

A photograph of two middle-aged men with grey hair, smiling warmly. They are outdoors, with green foliage in the background. The man on the left is wearing a white polo shirt, and the man on the right is wearing a maroon polo shirt. The overall tone is bright and positive.

IGI|Life *Vitality*[®]

**YOUR
LIFETIME
FRIEND**

**Quarterly Report
For the nine months ended
September 30, 2019**



Vision

Assure financial future today
for a better tomorrow.



Mission

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



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Corporate Information

Board of Directors

Shamim Ahmad Khan	Chairman	Hasan Askari	Director
Syed Hyder Ali	Chief Executive Officer	Muhammad Kamal Syed	Director
Syed Yawar Ali	Director	Naz Khan	Director
Khurram Raza Bakhtayari	Director		

Audit Committee

Hasan Askari	Chairman	Khurram Raza Bakhtayari	Member
Muhammad Kamal Syed	Member	Yasir Ali Quraishi	Secretary
Syed Yawar Ali	Member		

Claims Settlement Committee

Shamim Ahmed Khan	Chairman	Mr. Kashif Qayyum	Secretary
Syed Yawar Ali	Member		
Tahir Masaud	Member		

Underwriting & Reinsurance Committee

Hasan Askari	Chairman	Abdul Haseeb	Member
Syed Hyder Ali	Member	Ali Nadim	Member
Muhammad Kamal Syed	Member	Hasham Wajih	Secretary
Tahir Masaud	Member		

Investment Committee

Muhammad Kamal Syed	Chairman	Syed Yawar Ali	Member
Khurram Raza Bakhtayari	Member	Tahir Masaud	Member
Hasan Askari	Member	Ali Nadim	Member
Syed Hyder Ali	Member	Sajjad Iftikhar	Secretary

Ethics, Human Resources, Nomination & Remuneration Committee

Naz Khan	Chairman	Syed Hyder Ali	Member
Syed Yawar Ali	Member	Muhammad Adnan	Secretary
Khurram Raza Bakhtayari	Member		

Risk Management and Compliance Committee

Shamim Ahmed Khan	Chairman	Khurram Raza Bakhtayari	Member
Syed Yawar Ali	Member	Naz Khan	Member
Muhammad Kamal Syed	Member	Osama Quraishi	Secretary

Corporate Information

Head of Business & Operations

Tahir Masaud

Chief Operating Officer

Ali Nadim

Chief Financial Officer

Abdul Haseeb Kasbati ACA

Head of Internal Audit

Shahzeb Haider ACA

Head of Compliance

Saira Sheikh MBA

Company Secretary

Yasir Ali Ouraishi LLB (Hons).

Appointed Actuary

Shujat Siddiqui MA FIA FPSA

Shariah Advisor

Dr. Mufti Ismatullah

Shariah Compliance Officer

Mufti Muhammad Hanif

Legal Advisor

Surridge and Beecheno
HaidermotaBNR & Co.
OrrDignam & Co.

Rating

Rating Agency: PACRA
Insurance Financial Strength (IFS)
Rating: A+
Outlook: Stable

Auditor

A. F. Ferguson & Co.
Chartered Accountant
A member firm of
PricewaterhouseCoopers

Share Registrar

FAMCO Associates
(Pvt) Ltd.
8-F next to Hotel Faran,
Nursery, Block 6, P.E.C.H.S.,
Shahrah-e-Faisal, Karachi.

Registered Office

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

Bankers

Bank Alfalah Limited

Standard Chartered Bank (Pakistan) Limited

Bank Al-Habib Limited

Faysal Bank Limited

Habib Bank Limited

Soneri Bank Limited

MCB Bank Limited

Meezan Bank Limited

Summit Bank Limited

Bank of Punjab Limited

Dubai Islamic Bank Pakistan Limited

Samba Bank Limited

United Bank Limited

Bank Al Baraka Limited

Telenor Microfinance Bank Limited

Mobilink Microfinance Bank Limited

U-Micro Finance Bank Limited

FINCA Microfinance Bank Limited

NRSP Microfinance Bank Limited

First Microfinance Bank Limited

Khushali Microfinance Bank Limited

Silk Bank Limited

Our Nationwide Network

Head Office

IGI Life Insurance Limited
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Customer Services Center

IGI Customer Care,
IGI Life Insurance Limited
Mezzanine Floor, Kassam Court, Suite No. 101-103,
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Vitality Branch Lahore

Noman Khalid
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Fortress Stadium, Lahore Cantt.
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Central Region Lahore

Packages Lahore Branch

Regional Head Central's Office

Muhammad Jamil
Regional Head - Central
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Road Branch, Shahrah-e-Roomi,
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Tel: 042-35474010
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Agency Coordinator - Punjab
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Packages Lahore Branch

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Davis Road Lahore Branch

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Our Nationwide Network

Central Region Faisalabad

D-Ground Faisalabad Branch

Tariq M. Tariq

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D-Ground Faisalabad Branch

Abdul Sattar

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Regency Plaza Faisalabad Branch

Muhammad Tayyab

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Muhammad Farooq

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Central Region Kasur

Kasur Branch

Muhammad Javed

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Central Region Okara

Okara Branch

Asif Tariq

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Central Region Multan

Multan Branch

Azmat Ali

Group Manager
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Multan Branch

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North Region Rawalpindi

Murree Road Rawalpindi Branch

Regional Head North's Office**Zulqarnain Bin Masood**

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Murree Road Rawalpindi Branch

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Murree Road Rawalpindi Branch

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For the nine months ended September 30, 2019

IGI Life Vitality

Our Nationwide Network

North Region Rawalpindi

Murree Road Rawalpindi Branch

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Murree Road Rawalpindi Branch

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North Region Peshawar

Peshawar Branch

Masud Ahmed
Zonal Manager
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North Chakwal

Bhaun Road Chakwal Branch

M. Ehsan Sunny
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North Region Sialkot

Sialkot Branch

Asif Hussain
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Sialkot Cantt. Branch

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North Gujranwala

Gujranwala Branch

Ibrar Hussain
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G. T. Road Gujrat Branch

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M. Bashir
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North Mirpur

Mirpur Branch

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Mirpur Azad Kashmir.
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Our Nationwide Network

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Masud Ahmed

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South Region Karachi

Regional Office Shahrah-e-Faisal Karachi

Adeel Aftab

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Aamir Zia

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Regional Office Shahrah-e-Faisal Karachi

Ali Zer Akram

Senior Branch Manager
Senior Branch Manager
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Ghazala Masood

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Email: ghazala.masood@igi.com.pk

Madina Mall Branch

Shamweel Ahmed

Branch Operation Officer
Suite No. 512, Floor 5,
Madina City Mall, Zainab Market,
Saddar, Karachi.
Tel: 021-35223731
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Clifton Branch

Syed Asif Ahmed

Zonal Manager
3rd Floor, The Plaza, Office # 307,
Block-9, Clifton, Karachi.
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Fahad Laique

Group Manager
3rd Floor, The Plaza, Office # 307,
Block-9, Clifton, Karachi.

Afroze Ali Somani

Group Manager
3rd Floor, The Plaza, Office # 307,
Block-9, Clifton, Karachi.

South Region Hyderabad

Ameet Kumar

Zonal Manager
Floor 2, Badri Manzil,
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Hyderabad.
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Email: ameet.kumar@igi.com.pk

Zeeshan

Senior Branch Manager
Floor 2, Badri Manzil,
C-S No. F-17, Risala Road,
Hyderabad.

South Region Sukkur

Ayaz Ahmed Rajpar

Senior Branch Manager
Mezanine Floor B, Chamber Plaza,
Near Chamber of Commerce,
at Bunder Road, Sukkur
Tel: 0300-3212234
Email: ayaz.ahmed@igi.com.pk

DIRECTORS REPORT TO THE MEMBERS

**Nine Months Ended
September 30, 2019**

The Directors of your Company are pleased to present the Condensed Interim Financial Statements (Unaudited) for the nine months ended September 30, 2019.

Financial Highlights

Profit / Loss

	September 30 2019	September 30 2018 (Restated)
	(Rs. in 000') (Unaudited)	
Net (loss) / profit before tax	(248,113)	52,370
Taxation (reversals) / charged	(71,954)	15,196
Net (loss) / profit after before tax	(176,159)	37,174
Other comprehensive income - net	40,587	887
	(in Rupees)	
(Loss) / earnings per share	(1.40)	0.31
Break-up value per share (including amount retained in the statutory funds to meet the requirement of Insurance Ordinance)	12.86	21.42

During the nine months of 2019, Gross Premium written by your Company (including Family Takaful Contributions) stood at Rs. 3.591 billion as against Rs. 3.706 billion in the corresponding period last year. Individual life regular premium (including takaful contributions) posted growth of 7% and stood at Rs. 1,640 million as against Rs. 1,535 million in the corresponding period last year. Renewal premium base increased to Rs. 1,217 million from Rs. 1,078 million in the corresponding period last year, registering growth of 13%. Individual Family Takaful regular contributions showed a growth of 34% compared to corresponding period of last year and stood at Rs. 591 million as against Rs. 442 million in 2018.

Group Life and Group Health premium / contribution (including Takaful Group Family and Health) stood at Rs. 1,646 million (2018: Rs. 1,345 million), posting growth of 22% from corresponding period of last year.

Issuance of Right Shares

The Board of Directors of the Company, in its meeting held on June 14, 2019, had approved the issuance of right shares amounting to Rs 1 billion. The subscription of rights shares has been completed and shares have been duly allotted to the Shareholders. The injection of fresh equity has enabled the Company in maintaining the sufficient solvency margins as prescribed and to improve its profitability.

Future Outlook

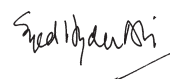
Your Company continues to broaden its product suite to cater to its customer needs and expand its distribution footprint.

The Board of Directors would like to express its appreciation of the contribution made by the employees. Furthermore, the Board of Directors are also thankful to its policyholders and shareholders for their continuous support and patronage.



Muhammad Kamal Syed
Chairman
Dated: October 25, 2019

On behalf of the Board of Directors



Syed Hyder Ali
Chief Executive Officer
Dated: October 25, 2019

ڈائریکٹرز رپورٹ برائے ممبران 30 ستمبر، 2019 کو ختم شدہ نو ماہ

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر، 2019 کو ختم شدہ نو ماہ کے لیے جامع عبوری مالیاتی گوشواروں (غیر آڈٹ شدہ) کی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالیاتی جھلکیاں

نفع / نقصان

30 ستمبر 2018 (دوبارہ بیان شدہ)	30 ستمبر 2019	
	(روپے '000 میں)	
52,370	(248,113)	خالص (نقصان) / منافع قبل از ٹیکس
15,196	(71,954)	ٹیکسیشن (ریورسلز) / چارجڈ
37,174	(176,159)	خالص (نقصان) / منافع بعد از ٹیکس
887	40,587	دیگر مجموعی آمدنی۔ خالص
	(روپے میں)	
0.31	(1.40)	(نقصان) / فی شیئر آمدنی
21.42	12.86	فی شیئر بریک اپ ویلیو (جمع انشورنس آرڈیننس کی ضروریات پوری کرنے کے لیے اسٹیٹیوٹری فنڈز سے نکالی گئی رقم)

2019 کے نو ماہ کے دوران، کمپنی کی جانب سے تحریر شدہ مجموعی پربیم (بشمول فیملی تکافل کنٹری بیوشنز) 3.591 ارب روپے تک جا پہنچا ہے جو کہ گزشتہ سال اسی عرصے میں 3.706 ارب روپے تھا۔ انفرادی لائف ریگولر پربیم (بشمول تکافل کنٹری بیوشنز) میں 7% اضافہ ریکارڈ کیا گیا جو کہ گزشتہ سال اسی عرصے کے 1,535 ملین روپے کے مقابلے میں 1,640 ملین روپے تک پہنچ گیا ہے۔ ریٹول پربیم میں گزشتہ سال اسی عرصے کے 1,078 ملین روپے کے مقابلے میں 13% اضافے کے ساتھ 1,217 ملین روپے ہو گیا ہے۔ انفرادی فیملی تکافل کے ریگولر کنٹری بیوشنز میں 34% اضافہ واقع ہوئی ہے جو کہ گزشتہ سال 2018 کے اسی عرصے کے 442 ملین روپے کے مقابلے میں 591 ملین روپے ہو گیا۔

گروپ لائف اور گروپ ہیلتھ پربیم / کنٹری بیوشن (جمع تکافل گروپ فیملی اور ہیلتھ) میں گزشتہ سال اسی عرصے کے مقابلے میں 22% اضافہ ریکارڈ کیا گیا ہے جو کہ 1,646 ملین روپے ہو گیا ہے (2018:Rs. 1,345 million)۔

رائٹ شیئرز کا اجراء

کمپنی کے بورڈ آف ڈائریکٹرز نے 14 جون، 2019 کو منعقدہ اپنے اجلاس میں ایک ارب روپے کی قیمت کے رائٹ شیئرز جاری کرنے کی منظوری دی ہے۔ رائٹ شیئرز کی

سبسکرپشن مکمل ہوگئی ہے اور شیئرز کو شیئرز ہولڈرز کے نام الاٹ کر دیا گیا ہے۔ تازہ ترین ایکویٹی کی شمولیت سے کمپنی کو اپنے منافع جات بڑھانے اور مسائل کے مناسب حل کے لیے مدد ملے گی۔

مستقبل پر نظر

آپ کی کمپنی اپنی پروڈکٹس بڑھانے میں مسلسل مصروف عمل ہے تاکہ اپنے کسٹمرز کی ضروریات پوری اور ڈسٹری بیوشن وسیع کر سکے۔

بورڈ آف ڈائریکٹرز ملازمین کی انتھک محنت پر ان کے شکر گزار ہیں۔ اس کے علاوہ، بورڈ آف ڈائریکٹرز اپنے پالیسی ہولڈرز اور شیئرز ہولڈرز کی جانب سے مسلسل تعاون اور رہنمائی پر ان کا بھی شکریہ ادا کرتے ہیں۔

از طرف بورڈ آف ڈائریکٹرز



سید حمید علی

چیف ایگزیکٹو آفیسر

تاریخ: 25 اکتوبر، 2019



محمد کمال سید

چیئر مین

تاریخ: 25 اکتوبر، 2019

IGI LIFE INSURANCE LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

	Note	(Un-audited) September 30, 2019	(Audited) December 31, 2018
----- Rupees in 000 -----			
Assets			
Property and equipment	9	226,313	541,136
Intangible assets	9	450,643	13,072
Investments			
Equity securities	10	72,772	112,535
Mutual funds	10	2,211,857	3,161,127
Government securities	11	12,610,144	11,168,170
Debt securities	12	557,354	175,000
Term deposits	13	974,400	1,065,000
		16,426,527	15,681,832
Loans secured against life insurance policies		178,582	181,375
Insurance / takaful / reinsurance / retakaful receivables		636,304	430,522
Other loans and receivables		482,826	465,855
Taxation - payments less provision		590,657	483,530
Deferred tax asset - net		55,078	-
Prepayments		125,178	84,293
Cash and bank	14	328,368	768,762
Total assets		19,500,476	18,650,377
Equity and liabilities			
Capital and reserves attributable to Company's equity holders			
Authorised share capital (300,000,000 ordinary shares of Rs. 10 each)		3,000,000	1,000,000
Issued, subscribed and paid-up capital		1,705,672	705,672
Ledger account C & D		(119,276)	71,065
Unappropriated profit		639,539	625,357
Deficit on revaluation of available for sale investments		(33,224)	(48,240)
Total equity		2,192,711	1,353,854
Liabilities			
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	15	16,298,359	16,490,600
Outstanding claims		309,268	281,426
Retirement benefit obligations		27,040	36,249
Premium received in advance		67,317	48,968
Reinsurance / retakaful payables		55,610	20,881
Other creditors and accruals		487,561	378,050
Deferred tax liability - net		-	19,772
Lease liability		62,610	20,577
Total liabilities		17,307,765	17,296,523
Total equity and liabilities		19,500,476	18,650,377
Contingencies and commitments			
	16		

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.

 Chairman	 Director	 Director	 Chief Executive Officer	 Chief Financial Officer
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IGI LIFE INSURANCE LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
 FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2019

	Note	Nine months ended September 30,		Quarter ended September 30,	
		2019	2018	2019	2018
-----Rupees in 000-----					
		(Restated)		(Restated)	
Premium / contribution revenue	17	3,591,132	3,706,019	1,110,388	1,019,251
Less: premium / contribution ceded to reinsurers / retakaful operators	17	112,271	101,201	38,510	34,358
Net premium / contribution revenue		3,478,861	3,604,818	1,071,878	984,893
Investment income	18	1,091,369	783,487	421,187	279,399
Net realised fair value (losses) / gains on financial assets		(20,933)	(50,408)	(17,526)	(90,577)
Other income - net		81,908	57,606	23,154	18,567
		1,152,344	790,685	426,815	207,389
Net income		4,631,205	4,395,503	1,498,693	1,192,282
Insurance benefits	19	3,658,695	3,787,955	1,054,361	1,179,017
Recoveries from reinsurers / retakaful operators	19	(72,331)	(23,721)	(13,009)	(12,735)
Net insurance benefits		3,586,364	3,764,234	1,041,352	1,166,282
		1,044,841	631,269	457,341	26,000
Change in insurance liabilities (other than outstanding claims)		(86,530)	(448,535)	21,634	(301,667)
Acquisition expenses	20	550,624	465,233	179,357	107,015
Marketing and administration expenses	21	813,127	559,354	253,625	210,632
Other expenses	22	14,136	2,847	603	598
Total expenses		1,291,357	578,899	455,219	16,578
		(246,516)	52,370	2,122	9,422
Finance costs		1,597	-	(15)	-
(Loss) / profit before tax		(248,113)	52,370	2,137	9,422
Income tax (reversal) / expense	23	(71,954)	15,196	(4,692)	2,340
(Loss) / profit after tax		(176,159)	37,174	6,829	7,082
(Loss) / earnings per share (basic and diluted) - Rupees	24	(1.40)	0.31	0.05	0.06

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.

 Chairman	 Director	 Director	 Chief Executive Officer	 Chief Financial Officer
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IGI LIFE INSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UN-AUDITED)

FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2019

Note	Nine months ended September 30,		Quarter ended September 30,	
	2019	2018	2019	2018
	-----Rupees in 000-----			
	(Restated)		(Restated)	
(Loss) / profit after tax	(176,159)	37,174	6,829	7,082
Other comprehensive income / (loss):				
Change in unrealised loss on available-for-sale financial assets - net of tax	(90,695)	(233,847)	55,812	(58,927)
Change in insurance liabilities - net	131,222	234,734	(35,865)	58,244
Other comprehensive income / (loss) for the period	40,527	887	19,947	(683)
Total comprehensive income / (loss) for the period	<u>(135,632)</u>	<u>38,061</u>	<u>26,776</u>	<u>6,399</u>

The annexed notes from 1 to 31 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 NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2019

	Attributable to equity holders of the Company				Total
	Share capital	Unappropriated profit *	Ledger C & D Account	Surplus / (deficit) on revaluation of available for sale investments**	
-----Rupees in 000-----					
Balance as at December 31, 2017 (audited)	705,672	689,927	173,456	(24,767)	1,544,288
Total comprehensive income / (loss)					
Profit for the nine months ended September 30, 2018	-	619	36,555	-	37,174
Other comprehensive income for the nine months ended September 30, 2018	-	-	-	887	887
	-	619	36,555	887	38,061
Transactions with owners recorded directly in equity					
Final dividend for the year ended December 31, 2017 - Re. 1 per share	-	(70,567)	-	-	(70,567)
Balance as at September 30, 2018 (un-audited)	705,672	619,979	210,011	(23,880)	1,511,782
Total comprehensive income / (loss)					
Profit / (loss) for the three months ended December 31, 2018	-	5,378	(137,255)	-	(131,877)
Other comprehensive loss for the three months ended December 31, 2018	-	-	(1,691)	(24,360)	(26,051)
	-	5,378	(138,946)	(24,360)	(157,928)
Balance as at December 31, 2018 (audited)	705,672	625,357	71,065	(48,240)	1,353,854
Total comprehensive income / (loss)					
Profit / (loss) for the nine months ended September 30, 2019	-	14,182	(190,341)	-	(176,159)
Other comprehensive income for the nine months ended September 30, 2019	-	-	-	15,016	15,016
	-	14,182	(190,341)	15,016	(161,143)
Transactions with owners recorded directly in equity					
Issuance of right shares	1,000,000	-	-	-	1,000,000
Balance as at September 30, 2019 (un-audited)	1,705,672	639,539	(119,276)	(33,224)	2,192,711

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

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

The annexed notes from 1 to 31 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 NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2019

	Note	Nine months ended September 30,	
		2019	2018
----- Rupees in 000 -----			
Operating Cash flows			
(a) Underwriting activities			
Premiums received net of policy transfers		3,411,322	3,567,444
Reinsurance premium paid		(142,452)	(112,273)
Claims paid		(1,200,282)	(773,300)
Surrenders paid		(2,438,462)	(2,922,966)
Reinsurance recovery received		64,708	47,991
Commissions paid		(368,568)	(328,458)
Commission received		142,452	46,754
Net cash outflow on underwriting activities		(531,282)	(474,808)
(b) Other operating activities			
Income tax paid		(112,919)	(47,022)
Payment for expenses		(860,675)	(744,927)
Other operating receipts		152,945	20,083
Loans advanced		8,835	(5,127)
Loan repayments received		6,996	(1,493)
Net cash outflow on other operating activities		(804,818)	(778,486)
Total cash outflow on all operating activities		(1,336,100)	(1,253,294)
Investment activities			
Profit / return received		1,115,557	767,153
Dividend received		29,923	49,873
Payment for investments		(5,379,197)	(3,362,122)
Proceeds from disposal of investments		5,211,165	4,437,238
Fixed capital expenditure		(534,855)	30,794
Capital work in progress		356,228	(140,625)
Proceeds from sale of property and equipment		6,285	563
Total cash inflow on investing activities		805,106	1,782,874
Financing activities			
Capital contribution to statutory funds		-	(120,000)
Capital payments received by statutory funds		-	120,000
Dividends paid		-	(59,080)
Total cash outflow on financing activities		-	(59,080)
Net cash (outflow on) / inflow from all activities		(530,994)	470,500
Cash and cash equivalents at beginning of period		1,833,762	897,460
Cash and cash equivalents at end of period	14.2	1,302,768	1,367,960
Reconciliation to Profit and Loss Account			
Operating cash flows		(1,336,100)	(1,253,294)
Depreciation and amortisation expenses		(86,614)	(20,005)
Gain on disposal of fixed assets		355,525	563
Increase in assets other than cash		39,194	318,102
Decrease in liabilities		31,186	425,204
Investment income		890,626	473,062
Profit received on bank deposits		120,365	56,987
(Deficit) / surplus of statutory funds		(190,341)	36,555
(Loss) / profit after taxation		(176,159)	37,174

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.

 Chairman	 Director	 Director	 Chief Executive Officer	 Chief Financial Officer
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IGI LIFE INSURANCE LIMITED

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2019

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 is a subsidiary of IGI Holdings Limited ("Parent Company") that holds 82.69% (December 31, 2018 : 81.97%) 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
- Group Family Takaful
- Group Health Takaful

1.5 The Board of Directors of the Company in their meeting held on December 23, 2017 had entered into collaboration with Vitality Group International. The collaboration agreement enabled the Company to launch shared value life insurance products in Pakistan. The SECP vide its letter ID/PRDD/048-Registration/2018/16958 dated October 25, 2018 allowed the Company to sell or market its product. During the current period, the Company has launched the vitality product on February 01, 2019.

1.6 The Board of Directors of the Company, in its meeting held on June 14, 2019, has approved the issuance of right shares amounting to Rs 1 billion. The issuance of right shares has been completed and the shares has been duly allotted to the shareholders.

The injection of fresh equity will enable the Company to improve its profitability and help to maintain sufficient solvency margins as prescribed.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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 as applicable in Pakistan for interim financial reporting comprise of :

- International Accounting Standard (IAS 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012.

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.

2.2 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, 2018.

2.3 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, 2018 except for change in accounting policy as disclosed in note 5.3.

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

The Company has applied the following amendment for the first time for their accounting period commencing January 1, 2019:

Effective from January 1, 2019, the Company has also adopted IFRS 16: 'Leases' which has replaced IAS 17, 'leases.' The standard addresses recognition and measurement of leases for both lessor and lessee.

The impacts of adoption of IFRS 16 are further given in note 5.3.1.

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, 2019, 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, 2020
- IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (amendments)	January 1, 2020
- IFRS 9 - 'Financial instruments'	January 1, 2022 *

*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 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, 2020, 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.

5.3 Change in accounting policy

Effective from January 1, 2019, the Company has adopted IFRS 16, "Leases" which replaces existing guidance on accounting for leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains a Lease', SIC-15 'Operating Leases- Incentive and SIC-27 'Evaluating the substance of transactions involving the legal form of a Lease'. IFRS 16 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. During the period the Company has changed its accounting policy with respect to leases in accordance with IFRS 16 - "Leases".

For leases previously classified as finance leases the Company recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 are applied only after that date. The remeasurements to the lease liabilities are recognised as adjustments to the related right-of-use assets immediately after the date of initial application.

The Company has adopted IFRS 16 from January 1, 2019 using the modified retrospective restatement approach, and has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard.

On adoption of IFRS 16, the Company has recognised liabilities in respect of leases which had previously been classified as operating leases under IAS 17 except for certain short term leases in accordance with IFRS 16. These liabilities were initially measured at the present value of the remaining lease payments, discounted using the Company's incremental weighted average borrowing rate of 10.55% per annum as of January 1, 2019. The lease liability is subsequently measured at amortised cost using the effective interest rate method.

The right-of-use assets recognised subsequent to the adoption are measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use assets are depreciated on a straight line basis over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use assets are reduced by impairment losses, if any, and adjusted for certain remeasurements of lease liability.

5.3.1 Impact of IFRS 16

	December 31, 2018	Change	January 1, 2019
	----- Rupees in 000 -----		
Impact on statement of financial position			
Decrease in vehicles - leased	23,043	(23,043)	-
Increase in right-of-use assets	-	40,936	40,936
Increase in lease liability	-	17,893	17,893
			(Un-audited) Nine months ended September 30, 2019 Rupees in 000
Impact on profit and loss account			
Decrease in rent expense			7,483
Increase in finance cost			856
Increase in depreciation expense			6,627

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, 2018. The Company intends to have an actuarial valuation in respect of staff retirement benefit plan for 2019 conducted at the year end. Hence actuarial gains / losses for the nine months ended September 30, 2019 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, 2018.

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

- 8.1** Fair value of financial assets as at September 30, 2019 and change in the fair values during the nine months ended September 30, 2019:

Financial assets with contractual cash flows that meet the SPPI criteria, excluding those held for trading **Rupees in 000**

<i>Pakistan Investment Bonds - available for sale (refer note 11)</i>	
Opening fair value	9,712,496
Additions / (disposals) during the period	(1,630,765)
Increase / (decrease) in fair value	238,999
Closing fair value	<u>8,320,730</u>

<i>Treasury Bills - available for sale (refer note 11)</i>	
Opening fair value	1,455,674
Additions / disposals during the period	2,833,643
Increase / (decrease) in fair value	97
Closing fair value	<u>4,289,414</u>

<i>Debt Securities - available for sale (refer note 12)</i>	
Opening fair value	175,000
Additions / disposals during the period	382,354
Increase / (decrease) in fair value	-
Closing fair value	<u>557,354</u>

Financial assets that do not meet the SPPI criteria

<i>Mutual funds - available for sale (refer note 10)</i>	
Opening fair value	3,161,127
Additions / disposals during the period	(932,927)
Increase / (decrease) in fair value	(16,343)
Closing fair value	<u>2,211,857</u>

<i>Listed equities - available for sale (refer note 10)</i>	
Opening fair value	112,535
Additions / disposals during the period	(45,218)
Increase / (decrease) in fair value	5,455
Closing fair value	<u>72,772</u>

- 8.1.1** The fair value of the remaining financial assets are not significantly different from their carrying amounts since these assets are short term in nature or are frequently repriced to market rate.

	Note	(Un-audited) September 30, 2019	(Audited) December 31, 2018
----- Rupees in 000 -----			
9	PROPERTY AND EQUIPMENT		
	Tangible assets (including right-of-use-asset)	199,562	158,157
	Intangible assets	450,643	13,072
	Capital work in progress	26,751	382,979
		<u>676,956</u>	<u>554,208</u>

	Note	(Un-audited)	(Audited)
		September 30, 2019	December 31, 2018
----- Rupees in 000 -----			
9.1			
Opening net book value		171,229	112,026
Less: change in accounting policy (note 5.3.1)		(23,043)	-
		148,186	112,026
Add: Additions during the period			
- Leasehold improvements		10,762	17,269
- Furniture and fixtures		2,810	10,963
- Office equipment		4,953	6,817
- Computer equipment		5,132	49,714
- Motor vehicles		-	12,402
- Software and licenses		490,137	13,336
		513,794	110,501
Less: Net book value of deletion		555	-
Depreciation for the period		70,454	51,298
		71,009	51,298
Closing net book value		590,971	171,229
Add: Capital work in progress		26,751	382,979
Add: Right to use asset		59,234	-
		676,956	554,208
9.2 Right-of-use assets			
Book Value as of January 01, 2019		-	-
Impact due to change of accounting policy (note 5.3.1)		40,936	-
Addition during the period		34,458	-
Depreciation for the period		(16,160)	-
		59,234	-

10 INVESTMENTS IN EQUITY SECURITIES

	(Un-audited)			(Audited)		
	As at September 30, 2019			As at December 31, 2018		
	Carrying amount	Market value	Deficit on revaluation of investments	Carrying amount	Market value	Deficit on revaluation of investments
-----Rupees in 000-----						
Available for sale:						
Listed equity securities	85,981	72,772	(13,209)	131,199	112,535	(18,664)
Mutual Funds	2,527,964	2,211,857	(316,107)	3,460,891	3,161,127	(299,764)
	<u>2,613,945</u>	<u>2,284,629</u>	<u>(329,316)</u>	<u>3,592,090</u>	<u>3,273,662</u>	<u>(318,428)</u>

11 INVESTMENTS IN GOVERNMENT SECURITIES

Note	(Un-audited) As at September 30, 2019			(Audited) As at December 31, 2018			
	Carrying amount	Market value	Surplus / (deficit) on revaluation of investments	Carrying amount	Market value	Deficit on revaluation of investments	
-----Rupees in 000-----							
Available for sale:							
Pakistan Investment Bonds	11.1						
& Market Treasury Bills	11.2 11.3						
		8,234,287	8,320,730	86,443	9,865,052	9,712,496	(152,556)
		4,289,374	4,289,414	40	1,455,731	1,455,674	(57)
		<u>12,523,660</u>	<u>12,610,144</u>	<u>86,484</u>	<u>11,320,783</u>	<u>11,168,170</u>	<u>(152,613)</u>

- 11.1** The effective yield on Pakistan Investment Bonds ranges from 7.25% to 14.64% (December 31, 2018: 6.16% to 14.10%) per annum.
- 11.2** The Company has deposited 5 years Pakistan Investment Bonds whose face value amounts to Rs. 192.34 million (December 31, 2018: Rs. 71.34 million) with State Bank of Pakistan under section 29 of Insurance Ordinance, 2000.
- 11.3** The effective yield on Market Treasury Bills ranges from 13.62% to 13.72% (December 31, 2018: 10.27%) per annum.

12 INVESTMENTS IN DEBT SECURITIES

Note	(Un-audited) As at September 30, 2019			(Audited) As at December 31, 2018		
	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 sukuk certificates	12.1	100,000	100,000	-	-	-
Unlisted term finance certificates	12.2	225,000	225,000	-	175,000	175,000
Unlisted commercial paper	12.3	232,354	232,354	-	-	-
		<u>557,354</u>	<u>557,354</u>	<u>-</u>	<u>175,000</u>	<u>-</u>

- 12.1** The effective yield on sukuks is 14.92% (December 31, 2018: nil) per annum.
- 12.2** The effective yield on term finance certificates are 14.55% to 15.44% (December 31, 2018: 9.5% to 12.54%) per annum.
- 12.3** The effective yield on commercial paper is 15.40% (December 31, 2018: Nil) per annum.

13 INVESTMENTS IN TERM DEPOSIT RECEIPTS

	(Un-audited) As at September 30, 2019			(Audited) As at December 31, 2018		
	Principal Amount	Tenure	Rate	Principal Amount	Tenure	Rate
-----Rupees in 000's-----						
Held to maturity						
Term Deposit Receipts	974,400	1 month to 3 months	12.10% to 13.50% per annum	1,065,000	1 month to 3 months	8.25% to 12% per annum

14 CASH AND BANK

	Note	(Un-audited) September 30, 2019	(Audited) December 31, 2018
----- Rupees in 000 -----			
Cash in hand		743	616
Cash at bank			
- Savings accounts	14.1	327,625	768,146
		<u>328,368</u>	<u>768,762</u>

14.1 These savings accounts carry markup rates ranging between 10% -12% per annum (December 31, 2018: 9% - 11%).

14.2 Cash and cash equivalents

Cash and bank balances	14	328,368	768,762
Term deposit receipts (with original maturity of less than 3 months)	13	974,400	1,065,000
		<u>1,302,768</u>	<u>1,833,762</u>

15 INSURANCE LIABILITIES

Incurred but not reported claims		196,638	186,721
Investment component of unit-linked and account value policies		7,228,091	7,749,892
Liabilities under individual conventional insurance contracts		6,897,778	6,949,696
Liabilities under group insurance contracts		489,012	282,030
Other insurance liabilities		1,114,350	992,200
Ledger account A and B		372,490	330,061
		<u>16,298,359</u>	<u>16,490,600</u>

16 CONTINGENCIES AND COMMITMENTS

There is no material change in the status of contingencies as reported in the annual audited financial statements of the Company for the year ended December 31, 2018 except for the following:

- The provincial sales tax exemption on Group Health Insurance and Life Insurance premiums were discontinued / withdrawn on various dates. However, the Sindh Revenue Board vide its notification 3-4/16/2019 dated June 27, 2019 has exempted Group Health Insurance till June 30, 2020. The Company has not yet billed its customers for provincial Sales Tax on its life insurance and health insurance premiums since the lapse / withdrawal of exemptions on their respective dates, nor has it made any provision for provincial sales tax in these condensed interim financial statements for the nine months ended September 30, 2019.

The Company is of the view that the levy of sales tax on life insurance business needs to be reviewed in the interest of sustainability and growth of Life Insurance business in Pakistan. The matter for renewal of the exemption has been raised with the Punjab Revenue Authority (PRA) at industry level by Insurance Association of Pakistan. The Securities and Exchange Commission of Pakistan (SECP) being the apex regulator of the insurance industry has also approached provincial revenue authority against the application of sales tax on life and health insurance business. SECP has emphasized that the insurance market in Pakistan is serving an integral component of the economy by providing risk mitigating solutions to the corporate sector. They have also pointed out that most of the individual life insurance policies sold in Pakistan have a predominant savings component and that taxing the gross premium of insurance policies would result in taxing the hard earned savings of the policyholders. The Company contends that such tax if charged shall be calculable on the gross amount of premium charged on risk covered in the insurance policy and not on gross premium charged to policyholders that includes amount allocated to policyholders and has sought a legal opinion in support of their contention. In view of this, the Company, along with the other participants in the Industry, has filed the Constitutional Petition against the provincial revenue authority and no provision in this respect has been made in these condensed interim financial statements for the nine months ended September 30, 2019.

Had the sales tax liability on life insurance and health insurance premium been recorded, the loss after tax and loss per share would have been higher by Rs. 79.258 million and Rs. 0.66 respectively while sales tax liability as at September 30, 2019 would have been higher by Rs. 111.631 million.

- There are no material commitments as at September 30, 2019 and December 31, 2018

(Un-audited)
Nine months ended September 30,

2019 **2018**
----- Rupees in 000 -----

17 NET PREMIUM / CONTRIBUTION REVENUE

Gross premiums / contribution:

Regular premium / contribution individual policies*		
First year	422,838	457,631
Second year renewal	307,316	308,653
Subsequent year renewal	909,799	768,920
Single premium / contribution individual policies	305,147	826,062
Group policies without cash value	1,646,032	1,344,753
Total gross premiums / contribution	3,591,132	3,706,019
Less: reinsurance premium / contribution ceded		
On individual life first year business	16,863	17,851
On individual life second year business	6,392	6,263
On individual life renewal business	24,668	19,142
On single premium policies	4,244	6,868
On individual accident and health first year	2,741	3,893
On group policies	75,774	65,684
Commission from reinsurers	(18,411)	(18,500)
	112,271	101,201
Net premium / contribution	3,478,861	3,604,818

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

(Un-audited)
Nine months ended September 30,

	2019	2018
	----- Rupees in 000 -----	
18 INVESTMENT INCOME		
Return on government securities	943,639	742,631
Amortisation of premium / (Discount)	4,892	(40,059)
Dividend income	29,923	49,873
Profit on term deposit receipts	86,136	26,939
Profit on debt securities	26,779	4,103
	<u>1,091,369</u>	<u>783,487</u>
19 NET INSURANCE BENEFITS		
Gross Claims		
Claims under individual policies		
By death	114,583	79,580
By insured event other than death	-	4
By maturity	9,035	9,815
By surrender	2,438,462	2,922,949
Total gross individual policy claims	<u>2,562,080</u>	<u>3,012,348</u>
Claims under group policies		
by death	194,887	83,872
by insured event other than death	909,618	681,874
by surrender	-	17
experience refund	(7,890)	9,844
Total gross group policy claims	<u>1,096,615</u>	<u>775,607</u>
Total gross policy claims	<u>3,658,695</u>	<u>3,787,955</u>
Less: reinsurance recoveries		
On Individual life claims	40,306	14,207
On Group Life claims	32,025	9,514
	<u>72,331</u>	<u>23,721</u>
Net insurance benefit expense	<u>3,586,364</u>	<u>3,764,234</u>
20 ACQUISITION EXPENSES		
Remuneration to insurance intermediaries on individual policies:		
- Commission on first year premiums / contribution	163,063	197,428
- Commission on second year premiums / contribution	18,449	18,103
- Commission on subsequent renewal premiums / contribution	23,826	18,088
- Commission on single premiums / contribution	9,190	466
- Other benefits to insurance intermediaries	174,249	112,393
	<u>388,777</u>	<u>346,478</u>
Remuneration to insurance intermediaries on group policies:		
- Commission	130,406	69,883
- Other benefits to insurance intermediaries	2,949	2,434
	<u>133,355</u>	<u>72,317</u>
Branch overheads :		
- Salaries and other benefits	14,224	9,700
- Other operational cost	11,475	33,532
	<u>25,699</u>	<u>43,232</u>
Other acquisition cost :		
- Policy stamps	2,793	3,206
	<u>550,624</u>	<u>465,233</u>

(Un-audited)
Nine months ended September 30,

	2019	2018
	----- Rupees in 000 -----	
21 MARKETING AND ADMINISTRATION EXPENSES		
Salaries, allowances & other benefits	347,748	302,865
Travelling expenses	12,400	19,690
Directors fees	5,399	2,990
Regulators fee	22,226	9,206
Actuary's fees	6,508	4,046
Medical fees	991	697
Legal and professional charges	2,396	5,434
Advertisement and publicity	50,133	17,981
Computer expenses	-	2,718
Printing and stationery	9,907	16,184
Depreciation and amortisation	86,614	20,005
Rentals	51,534	40,129
Vehicles and general repair and maintenance	111,213	12,315
Utilities-electricity, water and gas	12,378	5,466
Transportation	5,955	4,963
Communication	28,089	24,213
Consultancy fee	16,149	7,530
Training and workshop	1,859	2,924
Insurance	5,204	4,126
Interest on premium deposit in advance	1,042	1,073
Social security	1,301	1,119
Entertainment	9,942	12,549
Books and subscriptions	24	41
Miscellaneous expenses	24,115	41,090
	<u>813,127</u>	<u>559,354</u>
22 OTHER EXPENSES		
Auditors' remuneration	4,576	2,354
Others	-	493
Exchange loss	9,560	-
	<u>14,136</u>	<u>2,847</u>

23 TAXATION

As per Income Tax Ordinance, 2001, the current tax expense is chargeable to income attributable to shareholder's fund only. During the nine months ended September 30, 2019, the shareholder's fund reflected a profit before tax of Rs. 19.97 million resulting in current tax amounting to Rs. 5.79 million. Further, it also includes deferred tax income of Rs. 77.75 million on the deficit generated by the statutory funds (other than participating fund).

(Un-audited)
Nine months ended September 30, Quarter ended September 30,

	2019	2018	2019	2018
	-----Rupees in 000-----			
	(Restated)		(Restated)	
24 (LOSS) / EARNINGS PER SHARE				
Basic / diluted (loss) / earnings per share				
(Loss) / profit for the period	(176,159)	37,174	6,829	7,082
Weighted average number of ordinary shares	<u>126,026,281</u>	<u>120,935,890</u>	<u>126,026,281</u>	<u>120,935,890</u>
	-----Rupees-----			
(Loss) / earnings per share	<u>(1.40)</u>	<u>0.31</u>	<u>0.05</u>	<u>0.06</u>

25 SEGMENT INFORMATION

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

25.1 Revenue Account by Statutory Funds

(Un-audited)											
For the nine months ended September 30, 2019											
CONVENTIONAL-STATUTORY FUNDS					TAKAFUL-STATUTORY FUNDS						
Life (Participating)	Life (Non-participating) Individual	Investment Group	Investment Linked	Accident & Health Individual	Accident & Health Group	Pension Business	Individual Family	Group Family	Group Health	Total	
----- (Rupees in '000) -----											
INCOME											
Premiums / contribution less reinsurances / retakaful	27,775	369,692	297,084	795,903	6,152	1,073,938	26,745	690,670	13,350	159,141	3,460,450
Policy transfers from other statutory funds	-	-	-	-	-	-	-	-	-	-	-
Net investment income	144,773	541,982	9,546	263,481	915	(1,036)	8,399	(104,264)	620	229	864,645
Other income - net	6,386	16,041	3,359	15,199	1,429	22,594	1,516	67,137	2,405	4,602	140,668
Total net income	178,934	927,715	309,989	1,074,583	8,496	1,095,496	36,660	653,543	16,375	163,972	4,465,763
CLAIMS AND EXPENDITURE											
Claims, including bonuses, net of reinsurance recoveries	107,818	733,751	170,186	1,410,782	196	748,690	1,468	269,227	142	144,104	3,586,364
Policy transfers to other statutory funds	-	-	-	-	-	-	-	-	-	-	-
Management expenses less recoveries	5,363	81,406	83,066	547,943	18,874	227,540	-	325,030	11,676	26,792	1,327,690
Total claims and expenditure	113,181	815,157	253,252	1,958,725	19,070	976,230	1,468	594,257	11,818	170,896	4,914,054
Excess / (shortage) of Income over claims and expenditure	65,753	112,558	56,737	(884,142)	(10,574)	119,266	35,192	59,286	4,557	(6,924)	(448,291)
Add: Policyholders' liabilities at beginning of the period	1,569,863	6,075,027	98,103	6,219,006	10,020	320,265	106,582	1,721,067	7,529	33,077	16,160,539
Less: Policyholders' liabilities at end of the period	(1,593,187)	(6,072,567)	(146,212)	(5,555,540)	(7,918)	(455,945)	(140,260)	(1,874,619)	(15,158)	(64,463)	(15,925,869)
Movement in policyholders' liabilities	(23,324)	2,460	(48,109)	663,466	2,102	(135,680)	(33,678)	(153,552)	(7,629)	(31,386)	234,670
Surplus / (deficit) before tax	42,429	115,018	8,628	(220,676)	(8,472)	(16,414)	1,514	(94,266)	(3,072)	(38,310)	(213,621)
Taxation	-	(31,057)	(462)	63,509	2,512	4,536	(439)	27,077	954	11,116	77,746
Surplus / (deficit) after tax	42,429	83,961	8,166	(157,167)	(5,960)	(11,878)	1,075	(67,189)	(2,118)	(27,194)	(135,875)
Movement in policyholders' liabilities	23,324	(2,460)	48,109	(663,466)	(2,102)	135,680	33,678	153,552	7,629	31,386	(234,670)
Transfers (to) or from shareholders' fund											
- Capital contributions from shareholders' fund	-	-	-	-	-	-	-	-	-	-	-
- Gard-e-Hasna from Operators' Sub Fund to PTF	-	-	-	-	-	-	-	-	-	(22,000)	(22,000)
- Gard-e-Hasna received from PTF to Operators' Sub Fund	-	-	-	-	-	-	-	-	-	22,000	22,000
- Capital returned to shareholder's fund	-	-	-	-	-	-	-	-	-	-	-
- Surplus appropriated to shareholders' fund	-	-	-	-	-	-	-	-	-	-	-
Balance of statutory fund at beginning of the period	1,899,924	6,395,448	180,223	6,345,275	5,926	374,405	112,551	1,717,526	11,222	19,182	17,061,682
Balance of statutory fund at end of the period	1,965,677	6,476,949	236,498	5,524,642	(2,136)	498,207	147,304	1,803,889	16,733	23,374	16,691,137
Represented by:											
Capital contributed by shareholders' fund	-	197,552	-	242,100	2,000	4,300	6,000	91,500	1,200	2,500	547,152
Policyholders' liabilities / PTF	1,593,187	6,072,567	146,212	5,555,540	7,918	455,945	140,260	1,874,619	15,158	64,463	15,925,869
Retained earnings attributable to policyholders (Ledger Account A)	343,857	-	-	-	-	-	-	-	-	-	343,857
Retained earnings on par business attributable to shareholders - undistributable (Ledger Account B)	28,633	-	-	-	-	-	-	-	-	-	28,633
Retained earnings on other than participating business (Ledger Account D) / PTF	-	224,487	91,909	(265,541)	(11,813)	40,731	1,044	(158,156)	590	(42,527)	(119,276)
Revaluation surplus / (deficit) on revaluation of available for sale investments	-	(17,657)	(1,623)	(7,457)	(241)	(2,769)	-	(4,074)	(215)	(1,062)	(35,098)
BALANCE OF STATUTORY FUND	1,965,677	6,476,949	236,498	5,524,642	(2,136)	498,207	147,304	1,803,889	16,733	23,374	16,691,137

(Un-audited)											
For the nine months ended September 30, 2018 (Restated)											
CONVENTIONAL-STATUTORY FUNDS						TAKAFUL-STATUTORY FUNDS					
Life (Participating)	Life (Non-participating) Individual	Investment Group	Investment Linked	Accident & Health Individual	Accident & Health Group	Pension Business Fund	Individual Family	Group Family	Group Health	Total	
----- (Rupees in '000) -----											
INCOME											
Premiums/contribution less reinsurances/retakaful	28,178	448,044	222,765	993,651	7,881	882,196	37,486	829,495	12,735	123,887	3,586,318
Policy transfers from other statutory funds	-	-	-	-	-	-	-	-	-	-	-
Net investment income	48,516	185,400	3,585	218,649	465	1,100	(679)	(1,195)	89	(786)	455,144
Other income - net	7,784	12,456	2,277	21,788	35	18,745	138	15,258	14	135	78,630
Total net income	84,478	645,900	228,627	1,234,088	8,381	902,041	36,945	843,558	12,838	123,236	4,120,092
CLAIMS AND EXPENDITURE											
Claims, including bonuses, net of reinsurance recoveries	108,640	561,716	81,302	2,233,875	3,353	608,172	17	90,557	5,747	70,855	3,764,234
Policy transfers to other statutory funds	-	-	-	-	-	-	-	-	-	-	-
Management expenses less recoveries	6,299	102,436	67,244	420,623	16,894	148,619	128	216,940	2,688	4,114	985,985
Total claims and expenditure	114,939	664,152	148,546	2,654,498	20,247	756,791	145	307,497	8,435	74,969	4,750,219
Excess of income over claims and expenditure	(30,461)	(18,252)	80,081	(1,420,410)	(11,866)	145,250	36,800	536,061	4,403	48,267	(630,127)
Add: Policyholders' liabilities at beginning of the period	1,573,079	6,119,617	75,342	8,109,869	11,624	262,524	74,927	1,111,274	5,397	10,502	17,354,155
Less: Policyholders' liabilities at end of the period	(1,555,857)	(5,998,322)	(130,436)	(6,751,201)	(10,546)	(406,957)	(111,729)	(1,652,516)	(7,053)	(59,508)	(16,684,125)
Movement in policyholders' liabilities	17,222	121,295	(55,094)	1,358,668	1,078	(144,433)	(36,802)	(541,242)	(1,656)	(49,006)	670,030
Surplus / (deficit) before tax	(13,239)	103,043	24,987	(61,742)	(10,788)	817	(2)	(5,181)	2,747	(739)	39,903
Taxation	-	(29,882)	(7,124)	19,522	3,201	(820)	1	1,020	(823)	(26)	(14,931)
Surplus / (deficit) after tax	(13,239)	73,161	17,863	(42,220)	(7,587)	(3)	(1)	(4,161)	1,924	(765)	24,972
Movement in policyholders' liabilities	(17,222)	(121,295)	55,094	(1,358,668)	(1,078)	144,433	36,802	541,242	1,656	49,006	(670,030)
Transfers (to) or from shareholders' fund											
- Capital contributions from shareholders' fund	-	-	-	70,000	10,000	-	-	30,000	-	10,000	120,000
- Gard-e-Hasna from Operators' Sub Fund to PTF	-	-	-	-	-	-	-	-	-	-	-
- Gard-e-Hasna received from PTF to Operators' Sub Fund	-	-	-	-	-	-	-	-	-	-	-
- Capital returned to shareholder's fund	-	(120,000)	-	-	-	-	-	-	-	-	(120,000)
- Surplus appropriated to shareholders' fund	-	-	-	-	-	-	-	-	-	-	-
	-	(120,000)	-	70,000	10,000	-	-	30,000	-	10,000	-
Balance of statutory fund at beginning of the period	1,960,081	6,418,695	145,281	8,295,693	12,530	352,586	79,898	1,160,921	7,084	14,344	18,447,113
Balance of statutory fund at end of the period	1,929,620	6,250,561	218,238	6,964,805	13,865	497,016	116,699	1,728,002	10,664	72,585	17,802,055
Represented by:											
Capital contributed by shareholders' fund	-	77,552	-	312,100	12,000	4,300	6,000	121,500	1,200	12,500	547,152
Policyholders' liabilities / PTF	1,555,857	5,998,322	130,436	6,751,201	10,546	406,957	111,729	1,652,516	7,053	59,508	16,684,125
Retained earnings attributable to policyholders (Ledger Account A)	339,436	-	-	-	-	-	-	-	-	-	339,436
Retained earnings on par business attributable to shareholders - undistributable (Ledger Account B)	34,327	-	-	-	-	-	-	-	-	-	34,327
Retained earnings on other than participating business (Ledger Account D) / PTF	-	174,687	89,924	(94,753)	(8,573)	89,436	(1,030)	(43,634)	2,519	1,435	210,011
Revaluation surplus / (deficit) on revaluation of available for sale investments	-	-	(2,122)	(3,743)	(108)	(3,677)	-	(2,380)	(108)	(858)	(12,996)
BALANCE OF STATUTORY FUND	1,929,620	6,250,561	218,238	6,964,805	13,865	497,016	116,699	1,728,002	10,664	72,585	17,802,055

25.2 Statement of Financial Position by Segment

	----- Un-audited ----- September 30, 2019			----- Audited ----- December 31, 2018		
	Shareholders Fund	Statutory Fund	Total	Shareholders Fund	Statutory Fund	Total
	----- Rupees in 000 -----			----- Rupees in 000 -----		
Assets						
Property and equipment	151,138	75,175	226,313	130,424	410,712	541,136
Intangible assets	450,643	-	450,643	13,072	-	13,072
Investments						
Equity securities	-	72,772	72,772	-	112,535	112,535
Mutual funds	-	2,211,857	2,211,857	-	3,161,127	3,161,127
Government securities	1,103,338	11,506,806	12,610,144	108,267	11,059,903	11,168,170
Debt securities	-	557,354	557,354	-	175,000	175,000
Term deposits	75,400	899,000	974,400	-	1,065,000	1,065,000
Loans secured against life insurance policies	-	178,582	178,582	-	181,375	181,375
Insurance / takaful / reinsurance / retakaful receivables	-	636,304	636,304	-	430,522	430,522
Other loans and receivables	19,762	463,064	482,826	14,249	451,606	465,855
Taxation - payments less provision	590,657	-	590,657	483,530	-	483,530
Deferred tax asset - net	55,078	-	55,078	-	-	-
Prepayments	33,192	91,986	125,178	-	84,293	84,293
Cash and bank	83,368	245,000	328,368	5,185	763,577	768,762
Total Assets	2,562,576	16,937,900	19,500,476	754,727	17,895,650	18,650,377
Liabilities						
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	-	16,298,359	16,298,359	-	16,490,600	16,490,600
Outstanding claims	254,645	54,623	309,268	-	281,426	281,426
Retirement benefit obligations	1,089	25,951	27,040	-	36,249	36,249
Premium received in advance	-	67,317	67,317	-	48,968	48,968
Reinsurance / retakaful payables	-	55,610	55,610	-	20,881	20,881
Other creditors and accruals	226,519	261,042	487,561	76,515	301,535	378,050
Deferred tax liability - net	-	-	-	19,772	-	19,772
Liabilities against assets subject to finance lease	62,610	-	62,610	20,577	-	20,577
Total Liabilities	544,863	16,762,902	17,307,765	116,864	17,179,659	17,296,523

26 REVENUE ACCOUNT - WINDOW TAKAFUL OPERATIONS

26.1 Participants' Investment Fund (PIF)

------(Un-audited)-----					
	TAKAFUL - STATUTORY FUNDS			AGGREGATE	
	Individual Family	Group Family	Group Health	Nine months ended Sept 30, 2019	2018 (Restated)
----- (Rupees in '000) -----					
Income					
Allocated Contribution	511,597	-	-	511,597	642,009
Net Investment Income	(56,068)	-	-	(56,068)	(10,177)
Other Income	1,447	-	-	1,447	4,407
Total Net Income	456,976	-	-	456,976	636,239
Less: Claims and Expenditure					
Surrenders / Partial Surrenders	268,810	-	-	268,810	84,023
Risk Contributions	23,815	-	-	23,815	11,035
Wakalat-ul-Istismar	19,118	-	-	19,118	16,196
Policy admin fee	10,074	-	-	10,074	4,876
	321,817	-	-	321,817	116,130
Excess of Income over Claims and expenditure	135,159	-	-	135,159	520,109
Add: Technical reserves at the beginning of the period	1,624,708	-	-	1,624,708	1,055,194
Less: Technical reserves at the end of the period	(1,759,867)	-	-	(1,759,867)	(1,575,303)
	(135,159)	-	-	(135,159)	(520,109)
Surplus	-	-	-	-	-
Movement in technical reserves	135,159	-	-	135,159	520,109
Balance of PIF at the beginning of the period	1,624,708	-	-	1,624,708	1,055,194
Balance of PIF at the end of the period	1,759,867	-	-	1,759,867	1,575,303

26.2 Participants' Takaful Fund (PTF)

------(Un-audited)-----					
	TAKAFUL - STATUTORY FUNDS			AGGREGATE	
	Individual Family	Group Family	Group Health	Nine months ended Sept 30, 2019	2018 (Restated)
----- (Rupees in '000) -----					
Income					
Contribution net of retakaful	8,715	6,337	152,703	167,755	118,127
Net investment income	994	331	1,326	2,651	-
Other income	1,070	-	-	1,070	2,317
	10,779	6,668	154,029	171,476	120,444
Less: Claims and Expenditure					
Claims	378	142	144,104	144,624	81,114
Wakala fee	-	-	-	-	-
	378	142	144,104	144,624	81,114
Excess of Income over Claims and expenditure	10,401	6,526	9,925	26,852	39,330
Add : Technical reserves at the beginning of the period	12,784	4,218	29,989	46,991	20,638
Less : Technical reserves at the end of the period	(13,926)	(4,400)	(61,845)	(80,171)	(63,050)
	(1,142)	(182)	(31,856)	(33,180)	(42,412)
Surplus / (deficit)	9,259	6,344	(21,931)	(6,328)	(3,082)
Movement in technical reserves	1,142	182	31,856	33,180	42,412
Gard-e-Hasna contributed by Window Takaful Operator	-	-	22,000	22,000	5,600
Balance of PTF at the beginning of the period	12,784	4,365	31,398	48,547	21,938
Balance of PTF at the end of the period	23,185	10,891	63,323	97,399	66,868

26.3 Operators' Sub Fund (OSF)

Income					
Allocation fee	187,647	7,013	6,438	201,098	214,020
Investment income	16,500	2,694	3,505	22,699	16,204
Wakala fee - PTF	6,526	-	-	6,526	2,996
Policy admin fee	10,074	-	-	10,074	4,876
Takaful operator fee	-	-	-	-	-
Wakalat-ul-Istismar	19,118	-	-	19,118	16,196
	239,865	9,707	9,943	259,515	254,292
Less: Expenses					
Acquisition cost	174,243	8,697	5,857	188,797	151,897
Administration expenses / deferred taxation	124,819	2,025	9,819	136,663	72,932
	299,062	10,722	15,676	325,460	224,829
Excess of (expenditure)/over income	(59,197)	(1,015)	(5,733)	(65,945)	29,463
Add : Technical reserves at the beginning of the period	83,575	3,311	3,088	89,974	51,341
Less : Technical reserves at the end of the period	(91,567)	(4,414)	(2,618)	(98,599)	(83,806)
	(7,992)	(1,103)	470	(8,625)	(32,465)
Deficit	(67,189)	(2,118)	(5,263)	(74,570)	(3,002)
Movement in technical reserves	7,992	1,103	(470)	8,625	32,465
Capital Contribution during the period	-	-	-	-	40,000
Gard-e-Hasna contributed to the Participants					
Takaful Fund	-	-	(22,000)	(22,000)	(5,600)
Balance of OSF at the beginning of the period	80,034	6,857	(12,216)	74,675	105,217
Balance of OSF at the end of the period	20,837	5,842	(39,949)	(13,270)	169,080
Balance of Family Takaful statutory fund	1,803,889	16,733	23,374	1,843,996	1,811,251

27 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Parent 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.

27.1 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)							
	Parent Company		Post Employment Benefit Plans		Key Management Personnel		Other Related Parties	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	----- (Rupees in '000) -----							
Transactions								
Premium written	-	-	-	-	3,491	825	82,202	66,868
Premium paid for general insurance	-	-	-	-	-	-	4,776	3,826
Claims paid	-	-	-	-	-	-	23,584	31,530
Claims received	-	-	-	-	-	-	490	931
Net Payments for group shared services	-	-	-	-	-	-	38,694	38,572
Charge for administrative services provided	-	-	-	-	-	-	3,365	5,350
Rent expense	-	-	-	-	-	-	38,023	21,375
Remuneration paid	-	-	-	-	86,801	128,825	-	-
Charge in respect of employees gratuity fund	-	-	12,000	6,812	-	-	-	-
Charge in respect of provident fund	-	-	11,785	11,280	-	-	-	-
Dividend paid	-	57,841	-	-	-	-	-	-
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	Parent Company		Post Employment Benefit Plans		Key Management Personnel		Other Related Parties	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
	----- (Rupees in '000) -----							
Balances								
Payable for administrative services received	-	-	-	-	-	-	14,812	42,402
Payable for general insurance premium	-	-	-	-	-	-	-	-
Premium receivable	-	-	-	-	-	-	1,757	3,808
Claims payable	-	-	-	-	-	-	-	-
Receivable against administrative services provided	-	-	-	-	-	-	-	-
Payable to provident fund	-	-	1,400	7,994	-	-	-	-

28 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

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

As at September 30, 2019, the Company held the following financial instruments measured at fair value:

	(Unaudited)		
	As at September 30, 2019		
	Level 1	Level 2	Level 3
	----- Rupees in '000 -----		
Assets carried at fair value			
Available-for-sale investments	72,772	15,379,355	-

	(Audited)		
	As at December 31, 2018		
	Level 1	Level 2	Level 3
	----- Rupees in '000 -----		
Assets carried at fair value			
Available-for-sale investments	112,535	14,504,297	-

29 GENERAL

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

30 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, wherever necessary. There have been no significant rearrangement or reclassification except for the following:

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. The matter with respect to recognition of the deferred tax on the surplus generated by the statutory funds (other than participating fund) since inception was raised with the Securities and Exchange Commission of Pakistan (SECP).

The SECP vide its letter ID/PRDD/IAP/2018/16188 dated August 20, 2018, had granted exemption from the applicability of International Standard of Accounting (IAS) 12 with respect to recognition of deferred tax on surplus of the statutory funds held in ledger account D for the nine months ended September 30, 2018.

Further, the SECP vide its letter ID/PRDD/IAP/2018/17030 dated November 02, 2018 has clarified life insurance members to recognise deferred tax on surplus generated by statutory funds (other than participating fund).

The impact of the above change has been applied retrospectively and the figures for the nine months ended September 30, 2018 have been restated accordingly. The impacts of restatement are given below:

	Nine months ended September 30, 2018 Rupees in 000
Impact on profit and loss account	
Increase in tax expense	14,931
	Rupees
Decrease in earnings per share	0.12

31 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 25, 2019 by the Board of Directors of the Company.

 Chairman	 Director	 Director	 Chief Executive Officer	 Chief Financial Officer
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





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