowance on account of real estate expenses has been decided against Corporation. Further, matters related to unrealized loss on financial assets, loans/advances to employees and adjustment of tax liability against prior year appeal effect has been remanded back to concerned ACIR for re-adjudication. Inland Revenue Department as well as Corporation filed appeals before ATIR against the order of CIR(A) which are pending to date.

Additional Commissioner Inland Revenue ACIR issued remand back notice dated June 09, 2022 in compliance of the directives of Commissioner Appeals. The Corporation has duly submitted relevant information along with supporting documents to ACIR. ACIR passed an order dated June 28, 2022 and raised tax demand of Rs. 164,018,589. Being aggrieved, SLIC filed appeal and application for stay of tax demand before Commissioner Appeals. Date of hearing is not yet fixed. Commissioner Appeals has granted stay of tax demand till September 14, 2022.

- 18.1.4 Additional Commissioner Inland Revenue, Audit Range B, Zone-III, LTU Karachi served notice u/s 122(9) of the Ordinance dated April 29, 2020 to the Corporation in respect of the tax year 2018. Vide above notice, ACIR confronted certain issues like deduction claimed on account of unrealized loss on financial assets and investment property related expenses, advances to employees at an interest rate lower than benchmark rate and difference between profit as per financial statements and as per tax return.

Based on the information/explanation submitted by Corporation to tax authorities against above notice, ACIR passed an amended assessment order u/s 122 (5A) whereby tax refundable position of Rs. 1,007.84 million is determined instead of Rs.1,176.06 million.

Corporation has filed appeal before CIR(A) which has been heard on November 16, 2021 and reserved for order.

18.1.5 Returns of taxable income, being a deemed assessment order u/s 120(1) of the Income Tax Ordinance, 2001 were duly submitted by SLIC to FBR for tax year 2003 and 2006.

Notices dated August 12, 2008 and May 22, 2012 were issued by the ACIR to Corporation u/s 122(5A)/122(9) of the Ordinance for tax year 2003 and 2006 respectively for amendment of above mentioned deemed assessment orders on the grounds that surplus attributable to the policyholders was not paid within three years from the year of its appropriation and hence it should be added back in the taxable income of the Corporation under the provisions of section 34(5) of the Ordinance.

The Corporation submitted detailed explanation/information along with relevant supporting documents against above notices to the tax authorities. ACIR passed amended assessment orders u/s 122(5A) of the Ordinance dated September 29th, 2008 and June 30th, 2012 and determined tax demand of Rs. 2,126,249,999 and Rs. 1,401,200,326 for the tax year 2003 and 2006 respectively.

Appeals against amended assessment orders passed by the ACIR were filed by the Corporation before the CIRA. The CIRA deleted the above tax demands vide orders dated July 04th, 2012 and October 31st, 2012 for the tax years 2003 and 2006 respectively.

The Inland Revenue Department filed appeals before Appellate Tribunal Inland Revenue against the orders of CIRA which were also decided in favour of the Corporation vide consolidated order dated September 21st, 2016. During the period, Corporation has received notice from Sindh High Court intimating that hearing in Income Tax Reference Applications filed by Inland Revenue Department against the order of ATIR is fixed on May 12, 2022. Next date of hearing is fixed on November 29, 2022.

18.2 Commitments

The Corporation is committed in respect of capital expenditure contract aggregating to Rs. 627.5 million (December 31, 2021: Rs. 627.5 million). There were no other commitments as at the reporting date.

| | June 30, 2022 (Un-audited) | June 30, 2021 (Un-audited) |
|-------------------------------------|----------------------------------|----------------------------------|
| | -----Rupees in '000 ----- | |
| 19 NET PREMIUM REVENUE | | |
| Gross Premiums | | |
| Regular premium individual policies | | |
| First year | 5,471,232 | 5,352,429 |
| Second year renewal | 3,982,452 | 2,765,381 |
| Subsequent year renewal | 32,906,182 | 32,580,127 |
| Group policies with cash values | 3,776 | 4,439 |
| Group policies without cash values | 74,139,036 | 24,339,450 |
| Less: experience refund | (18,762,333) | (5,645,842) |
| Total Gross Premiums | 97,740,345 | 59,395,984 |

| | June 30, 2022 (Un-audited) | June 30, 2021 (Un-audited) |
|---|----------------------------------|----------------------------------|
| Note | -----Rupees in '000 ----- | |
| Less: Reinsurance Premiums Ceded | | |
| On individual life first year business | (152,381) | (16,459) |
| On individual life second year business | (13,876) | (6,445) |
| On individual life renewal business | (57,474) | (56,601) |
| On group life business | (154,221) | (80,698) |
| Less: Reinsurance commission on risk premium | 5,376 | - |
| | (372,576) | (160,203) |
| Net Premium revenue | <u>97,367,769</u> | <u>59,235,781</u> |
| 20 INVESTMENT INCOME | | |
| Income from equity securities | | |
| Fair value through profit or loss | | |
| Dividend income | 3,961,182 | 3,626,663 |
| Income from government and debt securities | | |
| Held to maturity | | |
| Return on government and debt securities | 49,607,866 | 44,007,153 |
| | <u>53,569,048</u> | <u>47,633,816</u> |
| 21 NET REALISED FAIR VALUE GAIN ON FINANCIAL ASSETS | | |
| Fair value through profit or loss | | |
| Realised gain on equity securities | <u>105,487</u> | <u>9,458</u> |
| 22 NET FAIR VALUE (LOSS) / GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | |
| Net gain / (loss) on investments at fair value through profit or loss | (3,447,175) | 1,017,735 |
| Investment related expenses | (30,309) | (50,528) |
| | <u>(3,477,485)</u> | <u>967,207</u> |
| 23 NET RENTAL INCOME | | |
| Rental income | 763,792 | 614,579 |
| Less: Expenses of investment property | (368,619) | (355,199) |
| | <u>395,173</u> | <u>259,380</u> |

| | Note | June 30, 2022 (Un-audited) -----Rupees in '000 ----- | June 30, 2021 (Un-audited) |
|---|------|---|----------------------------------|
| 24 OTHER INCOME | | | |
| Return on bank balances | | 2,106,512 | 1,386,838 |
| Gain on sale of property and equipment | | 2,760 | - |
| Return on loans to employees | | 27,727 | 24,728 |
| Return on loans to policyholders | | 6,320,144 | 4,320,685 |
| Exchange gain / (loss) on revaluation | | 4,167,343 | (232,651) |
| Miscellaneous income | | 51,672 | 65,453 |
| | | <u>12,676,158</u> | <u>5,565,053</u> |
| 25 NET INSURANCE BENEFITS | | | |
| Gross Claims | | | |
| Claims under individual policies | | | |
| - by death | | 4,976,958 | 5,163,433 |
| - by insured event other than death | | 181,916 | 165,537 |
| - by maturity | | 8,782,107 | 6,492,831 |
| - by surrender | | 16,038,296 | 15,395,238 |
| - annuity payments | | 3,844 | 9,215 |
| Total gross individual policy claims | | <u>29,983,121</u> | <u>27,226,254</u> |
| Claims under group policies | | | |
| - by death | | 4,348,688 | 5,198,676 |
| - by insured event other than death | | 33,872,861 | 9,925,327 |
| - by maturity | | - | 283 |
| - by surrender | | 67,256 | 700 |
| - annuity payments | | 568 | 147 |
| Total gross policy claims | | <u>38,289,373</u> | <u>15,125,133</u> |
| Total Gross Claims | | <u>68,272,494</u> | <u>42,351,387</u> |
| Less: Reinsurance Recoveries | | | |
| -on individual life claims | | (14,866) | (35,284) |
| -on group life claims | | (110,759) | (239,757) |
| | | (125,625) | (275,041) |
| Claim related expenses | | 5,266 | 5,205 |
| Net insurance benefit | | <u>68,152,135</u> | <u>42,081,551</u> |

| | Note | June 30, 2022 (Un-audited) -----Rupees in '000 ----- | June 30, 2021 (Un-audited) |
|--|------|---|----------------------------------|
| 26 ACQUISITION EXPENSES | | | |
| Remuneration to insurance intermediaries on individual policies: | | | |
| - commission to agent on first year premiums | | 2,750,674 | 2,493,746 |
| - commission to agent on second year premiums | | 484,958 | 342,214 |
| - commission to agent on subsequent renewal premiums | | 1,295,018 | 1,284,132 |
| - other benefits to insurance intermediaries | | 361,666 | 211,991 |
| - branch overhead | | 897,452 | 891,406 |
| Remuneration to insurance intermediaries on group policies: | | | |
| - commission | | 1,522 | 1,326 |
| - other benefits to insurance intermediaries | | 3,067 | 70 |
| Other acquisition costs | | | |
| - Stamp duty and medical fee | | 637,961 | 652,770 |
| | | <u>6,432,317</u> | <u>5,877,655</u> |
| 27 MARKETING AND ADMINISTRATION EXPENSES | | | |
| Employee benefit cost | 27.1 | 3,981,270 | 4,003,351 |
| Travelling expenses | | 163,669 | 135,665 |
| Advertisement and sales promotion | | 9,412 | 1,970 |
| Printing and stationery | | 48,366 | 35,979 |
| Depreciation | | 51,759 | 55,772 |
| Rent, rates and taxes | | 186,159 | 153,822 |
| Legal and professional charges - business related | | 874,410 | 312,444 |
| Electricity, gas and water | | 67,075 | 61,443 |
| Office repair and maintenance | | 14,078 | 10,603 |
| Bank charges | | 22,450 | 20,534 |
| Postages, telegrams and telephone charges | | 58,871 | 47,323 |
| Annual Supervision fees SECP | | 25,000 | 25,000 |
| | | <u>5,502,519</u> | <u>4,863,906</u> |
| 27.1 Employee benefit cost | | | |
| Salaries, allowances and other benefits | | 3,591,664 | 3,527,034 |
| Charges for post employment benefit | | 389,606 | 476,317 |
| | | <u>3,981,270</u> | <u>4,003,351</u> |

| | | June 30, 2022 (Un-audited) | June 30, 2021 (Un-audited) |
|---|------|----------------------------------|----------------------------------|
| | Note | -----Rupees in '000 ----- | |
| 28 OTHER EXPENSES | | | |
| Auditors' remuneration | 28.1 | 7,775 | 5,826 |
| Training expense | | 17,463 | 12,901 |
| Revenue stamps | | 19,470 | 16,539 |
| Insurance charges | | 29,602 | 16,151 |
| Office maintenance | | 42,841 | 37,865 |
| Entertainment | | 10,758 | 8,701 |
| Other rent, rates and taxes | | 15,502 | 12,814 |
| Miscellaneous | | 22,762 | 16,427 |
| | | 166,173 | 127,224 |
| 28.1 Auditors' remuneration | | | |
| Business within Pakistan | | | |
| Half yearly review fee | | | |
| BDO Ebrahim & Co. | | 1,825 | 1,285 |
| Grant Thornton Anjum Rahman | | 2,326 | 1,386 |
| | | 4,151 | 2,671 |
| Half yearly review out of pocket expenses | | | |
| BDO Ebrahim & Co. | | 412 | 412 |
| Grant Thornton Anjum Rahman | | 412 | 412 |
| | | 825 | 824 |
| Business outside Pakistan | | | |
| Nabeel AL-Saie Public Accountants | | 2,799 | 2,331 |
| | | 7,775 | 5,826 |
| 29 INCOME TAX EXPENSE | | | |
| For the period | | | |
| Current | | 597,912 | 403,164 |
| Deferred | | 1,614,035 | 906,514 |
| | | 2,211,947 | 1,309,678 |
| 30 EARNINGS PER SHARE | | | |
| Profit (after tax) for the period | | 4,481,641 | 3,204,235 |
| Weighted average outstanding number of ordinary shares as at period end | | 49,000 | 46,000 |
| Earnings per share (Rupees) | | 91.46 | 69.66 |

31 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the condensed interim unconsolidated financial statements are appropriate to their fair values except for non-trading investments. Fair value is determined on the basis of the objective evidence at each reporting date.

31.1 Carrying amount versus fair value

The following table compares the carrying amounts and fair values of the Corporation's financial assets and financial liabilities as at June 30, 2022.

| | As at June 30, 2022 (Un-audited) | | As at December 31, 2021 (Audited) | |
|--|----------------------------------|---------------|-----------------------------------|---------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| | -----Rupees in '000----- | | -----Rupees in '000----- | |
| Financial assets | | | | |
| - Cash and bank balances | 34,262,142 | 34,262,142 | 101,002,030 | 101,002,030 |
| - Loans secured against life insurance policies | 160,231,163 | 160,231,163 | 151,464,401 | 151,464,401 |
| - Loans to agents | 117,969 | 117,969 | 81,736 | 81,736 |
| - Loans to employees | 998,277 | 998,277 | 953,738 | 953,738 |
| Investments | | | | |
| Fair value through Profit and loss | | | | |
| - Listed equity securities and mutual fund units | 92,163,572 | 92,163,572 | 95,474,924 | 95,474,924 |
| - Unlisted equity securities and mutual fund units | 1,836,855 | 1,836,855 | 1,993,142 | 1,993,142 |
| Held to maturity | | | | |
| - Government securities | 1,067,153,725 | 964,482,754 | 910,069,819 | 847,081,346 |
| - Investment in subsidiaries and associates | 323,618 | 323,618 | 323,618 | 323,618 |
| - Debt Securities | 8,708,080 | 8,595,356 | 4,091,596 | 4,090,909 |
| | 1,170,185,849 | 1,067,402,155 | 1,011,953,099 | 948,963,939 |
| - Other receivable - excluding taxation | 88,522,093 | 88,522,093 | 91,638,241 | 91,638,241 |
| Financial liabilities | | | | |
| - Insurance liabilities | 1,407,361,871 | 1,407,361,871 | 1,310,641,293 | 1,310,641,293 |
| - Premium received in advance | 1,838,061 | 1,838,061 | 5,569,399 | 5,569,399 |
| - Insurance / reinsurance payables | 612,273 | 612,273 | 521,942 | 521,942 |
| - Other creditors and accruals | 24,815,934 | 24,815,934 | 26,916,938 | 26,916,938 |

31.2 Fair value hierarchy

The level in the fair value hierarchy within which the asset or liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement.

Assets and liabilities are classified in their entirety into only one of the three levels.

The fair value hierarchy has the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - 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 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below analyses assets measured at the end of the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised:

| | As at June 30, 2022 | Level 1 | Level 2 | Level 3 |
|---|----------------------------|-------------------|------------------|----------------|
| | -----Rupees in '000----- | | | |
| Financial Assets at carrying value | | | | |
| Investments at carrying value Fair value through Profit and loss | | | | |
| Listed equity securities and mutual fund units | 92,163,572 | 92,163,572 | - | - |
| Unlisted equity securities and mutual fund units | 1,836,855 | - | 1,836,855 | - |
| Holding in subsidiary and associated | 323,618 | - | - | 323,618 |
| | <u>94,324,044</u> | <u>92,163,572</u> | <u>1,836,855</u> | <u>323,618</u> |
| | | | | |
| | As at December 31, 2021 | Level 1 | Level 2 | Level 3 |
| | -----Rupees in '000----- | | | |
| Financial Assets at carrying value | | | | |
| Investments at carrying value Fair value through Profit and loss | | | | |
| Listed equity securities and mutual fund units | 95,476,400 | 95,476,400 | - | - |
| Unlisted equity securities and mutual fund units | 1,991,666 | - | 1,991,666 | - |
| Holding in subsidiary and associated | 325,100 | - | - | 325,100 |
| | <u>97,793,166</u> | <u>95,476,400</u> | <u>1,991,666</u> | <u>325,100</u> |

Carrying values of all other financial assets and liabilities approximate their fair value.

31.3 Transfers during the period

During the period to June 30, 2022:

- There were no transfers between Level 1 and Level 2 fair value measurements.
- There were no transfers into or out of Level 3 fair value measurements.

31.4 Valuation techniques

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 respective stock exchange.
- Unlisted equity securities are carried at cost less impairment.
- Investments in subsidiary companies are being carried at cost less impairment.

32 SEGMENTAL INFORMATION

32.1 Revenue account by statutory fund

| | Statutory Funds | | | | Aggregate | |
|--|----------------------|--------------------|----------------|--------------------------------------|----------------|----------------------|
| | Pakistan Life Fund | Overseas Life Fund | Pension Fund | Accidental and Health Insurance Fund | | Family Takaful |
| ----- Rs in '000 ----- | | | | | | |
| Income | | | | | | |
| Premium less reinsurances | 50,704,722 | 648,098 | 3,776 | 45,903,856 | 107,317 | 97,367,769 |
| Rental income from investment property | 395,173 | - | - | - | - | 395,173 |
| Net investment income | 55,444,645 | 4,876,847 | 23,514 | 2,268,895 | 16,346 | 62,630,247 |
| Total net income | 106,544,540 | 5,524,945 | 27,290 | 48,172,751 | 123,663 | 160,393,189 |
| Insurance benefits and expenditures | | | | | | |
| Insurance benefits, including bonuses, net of reinsurance recoveries | 33,267,894 | 1,026,946 | 8,591 | 33,848,704 | - | 68,152,135 |
| Management expenses less recoveries | 10,819,715 | 194,734 | 116 | 1,030,116 | 53,510 | 12,098,191 |
| Total insurance benefits and expenditure | 44,087,609 | 1,221,680 | 8,707 | 34,878,820 | 53,510 | 80,250,326 |
| Excess of income over insurance benefits and expenditures | 62,456,931 | 4,303,265 | 18,583 | 13,293,931 | 70,153 | 80,142,863 |
| Net change in insurance liabilities (other than outstanding claims) | (2,509,446) | (2,625,706) | (2,249) | (8,434,328) | (57,891) | (13,629,620) |
| Surplus/(deficit before tax) | 59,947,485 | 1,677,559 | 16,334 | 4,859,603 | 12,262 | 66,513,243 |
| Movement in policyholders' liabilities | 2,509,446 | 2,625,706 | 2,249 | 8,434,328 | 57,891 | 13,629,620 |
| Transfers to and from shareholders' fund | | | | | | |
| Surplus appropriated to shareholders' fund | (1,523,299) | (41,947) | - | - | - | (1,565,246) |
| Capital returned to shareholders' fund | - | - | - | - | - | - |
| Capital contributions from shareholders' fund | - | - | - | - | - | - |
| Balance of statutory fund at beginning of the period | 1,228,466,499 | 26,388,120 | 501,982 | 12,757,203 | 197,561 | 1,268,311,365 |
| Balance of statutory fund at end of the period | 1,289,400,131 | 30,649,438 | 520,565 | 26,051,134 | 267,714 | 1,346,888,982 |

| Revenue account by statutory fund | Statutory Funds | | | | Aggregate | |
|--|--------------------|--------------------|--------------|--------------------------------------|-----------|----------------|
| | Pakistan Life Fund | Overseas Life Fund | Pension Fund | Accidental and Health Insurance Fund | | Family Takaful |
| ----- Rs in '000 ----- | | | | | | |
| Income | | | | | | |
| Premium less reinsurances | 46,243,181 | 583,063 | 4,439 | 12,373,521 | 31,577 | 59,235,781 |
| Rental income from investment property | 259,380 | - | - | - | - | 259,380 |
| Net investment income | 52,599,362 | 271,312 | 20,913 | 1,056,107 | 4,432 | 53,952,126 |
| Total net income | 99,101,923 | 854,375 | 25,352 | 13,429,628 | 36,009 | 113,447,287 |
| Insurance benefits and expenditures | | | | | | |
| Insurance benefits, including bonuses, net of reinsurance recoveries | 31,010,808 | 1,162,551 | 12,595 | 9,895,597 | - | 42,081,551 |
| Management expenses less recoveries | 10,277,611 | 155,107 | 109 | 404,764 | 28,578 | 10,866,169 |
| Total insurance benefits and expenditure | 41,288,419 | 1,317,658 | 12,704 | 10,300,361 | 28,578 | 52,947,720 |
| Excess of income over insurance benefits and expenditures | 57,813,504 | (463,283) | 12,648 | 3,129,267 | 7,431 | 60,499,567 |
| Net change in insurance liabilities (other than outstanding claims) | 56,661,643 | (478,627) | 2,438 | 7,462 | 13,530 | 56,206,446 |
| Surplus/(deficit before tax) | 114,475,147 | (941,910) | 15,086 | 3,136,729 | 20,961 | 116,706,013 |
| Movement in policyholders' liabilities | (56,661,643) | 478,627 | (2,438) | (7,462) | (13,530) | (56,206,446) |
| Transfers to and from shareholders' fund | | | | | | |
| Surplus appropriated to shareholders' fund | (1,151,861) | (15,344) | - | - | - | (1,167,205) |
| Capital returned to shareholders' fund | - | - | - | - | - | - |
| Capital contributions from shareholders' fund | - | - | - | - | - | - |
| Balance of statutory fund at beginning of the period | 1,099,097,119 | 23,294,315 | 436,128 | 5,284,382 | 39,664 | 1,128,151,608 |
| Balance of statutory fund at end of the period | 1,155,758,762 | 22,815,688 | 448,776 | 8,413,649 | 47,095 | 1,187,483,970 |

32.2 Segmental results by line of business

| Income | Statutory Funds | | | | Aggregate | |
|---|--------------------|----------------------|---------------|--------------------------------------|-------------------|--------------------|
| | Pakistan Life Fund | Overseas Life Fund | Pension Fund | Accidental and Health Insurance Fund | | Family Takaful |
| ----- Rs in '000 ----- | | | | | | |
| Gross premium | | | | | | |
| - First year | 5,291,775 | 85,429 | - | - | 94,028 | 5,471,232 |
| - Second year | 3,903,477 | 65,687 | - | - | 13,289 | 3,982,453 |
| - Subsequent year renewal | 32,391,016 | 515,166 | - | - | - | 32,906,182 |
| Group policies with cash value | | | 3,776 | - | - | 3,776 |
| Group policies without cash value | 9,491,749 | - | - | 64,647,287 | - | 74,139,036 |
| Less: experience premium refund | (151,558) | - | - | (18,610,776) | - | (18,762,334) |
| Total gross premiums | 50,926,459 | 666,282 | 3,776 | 46,036,511 | 107,317 | 97,740,345 |
| Less: reinsurance premiums ceded | | | | | | |
| On individual life first year business | (18,746) | (980) | - | (132,655) | - | (152,381) |
| On individual life second year business | (13,876) | - | - | - | - | (13,876) |
| On individual life renewal business | (40,270) | (17,204) | - | - | - | (57,474) |
| On group policies | (154,221) | - | - | - | - | (154,221) |
| On group experience refund | 5,376 | - | - | - | - | 5,376,000 |
| | (221,737) | (18,184) | - | (132,655,000.00) | - | (372,576) |
| Net Premiums | 50,704,722 | 648,098 | 3,776 | 45,903,856 | 107,317 | 97,367,769 |
| Rental income from investment property | 395,173 | - | - | - | - | 395,173 |
| Net investment income | 55,444,645 | 4,876,847 | 23,514 | 2,268,895 | 16,346 | 62,630,247 |
| Total net income | 106,544,540 | 5,524,945 | 27,290 | 48,172,751 | 123,663 | 160,393,189 |
| Insurance benefits and expenditures | | | | | | |
| Claims, including bonuses, net of reinsurance recoveries | 33,267,894 | 1,026,946 | 8,591 | 33,848,704 | - | 68,152,135 |
| Management expenses less recoveries | 10,819,715 | 194,734 | 116 | 1,030,116 | 53,510 | 12,098,191 |
| Total insurance benefits and expenditures | 44,087,609 | 1,221,680 | 8,707 | 34,878,820 | 53,510 | 80,250,326 |
| Excess of income over insurance benefits | 62,456,931 | 4,303,265,000 | 18,583 | 13,293,931 | 70,153 | 80,142,863 |
| Add : Policyholder liabilities at the beginning of period | 1,180,781,402 | 21,672,207 | 121,054 | 1,116,926 | 84,270 | 1,203,775,859 |
| Less : Policyholder liabilities at the end of period | (1,183,290,848) | (24,297,913) | (123,303) | (9,551,254) | (142,161) | (1,217,405,479) |
| Surplus/(deficit) before tax | 59,947,485 | 1,677,559 | 16,334 | 4,859,603 | 12,262,000 | 66,513,243 |

Segmental results by line of business

| Income | Statutory Funds | | | | Aggregate | |
|---|--------------------|--------------------|---------------|--------------------------------------|----------------|--------------------|
| | Pakistan Life Fund | Overseas Life Fund | Pension Fund | Accidental and Health Insurance Fund | | Family Takaful |
| ----- Rs in '000 ----- | | | | | | |
| Gross premium | | | | | | |
| - First year | 5,263,239 | 57,613 | - | - | 31,577 | 5,352,429 |
| - Second year | 2,706,237 | 59,144 | - | - | - | 2,765,381 |
| - Subsequent year renewal | 32,095,896 | 484,231 | - | - | - | 32,580,127 |
| Group policies with cash value | - | - | 4,439 | - | - | 4,439 |
| Group policies without cash value | 7,259,663 | - | - | 17,079,787 | - | 24,339,450 |
| Less: experience premium refund | (939,576) | - | - | (4,706,266) | - | (5,645,842) |
| Total gross premiums | 46,385,459 | 600,988 | 4,439 | 12,373,521 | 31,577 | 59,395,984 |
| Less: reinsurance premiums ceded | | | | | | |
| On individual life first year business | (15,504) | (955) | - | - | - | (16,459) |
| On individual life second year business | (6,445) | - | - | - | - | (6,445) |
| On individual life renewal business | (39,631) | (16,970) | - | - | - | (56,601) |
| | (80,698) | - | - | - | - | (80,698) |
| | (142,278) | (17,925) | - | - | - | (160,203) |
| Net Premiums | 46,243,181 | 583,063 | 4,439 | 12,373,521 | 31,577 | 59,235,781 |
| Rental income from investment property | | | | | | |
| | 259,380 | - | - | - | - | 259,380 |
| Net investment income | 52,599,362 | 271,312 | 20,913 | 1,056,107 | 4,432 | 53,952,126 |
| Total net income | 99,101,923 | 854,375 | 25,352 | 13,429,628 | 36,009 | 113,447,287 |
| Insurance benefits and expenditures | | | | | | |
| Claims, including bonuses, net of reinsurance recoveries | 31,010,808 | 1,162,551 | 12,595 | 9,895,597 | - | 42,081,551 |
| Management expenses less recoveries | 10,277,611 | 155,107 | 109 | 404,764 | 28,580 | 10,866,171 |
| Total insurance benefits and expenditures | 41,288,419 | 1,317,658 | 12,704 | 10,300,361 | 28,580 | 52,947,722 |
| Excess of income over insurance benefits | 57,813,504 | (463,283) | 12,648 | 3,129,267 | 7,429 | 60,499,565 |
| Add : Policyholder liabilities at the beginning of period | 1,057,342,674 | 19,588,962 | 131,214 | 75,001 | - | 1,077,137,851 |
| Less : Policyholder liabilities at the end of period | (1,069,993,300) | (18,512,020) | (133,652) | (82,463) | (13,530) | (1,088,734,965) |
| Surplus/(deficit) before tax | 45,162,878 | 613,659 | 10,210 | 3,121,805 | (6,101) | 48,902,451 |

32.3 Segment Statement of Financial Position

| | As at June 30, 2022 (Un-audited) | | As at December 31, 2021 (Audited) | |
|--------------------------|----------------------------------|-------------------|-----------------------------------|----------------------|
| | Statutory Funds | Shareholders Fund | Statutory Funds | Shareholders Fund |
| | -----Rs in '000----- | | | |
| | | 2022 | | 2021 |
| Note | | | | |
| 4 | 875,367 | 875,367 | 881,186 | 881,186 |
| 5 | 3,575,871 | 3,575,871 | 3,618,967 | 3,618,967 |
| | 323,618 | 323,618 | 323,618 | 323,618 |
| 6 | 1,165,207,219 | 4,655,013 | 1,007,180,734 | 1,011,629,481 |
| | 160,231,163 | - | 151,464,401 | 151,464,401 |
| 10 | 32,071,545 | 32,071,545 | 37,430,191 | 37,430,191 |
| 11 | 56,753,672 | 1,660,697 | 55,165,237 | 56,221,789 |
| | 3,293,023 | 3,293,023 | 3,474,427 | 3,474,427 |
| 12 | 50,968 | 50,968 | 66,367 | 66,367 |
| 13 | 34,262,070 | 72 | 101,002,030 | 101,002,030 |
| Total assets | 1,456,644,516 | 6,315,782 | 1,360,607,158 | 1,366,112,457 |
| 14 | 1,407,361,871 | - | 1,310,641,293 | 1,310,641,293 |
| | 4,956,481 | - | 3,483,912 | 3,483,912 |
| | 37,201 | - | 15,886 | 15,886 |
| 15 | 3,489,579 | 1,614,035 | 1,610,642 | 3,489,579 |
| | 1,838,061 | - | 5,569,399 | 5,569,399 |
| 16 | 612,273 | - | 521,942 | 521,942 |
| 17 | 24,815,934 | - | 26,916,938 | 26,916,938 |
| Total Liabilities | 1,443,111,400 | 1,614,035 | 1,348,760,012 | 1,350,638,949 |

| | As at June 30, 2022 (Un-audited) | | As at December 31, 2021 (Audited) | |
|--------------------------|----------------------------------|-------------------|-----------------------------------|----------------------|
| | Statutory Funds | Shareholders Fund | Statutory Funds | Shareholders Fund |
| | -----Rs in '000----- | | | |
| | | 2022 | | 2021 |
| Note | | | | |
| 4 | 875,367 | 875,367 | 881,186 | 881,186 |
| 5 | 3,575,871 | 3,575,871 | 3,618,967 | 3,618,967 |
| | 323,618 | 323,618 | 323,618 | 323,618 |
| 6 | 1,165,207,219 | 4,655,013 | 1,007,180,734 | 1,011,629,481 |
| | 160,231,163 | - | 151,464,401 | 151,464,401 |
| 10 | 32,071,545 | 32,071,545 | 37,430,191 | 37,430,191 |
| 11 | 56,753,672 | 1,660,697 | 55,165,237 | 56,221,789 |
| | 3,293,023 | 3,293,023 | 3,474,427 | 3,474,427 |
| 12 | 50,968 | 50,968 | 66,367 | 66,367 |
| 13 | 34,262,070 | 72 | 101,002,030 | 101,002,030 |
| Total assets | 1,456,644,516 | 6,315,782 | 1,360,607,158 | 1,366,112,457 |
| 14 | 1,407,361,871 | - | 1,310,641,293 | 1,310,641,293 |
| | 4,956,481 | - | 3,483,912 | 3,483,912 |
| | 37,201 | - | 15,886 | 15,886 |
| 15 | 3,489,579 | 1,614,035 | 1,610,642 | 3,489,579 |
| | 1,838,061 | - | 5,569,399 | 5,569,399 |
| 16 | 612,273 | - | 521,942 | 521,942 |
| 17 | 24,815,934 | - | 26,916,938 | 26,916,938 |
| Total Liabilities | 1,443,111,400 | 1,614,035 | 1,348,760,012 | 1,350,638,949 |

33 MOVEMENT IN INVESTMENTS

| | As at June 30, 2022 (Un-audited) | | As at December 31, 2021 (Audited) | |
|--|----------------------------------|-------------------|-----------------------------------|----------------------|
| | Statutory Funds | Shareholders Fund | Statutory Funds | Shareholders Fund |
| | -----Rs in '000----- | | | |
| | | 2022 | | 2021 |
| Note | | | | |
| At beginning of previous year | 914,161,414 | 97,468,066 | 825,345,482 | 926,949,632 |
| Additions | 181,140,227 | - | 363,322,605 | 367,715,340 |
| Disposals (sale and redemptions) | (25,103,260) | (16,167) | (280,995,025) | (281,048,246) |
| Amortization of premium | 5,663,424 | - | 6,488,352 | 6,488,352 |
| Provision created during the period / year | - | - | - | 698 |
| Unrealised fair value (loss) / gain | - | (3,451,472) | - | (8,476,296) |
| | 1,075,861,805 | 94,000,427 | 914,161,414 | 97,468,066 |
| Total | 1,075,861,805 | 94,000,427 | 914,161,414 | 1,011,629,480 |

34 RELATED PARTY TRANSACTIONS

The Corporation has related party relationships with provident fund, pension fund scheme, gratuity fund, state owned profit oriented entities and its key management personnel. Transactions with subsidiaries, associates and related parties are made at agreed terms as approved by the Board of Director. There have been no guarantees provided or received for any related party receivables or payables. Other material transactions and balances with related parties are given below:

| | June 30, 2022 (Un-audited) | December 31, 2021 (Audited) |
|--|-------------------------------|-----------------------------------|
| | -----Rupees in '000----- | |
| Profit oriented state-controlled entities | | |
| -common ownership | | |
| Investment in shares - State Bank of Pakistan | 3,221 | 3,221 |
| PIB deposited with State Bank of Pakistan | <u>501,500</u> | <u>485,000</u> |
| Subsidiary | | |
| Rental income received - Alpha Insurance Company Limited (95.15% holding) | <u>-</u> | <u>4,642</u> |
| Staff retirement fund | | |
| Contribution to provident fund | 817 | 2,532 |
| Contribution to pension fund | <u>33,472</u> | <u>223,219</u> |
| Contribution to funded gratuity fund | <u>861</u> | <u>2,963</u> |
| Expense charged to pension fund | <u>668,985</u> | <u>1,339,421</u> |
| Balances with related parties - common directorship | | |
| Investment in units : | | |
| National Islamic Equity Trust | <u>200,000</u> | <u>200,000</u> |
| Investment in shares: | | |
| Fauji Fertilizer Company Limited | <u>12,878,478</u> | <u>11,714,718</u> |
| Sui Southern Gas Company Limited | <u>523,253</u> | <u>536,536</u> |
| Sui Northern Gas Pipelines Company Limited | <u>940,198</u> | <u>919,311</u> |
| Alpha Insurance Company Limited | <u>298,918</u> | <u>298,918</u> |
| Pakistan Cables Limited | <u>350,332</u> | <u>394,707</u> |
| Security Papers Limited | <u>582,410</u> | <u>602,148</u> |
| Shahtaj Sugar Mills Limited | <u>40,113</u> | <u>40,272</u> |
| Pak Data Communication Limited | <u>40,814</u> | <u>48,958</u> |
| Premier Insurance Company Limited | <u>23,760</u> | <u>32,519</u> |

| | June 30, 2022 (Un-audited) | December 31, 2021 (Audited) |
|---|-------------------------------|-----------------------------------|
| | -----Rupees in '000----- | |
| Pakistan Reinsurance Company Limited | 1,922,345 | 1,640,401 |
| Arabian Sea Country Club Limited | 5,000 | 5,000 |
| PICIC Insurance Limited | 3,312 | 4,208 |
| Nina Industries Limited | 4,500 | 4,500 |
| Mirpurkhas Sugar Mills Ltd. | 54,088 | 42,096 |
| State Life Abdullah Haroon Road Property (Private) Limited (<i>Subsidiary Company</i>) | 26,182 | 26,182 |
| State Life Lackie Road Property (Private) Limited (<i>Subsidiary Company</i>) | 12,910 | 12,910 |
| Balances with related parties | | |
| Retirement benefit obligations | 4,956,481 | 3,483,912 |
| Transactions with associated company | | |
| Dividend received during the period | | |
| Pakistan Reinsurance Company Limited (24.41% of holding) | 146,464 | 183,081 |
| Fauji Fertilizer Company Limited | 975,642 | 1,548,175 |
| Sui Northern Gas Pipelines Company Limited | - | 164,899 |
| Security Papers Limited | - | 45,203 |
| Pak Data Communication | - | 1,248 |
| Pak Cables Limited | 6,278 | 20,091 |
| Shahtaj Sugar Mills Limited | 3,785 | - |

35 CORRESPONDING FIGURES

Previous year/period figures have been rearranged and/or reclassified, wherever necessary, for the purpose of comparison in the unconsolidated condensed interim financial statements.


36 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved and authorized for issue on 31 AUG 2022 by the Board of Directors of the Corporation.

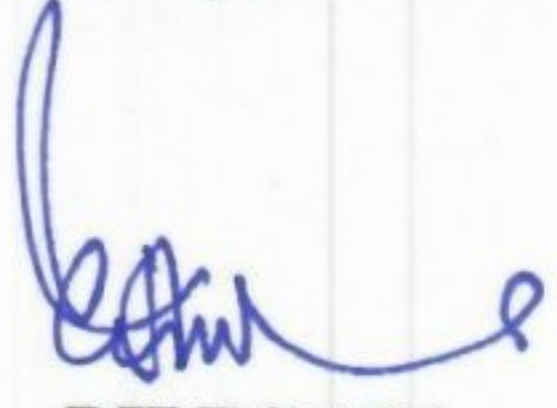
31 AUG 2022

37 GENERAL

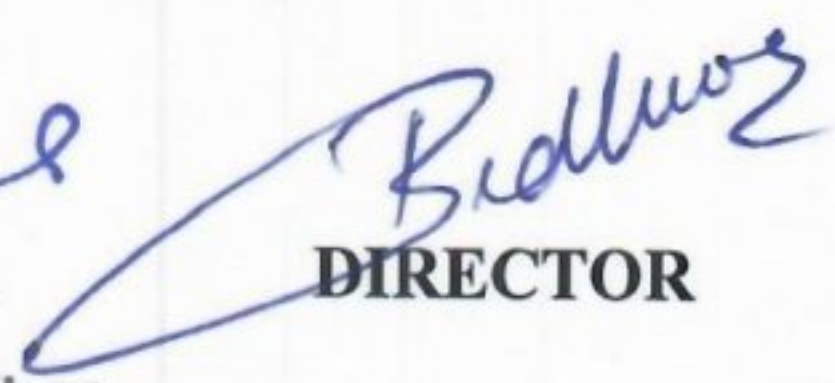
Figures in these unconsolidated condensed interim financial statements have been rounded off to nearest thousand of Rupees unless otherwise stated.



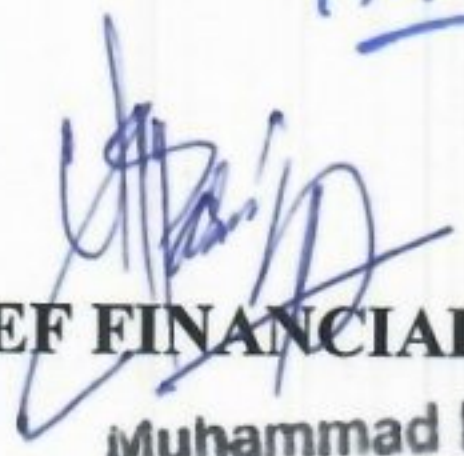
CHAIRMAN
Shoalb Javed Hussain



DIRECTOR
Anwar Mansoor Khan



DIRECTOR
Pouruchisty Sidhwa



CHIEF FINANCIAL OFFICER
Muhammad Rashid

95AR. 6m

Statement by the Appointed Actuary

required under Section 52(2) (a) & (b) of the Insurance Ordinance, 2000

In my opinion,

- a. The policyholders liabilities / technical liabilities included in the balance sheet of State Life Insurance Corporation of Pakistan as at June 30, 2022 have been determined in accordance with the provisions of the Insurance Ordinance, 2000; and
- b. Each statutory fund of the State Life Insurance Corporation of Pakistan complies with the solvency requirements of the Insurance Ordinance, 2000.



(Shujaat Siddiqui)
Appointed Actuary of the Corporation

Dated: August 31, 2022

Statement of Directors

(As per requirement of Section 46(6) and Section 52(2) (C) of the Insurance Ordinance, 2000)

Section 46 (6)

- a. In our opinion the financial statements of the State Life Insurance Corporation of Pakistan for the six months ended June 30, 2022, set out in the forms attached to the statement have been drawn up in accordance with the Insurance Ordinance, and any rules made there under;
- b. State Life Insurance Corporation of Pakistan has at all times in the period complied with the provisions of the Insurance Ordinance and the Insurance Rules made there under relating to paid-up-capital, solvency and re-insurance / retakaful arrangements; and
- c. As at June 30, 2022, State Life Insurance Corporation of Pakistan continues to be in compliance with the provisions of the Ordinance and the rules made there under relating to paid-up-capital, solvency and reinsurance / retakaful arrangements.

Section 52 (2) (C)

- d. In our opinion, each statutory fund of the State Life Insurance Corporation of Pakistan complies with the solvency requirements of the Insurance Ordinance, 2000 and the Insurance Rules, 2017.



CHAIRMAN

Shoaib Javed Hussain

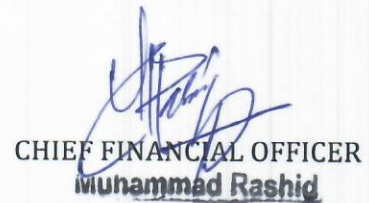


DIRECTOR

Anwar Mansoor Khan

DIRECTOR

Pouruchisty Sidhwa



CHIEF FINANCIAL OFFICER

Muhammad Rashid