

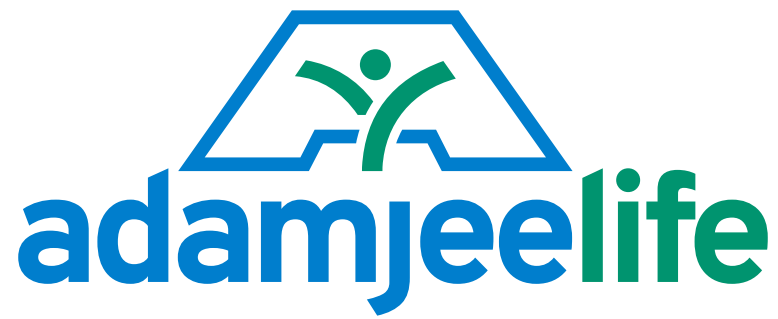
# NEW ERA OF ADAMJEE LIFE

Interim Financial Information for the

## Third Quarter

ended September 30, 2022







# CONTENTS

	<b>Profile</b>
2	Vision, Mission & Core Values
<b>4</b>	<b>Our Company</b>
5	Rating of the Company
6	Company Information
<b>8</b>	<b>Directors' Review</b>
9	Directors' Review (English)
11	Directors' Review (Urdu)
<b>13</b>	<b>Financial Statements</b>
14	Condensed Interim Statement of Financial Position
15	Condensed Interim Statement of Profit or Loss
16	Condensed Interim Statement of Other Comprehensive Income
17	Condensed Interim Statement of Changes in Equity
18	Condensed Interim Statement of Cash Flows
19	Notes to the Condensed Interim Financial Statements
<b>42</b>	<b>Window Takaful Operations - Financial Statements</b>
43	Condensed Interim Statement of Financial Position
44	Condensed Interim Statement of Profit or Loss
45	Condensed Interim Statement of Other Comprehensive Income
46	Condensed Interim Statement of Changes in Equity
47	Condensed Interim Statement of Cash Flows
48	Notes to the Condensed Interim Financial Statements



# 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

: June 30, 2022



# Company Information

## BOARD OF DIRECTORS

S. M. Jawed  
Manzar Mushtaq  
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 OFFICER

Jalal Meghani

## COMPANY SECRETARY

Rahim Vallyani

## HEAD OF COMPLIANCE

Asif Mirza

## APPOINTED ACTUARY

Alchemy Associates (Pvt.) Limited

## SHARE REGISTRAR

CDC Share Registrar Services Ltd. CDC House, 99-B, Block B,  
SMCHS Main Shahrah-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 of the Company, for the nine months ended on 30th September 2022.

### Financial Highlights:

The highlights for the period under review are as follows:

	(Unaudited)	
	30 September 2022	30 September 2022
	Rupees in '000	
Gross Premium	14,991,252	14,914,915
Net Premium	14,456,152	14,468,099
Investment income	2,730,667	1,890,683
Net Benefits paid to and reserved for policyholders	13,626,629	12,983,910
Acquisition & other operating expenses	3,024,682	3,197,723
Profit before tax	535,508	177,149
Profit after tax	353,063	127,348
Size of Statutory Fund	61,326,857	54,203,528
Shareholders' Equity	3,601,166	3,184,923
	Rupees	
Earnings Per Share	1.41	1.15

### Performance Review:

The year 2022 has been particularly challenging for our Country in the wake of significant macroeconomic imbalances, daunting CPI inflation, political uncertainty and unprecedented losses inflicted by the monsoon flood in Sindh and Baluchistan. These factors have resulted in tremendous pressure on the disposal income of the masses.

Under these tough economic conditions, the Company's new business from regular premium policies declined by -14.05%, whereas the Company's renewal premium & corporate group life business grew by 16% and 22% respectively; thus the total gross premium of the Company was 0.5% higher than the corresponding period last year. It is pertinent to note that the industry's business from Bancassurance distribution grew by 8% approx., whereas industry's business from direct distribution, in private sector, has declined by approx. -5%.

The Company's underwriting surplus (profit before management expenditure and income from Shareholders' fund) has increased to Rs. 1,249 million as compared to Rs. 1,043 million in the corresponding period last year, registering an increase of 19.75%. The increase in underwriting surplus is mainly attributable to higher income on interest based securities invested against solvency & other reserves in statutory fund, higher fund management fee due to increase in the size renewal book & hence the fund size and better mortality experience than last year.

The Company's net income from shareholders' fund has risen significantly to Rs. 152 million as against Rs. 3 million in the corresponding period last year. The rise is attributable to return on increased paid up capital of the Company through issue of right shares in 2021 which is mainly invested in Government Securities.



The Company has been able to exercise prudence and control over its expenditure duly warranted due to economic situation. The total expenditure was 2% lower as compared to corresponding period of last year, this is commendable considering high inflation which prevailed during the current year.

The resultant profit before tax of the Company has thus increased to Rs. 535 million as compared to Rs. 177 million in the corresponding period of last year, generating an earnings per share of Rs. 1.41 in the nine months period.

The fall in the equity market in the reporting period has also impacted returns on the portion of policyholders' fund which are invested in equity market. The absolute return on such fund was (-3.73%) whereas the return on KSE 100 index was (-11.15%) in the same period.

Nonetheless, the returns and cash value has significantly improved in the funds which are invested in comparatively low risk, debt and money market instruments due to historically high interest rates. The average net return on such funds is approx. (12% - 13.5%). The return on these funds is likely to improve further after averaging for steep rise in interest rates in Q2 onward of the current year.

The Company's Claims Settlement Ratio within 90 days of intimation was (73% - 78%) and the Company's Complaint Closure Ratio within 30 days was 91%.

The Company's size of Statutory Fund was Rs. 61.3 billion as of September 30, 2022, registering an increase of 8% over the period of one year.

#### Window Takaful Operations:


The gross contribution generated from Window Takaful operations was Rs. 2.918 Billion (Sep 30, 2021: Rs. 2.872 Billion). The profit before tax that has been reported for September 30, 2022 amounts to Rs. 61.632 million, which is an increase of 8% from the corresponding period i.e. Rs. 57.155 million. The new business mix of takaful was 38% as against 48% in the corresponding period.

#### Future Outlook:

The management of the company is fully cognizant of the economic situation of the country and is taking all necessary measures to manage these challenges. The last quarter has been historically better in terms of new business on-boarding and we hope that this will also be the case for this year. We are also cautiously optimistic about the future considering the recent positive development on revival of IMF program, expected removal of country from the FATF grey list and gradual correction in rupee parity vs USD. However, we should not discount the indicative statistics pointing towards global recession and must analyze the impact it may have on life insurance sector. The fast-developing digital arena Fintech continuously excites us of its potential to increase insurance penetration in the country. We are proud to report that our direct sales force has been able to sale its first long term investment linked policy from proposal to policy issuance completely from our digital platform.


#### Acknowledgements:

We would wholeheartedly like to thank our shareholders, valued customers, employees and development staff for their consistent support. This has helped Adamjee Life emerge as one of 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.



**S.M. Jawed**  
Chairman

**On behalf of the Board of Directors**



**Manzar Mushtaq**  
Chief Executive Officer

October 24, 2022

## ڈائریکٹرز کا تجزیہ

آدم جی لائف ایشرنس کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز کو ۳۰ ستمبر ۲۰۲۲ کو ختم ہونے والے ششماہی کے لیے کمپنی کے عبوری مالیاتی گوشوارے ممبران کے سامنے پیش کرنے پر مقرر محسوس کرتے ہیں۔

30 ستمبر 2022	30 ستمبر 2021	
ان اوڈیٹڈ	ان اوڈیٹڈ	
----- روپوں میں 000 -----		
14,991,252	14,914,915	مجموعی پریمیم
14,456,152	14,468,099	نیٹ پریمیم
2,730,667	1,890,683	سرمایہ کاری کی آمدنی
13,626,629	12,983,910	پالیسی ہولڈرز کو دیئے گئے فوائد کی ادائیگی اور کریڈٹ
3,024,682	3,197,723	حصول اور دیگر آپریٹنگ اخراجات
535,508	177,149	ٹیکس سے پہلے کا منافع
353,063	127,348	ٹیکس کے بعد کا منافع
61,326,857	54,203,528	سٹیچوٹری فنڈ کا سائز
3,601,166	3,184,923	شیر ہولڈر ایکویٹی
----- روپوں میں -----		
1.41	1.15	فی شیر آمدنی

### کارکردگی کا جائزہ:

سال ۲۰۲۲ ہمارے ملک کے لیے خاص طور پر اہم میکرو اکنامک عدم توازن، ناقابل یقین CPI انفلیشن، سیاسی غیر یقینی صورتحال اور بلوچستان میں مون سون کے سیلاب سے ہونے والے بے مثال نقصانات کے تناظر میں خاصا چیلنجنگ رہا ہے۔ ان عوامل کے نتیجے میں عوام کی روزمرہ کی آمدنی پر زبردست اثر پڑا ہے۔

ان سخت معاشی حالات میں، باقاعدہ پریمیم پالیسیوں سے کمپنی کے نئے کاروبار میں ۱۴.۰۵% کی کمی واقع ہوئی، جبکہ کمپنی کے تجدید پریمیم اور کارپوریٹ گروپ لائف کے کاروبار میں ۱۶% اور ۲۲% کا اچھا اضافہ ہوا۔ اس طرح کمپنی کا کل مجموعی پریمیم گزشتہ سال کی اسی مدت کے مقابلے میں ۵.۵% سے زیادہ تھا۔ یہ بات قابل غور ہے کہ بینکاشورانس کی تقسیم سے صنعت کے کاروبار میں تقریباً ۸ فیصد اضافہ ہوا ہے، جب کہ نجی شعبے میں براہ راست تقسیم سے صنعت کے کاروبار میں تقریباً ۵% کمی آئی ہے۔

کمپنی کا انڈر رائٹنگ سرپلس (انتظامی اخراجات سے پہلے کا منافع اور شیر ہولڈرز کے فنڈ سے آمدنی) بڑھ کر ہو گیا ہے۔ ۲۳۹ ملین روپے کے مقابلے میں گزشتہ سال کی اسی مدت میں ۱۰۴۳ ملین روپے (۱۹۷۵) فیصد، کا اضافہ درج کیا گیا۔ انڈر رائٹنگ سرپلس میں اضافہ بنیادی طور پر سٹیچوٹری فنڈ میں سالوینسی اور دیگر ذخائر کے خلاف سرمایہ کاری میں کی گئی سود پر مبنی سیکیورٹیز پر زیادہ آمدنی، سائز ریول بک میں اضافے کی وجہ سے زیادہ فنڈ مینجمنٹ فیس اور اس وجہ سے فنڈ کا سائز اور گزشتہ سال کے مقابلے میں بہتر مورٹیلیٹی کا تجربہ ہے۔

شیر ہولڈرز فنڈ سے کمپنی کی آمدنی نمایاں طور پر بڑھ کر ۱۵۲ ملین روپے تک پہنچ گئی ہے۔ پچھلے سال کے مقابلے میں اسی مدت میں ۳ ملین روپے تھی۔ یہ اضافہ ۲۰۲۱ میں رائٹ شیرز کے اجراء کے ذریعے کمپنی کے اضافی سرمائے سے منسوب ہے۔

کمپنی معاشی صورتحال کی وجہ سے اپنے اخراجات پر احتیاط اور کنٹرول کرنے میں کامیاب رہی ہے۔ کل اخراجات گزشتہ سال کی اسی مدت کے مقابلے میں ۲% سے کم تھے، یہ بہت بڑی انفلیشن کے پیش نظر قابل ستائش ہے جو رواں سال کے دوران تاری رہی۔

مندرجہ بالا حقائق کے نتیجے میں کمپنی کا قبل از ٹیکس منافع ۵۳۵ ملین روپے تک بڑھ گیا ہے۔ اور فی حصص آمدنی بڑھ کر ۱۴۱-۱- تک جا پہنچی ہے۔ گزشتہ سال اسی مدت میں کمپنی کا قبل از ٹیکس آمدنی ۷۷ ملین روپے ریکارڈ کی گئی تھی۔

رپورٹنگ کی مدت میں ایکویٹی مارکیٹ میں کمی نے پالیسی ہولڈرز کے فنڈ کے اس حصے پر منافع کو بھی متاثر کیا ہے جو ایکویٹی مارکیٹ میں لگائے گئے ہیں۔ ایسے فنڈ پر مطلق منافع (۷۳-۳) فیصد تھی جبکہ اسی مدت میں KSE 100 انڈیکس پر منافع (۱۱۵-۱۱) فیصد تھی۔



اگرچہ بلند شرح سود کی وجہ سے ان فنڈز کے منافعوں میں نمایاں بہتری آئی ہے جو کہ لورسک ڈیپٹ یا منی مارکیٹ میں انویسٹ تھے۔ بہر حال ان فنڈز کا اوسط منافع (۱۳.۵٪-۱۲٪)۔ چونکہ Q3 میں شرح سود اسی بلند سطح پر رہنے کا امکان ہے، ان فنڈز کے منافعوں میں اضافہ متوقع ہے۔

اطلاع کے ۹۰ دنوں کے اندر کمپنی کا کلیمز سیٹلٹ ریشو (۷۸٪-۷۳٪) تھا اور ۳۰ دنوں کے اندر کمپنی کی شکایت حل کرنے کا تناسب ۹۱٪ تھا۔

کمپنی کے سٹیچوٹری فنڈ کا حجم ۳۰ ستمبر ۲۰۲۲ تک ۶۱.۳ بلین روپے تھا۔، ایک سال کی مدت میں ۸ فیصد کا اضافہ درج کیا گیا۔

ونڈو تکافل آپریشنز

ونڈو تکافل آپریشنز سے حاصل ہونے والی مجموعی آمدنی ۲۹۱۸ بلین روپے (۳۰ ستمبر ۲۰۲۱: ۲۸۷۲ بلین روپے) تھی۔ ٹیکس سے پہلے کا منافع جو ۳۰ ستمبر ۲۰۲۲ کے لیے رپورٹ کیا گیا ہے وہ ۶۱.۶۳۲ بلین روپے ہے، جو کہ اسی مدت سے ۸ فیصد زیادہ ہے یعنی ۵۷.۵۵ بلین روپے ہے۔ تکافل کا نیازز انس کل ملا کر ۳۸ فیصد تھا جو کہ اسی مدت میں ۲۸ فیصد ہے۔

## فیوچر آؤٹلوک

کمپنی کی انتظامیہ ملک کی معاشی صورتحال سے پوری طرح باخبر ہے اور ان چیلنجز سے نمٹنے کے لیے تمام ضروری اقدامات کر رہی ہے۔ سال کا آخری سہ ماہی تاریخی طور پر پہلے سے بہتر رہا ہے، نئے بزنس آن بورڈنگ کے لحاظ سے ہمیں اور امید ہے کہ اس سال بھی ایسا ہی ہو گا۔ ہم IMF پروگرام کی ممکنہ بحالی، FATF کی گریس لسٹ سے ملک کو نکالنے اور روپے کی برابری بمقابلہ امریکی ڈالر میں بتدریج اصلاح کے بارے میں حالیہ مثبت پیش رفت پر غور کرتے ہوئے مستقبل کے بارے میں بھی محتاط طور پر امید ہیں۔ تاہم، ہمیں عالمی گرتی ہی مارکٹ کی طرف اشارہ کرنے والے ادو شمار کو نظر انداز نہیں کرنا چاہیے اور لائف انشورنس کے شعبے پر اس کے اثرات کا تجزیہ کرنا چاہیے۔ تیزی سے ترقی کرنے والا ڈیجیٹل میدان Fintech ملک میں انشورنس کی رسائی کو بڑھانے کی اپنی صلاحیت سے ہمیں مسلسل پرجوش کرتا ہے۔

## اعترافات:

ہم تہہ دل سے اپنے شیئر ہولڈرز، قابل قدر صارفین، ملازمین اور ڈویلپمنٹ عملے کا مسلسل تعاون کے لیے شکریہ ادا کرنا چاہیں گے۔ اس سے آدم جی لائف کو پاکستان کی سب سے تیزی سے ترقی کرتی لائف انشورنس کمپنی کے طور پر ابھرنے میں مدد ملی ہے۔ ہم سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی مسلسل رہنمائی اور مدد کے لیے بھی شکر گزار ہیں۔

تاریخ: ۲۴ اکتوبر، ۲۰۲۲

Mansur Muratag  
منظر مشتاق  
چیف ایگزیکٹو آفیسر

از طرف بورڈ آف ڈائریکٹرز

اس ایم جاوید  
چیرمین

# Financial Statements




# Condensed Interim Statement of Financial Position

## As at September 30, 2022

		September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	Note	(Rupees in '000)	
<b>Assets</b>			
Property and equipment	6	232,008	159,319
Intangible assets		12,917	23,086
Right of use assets		138,217	187,628
Investment property	7	943,669	939,394
Investments			
Equity securities	8	8,346,906	7,996,932
Government securities	9	30,746,527	20,797,759
Debt securities	10	4,474,052	4,443,606
Term deposits	11	5,476,000	7,580,000
Mutual funds	12	10,403,750	8,859,850
Loan secured against life insurance policies		39,793	39,499
(Insurance / takaful) / (reinsurance / retakaful) receivables	13	84,292	137,204
Other loans and receivables	14	890,309	418,383
Taxation - payments less provision		806,468	570,124
Prepayments	15	58,067	38,702
Cash and bank	16	4,239,263	9,726,073
<b>Total Assets</b>		<b>66,892,238</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		(4,436)	(4,743)
Ledger account D		840,335	589,705
Unappropriated profit		264,767	164,266
<b>Total Equity</b>		<b>3,601,166</b>	<b>3,249,728</b>
<b>Liabilities</b>			
Insurance / takaful liabilities	17	61,568,328	56,933,035
Retirement benefit obligations		10,287	-
Deferred taxation		368,798	231,523
Lease liabilities	18	180,700	229,834
Borrowings	19	43,580	84,894
Deferred government grant	20	1,552	4,298
Premium / contribution received in advance		249,861	431,262
(Insurance / takaful) / (reinsurance / retakaful) payables		133,500	-
Other creditors and accruals	21	734,466	752,985
<b>Total Liabilities</b>		<b>63,291,072</b>	<b>58,667,831</b>
<b>Total Equity and Liabilities</b>		<b>66,892,238</b>	<b>61,917,559</b>
<b>Contingencies and commitments</b>	22		

The annexed notes 1 to 40 form an integral part of these condensed interim financial statements.

  
S. Muhammad Jawed  
Chairman

  
Muhammad Ali Zeb  
Director

  
Shahmeer Khalid Butt  
Director

  
Manzoor Mushtaq  
Chief Executive Officer

  
Jalal Meghani  
Chief Financial Officer




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

For the nine months ended September 30, 2022

		For the nine months ended		For the quarter ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
		(Rupees in '000)			
Note					
	Premium / contribution revenue	14,991,252	14,914,915	5,096,665	5,362,123
	Premium / contribution ceded to reinsurers / (retakaful operators)	(535,100)	(446,816)	(259,493)	(221,183)
	<b>Net premium / contribution revenue</b>	<b>14,456,152</b>	<b>14,468,099</b>	<b>4,837,172</b>	<b>5,140,940</b>
	Investment income	3,989,046	2,182,440	1,645,871	782,102
	Net realised fair value gain on financial assets	215,390	430,980	14,404	(22,407)
	Net fair value (loss) / gain on financial assets at fair value through profit or loss - unrealised	(2,039,025)	(1,013,104)	8,894	(1,044,979)
	Net rental income	2,250	2,250	732	750
	Net unrealised gain on investment property	4,275	42,000	4,275	-
	Other income	558,731	246,117	167,664	75,604
		2,730,667	1,890,683	1,841,840	(208,930)
	<b>Net income</b>	<b>17,186,819</b>	<b>16,358,782</b>	<b>6,679,012</b>	<b>4,932,010</b>
	Insurance / takaful benefits	(9,644,219)	(6,371,212)	(3,601,136)	(2,079,602)
	Recoveries from reinsurers / retakaful	279,185	306,865	65,385	59,172
	Claims related expenses	(5,732)	(8,748)	(1,625)	(4,246)
	<b>Net insurance / takaful benefits</b>	<b>(9,370,766)</b>	<b>(6,073,095)</b>	<b>(3,537,376)</b>	<b>(2,024,676)</b>
	Net change in insurance / takaful liabilities (other than outstanding claims)	(4,261,595)	(6,919,563)	(1,882,826)	(1,740,623)
	Acquisition expenses	(2,126,109)	(2,282,542)	(660,969)	(752,432)
	Marketing and administration expenses	(873,336)	(878,390)	(328,409)	(317,374)
	Other expenses	(5,212)	(8,120)	(944)	(1,402)
		(7,266,252)	(10,088,615)	(2,873,148)	(2,811,831)
	<b>Total expenses</b>	<b>(16,637,018)</b>	<b>(16,161,710)</b>	<b>(6,410,524)</b>	<b>(4,836,507)</b>
	Finance costs	(14,293)	(19,923)	(3,991)	(6,604)
	<b>Profit before tax</b>	<b>535,508</b>	<b>177,149</b>	<b>264,497</b>	<b>88,899</b>
	Income tax expense	(182,445)	(49,801)	(77,012)	(23,484)
	<b>Profit after tax for the period</b>	<b>353,063</b>	<b>127,348</b>	<b>187,485</b>	<b>65,415</b>
	Earnings (after tax) per share - Rupees	1.41	1.15	0.75	0.59

The annexed notes 1 to 40 form an integral part of these condensed interim financial statements.

  
S. Muhammad Jawed  
Chairman

  
Muhammad Ali Zeb  
Director

  
Shahmeer Khalid Butt  
Director

  
Manzar Mushtaq  
Chief Executive Officer

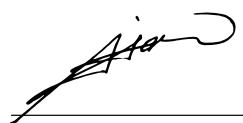
  
Jalal Meghani  
Chief Financial Officer

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

### For the nine months ended September 30, 2022

	For the nine months ended		For the quarter ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Note	(Rupees in '000)			
<b>Profit after tax for the period - as per statement of profit or loss</b>	<b>353,063</b>	127,348	<b>187,485</b>	65,415
Other comprehensive income:				
<i>Item that will not be reclassified subsequently to statement of profit or loss</i>				
Actuarial gain on retirement benefit scheme	-	9,525	-	-
Related deferred tax (including rate change)	(1,932)	(2,762)	-	-
	(1,932)	6,763	-	-
<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	(5,485)	(6,068)	(170)	(4,125)
Loss on disposal transferred to statement of profit or loss	(5,930)	-	5,930	-
	445	(6,068)	5,760	(4,125)
Related deferred tax	(138)	1,760	(1,786)	1,197
	307	(4,308)	(1,956)	(2,928)
Total other comprehensive (loss) / income	(1,625)	2,454	3,974	(2,928)
<b>Total comprehensive income for the period</b>	<b>351,438</b>	129,802	<b>191,459</b>	62,487

The annexed notes 1 to 40 form an integral part of these condensed interim financial statements.

  
S. Muhammad Jawed  
Chairman

  
Muhammad Ali Zeb  
Director

  
Shahmeer Khalid Butt  
Director

  
Manzar Mushtaq  
Chief Executive Officer

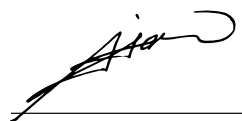
  
Jalal Meghani  
Chief Financial Officer

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

## For the nine months ended September 30, 2022

	September 30, 2022	September 30, 2021
<b>Operating Cash Flows</b>		
<b>(a) Underwriting activities</b>		
Insurance premium / contribution received	14,783,535	15,073,823
Reinsurance premium / retakaful contribution paid	(43,187)	(135,608)
Claims paid	(9,276,253)	(6,273,863)
Commission paid	(1,557,516)	(1,945,601)
Marketing and administrative expenses paid	(1,534,473)	(1,438,090)
<b>Net cash flow generated from underwriting activities</b>	<b>2,372,106</b>	<b>5,280,661</b>
<b>(b) Other operating activities</b>		
Income tax paid	(283,585)	(204,457)
<b>Total cash flow generated from all operating activities</b>	<b>2,088,521</b>	<b>5,076,204</b>
<b>Investment activities</b>		
Profit / return received	3,670,290	1,784,362
Dividend received	341,763	425,228
Rental received	2,250	2,250
Payment for investments	(452,623,824)	(206,488,195)
Proceeds from investments	439,035,124	203,203,604
Fixed capital expenditure	(113,806)	(35,830)
Received / (loan) to from policyholders	2,690	(7,468)
Proceeds from sale of property and equipment	-	1,717
<b>Total cash flow used in investing activities</b>	<b>(9,685,514)</b>	<b>(1,114,332)</b>
<b>Financing activities</b>		
Proceeds against right issue	-	1,564,506
Borrowings	(44,817)	(66,868)
<b>Total cash flow generated from financing activities</b>	<b>(44,817)</b>	<b>1,497,638</b>
<b>Net cash (outflows) / inflows from all activities</b>	<b>(7,641,810)</b>	<b>5,459,510</b>
<b>Cash and cash equivalent at the beginning of the period</b>	<b>17,306,073</b>	<b>17,917,052</b>
<b>Cash and cash equivalent at the end of the period</b>	<b>9,664,263</b>	<b>23,376,562</b>
<b>Reconciliation to statement of profit or loss</b>		
Cash flow from all operating activities	2,088,521	5,076,204
Depreciation and amortisation expense	(91,616)	(86,149)
Financial charge expense	(19,925)	(23,731)
Loss on disposal of property and equipment	(2,041)	-
Profit on disposal of investment	215,390	430,980
Rental income	2,250	2,250
Dividend income	448,623	472,242
Other investment income	4,103,431	1,998,315
Increase/ (decrease) in assets other than cash	242,751	(1,239)
Increase in liabilities other than borrowings	(4,595,296)	(6,728,420)
Deficit on revaluation of investment	(2,039,025)	(1,013,104)
<b>Profit after taxation</b>	<b>353,063</b>	<b>127,348</b>

The annexed notes 1 to 40 form an integral part of these condensed interim financial statements.

  
S. Muhammad Jawed  
Chairman

  
Muhammad Ali Zeb  
Director

  
Shahmeer Khalid Butt  
Director

  
Manzar Mushtaq  
Chief Executive Officer

  
Jalal Meghani  
Chief Financial Officer



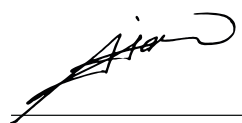
# Condensed Interim Statement of Changes in Equity

## For the nine months ended September 30, 2022

	Attributable to equity holders' of the Company					
	Share capital	Money ceded to Waqf fund	Surplus / (deficit) on revaluation of available for sale investments	Ledger account D *	Unappropriated profit	Total
	(Rupees in '000)					
<b>Balance as at January 01, 2021 (Audited)</b>	935,494	500	361	525,915	28,345	1,490,615
Total comprehensive income for the period ended September 30, 2021						
- Profit for the period after tax	-	-	-	-	127,348	127,348
- Other comprehensive (loss) / income	-	-	(4,308)	-	6,763	2,455
	-	-	(4,308)	-	134,111	129,803
<b>Transaction with owners recorded directly in the equity</b>						
Issue of share capital- Right issue	1,564,506	-	-	-	-	1,564,506
<b>Surplus for the period retained in statutory funds</b>	-	-	-	132,078	(132,078)	-
<b>Balance as at September 30, 2021 (Un-audited)</b>	<b>2,500,000</b>	<b>500</b>	<b>(3,947)</b>	<b>657,993</b>	<b>30,378</b>	<b>3,184,924</b>
<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 September 30, 2022						
- Profit for the period after tax	-	-	-	-	353,063	353,063
- Other comprehensive loss	-	-	307	-	(1,932)	(1,625)
	-	-	307	-	351,131	351,438
<b>Transaction with owners recorded directly in the equity</b>						
<b>Surplus for the period retained in statutory funds</b>	-	-	-	250,630	(250,630)	-
<b>Balance as at September 30, 2022 (Un-audited)</b>	<b>2,500,000</b>	<b>500</b>	<b>(4,436)</b>	<b>840,335</b>	<b>264,767</b>	<b>3,601,166</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 40 form an integral part of these condensed interim financial statements.

  
S. Muhammad Jawed  
Chairman

  
Muhammad Ali Zeb  
Director

  
Shahmeer Khalid Butt  
Director

  
Manzar Mushtaq  
Chief Executive Officer

  
Jalal Meghani  
Chief Financial Officer

# Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)

## For the nine months ended September 30, 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 started its operations from April 24, 2009. The Company was converted to a listed company on March 4, 2022. It is listed on Pakistan Stock Exchange. 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-unitised 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.

### 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. The accounting and reporting standards comprise of:

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

## Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)

### For the nine months ended September 30, 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 and the Takaful Rules, 2012 have been followed.

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

#### **3. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO ACCOUNTING STANDARDS THAT BECAME EFFECTIVE DURING THE PERIOD ENDED JANUARY 01, 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 01, 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.

#### **4. 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 statements 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.

#### **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



## Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)

### For the nine months ended September 30, 2022

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 period / year and the amount of change in the fair value during that period 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
- b) all other financial assets**

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

## For the nine months ended September 30, 2022

### As at September 30, 2022 (Un-audited)

Fail the SPPI test		Pass the SPPI test	
Fair value	Change in unrealised loss during the period	Fair value	Change in unrealised loss during the period

(Rupees in '000)

#### Financial assets

Bank	4,211,548	-	-	-
Equity securities	8,346,906	(1,162,250)	-	-
Government securities	30,746,527	(57,035)	-	-
Debt securities	4,474,052	(6,277)	-	-
Term deposits	-	-	5,476,000	-
Mutual funds	10,403,750	(727,300)	-	-
Loan secured against life insurance policies	-	-	39,793	-
Loan to employees	18,233	-	-	-

**58,201,016 (1,952,862) 5,515,793 -**

### As at September 30, 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
										39,793	39,793
	3,300,000			1,175,000	1,001,000						5,476,000

Loan secured against life insurance policies	-	-	-	-	-	-	-	-	-	39,793	39,793
Term deposits	-	3,300,000	-	-	1,175,000	1,001,000	-	-	-	-	5,476,000

### As at December 2021 (Audited)

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

(Rupees in '000)

#### Financial assets

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 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
										98,412	98,412
										39,499	39,499
2,000,000	2,000,000	1,675,000	-	1,000,000	905,000	-	-	-	-	-	7,580,000

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 nine months ended September 30, 2022

	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
Note	(Rupees in '000)	
<b>6. PROPERTY AND EQUIPMENT</b>		
Operating fixed assets	211,783	121,805
Capital work-in-progress	20,225	37,514
	<b>232,008</b>	<b>159,319</b>

#### 6.1 Details of additions to property and equipment is as follows for the period ended:

Leasehold improvements	1,608	7,735
Furniture and fixtures	6,715	7,832
Office equipment	5,398	7,806
Computer and related equipment	28,468	14,997
Motor vehicles	72,602	3,425
	<b>114,791</b>	<b>41,795</b>

#### 7. INVESTMENT PROPERTY

Opening net book value	939,394	855,394
Unrealised fair value gain	4,275	84,000
Closing net book value	<b>943,669</b>	<b>939,394</b>

#### 7.1 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. 943.669 million with the forced sale value (FSV) of Rs. 641.820 million (December 31, 2021: Rs. 638.400 million) based on a valuation carried out by K.G. Traders (Private) Limited as at September 22, 2022. Total unrealised gain till September 30, 2022 is Rs. 171.742 million (December 31, 2021: Rs. 167.467 million).

#### Valuation technique

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.

	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
Note	(Rupees in '000)	
<b>8. INVESTMENTS IN EQUITY SECURITIES</b>		
Available for sale	8.1 14,163	19,648
Fair value through profit or loss (held for trading)	8.2 8,332,743	7,977,284
	<b>8,346,906</b>	<b>7,996,932</b>



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

## For the nine months ended September 30, 2022

### 8.1 Available for sale

	As at September 30, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	(Rupees in '000)					
Related parties	1,360	-	870	1,360	-	795
Others	19,233	-	13,293	19,233	-	18,853
	20,593	-	14,163	20,593	-	19,648

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

	As at September 30, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	(Rupees in '000)					
Related parties	1,435,848	-	1,160,494	1,411,292	-	1,202,487
Others	10,894,723	-	7,172,249	9,407,055	-	6,774,797
	12,330,571	-	8,332,743	10,818,347	-	7,977,284

## 9. INVESTMENTS IN GOVERNMENT SECURITIES

Available for sale

Fair value through profit or loss (held for trading)

	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
Note	(Rupees in '000)	
	-	98,412
9.1	30,746,527	20,699,347
	30,746,527	20,797,759

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

	Term	Maturity year	Effective yield (%)	Amortised cost	Principal repayment (Rupees in '000)	Carrying value
GOP Ijara Sukuk 5 Years	5 Years	2025	13.17 - 14.94	424,617	430,000	415,065
GOP Ijara Sukuk 5 Years	5 Years	2026	12.22 - 14.64	1,000,346	997,500	975,903
GOP Ijara Sukuk 5 Years	5 Years	2027	13.63	184,790	185,000	184,334
Pakistan Investment Bond	3 Years	2025	13.73	274,502	300,000	274,271
Pakistan Investment Bond	5 Years	2025	13.81	7,804	8,500	7,202
Pakistan Investment Bond (Note 9.1.1)	5 Years	2027	13.25	60,508	75,000	60,509
Pakistan Investment Bond (Note 9.1.1)	10 Years	2030	12.84	1,127,777	1,470,000	1,115,088
Pakistan Investment Bond (FRB)	2 Years	2022	15.85	1,099,687	1,100,000	1,098,350
Pakistan Investment Bond (FRB)	2 Years	2023	16.57	49,817	50,000	49,685
Pakistan Investment Bond (FRB)	3 Years	2023	15.69	29,993	30,000	30,060
Pakistan Investment Bond (FRB)	3 Years	2025	16.23 - 16.84	6,640,988	6,800,000	6,630,640
Pakistan Investment Bond (FRB)	10 Years	2028	15.18	49,671	50,000	50,000
Pakistan Investment Bond (FRB)	10 Years	2030	15.69	500,820	500,000	494,054
Treasury Bill	3 Months	2022	12.71-15.22	19,276,309	19,431,000	19,279,938
Treasury Bill	1 Year	2022	15.36	8,506	8,770	8,502
Treasury Bill	1 Year	2023	15.62-15.65	72,871	77,740	72,926
As at September 30, 2022 (Un-audited)				30,809,006	31,513,510	30,746,527
December 31, 2021 (Audited)				20,709,683	21,262,700	20,699,347

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

### For the nine months ended September 30, 2022

**9.1.1** This includes a PIBs of Rs. 75 million & Rs. 100 million (2021: nil) placed with State Bank of Pakistan as per the requirement of section 29 of Insurance Ordinance, 2000 carrying coupon rate of 7.5% & 8% per annum having maturity period of 5 & 10 years and will mature on April 29, 2027 & December 10, 2030 respectively.

#### 10. INVESTMENTS IN DEBT SECURITIES

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

		As at September 30, 2022 (Un-audited)			December 31, 2021 (Audited)		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	Note	(Rupees in '000)					
Advance against the purchase of term finance certificate	10.1	450,000	-	450,000	1,425,000	-	1,425,000
Term finance certificates / corporate sukuks	10.2	4,062,248	-	4,024,052	2,955,636	-	3,018,606
		4,512,248	-	4,474,052	4,380,636	-	4,443,606

**10.1** This represents Rs. 450 million paid to Meezan Bank Limited (December 31, 2021: Bank Al Habib Limited Rs. 975 million and Meezan Bank Limited Rs. 450 million) for issue of TFC.

#### 10.2 Term finance certificates / corporate sukus

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

					Carrying value	
	Maturity date	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)	Face value per certificate	September 30, 2022 (Un-audited)	December 31, 2021 (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	21,187	32,800
Bank Al Habib Limited-TFC	30-Sep-31	195,000	-	5	997,026	-
Bank Alfalah Limited-TFC	15-Jan-24	20,000	20,000	5	92,561	92,893
Dubai Islamic Bank Pakistan Limited-Sukuk	14-Jul-27	58	58	1,000	59,943	59,943
Engro Polymer & Chemicals Limited-Sukuk	10-Jul-26	900	900	100	100,680	96,845
Ghani Chemical Industries Limited-Sukuk	3-Feb-23	600	600	46	13,800	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	-	16,787
Jahangir Siddiqui and Company Limited - TFC	6-Mar-23	30,000	30,000	4	52,356	100,929
Meezan Bank Limited-Sukuk II	30-Jun-30	500	500	1,000	520,000	520,000
Meezan Bank Limited-Sukuk II	Perpetual	250	250	1,000	250,000	250,000
Pakistan Energy II-Sukuk	21-May-30	115,000	90,000	5	575,000	456,750
Samba Bank Limited - TFC	1-Mar-31	4,250	4,250	100	426,520	438,299
Soneri Bank Limited-TFC	8-Jul-23	10,000	10,000	5	51,964	50,945
The Bank Of Punjab I-TFC	23-Dec-26	3,400	3,400	100	340,609	353,402
The Bank Of Punjab II-TFC	23-Apr-28	2,580	2,580	100	270,906	266,012
TPL Trakker Limited-Sukuk	12-Apr-22	-	30	750	-	11,301
		384,058	165,088		4,024,052	3,018,606

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

## For the nine months ended September 30, 2022

		September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
Note		(Rupees in '000)	

### 11. INVESTMENT IN TERM DEPOSITS

Deposits maturing within 12 months	11.1	<b>5,476,000</b>	7,580,000
------------------------------------	------	------------------	-----------

**11.1** This represents term deposits with banks which carry interest rate ranging between 14.8% to 16.6% per annum (December 31, 2021: 10.50% to 12.50% per annum) and maturing between October 2022 to September 2023. This includes term deposits of Rs. 1,001 million (December 31, 2021: Rs. 405 million) maintained with MCB Islamic Bank (related party).

		September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
Note		(Rupees in '000)	

### 12. INVESTMENTS IN MUTUAL FUNDS

Fair value through profit or loss (held for trading)	12.1	<b>10,403,750</b>	8,859,850
--	------	-------------------	-----------

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

	September 30, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	(Rupees in '000)					
Related parties	8,585,457	-	7,875,003	6,902,701	-	6,890,759
Others	2,087,769	-	2,528,747	960,373	-	1,969,091
	<b>10,673,226</b>	-	<b>10,403,750</b>	<b>7,863,074</b>	-	<b>8,859,850</b>

	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	(Rupees in '000)	

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

Due from insurance contract holders - Group life business	<b>62,150</b>	35,834
Less: provision for impairment of receivables from Insurance contract holders	<b>(8,343)</b>	(8,343)
	<b>53,807</b>	27,491
Due from reinsurers	<b>30,485</b>	109,713
Net insurance / reinsurance receivable	<b>84,292</b>	137,204

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

### For the nine months ended September 30, 2022

		September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	Note	(Rupees in '000)	
14. OTHER LOANS AND RECEIVABLES			
Receivable from related parties		10,606	-
Accrued income on investments		515,476	183,285
Security deposits		81,745	74,230
Receivable from gratuity fund		-	6,460
Loan to employees - secured	14.1	18,233	12,638
Advance to supplier		20,048	-
Dividend receivable		112,949	6,089
Receivable against the sale of investment		124,049	131,128
Other receivables		7,203	4,553
		890,309	418,383

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

		September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	Note	(Rupees in '000)	
15. PREPAYMENTS			
Prepaid rent- ljarah term		16,655	12,630
Prepaid miscellaneous expenses	15.1	41,412	26,072
		58,067	38,702

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

## 16. CASH AND BANK

- Cash in hand		433	19
- Policy stamps		27,282	10,486
		<b>27,715</b>	<b>10,505</b>
<b>Cash at bank</b>			
- Current accounts		207,413	51,286
- Saving accounts	16.1	4,004,135	9,664,282
		<b>4,211,548</b>	<b>9,715,568</b>
		<b>4,239,263</b>	<b>9,726,073</b>

**16.1** This carries interest rate ranging from 8% to 15% (December 31, 2021: 5% to 7% ) per annum.



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

## For the nine months ended September 30, 2022

		September 30, 2022 (Un-audited)	September 30, 2021 (Un-audited)
	Note	(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		27,715	21,133
- Cash at bank		4,211,548	10,060,429
- Term deposits maturing within three months		5,425,000	13,295,000
		<b>9,664,263</b>	<b>23,376,562</b>
		September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	Note	(Rupees in '000)	
<b>17. INSURANCE / TAKAFUL LIABILITIES</b>			
Reported outstanding claims (including claims in payment)	17.1	1,957,874	1,584,176
Incurred but not reported claims	17.2	164,450	151,489
Investment component of unit-linked and account value policies	17.3	58,376,853	54,283,881
Liabilities under individual conventional insurance / takaful contracts	17.4	20,029	19,682
Liabilities under group insurance contracts (other than investment linked)	17.5	169,836	101,308
Other insurance / takaful liabilities	17.6	769,782	751,807
Gross insurance / takaful liabilities		61,458,824	56,892,343
Surplus of Participant Takaful Fund		109,504	40,692
Total Insurance / takaful liabilities		<b>61,568,328</b>	<b>56,933,035</b>
<b>17.1 Reported outstanding claims</b>			
<b>Gross of reinsurance / retakaful</b>			
Payable within one year		2,018,008	1,674,238
Recoverable from reinsurers / retakaful operators		(60,134)	(90,062)
Net reported outstanding claims		<b>1,957,874</b>	<b>1,584,176</b>
<b>17.2 Incurred but not reported claims</b>			
<b>Individual life</b>			
Gross of reinsurance / retakaful		204,916	181,434
Reinsurance recoveries / retakaful		(80,663)	(58,467)
Net of reinsurance / retakaful		124,253	122,967
<b>Group life</b>			
Gross of reinsurance / retakaful		94,002	92,026
Reinsurance / retakaful recoveries		(53,805)	(63,504)
Net of reinsurance / retakaful		40,197	28,522
Net incurred but not reported claims		<b>164,450</b>	<b>151,489</b>

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

## For the nine months ended September 30, 2022

		September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	Note	(Rupees in '000)	
<b>17.3 Investment component of unit linked and account value policies</b>			
Investment component of unit linked policies		56,719,699	52,288,722
Investment component of account value policies		1,657,154	1,995,159
		<b>58,376,853</b>	<b>54,283,881</b>
<b>17.4 Liabilities under individual conventional insurance / takaful contracts</b>			
Gross of reinsurance / retakaful		22,040	21,735
Reinsurance / retakaful credit		(2,011)	(2,053)
Net of reinsurance / retakaful		<b>20,029</b>	<b>19,682</b>
<b>17.5 Liabilities under group insurance / takaful contracts (other than investment linked)</b>			
Gross of reinsurance / retakaful		352,313	186,441
Reinsurance / retakaful credit		(182,477)	(85,133)
Net of reinsurance / retakaful		<b>169,836</b>	<b>101,308</b>
<b>17.6 Other insurance / takaful liabilities</b>			
Gross of reinsurance / retakaful		854,077	864,668
Reinsurance / retakaful credit		(84,295)	(112,861)
Net of reinsurance / retakaful		<b>769,782</b>	<b>751,807</b>
<b>18. LEASE LIABILITIES</b>			
Lease liabilities against ROU assets	18.1	<b>180,700</b>	<b>229,834</b>
<b>18.1 Lease liabilities - Movement</b>			
Opening balances		229,834	271,436
Addition during the period / year		-	15,730
Derecognition during the period / year		(7,068)	(5,019)
		<b>222,766</b>	<b>282,147</b>
Interest accretion during the period / year		19,168	31,872
		<b>241,934</b>	<b>314,019</b>
Repaid during the period / year		(61,234)	(84,185)
Closing balances		<b>180,700</b>	<b>229,834</b>
Current portion		61,234	53,176
Non-current portion		119,466	176,658
		<b>180,700</b>	<b>229,834</b>

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

## For the nine months ended September 30, 2022

		September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	Note	(Rupees in '000)	
<b>19. BORROWINGS</b>			
SBP refinance scheme	19.1	<b>43,580</b>	84,894
<b>19.1 Movement in borrowings</b>			
Opening balances		<b>84,894</b>	164,482
Interest expense during the period / year		<b>757</b>	360
Impact of deferred grant during the period / year		<b>2,746</b>	9,509
		<b>88,397</b>	174,351
Repaid during the period / year		<b>(44,817)</b>	(89,457)
Total borrowings		<b>43,580</b>	84,894
Current portion		<b>43,580</b>	84,894

**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).

		September 30, 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>	4,298
<b>20.1 Movement in deferred government grant</b>			
Opening balances		<b>4,298</b>	13,807
Amortised during the period / year	19.1	<b>(2,746)</b>	(9,509)
Total deferred government grant		<b>1,552</b>	4,298
Current portion		<b>1,552</b>	4,298

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

### For the nine months ended September 30, 2022

September 30,  
2022  
(Un-audited)  
December 31,  
2021  
(Audited)  
————— (Rupees in '000) —————

#### 21. OTHER CREDITORS AND ACCRUALS

Agents commission payable	299,332	307,512
Payable to related parties	10,035	7,832
Payable against the purchase of investments	88,360	30,524
Accrued expenses	312,768	394,220
Other tax payable	23,972	12,897
	734,466	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 vide notification no. SRB 3-4/19/2022 dated June 28, 2022 extended exemption on health insurance till June 30, 2023. 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") 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 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. 839.90 million (December 31, 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, the provincial tax authorities 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 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 nine months ended September 30, 2022

### 22.2 COMMITMENTS

#### 22.2.1 Commitments in respect of Ijarah rentals

Not later than one year  
Later than one year and not later than five years

Commitments represent Ijarah rentals for vehicles payable in future period.

	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
Note	(Rupees in '000)	
	77,933	60,461
	180,947	161,923
	<b>258,881</b>	<b>222,384</b>

	For the nine months ended September 30, 2022 (Un-audited)	September 30, 2021 (Un-audited)	For the quarter ended September 30, 2022 (Un-audited)	September 30, 2021 (Un-audited)
	(Rupees in '000)			

### 23. NET PREMIUM / CONTRIBUTION REVENUE

#### Gross premiums

Regular premium / contributions individual policies\*

- first year
- second year renewal
- subsequent years renewal

Single premium / contributions individual policies\*

Group policies without cash values

Less: Experience refund

**Total gross premiums / contributions**

#### Less: reinsurance premiums / retakaful contributions ceded

- On individual life first year business
- On individual life second year business
- On individual life subsequent renewal business
- On individual life single premium business
- On group policies
- Profit commission on reinsurance

**Net premiums / contributions**

\* Individual policies are those underwritten on an individual basis.

### 24. INVESTMENT INCOME

#### Income from equity securities

##### Dividend income

Available for sale

Fair value through profit or loss

#### Income from government securities

Available for sale

Fair value through profit or loss

#### Income from debt securities - fair value through profit or loss

- Return on TFCs and Corporate Sukuks

#### Income from term deposit receipts - loans and receivables

- Return on term deposit receipts

2,294,532	2,668,680	678,649	938,915
2,013,991	1,494,972	697,414	564,936
4,922,460	4,491,130	1,739,498	1,536,492
5,176,785	5,846,192	1,647,807	2,098,110
593,678	488,436	333,297	295,736
(10,194)	(74,495)	-	(72,066)
<b>14,991,252</b>	<b>14,914,915</b>	<b>5,096,665</b>	<b>5,362,123</b>
(43,267)	(43,687)	(12,996)	(15,120)
(28,642)	(24,954)	(10,064)	(8,240)
(134,350)	(127,881)	(44,818)	(45,178)
(4,993)	(8,062)	(1,698)	(2,707)
(323,848)	(263,777)	(189,917)	(164,097)
-	21,545	-	14,159
<b>(535,100)</b>	<b>(446,816)</b>	<b>(259,493)</b>	<b>(221,183)</b>
<b>14,456,152</b>	<b>14,468,099</b>	<b>4,837,172</b>	<b>5,140,940</b>
723	840	39	240
447,900	471,402	157,639	138,564
<b>448,623</b>	<b>472,242</b>	<b>157,678</b>	<b>138,804</b>
14,671	21,364	5,692	5,622
2,503,806	1,203,034	1,114,566	441,971
<b>2,518,477</b>	<b>1,224,398</b>	<b>1,120,258</b>	<b>447,593</b>
428,315	202,591	169,420	67,854
593,631	283,209	198,515	127,851
<b>3,989,046</b>	<b>2,182,440</b>	<b>1,645,871</b>	<b>782,102</b>

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

## For the nine months ended September 30, 2022

	For the nine months ended		For the quarter ended	
	September 30, 2022 (Un-audited)	September 30, 2021 (Un-audited)	September 30, 2022 (Un-audited)	September 30, 2021 (Un-audited)
(Rupees in '000)				
<b>25. NET REALISED FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS</b>				
Available for sale				
Realised losses on:				
- Government securities	(5,950)	(9)	(5,941)	(6)
	(5,950)	(9)	(5,941)	(6)
Fair value through profit or loss				
Realised gains / (losses) on:				
- Equity securities	(37,394)	380,733	(111,110)	(12,453)
- Government securities	(24,590)	(55,645)	13,172	(22,331)
- Debt securities	-	6,331	-	-
- Mutual funds	283,324	99,570	118,283	12,383
	221,340	430,989	20,345	(22,401)
	215,390	430,980	14,404	(22,407)
<b>26. NET FAIR VALUE (LOSSES) / GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNREALISED</b>				
Net unrealised (losses) / gains on:				
- Equity securities	(1,156,765)	(901,628)	(61,468)	(683,095)
- Government securities	(57,035)	3,230	5,645	3,279
- Debt securities	(6,277)	42,895	8,010	21,570
- Mutual Funds	(727,300)	(80,428)	5,054	(367,142)
Total (losses) / gain	(1,947,377)	(935,931)	(42,759)	(1,025,388)
Less: Investment related expenses	(91,648)	(77,173)	33,865	(19,591)
	(2,039,025)	(1,013,104)	(8,894)	(1,044,979)
<b>27. OTHER INCOME</b>				
Return on bank balances	553,706	242,436	164,564	74,659
Mark-up on policy loans	2,984	2,735	1,059	989
Gain on disposal of fixed assets	2,041	825	2,041	-
Others	-	121	-	(44)
	558,731	246,117	167,664	75,604
<b>28. CHANGE IN UNREALISED (LOSSES) ON AVAILABLE-FOR-SALE FINANCIAL ASSETS</b>				
- Equity securities	(5,485)	(2,684)	(1,004)	(2,368)
- Government securities	-	(3,384)	834	(1,757)
	(5,485)	(6,068)	(170)	(4,125)
<b>29. NET INSURANCE / TAKAFUL BENEFITS</b>				
<b>Gross claims</b>				
Claims under individual policies				
- by death	(494,926)	(543,173)	(140,536)	(191,956)
- by insured event other than death	(2,571)	(1,325)	1,634	2,284
- by maturity	(2,726,851)	(1,083,280)	(1,005,585)	(381,236)
- by surrender	(6,147,390)	(4,427,595)	(2,382,226)	(1,445,068)
<b>Total gross individual policy claims</b>	(9,371,738)	(6,055,373)	(3,526,713)	(2,015,976)
Claims under group policies				
- by death	(268,573)	(311,264)	(77,215)	(63,276)
- by insured event other than death	(3,908)	(4,575)	2,792	(350)
<b>Total gross group policy claims</b>	(272,481)	(315,839)	(74,423)	(63,626)
<b>Total gross claims</b>	(9,644,219)	(6,371,212)	(3,601,136)	(2,079,602)
<b>Less: Reinsurance / retakaful recoveries</b>				
- on individual life claims	135,500	107,603	24,753	35,374
- on group life claims	143,685	199,262	40,632	23,798
	279,185	306,865	65,385	59,172
<b>Net insurance / takaful benefit expense</b>	(9,365,034)	(6,064,347)	(3,535,751)	(2,020,430)

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

## For the nine months ended September 30, 2022

	For the nine months ended		For the quarter ended	
	September 30,	September 30,	September 30,	September 30,
	2022	2021	2022	2021
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Note	(Rupees in '000)			
<b>30. ACQUISITION EXPENSES</b>				
Remuneration to insurance / takaful intermediaries on individual policies:				
- Commission on first year contributions / premiums	(897,495)	(1,115,559)	(253,116)	(376,079)
- Commission on second year contributions / premiums	(110,209)	(87,525)	(40,617)	(32,417)
- Commission on subsequent years renewal contributions / premiums	(108,125)	(106,456)	(39,647)	(36,689)
- Commission on single contributions / premiums	(148,072)	(125,055)	(47,856)	(44,491)
- Other benefits to insurance / takaful intermediaries	(270,977)	(294,362)	(78,102)	(87,100)
	(1,534,878)	(1,728,957)	(459,338)	(576,776)
Remuneration to insurance / takaful intermediaries on group policies:				
- Commission	(12,058)	(20,388)	(2,932)	(5,819)
- Other benefits to insurance / takaful intermediaries	(2,400)	(1,371)	(419)	(232)
	(14,458)	(21,759)	(3,351)	(6,051)
Other acquisition costs				
- Employee benefit cost	(326,080)	(326,309)	(107,706)	(100,949)
- Traveling expenses	(5,436)	(1,776)	(1,602)	(864)
- Information technology expense	(2,245)	(1,510)	(962)	(408)
- Printing and stationery	(2,748)	(2,924)	(655)	(585)
- Depreciation	(20,462)	(16,058)	(7,378)	(5,238)
- Depreciation - Right of use asset	(12,690)	(12,483)	(4,230)	(4,023)
- Amortisation	-	(49)	-	-
- Rent, rates and taxes	(34,670)	(24,506)	(10,938)	(8,854)
- Insurance cost	(1,503)	(383)	(161)	(143)
- Car fuel and maintenance	(23,732)	(22,954)	(10,807)	(8,529)
- Postage	(4,458)	(4,886)	(1,590)	(1,805)
- Electricity, gas and water	(15,458)	(11,249)	(8,190)	(5,161)
- Office repairs and maintenance	(35,422)	(23,900)	(12,399)	(9,024)
- Entertainment	(7,475)	(7,533)	(2,507)	(3,720)
- Training and development	(2,837)	(410)	(1,687)	(85)
- Marketing cost	(35,697)	(20,803)	(13,852)	(4,737)
- Financial charges	(5,632)	(6,232)	(1,792)	(1,866)
- Legal and professional charges	(504)	(327)	(353)	(150)
- Stamp duty	(38,204)	(44,966)	(10,965)	(12,729)
- Medical examination fee	(1,520)	(2,568)	(506)	(735)
	(576,773)	(531,826)	(198,280)	(169,605)
	(2,126,109)	(2,282,542)	(660,969)	(752,432)

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

### For the nine months ended September 30, 2022

	Note	For the nine months ended		For the quarter ended	
		September 30,	September 30,	September 30,	September 30,
		2022	2021	2022	2021
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
(Rupees in '000)					
<b>31. MARKETING AND ADMINISTRATION EXPENSES</b>					
Employee benefit cost	31.1	(482,691)	(451,422)	(162,824)	(150,355)
Travelling expenses		(8,557)	(4,776)	(2,354)	(1,621)
Advertisements and sales promotion		(36,373)	(111,183)	(27,154)	(51,201)
Printing and stationery		(17,382)	(17,842)	(7,227)	(7,554)
Depreciation		(16,705)	(12,654)	(7,299)	(3,135)
Depreciation Right of use asset		(31,590)	(32,624)	(9,978)	(11,013)
Amortisation		(10,169)	(12,281)	(3,383)	(3,845)
Rent, rates and taxes		(10,333)	(7,116)	(3,626)	(2,261)
Legal and professional charges		(34,593)	(41,231)	(12,089)	(19,034)
Electricity, gas and water		(13,625)	(5,985)	(7,157)	(4,565)
Entertainment		(6,907)	(4,863)	(2,609)	(2,045)
Vehicle running expenses		(56,867)	(34,320)	(23,785)	(17,848)
Office repairs and maintenance		(24,508)	(27,906)	(9,437)	(11,436)
Appointed actuary fees		(6,561)	(10,876)	(2,280)	(3,532)
Postages, telegrams and telephone		(20,105)	(18,133)	(6,611)	(6,129)
Bank charges		(6,022)	(3,008)	(325)	(754)
Directors' Fee		(305)	-	(15)	-
Insurance expenses		(3,397)	(891)	(527)	(336)
Annual supervision fee		(20,577)	(15,603)	(6,859)	(5,201)
Information technology expenses		(58,409)	(48,027)	(24,415)	(14,126)
Training and development		(7,242)	(3,377)	(5,334)	(1,383)
Miscellaneous		(418)	(14,272)	(3,121)	-
		<b>(873,336)</b>	<b>(878,390)</b>	<b>(328,409)</b>	<b>(317,374)</b>

**31.1** Employee benefit cost includes charge of post employment benefit of Rs. 32.12 million (September 30, 2021: Rs. 24.52 million).

**31.2** Total number of employees as at September 30, 2022 are 1,918 (September 30, 2021: 2,055) which includes permanent and contractual employees. Average number of employees during period ended September 30, 2022 were 1,987 (September 30, 2021: 1,875).

	Note	For the nine months ended		For the quarter ended	
		September 30,	September 30,	September 30,	September 30,
		2022	2021	2022	2021
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
(Rupees in '000)					
<b>32. OTHER EXPENSES</b>					
Auditors' remuneration	32.1	(3,421)	(3,619)	(687)	(939)
Fee and subscription		(1,086)	(411)	(61)	(221)
Donations		(705)	(4,090)	(196)	(242)
		<b>(5,212)</b>	<b>(8,120)</b>	<b>(944)</b>	<b>(1,402)</b>
<b>32.1 Auditors' remuneration</b>					
Annual audit fee		(1,313)	(1,389)	(359)	(360)
Half yearly review / special audit		(655)	(693)	-	(180)
Other certifications		(1,158)	(1,225)	(295)	(318)
Out of pocket		(295)	(312)	(33)	(81)
		<b>(3,421)</b>	<b>(3,619)</b>	<b>(687)</b>	<b>(939)</b>



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

## For the nine months ended September 30, 2022

Note	For the nine months ended		For the quarter ended	
	September 30, 2022 (Un-audited)	September 30, 2021 (Un-audited)	September 30, 2022 (Un-audited)	September 30, 2021 (Un-audited)
				(Rupees in '000)
<b>33. FINANCE COSTS</b>				
Markup on borrowings - net of government grant	(757)	(2,424)	-	(873)
Interest expense on lease liabilities	(13,536)	(17,499)	(3,991)	(5,731)
	<b>(14,293)</b>	<b>(19,923)</b>	<b>(3,991)</b>	<b>(6,604)</b>
<b>34. INCOME TAX EXPENSE</b>				
For the period				
- Current	(45,472)	(1,515)	(16,096)	(1,220)
- Prior	(1,769)	-	-	-
- Deferred	(135,204)	(48,286)	(60,916)	(22,264)
	<b>(182,445)</b>	<b>(49,801)</b>	<b>(77,012)</b>	<b>(23,484)</b>
<b>35. EARNINGS PER SHARE</b>				
Profit after tax for the period	<b>353,063</b>	127,348	<b>187,485</b>	65,415
		(Number of shares in '000)		
Weighted average number of ordinary share outstanding as at period end	<b>250,000</b>	110,932	<b>250,000</b>	110,932
		(Rupees)		
Basic earnings per share	<b>35.1 1.41</b>	1.15	<b>0.75</b>	0.59

**35.1** There are no dilutive effect on the basic earnings per share of the Company.

### 36. RELATED PARTY TRANSACTIONS

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

	September 30, 2022 (Un-audited)	September 30, 2021 (Un-audited)
		(Rupees in '000)
<b>Transactions during the period</b>		
<b>Holding company</b>		
Premium written	<b>5,348</b>	5,262
Insurance expense	<b>23,513</b>	19,526
Claims expense	-	2,000
Premises Rental	<b>39,649</b>	32,299
Rental Income	<b>2,250</b>	2,250

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

### For the nine months ended September 30, 2022

	September 30, 2022 (Un-audited)	September 30, 2021 (Un-audited)
	(Rupees in '000)	
<b>Associated undertakings</b>		
Premium written	292,557	254,522
Claims expense	133,509	94,875
Commission and other incentives in respect of bancassurance	963,897	1,231,838
Profit on bank deposits	145,050	229,669
Bank charges	2,862	1,752
Investments purchased	24,086,906	7,732,912
Investments sold	23,016,502	6,450,435
Dividend income	136,345	131,873
Borrowings repaid	44,817	66,868
<b>Other related parties</b>		
Premium written	8,506	5,458
Claims expense	-	8,000
Investment advisor fee	28,594	27,227
Trustee fee	6,883	6,838
<b>Directors</b>		
Board meeting fee	305	420
Purchase of right shares	-	29
<b>Key management personnel</b>		
Remuneration	129,476	100,314
Loan	1,093	1,353
<b>Staff retirement benefit plan (gratuity fund)</b>		
Charge for the period	32,118	33,655
	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	(Rupees in '000)	
<b>Balances outstanding as at the end of the period / year</b>		
<b>Holding company</b>		
Premium received in advance	4	15
Insurance claims receivable	47	47
Other receivable	10,786	650
<b>Associated undertakings</b>		
Premium due but unpaid	20,068	855
Bank deposits	2,157,650	2,023,627
Investments held	10,037,367	8,811,476
Dividend receivables	-	6,068
Accrued Income	9,242	1,280
Commission payable	253,302	314,540
Claims payable	133,509	-
Borrowings	43,580	84,894
<b>Other related parties</b>		
Premium due but unpaid	74	1,788
Remuneration payable for the management of discretionary investment portfolio	9,029	3,288
Remuneration payable to trustee	1,187	807
Other payable	-	(20)
<b>Key management personnel</b>		
Short term loans	2,791	1,698
<b>Staff retirement benefit plan (gratuity fund)</b>		
(Payable) / receivable to gratuity fund	(10,287)	6,460

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

## For the nine months ended September 30, 2022

### 37. SEGMENTAL INFORMATION

#### 37.1 REVENUE ACCOUNT BY STATUTORY FUND (Un-audited)

	For the period ended September 30, 2022					
	Conventional Business	Accident and Health Business	Non-unitized Investment Link Business	Unit Linked Business	Individual Family Takaful Unit Linked Business	Group Family Takaful Business
	(Rupees in '000)					
<b>Income</b>						
Premiums / contribution less reinsurances / re-takaful	222,174	269	54,950	11,321,958	2,818,145	38,656
Rental income from investment property	-	-	-	2,250	-	-
Net investment income	21,732	-	213,257	2,004,412	307,320	3,539
Total net income	243,906	269	268,207	13,328,620	3,125,465	42,195
<b>Insurance / takaful benefits and expenditures</b>						
Insurance benefits including bonus net of reinsurance / retakaful	(111,101)	-	(549,079)	(7,794,264)	(895,136)	(21,186)
Management expenses less recoveries	(44,870)	(120)	(4,426)	(2,071,187)	(862,671)	(5,720)
Total insurance / takaful benefits and expenditures	(155,971)	(120)	(553,505)	(9,865,451)	(1,757,807)	(26,906)
<b>Excess / (deficit) of income over insurance / takaful benefits and expenditures</b>	87,935	149	(285,298)	3,463,169	1,367,658	15,289
<b>Net change in insurance / takaful liabilities (other than outstanding claims)</b>	(77,372)	93	337,826	(3,231,109)	(1,276,388)	(14,645)
<b>Surplus before tax</b>	10,563	242	52,528	232,060	91,270	644
<b>Movement in policyholders' liabilities</b>	77,372	(93)	(337,826)	3,231,109	1,276,388	14,645
<b>Balance of statutory funds at beginning of the period</b>	270,964	977	2,211,225	47,392,197	6,774,571	28,021
<b>Balance of statutory funds at end of the period</b>	358,899	1,126	1,925,927	50,855,366	8,142,229	43,310
	For the period ended September 30, 2021					
	Conventional Business	Accident and Health Business	Non-unitized Investment Link Business	Unit Linked Business	Individual Family Takaful Unit Linked Business	Group Life Family Takaful Business
	(Rupees in '000)					
<b>Income</b>						
Premiums / contribution less reinsurances / re-takaful	125,007	-	93,827	11,440,091	2,771,930	37,244
Rental income from investment property	-	-	-	2,250	-	-
Net investment income	18,920	-	134,710	1,519,992	175,341	1,176
Total net income	143,927	-	228,537	12,962,333	2,947,271	38,420
<b>Insurance benefits and expenditures</b>						
Insurance benefits including bonus net of reinsurance / retakaful	(105,992)	-	(611,296)	(4,783,156)	(559,328)	(13,323)
Management expenses less recoveries	(46,879)	98	(7,238)	(2,146,449)	(936,287)	(5,049)
Total insurance / takful benefits and expenditures	(152,871)	98	(618,534)	(6,929,605)	(1,495,615)	(18,372)
<b>(Deficit) / excess of income over insurance / takaful benefits and expenditures</b>	(8,944)	98	(389,997)	6,032,728	1,451,656	20,048
<b>Net change in insurance / takaful liabilities (other than outstanding claims)</b>	2,160	(22)	424,006	(5,954,544)	(1,377,817)	(13,346)
<b>(Deficit) / surplus before tax</b>	(6,784)	76	34,009	78,184	73,839	6,702
<b>Movement in policyholders' liabilities</b>	(2,160)	22	(424,006)	5,954,544	1,377,817	13,346
<b>Balance of statutory funds at beginning of the period</b>	285,643	215	2,763,785	39,589,139	4,440,888	18,269
<b>Balance of statutory funds at end of the period</b>	276,699	313	2,373,788	45,621,867	5,892,544	38,317

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

## For the nine months ended September 30, 2022

### 37.2 Segmental Statement of Financial Position

As at September 30, 2022 (Un-audited)			
	Statutory Funds	Shareholders' Fund	Total
	(Rupees in '000)		
Property and equipment	-	232,008	232,008
Intangible assets	-	12,917	12,917
Right of use asset	-	138,217	138,217
Investment property	943,669	-	943,669
Investments			
Equity securities	8,330,611	16,295	8,346,906
Government securities	29,352,550	1,393,977	30,746,527
Debt securities	4,474,052	-	4,474,052
Term deposits	5,476,000	-	5,476,000
Mutual funds	9,870,815	532,935	10,403,750
Loan secured against life insurance policies	39,793	-	39,793
(Insurance / takaful) / (reinsurance / retakaful) receivables	84,292	-	84,292
Deferred tax asset	-	10,716	10,716
Other loans and receivables	779,138	111,171	890,309
Taxation - payment less provision	811,528	-	811,528
Prepayments	41,095	16,972	58,067
Cash and bank	3,980,145	259,118	4,239,263
<b>Total assets</b>	<b>64,183,688</b>	<b>2,724,326</b>	<b>66,908,014</b>
Insurance / takaful liabilities	61,568,328	-	61,568,328
Retirement benefit obligations	-	10,287	10,287
Taxation - payment less provision	-	5,060	5,060
Deferred tax liability	379,514	-	379,514
Lease liabilities	-	180,700	180,700
Borrowings	-	43,580	43,580
Deferred government grant	-	1,552	1,552
Premium / contribution received in advance	249,861	-	249,861
(Insurance / takaful) / (reinsurance / retakaful) payables	133,500	-	133,500
Other creditors and accruals	489,681	244,785	734,466
<b>Total liabilities</b>	<b>62,820,884</b>	<b>485,964</b>	<b>63,306,848</b>

As at December 31, 2021 (Audited)			
	Statutory Funds	Shareholders' Fund	Total
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
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 nine months ended September 30, 2022

### 38. 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 September 30, 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)	-	30,746,527	-	-	30,746,527	-	30,746,527	-	30,746,527
Equity securities	14,163	8,332,743	-	-	8,346,906	8,346,906	-	-	8,346,906
Mutual funds	-	10,403,750	-	-	10,403,750	10,403,750	-	-	10,403,750
Debt securities (listed TFCs / Corporate sukus)	-	4,024,052	-	-	4,024,052	4,024,052	-	-	4,024,052
	14,163	53,507,072	-	-	53,521,235	22,774,708	30,746,527	-	53,521,235
<b>Non-financial assets measured at fair value</b>									
- Investment property	-	943,669	-	-	943,669	-	-	943,669	943,669
	-	943,669	-	-	943,669	-	-	943,669	943,669
<b>Financial assets not measured at fair value</b>									
- Balances with banks	-	-	4,211,548	-	4,211,548				
- Term deposit receipts	-	-	5,476,000	-	5,476,000				
- Investment in debt securities	-	450,000	-	-	450,000				
- Other financial assets	-	-	994,779	-	994,779				
	-	450,000	10,682,327	-	11,132,327				
<b>Financial liabilities not measured at fair value</b>									
- Borrowings	-	-	-	45,132	45,132				
- Other financial liabilities	-	-	-	843,994	843,994				
	-	-	-	889,126	889,126				
	14,163	54,900,741	10,682,327	(889,126)	64,708,105				



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

### For the nine months ended September 30, 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
Equity securities	19,648	7,977,284	-	-	7,996,932	7,996,932	-	-	7,996,932
Mutual funds	-	8,859,850	-	-	8,859,850	8,859,850	-	-	8,859,850
Debt securities (listed TFCs / Corporate sukuks)	-	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									
- 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				

### 39. CORRESPONDING FIGURES

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

### 40. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on October 24, 2022.

  
S. Muhammad Jawed  
Chairman

  
Muhammad Ali Zeb  
Director

  
Shahmeer Khalid Butt  
Director

  
Manzur Mushtaq  
Chief Executive Officer

  
Jalal Meghani  
Chief Financial Officer



# **Window Takaful Operations Financial Statements**


# Condensed Interim Statement of Financial Position (Un-audited)

Window Takaful Operations

As at September 30, 2022

	Operator's Sub Fund	Participants' Fund	Aggregate September 30, 2022	December 31, 2021
Note	(Rupees in '000)			
<b>Assets</b>				
Investments				
Equity securities	-	1,041,139	1,041,139	809,675
Government securities	153,103	1,273,951	1,427,054	867,732
Debt securities	-	478,476	478,476	351,760
Term deposits	-	2,375,000	2,375,000	2,785,000
Mutual funds	84,752	729,336	814,088	1,314,077
Takaful / retakaful receivables	-	10,475	10,475	2,673
Other loans and receivables	14,996	164,147	179,143	69,561
Interfund receivable	113,737	-	113,737	21,193
Taxation - payments less provision	2,120	111,844	113,964	41,527
Prepayments	4,130	-	4,130	4,147
Cash and bank	5130,243	1,906,664	2,036,907	963,879
<b>Total Assets</b>	<b>503,081</b>	<b>8,091,032</b>	<b>8,594,113</b>	<b>7,231,224</b>
<b>Equity and Liabilities</b>				
Capital contributed by Shareholders' Fund	159,501	-	159,501	159,501
Qard-e-Hasna	(22,500)	22,500	-	-
Waqf ceded money	-	500	500	500
Ledger account D	134,160	-	134,160	72,528
<b>Total Equity</b>	<b>271,161</b>	<b>23,000</b>	<b>294,161</b>	<b>232,529</b>
<b>Liabilities</b>				
Takaful liabilities	647,879	7,877,522	7,925,401	6,620,050
Deferred taxation	56,662	-	56,662	26,380
Contribution received in advance	-	65,390	65,390	124,100
Takaful / retakaful payables	-	-	-	27,745
Interfund payable	-	113,737	113,737	21,193
Other creditors and accruals	127,379	11,383	138,762	179,227
<b>Total Liabilities</b>	<b>231,920</b>	<b>8,068,032</b>	<b>8,299,952</b>	<b>6,998,695</b>
<b>Total Equity and Liabilities</b>	<b>503,081</b>	<b>8,091,032</b>	<b>8,594,113</b>	<b>7,231,224</b>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

  
S. Muhammad Jawed  
Chairman

  
Muhammad Ali Zeb  
Director

  
Shahmeer Khalid Butt  
Director

  
Manzar Mushtaq  
Chief Executive Officer

  
Jalal Meghani  
Chief Financial Officer


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

Window Takaful Operations

For the nine months ended September 30, 2022

	Operator's Sub Fund	Participants' Fund	For the nine months ended		For the quarter ended		
			September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	
Note	(Rupees in '000)						
Contribution revenue	784,186	2,134,287	2,918,473	2,872,449	917,253	1,024,637	
Contribution ceded to retakaful	-	(61,672)	(61,672)	(63,275)	(18,237)	(17,865)	
<b>Net contribution revenue</b>	7	784,186	2,072,615	2,856,801	2,809,174	899,016	1,006,772
Takaful Operators Fee	187,069	(187,069)	-	-	-	-	
Investment income	8	13,965	512,919	526,884	198,960	226,471	69,663
Net realised fair value gain / (loss) on financial assets	9	2,903	(9,975)	(7,072)	54,185	(7,036)	7,036
Net fair value gain / (loss) on financial assets at fair value through profit or loss - unrealised	10	2,638	(217,182)	(214,544)	(80,897)	(5,397)	(104,193)
Other income	11	5,580	26,416	31,996	3,866	5,479	830
<b>Net income</b>		996,341	2,197,724	3,194,065	2,985,288	1,118,533	980,108
Takaful benefits	12	611	(952,371)	(951,760)	(603,215)	(310,791)	(202,323)
Recoveries from retakaful operators	12	-	37,680	37,680	30,931	10,088	4,423
Claims related expenses		-	(2,242)	(2,242)	(367)	(834)	-
<b>Net takaful benefits</b>		611	(916,933)	(916,322)	(572,651)	(301,537)	(197,900)
Net change in takaful liabilities (other than outstanding claims)		(10,815)	(1,280,218)	(1,291,033)	(1,391,163)	(528,147)	(406,840)
Acquisition expenses	13	(691,701)	-	(691,701)	(799,368)	(185,340)	(277,277)
Marketing and administration expenses	14	(175,259)	-	(175,259)	(141,167)	(61,224)	(50,910)
Other expenses		(27,263)	(573)	(27,836)	(519)	(2,449)	(164)
		(905,038)	(1,280,791)	(2,185,829)	(2,332,217)	(777,160)	(735,191)
<b>Total expenses</b>		(904,427)	(2,197,724)	(3,102,151)	(2,904,868)	(1,078,697)	(933,091)
<b>Results of operating activities / profit before tax</b>		91,914	-	91,914	80,420	39,836	47,017
Income tax expense		(30,282)	-	(30,282)	(23,265)	(30,282)	-
<b>Profit after tax for the period</b>		61,632	-	61,632	57,155	9,554	47,017

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

  
S. Muhammad Jawed  
Chairman

  
Muhammad Ali Zeb  
Director

  
Shahmeer Khalid Butt  
Director

  
Manzoor Mushtaq  
Chief Executive Officer

  
Jalal Meghani  
Chief Financial Officer


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

## Window Takaful Operations

### For the nine months ended September 30, 2022

			For the nine months ended		For the quarter ended	
	Operator's Fund	Participants' Fund	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	(Rupees in '000)					
Profit after tax for the period - as per statement of profit or loss	61,632	-	61,632	57,155	9,554	47,017
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	61,632	-	61,632	57,155	9,554	47,017

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



**S. Muhammad Jawed**  
Chairman



**Muhammad Ali Zeb**  
Director



**Shahmeer Khalid Butt**  
Director



**Manzar Mushtaq**  
Chief Executive Officer



**Jalal Meghani**  
Chief Financial Officer



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

Window Takaful Operations

For the nine months ended September 30, 2022

September 30,

September 30,

2022

(Un-audited)

2021

(Un-audited)

Note

(Rupees in '000)

## Operating Cash Flows

### (a) Underwriting activities

Contribution received	2,862,436	2,925,332
Retakaful contribution paid	(62,212)	(41,811)
Claims paid	(939,684)	(591,375)
Commission paid	(543,355)	(720,832)
Marketing and administrative expenses paid	(354,591)	(281,996)
<b>Net cash flow generated from underwriting activities</b>	<b>962,594</b>	<b>1,289,318</b>

### (b) Other operating activities

Income tax paid	(72,437)	(20,623)
<b>Total cash flow generated from all operating activities</b>	<b>890,157</b>	<b>1,268,695</b>

## Investment activities

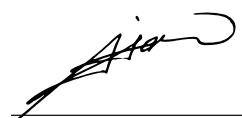
Profit / return received	391,429	161,747
Dividend received	18,976	25,479
Payment for investments	(4,762,229)	(2,568,338)
Proceeds from investments	3,174,695	2,203,551
<b>Total cash flow used in investing activities</b>	<b>(1,177,129)</b>	<b>(177,561)</b>

<b>Net cash (outflows) / inflows from all activities</b>	<b>(286,972)</b>	<b>1,091,134</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>3,461,907</b>	<b>3,459,135</b>

## Reconciliation to statement of profit or loss

Cash flow from all operating activities	890,157	1,268,695
Depreciation and amortisation expense	(14,880)	(8,835)
Profit on disposal of investment	164,844	35,170
Dividend income	29,007	35,203
Other investment income	143,413	105,741
Increase in assets other than cash	72,437	20,623
Increase in liabilities other than borrowings	(1,223,346)	(1,399,442)
<b>Profit after taxation</b>	<b>61,632</b>	<b>57,155</b>

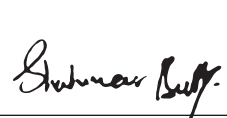
The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



S. Muhammad Jawed  
Chairman



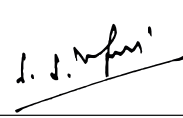
Muhammad Ali Zeb  
Director



Shahmeer Khalid Butt  
Director



Manzoor Mushtaq  
Chief Executive Officer



Jalal Meghani  
Chief Financial Officer

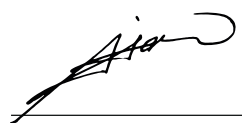
# Condensed Interim Statement of Changes in Equity (Un-audited)

Window Takaful Operations

For the nine months ended September 30, 2022

	Capital contributed by Shareholders' Fund	Waqf ceded money	Ledger account D	Total
	(Rupees in '000)			
<b>Balance as at January 01, 2021</b>	159,501	500	(54,071)	105,930
Total comprehensive income for the period ended September 30, 2021				
- Profit for the period after tax	-	-	57,155	57,155
- Other comprehensive income / (loss)	-	-	-	-
	-		57,155	57,155
<b>Balance as at September 30, 2021</b>	159,501	500	3,084	163,085
<b>Balance as at January 01, 2022</b>	159,501	500	72,528	232,529
Total comprehensive income for the period ended September 30, 2022				
- Profit for the period after tax	-	-	61,632	61,632
- Other comprehensive income / (loss)	-	-	-	-
	-	-	61,632	61,632
<b>Balance as at September 30, 2022</b>	159,501	500	134,160	294,161

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



S. Muhammad Jawed  
Chairman



Muhammad Ali Zeb  
Director



Shahmeer Khalid Butt  
Director



Manzar Mushtaq  
Chief Executive Officer



Jalal Meghani  
Chief Financial Officer

# Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)

## Window Takaful Operations

### For the nine months ended September 30, 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 was converted to a public limited company on March 4, 2022 and registered itself on Pakistan Stock Exchange. 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 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017; and

## Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)

### Window Takaful Operations

### For the nine months ended September 30, 2022

- 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. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO ACCOUNTING STANDARDS THAT BECAME EFFECTIVE FOR THE PERIOD ENDED JANUARY 01, 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 01, 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

#### **4. 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.

# Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)

## Window Takaful Operations

### For the nine months ended September 30, 2022

		September 30, 2022 (Un-audited)	December 31, 2021 (Un-audited)
	Note	(Rupees in '000)	
<b>5. CASH AND BANK</b>			
- Cash in hand		329	-
- Policy stamps		10,772	4,467
		<b>11,101</b>	<b>4,467</b>
<b>Cash at bank</b>			
- Current accounts		202,941	46,749
- Saving accounts	5.1	1,822,865	912,663
		<b>2,025,806</b>	<b>959,412</b>
		<b>2,036,907</b>	<b>963,879</b>

**5.1** This carries profit rate ranging from 9% to 12% (December 31, 2021: 4% to 6% ) per annum.

		September 30, 2022 (Un-audited)	September 30, 2021 (Un-audited)
		(Rupees in '000)	
<b>5.2 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		11,101	13,072
- Cash at bank		2,025,806	746,063
- Term deposits maturing within three months		1,425,000	2,700,000
		<b>3,461,907</b>	<b>3,459,135</b>

		September 30, 2022 (Un-audited)	December 31, 2021 (Un-audited)
	Note	(Rupees in '000)	
<b>6 TAKAFUL LIABILITIES</b>			
Reported outstanding claims (including claims in payment)	6.1	90,685	76,367
Incurred but not reported claims	6.2	42,000	39,139
Investment component of unit-linked and account value policies	6.3	7,565,359	6,353,690
Liabilities under group insurance contracts (other than investment linked)	6.4	3,835	2,729
Other takaful liabilities	6.5	114,018	107,433
		<b>7,815,897</b>	<b>6,579,358</b>
Surplus retained in Participants' Takaful Fund		109,504	40,692
		<b>7,925,401</b>	<b>6,620,050</b>



# Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)

Window Takaful Operations

For the nine months ended September 30, 2022

September 30,  
2022  
(Un-audited)  
December 31,  
2021  
(Un-audited)  
(Rupees in '000)

## 6.1 Reported outstanding claims

Gross of retakaful	112,239	92,552
Recoverable from retakaful	(21,554)	(16,185)
Net reported outstanding claims	90,685	76,367

## 6.2 Incurred but not reported claims Individual life

Gross of retakaful	59,511	46,881
Retakaful recoveries	(26,617)	(14,775)
Net of retakaful	32,894	32,106

### Group life

Gross of retakaful	10,662	16,355
Retakaful recoveries	(1,556)	(9,322)
Net of retakaful	9,106	7,033

42,000 39,139

## 6.3 Investment component of unit linked and account value policies

Investment component of unit linked policies	7,565,359	6,353,690
Investment component of account value policies	-	-
	7,565,359	6,353,690

## 6.4 Liabilities under group insurance contracts (other than investment linked)

Gross of retakaful	7,357	3,872
Retakaful credit	(3,522)	(1,143)
Net of retakaful	3,835	2,729

## 6.5 Other insurance liabilities

Gross of retakaful	140,113	137,723
Retakaful credit	(26,095)	(30,290)
Net of retakaful	114,018	107,433

# Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)

## Window Takaful Operations

### For the nine months ended September 30, 2022

		For the nine months ended	
		September 30, 2022 (Un-audited)	September 30, 2021 (Un-audited)
		(Rupees in '000)	
<b>7. Contribution revenue</b>			
<b>Regular contribution individual policies</b>			
First period		882,984	1,275,474
Second period		866,684	496,367
Third and subsequent periods		981,617	691,361
Single contribution		131,374	344,838
Group policies without cash values		55,814	64,409
<b>Total gross contribution</b>		<b>2,918,473</b>	<b>2,872,449</b>
<b>Less: retakaful contributions ceded</b>			
On individual life first year business		(18,326)	(18,761)
On individual life second year business		(12,095)	(8,356)
On individual life subsequent renewal business		(13,947)	(8,672)
On individual life single premium business		(146)	(321)
On group policies		(17,158)	(27,165)
		(61,672)	(63,275)
		<b>2,856,801</b>	<b>2,809,174</b>
<b>7.1 Proportion of gross contribution allocated to Participants' Investment Fund</b>			
Allocated regular contribution		1,930,691	1,558,929
Single contribution		27,600	155,143
Top-up contribution		98,343	179,874
	(A)	<b>2,056,634</b>	<b>1,893,946</b>
<b>7.2 Proportion of gross contribution allocated to Participants' Takaful Fund</b>			
Allocated gross contribution-Individual life family takaful		30,417	27,282
On group policies		47,236	51,158
	(B)	<b>77,653</b>	<b>78,440</b>
<b>7.3 Proportion of gross contribution allocated to Operator's Sub Fund</b>			
Wakalah fees- Individual life family takaful		665,403	794,061
Bid offer spread- Individual life family takaful		110,205	92,751
Wakalah fees- Group family takaful		8,578	13,251
	(C)	<b>784,186</b>	<b>900,063</b>
<b>Total gross contribution allocated to sub-funds</b>	(A)+(B)+(C)	<b>2,918,473</b>	<b>2,872,449</b>

# Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)

Window Takaful Operations

## For the nine months ended September 30, 2022

	For the nine months ended	
	September 30, 2022 (Un-audited)	September 30, 2021 (Un-audited)
	(Rupees in '000)	
<b>8. INVESTMENT INCOME</b>		
Dividend income	29,007	35,203
Income from government securities - fair value through profit or loss	115,471	22,137
Income from debt securities - fair value through profit or loss		
- Return on TFCs and corporate sukus	49,373	13,033
Income from term deposit receipts - loans and receivables		
- Return on term deposit receipts	333,033	128,587
	<b>526,884</b>	<b>198,960</b>
<b>9. NET REALISED FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS</b>		
Fair value through profit or loss		
Realised (losses) / gains on:		
- Equity securities	(4,755)	31,612
- Government securities	(3,694)	(1,578)
- Mutual funds	1,377	24,151
	<b>(7,072)</b>	<b>54,185</b>
<b>10. NET FAIR VALUE LOSSES ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNREALISED</b>		
Net unrealised (losses) / gains on:		
- Equity securities	(69,765)	(69,084)
- Government securities	(24,201)	4,559
- Debt securities	(4,619)	993
- Mutual funds	(109,418)	(9,724)
Total losses	<b>(208,003)</b>	<b>(73,256)</b>
Less: Investment related expenses	<b>(6,541)</b>	<b>(7,641)</b>
	<b>(214,544)</b>	<b>(80,897)</b>
<b>11. OTHER INCOME</b>		
Return on bank balances	5,580	3,866
Bonus allocation from Operator's Sub Fund	26,416	-
	<b>31,996</b>	<b>3,866</b>

**Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)**  
Window Takaful Operations  
For the nine months ended September 30, 2022

**12. 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

**Total gross claims**

**Less: Retakaful recoveries**

- on individual life claims
- on group life claims

**Net takaful benefits**

**13 Acquisition expenses**

**Operator's Sub-Fund**

**Acquisition costs**

**Remuneration to takaful intermediaries on individual policies:**

- commission on first year contributions
- commission on second year contributions
- commission on subsequent year renewal contributions
- commission on single contributions
- other benefits to insurance intermediaries

**Total commission cost**

**Remuneration to insurance intermediaries on group policies:**

- Commission
- Other benefits to insurance intermediaries

**Other acquisition cost**

**Branch overheads**

**Total acquisition cost**

<b>For the nine months ended</b>	
<b>September 30, 2022</b>	September 30, 2021
(Un-audited)	(Un-audited)
(Rupees in '000)	
(99,771)	(67,344)
(2)	300
(59,293)	(1,203)
(770,683)	(501,535)
(929,749)	(569,782)
(23,637)	(32,700)
1,626	(733)
(951,760)	(603,215)
36,855	10,821
825	20,110
37,680	30,931
(914,080)	(572,284)
(353,875)	(506,900)
(44,895)	(28,705)
(18,901)	(12,005)
(5,193)	(10,203)
(49,680)	(68,159)
(472,544)	(625,972)
(3,232)	(4,852)
(341)	(197)
(3,573)	(5,049)
(11,813)	(19,250)
(487,930)	(650,271)
(203,771)	(149,097)
(691,701)	(799,368)

## Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)

Window Takaful Operations

For the nine months ended September 30, 2022

For the nine months ended	
September 30, 2022	September 30, 2021
(Un-audited)	(Un-audited)
(Rupees in '000)	

### 14. Administrative expenses

Salaries allowances and other benefits	(78,837)	(72,551)
Travelling expenses	(870)	(292)
Actuary's fee	(656)	(1,088)
Auditor's remuneration	(325)	(362)
Legal and professional charges	(6,249)	(5,738)
Information technology expenses	(6,411)	(4,666)
Printing and stationery	(7,672)	(6,869)
Depreciation	(3,276)	(2,589)
Depreciation-right of use assets	(7,272)	(6,246)
Amortisation	(1,017)	(1,228)
Rent expense	(1,564)	(388)
Insurance expense	(826)	(230)
Vehicle running	(14,785)	(5,458)
Postage and courier	(6,203)	(4,806)
Electricity, gas and water	(1,541)	(537)
Office repairs and maintenance	(2,710)	(2,768)
Entertainment	(1,060)	(489)
Bank charges	(453)	(97)
Training and development	(3,795)	(497)
Fees and subscription	(2,166)	-
Marketing cost	(32,686)	(18,954)
Other expense	(8,691)	(1,715)
Profit expense	(3,576)	(3,556)
	<b>(175,259)</b>	<b>(141,124)</b>



# Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)

Window Takaful Operations

## For the nine months ended September 30, 2022

### 15. 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 financial statements are given below:

	September 30, 2022 (Un-audited)	September 30, 2021 (Un-audited)
	(Rupees in '000)	
<b>Transactions during the period</b>		
<b>Holding company</b>		
Insurance expense	2,351	1,953
<b>Associated undertakings</b>		
Commission and other incentives in respect of bancassurance	134,935	345,879
Profit on bank deposits	62,068	166,552
Bank charges	234	109
Investments purchased	6,345,720	4,365,488
Investments sold	5,670,224	3,822,923
Dividend income	518	6,068
<b>Other related parties</b>		
Contribution written	14,590	12,144
Claims expense	-	1,500
Investment advisor fee	3,447	2,364
<b>Key management personnel</b>		
Remuneration	12,948	10,031
<b>Staff retirement benefit plan (gratuity fund)</b>		
Charge for the period	3,212	3,365
	September 30, 2022 (Un-audited)	December 31, 2021 (Un-audited)
	(Rupees in '000)	
<b>Balances outstanding as at the end of the period / year</b>		
<b>Associated undertakings</b>		
Contribution due but unpaid	444,449	357,108
Bank deposits	1,726,771	1,129,604
Investments held	21,491	68,041
Commission payable	-	4,800
Claims payable	-	-
<b>Other related parties</b>		
Contribution due but unpaid	920	-
Remuneration payable for the management of discretionary investment portfolio	595	595

# Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)

Window Takaful Operations  
For the nine months ended September 30, 2022

## 16. SEGMENTAL INFORMATION

### 16.1 REVENUE ACCOUNT BY STATUTORY FUND FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 (UNAUDITED)

	Individual Family Takaful Unit Linked Business	Group Family Takaful Business	Total
	(Rupees in '000)		
<b>Income</b>			
Contribution less re-takaful	2,818,145	38,656	2,856,801
Net investment income	307,320	3,539	310,859
<b>Total net income</b>	<b>3,125,465</b>	<b>42,195</b>	<b>3,167,660</b>
<b>Takaful benefits and expenditures</b>			
Takaful benefits including bonus net of re-takaful	(895,136)	(21,186)	(916,322)
Management expenses less recoveries	(862,671)	(5,720)	(868,391)
<b>Total takaful benefits and expenditures</b>	<b>(1,757,807)</b>	<b>(26,906)</b>	<b>(1,784,713)</b>
<b>Excess of income over takaful benefits and expenditures</b>	<b>1,367,658</b>	<b>15,289</b>	<b>1,382,947</b>
<b>Net change in takaful liabilities (other than outstanding claims)</b>	<b>(1,276,388)</b>	<b>(14,645)</b>	<b>(1,291,033)</b>
<b>Surplus before tax</b>	<b>91,270</b>	<b>644</b>	<b>91,914</b>
<b>Movement in policyholders' liabilities</b>	<b>1,276,388</b>	<b>14,645</b>	<b>1,291,033</b>
<b>Balance of statutory funds at beginning of the period</b>	<b>6,774,571</b>	<b>28,021</b>	<b>6,802,592</b>
<b>Balance of statutory funds at end of the period</b>	<b>8,142,229</b>	<b>43,310</b>	<b>8,185,539</b>

**Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)**  
Window Takaful Operations  
For the nine months ended September 30, 2022

**REVENUE ACCOUNT BY STATUTORY FUND  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 (UNAUDITED)**

	Individual Family Takaful Unit Linked Business	Group Life Family Takaful Business	Total
	(Rupees in '000)		
Income			
Contribution less re-takaful	2,771,930	37,244	2,809,174
Net investment income	175,341	1,176	176,517
Total net income	2,947,271	38,420	2,985,691
Takaful benefits and expenditures			
Takaful benefits including bonus net of re-takaful	(559,328)	(13,323)	(572,651)
	(936,287)	(5,049)	(941,336)
Total takaful benefits and expenditures	(1,495,615)	(18,372)	(1,513,987)
Excess of income over takaful benefits and expenditures	1,451,656	20,048	1,471,704
Net change in takaful liabilities (other than outstanding claims)	(1,377,817)	(13,346)	(1,391,163)
Surplus before tax	73,839	6,702	80,541
Movement in policyholders' liabilities	1,377,817	13,346	1,391,163
Balance of statutory funds at beginning of the period	4,440,888	18,269	4,459,157
Balance of statutory funds at end of the period	5,892,544	38,317	5,930,861

# Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)

## Window Takaful Operations

### For the nine months ended September 30, 2022

#### 16.2 REVENUE ACCOUNT BY SUB STATUTORY FUND

		Statutory funds		Aggregate	
		Individual	Group Family	For the nine months ended	
		Family Takaful	Takaful	September 30, 2022	September 30, 2021
				(Unaudited)	(Unaudited)
Note		(Rupees in '000)			
<b>16.2.1 Operator's Sub Fund (OSF)</b>					
<b>Income</b>					
Wakalah fee	7.3	665,403	8,578	673,981	807,312
Surrender charges		2,878	-	2,878	2,026
Tharawat fee	16.2.3	93,367	-	93,367	64,412
Bid offer spread	7.3	110,205	-	110,205	92,751
Participants' Takaful fund management income	16.2.2	74,112	-	74,112	56,811
Income against admin cost charged to PIF	16.2.3	19,590	-	19,590	10,863
Investment income		25,086	-	25,086	10,794
<b>Total net income</b>		<b>990,641</b>	<b>8,578</b>	<b>999,219</b>	<b>1,044,969</b>
<b>Less: Expenditures</b>					
Acquisition costs		(688,128)	(3,573)	(691,701)	(799,368)
Administration cost and others		(173,084)	(2,175)	(175,259)	(141,167)
Claim related expenses		(467)	(1,800)	(2,267)	(2,415)
Bonus Allocation to PIF		(26,416)	-	(26,416)	-
Expenses on behalf of PTF - Premium		(291)	-	(291)	(325)
Expenses on behalf of PTF - Tabbarru		(556)	-	(556)	(816)
<b>Total management cost</b>		<b>(888,942)</b>	<b>(7,548)</b>	<b>(896,490)</b>	<b>(944,091)</b>
<b>Excess of income over expenditure</b>		<b>101,699</b>	<b>1,030</b>	<b>102,729</b>	<b>100,878</b>
Technical reserve at the beginning of the period		36,531	383	36,914	12,682
Less: Technical reserve at end of the period		(46,932)	(797)	(47,729)	(33,140)
Movement in technical reserves		(10,401)	(414)	(10,815)	(20,458)
<b>Surplus for the period</b>		<b>91,298</b>	<b>616</b>	<b>91,914</b>	<b>80,420</b>
Movement in technical reserves		10,401	414	10,815	20,458
Contribution received from Shareholders' Fund		-	-	-	-
Capital contributed to Group Family Takaful		-	-	-	-
<b>Balance of Operator's Sub Fund at the beginning of the period</b>		<b>258,215</b>	<b>4,608</b>	<b>262,823</b>	<b>82,930</b>
<b>Balance of Operator's Sub Fund at end of the period</b>		<b>359,914</b>	<b>5,638</b>	<b>365,552</b>	<b>183,808</b>
<b>Represented by:</b>					
Capital contributed by shareholders fund		159,501	10,000	169,501	149,501
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		46,932	797	47,729	33,140
Retained earnings on other than participating business		175,981	4,841	180,822	13,667
<b>Balance of Operator's Sub Fund</b>		<b>359,914</b>	<b>5,638</b>	<b>365,552</b>	<b>183,808</b>

# Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)

## Window Takaful Operations

### For the nine months ended September 30, 2022

		Statutory funds		Aggregate	
				For the nine months ended	
		Individual Family Takaful	Group Family Takaful	September 30, 2022	September 30, 2021
				(Unaudited)	(Unaudited)
Note		(Rupees in '000)			
16.2.2 Participants' Takaful Fund (PTF)					
Income					
Allocated contribution	7.2	30,417	47,236	77,653	78,440
Tabarru income		182,955	-	182,955	136,296
Re-Takaful ceded		(44,514)	(17,158)	(61,672)	(63,275)
Total contribution income net of re-takaful		168,858	30,078	198,936	151,461
Add: Investment income		10,620	3,539	14,159	9,997
Total income		179,478	33,617	213,095	161,458
Less: Expenditure					
Participants' Takaful fund management charges	16.2.1	(74,112)	-	(74,112)	(56,811)
Death claim expense net of retakaful recoveries		(51,048)	(19,386)	(70,434)	(54,166)
		(125,160)	(19,386)	(144,546)	(110,977)
Excess of income over expenditure		54,318	14,231	68,549	50,481
Technical reserve at the beginning of the period		139,666	13,413	153,079	86,755
Less: Technical reserve at end of the period		(99,979)	(12,145)	(112,124)	(95,499)
(Less): surplus retained in technical reserves		(94,005)	(15,499)	(109,504)	(41,737)
Movement in technical reserve		(54,318)	(14,231)	(68,549)	(50,481)
Surplus for the period		-	-	-	-
Movement in technical reserve		54,318	14,231	68,549	50,481
Capital contribution by OSF		-	-	-	-
Qard-e-Hasna received by PTF		-	-	-	-
Balance of Participants' Takaful Fund at beginning of the period		162,666	23,413	186,079	119,755
Balance of Participants' Takaful Fund at end of the period		216,984	37,644	254,628	170,236
Represented by:					
Money ceded to Waqf Funds		500	-	500	500
Capital contribution by OSF		-	10,000	10,000	10,000
Qard-e-Hasna received by PTF		22,500	-	22,500	22,500
Policyholders' liabilities		193,984	27,644	221,628	137,236
Balance of statutory fund		216,984	37,644	254,628	170,236



# Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)

## Window Takaful Operations

### For the nine months ended September 30, 2022

		Statutory funds		Aggregate	
				For the nine months ended	
		Individual Family Takaful	Group Family Takaful	September 30, 2022	September 30, 2021
				(Unaudited)	(Unaudited)
Note		(Rupees in '000)			
16.2.3 Participants' Investment Fund (PIF)					
Income					
Allocated contribution	7.1	2,056,634	-	2,056,634	1,893,946
Bonus Allocation from OSF		26,416	-	26,416	-
Investment income		271,603	-	271,603	155,323
Total net income		2,354,653	-	2,354,653	2,049,269
Less: Claims expense					
Surrender - Regular		(434,867)	-	(434,867)	(275,764)
Surrender - Top up		(338,694)	-	(338,694)	(227,797)
Maturity		(59,293)	-	(59,293)	(1,203)
Death claim		(13,645)	-	(13,645)	(13,332)
		(846,499)	-	(846,499)	(518,096)
Less: Expenditures					
Tabarru charges		(182,399)	-	(182,399)	(135,480)
Tharawat fee - investment management		(93,367)	-	(93,367)	(64,412)
Administrative charges		(19,590)	-	(19,590)	(10,863)
Other expenses		(703)	-	(703)	(43)
Bank charges		(426)	-	(426)	(151)
		(296,485)	-	(296,485)	(210,949)
Excess of income over expenditures		1,211,669	-	1,211,669	1,320,224
Technical reserve at the beginning of the period		6,353,690	-	6,353,690	4,256,344
Technical reserve at the end of the period		7,565,359	-	7,565,359	5,576,568
Movement in technical reserve		1,211,669	-	1,211,669	1,320,224
Deficit for the period		-	-	-	-
Movement in technical reserve		1,211,669	-	1,211,669	1,320,224
Balance of statutory funds at beginning of the period		6,353,690	-	6,353,690	4,256,344
Balance of statutory funds at end of the period		7,565,359	-	7,565,359	5,576,568
Represented by:					
Retained earnings on other than participating business		7,565,359	-	7,565,359	5,576,568
Balance of statutory fund		7,565,359	-	7,565,359	5,576,568

# Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)

## Window Takaful Operations

### For the nine months ended September 30, 2022

#### 17. 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 September 30, 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)									
Financial assets measured at fair value									
- Investments									
Government Securities (T-bills + PIBs + Sukuks)	-	1,427,054	-	-	1,427,054	-	1,427,054	-	1,427,054
Equity securities	-	1,041,153	-	-	1,041,153	1,041,153	-	-	1,041,153
Mutual funds	-	814,092	-	-	814,092	814,092	-	-	814,092
Debt securities (listed TFCs / Corporate sukuks)	-	478,476	-	-	478,476	-	478,476	-	478,476
	-	3,760,775	-	-	3,760,775	1,855,245	1,905,530	-	3,760,775
Non-financial assets measured at fair value									
- Investment property	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
- Balances with banks	-	-	2,036,907	-	2,036,907				
- Term deposit receipts	-	-	2,375,000	-	2,375,000				
- Other financial assets	-	-	292,802	-	292,802				
	-	-	4,704,709	-	4,704,709				
Financial liabilities not measured at fair value									
- Borrowings	-	-	-	-	-				
- Other Financial liabilities	-	-	-	252,499	252,499				
	-	-	-	252,499	252,499				
	-	3,760,775	4,704,709	(252,499)	8,212,985				

# Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)

## Window Takaful Operations

### For the nine months ended September 30, 2022

As at December 31, 2021 (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)								

Financial assets measured at fair value

- Investments									
Government Securities									
(T-bills + PIBs + Sukuks)	-	867,732	-	-	867,732	-	867,732	-	867,732
Listed equity securities	-	809,675	-	-	809,675	809,675	-	-	809,675
Units of mutual funds	-	1,314,077	-	-	1,314,077	1,314,077	-	-	1,314,077
Debt securities (listed TFCs / Corporate sukuks)	-	146,760	-	-	146,760	-	146,760	-	146,760
	-	3,138,244	-	-	3,138,244	2,123,752	1,014,492	-	3,138,244

Financial assets not measured at fair value

- Balances with banks	-	-	959,412	-	959,412
- Term deposit receipts	-	-	2,785,000	-	2,785,000
- Investment in debt securities	-	-	205,000	-	205,000
- Other financial assets	-	-	555,606	-	555,606
	-	-	4,505,018	-	4,505,018

Financial liabilities not measured at fair value


- Borrowings	-	-	-	4,298	4,298
- Other Financial liabilities	-	-	-	178,699	178,699
	-	-	-	182,997	182,997
	-	3,138,244	4,505,018	(182,997)	7,460,265

## 18. CORRESPONDING FIGURES

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

## 19. 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 October 24, 2022.

  
S. Muhammad Jawed  
Chairman

  
Muhammad Ali Zeb  
Director

  
Shahmeer Khalid Butt  
Director

  
Manzar Mushtaq  
Chief Executive Officer

  
Jalal Meghani  
Chief Financial Officer



3rd and 4th Floor, Adamjee House,  
I.I Chundrigar Road, Karachi, Tel: 021-38677100

☎ 111-11-LIFE(5433) | 🌐 [www.adamjeelife.com](http://www.adamjeelife.com) | 📱 /AdamjeeLife