

# NEW ERA OF ADAMJEE LIFE

Interim Financial Information for the

## First Quarter

Ended March 31, 2022





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# Our Vision

‘To be the most **trusted**  
insurance **partner**’

# Our Mission

‘Adhere to exemplary sales practices,  
best in class product packaging and  
customer engagement’







# Core Values

## **Value Creation**

Create value in everything we do

## **Customer Focus**

Always keep customer's interest in mind

## **Openness**

Foster a culture of trust and transparency

## **Respect**

Promote mutual respect and inclusiveness

# Our Company



A decorative graphic on the left side of the page consisting of a vertical column of overlapping hexagons. Some hexagons are outlined in dark blue, while others are light blue. Inside some of the hexagons are stylized icons of a person's head and shoulders in blue and green.

## Rating of the Company

Insurer Financial Strength  
(IFS) Rating

: A++

Outlook

: Stable

Rating Agency

: PACRA

Rating Date

: March 31, 2022

# Company Information

## BOARD OF DIRECTORS

S. M. Jawed  
Mian Umer Mansha  
Muhammad Ali Zeb  
Ahmad Alman Aslam  
Imran Maqbool  
Shahmeer Khalid Butt  
Naz Mansha

Chairman  
CEO & Director  
Director  
Director  
Director  
Director  
Director

## CHIEF FINANCIAL OFFICIER

Jalal Meghani

## COMPANY SECRETARY

Rahim Vallyani

## EXECUTIVE MANAGEMENT COMMITTEE

Mian Umer Mansha  
Jalal Meghani  
Ali Haider  
Amin Nizar  
Ahson Nasim  
Muhammad Furqan Uddin  
Dr. M. Saquib Saeed Khan  
Muhammad Imran Hussain Siddiqui  
Danish Ali Khan Rajput  
Dr. Bakht Jamal

## SHARE REGISTRAR

CDC Share Registrar Services Ltd. CDC House, 99-B, Block B,  
SMCHS Main Shahr-e-Faisal, Karachi 74400  
Phone No. (92-21) 111-111- 500  
Fax No. (92-21) 34326031  
Email: info@cdcpak.com

## STATUTORY AUDITORS OF THE COMPANY

M/s. Yousuf Adil Chartered Accountants  
Address: Cavish Court, A-35, Block 7 & 8 KCHSU,  
Shahra-e-Faisal, Karachi-75350, Pakistan



## **SHARIAH ADVISOR**

Mufti Muhammad Zubair Usmani

## **LEGAL ADVISOR**

Asad Iftikhar

Address: Office no. 505, Commercial Trade Center,  
Block 8 Clifton, Karachi.

## **Bankers**

Al Baraka Bank (Pakistan) Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bankislami Pakistan Limited  
Dubai Islamic Bank Limited  
Faysal Bank Limited  
Finca Microfinance Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
Khushhali Bank Limited  
MCB Bank Limited  
MCB Islamic Bank Limited  
Mobilink Microfinance Bank Limited  
National Bank Of Pakistan  
NRSP Microfinance Bank Limited  
Samba Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Silk Bank Limited  
Telenor Microfinance Bank Limited  
U Microfinance Bank Limited  
United Bank Limited

## **REGISTERED OFFICE**

Adamjee Life Assurance Company Limited,  
Office # 505, 5th Floor, Islamabad Stock Exchange Building,  
Blue Area, Islamabad, Pakistan.

## **HEAD OFFICE**

Adamjee Life Assurance Company Limited,  
3rd & 4th Floor, Adamjee House,  
I.I Chundrigar Road, Karachi, Pakistan.

# Directors' Review



## Directors' Review

The Board of Directors of Adamjee Life Assurance Company Limited are pleased to present to the members, the condensed interim financial statements (un-audited) of the Company for the first quarter ended 31 March 2022.

### Financial Highlights:

The highlights for the period under review are as follows:

	(Unaudited)	
	31 March 2022	31 March 2021
	Rupees in '000	
Gross premium	5,949,811	4,966,169
Net premium	5,767,003	4,816,842
Investment income	1,090,505	823,568
Management expense	282,189	244,457
Profit before tax	96,278	86,531
Profit after tax	67,577	67,153

	(Unaudited)	
	31 March 2022	31 March 2021 (Restated)
	Rupees	
Earnings Per Share	0.27	0.53

### Performance Review:

Both, the Gross and net premium of the Company has increased by 20% whereas, the investment income has increased by 32% from corresponding period. Moreover, the underwriting results of the Company has also increased by 15% from last year. Consequently, the profit before tax reported in this quarter has increased by 11% from the corresponding period.

### Window Takaful Operations:

The gross contribution generated from Window Takaful operations was Rs. 1,274.76 million (March 31, 2021: Rs. 1,003.80 million). The profit before tax that has been reported for March 2022 was amounting to Rs. 27.67 million which is a decline of 4% from the corresponding period i.e. Rs. 28.82 million as reported in March 2021.

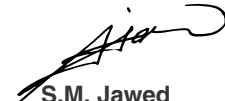
### Future Outlook:

The prime objective of the Company is to expand the business going forward by creating new strategic partnerships, entering new channels for distribution, and enhancing the capacity of existing channels. The Company intends to increase its market share in Corporate Group Life and Credit Protection business with prudent pricing while creating difference through excellent customer servicing. Another key focus of the Company is to further improve the quality of training, sales and after sales services, which will eventually translate into better customer experience and also augment the persistency of renewal premiums.

### Acknowledgements:

We would wholeheartedly like to thank our shareholders, valued customers, employees and development staff for their consistent support that has helped Adamjee Life emerge as one of the Pakistan's fastest growing life insurance company. We are also grateful to the Securities & Exchange Commission of Pakistan (SECP) for its continued guidance and assistance.

On behalf of the Board of Directors

  
S.M. Jawed  
Chairman

Islamabad: April 20, 2022

  
Umer Mansha  
Chief Executive Officer

## ڈائریکٹرز کا تجزیہ

آدم جی لائف انشورنس کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2022 کو ختم ہونے والی پہلی سہ ماہی کے لیے کمپنی کے کنڈینسڈ عبوری مالیاتی گوشواروں (غیر آڈٹ شدہ) کو اراکین کے سامنے پیش کرتے ہوئے خوشی ہو رہی ہے۔

### مالیاتی جھلکیاں:

مندرجہ بالا مدت کی جھلکیاں حسب ذیل ہیں:

March 31 2021	March 31 2022
(غیر آڈٹ شدہ)	
4,966,169	5,949,811
4,816,842	5,767,003
823,568	1,090,505
244,457	282,189
86,531	96,278
67,153	67,577

مجموعی پرمیئم  
نیٹ پرمیئم  
سرمایہ کاری کی آمدنی  
انتظامی اخراجات  
ٹیکس سے پہلے منافع  
ٹیکس کے بعد منافع

March 31 2021	March 31 2022
(غیر آڈٹ شدہ)	
0.53	0.27
(دوبارہ کیا گیا)	

شیر آمدنی

### کارکردگی کا جائزہ:

کمپنی کے مجموعی اور خالص پرمیئم دونوں میں 20 فیصد اضافہ ہوا ہے جبکہ اسی مدت سے سرمایہ کاری کی آمدنی میں 32 فیصد اضافہ ہوا ہے۔ مزید یہ کہ کمپنی کے انڈر رائٹنگ کے نتائج میں بھی پچھلے سال کے مقابلے میں 15 فیصد اضافہ ہوا ہے۔ نتیجتاً، اس سہ ماہی میں رپورٹ کیے گئے ٹیکس سے پہلے کے منافع میں اسی مدت کے مقابلے میں 11% اضافہ ہوا ہے۔

### ونڈ وٹکافل آپریشنز:

ونڈ وٹکافل آپریشنز سے حاصل ہونے والی مجموعی شرائط 1,274.76 ملین تھی۔ (31 مارچ 2021: 1,003.80 ملین روپے تھی)۔ مارچ 2022 کے لیے ٹیکس سے پہلے کا منافع 27.67 ملین روپے کا تھا۔ جو کہ اسی مدت کے مقابلے میں 4% کی کمی ہے یعنی مارچ 2021 میں رپورٹ کے مطابق 28.82 ملین روپے۔

### فیوچر آؤٹ لک:

کمپنی کا بنیادی مقصد نئی اسٹریٹجک پارٹنرشپ بنا کر، ڈسٹری بیوٹن کے لیے نئے چینلز شامل کرے، اور موجودہ چینلز کی صلاحیت کو بڑھا کر کاروبار کو آگے بڑھائے۔ کمپنی کا ارادہ ہے کہ کارپوریٹ گروپ لائف اور کریڈٹ پروٹیکشن کاروبار میں اپنے مارکیٹ شیئر کو بہترین قیمتوں کے ساتھ بڑھائیں جبکہ بہترین کسٹمر سروسنگ کے ذریعے دوسروں کے مقابلے میں فرق پیدا کریں۔ کمپنی کی ایک اور اہم توجہ سیلز اسٹاف کو ٹریننگ، سیل اور آفٹر سیل کی خدمات کے معیار کو مزید بہتر بنانا ہے، جو بالآخر بہتر کسٹمر کے تجربے میں ثابت ہوگی اور تجدید پرمیئم کی استقامت کو بھی بڑھادے گی۔

### اعترافات:

ہم تمہارے دل سے اپنے شیئر ہولڈرز، قابل قدر صارفین، ملازمین اور ترقیاتی اسٹاف کا شکریہ ادا کرنا چاہیں گے کہ ان کی مسلسل حمایت جس نے آدم جی لائف کو پاکستان کی سب سے تیزی سے بڑھتی ہوئی لائف انشورنس کمپنی کے طور پر ابھرنے میں مدد فراہم کی۔ ہم سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی مسلسل رہنمائی اور مدد کے لیے بھی شکر گزار ہیں۔

Uma Masha  
عم مر شا  
چیف ایگزیکٹو آفیسر

از طرف بورڈ آف ڈائریکٹرز

اس ایم جاوید  
چیئر مین

اسلام آباد: 20 اپریل 2022

# Financial Data




# Condensed Interim Statement of Financial Position

As at March 31, 2022

	Note	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
(Rupees in '000)			
<b>Assets</b>			
Property and equipment	6	177,017	159,319
Intangible assets		19,678	23,086
Right of use assets		172,592	187,628
Investment property	7	939,394	939,394
Investments			
Equity securities	8	8,276,239	7,996,932
Government securities	9	10,790,087	20,797,759
Debt securities	10	4,585,917	4,443,606
Term deposits	11	18,350,000	7,580,000
Mutual funds	12	9,846,876	8,859,850
Loan secured against life insurance policies		38,663	39,499
(Insurance / takaful) / (reinsurance / retakaful) receivables	13	164,392	137,204
Other loans and receivables	14	581,807	418,383
Taxation - payments less provision		580,332	570,124
Prepayments	15	88,630	38,702
Cash and bank	16	12,513,856	9,726,073
<b>Total Assets</b>		<b>67,125,480</b>	<b>61,917,559</b>
<b>Equity and Liabilities</b>			
<b>Capital and reserves attributable to Company's equity holders</b>			
Ordinary share capital		2,500,000	2,500,000
Money ceded to Waqf fund		500	500
Deficit on revaluation of available for sale investments		(5,591)	(4,743)
Ledger account D		638,171	589,705
Unappropriated profit		183,377	164,266
<b>Total Equity</b>		<b>3,316,457</b>	<b>3,249,728</b>
<b>Liabilities</b>			
Insurance / takaful liabilities	17	59,642,151	56,933,035
Retirement benefit obligations		4,178	-
Deferred taxation		251,148	231,523
Lease liabilities	18	224,626	229,834
Borrowings	19	65,866	84,894
Deferred government grant	20	1,552	4,298
Premium / contribution received in advance		324,076	431,262
(Insurance / takaful) / (reinsurance / retakaful) payables		43,719	-
Other creditors and accruals	21	3,251,707	752,985
<b>Total Liabilities</b>		<b>63,809,023</b>	<b>58,667,831</b>
<b>Total Equity and Liabilities</b>		<b>67,125,480</b>	<b>61,917,559</b>
<b>Contingencies and commitments</b>			
	22		

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

  
S. Muhammad Jawed  
Chairman

  
Muhammad Ali Zeb  
Director

  
Imran Maqbool  
Director

  
Umer Mansha  
Chief Executive Officer

  
Jalal Meghani  
Chief Financial Officer




# Condensed Interim Statement of Profit or Loss (Un-audited)

For the quarter ended March 31, 2022

	Note	March 31, 2022	March 31, 2021
		(Rupees in '000)	
Premium / contribution revenue		5,949,811	4,966,169
Premium / contribution ceded to reinsurers / (retakaful)		(182,808)	(149,327)
<b>Net premium / contribution revenue</b>	23	<b>5,767,003</b>	4,816,842
Investment income	24	1,137,337	677,840
Net realised fair value gain on financial assets	25	65,686	328,050
Net fair value loss on financial assets at fair value through profit or loss - unrealised	26	(268,406)	(307,090)
Net rental income		500	750
Net unrealised gain on investment property	7	-	42,000
Other income	27	155,388	82,018
		<b>1,090,505</b>	823,568
<b>Net income</b>		<b>6,857,508</b>	5,640,410
Insurance / takaful benefits	29	(3,006,868)	(2,254,474)
Recoveries from reinsurers / retakaful	29	143,461	104,111
Claims related expenses		(1,028)	(2,487)
<b>Net insurance / takaful benefits</b>		<b>(2,864,435)</b>	(2,152,850)
Net change in insurance / takaful liabilities (other than outstanding claims)		(2,785,549)	(2,390,287)
Acquisition expenses	30	(829,057)	(766,285)
Marketing and administration expenses	31	(274,569)	(231,422)
Other expenses		(2,549)	(9,075)
		<b>(3,891,724)</b>	(3,397,069)
<b>Total expenses</b>		<b>(6,756,159)</b>	(5,549,919)
Finance costs		(5,071)	(3,960)
<b>Results of operating activities / profit before tax</b>		<b>96,278</b>	86,531
Income tax expense	32	(28,701)	(19,378)
<b>Profit after tax for the period</b>		<b>67,577</b>	67,153
Earnings (after tax) per share - Rupees	33	<b>0.27</b>	(Restated) 0.53

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

  
 S. Muhammad Jawed  
 Chairman

  
 Muhammad Ali Zeb  
 Director

  
 Imran Maqbool  
 Director

  
 Umer Mansha  
 Chief Executive Officer

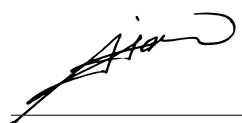
  
 Jalal Meghani  
 Chief Financial Officer

## Condensed Interim Statement of Other Comprehensive Income (Un-audited)

### For the quarter ended March 31, 2022

	Note	March 31, 2022	March 31, 2021
		(Rupees in '000)	
Profit after tax for the period - as per statement of profit or loss		67,577	67,153
Other comprehensive income:			
<i>Item that will be reclassified subsequently to statement of profit or loss</i>			
Change in unrealised loss on revaluation of available for sale investments	28	(1,195)	(4,092)
Transferred to profit and loss in disposal of available for sale investment		-	-
		(1,195)	(4,092)
Related deferred tax		347	1,187
		(848)	(2,905)
Total other comprehensive loss		(848)	(2,905)
<b>Total comprehensive income for the period</b>		<b>66,729</b>	<b>64,248</b>

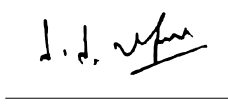
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S. Muhammad Jawed  
Chairman

  
Muhammad Ali Zeb  
Director

  
Imran Maqbool  
Director

  
Umer Mansha  
Chief Executive Officer

  
Jalal Meghani  
Chief Financial Officer


# Condensed Interim Statement of Changes in Equity (Un-audited)

## For the quarter ended March 31, 2022

	Attributable to equity holders' of the Company					Total
	Share capital	Money ceded to Waqf fund	Surplus / (deficit) on revaluation of available for sale investments	Ledger account D *	Unappropriated profit	
	(Rupees in '000)					
Balance as at January 01, 2021 (Audited)	935,494	500	361	525,915	28,345	1,490,615
Share issue cost	-	-	-	-	(2,825)	(2,825)
Total comprehensive income for the period ended March 31, 2021						
- Profit for the period after tax	-	-	-	-	67,153	67,153
- Other comprehensive loss	-	-	(2,905)	-	-	(2,905)
	-	-	(2,905)	-	67,153	64,248
Transaction with owners recorded directly in the equity	-	-	-	-	-	-
Surplus for the period retained in statutory funds	-	-	-	62,306	(62,306)	-
Balance as at March 31, 2021 (Un-audited)	935,494	500	(2,544)	588,221	30,367	1,552,038
<b>Balance as at January 01, 2022 (Audited)</b>	<b>2,500,000</b>	<b>500</b>	<b>(4,743)</b>	<b>589,705</b>	<b>164,266</b>	<b>3,249,728</b>
Total comprehensive income for the period ended March 31, 2022						
- Profit for the period after tax	-	-	-	-	67,577	67,577
- Other comprehensive loss	-	-	(848)	-	-	(848)
	-	-	(848)	-	67,577	66,729
<b>Transaction with owners recorded directly in the equity</b>						
Surplus for the period retained in statutory funds	-	-	-	48,466	(48,466)	-
<b>Balance as at March 31, 2022 (Un-audited)</b>	<b>2,500,000</b>	<b>500</b>	<b>(5,591)</b>	<b>638,171</b>	<b>183,377</b>	<b>3,316,457</b>

\* This includes balances maintained in accordance with the requirements of Section 35 of the Insurance Ordinance, 2000 read with Rule 14 of the Insurance Rules, 2017 to meet solvency margins, which are mandatorily maintained for carrying on of the life insurance business.

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.



S. Muhammad Jawed  
Chairman



Muhammad Ali Zeb  
Director



Imran Maqbool  
Director



Umer Mansha  
Chief Executive Officer




Jalal Meghani  
Chief Financial Officer

# Condensed Interim Statement of Cash Flows (Un-audited)

## For the quarter ended March 31, 2022

	Note	March 31, 2022	March 31, 2021
		(Rupees in '000)	
<b>Operating Cash Flows</b>			
(a) <b>Underwriting activities</b>			
Insurance premium / contribution received		5,791,964	5,046,423
Reinsurance premium / retakaful contribution paid		27,845	(40,509)
Claims paid		(3,084,329)	(2,328,573)
Commission paid		(647,583)	(863,253)
Marketing and administrative expenses paid		(532,781)	(515,703)
<b>Net cash flow generated from underwriting activities</b>		<b>1,555,116</b>	<b>1,298,385</b>
(b) <b>Other operating activities</b>			
Income tax paid		(18,937)	(56,712)
<b>Total cash flow generated from all operating activities</b>		<b>1,536,179</b>	<b>1,241,673</b>
<b>Investment activities</b>			
Profit / return received		970,002	389,085
Dividend received		77,632	119,213
Rental received		500	750
Payment for investments		(201,515,744)	(38,874,836)
Proceeds from investments		212,538,740	40,314,345
Fixed capital expenditure		(28,722)	(6,844)
Loan issued to policyholders		1,727	3,720
<b>Total cash flow generated from investing activities</b>		<b>12,044,135</b>	<b>1,945,433</b>
<b>Financing activities</b>			
Payment against borrowing		(22,531)	-
<b>Total cash flow used in financing activities</b>		<b>(22,531)</b>	<b>-</b>
<b>Net cash inflows from all activities</b>		<b>13,557,783</b>	<b>3,187,106</b>
<b>Cash and cash equivalent at the beginning of the period</b>	16.2	<b>17,306,073</b>	<b>17,917,051</b>
<b>Cash and cash equivalent at the end of the period</b>		<b>30,863,856</b>	<b>21,104,157</b>
<b>Reconciliation to Statement of profit or loss</b>			
Cash flow from all operating activities		1,536,179	1,241,673
Depreciation and amortisation expense		(28,667)	(31,144)
Financial charge expense		(7,040)	(5,434)
Impact of income directly charged to OCI		347	-
Profit on disposal of investment		65,686	328,050
Rental income		500	750
Dividend income		150,666	169,221
Other investment income		1,142,061	632,637
Increase in assets other than cash		123,428	107,942
Increase in liabilities other than borrowings		(2,647,177)	(2,069,451)
Deficit on revaluation of investment		(268,406)	(307,090)
<b>Profit after taxation</b>		<b>67,577</b>	<b>67,153</b>

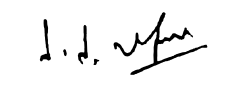
The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

  
S. Muhammad Jawed  
Chairman

  
Muhammad Ali Zeb  
Director

  
Imran Maqbool  
Director

  
Umer Mansha  
Chief Executive Officer

  
Jalal Meghani  
Chief Financial Officer

# Notes to and forming part of the Condensed Interim Financial Statements

## For the quarter ended March 31, 2022

### 1. LEGAL STATUS AND NATURE OF BUSINESS

**1.1** Adamjee Life Assurance Company Limited ("the Company") was incorporated in Pakistan on August 04, 2008 as a public unlisted company under the Companies Act, 2017 (Previously Companies Ordinance, 1984). The Company's shares were quoted for trading on Pakistan Stock Exchange (PSX) on March 4, 2022. The Company started its operations from April 24, 2009. Registered office of the Company is at 5th floor, Islamabad Stock Exchange Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad while its principal place of business is at Adamjee House, 3rd and 4th Floor, I.I Chundrigar Road, Karachi. The Company is a subsidiary of Adamjee Insurance Company Limited.

The Company is engaged in life insurance business carrying on non-participating business only. In accordance with the requirements of the Insurance Ordinance, 2000, the Company has established a shareholders' fund and the following statutory funds in respect of each class of its life insurance business:

- Conventional Business
- Accident and Health Business
- Individual Life Non-unitized Investment Linked Business
- Individual Life Unit Linked Business
- Individual Family Takaful Business (refer note 1.2)
- Group Family Takaful Business (refer note 1.2)

**1.2** The Company was granted authorisation on May 04, 2016 under Rule 6 of Takaful Rules, 2012 to undertake Takaful Window Operations in respect of family takaful products by Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations from July 14, 2016. The Company formed a Waqf Fund namely the Adamjee Life Assurance Company Limited - Window Takaful Operations Waqf Fund (here-in-after referred to as the Participant Takaful Fund (PTF) on December 22, 2015 under a Waqf deed executed by the Company with the cede amount of Rs. 500,000. The cede money is required to be invested in Shariah compliant investments and any profit thereon can be utilised only to pay benefits to participants or defray PTF expenses. Waqf deed also governs the relationship of the Company and policyholders for the management of Takaful operations, investment of policyholders' funds and shareholders' funds as approved by the Shariah Advisor appointed by the Company.

The Company issued supplemental policies to the Window Takaful Operations Waqf Fund on October 29, 2019 to include Group Family Participant's Takaful Fund business in existing Window Takaful Operations Waqf Fund and the same was authorised by the Securities and Exchange Commission of Pakistan (SECP) on December 11, 2019 and the Company commenced its Group Family Takaful Business in the second Quarter of 2020.

# Notes to and forming part of the Condensed Interim Financial Statements

## For the quarter ended March 31, 2022

### 2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, as are 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 the Takaful Rules, 2012.

In case the requirements differ, provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, have been followed.

This condensed interim financial statements does not include all the information required in the annual financial statements. Accordingly, this condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2021.

### 3. SIGNIFICANT ACCOUNTING POLICIES AND FINANCIAL RISK MANAGEMENT / JUDGEMENTS AND ESTIMATES

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

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

### 4. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO ACCOUNTING STANDARDS THAT BECAME EFFECTIVE FOR THE PERIOD ENDED MARCH 31, 2022

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



# Notes to and forming part of the Condensed Interim Financial Statements

## For the quarter ended March 31, 2022

### 5. APPLICATION OF IFRS 9 AND IFRS 17

IFRS 9 'Financial Instruments' is effective since reporting year ended December 31, 2019. It replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduces two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from 1 July 2018 onwards to remove from the statement of profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

The Company has determined that it is eligible for the temporary exemption option since the Company has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 95 percent and the Company does not engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Company can defer the application of IFRS 9 until the application IFRS 17.

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI") i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest.

IFRS 9 defines the terms "principal" as being the fair value of the financial asset at initial recognition, and the "interest" as being compensation for (i) the time value of money, and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

**5.1** The tables below set out the fair values as at the end of reporting year and the amount of change in the fair value during that year for the following two groups of financial assets separately:

- a)** financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and

# Notes to and forming part of the Condensed Interim Financial Statements

## For the quarter ended March 31, 2022

### b) All other financial assets

As at March 31, 2022 (Un-audited)

Fail the SPPI test		Pass the SPPI test	
Fair value	Change in unrealised gain / (loss) during the year	Fair value	Change in unrealised loss during the year

#### Financial assets

(Rupees in '000)

Bank	12,505,109	-	-	-
Equity securities	8,276,239	(252,266)	-	-
Government securities	10,691,578	(52,711)	98,509	(460)
Debt securities	4,585,917	55,274	-	-
Term deposits	-	-	18,350,000	-
Mutual funds	9,846,876	(61)	-	-
Loan secured against life insurance policies	-	-	38,663	-
Loan to employees	17,768	-	-	-
	45,923,487	(249,764)	18,487,172	(460)

As at March 31, 2022 (Un-audited)

Gross carrying amount of financial Assets that pass the SPPI test (Rupees in '000)

	AAA	AA+	AA	AA-	A+	A	A-	A-1	A-1+	B3	Unrated	Total
Government securities	-	-	-	-	-	-	-	-	-	-	98,509	98,509
Loan secured against life insurance policies	-	-	-	-	-	-	-	-	-	-	38,663	38,663
Term deposits	7,125,000	4,000,000	-	6,150,000	-	1,075,000	-	-	-	-	-	18,350,000

As at December 31, 2021 (Audited)

Fail the SPPI test		Pass the SPPI test	
Fair value	Change in unrealised gain / (loss) during the year	Fair value	Change in unrealised loss during the year

#### Financial assets

(Rupees in '000)

Bank	9,715,568	-	-	-
Equity securities	7,996,932	(824,896)	-	-
Government securities	20,699,347	(10,759)	98,412	(5,539)
Debt securities	4,443,606	62,970	-	-
Term deposits	-	-	7,580,000	-
Mutual funds	8,859,850	2,049	-	-
Loan secured against life insurance policies	-	-	39,499	-
Loan to employees	12,638	-	-	-
	51,727,941	(770,636)	7,717,911	(5,539)

As at December 31, 2021 (Audited)

Gross carrying amount of financial Assets that pass the SPPI test (Rupees in '000)

	AAA	AA+	AA	AA-	A+	A	A-	A-1	A-1+	B3	Unrated	Total
Government securities	-	-	-	-	-	-	-	-	-	-	98,412	98,412
Loan secured against life insurance policies	-	-	-	-	-	-	-	-	-	-	39,499	39,499
Term deposits	2,000,000	2,000,000	1,675,000	-	1,000,000	905,000	-	-	-	-	-	7,580,000

## Notes to and forming part of the Condensed Interim Financial Statements

### For the quarter ended March 31, 2022

		March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
	Note	(Rupees in '000)	
<b>6. PROPERTY AND EQUIPMENT</b>			
Operating fixed assets		144,310	121,805
Capital work-in-progress		32,707	37,514
		<b>177,017</b>	<b>159,319</b>
<b>6.1</b> Details of additions to property and equipment is as follows for the period ended:			
Leasehold improvements		1,636	7,735
Furniture and fixtures		1,777	7,832
Office equipment		437	7,806
Computer and related equipment		11,535	14,997
Motor vehicles		18,144	3,425
		<b>33,529</b>	<b>41,795</b>
<b>7. INVESTMENT PROPERTY</b>			
Opening net book value		939,394	855,394
Unrealised fair value gain		-	84,000
Closing net book value	7.1	<b>939,394</b>	<b>939,394</b>
<b>7.1</b> This represents piece and parcel of plot no. 1-A, Main Gulberg, Jail Road, Lahore, measuring 8 Kanal 8 Marla 203 Sq. ft. of a land bought by the Company for the Unit Linked Investment Business.			
Market value of this investment property amounts to Rs. 939.394 million with the forced sale value (FSV) of Rs. 638.40 million (December 31, 2021: 638.40 million) based on a valuation carried out by K.G. Traders (Private) Limited as at March 29, 2022.			
<b>Valuation technique</b>			
The valuer has arranged inquiries and verifications from various estate agents, brokers and dealers, the location and condition of the property, size, utilisation, and current trends in prices of real estate including assumptions that ready buyers are available in the current scenario and analysed through detailed market surveys, the properties that have recently been sold or purchased or offered / quoted for sale into given vicinity to determine the best estimates of the fair value.			
		March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
	Note	(Rupees in '000)	
<b>8. INVESTMENTS IN EQUITY SECURITIES</b>			
Available for sale	8.1	18,914	19,648
Fair value through profit or loss (held for trading)	8.2	8,257,325	7,977,284
		<b>8,276,239</b>	<b>7,996,932</b>

# Notes to and forming part of the Condensed Interim Financial Statements

## For the quarter ended March 31, 2022

### 8.1 Available for sale

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	(Rupees in '000)					
Related parties	1,360	-	773	1,360	-	795
Others	19,233	-	18,141	19,233	-	18,853
	<b>20,593</b>	<b>-</b>	<b>18,914</b>	<b>20,593</b>	<b>-</b>	<b>19,648</b>

### 8.2 Fair value through profit or loss (held for trading)

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	(Rupees in '000)					
Related parties	1,376,320	-	1,338,246	1,411,292	-	1,202,487
Others	7,127,805	-	6,919,079	9,407,055	-	6,774,797
	<b>11,349,919</b>	<b>-</b>	<b>8,257,325</b>	<b>10,818,347</b>	<b>-</b>	<b>7,977,284</b>

	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
Note	(Rupees in '000)	(Rupees in '000)

## 9. INVESTMENTS IN GOVERNMENT SECURITIES

Available for sale	9.1	98,509	98,412
Fair value through profit or loss (held for trading)	9.2	10,691,578	20,699,347
		<b>10,790,087</b>	<b>20,797,759</b>

### 9.1 Available for sale

	Term	Maturity year	Effective yield (%)	Amortised cost	Principal repayment	Carrying value
	(Rupees in '000)					
Pakistan Investment Bond (Note 9.1.1)	3 Years	2022	10.7	98,937	100,000	98,509
		As at March 31, 2022		98,937	100,000	98,509
		As at December 31, 2021		98,381	100,000	98,412

**9.1.1** This represents PIB of Rs. 100 million (2021: Rs. 100 million) placed with State Bank of Pakistan as per the requirement of section 29 of Insurance Ordinance, 2000 carrying coupon rate of 9% having maturity period of 3 years and will mature on September 19, 2022.

## Notes to and forming part of the Condensed Interim Financial Statements

### For the quarter ended March 31, 2022

#### 9.2 Fair value through profit or loss (held for trading)

	Term	Maturity year	Effective yield (%)	Amortised cost	Principal repayment	Carrying value
(Rupees in '000)						
GOP Ijara Sukuk 5 Years	5 Years	2025	8.3-9.4	424,696	430,000	419,727
GOP Ijara Sukuk 5 Years	5 Years	2026	8.1-11.4	1,007,462	1,002,500	1,004,486
Pakistan Investment Bond	3 Years	2024	10.7	323,493	350,000	313,574
Pakistan Investment Bond	5 Years	2025	11.0	280,509	310,500	270,333
Pakistan Investment Bond	10 Years	2030	11.2	392,563	470,000	373,076
Pakistan Investment Bond (FRB)	2 Years	2022	10.7	1,098,455	1,100,000	1,097,360
Pakistan Investment Bond (FRB)	2 Years	2023	10.5	49,777	50,000	49,665
Pakistan Investment Bond (FRB)	3 Years	2023	10.7	30,056	30,000	30,090
Pakistan Investment Bond (FRB)	10 Years	2028	11.2	50,110	50,000	49,623
Pakistan Investment Bond (FRB)	10 Years	2030	11.2	503,370	500,000	499,200
Treasury Bill	3 Months	2022	10.2-11.8	3,290,216	3,105,500	3,286,887
Treasury Bill	6 Months	2022	10.3-11.8	1,471,430	1,607,250	1,470,983
Treasury Bill	1 Year	2022	10.1	1,373,373	1,500,000	1,372,923
Treasury Bill	1 Year	2023	10.1-12.4	458,025	500,000	453,651
<b>As at March 31, 2022 (Un-audited)</b>				<b>10,753,537</b>	<b>11,005,750</b>	<b>10,691,578</b>
As at December 31, 2021 (Audited)				20,709,683	21,262,700	20,699,347

#### 10. INVESTMENTS IN DEBT SECURITIES

##### At fair value through profit or loss (held for trading)

		March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
		(Rupees in '000)					
Advance against the purchase of term finance certificate	Note 10.1	450,000	-	450,000	1,425,000	-	1,425,000
Term finance certificates / corporate sukuk	10.2	4,080,750	-	4,135,917	2,955,636	-	3,018,606
		4,530,750	-	4,585,917	4,380,636	-	4,443,606

## Notes to and forming part of the Condensed Interim Financial Statements

### For the quarter ended March 31, 2022

**10.1** This represents Rs. 450 million (2021: Rs. 1,425 million) paid to Meezan Bank Limited for issue of TFC.

#### 10.2 Term finance certificates / corporate sukuk

Details of the term finance certificates and corporate sukuk are as follows:

	Maturity date	March 31, 2022		Face value per certificate	Carrying value	
		March 31, 2022	December 31, 2021		March 31, 2022	December 31, 2021
		(Un-audited)	(Audited)		(Un-audited)	(Audited)
		(Number of certificates)			(Rupees in '000)	
Askari Bank Limited VI - TFC	Perpetual	100	100	1,000	100,000	100,000
Askari Bank Limited VII - TFC	17-Mar-30	100	100	1,000	101,500	101,000
Aspin Pharma (Private) Limited-Sukuk	30-Nov-23	820	820	40	28,944	32,800
Bank Al Habib Limited-TFC	29-Sep-31	95,100	95,100	5	1,001,124	-
Bank Alfalah Limited-TFC	15-Jan-24	20,000	20,000	5	92,748	92,893
Dubai Islamic Bank Pakistan Limited-Sukuk	14-Jul-27	58	58	1,000	59,943	59,943
Engro Polymer & Chemicals Limited-Sukuk	11-Jul-26	900	900	100	107,301	96,845
Ghani Chemical Industries Limited-Sukuk	2-Feb-23	600	600	46	18,400	20,700
Habib Bank Limited-TFC II	Perpetual	500	500	100	50,000	50,000
International Brands Limited Sukuk I	5-May-22	1,000	1,000	100	4,448	16,787
Jahangir Siddiqui and Company Limited - TFC	6-Mar-23	30,000	30,000	4	76,550	100,929
Meezan Bank Limited- Sukuk I	1-Aug-28	30	-	1,000	30,000	-
Meezan Bank Limited-Sukuk II	9-Jan-30	425	50	1,000	520,000	104,000
Meezan Bank Limited-Sukuk II	Perpetual	220	250	1,000	220,000	250,000
Meezan Bank Limited-Sukuk III	9-Jan-30	-	450	1,000	-	416,000
Pakistan Energy II-Sukuk	21-May-30	90,000	90,000	5	577,765	456,750
Samba Bank Limited - TFC	1-Mar-31	4,250	4,250	100	460,306	438,299
Soneri Bank Limited-TFC	8-Jul-23	10,000	10,000	5	51,975	50,945
The Bank Of Punjab I-TFC	23-Dec-23	3,400	3,400	100	354,250	353,402
The Bank Of Punjab II-TFC	23-Apr-28	2,580	2,580	100	273,160	266,012
TPL Trakker Limited-Sukuk	12-Apr-22	30	30	750	7,503	11,301
		<b>260,113</b>	<b>260,188</b>		<b>4,135,917</b>	<b>3,018,606</b>



## Notes to and forming part of the Condensed Interim Financial Statements

### For the quarter ended March 31, 2022

Note	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
	(Rupees in '000)	

#### 11. INVESTMENT IN TERM DEPOSITS

Deposits maturing within 12 months	11.1	<b>18,350,000</b>	7,580,000
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**11.1** This represents term deposits with banks which carry interest rate ranging between 10.50% to 12.50% per annum (March 31, 2021: 5.95% to 7.95% per annum) and maturing between April 01, 2022 to May 12, 2022 (December 31, 2021: January 5, 2022 to January 31, 2022). This includes term deposits of Rs. 500 million (December 31, 2021: Rs. 405 million) maintained with MCB Islamic Bank (related party).

Note	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
	(Rupees in '000)	

#### 12. INVESTMENTS IN MUTUAL FUNDS

Fair value through profit or loss (held for trading)	12.1	<b>9,846,876</b>	8,859,850
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##### 12.1 Fair value through profit or loss (held for trading)

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	(Rupees in '000)					
Related parties	7,656,388	-	7,639,390	6,902,701	-	6,890,759
Others	1,193,773	-	2,207,486	960,373	-	1,969,091
	<b>8,850,161</b>	<b>-</b>	<b>9,846,876</b>	<b>7,863,074</b>	<b>-</b>	<b>8,859,850</b>

# Notes to and forming part of the Condensed Interim Financial Statements

## For the quarter ended March 31, 2022

	<b>March 31, 2022</b>	December 31, 2021
<b>Note</b>	(Un-audited)	(Audited)
	(Rupees in '000)	

### 13. (INSURANCE / TAKAFUL) / (REINSURANCE / RETAKAFUL) RECEIVABLES

Due from insurance contract holders - Group	<b>86,495</b>	35,834
Less: provision for impairment of receivables from Insurance contract holders	<b>(8,343)</b>	(8,343)
	<b>78,152</b>	27,491
Due from reinsurers	<b>86,240</b>	109,713
Net insurance / reinsurance receivable	<b>164,392</b>	137,204

### 14. OTHER LOANS AND RECEIVABLES

Receivable from related parties	<b>9,866</b>	-
Accrued income on investments	<b>335,074</b>	183,285
Security deposits	<b>78,436</b>	74,230
Receivable from gratuity fund	-	6,460
Loan to employees - secured	<b>17,768</b>	12,638
Dividend receivable	<b>79,123</b>	6,089
Receivable against the sale of investment	<b>33,625</b>	131,128
Other receivables	<b>27,915</b>	4,553
	<b>581,807</b>	418,383

**14.1** This represents interest free loans secured against the gratuity entitlement and are repayable within one year of the disbursement.

	<b>March 31, 2022</b>	December 31, 2021
<b>Note</b>	(Un-audited)	(Audited)
	(Rupees in '000)	

### 15. PREPAYMENTS

Prepaid rent- Ijarah term	<b>39,694</b>	12,630
Prepaid miscellaneous expenses	<b>48,936</b>	26,072
	<b>88,630</b>	38,702

**15.1** These include prepayments related to insurance and software subscriptions.

## Notes to and forming part of the Condensed Interim Financial Statements

### For the quarter ended March 31, 2022

	Note	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
(Rupees in '000)			
<b>16. CASH AND BANK</b>			
- Cash in hand		447	19
- Policy stamps		8,300	10,486
		<b>8,747</b>	<b>10,505</b>
<b>Cash at bank</b>			
- Current accounts		107,727	51,286
- Saving accounts	16.1	12,397,382	9,664,282
		<b>12,505,109</b>	<b>9,715,568</b>
		<b>12,513,856</b>	<b>9,726,073</b>

**16.1** This carries interest rate ranging from 9% to 10% ( 2021: 5% to 7% ) per annum.

	Note	March 31, 2022 (Un-audited)	March 31, 2021 (Un-audited)
(Rupees in '000)			
<b>16.2 Cash and cash equivalents</b>			

Cash and cash equivalents includes the following for the purpose of cash flow statement:

- Cash in hand and policy stamps	8,747	11,845
- Cash at bank	12,505,109	8,947,312
- Term deposits maturing within three months	18,350,000	12,145,000
	<b>30,863,856</b>	<b>21,104,157</b>

	Note	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
(Rupees in '000)			
<b>17. INSURANCE / TAKAFUL LIABILITIES</b>			

Reported outstanding claims (including claims in payment)	17.1	1,507,743	1,584,176
Incurred but not reported claims	17.2	192,510	151,489
Investment component of unit-linked and account value policies	17.3	57,019,277	54,283,881
Liabilities under individual conventional insurance / takaful contracts	17.4	19,739	19,682
Liabilities under group insurance / takaful contracts (other than investment linked)	17.5	117,625	101,308
Other insurance / takaful liabilities	17.6	753,188	751,807
Gross insurance / takaful liabilities		<b>59,610,082</b>	<b>56,892,343</b>
Surplus of Participant Takaful Fund		32,069	40,692
Total Insurance / takaful liabilities		<b>59,642,151</b>	<b>56,933,035</b>

# Notes to and forming part of the Condensed Interim Financial Statements

## For the quarter ended March 31, 2022

	Note	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
(Rupees in '000)			
<b>17.1 Reported outstanding claims</b>			
<b>Gross of reinsurance / retakaful</b>			
Payable within one year		1,628,500	1,674,238
Recoverable from reinsurers / retakaful operators		(120,757)	(90,062)
Net reported outstanding claims		1,507,743	1,584,176
<b>17.2 Incurred but not reported claims</b>			
<b>Individual life</b>			
Gross of reinsurance / retakaful		275,652	181,434
Reinsurance / retakaful recoveries		(116,672)	(58,467)
Net of reinsurance/ retakaful		158,980	122,967
<b>Group life</b>			
Gross of reinsurance / retakaful		97,134	92,026
Reinsurance / retakaful recoveries		(63,604)	(63,504)
Net of reinsurance/ retakaful		33,530	28,522
<b>Net incurred but not reported claims</b>		192,510	151,489
<b>17.3 Investment component of unit linked and account value policies / contracts</b>			
Investment component of unit linked policies / contracts		55,101,885	52,288,722
Investment component of account value policies / contracts		1,917,392	1,995,159
		57,019,277	54,283,881
<b>17.4 Liabilities under individual conventional insurance contracts</b>			
Gross of reinsurance		21,789	21,735
Reinsurance credit		(2,050)	(2,053)
Net of reinsurance		19,739	19,682
<b>17.5 Liabilities under group insurance / takaful contracts (other than investment linked)</b>			
Gross of reinsurance / retakaful		240,114	186,441
Reinsurance / retakaful credit		(122,489)	(85,133)
Net of reinsurance / retakaful		117,625	101,308
<b>17.6 Other insurance / takaful liabilities</b>			
Gross of reinsurance / retakaful		856,821	864,668
Reinsurance / retakaful credit		(103,633)	(112,861)
Net of reinsurance / retakaful		753,188	751,807

## Notes to and forming part of the Condensed Interim Financial Statements

### For the quarter ended March 31, 2022

		March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
	Note	(Rupees in '000)	
<b>18. LEASE LIABILITIES</b>			
<b>18.1 Lease liabilities - Movement</b>	18.1	<b>224,626</b>	<b>229,834</b>
Opening balances		229,834	271,436
Addition during the period		-	15,730
Derecognition during the period		-	(5,019)
		<b>229,834</b>	<b>282,147</b>
Borrowing cost		6,283	31,872
		<b>236,117</b>	<b>314,019</b>
Repaid during the period		(11,491)	(84,185)
Closing balances		<b>224,626</b>	<b>229,834</b>
<b>19. BORROWINGS</b>			
SBP Refinance Scheme	19.1	<b>65,866</b>	<b>84,894</b>
<b>19.1 Movement in borrowings</b>			
Opening balances		84,894	164,482
Recognised during the period		-	-
		<b>84,894</b>	<b>164,482</b>
Interest expense		757	360
Impact of deferred grant	20.1	2,746	9,509
		<b>88,397</b>	<b>174,351</b>
Repaid during the period		(22,531)	(89,457)
Total borrowings		<b>65,866</b>	<b>84,894</b>
Current portion		<b>65,866</b>	<b>84,894</b>

**19.2** This loan was obtained under the facility of "Refinance Scheme for Payment of Salaries and Wages to Workers and Employees" on the basis of SBP Circular No. 10 of 2020 for the period of 3 years. The payment of principal has been started from January 2021 on quarterly basis and profit rate is 1% per annum as defined by State Bank of Pakistan (SBP).

		March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
	Note	(Rupees in '000)	
<b>20. DEFERRED GOVERNMENT GRANT</b>			
Deferred government grant	20.1	<b>1,552</b>	<b>4,298</b>

# Notes to and forming part of the Condensed Interim Financial Statements

## For the quarter ended March 31, 2022

		<b>March 31, 2022</b>	December 31, 2021
	<b>Note</b>	(Un-audited)	(Audited)
<b>20.1 Movement in deferred government grant</b>			
Opening balances		<b>4,298</b>	13,807
Amortised during the period	19.1	<b>(2,746)</b>	(9,509)
Total deferred government grant		<b>1,552</b>	4,298
<b>21. OTHER CREDITORS AND ACCRUALS</b>			
Agents commission payable		<b>266,632</b>	307,512
Payable to related parties		<b>10,192</b>	7,832
Payable against the purchase of investments		<b>2,536,548</b>	30,524
Accrued expenses		<b>434,146</b>	394,220
Other tax payable		<b>4,189</b>	12,897
		<b>3,251,707</b>	752,985

## 22. CONTINGENCIES AND COMMITMENTS

### 22.1 CONTINGENCIES

#### Sales tax on life insurance premium

Sindh Revenue Board (SRB) vide notification no. SRB 3-4/5/2019 dated May 8, 2019 extended the exemption on life insurance till June 30, 2019. Subsequent to it, life insurance was made taxable from July 1, 2019 at the rate of 3% and group life insurance at the rate of 13%. Further, SRB extended exemption on health insurance till June 30, 2020. With effect from November 1, 2018, the Punjab Revenue Authority (PRA) withdrew its exemption on life and health insurance and made the same subject to Punjab Sales Tax (PST). The Company collectively through the forum of Insurance Association of Pakistan ("IAP") had filed a constitutive petition in the Lahore High Court (LHC) and in the High Court of Sindh at Karachi on September 28, 2019 and November 28, 2019 against PRA and SRB respectively.

According to the grounds of the petition and legal opinion obtained by the Company the insurance premium does not fall under the definition of service rather an insurance policy is a financial arrangement, which is in the nature of a contingent contract, and not a service upon which sales tax can be levied (and that an insurance company is not rendering a service). The opinion also mentions that vast majority of premium received from a policy holder, during the life of the policy, is in fact channeled it to the policy holder's investment account and as such this is critically important in exposing the legal fallacies embodied in the Rules.

In view of the above the Company has not started billing sales tax to its customers. The amount of sales tax involved (for both Sindh and Punjab region) is reasonably around Rs.611.92 million (2021: Rs. 538.14 million) computed on the basis of risk based premium, as per the advice of legal advisor, which nonetheless the Company maintains, based on the legal view, cannot be levied as the insurance is not a service.

Further subsequent to filing petition, all the provincial tax authorities i.e. SRB, PRA and BRA have called a meeting of the industry representatives on January 11, 2020 in Karachi to discuss the matters relating to sales tax on premium. The matter was discussed in details and it was agreed to form a joint committee of the industry representatives as well as from all the provincial tax authorities and agreed in the meeting that the sales tax on Life and Health be kept exempt till June 30, 2020 however, a formal notification in this regard has not yet been issued. Further, the committee formed met on February 5, 2020 in Lahore at PRA office to work out the way forward.

Based on the legal opinion obtained by the Company considers that it has a reasonably strong case on the merits in the constitution petition and the writ petition filed in the High Courts. The petition is still pending for hearing.



# Notes to and forming part of the Condensed Interim Financial Statements

## For the quarter ended March 31, 2022

	Note	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
(Rupees in '000)			
<b>22.2 COMMITMENTS</b>			
<b>22.2.1 Commitments in respect of Ijarah rentals</b>			
Not later than one year		66,880	60,461
Later than one year and not later than five years		173,706	161,923
		<b>240,586</b>	<b>222,384</b>
Commitments represent Ijarah rentals for vehicles payable in future period.			
<b>23. NET PREMIUM / CONTRIBUTION REVENUE</b>	Note	March 31, 2022 (Un-audited)	March 31, 2021 (Un-audited)
(Rupees in '000)			
<b>Gross premium / contribution</b>			
Regular premium / contribution individual policies*			
- first year		891,380	862,637
- second year renewal		750,871	660,697
- subsequent years renewal		1,863,537	1,479,011
Single premium / contributions individual policies*		2,246,160	1,798,072
Group policies without cash values		208,057	168,181
Less: Experience refund		(10,194)	(2,429)
<b>Total gross premium / contribution</b>		<b>5,949,811</b>	<b>4,966,169</b>
<b>Less: reinsurance premium / retakaful contribution ceded</b>			
On individual life first year business		(15,216)	(12,351)
On individual life second year business		(8,367)	(8,760)
On individual life subsequent renewal business		(44,481)	(42,197)
On individual life single premium business		(1,244)	(2,208)
On group policies		(113,500)	(91,197)
Profit commission on reinsurance / retakaful		-	7,386
		<b>(182,808)</b>	<b>(149,327)</b>
<b>Net premium / contribution</b>		<b>5,767,003</b>	<b>4,816,842</b>
* Individual policies are those underwritten on an individual basis.			
<b>24. INVESTMENT INCOME</b>			
<b>Income from equity securities</b>			
<b>Dividend income</b>			
Available for sale		108	375
Fair value through profit or loss		150,558	168,846
		<b>150,666</b>	<b>169,221</b>
<b>Income from government securities</b>			
Available for sale		4,156	9,310
Fair value through profit or loss		722,453	338,290
		<b>726,609</b>	<b>347,600</b>
<b>Income from debt securities - fair value through profit or loss</b>			
- Return on TFCs and Corporate Sukuks		115,654	69,191
<b>Income from term deposit receipts - loans and receivables</b>			
- Return on term deposit receipts		144,408	91,828
		<b>1,137,337</b>	<b>677,840</b>

# Notes to and forming part of the Condensed Interim Financial Statements

## For the quarter ended March 31, 2022

	March 31, 2022 (Un-audited)	March 31, 2021 (Un-audited)
	(Rupees in '000)	
<b>25. NET REALISED FAIR VALUE GAINS/ (LOSSES) ON FINANCIAL ASSETS</b>		
<b>Available for sale</b>		
Realised losses on:		
- Government securities	14	-
	14	-
<b>Fair value through profit or loss</b>		
<b>Realised gains / (losses) on:</b>		
- Equity securities	68,495	319,519
- Government securities	(30,885)	(39,982)
- Debt securities	-	6,331
- Mutual funds	28,062	42,182
	65,672	328,050
	65,686	328,050
<b>26. NET FAIR VALUE (LOSSES) / GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNREALISED</b>		
<b>Net unrealised (losses) / gains on:</b>		
- Equity securities	(251,531)	(364,603)
- Government securities	(52,711)	1,428
- Debt securities	55,274	18,006
- Mutual Funds	(61)	71,798
<b>Total loss</b>	(249,029)	(273,371)
<b>Less: Investment related expenses</b>	(19,377)	(33,719)
	(268,406)	(307,090)
<b>27. OTHER INCOME</b>		
Return on bank balances	154,497	81,171
Mark-up on policy loans	891	847
	155,388	82,018
<b>28. CHANGE IN UNREALISED LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS</b>		
- Equity securities	(735)	(2,770)
- Government securities	(460)	(1,322)
	(1,195)	(4,092)
<b>29. NET INSURANCE / TAKAFUL BENEFITS</b>		
<b>Gross claims</b>		
Claims under individual policies / contracts		
- by death	(225,794)	(170,309)
- by insured event other than death	(92)	(1,625)
- by maturity	(698,875)	(206,461)
- by surrender	(1,975,590)	(1,746,651)
<b>Total gross individual policy / contract claims</b>	(2,900,351)	(2,125,046)
<b>Claims under group policies</b>		
- by death	(101,107)	(128,581)
- by insured event other than death	(5,410)	(847)
<b>Total gross group policy claims</b>	(106,517)	(129,428)
<b>Total gross claims</b>	(3,006,868)	(2,254,474)
<b>Less: Reinsurance / retakaful recoveries</b>		
- on individual life claims	86,752	15,799
- on group life claims	56,709	88,312
	143,461	104,111
<b>Net insurance / takaful benefit expense</b>	(2,863,407)	(2,150,363)

# Notes to and forming part of the Condensed Interim Financial Statements

## For the quarter ended March 31, 2022

	Note	March 31, 2022 (Un-audited)	March 31, 2021 (Un-audited)
		(Rupees in '000)	
<b>30. ACQUISITION EXPENSES</b>			
Remuneration to insurance / takaful intermediaries on individual policies / contracts:			
- Commission on first year contribution / premium		(355,488)	(368,019)
- Commission on second year contribution / premium		(44,956)	(38,089)
- Commission on subsequent years renewal contribution / premium		(43,666)	(34,864)
- Commission on single contribution / premium		(64,628)	(38,769)
- Other benefits to insurance intermediaries		(90,257)	(85,005)
		<b>(598,995)</b>	<b>(564,746)</b>
Remuneration to insurance intermediaries on group policies / contracts:			
- Commission		(6,944)	(10,533)
- Other benefits to insurance intermediaries		(764)	(807)
		<b>(7,708)</b>	<b>(11,340)</b>
Other acquisition costs			
- Employee benefit cost	31.1	(136,705)	(118,067)
- Traveling expenses		(1,599)	(789)
- Information technology expense		(561)	(574)
- Printing and stationery		(905)	(677)
- Depreciation		(6,272)	(5,916)
- Depreciation - Right of use asset		(4,230)	(4,230)
- Amortisation		-	(65)
- Rent, rates and taxes		(12,294)	(5,729)
- Insurance cost		(1,171)	(96)
- Car fuel and maintenance		(6,754)	(9,260)
- Postage		(1,280)	(1,328)
- Electricity, gas and water		(2,689)	(2,459)
- Office repairs and maintenance		(14,136)	(6,658)
- Entertainment		(2,550)	(2,079)
- Training and development		(866)	(35)
- Marketing cost		(10,695)	(10,034)
- Financial charges		(1,969)	(1,474)
- Legal and professional charges		(90)	(140)
- Stamp duty		(17,185)	(19,299)
- Medical examination fee		(403)	(1,290)
		<b>(222,354)</b>	<b>(190,199)</b>
		<b>(829,057)</b>	<b>(766,285)</b>

# Notes to and forming part of the Condensed Interim Financial Statements

## For the quarter ended March 31, 2022

	Note	March 31, 2022 (Un-audited)	March 31, 2021 (Un-audited)
(Rupees in '000)			
<b>31. MARKETING AND ADMINISTRATION EXPENSES</b>			
Employee benefit cost	31.1 & 31.2	(157,124)	(134,911)
Travelling expenses		(1,715)	(1,941)
Advertisements and sales promotion		(3,342)	(20,421)
Printing and stationery		(6,201)	(3,167)
Depreciation		(3,952)	(5,050)
Depreciation Right of use asset		(10,806)	(10,023)
Amortisation		(3,407)	(5,860)
Rent, rates and taxes		(3,298)	(649)
Legal and professional charges		(25,992)	(2,535)
Electricity, gas and water		(2,943)	124
Entertainment		(2,758)	(651)
Vehicle running expenses		(15,774)	(9,274)
Office repairs and maintenance		(6,927)	(6,179)
Appointed actuary fees		(1,228)	(1,804)
Postages, telegrams and telephone		(6,669)	(5,896)
Bank charges		(1,056)	(1,066)
Directors Fee		(151)	(190)
Insurance expenses		(3,364)	(237)
Annual supervision fee		(6,859)	(5,201)
Information technology expenses		(12,812)	(15,791)
Training and development		(1,337)	(1,072)
Miscellaneous		3,146	372
		<b>(274,569)</b>	<b>(231,422)</b>

**31.1** Employee benefit cost includes charge of post employment benefit of Rs. 10.5 million (March 31, 2021: Rs. 14.8 million).

**31.2** Total number of employees as at March 31, 2022 are 2,074 (March 31, 2021: 1,835) which includes permanent and contractual employees. Average number of employees during year ended March 31, 2022 were 2,033 (March 31, 2021: 1,585).

	Note	March 31, 2022 (Un-audited)	March 31, 2021 (Un-audited)
(Rupees in '000)			
<b>32. INCOME TAX EXPENSE</b>			
For the period			
- Current		(8,729)	(143)
- Deferred		(19,972)	(19,235)
		<b>(28,701)</b>	<b>(19,378)</b>
<b>33. EARNINGS PER SHARE</b>			
Profit after tax for the period		<b>67,577</b>	<b>67,153</b>
(Number of shares in '000)			
Weighted average number of ordinary share outstanding as at period end		<b>250,000</b>	<b>127,486</b>
(Rupees)			
			(Restated)
Basic earnings per share	33.1	<b>0.27</b>	<b>0.53</b>

**33.1** There are no dilutive affect on the basic earnings per share of the Company.

# Notes to and forming part of the Condensed Interim Financial Statements

## For the quarter ended March 31, 2022

### 34. RELATED PARTY TRANSACTIONS

The related parties comprise of the parent company, directors, key management personnel, associated undertakings, and entities with common directors. Related party transactions and balances, including those disclosed elsewhere in these condensed interim financial statements are given below:

	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	<b>(Un-audited)</b>	<b>(Un-audited)</b>
	<b>(Rupees in '000)</b>	
<b>Transactions during the period</b>		
<b>Holding company</b>		
Premium written	5,789	2,535
Insurance expense	10,425	6,155
Claims expense	1,000	6,000
Premises Rental	12,112	10,766
Rental Income	500	750
<b>Associated undertakings</b>		
Premium written	33,116	15,662
Claims expense	77,247	185,653
Commission and other incentives in respect of bancassurance	360,619	395,889
Profit on bank deposits	50,682	17,798
Bank charges	259	584
Investments purchased	6,656,169	1,729,118
Investments sold	5,845,153	1,775,148
Dividend income	12,851	75,543
<b>Other related parties</b>		
Premium written	6,285	5,196
Claims expense	-	493
Investment advisor fee	9,216	8,069
Trustee fee	2,288	2,555
<b>Directors</b>		
Directors' Fee	151	190
<b>Key management personnel</b>		
Remuneration	26,106	24,018
Loan issued	254	2,551
<b>Staff retirement benefit plan (gratuity fund)</b>		
Charge for the period	10,530	14,882
	<b>March 31, 2022</b>	<b>December 31, 2021</b>
	<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>(Rupees in '000)</b>	
<b>Balances outstanding as at the end of the period/ year</b>		
<b>Holding company</b>		
Premium received in advance	2,851	-
Claims and other payable	-	300
Insurance claims receivable	47	47
Other receivable	9,866	-
<b>Associated undertakings</b>		
Premium due but unpaid	34,596	11,387
Bank deposits	1,550,069	1,668,509
Investments held	9,478,409	8,499,041
Dividend receivables	32,013	6,221
Accrued Income	31,932	250
Commission payable	184,690	289,696
Claims payable	10,502	5,700
<b>Other related parties</b>		
Premium due but unpaid	388	239
Remuneration payable for the management of discretionary investment portfolio	3,284	3,284
Remuneration payable to trustee	849	903
<b>Key management personnel</b>		
Short term loans	3,150	2,896
<b>Staff retirement benefit plan (gratuity fund)</b>		
Payable / (receivable) to / from gratuity fund	4,178	(6,460)

# Notes to and forming part of the Condensed Interim Financial Statements

## For the quarter ended March 31, 2022

### 35. SEGMENTAL INFORMATION

#### 35.1 REVENUE ACCOUNT BY STATUTORY FUND FOR THE PERIOD ENDED MARCH 31, 2022 (UN-AUDITED)

	Statutory Funds						
	Conventional Business	Accident and Health Business	Non-unitised Investment Link Business	Unit Linked Business	Individual Family Takaful Unit Linked Business	Group Family Takaful Business	Total
	(Rupees in '000)						
Income							
Premium / contribution less reinsurance / re-takaful	56,186	210	13,737	4,446,458	1,221,974	28,438	5,767,003
Rental income from investment property	-	-	-	500		-	500
Net investment income	6,829	-	58,933	867,532	111,653	602	1,045,549
Total net income	63,015	210	72,670	5,314,490	1,333,627	29,040	6,813,052
Insurance / takaful benefits and expenditures							
Insurance / takaful benefits including bonus net of reinsurance	(39,275)	-	(136,825)	(2,396,983)	(280,311)	(11,041)	(2,864,435)
Management expenses less recoveries	(15,437)	(94)	(1,524)	(697,655)	(376,466)	(3,630)	(1,094,806)
Total insurance / takaful benefits and expenditures	(54,712)	(94)	(138,349)	(3,094,638)	(656,777)	(14,671)	(3,959,241)
Excess /(deficit) of income over insurance / takaful benefits and expenditures	8,303	116	(65,679)	2,219,852	676,850	14,369	2,853,811
Net change in insurance / takaful liabilities (other than outstanding claims)	(7,713)	(96)	77,412	(2,191,181)	(648,393)	(15,578)	(2,785,549)
Surplus/ (deficit) before tax	590	20	11,733	28,671	28,457	(1,209)	68,262
Movement in policyholders' liabilities	7,713	96	(77,412)	2,191,181	648,393	15,578	2,785,549
Balance of statutory funds at beginning of the period	270,964	977	2,211,225	47,392,197	6,774,571	28,021	56,677,955
Balance of statutory funds at end of the period	279,267	1,093	2,145,546	49,612,049	7,451,421	42,390	59,531,766

# Notes to and forming part of the Condensed Interim Financial Statements

## For the quarter ended March 31, 2022

### REVENUE ACCOUNT BY STATUTORY FUND FOR THE PERIOD ENDED MARCH 31, 2021 (UN-AUDITED)

	Statutory Funds						Total
	Conventional Business	Accident and Health Business	Non-unitised Investment Link Business	Unit Linked Business	Individual Family Takaful Unit Linked Business	Group Family Takaful Business	
	(Rupees in '000)						
Income							
Premium / contribution less							
reinsurance / re-takaful	60,814	-	32,789	3,751,980	957,234	14,025	4,816,842
Rental income from investment property	-	-	-	750	-	-	750
Net unrealised gain on investment property	-	-	-	42,000	-	-	42,000
Net investment income	8,595	-	48,173	637,354	75,420	126	769,668
Total net income	69,409	-	80,962	4,432,084	1,032,654	14,151	5,629,260
Insurance / takaful benefits and expenditures							
Insurance / takaful benefits including bonus net of reinsurance	(39,043)	-	(225,054)	(1,661,481)	(223,707)	(3,465)	(2,152,750)
Management expenses less recoveries	(16,672)	-	(2,015)	(675,235)	(303,022)	(2,499)	(999,443)
Total insurance / takaful benefits and expenditures	(55,715)	-	(227,069)	(2,336,716)	(526,729)	(5,964)	(3,152,193)
Excess / (deficit) of income over insurance / takaful benefits and expenditures	13,694	-	(146,107)	2,095,368	505,925	8,187	2,477,067
Net change in insurance / takaful liabilities (other than outstanding claims)	(9,182)	(25)	151,958	(2,051,853)	(481,273)	1,063	(2,389,312)
Surplus / (deficit) before tax	4,512	(25)	5,851	43,515	24,652	9,250	87,755
Movement in policyholders' liabilities	(9,182)	(25)	151,958	(2,051,853)	(481,273)	1,063	(2,389,312)
Balance of statutory funds at beginning of the period	285,643	215	2,763,785	39,589,139	4,440,888	18,269	47,097,939
Balance of statutory funds at end of the period	299,337	215	2,617,678	41,684,507	4,946,813	26,456	49,575,006



# Notes to and forming part of the Condensed Interim Financial Statements

## For the quarter ended March 31, 2022

### 35.2 Segmental Statement of Financial Position

As at March 31, 2022 (Un-audited)			
	Statutory Funds	Shareholders Fund	Total
	(Rupees in '000)		
Property and equipment	-	177,017	177,017
Intangible assets	-	19,678	19,678
Right of use asset	-	172,592	172,592
Investment property	939,394	-	939,394
Investments			
Equity securities	8,259,729	16,510	8,276,239
Government securities	9,150,310	1,639,777	10,790,087
Debt securities	4,585,917	-	4,585,917
Term deposits	18,350,000	-	18,350,000
Mutual funds	9,436,267	410,609	9,846,876
Loan secured against life insurance policies	38,663	-	38,663
(Insurance / takaful) / (reinsurance / retakaful) receivables	164,392	-	164,392
Deferred tax asset	-	10,364	10,364
Other loans and receivables	492,444	89,363	581,807
Taxation - payment less provision	551,041	29,291	580,332
Prepayments	9,320	79,310	88,630
Cash and bank	12,334,839	179,017	12,513,856
<b>Total assets</b>	<b>64,312,316</b>	<b>2,823,528</b>	<b>67,135,844</b>
Insurance / takaful liabilities	59,642,151	-	59,642,151
Retirement benefit obligations	4,178	-	4,178
Deferred tax liability	261,512	-	261,512
Lease liabilities	-	224,626	224,626
Borrowings	-	65,866	65,866
Deferred government grant	-	1,552	1,552
Premium / contribution received in advance	324,076	-	324,076
(Insurance / takaful) / (reinsurance / retakaful) payables	43,719	-	43,719
Other creditors and accruals	2,903,718	347,989	3,251,707
<b>Total liabilities</b>	<b>63,179,354</b>	<b>640,033</b>	<b>63,819,387</b>

As at December 31, 2021 (Audited)			
	Statutory Funds	Shareholders Fund	Total
	(Rupees in '000)		
Property and equipment	-	159,319	159,319
Intangible assets	-	23,086	23,086
Right of use asset	-	187,628	187,628
Investment property	939,394	-	939,394
Equity securities	7,979,792	17,140	7,996,932
Government securities	19,142,594	1,655,165	20,797,759
Debt securities	4,443,606	-	4,443,606
Term deposits	7,580,000	-	7,580,000
Mutual funds	8,655,420	204,430	8,859,850
Loan secured against life insurance policies	39,499	-	39,499
(Insurance / takaful) / (reinsurance / retakaful) receivables	137,204	-	137,204
Other loans and receivables	353,029	65,354	418,383
Taxation - payment less provision	413,532	156,592	570,124
Deferred tax asset	-	9,342	9,342
Prepayments	4,147	34,555	38,702
Cash and bank	9,434,630	291,443	9,726,073
<b>Total assets</b>	<b>59,122,847</b>	<b>2,804,054</b>	<b>61,926,901</b>
Insurance / takaful liabilities	56,933,035	-	56,933,035
Deferred tax liability	240,865	-	240,865
Lease liabilities	-	229,834	229,834
Borrowings	-	84,894	84,894
Deferred Government Grant	-	4,298	4,298
Premium / contribution received in advance	431,262	-	431,262
(Insurance / takaful) / (reinsurance / retakaful) payables	-	-	-
Other creditors and accruals	422,529	330,456	752,985
<b>Total liabilities</b>	<b>58,027,691</b>	<b>649,482</b>	<b>58,677,173</b>

# Notes to and forming part of the Condensed Interim Financial Statements

## For the quarter ended March 31, 2022

### 36. FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised.

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

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

**Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets 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 measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

#### On balance sheet financial instruments

As at March 31, 2022 (Un-audited)									
Carrying value					Fair value				
Available for Sale	Fair value through profit or loss	Loans and Receivables	Financial liabilities	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)									
<b>Financial assets measured at fair value</b>									
- Investments									
Government Securities (T-bills + PIBs + Sukuks)	98,509	10,691,578	-	-	10,790,087	-	10,790,087	-	10,790,087
Equity securities	18,914	8,257,325	-	-	8,276,239	8,276,239	-	-	8,276,239
Mutual funds	-	9,846,876	-	-	9,846,876	9,846,876	-	-	9,846,876
Debt securities (listed TFCs / Corporate sukus)	-	3,765,917	-	-	3,765,917	-	3,765,917	-	3,765,917
	117,423	32,561,696	-	-	32,679,119	18,123,115	14,556,004	-	32,679,119
<b>Non-financial assets measured at fair value</b>									
- Investment property	-	939,394	-	-	939,394	-	-	939,394	939,394
	-	939,394	-	-	939,394	-	-	939,394	939,394
<b>Financial assets not measured at fair value</b>									
- Balances with banks	-	-	12,505,109	-	12,505,109				
- Term deposit receipts	-	-	18,350,000	-	18,350,000				
- Investment in debt securities	-	-	820,000	-	820,000				
- Other financial assets	-	-	785,309	-	785,309				
	-	-	32,460,418	-	32,460,418				
<b>Financial liabilities not measured at fair value</b>									
- Borrowings	-	-	-	67,418	67,418				
- Other Financial liabilities	-	-	-	3,291,237	3,291,237				
	-	-	-	3,358,655	3,358,655				
	117,423	33,501,090	32,460,418	(3,358,655)	62,720,276				

# Notes to and forming part of the Condensed Interim Financial Statements

## For the quarter ended March 31, 2022

As at December 31, 2021 (Audited)


	Carrying value					Fair value			
	Available for Sale	Fair value through profit or loss	Loans and Receivables	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
Financial assets measured at fair value									
- Investments									
Government Securities (T-bills + PIBs + Sukuks)	98,412	20,699,347	-	-	20,797,759	-	20,797,759	-	20,797,759
Listed equity securities	19,648	7,977,284	-	-	7,996,932	7,996,932	-	-	7,996,932
Units of mutual funds	-	8,859,850	-	-	8,859,850	8,859,850	-	-	8,859,850
Debt securities (listed TFCs / Corporate sukus)	-	2,618,606	-	-	2,618,606	-	2,618,606	-	2,618,606
	118,060	40,155,087	-	-	40,273,147	16,856,782	23,416,365	-	40,273,147
Non-financial assets measured at fair value									
- Investment property	-	939,394	-	-	939,394	-	-	939,394	939,394
	-	939,394	-	-	939,394	-	-	939,394	939,394
Financial assets not measured at fair value									
- Balances with banks	-	-	9,715,568	-	9,715,568				
- Term deposit receipts	-	-	7,580,000	-	7,580,000				
- Investment in debt securities	-	-	1,825,000	-	1,825,000				
- Other financial assets	-	-	595,105	-	595,105				
	-	-	19,715,673	-	19,715,673				
Financial liabilities not measured at fair value									
at fair value									
- Borrowings	-	-	-	89,192	89,192				
- Other Financial liabilities	-	-	-	740,088	740,088				
	-	-	-	829,280	829,280				
	118,060	41,094,481	19,715,673	(829,280)	60,098,934				

### 37. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. However, there was no material reclassification of corresponding figures during the period.

### 38. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on April 27, 2022.

  
S. Muhammad Jawed  
Chairman

  
Muhammad Ali Zeb  
Director

  
Imran Maqbool  
Director

  
Umer Mansha  
Chief Executive Officer

  
Jalal Meghani  
Chief Financial Officer

# Window Takaful Operations



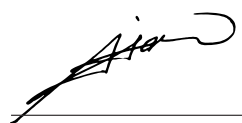
# Condensed Interim Statement of Financial Position

## Window Takaful Operations (Un-audited)

### As at March 31, 2022

	Operator's Sub Fund	Participants' Fund	Aggregate March 31, 2022	December 31, 2021
(Rupees in '000)				
<b>Assets</b>				
Investments				
Equity securities	-	828,919	828,919	809,675
Government securities	154,308	1,141,971	1,296,279	867,732
Debt securities	-	484,824	484,824	351,760
Term deposits	-	1,005,000	1,005,000	2,785,000
Mutual funds	87,080	1,208,989	1,296,069	1,314,077
Takaful / retakaful receivables	-	62,817	62,817	2,673
Other loans and receivables	10,538	90,772	101,310	69,561
Interfund receivable	104,615	-	104,615	21,193
Taxation - payments less provision	-	57,695	57,695	41,527
Prepayments	9,320	-	9,320	4,147
Cash and bank	70,847	2,612,168	2,683,015	963,879
<b>Total Assets</b>	<b>436,708</b>	<b>7,493,155</b>	<b>7,929,863</b>	<b>7,231,224</b>
<b>Equity and Liabilities</b>				
<b>Capital and reserves attributable to Company's equity holders</b>				
Capital contributed	159,501	-	159,501	159,501
Qard-e-Hasna	(22,500)	22,500	-	-
Waqf ceded money	-	500	500	500
Ledger account D	82,314	-	82,314	62,528
<b>Total Equity</b>	<b>219,315</b>	<b>23,000</b>	<b>242,315</b>	<b>222,529</b>
<b>Liabilities</b>				
Takaful liabilities (other than outstanding claims)	40,724	7,176,930	7,217,654	6,553,683
Outstanding claims	150	117,093	117,243	76,367
Deferred tax liability	34,264	-	34,264	26,380
Contribution received in advance	-	58,803	58,803	124,100
Takaful / retakaful payables	-	6,668	6,668	27,745
Interfund payable	-	104,615	104,615	21,193
Other creditors and accruals	142,255	6,046	148,301	179,227
<b>Total Liabilities</b>	<b>217,393</b>	<b>7,470,155</b>	<b>7,687,548</b>	<b>7,008,695</b>
<b>Total Equity and Liabilities</b>	<b>436,708</b>	<b>7,493,155</b>	<b>7,929,863</b>	<b>7,231,224</b>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

  
S. Muhammad Jawed  
Chairman

  
Muhammad Ali Zeb  
Director

  
Imran Maqbool  
Director

  
Umer Mansha  
Chief Executive Officer

  
Jalal Meghani  
Chief Financial Officer

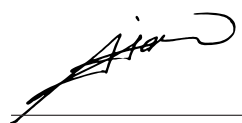
# Condensed Interim Statement of Profit or Loss

## Window Takaful Operations (Un-audited)

### For the quarter ended March 31, 2022

				Aggregate	
		Operator's Sub Fund	Participants' Fund	March 31, 2022	March 31, 2021
Note		(Rupees in '000)			
Contribution revenue	5	362,240	912,518	1,274,758	1,003,804
Contribution ceded to retakaful		-	(24,346)	(24,346)	(32,546)
<b>Contribution revenue</b>		362,240	888,172	1,250,412	971,258
Takaful operator's fee		59,333	(59,333)	-	-
Investment income	6	6,537	105,718	112,255	75,551
Other income		-	16,592	16,592	-
<b>Net income</b>		428,110	951,149	1,379,259	1,046,809
Takaful benefits		(768)	(328,052)	(328,820)	(233,415)
Recoveries from retakaful operators		-	37,792	37,792	6,656
Claims related expenses		-	(324)	(324)	(188)
<b>Net takaful benefits</b>	7	(768)	(290,584)	(291,352)	(226,947)
Net change in takaful liabilities (other than outstanding claims)		(3,810)	(660,160)	(663,970)	(490,588)
Acquisition expenses	8	(328,210)	-	(328,210)	(264,192)
Marketing and administration expenses	9	(50,966)	-	(50,966)	(35,857)
Other expenses		(16,686)	(405)	(17,091)	(410)
		(399,672)	(660,565)	(1,060,237)	(791,047)
<b>Total expenses</b>		(400,440)	(951,149)	(1,351,589)	(1,017,994)
<b>Results of operating activities / profit before tax</b>		27,670	-	27,670	28,815
Income tax expense		(7,884)	-	(7,884)	(8,356)
<b>Profit after tax for the period</b>		19,786	-	19,786	20,459

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.



S. Muhammad Jawed  
Chairman



Muhammad Ali Zeb  
Director



Imran Maqbool  
Director



Umer Mansha  
Chief Executive Officer



Jalal Meghani  
Chief Financial Officer


## Condensed Interim Statement of Other Comprehensive Income

### Window Takaful Operations (Un-audited)

### For the quarter ended March 31, 2022

	March 31, 2021	March 31, 2020
	(Rupees in '000)	
Profit after tax for the period - as per statement of profit or loss	19,786	20,459
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>19,786</b>	<b>20,459</b>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.



S. Muhammad Jawed  
Chairman



Muhammad Ali Zeb  
Director



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Director



Umer Mansha  
Chief Executive Officer



Jalal Meghani  
Chief Financial Officer



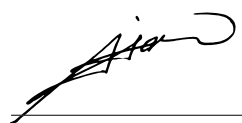
## Condensed Interim Statement of Changes in Equity

### Window Takaful Operations (Un-audited)

### For the quarter ended March 31, 2022

	Capital contributed	Waqf ceded money	Ledger account D	Total
	(Rupees in '000)			
Balance as at January 01, 2021	159,501	500	(41,389)	118,612
Total comprehensive income for the period ended March 31, 2021				
- Profit for the period after tax	-	-	20,459	20,459
- Other comprehensive income / (loss)	-	-	-	-
	-		20,459	20,459
Balance as at March 31, 2021	159,501	500	(20,930)	139,071
<b>Balance as at January 01, 2022</b>	<b>159,501</b>	<b>500</b>	<b>62,528</b>	<b>222,529</b>
Total comprehensive income for the period ended March 31, 2022				
- Profit for the period after tax	-	-	19,786	19,786
- Other comprehensive (loss) / income	-	-	-	-
	-	-	19,786	19,786
<b>Balance as at March 31, 2022</b>	<b>159,501</b>	<b>500</b>	<b>82,314</b>	<b>242,315</b>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.



S. Muhammad Jawed  
Chairman



Muhammad Ali Zeb  
Director



Imran Maqbool  
Director



Umer Mansha  
Chief Executive Officer



Jalal Meghani  
Chief Financial Officer


# Condensed Interim Statement of Cash Flows

## Window Takaful Operations (Un-audited)

### For the quarter ended March 31, 2022

	March 31, 2021	March 31, 2020
	(Rupees in '000)	
<b>Operating Cash Flows</b>		
<b>(a) Underwriting activities</b>		
Contribution received	1,187,105	1,005,020
Retakaful contribution paid	(45,419)	(40,508)
Claims paid	(288,568)	(226,913)
Commission paid	(286,314)	(294,175)
Marketing and administrative expenses paid	(160,022)	(183,431)
<b>Net cash flow generated from underwriting activities</b>	<b>406,782</b>	<b>259,993</b>
<b>(b) Other operating activities</b>		
Income tax paid	(16,168)	(6,080)
<b>Total cash flow generated from all operating activities</b>	<b>390,614</b>	<b>253,913</b>
<b>Investment activities</b>		
Profit / return received	80,526	36,921
Dividend received	8,587	3,288
Payment for investments	(1,204,238)	(1,874,135)
Proceeds from investments	663,647	1,844,628
<b>Total cash flow (used in) / generated from investing activities</b>	<b>(451,478)</b>	<b>10,702</b>
<b>Financing activities</b>		
Borrowings	-	-
<b>Total cash flow generated from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net cash (outflows) / inflows from all activities</b>	<b>(60,864)</b>	<b>264,615</b>
<b>Cash and cash equivalent at the beginning of the period</b>	<b>3,748,879</b>	<b>2,368,001</b>
<b>Cash and cash equivalent at the end of the period</b>	<b>3,688,015</b>	<b>2,632,616</b>
<b>Reconciliation to Statement of profit or loss</b>		
Cash flow from all operating activities	390,614	253,913
Depreciation and amortisation expense	(2,603)	(4,376)
Financial charge expense	197	(584)
Profit on disposal of investment	45,351	20,963
Dividend income	10,483	4,944
Other investment income	82,066	46,474
Increase in assets other than cash	2,038,754	1,773,768
Increase in liabilities other than borrowings	(2,519,431)	(2,077,808)
(Deficit) / surplus on revaluation of investment	(25,645)	3,165
<b>Profit after taxation</b>	<b>19,786</b>	<b>20,459</b>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

  
S. Muhammad Jawed  
Chairman

  
Muhammad Ali Zeb  
Director

  
Imran Maqbool  
Director

  
Umer Mansha  
Chief Executive Officer

  
Jalal Meghani  
Chief Financial Officer

# Notes to and forming part of the Condensed Interim Financial Statements

## Window Takaful Operations (Un-audited)

### For the quarter ended March 31, 2022

#### 1. LEGAL STATUS AND NATURE OF BUSINESS

**1.1** Adamjee Life Assurance Company Limited ("the Company") was incorporated in Pakistan on August 04, 2008 as a public unlisted company under the Companies Act, 2017 (Previously Companies Ordinance, 1984). The Company's shares were quoted for trading on Pakistan Stock Exchange (PSX) on March 4, 2022. The Company started its operations from April 24, 2009. Registered office of the Company is at 5th floor, Islamabad Stock Exchange Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad while its principal place of business is at Adamjee House, 3rd and 4th Floor, I.I Chundrigar Road, Karachi. The Company is a subsidiary of Adamjee Insurance Company Limited.

The Company is engaged in Takaful business carrying on non-participating business only. Following are the statutory funds in respect of each class of its Takaful business:

- Individual Family Takaful Business (refer note 1.2)
- Group Family Takaful Business (refer note 1.2)

**1.2** The Company was granted authorisation on May 04, 2016 under Rule 6 of Takaful Rules, 2012 to undertake Takaful Window Operations in respect of family takaful products by Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations from July 14, 2016. The Company formed a Waqf Fund namely the Adamjee Life Assurance Company Limited - Window Takaful Operations Waqf Fund (here-in-after referred to as the Participant Takaful Fund (PTF) on December 22, 2015 under a Waqf deed executed by the Company with the cede amount of Rs. 500,000. The cede money is required to be invested in Shariah compliant investments and any profit thereon can be utilised only to pay benefits to participants or defray PTF expenses. Waqf deed also governs the relationship of the Company and policyholders for the management of Takaful operations, investment of policyholders' funds and shareholders' funds as approved by the Shariah Advisor appointed by the Company.

The Company issued supplemental policies to the Window Takaful Operations Waqf Fund on October 29, 2019 to include Group Family Participant's Takaful Fund business in existing Window Takaful Operations Waqf Fund and the same was authorised by the Securities and Exchange Commission of Pakistan (SECP) on December 11, 2019 and the Company commenced its Group Family Takaful Business in the second Quarter of 2020.

#### 2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

**2.1** These condensed interim financial statements for Window Takaful Operations of the Company have been prepared to comply with the requirement of Securities and Exchange Commission of Pakistan (SECP) vide its Circular No. 15 of 2019 dated November 18, 2019 in which Life Insurers carrying out Window Takaful Operations are required to prepare separately, the financial statements for Family Takaful Operations as if these are carried out by a standalone Takaful Operator.

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

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

## Notes to and forming part of the Condensed Interim Financial Statements

### Window Takaful Operations (Un-audited)

### For the quarter ended March 31, 2022

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, as are 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 the Takaful Rules, 2012.

In case the requirements differ, provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, have been followed.

These condensed interim financial statements does not include all the information required in the annual financial statements. Accordingly, this condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2021.

#### **3. SIGNIFICANT ACCOUNTING POLICIES & FINANCIAL RISK MANAGEMENT / JUDGEMENTS AND ESTIMATES**

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

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

#### **4. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO ACCOUNTING STANDARDS THAT BECAME EFFECTIVE FOR THE PERIOD ENDED MARCH 31, 2022**

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

# Notes to and forming part of the Condensed Interim Financial Statements

## Window Takaful Operations (Un-audited)

### For the quarter ended March 31, 2022

	Statutory Funds		Aggregate	
	Individual Family Takaful	Group Family Takaful	March 31, 2022	March 31, 2021
Note	(Rupees in '000)			

#### 5. Contribution revenue

##### Gross contribution

##### Regular contribution individual contracts

First year	463,496	-	463,496	399,452
Second year	302,943	-	302,943	199,952
Third and subsequent years	366,435	-	366,435	214,154
Single contribution	103,676	-	103,676	154,383
Group contracts without cash values	-	38,208	38,208	35,863
<b>Total gross contribution</b>	<b>1,236,550</b>	<b>38,208</b>	<b>1,274,758</b>	<b>1,003,804</b>

#### 5.1 Proportion of gross contribution allocated to Participants' Investment Fund (PIF)

Allocated regular contribution	768,107	-	768,107	509,736
Single contribution	20,500	-	20,500	89,155
Top-up contribution	78,867	-	78,867	61,692
(A)	867,474	-	867,474	660,583

#### 5.2 Proportion of gross contribution allocated to Participants' Takaful Fund (PTF)

Allocated gross contribution-Individual life family takaful	12,882	-	12,882	9,418
On group contracts	-	32,162	32,162	34,610
(B)	12,882	32,162	45,044	44,028

#### 5.3 Proportion of gross contribution allocated to Operator's Sub Fund (OSF)

Wakalah fees- Individual life family takaful	309,826	-	309,826	265,753
Bid offer spread- Individual life family takaful	46,368	-	46,368	32,187
Wakalah fees- Group family takaful	-	6,046	6,046	1,253
(C)	356,194	6,046	362,240	299,193

#### Total gross contribution allocated to sub-funds

(A)+(B)+(C)

1,236,550	38,208	1,274,758	1,003,804
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# Notes to and forming part of the Condensed Interim Financial Statements

## Window Takaful Operations (Un-audited)

### For the quarter ended March 31, 2022

#### 6. Investment income

##### 6.1 Participants' Investment Fund (PIF)

Return on government securities - sukuks
Return on debt securities - privately placed sukuks
Profit on bank deposits
Unrealised gain on revaluation of mutual funds
Unrealised loss on revaluation of equity securities
Unrealised gain on debt securities- privately placed sukuks
Unrealised loss on government securities
Dividend income
Gain on disposal of investments
Less: investment related expenses

Note

Statutory Funds		Aggregate	
Individual Family Takaful	Group Family Takaful	March 31, 2022	March 31, 2021
(Rupees in '000)			
17,711	-	17,711	4,156
11,205	-	11,205	3,655
83,591	-	83,591	35,844
5,757	-	5,757	13,368
(30,867)	-	(30,867)	(12,117)
976	-	976	53
(3,170)	-	(3,170)	1,469
10,252	-	10,252	4,885
8,775	-	8,775	20,030
(1,833)	-	(1,833)	(2,496)
(a) 102,397	-	102,397	68,847

##### 6.2 Participants' Takaful Fund (PTF)

Dividend Income
Unrealised gain on revaluation of mutual funds
Unrealised gain / (loss) on revaluation of government securities
Unrealised loss on debt securities- privately placed sukuks
Return on government securities
Profit on bank deposits

(b)

-	-	-	59
-	-	-	58
157	-	157	(1,014)
-	(30)	(30)	
2,562	632	3,194	2,140
-	-	-	1,189
(b) 2,719	602	3,321	2,432

##### 6.3 Operator's Sub-Fund (OSF)

Return on government securities
Unrealised gain on revaluation of government securities
Unrealised gain on revaluation of mutual funds
Profit on bank balances
Dividend income

(c)

2,758	-	2,758	1,310
626	-	626	716
906	-	906	794
2,016	-	2,016	1,452
231	-	231	-
(c) 6,537	-	6,537	4,272

#### Net investment income

(a+b+c)

111,653	602	112,255	75,551
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#### 7. Takaful benefits

##### Claims under individual policies

- by death
- by insured event other than death
- by maturity
- by surrender

##### Total gross individual policy claims

##### Claims under group policies

- by death
- by insured event other than death

Add: claim investigation fees

##### Total gross claims

##### Less: retakaful recoveries

- on individual life claims
- on group life claims

##### Net takaful benefits

66,226	-	66,226	21,001
77	-	77	300
7,728	-	7,728	-
243,748	-	243,748	201,314
317,779	-	317,779	222,615
-	8,300	8,300	10,800
-	2,741	2,741	-
324	-	324	188
318,103	11,041	329,144	233,603
(37,792)	-	(37,792)	904
-	-	-	(7,560)
280,311	11,041	291,352	226,947

# Notes to and forming part of the Condensed Interim Financial Statements

## Window Takaful Operations (Un-audited)

### For the quarter ended March 31, 2022

#### 8. Acquisition expenses

##### Operator's Sub-Fund (OSF)

##### Acquisition costs

##### Remuneration to takaful

##### intermediaries on individual policies:

	Individual Family Takaful	Group Family Takaful	March 31, 2022	March 31, 2021
- commission on first year contribution	184,315	-	184,315	163,722
- commission on second year contribution	19,166	-	19,166	11,280
- commission on subsequent year renewal contribution	7,082	-	7,082	3,538
- commission on single contribution	3,406	-	3,406	4,535
- other benefits to takaful intermediaries	22,121	-	22,121	17,914
<b>Total commission cost</b>	<b>236,090</b>	<b>-</b>	<b>236,090</b>	<b>200,989</b>

##### Remuneration to takaful intermediaries on group policies:

Commission	-	2,531	2,531	2,401
Other benefits to takaful intermediaries	-	139	139	98
	-	2,670	2,670	2,499
Other acquisition cost	6,668	-	6,668	7,838
	242,758	2,670	245,428	211,326
Branch overheads	82,782	-	82,782	52,866
<b>Total acquisition cost</b>	<b>325,540</b>	<b>2,670</b>	<b>328,210</b>	<b>264,192</b>

#### 9. Marketing and administrative expenses

Salaries allowances and other benefits	27,160	530	27,690	18,594
Travelling expenses	69	1	70	130
Appointed actuary fees	121	2	123	180
Auditor's remuneration	126	2	128	79
Legal and professional charges	3,035	59	3,094	1,288
Information technology expenses	1,252	24	1,276	1,473
Printing and stationery	2,461	48	2,509	927
Depreciation	308	23	331	(384)
Depreciation-Right of use assets	881	-	881	1,665
Amortisation	334	7	341	586
Rent expense	139	3	142	85
Insurance expense	775	15	790	164
Vehicle running	2,916	57	2,973	1,236
Postage and courier	1,904	37	1,941	1,366
Electricity, gas and water	252	5	257	27
Office repairs and maintenance	476	9	485	589
Entertainment	398	8	406	55
Bank charges	111	2	113	35
Training and development	46	1	47	(3)
Fees and subscription	697	14	711	-
Marketing cost	6,034	118	6,152	7,089
Other expense	497	9	506	338
	<b>49,992</b>	<b>974</b>	<b>50,966</b>	<b>35,519</b>



# Notes to and forming part of the Condensed Interim Financial Statements

## Window Takaful Operations (Un-audited)

### For the quarter ended March 31, 2022

#### 10. SEGMENTAL INFORMATION

##### REVENUE ACCOUNT BY SUB-STATUTORY FUND

		Statutory Funds		Aggregate	
		Individual Family Takaful	Group Family Takaful	March 31, 2022	March 31, 2021
Note		(Rupees in '000)			
10.1 Operator's Sub Fund (OSF)					
Income					
Wakalah fee	5.3	309,826	6,046	315,872	267,006
Surrender charges		1,032	-	1,032	502
Tharawat fee	10.3	28,708	-	28,708	19,475
Bid offer spread	5.3	46,368	-	46,368	32,187
Participants' Takaful fund management income	10.2	24,740	-	24,740	17,357
Income against admin cost charged to PIF	10.3	5,885	-	5,885	3,141
Investment income	6.3	6,537	-	6,537	4,272
Total net income		423,096	6,046	429,142	343,940
Less: Expenditures					
Acquisition costs		(325,540)	(2,670)	(328,210)	(264,192)
Administration cost and others		(49,992)	(974)	(50,966)	(35,857)
Claim related expenses		-	(1,800)	(1,800)	-
Bonus allocation to PIF		(16,256)	-	(16,256)	-
Expenses on behalf of PTF - Premium		(170)	-	(170)	-
Expenses on behalf of PTF - Tabbarru		(260)	-	(260)	(312)
Total management cost		(392,218)	(5,444)	(397,662)	(300,361)
Excess of income over expenditure		30,878	602	31,480	43,579
Technical reserve at the beginning of the period		36,531	383	36,914	12,682
Less: Technical reserve at end of the period		(38,516)	(2,208)	(40,724)	(27,446)
Movement in technical reserves		(1,985)	(1,825)	(3,810)	(14,764)
Surplus for the period		28,893	(1,223)	27,670	28,815
Movement in technical reserves		1,985	1,825	3,810	14,764
Balance of Operator's Sub Fund at the beginning of the period		258,215	4,608	262,823	82,921
Balance of Operator's Sub Fund at end of the period		289,093	5,210	294,303	126,500
Represented by:					
Capital contributed by Shareholders' fund		159,501	10,000	169,501	169,501
Capital contributed to Group Family Takaful		-	(10,000)	(10,000)	(10,000)
Qard-e-Hasna to PTF		(22,500)	-	(22,500)	(22,500)
Technical reserve at end of the period		38,516	2,208	40,724	27,446
Retained earnings on other than participating business		113,576	3,002	116,578	(37,947)
Balance of Operator's Sub Fund		289,093	5,210	294,303	126,500



# Notes to and forming part of the Condensed Interim Financial Statements

## Window Takaful Operations (Un-audited)

### For the quarter ended March 31, 2022

#### 10.2 Participants' Takaful Fund (PTF)

	Statutory Funds		Aggregate	
	Individual Family Takaful	Group Family Takaful	March 31, 2022	March 31, 2021
Note	(Rupees in '000)			
5.2	12,882	32,162	45,044	44,028
	58,509	-	58,509	40,470
	(14,576)	(9,770)	(24,346)	(32,546)
	56,815	22,392	79,207	51,952
6.2	2,719	602	3,321	2,432
	59,534	22,994	82,528	54,384
overies	(24,740)	-	(24,740)	(27,953)
	(22,710)	(9,241)	(31,951)	(22,888)
	(47,450)	(9,241)	(56,691)	(50,841)
	12,084	13,753	25,837	3,543
	139,666	13,413	153,079	86,755
	(125,624)	(21,223)	(146,847)	(78,858)
	(26,126)	(5,943)	(32,069)	(11,440)
	(12,084)	(13,753)	(25,837)	(3,543)
	-	-	-	-
	12,084	13,753	25,837	3,543
	162,666	23,413	186,079	119,755
	174,750	37,166	211,916	123,298
	500	-	500	500
	-	10,000	10,000	10,000
	22,500	-	22,500	22,500
	151,750	27,166	178,916	90,298
	174,750	37,166	211,916	123,298

# Notes to and forming part of the Condensed Interim Financial Statements

## Window Takaful Operations (Un-audited)

### For the quarter ended March 31, 2022

	Statutory Funds		Aggregate	
	Individual Family Takaful	Group Family Takaful	March 31, 2022	March 31, 2021
Note	(Rupees in '000)			

#### 10.3 Participants' Investment Fund (PIF)

##### Income

Allocated contribution	5.1	867,474	-	867,474	660,583
Bonus allocation from OSF		16,256	-	16,256	-
Investment income	6.1	102,397	-	102,397	68,847
<b>Total net income</b>		986,127	-	986,127	729,430

##### Less: claims expense

Surrender - regular		(142,888)	-	(142,888)	(83,376)
Surrender - top up		(101,892)	-	(101,892)	(118,440)
Maturity		(7,728)	-	(7,728)	-
Death claim		(6,048)	-	(6,048)	(2,745)
		(258,556)	-	(258,556)	(204,561)

##### Less: Expenditures

Tabarru charges		(58,249)	-	(58,249)	(40,252)
Tharawat fee - investment management		(28,708)	-	(28,708)	(19,475)
Administrative charges		(5,885)	-	(5,885)	(3,141)
Other expenses		(399)	-	(399)	(33)
Bank charges		(6)	-	(6)	(65)
		(93,247)	-	(93,247)	(62,966)

##### Excess of income over expenditures

Technical reserve at the beginning of the period		6,353,690	-	6,353,690	4,256,344
Less: Technical reserve at the end of the period		(6,988,014)	-	(6,988,014)	4,718,247

<b>Movement in technical reserve</b>		(634,324)	-	(634,324)	461,903
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<b>Surplus for the period</b>		-	-	-	-
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<b>Movement in technical reserve</b>		634,324	-	634,324	461,903
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<b>Balance of statutory funds at beginning of the period</b>		6,353,690	-	6,353,690	4,256,344
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<b>Balance of statutory funds at end of the period</b>		6,988,014	-	6,988,014	4,718,247
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##### Represented by:

Technical reserve at the end of the period		6,988,014	-	6,988,014	4,718,247
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<b>Balance of statutory fund</b>		6,988,014	-	6,988,014	4,718,247
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# Notes to and forming part of the Condensed Interim Financial Statements

## Window Takaful Operations (Un-audited)


### For the quarter ended March 31, 2022

#### 11. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison.

#### 12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on April 27, 2022.



S. Muhammad Jawed  
Chairman



Muhammad Ali Zeb  
Director



Imran Maqbool  
Director



Umer Mansha  
Chief Executive Officer



Jalal Meghani  
Chief Financial Officer



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