IGI Life

Vitality®

Condensed Interim Financial Statements

For the half year ended June 30, 2022

The Directors of your Company are pleased to present the condensed interim financial statements (un-audited) for the half year June 30, 2022:

Financial Highlights:

Profit / Loss

	June 30 2022	**June 30 2021**
	(Rs. in 000') (Unaudited)	
Net profit / (loss) profit before tax	15,197	(200,416)
Taxation charged	(4,375)	(58,122)
Net profit / (loss) after tax	10,822	(142,194)
Other comprehensive loss - net	(57,783)	(3,823)
	(in Rupees)	
Earnings / (loss) per share	0.06	(0.83)
Break-up value per share (including amount retained in the statutory funds to meet the requirement of Insurance Ordinance)	9.95	11.67

During the half year 2022, gross premium written by your Company (including takaful contributions) stood at Rs. 2.940 billion as against Rs. 3.577 billion in the corresponding period last year. Individual life regular premium (including takaful contributions) posted decline of 2% and stood at Rs. 1.745 billion as against Rs. 1.783 billion in the corresponding period last year.

Group Life premiums / contribution (including takaful group family) stood at Rs. 374 million (2021: Rs. 346 million), posting a growth of 8% from corresponding period of last year. Group Health premium / contribution (including takaful group health) stood at Rs 543 million (2021: Rs. 683 million), posting a decrease of 20% from corresponding period of last year.

Single premium / contribution individual policies stood at Rs 277 million as compared to Rs. 765 million written in the corresponding period last year.

This year the company based on its strategy pruned its business to cut down the losses and rationalizing operating costs. The Company posted profit after tax of Rs. 10.822 million as compared to loss after tax of Rs. 142.294 million in corresponding period of last year. We are pleased to inform that the Company achieved profitability during the period. The management team is committed to continue efforts for further improving the performance and addressing any operational issues to strengthen financial health of the Company.

Window Takaful Operations

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

	June 30 2022	June 30 2021
Policyholder' Fund	**(Rs. in 000')**	**(Unaudited)**
Gross Contribution	1,125,309	1,393,700
Net Contribution	399,814	957,102
Investment Income	197,968	151,347
Operator's Fund		
Investment Income	12,685	5,091
Operators' loss before tax	(62,667)	(125,427)
Operators' loss after tax	(40,744)	(89,053)

Future Outlook

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

Major reasons for the losses in 2021 and 2020 respectively were increase in acquisition costs, expansion of its distribution channels of business and adverse health and life loss ratios due to COVID-19. The management is addressing these issues in particular and we look forward to turning the Company around to profitability in 2022 and beyond.

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

On behalf of the Board of Directors

Shamim Ahmad Khan
Chairman
Dated: August 24, 2022

Syed Hyder Ali
Chief Executive Officer
Dated August 24, 2022

ڈائریکٹرز رپورٹ برائے ممبران

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

مالیاتی جھلکیاں:

نفع/نقصان	30 جون 2022	30 جون 2021
	(روپے ہزاروں میں) (غیر آڈٹ شدہ)	
خالص نفع/(نقصان) قبل از ٹیکس	15,197	(200,416)
لاگو کردہ ٹیکس	(4,375)	(58,122)
خالص نفع/(نقصان) بعد از ٹیکس	10,822	(142,194)
دیگر مجموعی نقصان - خالص	(57,783)	(3,823)
	(روپوں میں)	
آمدن/(نقصان) فی شیئر	0.06	(0.83)
فی شیئر بریک اپ ویلیو (اس میں انشورنس آرڈیننس کی تعمیل میں اسٹیچوری فنڈ میں رکھی گئی رقم بھی شامل ہے)	9.95	11.67

2022 کی ششماہی میں آپ کی کمپنی کا تحریر کردہ مجموعی پریمیم (بشمول تکافل زرتعاون) گزشتہ سال کے اسی مدت کے 3.577 بلین کے مقابلے میں 2.490 بلین رہا۔ انفرادی لائف ریگولر پریمیم (بشمول تکافل زرتعاون) گزشتہ سال کے اسی مدت کے 1.783 بلین کے مقابلے میں 2% کمی کے ساتھ 1.745 بلین رہا۔

گروپ لائف پریمیم/زرتعاون (بشمول گروپ فیملی تکافل) گزشتہ سال کے اسی مدت کے مقابلے میں 8% اضافے کے ساتھ 374 ملین رہا (2021: 346 ملین)۔ گروپ ہیلتھ پریمیم/زرتعاون (بشمول گروپ ہیلتھ تکافل) گزشتہ سال کے اسی مدت کے مقابلے میں 20% کمی کے ساتھ 543 ملین رہا (2021: 683 ملین)۔

سنگل پریمیم/زرتعاون انفرادی پالیسیز گزشتہ سال کے اسی مدت کے تحریر کردہ 765 ملین کے مقابلے میں 277 ملین رہا۔

گزشتہ سال اسی مدت کے 142.294 ملین بعد از ٹیکس نقصان کے مقابلے میں کمپنی کو اس سال 10.822 ملین بعد از ٹیکس کا نفع ہوا۔ کمپنی کی انتظامیہ اور بورڈ کو 30 جون 2022 کو ختم ہونے والی ششماہی کے بعد از ٹیکس نفع کی اطلاع پر خوشی محسوس ہو رہی ہے۔ اس کے علاوہ، ہم کمپنی کی کارکردگی کو بہتر بنانے اور کمپنی کو مالی طور پر مضبوط کرنے میں حائل رکاوٹوں کے حوالے سے خوب جدوجہد کے لیے پُر عزم ہیں۔

ونڈو تکافل آپریشنز

کمپنی کے ونڈو تکافل آپریشنز کے زیر جائزہ ششماہی نتائج کا خلاصہ ذیل میں مذکور ہے:

	30 جون 2022	30 جون 2021
پالیسی ہولڈرز فنڈ	(روپے ہزاروں میں) غیر آڈٹ شدہ)	
مجموعی زرتعاون	1,125,309	1,393,700
خالص زرتعاون	399,814	957,102
سرمایہ کاری آمدن	197,968	151,347
آپریٹر فنڈ		
سرمایہ کاری آمدن	12,685	5,091
آپریٹر کا نقصان قبل از ٹیکس	(62,667)	(125,427)
آپریٹر کا نقصان بعد از ٹیکس	(40,744)	(89,053)

مستقبل کا منظر نامہ

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

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

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

منجانب بورڈ آف ڈائریکٹرز

S Ahmkhan
شمیم احمد خان
چیئرمین
بتاریخ: 24 اگست 2022

Syed Hyder Ali
سید حیدر علی
چیف ایگزیکٹیو آفیسر
بتاریخ: 24 اگست 2022

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of IGI Life Insurance Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **IGI Life Insurance Limited** ("the Company") as at June 30, 2022 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement and notes to the financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures for the quarters ended June 30, 2022 and June 30, 2021 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Emphasis of Matter

We draw attention to note 16 to the interim financial statements describing the matter related to the provincial sales tax liability on premium charged to the policyholders in respect of group health and life insurance. Our conclusion is not modified in respect of this matter.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is **Noman Abbas Sheikh**.

A.F.Ferguson & Co

A.F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: August 26, 2022
UDIN: RR202210061C2v9zciFn

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KARACHI ▪ LAHORE ▪ ISLAMABAD

IGI LIFE INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	(Un-audited) June 30, 2022	(Audited) December 31, 2021
		----------- Rupees in 000 -----------	
Assets			
Property and equipment	9	287,695	354,097
Intangible assets	9	334,002	350,785
Investments			
Equity securities	10	41,129	47,116
Mutual funds	10	5,999,207	6,095,600
Government securities	11	11,824,584	12,113,684
Debt securities	12	225,000	225,000
Term deposits	13	-	590,150
		18,089,920	19,071,550
Loans secured against life insurance policies		172,956	178,706
Insurance / takaful / reinsurance / retakaful receivables		291,829	192,913
Other loans and receivables		398,936	375,727
Taxation - payments less provision		723,041	690,471
Deferred tax asset - net		458,886	439,029
Prepayments		142,189	79,942
Cash and bank	14	468,474	312,967
Total assets		21,367,928	22,046,187
Equity and liabilities			
Capital and reserves attributable to Company's equity holders			
Authorised share capital			
(300,000,000 (December 31, 2021: 300,000,000) ordinary shares of Rs. 10 each)		3,000,000	3,000,000
Issued, subscribed and paid-up capital		1,705,672	1,705,672
Ledger account C & D		(1,065,371)	(1,043,446)
Unappropriated profit		1,154,626	1,121,879
Deficit on revaluation of available for sale investments - net		(97,707)	(39,924)
Total equity		1,697,220	1,744,181
Liabilities			
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	15	17,938,415	18,700,567
Outstanding claims		580,414	508,077
Retirement benefit obligations		29,241	29,241
Premium received in advance		338,880	334,396
Reinsurance / retakaful payables		53,281	39,348
Other creditors and accruals		620,456	545,088
Lease liability against right-of-use assets		110,021	145,289
Total liabilities		19,670,708	20,302,006
Total equity and liabilities		21,367,928	22,046,187
Contingencies and commitments	16		

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

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

IGI LIFE INSURANCE LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2022

	Note	Half year ended June 30, 2022	Half year ended June 30, 2021	Quarter ended June 30, 2022	Quarter ended June 30, 2021
		Rupees in 000			
Gross premium / contribution revenue		2,940,163	3,577,347	1,309,054	1,640,550
Less: premium / contribution ceded to reinsurers / retakaful operators		126,610	111,124	71,565	53,741
Net premium / contribution revenue	17	2,813,553	3,466,223	1,237,489	1,586,809
Investment income	18	931,976	763,286	587,781	494,086
Net realised fair value (losses) / gains on financial assets		(85,743)	64,378	(65,216)	36,746
Other income - net		34,115	32,864	18,028	17,424
		880,348	860,528	540,593	548,256
Net income		3,693,901	4,326,751	1,778,082	2,135,065
Insurance benefits		2,895,186	2,561,463	1,441,828	1,185,307
Recoveries from reinsurers / retakaful operators		(92,819)	(97,716)	(49,061)	(40,814)
Net insurance benefits	19	2,802,367	2,463,747	1,392,767	1,144,493
		891,534	1,863,004	385,315	990,572
Change in insurance liabilities (other than outstanding claims)		(297,107)	657,569	(229,135)	349,349
Acquisition expenses	20	726,286	921,543	340,720	516,337
Marketing and administration expenses	21	430,170	473,174	250,868	229,680
Other expenses	22	4,749	4,324	2,934	2,673
Total expenses		864,098	2,056,610	365,387	1,098,039
		27,436	(193,606)	19,928	(107,467)
Finance costs against right-of-use assets		12,239	6,810	9,969	3,772
Profit / (loss) before tax		15,197	(200,416)	9,959	(111,239)
Income tax	23	(4,375)	58,122	(2,854)	32,259
Profit / (loss) after tax		10,822	(142,294)	7,105	(78,980)
		Rupees		Rupees	
Earnings / (loss) per share	24	0.06	(0.83)	0.04	(0.46)

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

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

IGI LIFE INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2022

	Half year ended		Quarter ended	
	June 30, 2022	**June 30, 2021**	**June 30, 2022**	**June 30, 2021**
	----------Rupees in 000----------			
Profit / (loss) after tax	10,822	(142,294)	7,105	(78,980)
Other comprehensive (loss) / income				
Change in unrealised loss on available-for-sale financial assets	(533,717)	(57,790)	(497,046)	(56,630)
Less: taxation	10,889	2,434	8,995	(2,132)
Change in unrealised loss on available-for-sale financial assets - net of tax	(522,828)	(55,356)	(488,051)	(58,762)
Change in insurance liabilities - net	465,045	51,533	439,304	65,735
Other comprehensive (loss) / income for the period	(57,783)	(3,823)	(48,747)	6,973
Total comprehensive loss for the period	(46,961)	(146,117)	(41,642)	(72,007)

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

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

IGI LIFE INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2022

	Attributable to equity holders of the Company				
				Capital reserve	
	Share capital	Un-appropriated profit *	Ledger C & D account **	Net (deficit) / surplus on revaluation of available for sale investments ***	Total
	-----Rupees in '000-----				
Balance as at December 31, 2020 (audited)	1,705,672	1,070,680	(641,955)	2,331	2,136,728
Total comprehensive income / (loss)					
Profit / (loss) for the half year ended June 30, 2021	-	25,392	(167,686)	-	(142,294)
Other comprehensive loss for the half year ended June 30, 2021	-	-	-	(3,823)	(3,823)
	-	25,392	(167,686)	(3,823)	(146,117)
Balance as at June 30, 2021 (un-audited)	1,705,672	1,096,072	(809,641)	(1,492)	1,990,611
Total comprehensive income / (loss)					
Profit / (loss) for the half year ended December 31, 2021	-	25,807	(232,670)	-	(206,863)
Other comprehensive loss for the half year ended December 31, 2021	-	-	(1,135)	(38,432)	(39,567)
	-	25,807	(233,805)	(38,432)	(246,430)
Balance as at December 31, 2021 (audited)	1,705,672	1,121,879	(1,043,446)	(39,924)	1,744,181
Total comprehensive income / (loss)					
Profit / (loss) for half year ended June 30, 2022	-	32,747	(21,925)	-	10,822
Other comprehensive loss for half year ended June 30, 2022	-	-	-	(57,783)	(57,783)
	-	32,747	(21,925)	(57,783)	(46,961)
Balance as at June 30, 2022 (un-audited)	1,705,672	1,154,626	(1,065,371)	(97,707)	1,697,220

* This includes an amount of Rs. 50 million set aside by the Company in respect of Takaful operations.
** This represents reserve appropriated to shareholders.
*** This balance is net of related change in insurance liabilities.

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

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

IGI LIFE INSURANCE LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022

	Note	Half year ended	
		June 30, 2022	June 30, 2021
		-------------Rupees in 000-------------	
Operating cash flows			
(a) Underwriting activities			
Premiums received net of policy transfers		2,838,553	3,631,132
Reinsurance premium paid		(168,976)	(152,164)
Claims paid		(731,160)	(718,998)
Surrenders paid		(2,088,689)	(1,686,504)
Reinsurance recovery received		99,997	106,502
Commission paid		(467,712)	(519,066)
Commission received		28,433	24,557
Net cash (outflow) on / inflow from underwriting activities		(489,554)	685,459
(b) Other operating activities			
Income tax paid		(45,945)	(35,011)
Marketing and administrative expenses paid		(658,596)	(860,658)
Other operating receipts		7,635	15,233
Loans advanced		14,863	3,938
Loan repayments received		2,178	3,232
Net cash outflow on other operating activities		(679,865)	(873,266)
Total cash outflow on all operating activities		(1,169,419)	(187,807)
Investment activities			
Profit / return received		643,167	499,877
Dividend received		244,685	214,062
Payment for investments		(2,495,319)	(1,489,721)
Proceeds from disposal of investments		190,454	755,651
Fixed capital expenditure		(34,784)	(64,827)
Proceeds from disposals of fixed assets		9,459	2,436
Capital work in progress		(2,913)	(25,013)
Total cash outflow on investing activities		(1,445,251)	(107,535)
Financing activities			
Dividends paid		(1)	-
Total cash outflow on financing activities		(1)	-
Net cash outflow on all activities		(2,614,671)	(295,342)
Cash and cash equivalents at beginning of the period		7,772,539	1,464,863
Cash and cash equivalents at end of the period	14.2	5,157,868	1,169,521
Reconciliation to the condensed interim profit and loss account			
Operating cash flows		(1,169,419)	(187,807)
Depreciation and amortisation expenses		(76,132)	(80,903)
Gain on disposal of fixed assets		(6,459)	2,199
Increase in assets other than cash		14,107	76,834
Decrease / (Increase) in liabilities		892,979	(734,259)
Investment income		338,380	773,856
Profit received on bank deposits		17,366	7,786
Profit / (loss) after taxation		10,822	(142,294)

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

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 IGI Life Insurance Limited ("the Company") was incorporated in Pakistan on October 9, 1994 as a public limited company under the Companies Ordinance, 1984 (now the Companies Act, 2017). Its shares are quoted on the Pakistan Stock Exchange Limited. The Company commenced its operations on May 25, 1995 after registration with the Controller of Insurance on April 30, 1995. The registered office of the Company is situated at 7th Floor, The Forum, Suite No. 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi. The registered office is also the principal office of the Company.

1.2 The Company is a subsidiary of IGI Holdings Limited ("Holding Company") which holds 82.69% (December 31, 2021: 82.69%) share capital of the Company.

1.3 The Company is engaged in life insurance, carrying on both participating and non-participating business. The Company is also engaged in providing Shariah Compliant family takaful products as an approved window takaful operator.

1.4 In accordance with the requirements of the Insurance Ordinance, 2000, the Company established a Shareholders' Fund and Separate Statutory Funds, in respect of each class of life insurance and family takaful business. The Statutory Funds established by the Company, in accordance with the advice of the Appointed Actuary, are as follows:

- Life (participating)
- Life (non-participating) – Individual
- Life (non-participating) – Group
- Accident & Health – Individual
- Accident & Health – Group
- Pension Business Fund
- Investment Linked
- Individual Family Takaful
- Accident & Health Takaful – Individual
- Group Family Takaful
- Group Health Takaful

2 BASIS OF PREPARATION

These condensed interim financial statements have been presented in accordance with the requirements of the Insurance Rules, 2017 issued through S.R.O. 88 (I) / 2017 dated February 09, 2017 by the Securities and Exchange Commission of Pakistan (SECP).

The Securities and Exchange Commission of Pakistan (the SECP), in exercise of the powers conferred under Rule 11(1)(c) of the Takaful Rules, 2012, has imposed certain conditions vide its Circular No. 15 of 2019 dated November 18, 2019 on life insurers related to financial reporting of their window takaful operations. Under these conditions, the Life Insurers shall separately prepare financial statements for family takaful operations as if these are carried out by a Standalone Takaful Operator and shall be annexed with the insurer's annual / interim report (as applicable).

Accordingly, the Company has prepared and annexed to these condensed interim financial statements, a standalone set of the financial statements for Window Takaful Operations of the Company, as if these are carried out by a Standalone Takaful Operator. This standalone set of condensed interim financial statements for Window Takaful Operations of the Company is unaudited and un-reviewed and are being submitted in compliance with the conditions imposed by the SECP as detailed above.

2.1 Statement of compliance

2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards comprise of:

- Accounting Standards (IAS 34) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012.

In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful rules, 2012 shall prevail.

2.1.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2021.

2.1.3 These condensed interim financial statements are unaudited and are being submitted to shareholders in accordance with the Pakistan Stock Exchange Limited Regulations and section 237 of the Companies Act, 2017.

3 BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared on historical cost convention except for certain investments which are carried at fair value and obligations in respect of defined benefit obligation is carried at present value.

4 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These condensed interim financial statements are presented in Pakistani rupees, which is the Company's functional and presentation currency.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these condensed interim financial statements are same as those applied in the preparation of financial statements of the Company for the year ended December 31, 2021.

5.1 Standards, interpretations of and amendments to the accounting and reporting standards that are effective in the current period:

There are certain new and amended standards and interpretations that are mandatory for the Company's accounting period beginning on or after January 1, 2022, but are considered not to be relevant or do not have any significant effect on the Company's operations and are therefore not detailed in these condensed interim financial statements.

5.2 Standards, interpretations of and amendments to the accounting and reporting standards that are not yet effective:

5.2.1 The following revised standards, amendments and interpretations with respect to the accounting and reporting standards would be effective for the dates mentioned below against the respective standards, amendments or interpretations:

	Effective date (period beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2023
- IFRS 9 - 'Financial Instruments'	January 1, 2023*

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

* The management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Further details relating to temporary exemption from the application of IFRS 9 is given in note 8 to these condensed interim financial statements.

The management is in the process of assessing the impact of these amendments on the condensed interim financial statements of the Company.

5.2.2 There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting period beginning on or after January 1, 2023, but are considered not to be relevant or will not have any significant effect on the Company's operations and are therefore not detailed in these condensed interim financial statements.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those applied to the annual audited financial statements for the year ended December 31, 2021. The Company intends to have an actuarial valuation in respect of staff retirement benefit plan for 2022 conducted at the year end. Hence actuarial gains / losses for the six months ended June 30, 2022 are not quantifiable and are also considered immaterial by the management. Accordingly the resulting impact has not been accounted for in these condensed interim financial statements.

7 INSURANCE AND FINANCIAL RISK MANAGEMENT

The Company's insurance and financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended December 31, 2021.

8 TEMPORARY EXEMPTION FROM APPLICATION OF IFRS 9

As an insurance company, the management has opted temporary exemption from the application of IFRS 9 as allowed by the International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosures, as required by the IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given in note 8.1 below:

8.1 Fair value of financial assets as at June 30, 2022 and change in the fair values during the half year ended June 30, 2022:

Financial assets with contractual cash flows that meet the SPPI criteria, excluding those held for trading	**Note**	**(Un-audited) June 30, 2022**	**(Audited) December 31, 2021**
		---------- Rupees in 000 ----------	
Pakistan Investment Bonds - available for sale (refer note 11)			
Opening fair value		4,966,853	2,775,342
Additions during the period		19,409	2,309,549
Decrease in fair value		(103,448)	(118,038)
Closing fair value		4,882,814	4,966,853
Market Treasury Bills - available for sale (refer note 11)			
Opening fair value		6,869,422	10,589,744
Disposals during the period		(166,549)	(3,711,933)
Decrease in fair value		(39,863)	(8,389)
Closing fair value		6,663,010	6,869,422
GOP Ijarah Sukuk - available for sale (refer note 11)			
Opening fair value		277,409	275,167
Disposals during the period		(5,513)	(129)
Increase in fair value		6,864	2,371
Closing fair value		278,760	277,409
Debt Securities - available for sale (refer note 12)			
Opening fair value		225,000	225,000
Additions / disposals during the period		-	-
Increase / (decrease) in fair value		-	-
Closing fair value		225,000	225,000
Financial assets that do not meet the SPPI criteria			
Mutual funds - available for sale (refer note 10)			
Opening fair value		6,095,600	4,007,910
Additions during the period		225,929	2,877,654
Decrease in fair value		(322,322)	(789,964)
Closing fair value		5,999,207	6,095,600
Listed equities - available for sale (refer note 10)			
Opening fair value		47,116	43,143
Additions during the period		1,308	3,757
(Decrease) / increase in fair value		(7,295)	216
Closing fair value		41,129	47,116

9 PROPERTY AND EQUIPMENT

Tangible assets (including right-of-use-assets)		284,221	350,623
Capital work-in-progress		3,474	3,474
		287,695	354,097
Intangible assets		334,002	350,785
	9.1	621,697	704,882

	Note	(Un-audited) June 30, 2022	(Audited) December 31, 2021
		---------- Rupees in 000 ----------	
9.1 Opening net book value		695,625	708,677
Add: additions during the period / year			
- Leasehold improvements		161	17,175
- Furniture and fixtures		-	16,746
- Office equipment		-	4,177
- Computer equipment		1,463	21,223
- Motor vehicles - owned		-	82
- Right-of-use assets		-	71,388
- Software and licenses		7,458	20,942
		9,082	151,733
Less: net book value of disposals			
- Leasehold improvements		8,620	43
- Furniture and fixtures		6,528	1,772
- Office equipment		731	859
- Computer equipment		39	49
- Motor vehicles - owned		-	-
- Right-of-use assets		3,130	2,418
- Software and licenses		-	-
		19,048	5,141
Less: depreciation and amortisation for the period / year		76,132	159,644
Closing net book value		609,527	695,625
Add: capital work-in-progress			
- Advance against civil works		3,474	3,474
- Advance against software		8,696	5,783
		621,697	704,882

		(Un-audited) June 30, 2022			(Audited) December 31, 2021		
		Carrying amount	Market value	Deficit on revaluation of investments	Carrying amount	Market value	Surplus / (deficit) on revaluation of investments
		----------Rupees in 000----------					
10 INVESTMENTS IN EQUITY SECURITIES							
Available for sale							
Listed equity securities		44,385	41,129	(3,256)	43,077	47,116	4,039
Mutual Funds		6,413,100	5,999,207	(413,893)	6,187,171	6,095,600	(91,571)
		6,457,485	6,040,336	(417,149)	6,230,248	6,142,716	(87,532)
11 INVESTMENTS IN GOVERNMENT SECURITIES							
Available for sale							
Pakistan Investment Bonds	11.1 & 11.2	5,100,903	4,882,814	(218,089)	5,081,494	4,966,853	(114,641)
Market Treasury Bills	11.3	6,708,591	6,663,010	(45,581)	6,875,140	6,869,422	(5,718)
GOP Ijarah Sukuk	11.4	279,114	278,760	(354)	284,627	277,409	(7,218)
		12,088,608	11,824,584	(264,024)	12,241,261	12,113,684	(127,577)

11.1 The effective yield on Pakistan Investment Bonds ranges from 9.12% to 11.88% (December 31, 2021: 7.80% to 11.88%) per annum. The market yield ranges from 7.5% to 12.00% (December 31, 2021: 7.17% to 12%) per annum. These are due to mature by August, 2029.

11.2 The Company has deposited 5 years Pakistan Investment Bonds having face value amounting to Rs. 193 million (December 31, 2021: Rs. 193 million) with the State Bank of Pakistan under section 29 of the Insurance Ordinance, 2000.

11.3 The effective yield on Market Treasury Bills ranges from 10.60% to 15.25% (December 31, 2021: 7.10% to 10.31%) per annum. The market yield ranges from 13.67% to 15.20% (December 31, 2021: 10.05% to 10.28%) per annum. These are due to mature by March, 2023.

11.4 The effective yield on GOP Ijarah Sukuk ranges from 13.45% to 14.74% (December 31, 2021: 5.95% to 8.53%) per annum and are due to mature by April, 2025.

12 INVESTMENTS IN DEBT SECURITIES

	Note	(Un-audited) June 30, 2022			(Audited) December 31, 2021		
		Carrying amount	Market value	Surplus / (deficit) on revaluation of investments	Carrying amount	Market value	Surplus / (deficit) on revaluation of investments
		Rupees in 000					
Available for sale							
Unlisted term finance certificates	12.1	225,000	225,000	-	225,000	225,000	-
		225,000	225,000	-	225,000	225,000	-

12.1 The effective yield on term finance certificates ranges from 14.01% to 17.32% (December 31, 2021: 9.61% to 13.50%) per annum.

13 INVESTMENTS IN TERM DEPOSITS

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

14 CASH AND BANK

	Note	(Un-audited) June 30, 2022	(Audited) December 31, 2021
		Rupees in 000	
Cash in hand		728	453
Cash at bank			
- Savings accounts	14.1	467,746	312,514
		468,474	312,967

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

14.2 Cash and cash equivalents

	Note	(Un-audited) June 30, 2022	(Audited) December 31, 2021
		Rupees in 000	
Cash and bank balances	14	468,474	312,967
Term deposit receipts (with original maturity of less than 3 months)	13	-	590,150
Treasury Bills (with original maturity of less than 3 months)		4,689,394	6,869,422
		5,157,868	7,772,539

	Note	(Un-audited) June 30 2022	(Audited) December 31, 2021
		---------- Rupees in 000 ----------	
15 INSURANCE LIABILITIES			
Incurred but not reported claims		172,595	189,143
Investment component of unit-linked and account value policies		9,830,978	10,407,554
Liabilities under individual conventional insurance contracts		6,546,181	6,721,168
Liabilities under group insurance contracts		338,368	319,592
Other insurance liabilities		580,122	606,333
Ledger account A and B		470,171	456,777
		17,938,415	18,700,567

16 CONTINGENCIES AND COMMITMENTS

16.1 With effect from November 1, 2018, the Punjab Revenue Authority (PRA), withdrew the exemption on both, life and health insurance, and subjected the same to the levy of Punjab Sales Tax (PST). Previously, the Sindh Revenue Board (SRB) had withdrawn similar exemptions granted in Sindh. However, during 2019, the Sindh Revenue Board, vide notification no. SRB 3-4/5/2019 dated May 8, 2019, restored the exemption on both, life and health insurance business uptil June 30, 2019.

With effect from July 1, 2019, in Sindh, the SRB, vide its notifications SRB-3-4/16/2019 and SRB-3-4/14/2020, extended the exemption to health insurance upto June 30, 2021. For individual life insurance, the SRB prescribed a reduced rate of 3% on gross premium written. The exemption to Group Life insurance lapsed on June 30, 2019. Hence, Group Life Insurance was made taxable at the full rate of 13%. The SRB, however, vide its notification SRB-3-4/13/2020 dated June 22, 2020, provided exemptions to Individual Life and Group Life Insurance subject to e-deposit of sales tax payable thereon, as were provided or rendered during the period from July 1, 2019 till June 30, 2020. The Company, however, has not availed this exemption.

With effect from April 2, 2020, in Punjab, the Government of the Punjab (Finance department), as part of COVID relief, amended Second Schedule to the Punjab Sales Tax on Services Act, 2012 and changed sales tax rates on health and life insurance to 0% without input tax adjustment for the period from notification's effective date till June 30, 2020. This tax exemption is however retained only in case of Individual Health Insurance through the Punjab Finance Act, 2020 which is effective from July 1, 2020.

The Insurance Association of Pakistan (IAP) had taken up the matter extensively with PRA and SRB for restoration of the exemptions that were withdrawn, besides seeking legal advice. The legal advisors of the IAP/Company have confirmed the contention of the Company that insurance is not a service, but infact, in sum and substance, a contingent contract under which payment is made on the occurrence of an event, specified in the terms of contract or policy, and is thus a financial arrangement. Superior courts in foreign jurisdictions have held that insurance is not a service.

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

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

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

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

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

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

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

Had the sales tax liability on life insurance and health insurance premium been recorded, the profit after tax would have decreased by Rs. 368.187 million (December 31, 2021: Rs 309.424 million) while sales tax liability as at June 30, 2022 would have been higher by Rs. 518.574 million (December 31, 2021: Rs 435.809 million).

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

	(Un-audited) For the half year ended June 30, 2022	(Un-audited) For the half year ended June 30, 2021
	Rupees in 000	
17 NET PREMIUM / CONTRIBUTION REVENUE		
Gross premiums / contribution:		
Regular premium / contribution individual policies*		
First year	681,753	899,031
Second year renewal	444,147	122,902
Subsequent year renewal	619,554	761,414
Single premium / contribution individual policies	277,530	765,236
Group policies without cash value	917,179	1,028,764
Total gross premiums / contribution	2,940,163	3,577,347
Less: reinsurance premium / contribution ceded		
On individual life first year business	14,983	18,578
On individual life second year business	18,718	7,560
On individual life renewal business	19,522	19,003
On single premium policies	831	1,449
On individual accident and health first year	1,651	3,778
On group policies	99,338	85,313
Less: commission from reinsurers	(28,433)	(24,557)
	126,610	111,124
Net premium / contribution	2,813,553	3,466,223

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

		(Un-audited) For the half year ended	
		June 30, 2022	June 30, 2021
		Rupees in 000	
18	**INVESTMENT INCOME**		
	Return on government securities	640,689	509,616
	Amortisation of discount	20,379	8,809
	Dividend income	244,685	214,062
	Profit on term deposit receipts	11,750	20,768
	Profit on debt securities	14,473	10,031
		931,976	763,286
19	**NET INSURANCE BENEFITS**		
	Gross claims		
	Claims under individual policies		
	By death	115,129	126,006
	By maturity	3,416	3,192
	By surrender	2,085,273	1,686,504
	Total gross individual policy claims	2,203,818	1,815,702
	Claims under group policies		
	by death	258,331	337,166
	by insured event other than death	430,037	402,676
	experience refund	3,000	5,919
	Total gross group policy claims	691,368	745,761
	Total gross policy claims	2,895,186	2,561,463
	Less: reinsurance recoveries		
	On individual life claims	37,064	44,243
	On group life claims	55,755	53,473
		92,819	97,716
	Net insurance benefit expense	2,802,367	2,463,747
20	**ACQUISITION EXPENSES**		
	Remuneration to insurance intermediaries on individual policies:		
	- Commission on first year premiums / contribution	269,109	366,666
	- Commission on second year premiums / contribution	27,929	7,870
	- Commission on subsequent renewal premiums / contribution	17,972	25,939
	- Commission on single premiums / contribution	7,840	24,786
	- Other benefits to insurance intermediaries	243,856	328,807
		566,706	754,068
	Remuneration to insurance intermediaries on group policies:		
	- Commission	84,461	40,095
	- Other benefits to insurance intermediaries	3,719	2,101
		88,180	42,196
	Branch overheads:		
	- Salaries and other benefits	27,329	61,709
	- Other operational cost	34,789	54,482
		62,118	116,191
	Other acquisition cost :		
	- Policy stamps	9,282	9,088
		726,286	921,543

	------------(Un-audited)-----------	
	For the half year ended	
	June 30, 2022	June 30, 2021
21 MARKETING AND ADMINISTRATION EXPENSES	----------Rupees in 000----------	
Salaries, allowances & other benefits	193,173	191,266
Travelling expenses	9,715	2,224
Directors fees	4,177	4,200
Regulators fee	8,144	6,667
Actuary's fees	4,430	3,999
Legal and professional charges	2,138	6,594
Advertisement and publicity	6,603	8,226
Printing and stationery	7,552	12,709
Depreciation and amortisation	76,132	80,903
Rentals	12,213	22,533
Vehicles and general repair and maintenance	64,498	70,438
Utilities-electricity, water and gas	9,736	5,857
Transportation	4,407	910
Communication	8,348	9,894
Consultancy fee	3,752	6,314
Training and workshop	995	1,404
Insurance	3,030	3,705
Interest on premium deposit in advance	386	469
Social security	522	1,529
Entertainment	4,540	12,098
Miscellaneous expenses	5,679	21,235
	430,170	473,174
22 OTHER EXPENSES		
Auditors' remuneration	4,749	4,324

23 TAXATION

As per Income Tax Ordinance, 2001, the current tax expense is chargeable to income attributable to shareholder's fund only. During the half year ended June 30, 2022, the shareholder's fund reflected a profit before tax of Rs. 46.122 million resulting in current tax amounting to Rs.13.375 million.

The Income Tax Ordinance, 2000 requires insurance companies to charge tax on the surplus transferred to shareholder's fund. However, due to application of the Insurance Accounting Regulations, 2017, the surplus generated by statutory funds (other than participating fund) of the Company are also presented in profit and loss account on aggregate basis. Therefore the Company has recognised deferred tax of Rs. 435.165 million (December 31, 2021: Rs. 426.2 million) in this respect.

	----------------------------------Un-audited------------------------------			
	Half year ended		Quarter ended	
24 EARNINGS / (LOSS) PER SHARE	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	------------------------------Rupees in 000-----------------------------			
Basic / diluted earning / (loss) per share				
Profit / (loss) for the period	10,822	(142,294)	7,105	(78,980)
	-----------No of shares----------		-----------No of shares----------	
Weighted average number of ordinary shares	170,567,200	170,567,200	170,567,200	170,567,200
	------------ (Rupees)---------------		------------ (Rupees)---------------	
Earning / (loss) per share	0.06	(0.83)	0.04	(0.46)

25 SEGMENT INFORMATION

Each class of business has been identified as a reportable segment. The following is a schedule of class of business wise assets, liabilities, revenues and results have been disclosed in accordance with the requirements of the Insurance Ordinance, 2000, the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017:

25.1 Revenue account by statutory funds

	(Un-audited)											
	For the half year ended June 30, 2022											
	CONVENTIONAL - STATUTORY FUNDS							TAKAFUL - STATUTC				
	Life	Life (Non-participating)		Investment	Accident & Health		Pension	Individual	Individual	Group	Group	Total
	(Participating)	Individual	Group	Linked	Individual	Group	Business Fund	Family	Accidental and Health	Family	Health	
	Rupees in '000											
INCOME												
Premiums / contribution less reinsurances / retakaful	8,534	311,075	215,866	638,547	4,833	480,538	37,058	1,002,450	1,840	58,810	25,569	2,785,120
Net investment income	82,524	149,444	(281)	35,154	(45)	-	8,277	(19,915)	324	853	4,006	260,341
Other income - net	4,295	15,730	1,573	8,953	38	12,313	1,317	1,596	(5)	(142)	(19)	45,649
Total net income	95,353	476,249	217,158	682,654	4,826	492,851	46,652	984,131	2,159	59,521	29,556	3,091,110
CLAIMS AND EXPENDITURE												
Claims, including bonuses, net of reinsurance recoveries	117,030	452,870	183,225	1,006,027	3,452	406,417	181	586,360	1,015	22,351	23,439	2,802,367
Management expenses less recoveries	4,084	124,814	53,659	309,000	12,095	111,118	-	481,254	1,296	10,039	17,269	1,124,628
Total claims and expenditure	121,114	577,684	236,884	1,315,027	15,547	517,535	181	1,067,614	2,311	32,390	40,708	3,926,995
Excess / (shortage) of Income over claims and expenditure	(25,761)	(101,435)	(19,726)	(632,373)	(10,721)	(24,684)	46,471	(83,483)	(152)	27,131	(11,152)	(835,885)
Add: Policyholders' liabilities at beginning of the period	1,627,464	5,373,432	120,654	6,336,304	20,256	325,979	267,072	4,184,891	5,763	(15,479)	(2,546)	18,243,790
Less: Policyholders' liabilities at end of the period	(1,588,309)	(5,193,926)	(127,362)	(5,775,596)	(21,026)	(270,490)	(315,172)	(4,163,983)	(6,014)	(13,358)	6,992	(17,468,244)
Movement in policyholders' liabilities	39,155	179,506	(6,708)	560,708	(770)	55,489	(48,100)	20,908	(251)	(28,837)	4,446	775,546
Surplus / (deficit) before tax	13,394	78,071	(26,434)	(71,665)	(11,491)	30,805	(1,629)	(62,575)	(403)	(1,706)	(6,706)	(60,339)
Taxation	-	(38,751)	10,631	20,340	3,319	(8,934)	472	18,018	150	742	3,013	9,000
Surplus / (deficit) after tax	13,394	39,320	(15,803)	(51,325)	(8,172)	21,871	(1,157)	(44,557)	(253)	(964)	(3,693)	(51,339)
Movement in policyholders' liabilities	(39,155)	(179,506)	6,708	(560,708)	770	(55,489)	48,100	(20,908)	251	28,837	(4,446)	(775,546)
Transfers (to) or from shareholders' fund												
- Capital contributions from shareholders' fund	-	-	-	-	-	-	-	-	-	-	-	-
- Qard-e-Hasna from Operators' Sub Fund to PTF	-	-	-	-	-	-	-	-	-	-	-	-
- Qard-e-Hasna received from PTF to Operators' Sub Fund	-	-	-	-	-	-	-	-	-	-	-	-
- Capital returned to shareholder's fund	-	-	-	-	-	-	-	-	-	-	-	-
- Surplus appropriated to shareholders' fund	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Balance of statutory fund at beginning of the period	2,084,241	5,713,320	242,059	6,016,888	14,275	284,191	276,570	3,642,390	5,818	(6,846)	16,945	18,289,851
Balance of statutory fund at end of the period	**2,058,480**	**5,573,134**	**232,964**	**5,404,855**	**6,873**	**250,573**	**323,513**	**3,576,925**	**5,816**	**21,027**	**8,806**	**17,462,966**
Represented by:												
Capital contributed by shareholders' fund	-	-	150,000	242,100	42,000	-	6,000	101,500	-	16,200	92,500	650,300
Policyholders' liabilities / PTF	1,588,309	5,193,926	127,362	5,775,596	21,026	270,490	315,172	4,163,983	6,014	13,358	(6,992)	17,468,244
Retained earnings attributable to policyholders (Ledger Account A)	442,274	-	-	-	-	-	-	-	-	-	-	442,274
Retained earnings on par business attributable to shareholders - undistributable (Ledger Account B)	27,897	-	-	-	-	-	-	-	-	-	-	27,897
Retained earnings on other than participating business (Ledger Account D) / PTF	-	415,392	(43,458)	(607,728)	(56,003)	(19,917)	2,341	(678,399)	(117)	(7,687)	(73,245)	(1,068,821)
Revaluation surplus / (deficit) on revaluation of available for sale investments	-	(36,184)	(940)	(5,113)	(150)	-	-	(10,159)	(81)	(844)	(3,457)	(56,928)
BALANCE OF STATUTORY FUND	**2,058,480**	**5,573,134**	**232,964**	**5,404,855**	**6,873**	**250,573**	**323,513**	**3,576,925**	**5,816**	**21,027**	**8,806**	**17,462,966**

	(Un-audited)											
	For the half year ended June 30, 2021											
	CONVENTIONAL - STATUTORY FUNDS							TAKAFUL - STATUTC				
	Life (Participa-ting)	Life (Non-participating) Individual	Life (Non-participating) Group	Investment Linked	Accident & Health Individual	Accident & Health Group	Pension Business Fund	Individual Family	Individual Accidental and Health	Group Family	Group Health	Total
	Rupees in '000											
INCOME												
Premiums/contribution less reinsurances/retakaful	11,180	274,906	237,848	914,980	9,543	591,175	37,614	1,283,182	4,424	23,571	53,243	**3,441,666**
Net investment income	85,645	252,893	362	288,242	58	-	4,890	71,520	-	126	542	**704,278**
Other income - net	3,934	7,432	899	3,707	56	13,730	834	20,020	9	370	2,210	**53,201**
Total net income	100,759	535,231	239,109	1,206,929	9,657	604,905	43,338	1,374,722	4,433	24,067	55,995	**4,199,145**
CLAIMS AND EXPENDITURE												
Claims, including bonuses, net of reinsurance recoveries	79,154	584,613	271,349	861,649	639	385,187	4,484	245,404	-	10,543	20,725	**2,463,747**
Management expenses less recoveries	5,036	132,766	25,055	423,891	16,467	117,307	-	602,535	1,871	15,449	27,440	**1,367,817**
Total claims and expenditure	84,190	717,379	296,404	1,285,540	17,106	502,494	4,484	847,939	1,871	25,992	48,165	**3,831,564**
Excess / (shortage) of Income over claims and expenditure	16,569	(182,148)	(57,295)	(78,611)	(7,449)	102,411	38,854	526,783	2,562	(1,925)	7,830	**367,581**
Add: Policyholders' liabilities at beginning of the period	1,608,424	5,889,954	173,327	6,661,453	18,173	264,633	178,582	2,898,419	2,014	(12,790)	(22,991)	**17,659,198**
Less: Policyholders' liabilities at end of the period	(1,621,377)	(5,654,082)	(178,399)	(6,682,703)	(22,441)	(358,128)	(216,662)	(3,532,315)	(4,904)	11,497	(2,104)	**(18,261,618)**
Movement in policyholders' liabilities	(12,953)	235,872	(5,072)	(21,250)	(4,268)	(93,495)	(38,080)	(633,896)	(2,890)	(1,293)	(25,095)	**(602,420)**
Surplus / (deficit) before tax	3,616	53,724	(62,367)	(99,861)	(11,717)	8,916	774	(107,113)	(328)	(3,218)	(17,265)	**(234,839)**
Taxation	-	(14,961)	18,003	28,502	3,385	(2,585)	(224)	30,486	95	906	4,887	**68,494**
Surplus / (deficit) after tax	3,616	38,763	(44,364)	(71,359)	(8,332)	6,331	550	(76,627)	(233)	(2,312)	(12,378)	**(166,345)**
Movement in policyholders' liabilities	12,953	(235,872)	5,072	21,250	4,268	93,495	38,080	633,896	2,890	1,293	25,095	**602,420**
Transfers (to) or from shareholders' fund												
- Capital contributions from shareholders' fund	-	-	-	-	-	-	-	-	-	-	-	**-**
- Qard-e-Hasna from Operators' Sub Fund to PTF	-	-	-	-	-	-	-	-	-	-	-	**-**
- Qard-e-Hasna received from PTF to Operators' Sub Fund	-	-	-	-	-	-	-	-	-	-	-	**-**
- Capital returned to shareholder's fund	-	-	-	-	-	-	-	-	-	-	-	**-**
- Surplus appropriated to shareholders' fund	-	-	-	-	-	-	-	-	-	-	-	**-**
	-	-	-	-	-	-	-	-	-	-	-	**-**
Balance of statutory fund at beginning of the period	2,101,250	6,110,213	175,633	6,502,999	25,083	288,221	186,904	2,603,437	1,486	894	20,740	**18,016,860**
Balance of statutory fund at end of the period	**2,117,819**	**5,913,104**	**136,341**	**6,452,890**	**21,019**	**388,047**	**225,534**	**3,160,706**	**4,143**	**(125)**	**33,457**	**18,452,935**
Represented by:												
Capital contributed by shareholders' fund	-	-	-	242,100	42,000	-	6,000	101,500	-	16,200	92,500	**500,300**
Policyholders' liabilities / PTF	1,621,377	5,654,082	178,399	6,682,703	22,441	358,128	216,662	3,532,315	4,904	(11,497)	2,104	**18,261,618**
Retained earnings attributable to policyholders (Ledger Account A)	451,532	-	-	-	-	-	-	-	-	-	-	**451,532**
Retained earnings on par business attributable to shareholders - undistributable (Ledger Account B)	44,910	-	-	-	-	-	-	-	-	-	-	**44,910**
Retained earnings on other than participating business (Ledger Account D) / PTF	-	247,681	(41,534)	(469,064)	(43,339)	29,919	2,872	(470,229)	(761)	(4,688)	(60,498)	**(809,641)**
Revaluation surplus / (deficit) on revaluation of available for sale investments	-	11,341	(524)	(2,849)	(83)	-	-	(2,880)	-	(140)	(649)	**4,216**
BALANCE OF STATUTORY FUND	**2,117,819**	**5,913,104**	**136,341**	**6,452,890**	**21,019**	**388,047**	**225,534**	**3,160,706**	**4,143**	**(125)**	**33,457**	**18,452,935**

25.2 Condensed Interim Statement of Financial Position by Segment

	Un-audited June 30, 2022 Shareholders Fund	Statutory Funds	Total	Audited December 31, 2021 Shareholders Fund	Statutory Funds	Total
	Rupees in 000			Rupees in 000		
Assets						
Property and equipment	80,873	206,822	287,695	107,513	246,584	354,097
Intangible assets	24,644	309,358	334,002	12,559	338,226	350,785
Investments						
Equity securities	-	41,129	41,129	-	47,116	47,116
Mutual funds	-	5,999,207	5,999,207	-	6,095,600	6,095,600
Government securities	330,863	11,493,721	11,824,584	485,687	11,627,997	12,113,684
Debt securities	-	225,000	225,000	-	225,000	225,000
Term deposits	-	-	-	-	590,150	590,150
Loans secured against life insurance policies	-	172,956	172,956	-	178,706	178,706
Insurance / takaful / reinsurance / retakaful receivables	-	291,829	291,829	-	192,913	192,913
Other loans and receivables	64,677	334,259	398,936	56,917	318,810	375,727
Taxation - payments less provision	723,041	-	723,041	690,471	-	690,471
Deferred tax asset - net	458,886	-	458,886	439,029	-	439,029
Prepayments	8,156	134,033	142,189	8,561	71,381	79,942
Cash and bank	728	467,746	468,474	453	312,514	312,967
Total assets	**1,691,868**	**19,676,060**	**21,367,928**	**1,801,190**	**20,244,997**	**22,046,187**
Liabilities						
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	-	17,938,415	17,938,415	-	18,700,567	18,700,567
Outstanding claims	-	580,414	580,414	-	508,077	508,077
Retirement benefit obligations	29,241	-	29,241	29,241	-	29,241
Premium received in advance	-	338,880	338,880	88,694	245,702	334,396
Reinsurance / retakaful payables	-	53,281	53,281	-	39,348	39,348
Other creditors and accruals	265,908	354,548	620,456	158,688	386,400	545,088
Liabilities against right-of-use assets	110,021	-	110,021	145,289	-	145,289
Total liabilities	**405,170**	**19,265,538**	**19,670,708**	**421,912**	**19,880,094**	**20,302,006**

26 TRANSACTIONS WITH RELATED PARTIES

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

26.1 The details of transactions with related parties, other than those which have been specifically disclosed elsewhere in the condensed interim financial statements are as follows:

	(Un-audited) For the half year ended June 30							
	Holding Company		Post Employment Benefit Plans		Key Management Personnel		Other Related Parties	
	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in '000)							
Transactions								
Premium underwritten	-	-	-	-	-	-	73,126	62,002
Premium paid for general insurance	-	-	-	-	-	-	1,852	2,067
Claims paid	795	-	-	-	-	-	36,672	25,076
Claims received	-	-	-	-	-	-	490	633
Charge for administrative services received	-	-	-	-	-	-	44,996	41,555
Charge for administrative services provided	-	-	-	-	-	-	5,873	7,066
Rent expense	-	-	-	-	-	-	15,260	20,665
Purchase of fixed asset	-	-	-	-	-	-	-	-
Proceeds from disposal of fixed assets	-	-	-	-	-	-	-	531
Remuneration paid	-	-	-	-	84,444	94,968	-	-
Charge in respect of employees gratuity fund	-	-	8,005	7,026	-	-	-	-
Charge in respect of provident fund	-	-	7,143	8,399	-	-	-	-

	Holding Company		Post Employment Benefit Plans		Key Management Personnel		Other Related Parties	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	(Rupees in '000)							
Balances								
(Receivable) / payable for group shared services	(210)	(210)	-	-	-	-	101,499	85,607
(Receivable) / payable for general insurance premium	-	-	-	-	-	-	-	11
Premium receivable	-	-	-	-	-	-	-	2,933
Retirement benefit obligations	-	-	29,241	29,241	-	-	-	-
(Receivable)/payable to employee provident fund	-	-	4,784	4,217	-	-	-	-

27 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value of investments is determined as follows:

- Fair value of listed equity securities is determined on the basis of closing market prices quoted on the Pakistan Stock Exchange.
- Fair value of mutual funds is determined on the basis of closing net assets value (NAV) per unit published by Mutual Fund Association of Pakistan (MUFAP).
- Fair values of Treasury Bills and Pakistan Investment Bonds are derived using the PKRV rates (Reuters page).
- The fair value of all other financial assets and financial liabilities of the Company approximate their carrying amounts due to short term maturities of these instruments.

27.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.
- Level 2: fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2022 and December 31, 2021, the Company held the following financial instruments measured at fair value:

	Un-audited		
	As at June 30, 2022		
	Level 1	Level 2	Level 3
Assets carried at fair value	Rupees in 000		
Available-for-sale investments	41,129	18,048,791	-

	Audited		
	As at December 31, 2021		
	Level 1	Level 2	Level 3
Assets carried at fair value	Rupees in 000		
Available-for-sale investments	47,116	18,434,284	-

28 GENERAL

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

29 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 24 Aug 2022 by the Board of Directors of the Company.

Chairman	**Director**	**Director**	**Chief Executive Officer**	**Chief Financial Officer**

Life | Window Takaful Operations

Condensed Interim Financial Statements (Window Takaful Operation)

For the half year ended June 30, 2022

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

	Note	As at June 30, 2022 Operator sub fund	As at June 30, 2022 Policyholders fund	As at June 30, 2022 Total	As at December 31, 2021 Total
		---------- Rupees in 000 ----------			
Assets					
Property and equipment		88,739	-	88,739	111,184
Investments					
Mutual funds		175,116	3,669,347	3,844,463	3,519,207
Government Securities		118,111	163,099	281,210	277,409
Term deposits		-	-	-	308,200
		293,227	3,832,446	4,125,673	4,104,816
Takaful / retakaful receivables		-	33,779	33,779	8,927
Other loans and receivables		49,495	-	49,495	328,923
Taxation - payments less provision		56,144	-	56,144	50,727
Deferred tax asset - net		321,839	-	321,839	295,933
Prepayments		62,805	-	62,805	15,149
Cash and bank		287,624	113,416	401,040	(159,723)
Total assets		1,159,873	3,979,641	5,139,514	4,755,936
Equity and liabilities					
Equity and reserves					
Waqf Ceded Money		-	500	500	500
Capital contributed		209,700	-	209,700	209,700
Ledger account C & D		(760,557)	-	(760,557)	(719,813)
Surplus / (deficit) on revaluation of available for sale investments		(13,432)	-	(13,432)	(4,709)
Total equity		(564,289)	500	(563,789)	(514,322)
Liabilities					
Insurance liabilities [including policyholders' liabilities and profit retained in waqf]		38,435	4,137,928	4,176,363	4,172,629
Outstanding claims		-	141,165	141,165	81,486
Contribution received in advance		-	58,617	58,617	71,185
Takaful / retakaful payables		-	8,034	8,034	1,238
Other creditors and accruals		122,626	-	122,626	141,941
Interfund receivable / (payable)		1,514,876	(366,603)	1,148,273	745,068
Lease liability against right-of-use assets		48,225	-	48,225	56,711
Total liabilities		1,724,162	3,979,141	5,703,303	5,270,258
Total equity and liabilities		1,159,873	3,979,641	5,139,514	4,755,936
Contingencies and commitments	9				

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

Chairman	Director	Director	Chief Executive Officer	Chief Financial Of

IGI LIFE INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2022

	Note	June 30, 2022			June 30, 2021		
		Operator sub fund	**Policyholders fund**	**Total**	**Operator sub fund**	**Policyholders fund**	**Total**
		----Rupees in 000----					
Contribution revenue	10	-	1,125,309	1,125,309	-	1,393,700	1,393,700
Less: wakala fee recognised		693,974	(693,974)	-	411,423	(411,423)	-
		693,974	431,335	1,125,309	411,423	982,277	1,393,700
Less: contribution ceded to retakaful operators	10	-	31,521	31,521	-	25,175	25,175
Net contribution revenue		693,974	399,814	1,093,788	411,423	957,102	1,368,525
Investment income		12,685	197,968	210,653	5,091	151,347	156,438
Net realised fair value gains / (losses) on financial assets		3,059	(18,165)	(15,106)	445	23,185	23,630
Takaful operator fee income		34,581	(34,581)	-	50,143	(50,143)	-
Other income - net		(2,324)	1,888	(436)	2,418	359	2,777
		48,001	147,110	195,111	58,097	124,748	182,845
Net income		741,975	546,924	1,288,899	469,520	1,081,850	1,551,370
Takaful benefits		-	657,892	657,892	-	297,450	297,450
Recoveries from retakaful operators		-	(24,727)	(24,727)	-	(20,778)	(20,778)
Net takaful benefits	11	-	633,165	633,165	-	276,672	276,672
		741,975	(86,241)	655,734	469,520	805,178	1,274,698
Change in takaful liabilities (including profit retained in waqf fund)		289,667	(86,241)	203,426	(56,453)	805,178	748,725
Acquisition expenses	12	395,047	-	395,047	519,275	-	519,275
Marketing and administration expenses		119,928	-	119,928	132,125	-	132,125
Total expenses		804,642	(86,241)	718,401	594,947	805,178	1,400,125
(Loss) / profit before tax attributable to Operator		(62,667)	-	(62,667)	(125,427)	-	(125,427)
Taxation		(21,923)	-	(21,923)	(36,374)	-	(36,374)
(Loss) / profit after tax attributable to Operator		(40,744)	-	(40,744)	(89,053)	-	(89,053)

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

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

IGI LIFE INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2022

	June 30, 2022			June 30, 2021		
	Operator sub fund	**Policyholders fund**	**Total**	**Operator sub fund**	**Policyholders fund**	**Total**
	-----Rupees in 000-----					
(Loss) / profit after tax attributable to Operator	(40,744)	-	(40,744)	(89,053)	-	(89,053)
Other comprehensive loss						
Change in unrealised (loss) / gains on available-for-sale financial assets - net of tax	(8,723)	(199,690)	(208,413)	(2,497)	(85,554)	(88,051)
Change in takaful liabilities - net	-	199,690	199,690	-	85,554	85,554
Other comprehensive loss for the period	(8,723)	-	(8,723)	(2,497)	-	(2,497)
Total comprehensive loss for the period attributable to Operator	(49,467)	-	(49,467)	(91,550)	-	(91,550)

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

Chairman | **Director** | **Director** | **Chief Executive Officer** | **Chief Financial Officer**

IGI LIFE INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2022

	Attributable to equity holders of the Company				
	Capital contributed	Waqf Ceded Money	Ledger C & D account	Surplus / (deficit) on revaluation of available for sale investments **	Total
	----------Rupees in 000----------				
Balance as at December 31, 2020	209,700	500	(447,125)	(1,170)	(238,095)
Total comprehensive loss					
Loss for the six months ended June 30, 2021	-	-	(89,053)	-	(89,053)
Other comprehensive loss for six months ended June 30, 2021	-	-	-	(2,497)	(2,497)
	-	-	(89,053)	(2,497)	(91,550)
Balance as at June 30, 2021	209,700	500	(536,178)	(3,667)	(329,645)
Total comprehensive income					
Loss for the six months ended December 31, 2021	-	-	(183,635)	-	(183,635)
Other comprehensive income for the six months ended December 31, 2021	-	-	-	(1,042)	(1,042)
	-	-	(183,635)	(1,042)	(184,677)
Transactions with owners recorded directly in equity					
Capital Contributed	-	-	-	-	-
Balance as at December 31, 2021	209,700	500	(719,813)	(4,709)	(514,322)
Total comprehensive loss					
Loss for the six months ended June 30, 2022	-	-	(40,744)	-	(40,744)
Other comprehensive loss for the six months ended June 30, 2022	-	-	-	(8,723)	(8,723)
	-	-	(40,744)	(8,723)	(49,467)
Balance as at June 30, 2022	209,700	500	(760,557)	(13,432)	(563,789)

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

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

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer

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

		Note	For The six months ended June 30, 2022	
			2022	**2021**
			-----------------Rupees in 000------------	
Operating Cash flows				
(a)	**Underwriting activities**			
	Premiums received net of policy transfers - net of retakaful		1,046,214	1,662,300
	Claims paid - net of retakaful recoveries		(20,985)	(29,303)
	Surrenders paid		(550,740)	(232,615)
	Commissions paid		(256,612)	(300,855)
	Net cash inflow from underwriting activities		217,877	1,099,527
(b)	**Other operating activities**			
	Payment for expenses		(284,563)	(438,181)
	Other operating receipts		(4,865)	48
	Inter fund transactions		151,814	(322,239)
	Net cash outflow on other operating activities		(137,614)	(760,372)
Total cash inflow from all operating activities			80,263	339,155
Investment activities				
Profit / return received			16,136	32,452
Dividend received			197,633	131,742
Payments (made) / received on investments			(53,401)	(976,172)
Fixed capital expenditure			11,932	(3,866)
Total cash (outflow) / inflow from investing activities			172,300	(815,844)
Net cash (outflow on) / inflow from all activities			252,563	(476,689)
Cash and cash equivalents at beginning of period			148,477	1,003,065
Cash and cash equivalents at end of period			401,040	526,376
Reconciliation to Profit and Loss Account				
Operating cash flows			80,263	339,155
Depreciation and amortisation expenses			23,732	22,871
Increase in assets other than cash			(136,424)	706,703
Decrease in liabilities			(203,426)	(1,340,627)
Investment income and other income			190,682	180,116
Profit received on bank deposits			4,429	2,729
Loss after taxation			(40,744)	(89,053)

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

Chairman	**Director**	**Director**	**Chief Executive Officer**	**Chief Financial Officer**

IGI LIFE INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED
FOR THE SIX MONTHS ENDED JUNE 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 IGI Life Insurance Limited ("the Company") was incorporated in Pakistan on October 9, 1994 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). Its shares are quoted on the Pakistan Stock Exchange Limited. The Company commenced its operations on May 25, 1995 after registration with the Controller of Insurance on April 30, 1995. The registered office of the Company is situated at 7th Floor, The Forum, Suite No. 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi which is also the principal office of the Company.

1.2 The Company was granted approval on July 02, 2015 under Rule 6 of the Takaful Rules, 2012 to start its Window Takaful Operations ("the Operations") by the Securities and Exchange Commission of Pakistan ("the SECP") in Pakistan. The Waqf deed was executed on June 20, 2015 and the operations were commenced also commenced in year 2015.

1.3 In accordance with the requirements of the Insurance Ordinance, 2000 and Takaful Rules, 2012, the Company established a Operator Sub Fund (OSF), Participant Investment Fund (PIF) and Participant Waqf Fund (PTF) under each statutory funds mentioned below:

- Individual Family Takaful
- Individual Accidental and Health Takaful
- Group Family Takaful
- Group Health Takaful

2 BASIS OF PREPARATION

These financial statements have been presented in accordance with the requirements of the Insurance Rules, 2017 issued through S.R.O. 88 (I) / 2017 dated February 09, 2017 by the Securities and Exchange Commission of Pakistan (SECP).

The Securities and Exchange Commission of Pakistan (the SECP), in exercise of the powers conferred under Rule 11(1)(c) of the Takaful Rules, 2012, has imposed certain conditions vide its Circular No. 15 of 2019 dated November 18, 2019 on life insurers related to financial reporting of their window takaful operations. Under these conditions, the Life Insurers shall separately prepare financial statements for family takaful operations as if these are carried out by a Standalone Takaful Operator and shall be annexed with the insurer's annual / interim report (as applicable).

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012.

In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful rules, 2012 shall prevail.

2.2 Standards, interpretations of and amendments to the accounting and reporting standards that are effective in the current year:

The Company has applied the following standards for the first time for their accounting period commencing January 1, 2022:

Where the provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules 2017, the Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012 shall prevail.

2.3 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2021.

2.4 These condensed interim financial statements are unaudited and are being submitted to shareholders in accordance with the Pakistan Stock Exchange Limited Regulations and section 237 of the Companies Act, 2017.

3 BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared on historical cost convention except for certain investments which are carried at fair value and obligations in respect of defined benefit obligation is carried at present value.

4 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These condensed interim financial statements are presented in Pakistani rupees, which is the Company's functional and presentation currency.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these condensed interim financial statements are same as those applied in the preparation of financial statements of the Company for the year ended December 31, 2021.

5.1 Standards, interpretations of and amendments to the accounting and reporting standards that are effective in the current period:

There are certain other new and amended standards and interpretations that are mandatory for the Company's accounting period beginning on or after January 1, 2022, but are considered not to be relevant or do not have any significant effect on the Company's operations and are therefore not detailed in these condensed interim financial statements.

5.2 Standards, interpretations of and amendments to the accounting and reporting standards that are not yet effective:

5.2.1 The following revised standards, amendments and interpretations with respect to the accounting and reporting standards would be effective for the dates mentioned below against the respective standards, amendments or interpretations:

		Effective date (period beginning on or after)
-	IFRS 16 - 'Leases' (amendments)	June 1, 2020
-	IAS 16 - 'Property, plant and equipment' (amendments)	January 1, 2022
	IAS 37 - 'Provisions, contingent liabilities and contingent assets' (amendments)	January 1, 2022
-	IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2023
-	IFRS 9 - 'Financial Instruments'	January 1, 2023*
	IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023 and yet to be notified by the Securities and Exchange Commission of Pakistan.	

* The management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with takaful. Further details relating to temporary exemption from the application of IFRS 9 is given in note 8 to these condensed interim financial statements.

The management is in the process of assessing the impact of these amendments on the financial statements of the Company.

5.2.2 There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting period beginning on or after January 1, 2022, but are considered not to be relevant or will not have any significant effect on the Company's operations and are therefore not detailed in these condensed interim financial statements.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those applied to the annual financial statements for the year ended December 31, 2021. The Company intends to have an actuarial valuation in respect of staff retirement benefit plan for 2022 conducted at the year end. Hence actuarial gains / losses for the six months ended June 30, 2022 are not quantifiable and are also considered immaterial by the management. Accordingly the resulting impact has not been accounted for in these condensed interim financial statements.

7 TAKAFUL FINANCIAL AND RISK MANAGEMENT

The Company's takaful risk management objectives and policies are consistent with those disclosed in the condensed Interim Financial statements as at and for the six months ended June 30, 2022.

8 TEMPORARY EXEMPTION FROM APPLICATION OF IFRS 9

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

9 CONTINGENCIES AND COMMITMENTS

The contingencies and commitments reported in the main financials of the Company also includes impacts of Window Takaful Operations as at June 30, 2022. There were no other material contingencies and commitments as at June 30, 2022.

10 NET CONTRIBUTION REVENUE

	(Un-audited) For the six months ended June, 30 2022	2021
	- - - - (Rupees in '000) - - - -	
Gross contribution:		
Regular contribution individual policies*		
First year	453,973	575,414
Second year renewal	264,167	304,941
Subsequent year renewal	272,063	65,673
Single contribution individual policies	41,404	361,093
Group policies without cash value	93,702	86,579
Total gross contribution	1,125,309	1,393,700
Less: retakaful contribution ceded		
On individual life first year business	8,612	8,565
On individual life second year business	10,879	4,328
On individual life renewal business	6,970	5,568
On single premium policies	47	66
On group policies	10,132	10,753
Commission from reinsurers	(5,119)	(4,105)
	31,521	25,175
Net contribution	1,093,788	1,368,525

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

11 NET TAKAFUL BENEFITS

	(Un-audited) For the six months ended June, 30 2022	2021
	- - - - (Rupees in '000) - - - -	
Gross Claims		
Claims under individual policies		
By death	57,862	26,667
By surrender	550,740	232,615
Total gross individual policy claims	608,602	259,282
Claims under group policies		
by death	25,851	19,719
by insured event other than death	23,439	19,307
experience refund	-	(858)
Total gross group policy claims	49,290	38,168
Total gross policy claims	657,892	297,450
Less: retakaful recoveries		
On Individual life claims	21,227	13,878
On Group Life claims	3,500	6,900
	24,727	20,778
Net takaful benefit expense	633,165	276,672

	(Un-audited) For the six months ended June, 30	
	2022	2021
12 ACQUISITION EXPENSES	- - - - (Rupees in '000) - - - -	
Remuneration to takaful intermediaries on individual policies:		
- Commission on first year contribution	174,165	221,254
- Commission on second year contribution	17,591	3,562
- Commission on subsequent renewal contribution	5,951	9,088
- Commission on single contribution	1,045	12,270
- Other benefits to takaful intermediaries	166,054	216,727
	364,806	462,901
Remuneration to takaful intermediaries on group policies:		
- Commission	4,970	17,061
- Other benefits to takaful intermediaries	1,635	891
	6,605	17,952
Branch overheads :		
- Salaries and other benefits	7,679	17,316
- Other operational cost	9,776	15,289
	17,455	32,605
Other acquisition cost :		
- Policy stamps	6,181	5,817
	395,047	519,275

13 SEGMENT INFORMATION

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

13.1 Participants' Investment Fund (PIF)

	----(Un-audited)----					
	TAKAFUL - STATUTORY FUNDS				Aggregate For the six months ended June, 30	
	Individual Family	Individual Accidental and Health	Group Family	Group Health	2022	2021
	- - - - (Rupees in '000) - - - -					
Income						
Allocated Contribution	360,788	-	-	-	360,788	929,680
Net Investment Income	(25,460)	-	-	-	(25,460)	62,042
Other Income	3,720	-	-	-	3,720	16,835
Total Net Income	339,048	-	-	-	339,048	1,008,557
Less: Claims and Expenditure						
Surrenders / Partial Surrenders	545,963	-	-	-	545,963	232,615
Risk Contributions	80,487	-	-	-	80,487	55,771
Wakalat-ul-Istismar	18,428	-	-	-	18,428	24,983
Policy admin fee	16,153	-	-	-	16,153	25,160
	661,031	-	-	-	661,031	338,529
Excess of Income over Claims and expenditure	(321,983)	-	-	-	(321,983)	670,028
Add: Technical reserves at the beginning	4,108,432	-	-	-	4,108,432	2,787,811
Less: Technical reserves at the end	(4,092,571)	-	-	-	(4,092,571)	(3,457,839)
	15,861	-	-	-	15,861	(670,028)
Surplus	(306,122)	-	-	-	(306,122)	-
Movement in technical reserves	(15,861)	-	-	-	(15,861)	670,028
Balance of PIF at the beginning of the period	4,108,432	-	-	-	4,108,432	2,787,811
Balance of PIF at the end of the period	3,786,449	-	-	-	3,786,449	3,457,839

13.2 Participants' Takaful Fund (PTF)

	Individual Family	Individual Accidental and Health	Group Family	Group Health	2022	2021
	----(Un-audited)----					
	TAKAFUL - STATUTORY FUNDS				Aggregate For the six months ended June, 30	
	---- (Rupees in '000) ----					
Income						
Contribution net of retakaful	25,535	251	39,657	20,599	86,042	64,688
Net investment income	-	-	-	-	-	-
Other income	5,021	-	-	34	5,055	7,461
	30,556	251	39,657	20,633	91,097	72,149
Less: Claims and Expenditure						
Claims	35,603	-	22,351	23,384	81,338	44,057
Wakala fee	-	-	-	-	-	-
	35,603	-	22,351	23,384	81,338	44,057
Excess of Income over Claims and expenditure	(5,047)	251	17,306	(2,751)	9,759	28,092
Add : Technical reserves at the beginning	74,634	2,770	(23,874)	(17,932)	35,598	5,116
Less : Technical reserves at the end	(74,157)	(983)	(50,871)	(32,707)	(158,718)	(100,518)
Add: Deficit retained in technical reserves	-	(1,543)	43,236	53,389	95,082	73,859
	477	244	(31,509)	2,750	(28,038)	(21,543)
Surplus / (deficit)	(4,570)	495	(14,203)	(1)	(18,279)	6,549
Movement in technical reserves	(477)	(244)	31,509	(2,750)	28,038	21,543
Qard-e-Hasna contributed by Window Takaful Ope	-	-	-	-	-	-
Balance of PTF at the beginning of the period	74,634	2,770	1,273	28,477	107,154	76,672
Balance of PTF at the end of the period	69,587	3,021	18,579	25,726	116,913	104,764

13.3 Operators' Sub Fund (OSF)

	Individual Family	Individual Accidental and Health	Group Family	Group Health	2022	2021
	----(Un-audited)----					
	TAKAFUL - STATUTORY FUNDS				Aggregate For the six months ended June, 30	
	---- (Rupees in '000) ----					
Income						
Allocation fee	668,262	1,589	19,153	4,970	693,974	411,122
Investment income	2,950	33	853	3,682	7,518	10,146
Other Income	(2,124)	(5)	(142)	(53)	(2,324)	2,418
Wakala fee - PTF	28,444	-	-	-	28,444	14,701
Policy admin fee	16,153	-	-	-	16,153	25,160
Takaful operator fee	-	-	-	-	-	-
Wakalat-ul-Istismar	18,428	-	-	-	18,428	24,983
	732,113	1,617	19,864	8,599	762,193	488,530
Less: Expenses						
Acquisition cost	369,691	1,296	5,158	1,447	377,592	486,670
Administration expenses / deferred taxation	96,864	(117)	4,169	12,573	113,489	128,356
	466,555	1,179	9,327	14,020	491,081	615,026
Excess of (expenditure)/over income	265,558	438	10,537	(5,421)	271,112	(126,496)
Add : Technical reserves at the beginning	1,825	2,993	8,395	15,386	28,599	71,725
Less : Technical reserves at the end	(1,825)	(2,993)	(19,926)	(13,691)	(38,435)	(36,779)
	-	-	(11,531)	1,695	(9,836)	34,946
Deficit	265,558	438	(994)	(3,726)	261,276	(91,550)
Movement in technical reserves	-	-	11,531	(1,695)	9,836	(34,946)
Capital Contribution during the period	-	-	-	-	-	-
Qard-e-Hasna contributed to the Participants Takaful Fund	-	-	-	-	-	-
Balance of OSF at the beginning of the period	(540,677)	3,048	(8,119)	(11,532)	(557,280)	(237,926)
Balance of OSF at the end of the period	(275,119)	3,486	2,418	(16,953)	(286,168)	(364,422)
Balance of Family Takaful statutory fund	3,580,917	6,507	20,997	8,773	3,617,194	3,198,181

14 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.

- Level 2: fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2022 the Operator and policyholders held the following financial instruments measured at fair value:

	As at June 30, 2022		
	Level 1	**Level 2**	**Level 3**
Assets carried at fair value	----------------- Rupees in '000 -------------------		
Available-for-sale investments	-	4,125,673	-

	As at December 31, 2021		
	Level 1	**Level 2**	**Level 3**
Assets carried at fair value	----------------- Rupees in '000 -------------------		
Available-for-sale investments	-	3,796,616	-

14 GENERAL

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

15 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 24 Aug 2022 by the Board of Directors of the Company.

Chairman	Director	Director	Chief Executive Officer	Chief Financial Officer