



IGI LIFE INSURANCE LIMITED
FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2020
FINANCIAL STATEMENTS

The Directors of your Company are pleased to present the condensed interim financial statements (un-audited) for the three months' ended March 31, 2020:

Financial Highlights:

Profit / Loss	March 31 2020	March 31 2019
	(Rs. in 000') (Unaudited)	
Net profit / (loss) before tax	1,254	(25,712)
Taxation charged / (reversals)	363	(7,456)
Net profit / (loss) after before tax	891	(18,256)
Other comprehensive (loss) / income – net	(63,211)	16,609
	(in Rupees)	
Earnings / (loss) per share	0.01	(0.12)
Break-up value per share (including amount retained in the statutory funds to meet the requirement of Insurance Ordinance)	12.77	19.16

During the first quarter of 2020, gross premium written by your Company (including takaful contributions) stood at Rs. 1.346 billion as against Rs. 1.300 billion in the corresponding period last year. Individual life regular premium (including takaful contributions) posted growth of 8% and stood at Rs. 573 million as against Rs. 530 million in the corresponding period last year.

Group Life premiums / contribution (including takaful group family) stood at Rs. 189 million (2019: Rs. 123 million), posting an increase of 68% from corresponding period of last year.

Group Health premium / contribution (including takaful group health) stood at Rs 372 million (2019: Rs. 555 million). This is due to the company's renewed focus on profitability rather than growth in sales.

Single premium / contribution individual policies stood at Rs 212 million as compared to Rs. 93 million written in the corresponding period last year.

The Company generated profit after tax of Rs. 0.891 million as compared to loss after tax of Rs. 18.256 million in corresponding period of last year.

Window Takaful Operations

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

Policyholder' Fund	March 31 2020	March 31 2019
	(Rs. in 000') (Unaudited)	
Gross Contribution	337,118	394,480
Net Contribution	247,930	318,954
Investment (loss) /Income	(27,192)	30,397
Deficit for the period	(22,874)	(6,970)

Operator's Fund

Investment income / (loss)	1,280	(2,513)
Operators' profit before tax	1,074	(27,246)
Operators' profit before tax	763	(19,345)

Future Outlook

Vitality, the newest addition to our product portfolio, which was launched last year has shown significant promise. Both our banking partners and customers have appreciated this modern approach to life insurance and we have had a positive response from our partners and customers alike. Unlike traditional life insurance which provides protection and savings only, Vitality encourages and rewards physical activity and healthy living. Vitality members are given weekly, monthly and annual rewards based upon the achievement of customized physical activity targets thus helping our customers to adopt a healthier lifestyle.

Already, this product now accounts for over 20% of our new business portfolio and we are confident that the investment made in this product will pay off in the years to come, leading to a healthy growth in our sales as well as profits.

We are aware that consumers and businesses of all sizes are under immense stress due to Covid-19 pandemic. We at IGI Life are working to find new ways to meet your needs and through a better usage of technology and resources are ensuring that our quality of service is not affected in any manner.

Covid-19 pandemic has adversely impacted Pakistan's equity and fixed income markets like other international markets. In this situation, we are trying to proactively manage our investment portfolio to preserve the policy holders' money. As a result, the returns on our policy holder funds are much less volatile ensuring a steady income to our policy holders.

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: April 27, 2020

Syed Hyder Ali
Chief Executive Officer
 Dated: April 27, 2020

آپ کی کمپنی کے ڈائریکٹرز مورخہ 31 مارچ 2020ء کو اختتام پذیر ہونے والی سہ ماہی کے لئے کمپنی کے (غیر آڈٹ شدہ) عبوری مالیاتی گوشوارے پیش کرتے ہوئے انتہائی مسرت محسوس کر رہے ہیں۔

مالیاتی نکات:

نفع / نقصان		31 مارچ 2020ء	31 مارچ 2019ء
		(روپے ہزار میں)	
		(غیر آڈٹ شدہ)	
خالص نفع / (نقصان) قبل از ٹیکس		1,254	(25,712)
ٹیکس کاری (ریولوزن) / وصول شد		363	(7,456)
خالص نفع / (نقصان) بعد از ٹیکس		891	(18,256)
دیگر جامع (نقصان) / آمدنی		(63,211)	16,609
		(روپے)	
آمدنی / (نقصان) فی حصص		0.01	(0.12)
فی شیئر اجزائی قدر (بریک اپ ویلیو) (بشمول رقم جو انشورنس آرڈیننس کے شرائط کی تکمیل کے لئے اسٹیٹوٹریفینڈز میں محفوظ رکھی گئی ہے)			
		12.77	19.16

سال 2020ء کی پہلی سہ ماہی کے دوران آپ کی کمپنی کا مجموعی پریمیم (بشمول فیملی تکافل حصہ رسدی) 1.346 بلین روپے رہا جو گذشتہ سال کے دوران 1.300 بلین روپے رہا تھا۔ انفرادی لائف ریگولر پریمیم (بشمول فیملی تکافل حصہ رسدی) کے ضمن میں 8 فیصد اضافہ ریکارڈ کیا گیا جو گذشتہ سال کے اس مدت میں 530 بلین روپے کے مقابلے میں 573 بلین روپے رہا۔

گروپ لائف پریمیم / زرتعاون (بشمول تکافل گروپ فیملی) 189 ملین پر برقرار رہا (2019ء : 123 ملین روپے) جو گذشتہ سال کی مساوی مدت سے اس میں 68 فیصد اضافہ حاصل ہوا۔

گروپ ہیلتھ پریمیم / زرتعاون (بشمول تکافل گروپ ہیلتھ) 372 ملین روپے پر برقرار رہا (2019ء : 555 ملین روپے)۔ جس کی وجہ یہ ہے کہ کمپنی نے فروخت میں اضافے کے بجائے منافع پر توجہ دینا شروع کر رکھی۔

گذشتہ سال کے اس دورانیہ کے 93 ملین روپے کے برخلاف سنگل پریمیم / انفرادی پالیسیوں کا زرتعاون 212 ملین روپے حاصل ہوا۔

گذشتہ سال کی اس مدت میں 18.256 ملین روپے کے بعد از ٹیکس نقصان کے مقابلے میں کمپنی کو 0.891 ملین روپے کا بعد از ٹیکس منافع حاصل ہوا۔

ونڈونکافل آپریشنز

زیر جائزہ سہ ماہی میں کمپنی کے ونڈونکافل امور کار کے تلخیص شدہ نتائج مندرجہ ذیل ہیں:

31 مارچ 2020 31 مارچ 2019

فونڈ برائے پالیسی ہولڈر

(روپے ہزار میں)		
(غیر آڈٹ شدہ)		
394,480	337,118	مجموعی زرتعاون
318,954	247,930	خالص زرتعاون
30,397	(27,192)	سرمایہ کاری (نقصان)/ آمدنی
(6,970)	(22,874)	خسارہ برائے مدت

فونڈ برائے آپریٹر

(2,513)	1,280	سرمایہ کاری آمدنی/(نقصان)
(27,246)	1,074	آپریٹرز کا منافع قبل از ٹیکس
(19,345)	763	آپریٹرز کا منافع بعد از ٹیکس

مستقبل کا منظر نامہ

وٹیلٹی ہمارے پروڈکٹ پورٹ فولیو میں تازہ ترین اضافہ جو گزشتہ سال شروع کیا گیا تھا جس نے نمایاں کارکردگی ظاہر کی ہے۔ ہمارے بینکاری شرکاء اور صارفین نے لائف انشورنس کے جدید طرز عمل کو سراہا ہے اور ہمیں اپنے شراکت داروں اور صارفین کی جانب سے یکساں طور پر مثبت رد عمل ملا ہے۔ روایتی لائف انشورنس کے برعکس جو صرف تحفظ اور بچت فراہم کرتی ہے جبکہ وٹیلٹی جسمانی سرگرمی اور صحت مند زندگی کی حوصلہ افزائی کرتی ہے اور انعام فراہم کرتی ہے۔ وٹیلٹی کے ممبران کو تخصیص کردہ جسمانی سرگرمی کے اہداف کی تکمیل کی بنیاد پر ہفتہ وار، ماہانہ اور سالانہ انعامات دئے جاتے ہیں جس سے ہمارے صارفین کو صحت مند طرز زندگی اپنانے میں مدد ملتی ہے۔

پہلے ہی، اس پروڈکٹ کا اب ہمارے بزنس پورٹ فولیو میں 20 فیصد سے زائد حصہ ہے اور ہم پر اعتماد ہیں کہ اس پروڈکٹ میں کی جانے والی سرمایہ کاری آئندہ سالوں میں سود مند ہوگی جو ہماری فروخت کے ساتھ منافع میں بھی صحت مند نمو کا باعث ہوگی۔

ہمیں علم ہے کہ Covid-19 وبائی مرض کی وجہ سے ہر قسم کے صارفین اور کاروبار سخت زبرد باؤ ہیں۔ آئی جی آئی لائف میں ہم آپ کی ضروریات کی تکمیل کیلئے ممکنہ طریقہ کار کی جستجو میں مصروف عمل ہیں اور ٹیکنالوجی اور وسائل کے بہتر استعمال کے ذریعے یہ یقینی بنا رہے ہیں کہ ہماری خدمات کا معیار کسی بھی طرح سے متاثر نہ ہو۔

Covid-19 وبائی مرض نے دیگر بین الاقوامی منڈیوں کی طرح پاکستان کی ایکویٹی اور مستحکم آمدنی کی منڈیوں پر سنگین اثرات مرتب کیے ہیں۔ اس صورتحال میں ہم پالیسی ہولڈرز کی رقوم کی حفاظت اور ہمارے سرمایہ کاری پورٹ فولیو کی فعال نظم و نسق کیلئے کوشاں ہیں۔ جس کے نتیجے میں ہمارے پالیسی ہولڈرز کے فنڈز کی آمدنی مستحکم ہے جو ہمارے پالیسی ہولڈرز کی مستقل آمدنی کو یقینی بنا رہی ہے۔

بورڈ آف ڈائریکٹرز کمپنی کے ملازمین کی جدوجہد کا اعتراف کرتے ہیں اور قدر کرتے ہیں۔ مزید برآں بورڈ آف ڈائریکٹرز اپنے پالیسی ہولڈرز اور شیئر ہولڈرز کی مسلسل اعانت اور سرپرستی کے شکرگزار ہیں۔

منجانب بورڈ آف ڈائریکٹرز

سید حیدر علی

چیف ایگزیکٹو آفیسر

تاریخ: 27 اپریل، 2020

شیم احمد خان

چیئر مین

تاریخ: 27 اپریل، 2020

IGI LIFE INSURANCE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

	(Un-audited) March 31, 2020	(Audited) December 31, 2019
Note	----- Rupees in 000 -----	
Assets		
Property and equipment	9 293,502	204,875
Intangible assets	9 429,581	437,463
Investments		
Equity securities	10 65,356	86,130
Mutual funds	10 2,235,087	3,027,759
Government securities	11 13,022,779	12,247,588
Debt securities	12 225,000	457,354
Term deposits	13 1,528,500	1,532,107
	17,076,722	17,350,938
Loans secured against life insurance policies	168,802	167,965
Insurance / takaful / reinsurance / retakaful receivables	445,658	460,958
Other loans and receivables	477,117	647,299
Taxation - payments less provision	662,820	599,667
Deferred tax asset - net	78,136	59,797
Prepayments	99,170	104,675
Cash and bank	14 62,250	110,462
Total assets	<u>19,793,758</u>	<u>20,144,099</u>
Equity and liabilities		
Capital and reserves attributable to Company's equity holders		
Authorised share capital (300,000,000 (2018: 100,000,000) ordinary shares of Rs. 10 each)	<u>3,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital	1,705,672	1,705,672
Ledger account C & D	(172,331)	(148,245)
Unappropriated profit	700,520	675,543
Surplus / (deficit) on revaluation of available for sale investments	(55,468)	7,743
Total equity	2,178,393	2,240,713
Liabilities		
Insurance liabilities [including policyholders' liabilities and ledger account A & B]	15 16,589,283	16,864,180
Outstanding claims	334,511	371,060
Retirement benefit obligations	27,295	24,109
Premium received in advance	76,195	65,569
Reinsurance / retakaful payables	90,999	75,298
Other creditors and accruals	407,923	453,603
Lease liability against right-of-use assets	89,159	49,567
Total liabilities	17,615,365	17,903,386
Total equity and liabilities	<u>19,793,758</u>	<u>20,144,099</u>
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
PROFIT AND LOSS ACCOUNT
FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2020

	<u>March 31,</u> <u>2020</u>	<u>March 31,</u> <u>2019</u>
Note	-----Rupees in 000-----	
Premium / contribution revenue	1,346,124	1,300,439
Less: premium / contribution ceded to reinsurers / retakaful operators	45,031	30,848
Net premium / contribution revenue	<u>1,301,093</u>	<u>1,269,591</u>
Investment income	451,681	307,987
Net realised fair value (losses) / gains on financial assets	(99,515)	23,648
Other income - net	17,426	22,908
	<u>369,592</u>	<u>354,543</u>
Net income	<u>1,670,685</u>	<u>1,624,134</u>
Insurance benefits	1,341,405	1,408,365
Recoveries from reinsurers / retakaful operators	(5,606)	(41,855)
Net insurance benefits	<u>1,335,799</u>	<u>1,366,510</u>
	<u>334,886</u>	<u>257,624</u>
Change in insurance liabilities (other than outstanding claims)	(99,196)	(61,215)
Acquisition expenses	203,833	160,734
Marketing and administration expenses	226,794	183,379
Other expenses	1,651	-
Total expenses	<u>333,082</u>	<u>282,898</u>
	<u>1,804</u>	<u>(25,274)</u>
Finance costs	550	438
Profit / (loss) before tax	<u>1,254</u>	<u>(25,712)</u>
Income tax	363	(7,456)
Profit / (loss) after tax	<u>891</u>	<u>(18,256)</u>
	-----Rupees-----	
	(Restated)	
Earnings / (loss) per share	<u>0.01</u>	<u>(0.12)</u>

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
STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2020

	<u>March 31,</u> <u>2020</u>	<u>March 31,</u> <u>2019</u>
	-----Rupees in 000-----	
Profit / (loss) after tax	891	(18,256)
Other comprehensive (loss) / income		
Change in unrealised (loss) / income on available-for-sale financial assets - net of tax	(238,912)	189,105
Change in insurance liabilities - net	175,701	(172,496)
Other comprehensive (loss) / income for the period	(63,211)	16,609
Total comprehensive loss for the period	<u>(62,320)</u>	<u>(1,647)</u>

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
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2020

Attributable to equity holders of the Company					
Share capital	Un-appropriated profit *	Ledger C & D account	Surplus / (deficit) on revaluation of available for sale investments **	Total	
-----Rupees in 000-----					
Balance as at December 31, 2018	705,672	625,357	71,065	(48,240)	1,353,854
Total comprehensive income / (loss)					
Profit / (loss) for the quarter ended March 31, 2019	-	5,127	(23,383)	-	(18,256)
Other comprehensive income for the quarter ended March 31, 2019	-	-	-	16,609	16,609
	-	5,127	(23,383)	16,609	(1,647)
Balance as at March 31, 2019	705,672	630,484	47,682	(31,631)	1,352,207
Total comprehensive income / (loss)					
Profit / (loss) for the nine months ended December 31, 2019	-	45,059	(203,521)	-	(158,462)
Other comprehensive income for the nine months ended December 31, 2019	-	-	7,594	39,374	46,968
	-	45,059	(195,927)	39,374	(111,494)
Transactions with owners recorded directly in equity					
Issuance of right shares	1,000,000	-	-	-	1,000,000
Balance as at December 31, 2019	1,705,672	675,543	(148,245)	7,743	2,240,713
Total comprehensive income / (loss)					
Profit / (loss) for the quarter ended March 31, 2020	-	24,977	(24,086)	-	891
Other comprehensive loss for the quarter ended March 31, 2020	-	-	-	(63,211)	(63,211)
	-	24,977	(24,086)	(63,211)	(62,320)
Balance as at March 31, 2020	<u>1,705,672</u>	<u>700,520</u>	<u>(172,331)</u>	<u>(55,468)</u>	<u>2,178,393</u>

* 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 29 form an integral part of these condensed interim financial statements.

Chairman

Director

Director

Chief Executive Officer

Chief Financial Officer

IGI LIFE INSURANCE LIMITED
CASH FLOW STATEMENT
FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2020

	March 31, 2020	March 31, 2019
	-----Rupees in 000-----	
Operating Cash flows		
(a) Underwriting activities		
Premiums received net of policy transfers	1,344,441	1,080,981
Reinsurance premium paid	(101,032)	(28,957)
Claims paid	(427,749)	(440,556)
Surrenders paid	(957,973)	(965,958)
Reinsurance recovery received	33,215	22,684
Commissions paid	(183,042)	(114,396)
Commission received	9,616	28,957
Net cash outflow on underwriting activities	(282,524)	(417,245)
(b) Other operating activities		
Income tax paid	(73,355)	(31,374)
Payment for expenses	(225,887)	(265,286)
Other operating receipts	4,454	7,194
Loans advanced	3,534	4,351
Loan repayments received	(147)	1,527
Net cash outflow on other operating activities	(291,401)	(283,588)
Total cash outflow on all operating activities	(573,925)	(700,833)
Investment activities		
Profit / return received	640,008	327,668
Dividend received	4,137	1,758
Payment for investments	(448,867)	(3,585,430)
Proceeds from disposal of investments	439,006	4,437,239
Fixed capital expenditure	(68,940)	(10,671)
Capital work in progress	(43,238)	(33,424)
Total cash inflow from investing activities	522,106	1,137,140
Financing activities		
Dividends paid	-	(60,532)
Total cash inflow from / (outflow on) financing activities	-	(60,532)
Net cash (outflow on) / inflow from all activities	(51,819)	375,775
Cash and cash equivalents at beginning of year	1,642,569	897,460
Cash and cash equivalents at end of year	15.1 1,590,750	1,273,235
Reconciliation to Profit and Loss Account		
Operating cash flows	(573,925)	(700,833)
Depreciation and amortisation expenses	(31,476)	(13,764)
Increase in assets other than cash	93,613	228,711
Decrease in liabilities	389,832	(64,124)
Investment income	114,246	492,544
Profit received on bank deposits	8,601	39,210
Loss after taxation	891	(18,256)

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 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 ("Holding Company") which holds 82.69% (December 31, 2019 : 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
 - 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 year, the Company has launched the vitality product on February 01, 2019.

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).

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, 2020:

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, 2019.

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, 2019.

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, 2020, 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.

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, 2019. The Company intends to have an actuarial valuation in respect of staff retirement benefit plan for 2020 conducted at the year end. Hence actuarial gains / losses for the quarter ended March 31, 2020 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, 2019.

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 March 31, 2020 and change in the fair values during the quarter ended March 31, 2020:

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	9,235,853
Additions / (disposals) during the period	(1,103,817)
Increase / (decrease) in fair value	159,961
Closing fair value	<u>8,291,997</u>
<i>Treasury Bills - available for sale (refer note 11)</i>	
Opening fair value	3,011,735
Additions / disposals during the period	1,678,998
Increase / (decrease) in fair value	40,049
Closing fair value	<u>4,730,782</u>
<i>Debt Securities - available for sale (refer note 12)</i>	
Opening fair value	457,354
Additions / disposals during the period	(232,354)
Increase / (decrease) in fair value	-
Closing fair value	<u>225,000</u>
Financial assets that do not meet the SPPI criteria	
<i>Mutual funds - available for sale (refer note 10)</i>	
Opening fair value	3,027,759
Additions / disposals during the period	(89,127)
Increase / (decrease) in fair value	(703,545)
Closing fair value	<u>2,235,087</u>
<i>Listed equities - available for sale (refer note 10)</i>	
Opening fair value	86,130
Additions / disposals during the period	6,935
Increase / (decrease) in fair value	(27,709)
Closing fair value	<u>65,356</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.

	(Un-audited) March 31, 2020	(Audited) December 31, 2019
Note	----- Rupees in 000 -----	
9 PROPERTY AND EQUIPMENT		
Tangible assets (including right-of-use-asset)	293,502	176,009
Intangible assets	429,581	378,199
9.1	<u>723,083</u>	<u>554,208</u>
9.1 Opening net book value	640,601	189,122
Add: Additions during the period		
- Leasehold improvements	106	24,165
- Furniture and fixtures	-	6,296
- Office equipment	1,240	5,007
- Computer equipment	4,502	6,905
- Motor vehicles	51,357	28,378
- Right-to-use asset	-	12,286
- Software and licenses	11,778	497,028
	68,983	580,065
Less: Net book value of deletion	-	1,973
Depreciation for the period	31,476	126,613
	31,476	128,586
Closing net book value	678,108	640,601
Add: Capital work in progress	44,975	1,737
	<u>723,083</u>	<u>642,338</u>

10 INVESTMENTS IN EQUITY SECURITIES

	(Un-audited)			(Audited)		
	As at March 31, 2020			As at December 31, 2019		
	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	89,013	65,356	(23,657)	82,078	86,130	4,052
Mutual Funds	2,755,124	2,235,087	(520,037)	2,844,251	3,027,759	183,508
	<u>2,844,137</u>	<u>2,300,443</u>	<u>(543,694)</u>	<u>2,926,329</u>	<u>3,113,889</u>	<u>187,560</u>

11 INVESTMENTS IN GOVERNMENT SECURITIES

Note	(Un-audited)			(Audited)			
	As at March 31, 2020			As at December 31, 2019			
	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 & 11.2	7,888,116	8,291,997	403,881	8,991,933	9,235,853	243,920
Market Treasury Bills	11.3	4,684,632	4,730,782	46,150	3,005,634	3,011,735	6,101
		<u>12,572,748</u>	<u>13,022,779</u>	<u>450,031</u>	<u>11,997,567</u>	<u>12,247,588</u>	<u>250,021</u>

- 11.1 The effective yield on Pakistan Investment Bonds ranges from 7.16% to 14.27% (December 31, 2019: 6.60% to 14.97%) per annum. The market yield ranges from 9.21% to 11.44% (December 31, 2019: 11% to 13.44%) per annum.
- 11.2 The Company has deposited 5 years Pakistan Investment Bonds whose face value amounts to Rs. 192.34 million (December 31, 2019: Rs. 192.34 million) with State Bank of Pakistan under section 29 of Insurance Ordinance, 2000.
- 11.3 The effective yield on Market Treasury Bills ranges from 11.19% to 14.19% (December 31, 2019: 13.15% to 14.19%) per annum. The market yield ranges from 10.60% to 11.09% (December 31, 2019: 13.25% to 13.44%) per annum.

12 INVESTMENTS IN DEBT SECURITIES

Note	(Un-audited)			(Audited)			
	As at March 31, 2020			As at December 31, 2019			
	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	-
Unlisted commercial paper	12.2	-	-	-	232,354	232,354	-
		<u>225,000</u>	<u>225,000</u>	<u>-</u>	<u>457,354</u>	<u>457,354</u>	<u>-</u>

- 12.1 The effective yield on term finance certificates are 11.25% to 13.48% (December 31, 2018: 14.89% to 15.40%) per annum.
- 12.2 The effective yield on commercial paper is Nil (December 31, 2019: 15.40%) per annum.

13 INVESTMENTS IN TERM DEPOSIT RECEIPTS

	(Un-audited)			(Audited)		
	As at March 31, 2020			As at December 31, 2019		
	Principal Amount	Tenure	Rates	Principal Amount	Tenure	Rates
-----Rupees in 000's-----						
Held to maturity						
Term Deposit Receipts	1,528,500	1 month to 3 months	9.5% to 13% per annum	1,532,107	1 month to 3 months	11.75% to 13.50% per annum

14 CASH AND BANK	Note	(Un-audited)	(Audited)
		March 31, 2020	December 31, 2019
----- Rupees in 000 -----			
Cash in hand		794	774
Cash at bank			
- Savings accounts	14.1	<u>61,456</u>	<u>109,688</u>
		<u>62,250</u>	<u>110,462</u>

14.1 These savings accounts carry markup rate of 9.5% per annum (December 31, 2019: 10% - 12%).

	Note	(Un-audited) March 31, 2020	(Audited) December 31, 2019
---- (Rupees in '000) ----			
14.2 Cash and cash equivalents			
Cash and bank balances	14	62,250	110,462
Term deposit receipts (with original maturity of less than 3 months)	13	1,528,500	1,532,107
		<u>1,590,750</u>	<u>1,642,569</u>
15 INSURANCE LIABILITIES			
Incurred but not reported claims		222,025	186,721
Investment component of unit-linked and account value policies		7,382,731	7,749,892
Liabilities under individual conventional insurance contracts		6,772,366	6,949,696
Liabilities under group insurance contracts		440,253	282,030
Other insurance liabilities		1,288,697	992,200
Ledger account A and B		483,211	330,061
		<u>16,589,283</u>	<u>16,490,600</u>
16 CONTINGENCIES AND COMMITMENTS			

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 upto June 30, 2019.

With effect from July 1, 2019, in Sindh, the SRB extended the exemption to health insurance upto June 30, 2020, and for individual life insurance, prescribed a reduced rate of 3% on GWP. The exemption to Group Life insurance lapsed on June 30, 2019. Hence, Group Life Insurance was made taxable at the full rate of 13%.

This being a collective issue of the industry, 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 opinion 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 policy holders' 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 policy holders, 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 Hon'ble 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 petition is 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 Hon'ble Sindh High Court (SHC) in November 2019, challenging the levy of SST. The Hon'ble 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 Chairman SRB, and will continue its efforts to convince the provincial revenue authorities about the merits of the case.

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 Hon'ble LHC and Hon'ble SHC, 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 loss after tax and loss per share would have been higher by Rs. 161.380 million and Rs. 0.95 respectively while sales tax liability as at March 31, 2020 would have been higher by Rs. 227.296 million.

		(Un-audited)	
		For the Quarter and three months ended March 31,	
		2020	2019
		---- (Rupees in '000) ----	
17	NET PREMIUM / CONTRIBUTION REVENUE		
	Gross premiums / contribution:		
	Regular premium / contribution individual policies*		
	First year	188,059	129,188
	Second year renewal	78,645	113,320
	Subsequent year renewal	306,090	287,414
	Single premium / contribution individual policies	212,021	92,754
	Group policies without cash value	561,309	677,763
	Total gross premiums / contribution	1,346,124	1,300,439
	Less: reinsurance premium / contribution ceded		
	On individual life first year business	6,513	5,317
	On individual life second year business	1,749	1,971
	On individual life renewal business	8,566	7,114
	On single premium policies	1,107	1,499
	On individual accident and health first year	607	1,089
	On group policies	36,105	19,189
	Commission from reinsurers	(9,616)	(5,331)
		45,031	30,848
	Net premium / contribution	1,301,093	1,269,591

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

		(Un-audited)	
		For the Quarter and three months ended March 31,	
		2020	2019
		---- (Rupees in '000) ----	
18	INVESTMENT INCOME		
	Return on government securities	364,767	271,720
	Amortisation of premium	19,906	280
	Dividend income	4,137	1,758
	Profit on term deposit receipts	46,185	28,340
	Profit on debt securities	16,686	5,889
		451,681	307,987

(Un-audited)
For the Quarter and three
months ended March 31,
2020 2019
---- (Rupees in '000) ----

19 NET INSURANCE BENEFITS

Gross Claims

Claims under individual policies

By death	14,476	50,581
By insured event other than death	-	-
By maturity	3,648	3,233
By surrender	957,973	965,958

Total gross individual policy claims

976,097	1,019,772
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Claims under group policies

by death	77,244	66,032
by insured event other than death	295,447	326,019
by surrender	-	-
experience refund	(7,383)	(3,458)

Total gross group policy claims

365,308	388,593
---------	---------

Total gross policy claims

1,341,405	1,408,365
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Less: reinsurance recoveries

On Individual life claims	1,478	22,003
On Group Life claims	4,128	19,852
	5,606	41,855

Net insurance benefit expense

1,335,799	1,366,510
1,335,799	1,366,510

20 ACQUISITION EXPENSES

Remuneration to insurance intermediaries

on individual policies:

- Commission on first year premiums / contribution	71,137	45,501
- Commission on second year premiums / contribution	1,379	6,887
- Commission on subsequent renewal premiums / contribution	12,395	7,827
- Commission on single premiums / contribution	6,656	1,768
- Other benefits to insurance intermediaries	43,760	39,110
	135,327	101,093

Remuneration to insurance intermediaries on

group policies:

- Commission	28,613	38,397
- Other benefits to insurance intermediaries	827	1,677
	29,440	40,074

Branch overheads :

- Salaries and other benefits	14,339	4,419
- Other operational cost	21,180	14,579
	35,519	18,998

Other acquisition cost :

- Policy stamps	3,547	569
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203,833	160,734
203,833	160,734

		(Un-audited)	
		For the Quarter and three months ended March 31,	
		2020	2019
		-----Rupees in 000-----	
21	MARKETING AND ADMINISTRATION EXPENSES		
	Salaries, allowances & other benefits	100,987	104,080
	Travelling expenses	2,722	3,518
	Directors fees	1,579	799
	Regulators fee	4,013	3,160
	Actuary's fees	2,276	2,238
	Medical fees	-	397
	Legal and professional charges	1,286	429
	Advertisement and publicity	4,897	19,108
	Computer expenses	-	-
	Printing and stationery	4,067	4,348
	Depreciation and amortisation	31,476	13,764
	Rentals	11,345	(2,820)
	Vehicles and general repair and maintenance	38,405	7,502
	Utilities-electricity, water and gas	2,696	302
	Transportation	1,206	2,496
	Communication	8,471	8,851
	Consultancy fee	2,128	5,162
	Training and workshop	17	631
	Insurance	1,652	375
	Interest on premium deposit in advance	436	352
	Social security	760	461
	Entertainment	1,814	2,848
	Books and subscriptions	-	11
	Miscellaneous expenses	4,561	5,367
		<u>226,794</u>	<u>183,379</u>
22	OTHER EXPENSES		
	Auditors' remuneration	1,651	-
		<u>1,651</u>	<u>-</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 quarter year ended March 31, 2020, the shareholder's fund reflected a profit before tax of Rs. 35.179 million resulting in current tax amounting to Rs. 10.202 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. 70.390 million (December 31, 2019: Rs. 60.551 million) in this respect.

		For the Quarter ended	
		March 31,	
		2020	2019
		-----Rupees in 000-----	
24	EARNINGS / (LOSS) PER SHARE		
	Basic / diluted (loss) / earnings per share		
	Profit / (loss) for the period	891	(18,256)
	Weighted average number of ordinary shares	<u>170,567,200</u>	<u>158,329,342</u>
		----- (Rupees) -----	
	Earnings / (loss) per share	<u>0.01</u>	<u>(0.12)</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 quarter ended March 31, 2020											
CONVENTIONAL - STATUTORY FUNDS							TAKAFUL - STATUTORY FUNDS			Total	
Life (Participating)	Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	Individual Family	Group Family	Group Health		
	Individual	Group		Individual	Group						
----- (Rupees in '000) -----											
INCOME											
Premiums / contribution less reinsurances / retakaful	7,434	98,495	145,168	356,189	1,659	353,059	-	302,496	8,467	18,510	1,291,477
Net investment income	110,041	324,744	(732)	(130,870)	(103)	(658)	6,984	(265,033)	(940)	(2,480)	40,953
Other income - net	1,976	3,010	965	3,081	14	6,350	-	33,741	398	1,442	50,977
Total net income	119,451	426,249	145,401	228,400	1,570	358,751	6,984	71,204	7,925	17,472	1,383,407
CLAIMS AND EXPENDITURE											
Claims, including bonuses, net of reinsurance recoveries	33,368	265,594	68,448	437,493	(113)	249,764	137	238,277	7,639	35,192	1,335,799
Policy transfers to other statutory funds	-	-	-	-	-	-	-	-	-	-	-
Management expenses less recoveries	1,335	31,491	21,205	171,919	5,547	63,809	-	112,720	3,069	7,554	418,649
Total claims and expenditure	34,703	297,085	89,653	609,412	5,434	313,573	137	350,997	10,708	42,746	1,754,448
Excess / (shortage) of Income over claims and expenditure	84,748	129,164	55,748	(381,012)	(3,864)	45,178	6,847	(279,793)	(2,783)	(25,274)	(371,041)
Add: Policyholders' liabilities at beginning of the period	1,558,617	6,093,433	99,126	5,934,041	14,841	352,032	146,962	2,238,892	19,872	(2,877)	16,454,939
Less: Policyholders' liabilities at end of the period	(1,569,395)	(6,217,299)	(163,930)	(5,597,633)	(14,079)	(425,773)	(153,943)	(1,965,379)	(18,331)	19,690	(16,106,072)
Movement in policyholders' liabilities	(10,778)	(123,866)	(64,804)	336,408	762	(73,741)	(6,981)	273,513	1,541	16,813	348,867
Surplus / (deficit) before tax	73,970	5,298	(9,056)	(44,604)	(3,102)	(28,563)	(134)	(6,280)	(1,242)	(8,461)	(22,174)
Taxation	-	(13,832)	2,552	11,984	889	8,518	39	(2,252)	127	1,814	9,839
Surplus / (deficit) after tax	73,970	(8,534)	(6,504)	(32,620)	(2,213)	(20,045)	(95)	(8,532)	(1,115)	(6,647)	(12,335)
Movement in policyholders' liabilities	10,778	123,866	64,804	(336,408)	(762)	73,741	6,981	(273,513)	(1,541)	(16,813)	(348,867)
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	1,967,858	6,558,849	191,462	5,880,468	4,193	375,873	154,363	2,159,828	22,817	45,156	17,360,867
Balance of statutory fund at end of the period	2,052,606	6,674,181	249,762	5,511,440	1,218	429,569	161,249	1,877,783	20,161	21,696	16,999,665
Represented by:											
Capital contributed by shareholders' fund	-	197,552	-	242,100	12,000	4,300	6,000	101,500	1,200	77,500	642,152
Policyholders' liabilities / PTF	1,569,395	6,217,299	163,930	5,597,633	14,079	425,773	153,943	1,965,379	18,331	(19,690)	16,106,072
Retained earnings attributable to policyholders (Ledger Account A)	446,660	-	-	-	-	-	-	-	-	-	446,660
Retained earnings on par business attributable to shareholders - undistributable (Ledger Account B)	36,551	-	-	-	-	-	-	-	-	-	36,551
Retained earnings on other than participating business (Ledger Account D) / PTF	-	295,831	85,970	(323,285)	(24,772)	(1,875)	1,306	(173,515)	1,514	(33,505)	(172,331)
Revaluation surplus / (deficit) on revaluation of available for sale investments	-	(36,501)	(138)	(5,008)	(89)	1,371	-	(15,581)	(884)	(2,609)	(59,439)
BALANCE OF STATUTORY FUND	2,052,606	6,674,181	249,762	5,511,440	1,218	429,569	161,249	1,877,783	20,161	21,696	16,999,665

(Un-audited)										
For the quarter ended March 31, 2019										
CONVENTIONAL - STATUTORY FUNDS							TAKAFUL - STATUTORY FUNDS			Total
Life (Participating)	Life (Non-participating)		Investment Linked	Accident & Health		Pension Business Fund	Individual Family	Group Family	Group Health	
	Individual	Group		Individual	Group					

----- (Rupees in '000) -----

INCOME

Premiums/contribution less reinsurances/retakaful	10,500	114,468	95,902	249,405	1,551	386,167	14,590	229,762	9,999	151,916	1,264,260
Net investment income	42,019	175,236	8,512	220,122	755	632	2,204	35,533	398	247	485,658
Other income - net	2,042	7,586	770	5,438	426	9,508	903	18,601	684	1,357	47,315
Total net income	54,561	297,290	105,184	474,965	2,732	396,307	17,697	283,896	11,081	153,520	1,797,233

CLAIMS AND EXPENDITURE

Claims, including bonuses, net of reinsurance recoveries	37,581	190,960	57,353	685,710	66	258,236	441	83,346	106	52,711	1,366,510
Policy transfers to other statutory funds	-	-	-	-	-	-	-	-	-	-	-
Management expenses less recoveries	4,270	28,788	20,236	125,570	4,203	62,130	208	81,513	1,329	7,375	335,622
Total claims and expenditure	41,851	219,748	77,589	811,280	4,269	320,366	649	164,859	1,435	60,086	1,702,132

Excess of income over claims and expenditure

	12,710	77,542	27,595	(336,315)	(1,537)	75,941	17,048	119,037	9,646	93,434	95,101
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Add: Policyholders' liabilities at beginning of the period

Less: Policyholders' liabilities at end of the period

Movement in policyholders' liabilities

	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
	(1,575,402)	(6,132,793)	(113,907)	(5,892,648)	(9,384)	(409,261)	(122,953)	(1,855,737)	(12,443)	(140,121)	(16,264,649)
	(5,539)	(57,766)	(15,804)	326,358	636	(88,996)	(16,371)	(134,670)	(4,914)	(107,044)	(104,110)

Surplus / (deficit) before tax

Taxation

Surplus / (deficit) after tax

	7,171	19,776	11,791	(9,957)	(901)	(13,055)	677	(15,633)	4,732	(13,610)	(9,009)
	-	(4,372)	(1,195)	3,400	347	3,665	(196)	5,040	(1,268)	4,129	9,550
	7,171	15,404	10,596	(6,557)	(554)	(9,390)	481	(10,593)	3,464	(9,481)	541

Movement in policyholders' liabilities

	5,539	57,766	15,804	(326,358)	(636)	88,996	16,371	134,670	4,914	107,044	104,110
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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

	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	(10,500)		(10,500)
	-	-	-	-	-	-	-	-	10,500		10,500
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-

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
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Balance of statutory fund at end of the period

	1,912,634	6,468,618	206,623	6,012,360	4,736	454,011	129,403	1,841,603	19,600	116,745	17,166,333
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Represented by:

Capital contributed by shareholders' fund

Policyholders' liabilities / PTF

Retained earnings attributable to policyholders

(Ledger Account A)

Retained earnings on par business attributable

to shareholders - undistributable (Ledger Account B)

Retained earnings on other than

participating business (Ledger Account D) / PTF

Revaluation surplus / (deficit) on revaluation

of available for sale investments

	-	197,552	-	242,100	2,000	4,300	6,000	91,500	1,200	2,500	547,152
	1,575,402	6,132,793	113,907	5,892,648	9,384	409,261	122,953	1,855,737	12,443	140,121	16,264,649
	308,599	-	-	-	-	-	-	-	-	-	308,599
	28,633	-	-	-	-	-	-	-	-	-	28,633
	-	159,156	93,702	(118,380)	(6,513)	42,268	450	(104,204)	6,029	(24,826)	47,682
	-	(20,883)	(986)	(4,008)	(135)	(1,818)	-	(1,430)	(72)	(1,050)	(30,382)

BALANCE OF STATUTORY FUND

	1,912,634	6,468,618	206,623	6,012,360	4,736	454,011	129,403	1,841,603	19,600	116,745	17,166,333
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Holding Company		Post Employment Benefit Plans		Key Management Personnel		Other Related Parties	
March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019

Balances

(Receivable) / payable for group shared services	(12,412)	(10,056)	-	-	-	-	55,783	16,813
Receivable/ payable for general insurance premium	-	-	-	-	-	-	25	(140)
Premium receivable	-	-	-	-	-	-	55	2,346
(Receivable) / payable to employee provident fund	-	-	(470)	(850)	-	-	-	-

27 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 March 31, 2020 the Company held the following financial instruments measured at fair value:

	------(Unaudited)-----		
	As at March 31, 2020		
	Level 1	Level 2	Level 3
	----- Rupees in '000 -----		
Assets carried at fair value			
Available-for-sale investments	65,356	15,482,866	-
	------(Audited)-----		
	As at December 31, 2019		
	Level 1	Level 2	Level 3
	----- Rupees in '000 -----		
Assets carried at fair value			
Available-for-sale investments	86,130	15,732,701	-

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 March 27, 2020 by the Board of Directors of the Company.

 Chairman

 Director

 Director

 Chief Executive Officer

 Chief Financial Officer



**IGI LIFE INSURANCE LIMITED – WINDOW TAKAFUL OPERATIONS
FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2020
FINANCIAL STATEMENTS**

IGI LIFE INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

	As at			As at
	March 31, 2020			December 31, 2019
	Operator sub fund	Policyholders fund	Total	Total
	----- Rupees in 000 -----			
Assets				
Property and equipment	45,158	-	45,158	3,867
Investments				
Mutual funds	73,696	792,991	866,687	1,091,808
Term deposits	196,000	1,132,500	1,328,500	1,331,250
	269,696	1,925,491	2,195,187	2,423,058
Takaful / retakaful receivables	-	13,497	13,497	22,093
Other loans and receivables	2,459	-	2,459	289,271
Taxation - payments less provision	27,007	-	27,007	19,801
Deferred tax asset - net	91,731	-	91,731	85,075
Prepayments	4,934	-	4,934	5,491
Cash and bank	22,198	85,932	108,130	(122,567)
Total assets	463,183	2,024,920	2,488,103	2,726,089
Equity and liabilities				
Equity and reserves				
Waqf Ceded Money	-	500	500	500
Capital contributed	229,700	-	229,700	229,700
Ledger account C & D	(205,507)	-	(205,507)	(206,270)
Surplus / (deficit) on revaluation of available for sale investments	(19,073)	-	(19,073)	(2,016)
Total equity	5,120	500	5,620	21,914
Liabilities				
Insurance liabilities [including policyholders' liabilities and profit retained in waqf]	64,763	1,899,257	1,964,020	2,255,887
Outstanding claims	-	18,106	18,106	14,088
Contribution received in advance	-	22,444	22,444	19,023
Takaful / retakaful payables	-	16,004	16,004	12,362
Other creditors and accruals	48,762	-	48,762	73,860
Interfund payable	313,064	68,609	381,673	326,387
Lease liability against right-of-use assets	31,474	-	31,474	2,568
Total liabilities	458,063	2,024,420	2,482,483	2,704,175
Total equity and liabilities	463,183	2,024,920	2,488,103	2,726,089
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 Officer

**IGI LIFE INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
PROFIT AND LOSS ACCOUNT
FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2020**

		March 31, 2020			March 31, 2019		
		Operator sub fund	Policyholders fund	Total	Operator sub fund	Policyholders fund	Total
Note		-----Rupees in 000-----					
Contribution revenue	10	-	337,118	337,118	-	394,480	394,480
Less: wakala fee recognised		82,429	(82,429)	-	73,089	(73,089)	-
		82,429	254,689	337,118	73,089	321,391	394,480
Less: contribution ceded to retakaful operators	10	-	6,759	6,759	-	2,437	2,437
Net contribution revenue		82,429	247,930	330,359	73,089	318,954	392,043
Investment income		4,020	29,600	33,620	(2,866)	23,114	20,248
Net realised fair value losses on financial assets		(2,740)	(56,792)	(59,532)	353	7,283	7,636
Takaful operator fee income		15,432	(15,432)	-	11,175	(11,175)	-
Other income - net		1,834	132	1,966	1,873	889	2,762
		18,546	(42,492)	(23,946)	10,535	20,111	30,646
Net income		100,975	205,438	306,413	83,624	339,065	422,689
Takaful benefits		-	284,608	284,608	-	136,163	136,163
Recoveries from retakaful operators		-	(3,500)	(3,500)	-	-	-
Net takaful benefits	11	-	281,108	281,108	-	136,163	136,163
		100,975	(75,670)	25,305	83,624	202,902	286,526
Change in takaful liabilities (including profit retained in waqf fund)		(24,328)	(75,670)	(99,998)	20,287	202,902	223,189
Acquisition expenses	12	73,142	-	73,142	55,682	-	55,682
Marketing and administration expenses		51,087	-	51,087	34,901	-	34,901
Total expenses		99,901	(75,670)	24,231	110,870	202,902	313,772
Profit / (loss) before tax attributable to Operator		1,074	-	1,074	(27,246)	-	(27,246)
Income tax		311	-	311	(7,901)	-	(7,901)
Profit / (loss) after tax attributable to Operator		763	-	763	(19,345)	-	(19,345)

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

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Chairman

Director

Director

Chief Executive Officer

Chief Financial Officer

**IGI LIFE INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2020**

	March 31, 2020			March 31, 2019		
	Operator sub fund	Policyholders fund	Total	Operator sub fund	Policyholders fund	Total
	-----Rupees in 000-----					
Profit / (loss) after tax attributable to Operator	763	-	763	(19,345)	-	(19,345)
Other comprehensive (loss) / income						
Change in unrealised (loss) / income on available-for-sale financial assets - net of tax	(17,057)	(191,869)	(208,926)	2,735	23,439	26,174
Change in takaful liabilities - net	-	191,869	191,869	-	(23,439)	(23,439)
Other comprehensive (loss) / income for the period	(17,057)	-	(17,057)	2,735	-	2,735
Total comprehensive loss for the period attributable to Operator	(16,294)	-	(16,294)	(16,610)	-	(16,610)

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
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2020

	Attributable to equity holders of the Company				Total
	Capital contributed	Waqf Ceded Money	Ledger C & D account	Surplus / (deficit) on revaluation of available for sale investments **	
	-----Rupees in 000-----				
Balance as at December 31, 2018	144,700	500	(104,254)	(4,689)	36,257
Total comprehensive income / (loss)					
Loss for the quarter ended March 31, 2019	-	-	(19,345)	-	(19,345)
Other comprehensive income for the quarter ended March 31, 2019	-	-	-	2,735	2,735
	-	-	(19,345)	2,735	(16,610)
Balance as at March 31, 2019	144,700	500	(123,599)	(1,954)	19,647
Total comprehensive income / (loss)					
Profit for the nine months ended December 31, 2019	-	-	(82,671)	-	(82,671)
Other comprehensive loss for the nine months ended December 31, 2019	-	-	-	(62)	(62)
	-	-	(82,671)	(62)	(82,733)
Transactions with owners recorded directly in equity					
Capital Contributed	85,000	-	-	-	85,000
Balance as at December 31, 2019	229,700	500	(206,270)	(2,016)	21,914
Total comprehensive income / (loss)					
Profit for the quarter ended March 31, 2020	-	-	763	-	763
Other comprehensive loss for the quarter ended March 31, 2020	-	-	-	(17,057)	(17,057)
	-	-	763	(17,057)	(16,294)
Balance as at December 31, 2019	229,700	500	(205,507)	(19,073)	5,620

** 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
CASH FLOW STATEMENT
FOR THE QUARTER AND THREE MONTHS ENDED MARCH 31, 2020**

Note	March 31, 2020	March 31, 2019
	Rupees in 000	
Operating Cash flows		
(a) Underwriting activities		
Premiums received net of policy transfers - net of retakaful	334,348	262,850
Claims paid - net of retakaful recoveries	(40,562)	(52,882)
Surrenders paid	(237,106)	(82,669)
Commissions paid	(69,308)	(29,287)
Net cash outflow on underwriting activities	(12,628)	98,012
(b) Other operating activities		
Payment for expenses	(78,239)	(55,377)
Other operating receipts	1	1,026
Inter fund transactions	4,700	57,880
Net cash outflow on other operating activities	(73,538)	3,529
Total cash outflow on all operating activities	(86,166)	101,541
Investment activities		
Profit / return received	43,198	21,911
Dividend received	5	1,306
Payments (made) / received on investments	246,678	538,085
Total cash inflow from investing activities	289,881	561,302
Net cash (outflow on) / inflow from all activities	203,715	662,843
Cash and cash equivalents at beginning of year	1,232,915	187,982
Cash and cash equivalents at end of year	1,436,630	850,825
Reconciliation to Profit and Loss Account		
Operating cash flows	(86,166)	101,541
Depreciation and amortisation expenses	6,900	2,740
Increase in assets other than cash	(244,852)	200,711
Decrease in liabilities	348,827	(354,983)
Investment income and other income	(25,911)	27,884
Profit received on bank deposits	1,965	2,762
Profit / (loss) after taxation	763	(19,345)

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 QUARTER AND THREE MONTHS ENDED MARCH 31, 2020**

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
 - 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).

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, 2020:

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, 2019.

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, 2019.

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, 2020, 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 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, 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.

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, 2019. The Company intends to have an actuarial valuation in respect of staff retirement benefit plan for 2020 conducted at the year end. Hence actuarial gains / losses for the quarter ended March 31, 2020 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 annual financial statements as at and for the year ended December 31, 2019.

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 March 31, 2020. There were no other material contingencies and commitments as at March 31, 2020.

10 NET CONTRIBUTION REVENUE

	(Un-audited) For the Quarter and three months ended March 31,	
	2020	2019
	---- (Rupees in '000) ----	
Gross contribution:		
Regular contribution individual policies*		
First year	103,566	65,709
Second year renewal	35,838	60,389
Subsequent year renewal	100,095	67,871
Single contribution individual policies	67,419	38,474
Group policies without cash value	30,200	162,037
Total gross contribution	337,118	394,480
Less: retakaful contribution ceded		
On individual life first year business	1,890	855
On individual life second year business	767	856
On individual life renewal business	1,729	917
On single premium policies	36	53
On group policies	3,223	122
Commission from reinsurers	(886)	(366)
	6,759	2,437
Net contribution	330,359	392,043

* 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 Quarter and three months ended March 31,	
	2020	2019
	---- (Rupees in '000) ----	
Gross Claims		
Claims under individual policies		
By death	1,171	677
By surrender	237,106	82,669
Total gross individual policy claims	238,277	83,346
Claims under group policies		
by death	9,500	106
by insured event other than death	36,025	52,711
experience refund	806	-
Total gross group policy claims	46,331	52,817
Total gross policy claims	284,608	136,163
Less: retakaful recoveries		
On Individual life claims	-	-
On Group Life claims	3,500	-
	3,500	-
Net takaful benefit expense	281,108	136,163

(Un-audited)
For the Quarter and three
months ended March 31,
2020 2019
----- (Rupees in '000) -----

12 ACQUISITION EXPENSES

Remuneration to takaful intermediaries on individual policies:

- Commission on first year contribution	37,209	27,778
- Commission on second year contribution	612	3,032
- Commission on subsequent renewal contribution	3,535	1,719
- Commission on single contribution	2,148	-
- Other benefits to takaful intermediaries	19,592	11,925
	63,096	44,454

Remuneration to takaful intermediaries on group policies:

- Commission	2,869	3,145
- Other benefits to takaful intermediaries	105	252
	2,974	3,397

Branch overheads :

- Salaries and other benefits	2,855	1,775
- Other operational cost	4,217	5,986
	7,072	7,761

Other acquisition cost :

- Policy stamps	-	70
	73,142	55,682

13 SEGMENT INFORMATION

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

13.1 Participants' Investment Fund (PIF)

----- (Un-audited) -----				
TAKAFUL - STATUTORY FUNDS			Aggregate	
Individual Family	Group Family	Group Health	For the quarter ended March 31,	
			2020	2019
----- (Rupees in '000) -----				
Income				
Allocated Contribution	229,296	-	229,296	167,841
Net Investment Income	(248,656)	-	(248,656)	46,165
Other Income	27,048	-	27,048	889
Total Net Income	7,688	-	7,688	214,895
Less: Claims and Expenditure				
Surrenders / Partial Surrenders	237,102	-	237,102	82,669
Risk Contributions	12,540	-	12,540	5,622
Wakalat-ul-Istismar	7,652	-	7,652	6,471
Policy admin fee	4,452	-	4,452	3,157
	261,746	-	261,746	97,919
Excess of Income over Claims and expenditure	(254,058)	-	(254,058)	116,976
Add: Technical reserves at the beginning of the period	2,133,423	-	2,133,423	1,624,708
Less: Technical reserves at the end of the period	(1,879,365)	-	(1,879,365)	(1,741,684)
	254,058	-	254,058	(116,976)
Surplus				
Movement in technical reserves	(254,058)	-	(254,058)	116,976
Balance of PIF at the beginning of the period	2,133,423	-	2,133,423	1,624,708
Balance of PIF at the end of the period	1,879,365	-	1,879,365	1,741,684

13.2 Participants' Takaful Fund (PTF)

------(Un-audited)-----				
TAKAFUL - STATUTORY FUNDS			Aggregate	
Individual Family	Group Family	Group Health	For the quarter ended March 31,	
			2020	2019
------(Rupees in '000)-----				
Income				(Restated)
Contribution net of retakaful	4,790	6,176	15,994	26,960
Net investment income	-	-	-	-
Other income	1,889	334	1,341	3,564
	6,679	6,510	17,335	30,524
				155,188
Less: Claims and Expenditure				
Claims	1,175	7,639	35,192	44,006
Wakala fee	-	-	-	-
	1,175	7,639	35,192	44,006
				53,494
Excess of Income over Claims and expenditure	5,504	(1,129)	(17,857)	(13,482)
				101,694
Add : Technical reserves at the beginning of the period	22,586	14,891	(4,104)	33,373
Less : Technical reserves at the end of the period	(23,631)	(14,884)	(44,155)	(82,670)
Add: Deficit retained in technical reserves	-	-	66,116	66,116
	(1,045)	7	17,857	16,819
				(108,664)
Surplus / (deficit)	4,459	(1,122)	-	3,337
Movement in technical reserves	1,045	(7)	(17,857)	(16,819)
Qard-e-Hasna contributed by Window Takaful Operator	-	-	-	-
Balance of PTF at the beginning of the period	22,586	15,038	42,305	79,929
	22,586	15,038	42,305	79,929
				48,547
Balance of PTF at the end of the period	<u>28,090</u>	<u>13,909</u>	<u>24,448</u>	<u>66,447</u>
				<u>160,741</u>

13.3 Operators' Sub Fund (OSF)

------(Un-audited)-----				
TAKAFUL - STATUTORY FUNDS			Aggregate	
Individual Family	Group Family	Group Health	For the quarter ended March 31,	
			2020	2019
------(Rupees in '000)-----				
Income				
Allocation fee	77,622	2,291	2,516	82,429
Investment income	(16,377)	(940)	(2,480)	(19,797)
Other Income	5,690	64	101	5,855
Wakala fee - PTF	3,328	-	-	3,328
Policy admin fee	4,452	-	-	4,452
Takaful operator fee	-	-	-	-
Wakalat-ul-Istismar	7,652	-	-	7,652
	82,367	1,415	137	83,919
				94,030
Less: Expenses				
Acquisition cost	63,096	2,117	857	66,070
Administration expenses / deferred taxation	52,762	825	4,883	58,470
	115,858	2,942	5,740	124,540
	(33,491)	(1,527)	(5,603)	(40,621)
				11,348
Add : Technical reserves at the beginning of the period	82,883	4,981	1,227	89,091
Less : Technical reserves at the end of the period	(57,924)	(4,569)	(2,271)	(64,764)
	24,959	412	(1,044)	24,327
				(20,988)
Deficit	(8,532)	(1,115)	(6,647)	(16,294)
Movement in technical reserves	(24,959)	(412)	1,044	(24,327)
Capital Contribution during the period	-	-	-	-
Qard-e-Hasna contributed to the Participants Takaful Fund	-	-	-	-
Balance of OSF at the beginning of the period	3,819	7,779	2,851	14,449
	3,819	7,779	2,851	14,449
				74,675
Balance of OSF at the end of the period	<u>(29,672)</u>	<u>6,252</u>	<u>(2,752)</u>	<u>(26,172)</u>
				<u>75,523</u>
Balance of Family Takaful statutory fund	<u>1,877,783</u>	<u>20,161</u>	<u>21,696</u>	<u>1,919,640</u>
				<u>1,977,948</u>

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 March 31, 2020 the Operator held the following financial instruments measured at fair value:

		As at March 31, 2020		
		Level 1	Level 2	Level 3
		----- Rupees in '000-----		
Assets carried at fair value				
Available-for-sale investments		-	73,696	-
		=====	=====	=====
		As at December 31, 2019		
		Level 1	Level 2	Level 3
		----- Rupees in '000-----		
Assets carried at fair value				
Available-for-sale investments		-	1,091,808	-
		=====	=====	=====

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 April 27, 2020 by the Board of Directors of the Company.

Chairman

Director

Director

Chief Executive Officer

Chief Financial Officer