# REPORT FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

# IGI for Life

IGI | Life

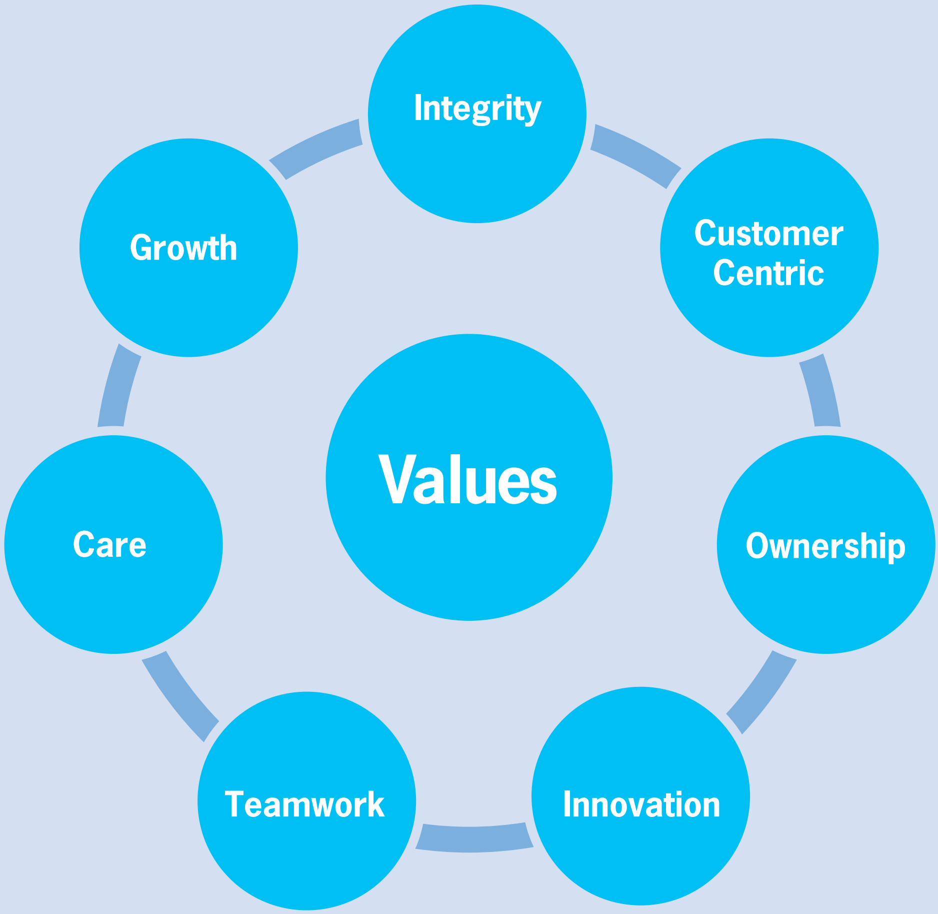
IGI | Life

# VISION

Assure financial future today
for a better tomorrow

## What We Do

IGI Life provides innovative life and health insurance as well as investment solutions through groundbreaking innovation and exemplary customer service, leveraging different distribution channels.


Integrity
Customer Centric
Ownership
Innovation
Teamwork
Care
Growth
Values

**IGI | Life** brings over 60 years of heritage, financial integrity of Packages Group We offer consumers and businesses life insurance, accident & health insurance, retirement planning, wealth management and employee benefit solutions.

IGI Insurance, majority shareholder of IGI Life is the flagship organization of the Packages Group. IGI is presently one of the leading quoted General Insurance companies of Pakistan with its AA rating for the last 13 years from PACRA. Established in 1953, it is listed on the Karachi and Lahore Stock Exchanges with a market capitalization of over PKR 33 billion as of December 2014. IGI is also a global network partner of Royal and Sun Alliance Plc. UK.

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# CORPORATE INFORMATION

**Board of Directors**

| | | |
|---|---|---|
| Shamim Ahmad Khan | Chairman | Non-executive Director |
| Syed Hyder Ali | Chief Executive Officer | Executive Director |
| Muhammad Aminuddin | Deputy Chief Executive Officer | Executive Director |
| Syed Yawar Ali | Director | Non-executive Director |
| Ehsan A. Malik | Director | Independent Director |
| Khurram Raza Bakhtayari | Director | Non-executive Director |
| M. Kamal Syed | Director | Independent Director |

**Company Secretary**
Muhammad Amin — ACA, ACCA

**Chief Financial Officer**
Syed Fahad Subhan — ACA

**Appointed Actuary**
Ali Nadim — FSA

**Nauman Associates**
249, CCA-Sector FF, Phase IV, DHA
Lahore

**Head of Internal Audit & Compliance**
Rashid Ahmed — ACCA, CICA

**Legal Advisor** — Surridge and Beecheno

**Auditor** — A. F. Ferguson & Co. Chartered Accountants
A member firm of the PwC network

**Internal Auditor** — Ernst & Young Ford Rhodes Sidat Hyder . Chartered Accountants.

**Banks**
MCB Bank Limited
Standard Chartered Bank (Pakistan) Limited
Meezan Bank Limited
National Bank of Pakistan
NIB Bank Limited
Bank Al-Habib Limited
Summit Bank Limited
Bank Al-Falah Limited
Habib Bank Limited
Faysal Bank Limited

**Share Registrar**
FAMCO Associates (Pvt) Ltd.
8-F, Next to Faran Hotel, Block 6, P.E.C.H.S.,
Sharah-e-Faisal, Karachi.
Tel: +92 (21) 34380101-5 Fax: +92 (21) 34380106

**Registered Office**
P.O Box No. 10528, Suite # 701-713, 7th Floor,
The Forum, G-20, Khayaban-e-Jami, Block 9, Clifton,
Karachi-75600
Phones: +92(21) 111-111-711 Fax: +92(21) 35290042
Email: service.life@igi.com.pk
Website: www.igilife.com.pk

# BOARD AND STATUTORY MANAGEMENT COMMITTEES

**Audit Committee**

| | | |
|---|---|---|
| Ehsan A. Malik | Chairman | Independent Director |
| M. Kamal Syed | Member | Independent Director |
| Syed Yawar Ali | Member | Non-executive Director |
| Khurram Raza Bakhtayari | Member | Non-executive Director |
| Muhammad Amin | Secretary to the Committee | |

**Human Resources & Remuneration Committee**

| | | |
|---|---|---|
| Syed Yawar Ali | Chairman | Non-executive Director |
| Ehsan A. Malik | Member | Independent Director |
| Khurram Raza Bakhtayari | Member | Non-executive Director |
| Syed Hyder Ali | Member | Executive Director |
| Muhammad Aminuddin | Member | Executive Director |
| Kaifee Siddiqui | Secretary to the Committee | |

**Claims Settlement Committee**

| | |
|---|---|
| Shamim Ahmad Khan | Chairman |
| Muhammad Aminuddin | Member |
| Syed Yawar Ali | Member |
| Nadeem Rahman Malik | Member |
| Dr. Bakht Jamal Shaikh | Member |
| Dr. Sabeeh Jaffery | Secretary to the Committee |

**Underwriting Committee**

| | |
|---|---|
| Syed Hyder Ali | Chairman |
| Muhammad Aminuddin | Member |
| Nadeem Rahman Malik | Member |
| Dr. Bakht Jamal Shaikh | Member |
| Khaled S. Agha | Secretary to the Committee |

**Reinsurance Committee**

| | |
|---|---|
| Syed Hyder Ali | Chairman |
| Muhammad Aminuddin | Member |
| M. Kamal Syed | Member |
| Nadeem Rahman Malik | Member |
| Dr. Bakht Jamal Shaikh | Member |
| Yousuf Ansari | Secretary to the Committee |

**Investment Committee**

| | |
|---|---|
| M. Kamal Syed | Chairman |
| Muhammad Aminuddin | Member |
| Syed Hyder Ali | Member |
| Syed Yawar Ali | Member |
| Ehsan A. Malik | Member |
| Khurram Raza Bakhtayari | Member |
| Sajjad Iftikhar | Secretary to the Committee |

## DIRECTORS' REVIEW

The Directors of your Company are pleased to present the Condensed Interim Financial Information (Unaudited) for the nine months ended September 30, 2015.

**Financial Highlights**

| | September 30, 2015 | September 30, 2014 |
|---|---|---|
| | (Rs. in '000) | |
| Net Premium | **2,692,273** | 1,801,333 |
| Investment Income | **940,946** | 857,141 |
| Net Surplus of Statutory Funds | **58,010** | 148,060 |
| Profit before appropriation of surplus to Shareholders' Fund | **54,266** | 63,956 |
| Taxation | **17,365** | 21,105 |
| | Rupees | |
| Earnings per Share | **0.74** | 0.86 |
| Return per share before tax (including surplus in revenue account) | **2.25** | 4.24 |

| | September 30, 2015 | December 31, 2014 |
|---|---|---|
| Break-up value of shares (including amount retained in the Statutory Funds to meet the requirements of Insurance Ordinance) | **26.61** | 25.61 |

During the current period, the Company maintained its focus on Individual Life business, Group Life and Accidental & Health business through multiple distribution channels. First year individual life business other than investment linked increased by 30% compared to corresponding period last year. Renewals on Individual Life business other than investment linked also registered an increase of 1% compared to corresponding period last year. Your Company's Group Life and Group Accident & Health business has also increased by registering a growth of 26% and 23% compared to last year.

The premium on Company's investment linked business other than single premium has increased by 24% and Single premium increased by 366% as compared to corresponding period of last year.

During the current nine months, the Company's statutory funds generated a surplus of Rs. 58.01 million compared to Rs. 148.06 million in corresponding period last year. The main reason for this decline was strengthening of actuarial reserves and higher administrative expenses partly due to investment in family takaful business.

On July 02, 2015, The Company received "Certificate of Authorization as a Window Takaful Operator" under rule 9 of Takaful Rules, 2012 to enabling the Company to transact Window Takaful business in Ordinary Life and Accidental and Health. The Company has commenced business as window takaful operator in the current quarter. In this regard, Rs.50.5 million was transferred to family takaful statutory fund. During the current quarter, the company has written Rs. 6 million of individual family takaful business.

**FUTURE OUTLOOK**

The management is committed to improve customer service and business origination using all channels.

The Directors would like to express their sincere thanks and wish to record their appreciation of the efforts made by the Company's officers, field force, sales consultants and staff. Also we would like to thank our valued policyholders for their continued patronage.

Syed Hyder Ali

**Syed Hyder Ali**
Chief Executive Officer
Dated: October 19, 2015

S Ahmad Khan

**Shamim Ahmad Khan**
Chairman
Dated: October 19, 2015

# CONDENSED INTERIM BALANCE SHEET
## AS AT SEPTEMBER 30, 2015

| | Note | SHARE HOLDERS' FUND | STATUTORY FUNDS: Life (Participating) | Life (Non-participating): Individual | Life (Non-participating): Group | Investment Linked | Accident & Health: Individual | Accident & Health: Group | Pension Business Fund | Family Takaful | AGGREGATE: September 30, 2015 (Unaudited) | AGGREGATE: December 31, 2014 (Audited) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | (Rupees in '000) | | | | | | | | | | |
| **Share Capital and Reserves** | | | | | | | | | | | | |
| Authorised share capital 50,000,000 ordinary shares of Rs. 10 each) | | 500,000 | - | - | - | - | - | - | - | - | **500,000** | 500,000 |
| Issued, subscribed and paid-up share capital (50,000,000 ordinary shares of Rs. 10 each) | | 500,000 | - | - | - | - | - | - | - | - | **500,000** | 500,000 |
| Accumulated surplus | 6 | 833,855 | - | - | - | - | - | - | - | - | **833,855** | 796,954 |
| Less: capital contributed by shareholders' fund | | (521,952) | - | - | - | - | - | - | - | - | **(521,952)** | (471,452) |
| | | 311,903 | - | - | - | - | - | - | - | - | **311,903** | 325,502 |
| Net Shareholders' Equity | | 811,903 | - | - | - | - | - | - | - | - | **811,903** | 825,502 |
| **Balance of Statutory Fund** [including policyholders' liabilities Rs. 10,575.345 million (2014: Rs. 9,594.542 million)] | | | | | | | | | | | | |
| Statutory fund | 7 | - | 1,585,999 | 4,608,129 | 160,590 | 4,710,113 | 25,904 | 315,111 | 98,863 | 40,457 | **11,545,166** | 10,455,853 |
| Operator sub-fund | | - | - | - | - | - | - | - | - | - | **-** | - |
| | | - | 1,585,999 | 4,608,129 | 160,590 | 4,710,113 | 25,904 | 315,111 | 98,863 | 40,457 | **11,545,166** | 10,455,853 |
| **Deferred Liabilities** | | | | | | | | | | | | |
| Staff retirement benefits | | - | 661 | 5,309 | 1,447 | 2,269 | 102 | 2,324 | 58 | - | **12,170** | 7,738 |
| **Creditors and Accruals** | | | | | | | | | | | | |
| Outstanding claims | | - | 17,355 | 64,652 | 101,996 | 7,785 | 3,583 | 1,254 | - | - | **196,625** | 210,214 |
| Premiums / contributions received in advance | | - | 1,283 | 23,122 | - | 71,907 | 1,152 | - | - | 1,843 | **99,307** | 41,045 |
| Amount due to other reinsurers / retakaful | | - | 5,143 | - | - | 17,411 | - | 3,444 | - | 3 | **26,001** | 24,169 |
| Amount due to agents | | - | 88 | 7,772 | - | 3,571 | 205 | - | - | 2,667 | **14,303** | 63,725 |
| Experience refund payable | | - | - | - | 33,724 | - | - | 2,335 | - | - | **36,059** | 41,749 |
| Accrued expenses | | - | 2,579 | 32,109 | 4,523 | 18,314 | 735 | 7,212 | 93 | - | **65,565** | 70,228 |
| Other creditors and accruals | | 11,869 | 14,522 | 32,199 | 5,492 | 49,979 | 490 | 34,614 | 282 | - | **149,447** | 122,336 |
| | | 11,869 | 40,970 | 159,854 | 145,735 | 168,967 | 6,165 | 48,859 | 375 | 4,513 | **587,307** | 573,466 |
| **Other liabilities** | | | | | | | | | | | | |
| Unclaimed dividend | | 27 | - | - | - | - | - | - | - | - | **27** | 27 |
| **TOTAL LIABILITIES** | | 11,896 | 1,627,630 | 4,773,292 | 307,772 | 4,881,349 | 32,171 | 366,294 | 99,296 | 44,970 | **12,144,670** | 11,037,084 |
| **TOTAL EQUITY AND LIABILITIES** | | **823,799** | **1,627,630** | **4,773,292** | **307,772** | **4,881,349** | **32,171** | **366,294** | **99,296** | **44,970** | **12,956,573** | 11,862,586 |

**CONTINGENCIES AND COMMITMENTS**

The annexed notes from 1 to 18 are an integral part of this condensed interim financial information.

**CHAIRMAN** | **DIRECTOR** | **DIRECTOR** | **CHIEF EXECUTIVE OFFICER**

# CONDENSED INTERIM BALANCE SHEET
## AS AT SEPTEMBER 30, 2015

| | Note | SHARE HOLDERS' FUND | STATUTORY FUNDS: Life (Participating) | Life (Non-participating): Individual | Life (Non-participating): Group | Investment Linked | Accident & Health: Individual | Accident & Health: Group | Pension Business Fund | Family Takaful | AGGREGATE: September 30, 2015 (Unaudited) | AGGREGATE: December 31, 2014 (Audited) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | (Rupees in '000) | | | | | | | | | | |
| **Cash and Bank Deposits** | | | | | | | | | | | | |
| Cash and others | | - | - | 936 | - | - | - | - | - | - | **936** | 463 |
| Current and other accounts | | - | - | 220,255 | - | 344,461 | - | - | 2,793 | 53,833 | **621,342** | 596,135 |
| | | - | - | 221,191 | - | 344,461 | - | - | 2,793 | 53,833 | **622,278** | 596,598 |
| **Loans secured against Life** Insurance Policies | | - | 77,717 | 63,784 | - | - | - | - | - | - | **141,501** | 134,350 |
| **Loans secured against other assets** | | | | | | | | | | | | |
| To employees | | - | - | - | - | - | - | - | - | - | **-** | 92 |
| To agents | | 764 | - | - | - | - | - | - | - | - | **764** | 269 |
| **Investments** | 10 | | | | | | | | | | | |
| Government securities | | 603,341 | 1,246,443 | 3,857,177 | 193,116 | 2,879,988 | 28,288 | 236,118 | 90,974 | - | **9,135,445** | 8,161,280 |
| Listed mutual funds | | 95,622 | 142,739 | 527,799 | 30,339 | 1,519,823 | 4,518 | 12,943 | - | 670 | **2,334,453** | 2,146,923 |
| | | 698,963 | 1,389,182 | 4,384,976 | 223,455 | 4,399,811 | 32,806 | 249,061 | 90,974 | 670 | **11,469,898** | 10,308,203 |
| **Current Assets - Others** | | | | | | | | | | | | |
| Premiums / contributions due but unpaid | | - | - | - | 50,412 | - | - | 87,820 | - | - | **138,232** | 120,806 |
| Amount due from other insurers / reinsurers | | - | - | 15,457 | 23,435 | - | 1,717 | - | - | - | **40,609** | 50,578 |
| Amount due from agents | | - | 22 | 1,921 | - | 883 | 51 | - | - | - | **2,877** | 1,409 |
| Prepayments | | - | 854 | 11,116 | 1,790 | 6,365 | 241 | 3,175 | 39 | - | **23,580** | 31,185 |
| Inter-fund balances | | (156,232) | 123,922 | (20,979) | (6) | 70,770 | (3,401) | (5,605) | 3,104 | (11,573) | **-** | - |
| Sundry receivables | | - | 2,274 | 6,670 | 430 | 6,821 | 45 | 27,466 | 139 | 75 | **43,920** | 23,997 |
| Accrued interest | | 16,884 | 30,849 | 84,093 | 7,670 | 51,502 | 635 | 4,004 | 2,121 | - | **197,758** | 389,712 |
| Experience refund receivable | | - | - | - | - | - | - | - | - | - | **-** | 23,316 |
| Taxation - payments less provision | | 221,088 | - | - | - | - | - | - | - | 238 | **221,326** | 138,631 |
| | | 81,740 | 157,921 | 98,278 | 83,731 | 136,341 | (712) | 116,860 | 5,403 | (11,260) | **668,302** | 779,634 |
| **Fixed Assets** | 11 | | | | | | | | | | | |
| **Tangible** | | | | | | | | | | | | |
| Leasehold improvements, furniture & fixtures, office equipments, computers and vehicles | | 33,189 | 2,810 | 5,063 | 586 | 736 | 77 | 373 | 126 | 1,727 | **44,687** | 39,808 |
| Capital work in progress | | 8,027 | - | - | - | - | - | - | - | - | **8,027** | 2,003 |
| **Intangible** | | | | | | | | | | | | |
| Softwares and licences | | 1,116 | - | - | - | - | - | - | - | - | **1,116** | 1,629 |
| | | 42,332 | 2,810 | 5,063 | 586 | 736 | 77 | 373 | 126 | 1,727 | **53,830** | 43,440 |
| **TOTAL ASSETS** | | **823,799** | **1,627,630** | **4,773,292** | **307,772** | **4,881,349** | **32,171** | **366,294** | **99,296** | **44,970** | **12,956,573** | 11,862,586 |

The annexed notes from 1 to 18 are an integral part of this condensed interim financial information.

CHAIRMAN

DIRECTOR

DIRECTOR

CHIEF EXECUTIVE OFFICER

# CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
## FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

| | Note | Nine months period ended Septemeber 30, 2015 | Nine months period ended Septemeber 30, 2014 | Three months period ended September 30, 2015 | Three months period ended September 30, 2014 |
|---|---|---|---|---|---|
| | | (Rupees in '000) | | (Rupees in '000) | |
| **Investment income not attributable to statutory funds** | | | | | |
| **Income from non-trading investment** | | | | | |
| Return on government securities | | **53,488** | 69,855 | **18,168** | 22,632 |
| Amortisation of premium on government securities | | **(258)** | (238) | **(103)** | (89) |
| Dividend Income | | **1,933** | - | **190** | - |
| | | **55,163** | 69,617 | **18,255** | 22,543 |
| Gain on sale of investments | | **7,220** | 106 | **706** | - |
| **Net investment income** | | **62,383** | 69,723 | **18,961** | 22,543 |
| Return on saving accounts and term deposits | | **1,743** | 3,255 | **-** | 1,085 |
| Interest income on loans to employees / agents | | **5** | 19 | **3** | 11 |
| Expenses not attributable to statutory funds | 13 | **(9,865)** | (9,041) | **(2,945)** | (2,930) |
| **Profit before appropriation of surplus to shareholders' fund** | | **54,266** | 63,956 | **16,019** | 20,709 |
| Surplus appropriated to shareholders' fund from Ledger Account D | | **-** | - | **-** | - |
| **Profit before tax** | | **54,266** | 63,956 | **16,019** | 20,709 |
| Taxation | | **(17,365)** | (21,105) | **(5,126)** | (6,833) |
| **Profit after tax** | | **36,901** | 42,851 | **10,893** | 13,876 |
| | | -------- (Rupees) -------- | | -------- (Rupees) -------- | |
| Earnings per share - basic and diluted | 17 | **0.74** | 0.86 | **0.22** | 0.28 |

The annexed notes from 1 to 18 are an integral part of this condensed interim financial information.

| CHAIRMAN | DIRECTOR | DIRECTOR | CHIEF EXECUTIVE OFFICER |
|---|---|---|---|

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
## FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

| | Note | Share capital | Accumulated surplus | Capital contributed to statutory funds | Net accumulated surplus | Total |
|---|---|---|---|---|---|---|
| | | (Rupees in '000) | | | | |
| **Balance as at January 1, 2014** | | **500,000** | **741,602** | **(376,552)** | **365,050** | **865,050** |
| Profit for the period | | - | 42,851 | - | 42,851 | 42,851 |
| **Transaction with owners recorded directly in equity** | | | | | | |
| Capital contributed during the period | 7 | - | - | - | - | - |
| **Balance as at September 30, 2014** | | **500,000** | **784,453** | **(376,552)** | **407,901** | **907,901** |
| **Balance as at January 01, 2015** | | **500,000** | **796,954** | **(471,452)** | **325,502** | **825,502** |
| Profit for the period | | - | 36,901 | - | 36,901 | 36,901 |
| **Transaction with owners recorded directly in equity** | | | | | | |
| Capital contributed during the period | 7 | - | - | (50,500) | (50,500) | (50,500) |
| **Balance as at September 30, 2015** | | **500,000** | **833,855** | **(521,952)** | **311,903** | **811,903** |

The annexed notes from 1 to 18 are an integral part of this condensed interim financial information.

**CHAIRMAN** **DIRECTOR** **DIRECTOR** **CHIEF EXECUTIVE OFFICER**

# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
## FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

| | | | STATUTORY FUNDS | | | | | | | | AGGREGATE | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Life (Non-participating) | | | Accident & Health | | | | Nine months period ended September 30, | |
| | Note | SHARE HOLDERS' FUND | Life (Participating) | Individual | Group | Investment Linked | Individual | Group | Pension Business Fund | Family Takaful | 2015 | 2014 |
| | | ---------- | ---------- | ---------- | ---------- | ---------- | (Rupees in '000) | ---------- | ---------- | ---------- | ---------- | ---------- |
| **Operating Cash Flows** | | | | | | | | | | | | |
| **a) Underwriting activities** | | | | | | | | | | | | |
| Premiums/contributions received net of policy transfers | | - | 48,195 | 765,475 | 189,056 | 1,343,130 | 13,407 | 410,213 | 44,542 | 7,771 | **2,821,789** | 1,758,589 |
| Reinsurance premiums paid | | - | (2,477) | (39,995) | (49,408) | (28,500) | (7,622) | (1,162) | - | - | **(129,164)** | (81,181) |
| Claims paid | | - | (18,156) | (30,825) | (93,707) | (9,419) | (4,617) | (274,350) | - | - | **(431,074)** | (354,232) |
| Surrenders paid | | - | (48,653) | (251,977) | - | (1,173,626) | - | - | (26,230) | - | **(1,500,486)** | (2,435,925) |
| Reinsurance recovery received | | - | 8,512 | 7,148 | - | 1,215 | 6,323 | 757 | - | - | **23,955** | 45,145 |
| Commissions paid | | - | (2,022) | (175,002) | (21,632) | (117,503) | (6,059) | (19,402) | - | - | **(341,620)** | (214,340) |
| Commissions received | | - | 991 | 15,998 | 19,659 | 11,400 | 3,049 | 465 | - | - | **51,562** | 32,472 |
| **Net cash (outflow) / inflow from underwriting activities** | | **-** | **(13,610)** | **290,822** | **43,968** | **26,697** | **4,481** | **116,521** | **18,312** | **7,771** | **494,962** | **(1,249,472)** |
| **b) Other operating activities** | | | | | | | | | | | | |
| Income tax paid | | (99,822) | - | - | - | - | - | - | - | (238) | **(100,060)** | (91,753) |
| General management expenses and other operating payments | | (72) | (31,746) | (178,218) | (30,507) | (87,091) | (27,892) | (58,285) | (1,401) | (14,582) | **(429,794)** | (377,109) |
| Other operating receipts | | 8,829 | 5,562 | 4,676 | 3 | 145 | 499 | 13,849 | 485 | 1,636 | **35,684** | 24,090 |
| Loans advanced | | (403) | (48,401) | - | - | - | - | - | - | - | **(48,804)** | (18,213) |
| Loan repayments received | | - | - | 41,250 | - | - | - | - | - | - | **41,250** | 295 |
| Inter fund transactions | | 123,591 | (123,922) | 24,769 | (26,433) | (70,770) | 3,401 | 60,895 | (3,104) | 11,573 | **-** | - |
| **Net cash (outflow) / inflow from other operating activities** | | **32,123** | **(198,507)** | **(107,523)** | **(56,937)** | **(157,716)** | **(23,992)** | **16,459** | **(4,020)** | **(1,611)** | **(501,724)** | **(462,690)** |
| **Total cash (outflow) / inflow from all operating activities** | | **32,123** | **(212,117)** | **183,299** | **(12,969)** | **(131,019)** | **(19,511)** | **132,980** | **14,292** | **6,160** | **(6,762)** | **(1,712,162)** |
| **Investment activities** | | | | | | | | | | | | |
| Profit / return received | | 59,280 | 138,541 | 420,002 | 12,824 | 299,705 | 2,797 | 23,360 | 8,446 | - | **964,955** | 909,957 |
| Payments for investments | | (22,852) | 19,121 | (699,739) | (3,376) | (2,495,597) | (503) | (157,957) | (23,492) | (671) | **(3,385,066)** | (3,169,436) |
| Proceeds from disposal of investments | | 10,849 | 20,873 | 56,731 | 3,442 | 2,382,202 | 513 | 1,469 | - | - | **2,476,079** | 4,539,515 |
| Fixed capital expenditure | | (23,339) | - | - | - | - | - | - | - | (2,156) | **(25,495)** | (13,383) |
| Capital work in progress | | (6,024) | - | - | - | - | - | - | - | - | **(6,024)** | (1,059) |
| Proceeds from disposal of fixed assets | | - | 858 | 3,356 | 79 | 3,471 | 10 | 148 | 71 | - | **7,993** | 5,895 |
| **Total cash inflow / (outflow) from investing activities** | | **17,914** | **179,393** | **(219,650)** | **12,969** | **189,781** | **2,817** | **(132,980)** | **(14,975)** | **(2,827)** | **32,442** | **2,271,489** |
| **Financing activities** | | | | | | | | | | | | |
| Capital contribution to statutory funds | | (50,000) | - | - | - | - | - | - | - | - | **(50,000)** | **-** |
| Cede money - Waqf | | (500) | - | - | - | - | - | - | - | 500 | **-** | - |
| Capital payments received by statutory funds | | - | - | - | - | - | - | - | - | 50,000 | **50,000** | - |
| Surplus appropriated to Shareholders' fund | | - | - | - | - | - | - | - | - | - | **-** | - |
| **Total cash flow from financing activities** | | (50,500) | - | - | - | - | - | - | - | 50,500 | **-** | - |
| **Net cash inflow / (outflow) from all activities** | | (463) | (32,724) | (36,351) | - | 58,762 | (16,694) | - | (683) | 53,833 | **25,680** | 559,327 |
| **Cash and cash equivalents at the beginning of the period** | | 463 | 32,724 | 257,542 | - | 285,699 | 16,694 | - | 3,476 | - | **596,598** | 186,460 |
| **Cash and cash equivalents at the end of the period** | 12 | **-** | **-** | **221,191** | **-** | **344,461** | **-** | **-** | **2,793** | **53,833** | **622,278** | 745,787 |

| **Reconciliation to Profit and Loss Account** | 2015 | 2014 |
|---|---|---|
| Operating cash flows | **(6,762)** | (1,712,162) |
| Depreciation and amortisation expenses | **(15,190)** | (14,741) |
| Gain on disposal of fixed assets | **2,056** | 371 |
| Increase in assets other than cash | **88,175** | 114,968 |
| Decrease / (increase) in liabilities | **(999,076)** | 851,991 |
| Investment income | **1,003,329** | 926,864 |
| Profit received on bank deposits | **22,379** | 23,620 |
| Surplus of statutory funds | **(58,010)** | (148,060) |
| Surplus appropriated to Shareholders' fund | **-** | - |
| **Profit after taxation** | **36,901** | 42,851 |

The annexed notes from 1 to 18 are an integral part of this condensed interim financial information.

S Ar Khan

**CHAIRMAN** | **DIRECTOR** | **DIRECTOR** | **CHIEF EXECUTIVE OFFICER**

# CONDENSED INTERIM REVENUE ACCOUNT (UNAUDITED)
## FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

| | Note | STATUTORY FUNDS | | | | | | | | AGGREGATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Life | Life (Non-participating) | | Investment | Accident & Health | | Pension | Family | Nine months period ended September 30, | | Three months period ended September 30, | |
| | | (Participating) | Individual | Group | Linked | Individual | Group | Business Fund | Takaful | **2015** | 2014 | **2015** | 2014 |
| | | ----------------------------------------- (Rupees in '000) ----------------------------------------- | | | | | | | | | | | |
| **Income** | | | | | | | | | | | | | |
| Premiums/contributions less reinsurances/ retakaful | | 41,031 | 740,451 | 170,210 | 1,276,305 | 8,470 | 405,341 | 44,542 | 5,923 | **2,692,273** | 1,801,333 | **747,073** | 514,007 |
| Policy transfers from other statutory funds | | - | - | - | - | - | - | - | - | **-** | 465 | **-** | **-** |
| Net investment income | | 122,587 | 353,444 | 19,222 | 420,306 | 3,343 | 15,302 | 6,743 | (1) | **940,946** | 857,141 | **268,173** | 261,883 |
| Other income - net | | 5,783 | 10,481 | 1,038 | 6,184 | 673 | 23,249 | 503 | 1,636 | **49,547** | 36,412 | **15,477** | 14,413 |
| Total net income | | 169,401 | 1,104,376 | 190,470 | 1,702,795 | 12,486 | 443,892 | 51,788 | 7,558 | **3,682,766** | 2,695,351 | **1,030,723** | 790,303 |
| **Claims and expenditure** | | | | | | | | | | | | | |
| Claims, including bonuses, net of reinsurance recoveries | | 61,082 | 265,553 | 84,165 | 1,180,661 | 6,176 | 298,005 | 26,230 | - | **1,921,872** | 2,786,209 | **514,655** | 797,690 |
| Policy transfers to other statutory funds | | - | - | - | - | - | - | - | - | **-** | 465 | **-** | - |
| Management expenses less recoveries | | 27,706 | 345,004 | 48,601 | 196,788 | 7,896 | 77,489 | 996 | 17,601 | **722,081** | 547,090 | **179,887** | 165,672 |
| Total claims and expenditure | | 88,788 | 610,557 | 132,766 | 1,377,449 | 14,072 | 375,494 | 27,226 | 17,601 | **2,643,953** | 3,333,764 | **694,542** | 963,362 |
| **Excess of Income over claims and expenditure** | | 80,613 | 493,819 | 57,704 | 325,346 | (1,586) | 68,398 | 24,562 | (10,043) | **1,038,813** | (638,413) | **336,181** | (173,059) |
| Add: Policyholders' liabilities at beginning of the period | | 1,098,827 | 3,936,955 | 65,374 | 4,253,665 | 22,770 | 146,692 | 70,259 | - | **9,594,542** | 10,047,533 | **10,243,802** | 9,501,358 |
| Less: Policyholders' liabilities at end of the period | | (1,134,693) | (4,439,054) | (104,690) | (4,590,076) | (13,338) | (196,250) | (95,041) | (2,203) | **(10,575,345)** | (9,261,060) | **(10,575,346)** | (9,261,060) |
| Movement in policyholders' liabilities | | (35,866) | (502,099) | (39,316) | (336,411) | 9,432 | (49,558) | (24,782) | (2,203) | **(980,803)** | 786,473 | **(331,544)** | 240,298 |
| **Surplus / (deficit)** | | 44,747 | (8,280) | 18,388 | (11,065) | 7,846 | 18,840 | (220) | (12,246) | **58,010** | 148,060 | **4,637** | 67,239 |
| Movement in policyholders' liabilities | | 35,866 | 502,099 | 39,316 | 336,411 | (9,432) | 49,558 | 24,782 | 2,203 | **980,803** | (786,473) | **331,544** | (240,298) |
| Transfers (to) or from shareholders' fund | | | | | | | | | | | | | |
| - Capital contributions from shareholders' fund | | - | - | - | - | - | - | - | 50,000 | **50,000** | - | - | - |
| - Cede money - Waqf | | - | - | - | - | - | - | - | 500 | **500** | - | **-** | |
| - Surplus appropriated to shareholders' fund | | - | - | - | - | - | - | - | - | **-** | - | **-** | - |
| | | - | - | - | - | - | - | - | 50,500 | **50,500** | - | **-** | - |
| **Balance of statutory fund at beginning of the period** | | 1,505,386 | 4,114,310 | 102,886 | 4,384,767 | 27,490 | 246,713 | 74,301 | - | **10,455,853** | 10,609,447 | **11,208,985** | 10,144,093 |
| **Balance of statutory fund at end of the period** | | 1,585,999 | 4,608,129 | 160,590 | 4,710,113 | 25,904 | 315,111 | 98,863 | 40,457 | **11,545,166** | 9,971,034 | **11,545,166** | 9,971,034 |
| **Represented by:** | | | | | | | | | | | | | |
| Capital contributed by shareholders' fund | | - | 257,552 | - | 117,100 | 1,500 | 89,300 | 6,000 | 50,500 | **521,952** | 376,552 | **521,952** | 376,552 |
| Policyholders' liabilities / PTF | | 1,134,693 | 4,439,054 | 104,690 | 4,590,076 | 13,338 | 196,250 | 95,041 | 2,203 | **10,575,345** | 9,261,060 | **10,575,345** | 9,261,060 |
| Retained earnings attributable to policyholders (Ledger Account A) | | 408,250 | - | - | - | - | - | - | - | **408,250** | 337,566 | **408,250** | 337,566 |
| Retained earnings on par business attributable to shareholders - undistributable (Ledger Account B) | | 43,056 | - | - | - | - | - | - | - | **43,056** | 43,056 | **43,056** | 43,056 |
| Retained earnings on other than participating business (Ledger Account D) / PTF | | - | (88,477) | 55,900 | 2,937 | 11,066 | 29,561 | (2,178) | (12,246) | **(3,437)** | (47,200) | **(3,437)** | (47,200) |
| **BALANCE OF STATUTORY FUND** | | **1,585,999** | **4,608,129** | **160,590** | **4,710,113** | **25,904** | **315,111** | **98,863** | **40,457** | **11,545,166** | 9,971,034 | **11,545,166** | 9,971,034 |

The annexed notes from 1 to 18 are an integral part of this condensed interim financial information.

**CHAIRMAN** | **DIRECTOR** | **DIRECTOR** | **CHIEF EXECUTIVE OFFICER**

# CONDENSED INTERIM STATEMENT OF PREMIUMS (UNAUDITED)
## FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

| | STATUTORY FUNDS | | | | | | | | AGGREGATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Life | Life (Non-participating) | | Investment | Accident & Health | | Pension Business | Family | Nine months period ended September 30, | | Three months period ended Septemeber 30, | |
| | (Participating) | Individual | Group | Linked | Individual | Group | Fund | Takaful | **2015** | 2014 | **2015** | 2014 |
| | (Rupees in '000) | | | | | | | | | | | |
| **Gross premiums** | | | | | | | | | | | | |
| Regular premium/contribution individual policies* | | | | | | | | | | | | |
| First year | - | 216,383 | - | 139,247 | 13,043 | - | - | 5,928 | **374,601** | 255,564 | **36,090** | 55,334 |
| Second year renewal | - | 108,787 | - | 39,366 | - | - | - | - | **148,153** | 152,530 | **41,678** | 39,786 |
| Subsequent year renewal | 47,660 | 436,321 | - | 191,808 | - | - | - | - | **675,789** | 661,102 | **230,600** | 234,621 |
| Single premium/contribution individual policies | - | 3,804 | - | 917,369 | - | - | - | - | **921,173** | 200,672 | **273,949** | 31,451 |
| Group policies without cash values | - | - | 207,175 | - | - | 409,520 | 44,542 | - | **661,237** | 602,624 | **200,164** | 175,220 |
| **Total gross premiums/contributions** | 47,660 | 765,295 | 207,175 | 1,287,790 | 13,043 | 409,520 | 44,542 | 5,928 | **2,780,953** | 1,872,492 | **782,481** | 536,412 |
| **Less: Reinsurance/retakaful premiums/contributions ceded** | | | | | | | | | | | | |
| On individual life first year business | - | 14,929 | - | 2,969 | - | - | - | 5 | **17,903** | 8,428 | **9,602** | 1,977 |
| On individual life second year business | - | 1,979 | - | 1,450 | - | - | - | - | **3,429** | 4,188 | **799** | 917 |
| On individual life subsequent renewal business | 6,629 | 7,936 | - | 7,066 | - | - | - | - | **21,631** | 22,724 | **7,225** | 7,658 |
| On individual accident and health first year | - | - | - | - | 4,573 | - | - | - | **4,573** | 1,834 | **1,829** | 87 |
| On group policies | - | - | 36,965 | - | - | 4,179 | - | - | **41,144** | 33,985 | **15,953** | 11,766 |
| | 6,629 | 24,844 | 36,965 | 11,485 | 4,573 | 4,179 | - | 5 | **88,680** | 71,159 | **35,408** | 22,405 |
| **Net premiums / contributions** | **41,031** | **740,451** | **170,210** | **1,276,305** | **8,470** | **405,341** | **44,542** | **5,923** | **2,692,273** | 1,801,333 | **747,073** | 514,007 |

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

The annexed notes from 1 to 18 are an integral part of this condensed interim financial information.

**CHAIRMAN** **DIRECTOR** **DIRECTOR** **CHIEF EXECUTIVE OFFICER**

# CONDENSED INTERIM STATEMENT OF CLAIMS (UNAUDITED)
## FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

| | STATUTORY FUNDS | | | | | | | | AGGREGATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Life (Participating) | Life (Non-participating) Individual | Life (Non-participating) Group | Investment Linked | Accident & Health Individual | Accident & Health Group | Pension Business Fund | Family Takaful | Nine months period ended September 30, 2015 | Nine months period ended September 30, 2014 | Three months period ended September 30, 2015 | Three months period ended September 30, 2014 |
| | (Rupees in '000) | | | | | | | | | | | |
| **Gross claims** | | | | | | | | | | | | |
| **Claims under individual policies** | | | | | | | | | | | | |
| by death | 8,742 | 15,301 | - | 8,250 | 2,701 | - | - | - | **34,994** | 45,927 | **6,959** | 16,835 |
| by insured event other than death | - | - | - | - | 6,639 | - | - | - | **6,639** | 777 | **7,755** | (5,827) |
| by maturity | 6,372 | - | - | - | - | - | - | - | **6,372** | 7,235 | **3,145** | 2,068 |
| by surrender | 48,653 | 251,977 | - | 1,173,626 | - | - | - | - | **1,474,256** | 2,412,203 | **361,402** | 661,711 |
| **Total gross individual policy claims** | 63,767 | 267,278 | - | 1,181,876 | 9,340 | - | - | - | **1,522,261** | 2,466,142 | **379,261** | 674,787 |
| **Claims under group policies** | | | | | | | | | | | | |
| by death | - | - | 76,994 | - | - | - | - | - | **76,994** | 64,175 | **37,133** | 22,558 |
| by insured event other than death | - | - | 55 | - | - | 293,859 | - | - | **293,914** | 229,871 | **85,494** | 67,311 |
| by surrender | - | - | - | - | - | - | 26,230 | - | **26,230** | 23,722 | **11,157** | 23,722 |
| experience refund | - | - | 12,052 | - | - | 4,146 | - | - | **16,198** | 22,343 | **6,121** | 14,276 |
| **Total gross group claims** | - | - | 89,101 | - | - | 298,005 | 26,230 | - | **413,336** | 340,111 | **139,905** | 127,867 |
| **Total gross claims** | 63,767 | 267,278 | 89,101 | 1,181,876 | 9,340 | 298,005 | 26,230 | - | **1,935,597** | 2,806,253 | **519,166** | 802,654 |
| Less: Re-insurance recoveries | | | | | | | | | | | | |
| On individual life first year business claims | - | 1,037 | - | 1,215 | - | - | - | - | **2,252** | 5,794 | **603** | 265 |
| On individual life second year business claims | - | 137 | - | - | - | - | - | - | **137** | 1,930 | **19** | (47) |
| On individual life renewal business claims | 2,685 | 551 | - | - | - | - | - | - | **3,236** | 8,214 | **2,613** | 748 |
| On individual accident and health business claims | - | - | - | - | 3,164 | - | - | - | **3,164** | (6,629) | **-** | (4,000) |
| On group business claims | - | - | 4,936 | - | - | - | - | - | **4,936** | 10,735 | **1,276** | 7,998 |
| | 2,685 | 1,725 | 4,936 | 1,215 | 3,164 | - | - | - | **13,725** | 20,044 | **4,511** | 4,964 |
| **Net claims** | **61,082** | **265,553** | **84,165** | **1,180,661** | **6,176** | **298,005** | **26,230** | **-** | **1,921,872** | 2,786,209 | **514,655** | 797,690 |

The annexed notes from 1 to 18 are an integral part of this condensed interim financial information.

**CHAIRMAN** **DIRECTOR** **DIRECTOR** **CHIEF EXECUTIVE OFFICER**

# CONDENSED INTERIM STATEMENT OF EXPENSES (UNAUDITED)
## FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

| | STATUTORY FUNDS | | | | | | | | AGGREGATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Life (Participating) | Life (Non-participating) Individual | Life (Non-participating) Group | Investment Linked | Accident & Health Individual | Accident & Health Group | Pension Business Fund | Family Takaful | Nine months period ended September 30, 2015 | Nine months period ended September 30, 2014 | Three months period ended September 30, 2015 | Three months period ended September 30, 2014 |
| | (Rupees in '000) | | | | | | | | | | | |
| **Acquisition costs** | | | | | | | | | | | | |
| Remuneration to insurance intermediaries on individual policies: | | | | | | | | | | | | |
| - Commission on first year premiums/contributions | - | 126,229 | - | 61,613 | 3,818 | - | - | 2,667 | **194,327** | 136,119 | **24,770** | 31,372 |
| - Commission on second year premiums/contributions | - | 5,983 | - | 858 | - | - | - | - | **6,841** | 6,973 | **1,907** | 1,769 |
| - Commission on subsequent renewal premiums/contributions | 1,633 | 12,834 | - | 4,181 | - | - | - | - | **18,648** | 18,182 | **8,877** | 5,611 |
| - Commission on single premiums/contributions | - | - | - | 36,559 | - | - | - | - | **36,559** | 6,953 | **11,223** | 1,130 |
| - Other benefits to insurance intermediaries | 5,956 | 47,660 | - | 34,332 | 927 | - | - | 1,962 | **90,837** | 52,859 | **8,167** | 11,894 |
| | 7,589 | 192,706 | - | 137,543 | 4,745 | - | - | 4,629 | **347,212** | 221,086 | **54,944** | 51,776 |
| Remuneration to insurance intermediaries on group policies: | | | | | | | | | | | | |
| - Commission | - | - | 15,615 | - | - | 18,740 | - | - | **34,355** | 28,798 | **11,675** | 7,934 |
| - Other benefits to insurance intermediaries | - | - | 2,454 | - | - | 479 | - | - | **2,933** | 720 | **347** | 240 |
| | - | - | 18,069 | - | - | 19,219 | - | - | **37,288** | 29,518 | **12,022** | 8,174 |
| Branch overheads : | | | | | | | | | | | | |
| - Salaries and other benefits | 1,446 | 7,932 | 31 | 1,579 | 225 | 116 | - | - | **11,329** | 14,403 | **3,064** | 4,591 |
| - Other Operational cost | 3,435 | 18,837 | 74 | 3,750 | 534 | 274 | - | - | **26,904** | 19,095 | **14,914** | 6,814 |
| | 4,881 | 26,769 | 105 | 5,329 | 759 | 390 | - | - | **38,233** | 33,498 | **17,978** | 11,405 |
| Other acquisition cost : | | | | | | | | | | | | |
| - Policy stamps | - | 1,208 | - | 1,258 | 42 | - | - | - | **2,508** | 1,676 | **892** | 779 |
| | 12,470 | 220,683 | 18,174 | 144,130 | 5,546 | 19,609 | - | 4,629 | **425,241** | 285,778 | **85,836** | 72,134 |
| **Administration expenses** | | | | | | | | | | | | |
| Salaries, allowances & other benefits | 8,748 | 73,269 | 22,374 | 32,604 | 1,348 | 35,685 | 839 | 5,053 | **179,920** | 154,426 | **59,297** | 51,150 |
| Travelling expenses | 204 | 1,497 | 373 | 557 | 32 | 549 | 3 | 1,223 | **4,438** | 2,454 | **1,662** | 718 |
| Directors' fees | 185 | 1,760 | 619 | 862 | 29 | 884 | 7 | - | **4,346** | 1,078 | **1,292** | 1,078 |
| Auditors' remuneration | 54 | 518 | 182 | 254 | 8 | 260 | 2 | - | **1,278** | 1,589 | **400** | 787 |
| Actuary's fees | 472 | 4,489 | 1,579 | 2,200 | 73 | 2,255 | 18 | - | **11,086** | 5,734 | **3,654** | 3,033 |
| Medical fees | 17 | 268 | 207 | - | - | - | - | - | **492** | 463 | **284** | 163 |
| Legal and professional charges | 37 | 327 | 104 | 151 | 6 | 149 | 1 | - | **775** | 1,912 | **117** | 343 |
| Advertisement and publicity | 311 | 2,113 | 369 | 729 | 48 | 537 | 5 | 711 | **4,823** | 7,917 | **849** | 3,707 |
| Computer expenses | 113 | 1,024 | 346 | 481 | 18 | 496 | 4 | - | **2,482** | 2,980 | **513** | 1,040 |
| Printing and stationery | 662 | 4,600 | 916 | 1,581 | 102 | 1,356 | 5 | - | **9,222** | 8,513 | **2,823** | 2,931 |
| Depreciation and amortisation | 743 | 6,375 | 1,914 | 2,849 | 117 | 2,741 | 22 | 429 | **15,190** | 14,741 | **4,904** | 4,706 |
| Rental | 1,090 | 8,267 | 2,746 | 3,216 | 169 | 4,017 | 28 | - | **19,533** | 22,686 | **6,695** | 7,898 |
| | 12,636 | 104,507 | 31,729 | 45,484 | 1,950 | 48,929 | 934 | 7,416 | **253,585** | 224,493 | **82,490** | 77,554 |
| **Other management expenses** | 2,600 | 20,661 | 6,175 | 8,317 | 400 | 8,989 | 62 | 5,558 | **52,762** | 48,349 | **15,432** | 18,831 |
| **Gross management expenses** | 27,706 | 345,851 | 56,078 | 197,931 | 7,896 | 77,527 | 996 | 17,603 | **731,588** | 558,620 | **183,758** | 168,519 |
| Commission from reinsurers | - | (847) | (7,477) | (1,143) | - | (38) | - | (2) | **(9,507)** | (11,530) | **(3,871)** | (2,847) |
| **Net management expenses** | **27,706** | **345,004** | **48,601** | **196,788** | **7,896** | **77,489** | **996** | **17,601** | **722,081** | 547,090 | **179,887** | 165,672 |

The annexed notes from 1 to 18 are an integral part of this condensed interim financial information.

**CHAIRMAN** **DIRECTOR** **DIRECTOR** **CHIEF EXECUTIVE OFFICER**

# CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UNAUDITED)
## FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

| | STATUTORY FUNDS | | | | | | | | AGGREGATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Life | Life (Non-participating) | | Investment | Accident & Health | | Pension | Family | Nine months period ended September 30, | | Three months period ended September 30, | |
| | (Participating) | Individual | Group | Linked | Individual | Group | Business Fund | Takaful | **2015** | 2014 | **2015** | 2014 |
| | (Rupees in '000) | | | | | | | | | | | |
| **Investment income** | | | | | | | | | | | | |
| Return on government securities | 112,979 | 338,325 | 16,337 | 214,011 | 2,915 | 14,945 | 6,943 | - | **706,455** | 759,308 | **245,417** | 243,171 |
| Amortisation of premium | (739) | (5,630) | (19) | (627) | (4) | (882) | (200) | - | **(8,101)** | (4,940) | **(3,894)** | (1,735) |
| | 112,240 | 332,695 | 16,318 | 213,384 | 2,911 | 14,063 | 6,743 | - | **698,354** | 754,368 | **241,523** | 241,436 |
| Unrealised gain / (loss) on revaluation of investments | - | - | - | 201,693 | - | - | - | (1) | **201,692** | 95,015 | **123,402** | 22,758 |
| Dividend Income | 3,542 | 10,283 | 613 | - | 91 | 262 | - | - | **14,791** | - | **1,495** | - |
| Gain / (loss) on sale of investments | 6,805 | 10,466 | 2,291 | 5,229 | 341 | 977 | - | - | **26,109** | 7,758 | **(98,247)** | (2,311) |
| **Net investment income** | **122,587** | **353,444** | **19,222** | **420,306** | **3,343** | **15,302** | **6,743** | **(1)** | **940,946** | 857,141 | **268,173** | 261,883 |

The annexed notes from 1 to 18 are an integral part of this condensed interim financial information.

CHAIRMAN

DIRECTOR

DIRECTOR

CHIEF EXECUTIVE OFFICER

**1. 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. Its shares are quoted on the Karachi and Lahore Stock Exchanges. 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 Suite # 701-713, 7th Floor, The Forum, G-20, Khayaban-e-Jami, Block 9, Clifton, Karachi-75600.

**1.2** The Company is a subsidiary of IGI Insurance Limited that holds 81.97% (2014 : 69.677%) share capital of the Company

**1.3** In pursuant to the Share Purchase Agreement (SPA) dated January 21, 2013 between IGI Insurance Limited (IGI) and American Life Insurance Company – USA (ALICO USA); IGI has purchased remaining shares of IGI Life Insurance Limited (the Company) on June 24, 2015 by acquiring additional 6,145,503 ordinary shares (representing 12.28% of the issued and paid up capital) of the Company from ALICO USA (a company incorporated under the laws of the State of Delaware, United States of America).

**1.4** The Company is engaged in life insurance, carrying on both participating and non-participating business. 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 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

**1.5** The Board of Directors in their meeting held on January 07, 2015 approved the launching of Window Family Takaful operations by the Company. The shareholders approved the Board's Decision in the EoGM held on January 30, 2015. The application of the Company to launch Window family takaful operations was approved by the Securities and Exchange Commission of Pakistan (SECP) vide their letter ID/PRDD/048-WTO/2015/1438 dated July 02, 2015. The Company has allocated Rs 50.5 million to the Family Takaful Fund. The Company has commenced business as window takaful operator and has created separate statutory fund for this purpose in accordance with the requirements of SECP Takaful Rules, 2012.

**1.6** In March and April 2013, two suits were filed by some of the employees of the Company seeking protection for their employment from the consequences of the SPA as referred in note 1.3 above. The status quo order passed by the High Court was modified on July 05, 2013 so that the transaction contemplated by the SPA is allowed to be consummated. The final disposal of the legal proceedings is pending. As per the advice of legal advisors of the Company, the chances of any adverse financial implication on the Company are remote.

**2. BASIS OF PRESENTATION**

This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard 34 (IAS 34) 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 and directives issued by the SECP. In case where the requirements differ, the provisions of the Companies Ordinance, 1984, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 and the said directives prevail.

This condensed interim financial information is unaudited and is being submitted to shareholders in accordance with the Listing Regulations of Karachi and Lahore Stock Exchanges and section 245 of the Companies Ordinance, 1984.This condensed interim financial information of the Company has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

This condensed interim financial information does not include all the information and disclosures as required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2014.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2014.

**3.1 Significant Accounting Policies - Window Takaful Operations**

**3.1.1 Takaful Contracts**

The takaful contracts are based on the principles of Wakala Waqf Model. Takaful is a programme based on shariah compliant, approved concept founded on the principles of mutual cooperation, solidarity and brotherhood. The obligation of Waqf for Waqf participants' liabilities is limited to the amount available in the Waqf fund. In the event where there is insufficient funds in Waqf to meet their current payments less receipts, the deficit is funded by way of an interest free loan (Qard-e-Hasna) from the operators' sub fund to the statutory fund (Takaful Business Statutory Funds). The amount of Qard-e-Hasna is refundable to the operators' sub fund.

Technical reserves are stated at a value determined by the appointed actuary through an actuarial valuation carried out as at each balance sheet date, in accordance with section 50 of the Insurance Ordinance, 2000.

### 3.1.2 Group Family Takaful

The group family takaful contracts are issued typically on yearly renewable term basis. The Company offers group term life, group credit plans and group accident and health plans to its participants.

### 3.1.3 Individual Family Takaful Contracts - Unit Linked

The Company offers Unit Linked Takaful Plans which provide Shariah compliant financial protection and investment vehicle to individual participants. These plans carry cash value. The death benefit design is based on Constant Sum at Risk approach i.e. the sum cover is paid in addition to the cash value. The plans offer investment choices to the customer to direct their investment related contributions based on their risk / return objectives. No investment guarantees are offered. The investment risk is borne by the participants.

### 3.1.4 Retakaful

These contracts are entered into by the Company with retakaful operator under which the retakaful operator cedes the takaful risk assumed during normal course of its business and according to which the Waqf is compensated for losses on contract issued by it are classified as retakaful contracts held.

**Retakaful Contribution**

Retakaful contribution is recorded at the time the retakaful is ceded. Surplus from retakaful operator is recognised in the revenue account.

**Retakaful Expenses**

Retakaful expenses are recognised as a liability in accordance with the pattern of recognition of related contribution.

**Retakaful Assets and Liabilities**

Retakaful assets represent balances due from retakaful operator. Recoverable amounts are estimated in a manner consistent with the associated retakaful treaties.

Retakaful liabilities represent balances due to retakaful companies. Amounts payable are calculated in a manner consistent with the associated retakaful treaties.

Retakaful assets are not offset against related retakaful liabilities. Income or expenses from retakaful contract are not offset against expenses or income from related retakaful contracts as required by Insurance Ordinance, 2000. Retakaful assets and liabilities are derecognised when the contractual rights are extinguished or expired.

### 3.1.5 Business Segment - Window Family Takaful Operation

The Company has two primary business segment for reporting purposes; Individual Family Takaful and Group Family Takaful.

a) The Individual Family Takaful segments provides family takaful coverage to individuals under unit-linked policies issued by the Company.

b) The Group Family Takaful business segment provides family takaful coverage to member of business enterprises, corporate entities and common interest groups under group family takaful scheme operated by the Company.

### 3.1.6 Takaful Operator's Fee

The shareholders of the Company manage the family takaful operations for the participants and act as Wakeel of the Waqf fund. The Company is entitled for the wakala fee for the management of takaful operation under Waqf fund to meet its general and administrative expenses.

The window takaful operator is also entitled for Wakalt-ul-Istismar fee as it manages Participant Investment Fund.

## 4. SIGNIFICANT ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2014.

5. **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, 2014.

6. **ANALYSIS OF ACCUMULATED SURPLUS AS SHOWN IN THE BALANCE SHEET**

| | **September 30, 2015 (Unaudited)** | December 31, 2014 (Audited) |
|---|---|---|
| | **(Rupees in '000)** | |
| Accumulated surplus in the statement of changes in equity ignoring effect of capital transfers at beginning of the period / year | **796,954** | 741,602 |
| Add: Surplus in profit and loss account for the period / year | **36,901** | 55,352 |
| Accumulated surplus in statement of changes in equity ignoring effect of capital transfers at end of the period / year | **833,855** | 796,954 |
| Less: Accumulated net capital transfers to statutory funds (note 7) | **(521,952)** | (471,452) |
| Accumulated surplus | **311,903** | 325,502 |

**6.1** In order to achieve compliance with the requirements of the Insurance Ordinance, 2000 relating to i) solvency; and ii) return of capital from statutory funds to shareholders' fund, the Company as at September 30, 2015 has retained an amount of Rs. 518.515 million (December 31, 2014: Rs. 454.75 million) in the statutory funds. This has resulted in the shareholders' equity being lower by this amount

7. **MOVEMENT IN EQUITY OF STATUTORY FUNDS**

| | STATUTORY FUNDS | | | | | | | | AGGREGATE | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Life (Participating) | Life (Non-participating) Individual | Life (Non-participating) Group | Investment Linked | Accident & Health Individual | Accident & Health Group | Pension Business Fund | Family Takaful | September 30, 2015 (Unaudited) | December 31, 2014 (Audited) |
| | (Rupees in '000) | | | | | | | | | |
| **Policyholders' liabilities** | | | | | | | | | | |
| Balance at the beginning of the period / year | 1,098,827 | 3,936,955 | 65,374 | 4,253,665 | 22,770 | 146,692 | 70,259 | - | **9,594,542** | 10,047,533 |
| Increase/(decrease) during the period / year | 35,866 | 502,099 | 39,316 | 336,411 | (9,432) | 49,558 | 24,782 | 2,203 | **980,803** | (452,991) |
| **Balance at end of the period / year** | **1,134,693** | **4,439,054** | **104,690** | **4,590,076** | **13,338** | **196,250** | **95,041** | **2,203** | **10,575,345** | 9,594,542 |
| **Retained earnings on participating business attributable to participating policyholders - Ledger Account A** | | | | | | | | | | |
| Balance at the beginning of the period / year | 363,503 | - | - | - | - | - | - | - | **363,503** | 289,988 |
| Surplus allocated during the period / year (note 7.1) | 118,457 | - | - | - | - | - | - | - | **118,457** | 177,415 |
| Surplus adjustment | - | - | - | - | - | - | - | - | **-** | - |
| 10% surplus transfer to Ledger Account B | - | - | - | - | - | - | - | - | **-** | - |
| Bonus allocated during the period / year | (73,710) | - | - | - | - | - | - | - | **(73,710)** | (103,900) |
| **Closing balance at end of the period / year** | **408,250** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **408,250** | 363,503 |

| | STATUTORY FUNDS | | | | | | | | AGGREGATE | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Life | Life (Non-participating) | | Investment | Accident & Health | | Pension Business | Family | September 30, 2015 | December 31, 2014 |
| | (Participating) | Individual | Group | Linked | Individual | Group | Fund | Takaful | (Unaudited) | (Audited) |
| | (Rupees in '000) | | | | | | | | | |
| **Retained earnings on participating business attributable to shareholders but not distributable - Ledger Account B** | | | | | | | | | | |
| Balance at the beginning of the period / year | 43,056 | - | - | - | - | - | - | - | **43,056** | 43,056 |
| Surplus adjustment | - | - | - | - | - | - | - | - | **-** | - |
| 10% surplus transfer from Ledger Account A | - | - | - | - | - | - | - | - | **-** | - |
| **Closing balance at end of the period / year** | **43,056** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **43,056** | 43,056 |
| **Retained earnings on other than participating business - Ledger Account D** | | | | | | | | | | |
| Balance at the beginning of the period / year | - | (80,197) | 37,512 | 14,002 | 3,220 | 10,721 | (1,958) | - | **(16,700)** | (147,682) |
| (Deficit) / surplus allocated during the period / year | - | (8,280) | 18,388 | (11,065) | 7,846 | 18,840 | (220) | (12,246) | **13,263** | 130,982 |
| Surplus appropriated to shareholders' fund | - | - | - | - | - | - | - | - | **-** | - |
| **Closing balance at end of the period / year** | **-** | **(88,477)** | **55,900** | **2,937** | **11,066** | **29,561** | **(2,178)** | **(12,246)** | **(3,437)** | (16,700) |
| **Capital contributed by shareholders' fund** | | | | | | | | | | |
| Balance at the beginning of the period / year | - | 257,552 | - | 117,100 | 1,500 | 89,300 | 6,000 | - | **471,452** | 376,552 |
| Capital contributed during the period / year | - | - | - | - | - | - | - | 50,000 | **50,000** | 94,900 |
| Cede money - Waqf | - | - | - | - | - | - | - | 500 | **500** | - |
| Capital withdrawn during the period / year | - | - | - | - | - | - | - | - | **-** | - |
| | - | - | - | - | - | - | - | 50,500 | **50,500** | 94,900 |
| **Balance at end of the period / year** | **-** | **257,552** | **-** | **117,100** | **1,500** | **89,300** | **6,000** | **50,500** | **521,952** | 471,452 |
| **Balance of statutory fund at period / year end** | **1,585,999** | **4,608,129** | **160,590** | **4,710,113** | **25,904** | **315,111** | **98,863** | **40,457** | **11,545,166** | 10,455,853 |

**7.1** This represents surplus earned in life (participating) statutory fund before allocation of bonus. Amount of surplus appearing in the revenue account is net off bonus allocated during the period.

## 8. POLICYHOLDERS' LIABILITIES

As per actuary's advice, the policyholders' liabilities as at September 30, 2015 are as follows:

| | STATUTORY FUNDS | | | | | | | | AGGREGATE | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Life (Participating) | Life (Non-participating) Individual | Life (Non-participating) Group | Investment Linked | Accident & Health Individual | Accident & Health Group | Pension Business Fund | Family Takaful | September 30, 2015 (Unaudited) | December 31, 2014 (Audited) |
| | (Rupees in '000) | | | | | | | | | |
| **Gross of reinsurance** | | | | | | | | | | |
| Actuarial liability relating to future events | 1,136,039 | 4,437,055 | 72,259 | 4,586,683 | 12,001 | 144,188 | 95,041 | 2,175 | **10,485,441** | 9,506,441 |
| Provision for outstanding reported claims payable over a period exceeding twelve months | - | 12,082 | 4,468 | - | 2,624 | 746 | - | - | **19,920** | 20,207 |
| Provision for incurred but not reported claims | 2,670 | 3,873 | 46,701 | 3,967 | 1,202 | 53,008 | - | 29 | **111,450** | 101,183 |
| **Total** | **1,138,709** | **4,453,010** | **123,428** | **4,590,650** | **15,827** | **197,942** | **95,041** | **2,204** | **10,616,811** | 9,627,831 |
| **Net of reinsurance** | | | | | | | | | | |
| Actuarial liability relating to future events | 1,132,432 | 4,423,925 | 56,361 | 4,586,109 | 9,548 | 142,496 | 95,041 | 2,174 | **10,448,086** | 9,477,855 |
| Provision for outstanding reported claims payable over a period exceeding twelve months | - | 12,082 | 4,468 | - | 2,624 | 746 | - | - | **19,920** | 19,426 |
| Provision for incurred but not reported claims | 2,261 | 3,047 | 43,861 | 3,967 | 1,166 | 53,008 | - | 29 | **107,339** | 97,261 |
| **Total** | **1,134,693** | **4,439,054** | **104,690** | **4,590,076** | **13,338** | **196,250** | **95,041** | **2,203** | **10,575,345** | 9,594,542 |

| | September 30, 2015 (Unaudited) | December 31, 2014 (Audited) |
|---|---|---|
| | (Rupees in '000) | |
| **9 COMMITMENTS** | | |
| **In respect of capital expenditure** | | |
| Not later than one year | **4,429** | - |

## 10 INVESTMENTS

| | SHARE HOLDERS' FUND | STATUTORY FUNDS | | | | | | | | AGGREGATE | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Life (Participating) | Life (Non-participating) Individual | Life (Non-participating) Group | Investment Linked | Accident & Health Individual | Accident & Health Group | Pension Business Fund | Family Takaful | September 30, 2015 (Unaudited) | December 31, 2014 (Audited) |
| | (Rupees in '000) | | | | | | | | | | |
| **10.1 Government securities** | | | | | | | | | | | |
| **Available for sale - lower of cost or market value** | | | | | | | | | | | |
| Pakistan Investment Bonds (note 10.1.1) | 603,341 | 1,246,443 | 3,857,177 | 193,116 | - | 28,288 | 236,118 | 90,974 | - | **6,255,457** | 5,457,150 |
| **Available for sale - at fair value** | | | | | | | | | | | |
| Pakistan Investment Bonds | - | - | - | - | 2,879,988 | - | - | - | - | **2,879,988** | 2,704,130 |
| | **603,341** | **1,246,443** | **3,857,177** | **193,116** | **2,879,988** | **28,288** | **236,118** | **90,974** | - | **9,135,445** | 8,161,280 |

**10.1.1** The aggregate market value of government securities carried at lower of cost or market value as at September 30, 2015 was Rs. 7,144.67 million (December 31, 2014: Rs. 5,937.22 million)

**10.1.2** The Company has deposited 15 years Pakistan Investment Bond amounting to Rs. 50 million (December 31, 2014: Rs. 50 million) with State Bank of Pakistan under section 29 of Insurance Ordinance, 2000.

| | SHARE HOLDERS' FUND | Life (Participating) | Life (Non-participating) Individual | Life (Non-participating) Group | Investment Linked | Accident & Health Individual | Accident & Health Group | Pension Business Fund | Family Takaful | AGGREGATE September 30, 2015 (Unaudited) | AGGREGATE December 31, 2014 (Audited) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | STATUTORY FUNDS | | | | | | |
| | (Rupees in '000) | | | | | | | | | | |
| **10.2 Listed Mutual Funds** | | | | | | | | | | | |
| **Available for sale - at fair value** | | | | | | | | | | | |
| Listed Mutual Funds | - | - | - | - | 1,519,823 | - | - | - | 670 | **1,520,493** | 1,375,991 |
| **Available for sale** - at lower of cost or market value | | | | | | | | | | | |
| Listed Mutual Funds | 95,622 | - | - | 30,339 | - | 4,518 | 12,943 | - | - | **143,422** | 130,005 |
| **Fair value through profit and loss** | | | | | | | | | | | |
| Listed Mutual Funds | - | 142,739 | 527,799 | - | - | - | - | - | - | **670,538** | 640,927 |
| | 95,622 | 142,739 | 527,799 | 30,339 | 1,519,823 | 4,518 | 12,943 | - | 670 | **2,334,453** | 2,146,923 |

**10.2.1** The aggregate market value of the units of open-end mutual funds carried at lower of cost or market value as at September 30, 2015 was Rs. 140.602 million (December 31, 2014: Rs. 134.251 million).

**10.2.2** The aggregate cost of the units of open-end mutual funds in investment linked fund as at September 30, 2015 was Rs. 1,525.91 million (December 31, 2014: Rs. 924.42 million)

## 11. FIXED ASSETS - tangible and intangible

| | September 30, 2015 (Unaudited) | December 31, 2014 (Audited) |
|---|---|---|
| | (Rupees in '000) | |
| Opening net book value | **41,437** | 44,139 |
| Add : Additions during the period / year - at cost | | |
| - Leasehold improvements | **886** | 4,013 |
| - Furniture and fixtures | **186** | 2,585 |
| - Office equipment | **3,669** | 2,424 |
| - Computer equipment | **3,599** | 2,892 |
| - Motor vehicles | **11,697** | 9,778 |
| - Software and licences | **-** | 1,809 |
| | **20,037** | 23,501 |
| Less : Net book value of deletion | **481** | 6,391 |
| Depreciation / amortisation for the period / year | **15,190** | 19,812 |
| | **15,671** | 26,203 |
| Closing net book value | **45,803** | 41,437 |
| Add : Capital work in progress | | |
| - advance for purchase of vehicles | **8,027** | 2,003 |
| | **53,830** | 43,440 |

## 12. CASH AND CASH EQUIVALENTS

| | SHARE HOLDERS' FUND | STATUTORY FUNDS | | | | | | | | AGGREGATE | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Life (Participating) | Life (Non-participating) | | Investment Linked | Accident & Health | | Pension Business Fund | Family Takaful | **September 30, 2015 (Unaudited)** | September 30, 2014 (Unaudited) |
| | | | Individual | Group | | Individual | Group | | | | |
| | (Rupees in '000) | | | | | | | | | | |
| Cash and stamps in hand | - | - | 936 | - | - | - | - | - | - | **936** | 540 |
| Current and other accounts | - | - | 220,255 | - | 344,461 | - | - | 2,793 | 53,833 | **621,342** | 745,247 |
| | **-** | **-** | **221,191** | **-** | **344,461** | **-** | **-** | **2,793** | **53,833** | **622,278** | 745,787 |

## 13. EXPENSES NOT ATTRIBUTABLE TO STATUTORY FUNDS

| | **September 30, 2015 (Unaudited)** | September 30, 2014 (Unaudited) |
|---|---|---|
| | **(Rupees in '000)** | |
| Workers' Welfare Fund | **1,108** | 1,305 |
| Regulators fee | **7,074** | 6,676 |
| Legal and professional | **13** | 13 |
| Donation | **-** | 350 |
| Fee and subscription | **1,670** | 697 |
| | **9,865** | 9,041 |

## 14. REVENUE ACCOUNT - WINDOW TAKAFUL OPERATIONS

### 14.1 Participants' Investment Fund ( PIF)

| | **AGGREGATE** | | | |
|---|---|---|---|---|
| | **Nine months period ended September 30,** | | **Three months period ended September 30,** | |
| | **2015** | 2014 | **2015** | 2014 |
| | **(Rupees in '000)** | | | |
| **Income** | | | | |
| Allocated contribution | **1,734** | - | **1,734** | - |
| Net investment income | **(1)** | - | **(1)** | - |
| Total net income | **1,733** | - | **1,733** | |
| **Less: Claims and Expenditure** | | | | |
| Surrenders / Partial surrenders | **-** | - | **-** | - |
| Risk contributions | **20** | - | **20** | - |
| Waqalat-ul-istismar | **2** | - | **2** | - |
| Policy administration fee | **6** | - | **6** | - |
| | **28** | - | **28** | - |
| **Excess of Income over Claims and expenditure** | **1,705** | - | **1,705** | - |
| Add : Technical reserves at the begening of the period | **-** | - | **-** | - |
| Less : Technical reserves at the end of the period | **(1,705)** | - | **(1,705)** | - |
| | **(1,705)** | - | **(1,705)** | - |
| **Surplus / (Deficit)** | **-** | - | **-** | - |
| Movement in technical reserves | **1,705** | - | **1,705** | - |
| Capital contribution during the period | **-** | - | **-** | - |
| Balance of PIF at the beginning of the period | **-** | - | **-** | - |
| **Balance of PIF at the end of the period** | **1,705** | - | **1,705** | - |

| | AGGREGATE | | | |
|---|---|---|---|---|
| | Nine months period ended September 30, | | Three months period ended September 30, | |
| | **2015** | 2014 | **2015** | 2014 |
| **14.2 Participants' Takaful Fund ( PTF)** | (Rupees in '000) | | | |
| **Income** | | | | |
| Contribution net of retakaful | 9 | - | 9 | - |
| Net investment income | 7 | - | 7 | - |
| | 16 | - | 16 | - |
| **Less: Claims and Expenditure** | | | | |
| Wakala fee | 3 | - | 3 | - |
| **Excess of Income over Claims and expenditure** | 13 | - | 13 | - |
| Add : Technical reserves at the begening of the period | - | - | - | - |
| Less : Technical reserves at the end of the period | (88) | - | (88) | - |
| | (88) | - | (88) | - |
| **Surplus / (Deficit)** | (75) | - | (75) | - |
| Movement in technical reserves | 88 | - | 88 | - |
| Capital contribution during the period | 500 | - | - | - |
| Balance of PTF at the beginning of the period | - | - | 500 | - |
| **Balance of PTF at the end of the period** | 513 | - | 513 | - |
| **14.3 Operators' Sub Fund ( OSF )** | | | | |
| **Income** | | | | |
| Allocation fee | 4,193 | - | 4,193 | - |
| Investment income | 1,629 | - | 763 | - |
| Wakala fee - PTF | 3 | - | 3 | - |
| Policy administration fee | 6 | - | 6 | - |
| Takaful operator fee | 7 | - | 7 | - |
| Wakalat-ul-istismar | 2 | - | 2 | - |
| | 5,840 | - | 4,974 | - |
| **Less: Expenses** | | | | |
| Acquisition cost | 4,629 | - | 4,629 | - |
| Administration expenses | 12,972 | - | 4,513 | - |
| | 17,601 | - | 9,142 | - |
| **Excess of (expenditure)/over income** | (11,761) | - | (4,168) | - |
| Add : Technical reserves at the begening of the period | - | - | - | - |
| Less : Technical reserves at the end of the period | (410) | - | (410) | - |
| | (410) | - | (410) | - |
| **Surplus / (Deficit)** | (12,171) | - | (4,578) | - |
| Movement in technical reserves | 410 | - | 410 | - |
| Capital contribution during the period | 50,000 | - | - | - |
| Balance of OSF at the beginning of the period | - | - | 42,407 | - |
| **Balance of OSF at the end of the period** | 38,239 | - | 38,239 | - |
| **Balance of Family Takaful statutory fund** | 40,457 | - | 40,457 | - |

## 15. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise holding company, associated companies, retirement benefit funds, directors and key management personnel. The detail of transactions with related parties and balances thereagainst other than those which have been specifically disclosed elsewhere in this condensed interim financial information are as follows:

| Relationship with the Company | Nature of transactions | **September 30, 2015 (Unaudited)** | September 30, 2014 (Unaudited) |
|---|---|---|---|
| | | **(Rupees in '000)** | |
| **i. Holding Company** | Premium written | **3,376** | 585 |
| | Claims paid | **884** | |
| | Premium paid for general insurance | **1,133** | - |
| | Charge for administrative services received | **7,574** | 4,252 |
| | Charge for administrative services provided | **6,000** | - |
| **ii. Associated undertakings** | Premium written | **19,679** | 15,099 |
| | Claims paid | **11,116** | 16,909 |
| | Brokerage charges | **20** | 60 |
| | Charge for administrative services provided | **698** | - |
| **iii. Staff retirement funds** | Contribution made to provident fund | **8,402** | 9,804 |
| | Contribution made to gratuity fund | **7,561** | 8,719 |
| **iv. Key management personnel** | Remuneration paid | **64,640** | 77,295 |
| | Mark-up on loan | **2** | 19 |
| | Premium written | **14** | 14 |
| | Net book value of fixed assets sold | **342** | 2,306 |

**Balances with related parties are as follows:**

| Relationship with the company | Nature of balance | **September 30, 2015 (Unaudited)** | December 31, 2014 (Audited) |
|---|---|---|---|
| | | **(Rupees in '000)** | |
| **i. Holding Company** | Payable for administrative services received | **998** | 701 |
| | Receivable against administrative services provided | **6,000** | - |
| **ii. Associated undertakings** | Premium receivable | **8,622** | 5,686 |
| | Claims payable | **1,074** | - |
| **iii. Key management personnel** | Loans receivable | **-** | 92 |

## 16. EARNING PER SHARE

| | Nine months period ended | | Three months period ended | |
|---|---|---|---|---|
| | **September 30, 2015** | September 30, 2014 | **September 30, 2015** | September 30, 2014 |
| | **(Rupees in '000)** | | **(Rupees in '000)** | |
| **Basic / diluted earnings per share** | | | | |
| Profit for the period | **36,901** | 42,851 | **10,893** | 13,876 |
| Weighted average number of ordinary shares | **50,000** | 50,000 | **50,000** | 50,000 |
| | **- - - - (Rupees) - - - -** | | **- - - - (Rupees) - - - -** | |
| Earning per share | **0.74** | 0.86 | **0.22** | 0.28 |

## 17. GENERAL

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

## 18. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 19, 2015 by the Board of Directors of the Company.

CHAIRMAN DIRECTOR DIRECTOR CHIEF EXECUTIVE OFFICER

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