

YOUR TRUSTED PARTNER

Interim Financial Information for the

Half Yearly

Ended June 30, 2023



ADAMJEE LIFE AS YOUR TRUSTED INSURANCE PARTNER


At Adamjee Life, we understand the importance of building strong and lasting relationships; those built on the foundation of trust, respect and integrity. With our ethos towards continuous improvement, we intend to provide our customers with the best solutions to secure their tomorrow, today.

The company's financial backing by the Nishat Group and its commitment to place customers first, has enabled it to become a trusted partner in protecting customer's financial well-being for the future.



The background of the slide is split. The left side shows a blurred image of a laptop keyboard and screen. The right side is a solid blue color with a repeating pattern of light blue hexagons.

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Our Vision

To be the most trusted insurance partner

Our Mission

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



Core Values



Value Creation

Create value in everything we do



Customer Focus

Always keep customer's interest in mind



Openness

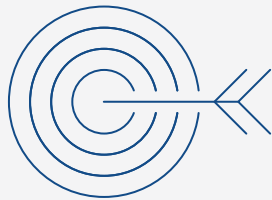
Foster a culture of trust and transparency



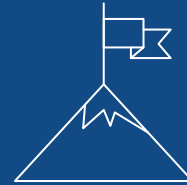
Respect

Promote mutual respect and inclusiveness

Strategic Objectives



Attain sustainable
Agency operations



Capitalize strategic
partnerships
to capture digital
space



Create product
awareness and its
value proposition
through trainings



Excellence in
quality of sales
and after sale
services



Product innovation
to strengthen long term
value for our customers



Reduce complains
to less than 1% of the
portfolio

COMPANY PROFILE





Rating of the Company

Insurer Financial Strength (IFS) Rating: **A++ (A Double Plus)**

Outlook: **Stable**

Rating Agency: **PACRA**

A++

Company Information

Board of Directors

Mr. S. M. Jawed

Chairman / Director

Mr. Umer Mansha

Director

Mrs. Naz Mansha

Director

Mr. Muhammad Ali Zeb

Director

Mr. Imran Maqbool

Director

Mr. Shahmeer Khalid Butt

Director

Mr. Ahmad Alman Aslam

Director

Management

Mr. Manzar Mushtaq

Chief Executive Officer

Mr. Jalal Meghani

Chief Financial Officer
& Deputy Managing Director

Dr. Bakht Jamal

Director Operations and
Legal Affairs

Mr. Ali Haider

Director Bancassurance, Corporate
Sales and Marketing

Mr. Amin Nizar Ali

Director Actuarial Services
and Risk Management

Mr. Muhammad Imran

Hussain Siddiqui
Director Information Technology

Mr. Absar Azim Burney

Head of Direct Distribution

Ms. Zehra Faiz

General Manager
Human Resources

Statutory Positions

Head of Compliance

Asif Mirza

Head of Internal Audit

Samad Ali Naqvi

Company Secretary

Rahim Vallyani

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

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

Appointed Actuary

Alchemy Associates (Private) Ltd.
Address: 4th Floor, Central Hotel Building, Civil Lines,
Mereweather Road, Karachi, Pakistan.

Shariah Advisor

Mufti Muhammad Zubair Usmani

Legal Advisor

Bawaney & Partners

Address: 3rd & 4th floor 68-C, Bukhari Commercial Area,
DHA, Karachi

Asad Iftikhar

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

Bankers

Al Baraka Bank (Pakistan) Limited	MCB Islamic Bank Limited
Askari Bank Limited	Mobilink Microfinance Bank Limited
Bank Alfalah Limited	National Bank Of Pakistan
Bankislami Pakistan Limited	NRSP Microfinance Bank Limited
Dubai Islamic Bank Limited	MCB Bank Limited
Faysal Bank Limited	Standard Chartered Bank (Pakistan) Limited
Finca Microfinance Bank Limited	Silk Bank Limited
Habib Bank Limited	Telenor Microfinance Bank Limited
Habib Metropolitan Bank Limited	U Microfinance Bank Limited
Khushhali 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 half year ended on 30th June 2023.

Financial Highlights:

The highlights for the period under review are as follows:

	30 June 2023 Unaudited	30 June 2022 Unaudited
(Rupees in '000)		
Gross Premium	11,247,127	9,894,587
Net Premium	10,948,460	9,618,980
Investment income	5,423,495	888,827
Net Benefits paid to and reserved for policyholders	13,701,995	8,208,052
Acquisition & other operating expenses	2,033,000	2,028,744
Profit before tax	636,960	271,011
Profit after tax	421,842	165,578

	30 June 2023 Unaudited	31 December 2022 Audited
Size of Statutory Fund	67,413,353	59,241,310
Shareholders' Equity	4,170,889	3,748,290

(Rupees in '000)		
Earnings Per Share	1.69	0.66

Performance Review:

The Company has performed remarkably well in the depressive economic situation due to the buildup of its portfolio over the years, lower acquisition cost & investment returns on its non-policyholder reserves. Both, the Gross and net premium of the Company has increased by 14% approx. whereas, the investment income has increased by almost 510% from corresponding period last year due to higher income on interest based securities. Consequently, benefits paid to & reserved for Policy holders has increased by 67% over last year. Resultantly, the underwriting surplus of the Company has also been higher by 61%, profit before tax reported in this six month has increased by 135% and profit after tax has increased by almost 155% from the corresponding period last year.

Keeping in view the performance of Company, your Directors have pleasure in declaring first interim cash dividend of Rs. 1.00 (10.00 %) per share for the year 2023

Window Takaful Operations:

The gross contribution generated from Window Takaful operations was Rs. 1.829 Billion (June 30, 2022: Rs. 2.001 Billion). The profit before tax that has been reported for June 2023 is amounting to Rs. 87.169 million which has increased by 67% from the corresponding period last year.

Future Outlook:

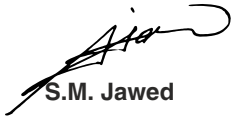
The fiscal year 2023 remained a difficult year for Pakistan as it faced multiple macroeconomic challenges. The 2022 monsoon floods, global commodity prices and currency devaluation ushered a wave of inflation with average FY2023 CPI reading of 29.0% the highest since 1974. In addition, the interest rates were hiked to a record high of 22.0%. The IMF program remains elusive throughout the latter half of fiscal year as political uncertainty remained at an elevated level paralyzing economic decision making. As a result, the rupee depreciated 40% against the greenback with USD closing at PKR 286.

The new fiscal year has opened on a positive note as IMF and Pakistan have struck a staff-level agreement for the provision of USD 3bn in bailout funds under a stand-by arrangement (SBA) for nine months. This is a welcome development for the country's economy. Though, Company has reported an attractive and above the target profit for the first six months, keeping economic perspective in sight, the Company remains prepared to consolidate its cost structure should the need so arises. However, we are cautiously optimistic about the economic recovery. The Company will likewise focus on raising awareness about financial protection needs in mass campaign and on selling customer centric, digitally enabled, protection plans. We are

also optimistic about better returns on investment linked insurance products in view of higher interest rates and stock market recovery.

Acknowledgements:

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



S.M. Jawed

Chairman

On behalf of the Board of Directors

August 22, 2023



Manzar Mushtaq

Chief Executive Officer

ڈائریکٹر کا تجزیہ

آدم جی لائف انشورنس کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز مورخہ ۳۰ جون ۲۰۲۳ کو ختم ہونے والی ششماہی کے لیے ممبران کے سامنے عبوری شدہ مالیاتی گوشوارے پیش کرنے پر مسرت محسوس کر رہے ہیں۔

مالیاتی جھلکیاں:

زیر غور مدت کی جھلکیاں درج ذیل ہیں:

۳۰ جون ۲۰۲۳	30 جون ۲۰۲۲
آڈٹ شدہ	آڈٹ شدہ
روپے میں ۱۰۰۰	روپے میں ۱۰۰۰
11,247,127	9,894,587
10,948,460	9,618,980
5,423,495	888,827
۱۳,۷۰۱,۹۹۰	۸,۲۰۸,۰۵۲
2,033,000	2,028,744
636,960	271,011
421,842	165,578

گراس پریمیم
نیٹ پریمیم
انویسٹمنٹ انکم
پالیسی ہولڈرز کو ادا شدہ اور مختص شدہ رقم
اکتساب اور دیگر آپریٹنگ خرچ
ٹیکس سے پہلے منافع
ٹیکس کے بعد منافع

۳۰ جون ۲۰۲۳	31 دسمبر ۲۰۲۲
غیر آڈٹ شدہ	آڈٹ شدہ
روپے میں	روپے میں
67,413,353	59,241,310
4,170,889	3,748,290
1.69	0.66

سیچورٹی فنڈ کا سائز
شیئر ہولڈرز ایکویٹی

فی حصہ آمدنی

کارکردگی کا جائزہ:

کمپنی نے گزشتہ سالوں میں اپنے بنائے گئے پورٹ فولیو کے سبب خراب معاشی صورتحال میں نان پالیسی ہولڈرز کے ذخائر پر کم حصولی لاگت اور سرمایہ کاری پر منافع کے ساتھ نمایاں کارکردگی کا مظاہرہ کیا ہے۔ کمپنی کے مجموعی اور نیٹ پریمیم میں تقریباً ۱۴٪ اضافہ ہوا ہے جبکہ گزشتہ سال کی اسی مدت کے دوران سرمایہ کاری سے حاصل ہونے والی آمدنی میں تقریباً ۱۰٪ فیصد اضافہ ہوا ہے جس کی وجہ انٹرسٹ پر مبنی سیکورٹیز پر زیادہ آمدنی ہے۔ نتیجتاً پالیسی ہولڈرز کو ادا کیے جانے والے اور ان کے لیے محفوظ کیے گئے فوائد میں گزشتہ سال کے مقابلے میں ۶۷٪ اضافہ ہوا ہے اور اب کمپنی کا انڈر رائٹنگ سرپلس بھی ۶۱٪ زیادہ ہے، اس چھ ماہ میں رپورٹ کئے گئے ٹیکس سے پہلے کے منافع میں ۱۳۵٪ اضافہ ہوا ہے اور ٹیکس کے بعد منافع میں پچھلے سال کی اسی مدت کے مقابلے میں تقریباً ۱۵۵٪ اضافہ ہوا ہے۔

کمپنی کی کارکردگی کو مد نظر رکھتے ہوئے آپ کے ڈائریکٹرز بمسرت سال ۲۰۲۳ کے لئے پہلے عبوری نقد منافع منقسمہ بشرح ۷۰۰ روپے (۱۰ فیصد) کا اعلان کرتے ہیں

ونڈو تکافل آپریشنز:

ونڈو تکافل آپریشنز سے حاصل ہونے والی مجموعی شرائط ۸۲۹ ملین (۳۰ جون ۲۰۲۲: ۷۰۰ ملین روپے) روپے تھی۔ جون ۲۰۲۳ کے لئے ٹیکس سے پہلے کا منافع ۸۷۱ ملین روپے رپورٹ کیا گیا جو گزشتہ سال کی اسی مدت کے مقابلے میں ۶۷ فیصد زیادہ ہے۔

مستقبل کی صورتحال:

مالی سال ۲۰۲۳ پاکستان کے لیے ایک مشکل سال ہے کیونکہ اسے متعدد میکرو اکنامک چیلنجز کا سامنا ہے۔ ۲۰۲۲ مومن سون کے سیلاب، اجناس کی عالمی قیمتوں میں اضافہ اور کرنسی کی قدر میں ریڈنگ سے ظاہر ہوتا ہے مالیاتی سال ۲۰۲۳ میں افراط زر کی اوسط ۱۹۷ کے بعد سب سے زیادہ یعنی ۲۹۰٪ ہے۔ مالی سال کی آخری ششماہی کے CPI کی نے افراط زر کی لہر کو جنم دیا۔ دوران آئی ایم ایف پروگرام غیر یقینی صورتحال سے دوچار رہا سیاسی صورتحال کے سبب معاشی فیصلہ سازی بھی مفلوج ہو گئی۔ نتیجے کے طور پر پاکستانی روپے کی قدر یو ایس ڈالر کے مقابلے میں ۴۰٪ گر گئی اور امریکی ڈالر ۲۸۶ روپے کا ہو گیا۔

کے تحت بیل آؤٹ فنڈز میں ۳ بلین یو ایس ڈالر کی فراہمی کے لیے (SBA) نئے مالی سال کا آغاز ایک مثبت نوٹ پر ہوا ہے کیونکہ آئی ایم ایف اور پاکستان نے نومبر کے لیے اسٹینڈ بائی انتظام عملی طور پر معاہدہ کیا ہے۔ یہ ملکی معیشت کے لیے خوش آئند پیش رفت ہے۔ اگرچہ کمپنی نے پہلے چھ مہینوں کے لیے اپنے طے شدہ ہدف سے زیادہ منافع حاصل کرنے کا عہدہ دیا تھا مگر معاشی تناظر کو سامنے رکھتے ہوئے کمپنی ضرورت پڑنے پر اپنی لاگت کو پورا کرنے کیلئے ہر دم تیار رہتی ہے۔ تاہم ہم اقتصادی بحالی کے بارے میں محتاط طور پر پر امید ہیں۔ کمپنی بڑے پیمانے پر مالی تحفظ، مالی ضروریات پورا کرنے کے بارے میں بیداری بڑھانے کیلئے ہم چلائے گی اور صارفین کو ذہن میں رکھتے ہوئے ڈیجیٹل طور پر فعال ہو کر پروٹیکشن پلانز کی فروخت پر توجہ دے گی۔ ہم اعلیٰ انٹر سٹریٹس اور اسٹاک مارکیٹ کی بحالی کے پیش نظر سرمایہ کاری سے منسلک انشورنس مصنوعات کیلئے بہتر منافع ملنے کی بھی توقع کر رہے ہیں۔

اعتراف

ہم اپنے شیئر ہولڈرز، قابل قدر صارفین، ملازمین اور ڈیولپمنٹ اسٹاف کا تہہ دل شکریہ ادا کرنا چاہتے ہیں جن کی وجہ سے آدم جی لائف پاکستان کی تیزی سے ترقی کرتی لائف انشورنس کمپنی کے طور پر سامنے آیا ہے۔ ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان مسلسل کمپنی کے ساتھ تعاون کرنے پر بھی شکر گزار ہیں۔

Mansur Murshiq
منظر مشتاق
چیف ایگزیکٹو آفیسر

از طرف بورڈ آف ڈائریکٹرز

اس ایم جاوید
چیئر مین

اگست ۲۰۲۳

IFRS Financial Statements



INDEPENDENT AUDITORS' REVIEW REPORT

To the Members of Adamjee Life Assurance Company Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Adamjee Life Assurance Limited** (the Company) as at June 30, 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to and forming the part of the condensed interim financial statements for the half year then ended (here-in-after referred to as "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

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

Emphasis of Matter

We draw attention to note 20 to the condensed interim financial statements where it is disclosed that the Company has challenged the scope and applicability of Sindh Sales Tax and Punjab Sales Tax on life insurance services.

Our conclusion is not modified in this respect.

Conclusion

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

Other Matter

The figures for the quarter ended June 30, 2023 and June 30, 2022 in these condensed interim statement of profit or loss and statement of comprehensive income have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended June 30, 2023.

The engagement partner on the review resulting in this independent auditor's review report is **Hena Sadiq**.

Chartered Accountants

Place: Karachi

Dated: August 23, 2023

UDIN: RR202310057Ttp21FC4a



Adamjee Life Assurance Company Limited

Condensed Interim Statement of Financial Position

As at June 30, 2023

	Note	June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
		(Rupees in '000)	
Assets			
Property and equipment	6	200,198	215,532
Intangible assets		32,789	26,579
Right of use assets		97,225	124,420
Investment property	7	1,023,394	943,669
Investments			
Equity securities	8	6,901,261	8,292,169
Government securities	9	47,556,655	37,930,238
Debt securities	10	3,787,435	4,254,845
Term deposits	11	3,676,000	2,276,000
Mutual funds	12	5,309,539	8,017,302
Loan secured against life insurance policies		38,557	42,163
(Insurance / takaful) / (reinsurance / retakaful) receivables	13	122,346	62,456
Other loans and receivables	14	1,106,753	778,323
Taxation - payments less provision		888,254	843,706
Prepayments	15	89,181	41,655
Cash and bank	16	3,878,280	5,316,997
Total Assets		74,707,867	69,166,054
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		2,500,000	2,500,000
Money ceded to Waqf fund		500	500
Deficit on revaluation of available for sale investments		(4,739)	(5,496)
Ledger account D		1,086,365	776,870
Unappropriated profit		588,763	476,416
Total Equity		4,170,889	3,748,290
Liabilities			
Insurance / takaful liabilities	17	68,738,797	63,408,661
Retirement benefit obligations		-	4,866
Deferred taxation		523,418	376,644
Lease liabilities	18	128,469	159,592
Premium / contribution received in advance		316,004	367,165
(Insurance / takaful) / (reinsurance / retakaful) payables		59,176	175,083
Other creditors and accruals	19	771,114	925,753
Total Liabilities		70,536,978	65,417,764
Total Equity and Liabilities		74,707,867	69,166,054
Contingencies and commitments			
	20		

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

S. Muhammad Jawed
Chairman

Muhammad Ali Zeb
Director

Shahmeer Khalid
Director

Manzar Mushtaq
Chief Executive Officer

Jalal Meghani
Chief Financial Officer


Adamjee Life Assurance Company Limited

Condensed Interim Statement of Profit and Loss (Un-audited)

For the half year and quarter ended June 30, 2023

		For the half year ended		For the quarter ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Note		(Rupees in '000)			
Premium / contribution revenue		11,247,127	9,894,587	5,256,376	3,944,776
Premium / contribution ceded to reinsurers / (retakaful operators)		(298,667)	(275,607)	(92,589)	(92,799)
Net premium / contribution revenue	21	10,948,460	9,618,980	5,163,787	3,851,977
Investment income	22	4,989,767	2,343,175	2,905,736	1,205,838
Net realised fair value (losses) / gains on financial assets	23	239,488	200,986	45,558	135,300
Net fair value (losses) / gains on financial assets at fair value through profit or loss - unrealised	24	(344,436)	(2,047,919)	69,014	(1,779,513)
Net rental income		1,488	1,518	1,244	1,018
Net unrealised gain on investment property	7	79,725	-	-	-
Other income	25	457,463	391,067	247,309	235,679
		5,423,495	888,827	3,268,861	(201,678)
Net income		16,371,955	10,507,807	8,432,648	3,650,299
Insurance / takaful benefits	27	(8,862,299)	(6,043,083)	(4,547,707)	(3,036,215)
Recoveries from reinsurers / retakaful operators	27	301,398	213,800	165,578	70,339
Claims related expenses		(3,822)	(4,107)	(1,889)	(3,079)
Net insurance / takaful benefits		(8,564,723)	(5,833,390)	(4,384,018)	(2,968,955)
Net change in insurance / takaful liabilities (other than outstanding claims)		(5,141,094)	(2,378,769)	(2,591,449)	406,779
Acquisition expenses	28	(1,285,480)	(1,465,140)	(640,176)	(636,083)
Marketing and administration expenses	29	(729,523)	(544,927)	(377,404)	(270,358)
Other expenses	30	(7,021)	(4,268)	(4,705)	(1,719)
		(7,163,118)	(4,393,104)	(3,613,734)	(501,381)
Total expenses		(15,727,841)	(10,226,494)	(7,997,752)	(3,470,336)
Finance costs	31	(7,154)	(10,302)	(3,380)	(5,231)
Profit before tax		636,960	271,011	431,516	174,732
Income tax expense	32.	(215,118)	(105,433)	(140,172)	(76,732)
Profit after tax for the period		421,842	165,578	291,344	98,000
Earnings (after tax) per share - Rupees	33	1.69	0.66	1.17	0.39

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


S. Muhammad Jawed
Chairman


Muhammad Ali Zeb
Director


Shahmeer Khalid
Director


Manzur Mushtaq
Chief Executive Officer


Jalal Meghani
Chief Financial Officer

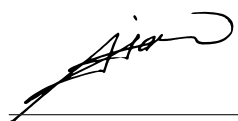
Adamjee Life Assurance Company Limited

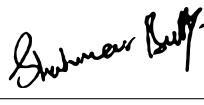
Condensed Interim Statement of Comprehensive Income (Un-audited)

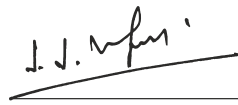
For the half year and quarter ended June 30, 2023

	For the half year ended		For the quarter ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Note	(Rupees in '000)			
Profit after tax for the period				
- as per statement of profit or loss	421,842	165,578	291,344	98,000
Other comprehensive income:				
<i>Item that will not be reclassified subsequently to statement of profit or loss</i>				
Actuarial gain on retirement benefit scheme	-	-	-	-
Related deferred tax (including rate change)	-	(1,932)	-	(1,932)
	-	(1,932)		(1,932)
<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	1,097	(5,315)	625	(4,120)
Loss on disposal transferred to statement of profit or loss	-	-	-	-
26	1,097	(5,315)	625	(4,120)
Related deferred tax	(340)	1,648	(192)	1,301
	757	(3,667)	433	(2,819)
Total other comprehensive income/(loss)	757	(5,599)	433	(4,751)
Total comprehensive income for the period	422,599	159,979	291,777	93,249

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


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Director

Shahmeer Khalid
Director

Manzar Mushtaq
Chief Executive Officer

Jalal Meghani
Chief Financial Officer

Adamjee Life Assurance Company Limited


Condensed Interim Statement of Changes in Equity

For the half year ended June 30, 2023

	Attributable to equity holders' of the Company					Total
	Share capital	Money ceded to Waqf fund	Surplus / (deficit) on revaluation of available for sale investments	Ledger account D *	Unappropriated profit	
	(Rupees in '000)					
Balance as at January 01, 2022 (Audited)	2,500,000	500	(4,743)	589,705	164,266	3,249,728
Total comprehensive income for the period ended June 30, 2022						
- Profit for the period after tax	-	-	-	-	165,578	165,578
- Other comprehensive loss	-	-	(3,667)	-	(1,932)	(5,599)
	-	-	(3,667)	-	163,646	159,979
Surplus for the period retained in statutory funds	-	-	-	110,753	(110,753)	-
Balance as at June 30, 2022 (Un-audited)	2,500,000	500	(8,410)	700,458	217,159	3,409,707
Balance as at January 01, 2023 (Audited)	2,500,000	500	(5,496)	776,870	476,416	3,748,290
Total comprehensive income for the period ended June 30, 2023						
- Profit for the period after tax	-	-	-	-	421,842	421,842
- Other comprehensive income	-	-	757	-	-	757
	-	-	757	-	421,842	422,599
Surplus for the period retained in statutory funds	-	-	-	309,495	(309,495)	-
Balance as at June 30, 2023 (Un-audited)	2,500,000	500	(4,739)	1,086,365	588,763	4,170,889

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

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


S. Muhammad Jawed
Chairman


Muhammad Ali Zeb
Director


Shahmeer Khalid
Director


Manzar Mushtaq
Chief Executive Officer


Jalal Meghani
Chief Financial Officer



Adamjee Life Assurance Company Limited

Condensed Interim Statement of Cash Flows (Un-audited)

For the half year ended June 30, 2023

	Note	June 30, 2023	June 30, 2022
		(Rupees in '000)	
Operating Cash Flows			
(a) Underwriting activities			
Insurance premium / contribution received		11,195,936	9,625,663
Reinsurance premium / retakaful contribution paid		(173,036)	(36,822)
Claims paid		(8,677,079)	(5,728,738)
Commission paid		(1,019,812)	(1,133,383)
Marketing and administrative expenses paid		(1,086,162)	(1,123,109)
Net cash flow generated from underwriting activities		239,847	1,603,611
(b) Other operating activities			
Income tax paid		(113,231)	(171,953)
Total cash flow generated from all operating activities		126,616	1,431,658
Investment activities			
Profit / return received		4,646,092	2,168,917
Dividend received		561,459	283,067
Rental received		1,488	1,518
Payment for investments		(144,870,785)	(393,769,294)
Proceeds from investments		139,525,917	399,271,155
Fixed capital expenditure		(40,304)	(63,894)
Loan to policyholders		6,007	2,088
Proceeds from sale of property and equipment		4,793	-
Total cash flow (used in) / generated from investing activities		(165,333)	7,893,557
Financing activities			
Borrowings		-	(44,817)
Total cash flow used in financing activities		-	(44,817)
Net cash inflows from all activities		(38,717)	9,280,398
Cash and cash equivalent at the beginning of the period		6,591,997	17,306,073
Cash and cash equivalent at the end of the period	16.2	6,553,280	26,586,471
Reconciliation to Statement of profit and loss			
Cash flow from all operating activities		126,616	1,431,658
Depreciation and amortisation expense		(66,007)	(59,348)
Financial charge expense		(9,831)	(14,142)
Write offs		(5,007)	-
Profit on disposal of investment		239,488	200,986
Rental income		1,488	1,518
Dividend income		513,177	290,945
Other investment income		5,013,999	2,443,299
Increase in assets other than cash		153,134	222,630
Increase in liabilities other than borrowings		(5,200,779)	(2,304,049)
Deficit on revaluation of investment		(344,436)	(2,047,919)
Profit after taxation		421,842	165,578

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

S. Muhammad Jawed
Chairman

Muhammad Ali Zeb
Director

Shahmeer Khalid
Director

Manzar Mushtaq
Chief Executive Officer

Jalal Meghani
Chief Financial Officer

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the half year ended June 30, 2023

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 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 are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017, 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 Takaful Rules, 2012 have been followed.

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the half year ended June 30, 2023

These condensed interim financial statements do not include all the information 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, 2022.

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

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2022.

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, 2022. 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, 2022.

4. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO ACCOUNTING STANDARDS THAT BECAME EFFECTIVE FOR THE PERIOD ENDED JUNE 30, 2023

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2023 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.

5. APPLICATION OF IFRS 9 AND IFRS 17

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

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

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

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

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the half year ended June 30, 2023

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:

- 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
- all other financial assets

As at June 30, 2023 (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				
Cash at bank	3,867,355	-	-	-
Equity securities	6,901,261	(82,406)	-	-
Government securities	47,556,655	(285,166)	-	-
Debt securities	3,787,435	(34,593)	-	-
Term deposits	-	-	3,676,000	-
Mutual funds	5,309,539	114,717	-	-
Loan secured against life insurance policies	-	-	38,557	-
Loan to employees	23,832	-	-	-
	67,446,077	(287,448)	3,714,557	-

As at June 30, 2023 (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	
-	-	-	-	-	-	-	-	-	-	38,557	38,557	Loan secured against life insurance policies
-	1,200,000	1,000,000	-	575,000	901,000	-	-	-	-	-	3,676,000	Term deposits
-	1,200,000	1,000,000	-	575,000	901,000	-	-	-	-	38,557	3,714,557	

As at December 31, 2022 (Audited)				
Fail the SPPI test		Pass the SPPI test		
Fair value	Change in unrealised loss during the year	Fair value	Change in unrealised loss during the year	
(Rupees in '000)				
Financial assets				
Bank	5,307,056	-	-	-
Equity securities	8,292,169	(1,823,506)	-	-
Government securities	37,930,238	(64,676)	-	-
Debt securities	4,254,845	(23,190)	-	-
Term deposits	-	-	2,276,000	-
Mutual funds	8,017,302	(691,709)	-	-
Loan secured against life insurance policies	-	-	42,163	-
Loan to employees	21,873	-	-	-
	63,823,483	(2,603,081)	2,318,163	-

As at December 31, 2022 (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	
-	-	-	-	-	-	-	-	-	-	42,163	42,163	Loan secured against life insurance policies
-	400,000	-	-	875,000	1,001,000	-	-	-	-	-	2,276,000	Term deposits
-	400,000	-	-	875,000	1,001,000	-	-	-	-	42,163	2,318,163	

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the half year ended June 30, 2023

	June 30, 2023	December 31, 2022
	(Un-audited)	(Audited)
	(Rupees in '000)	
6. PROPERTY AND EQUIPMENT		
Operating fixed assets	197,627	212,363
Capital work-in-progress	2,571	3,169
	200,198	215,532

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

	Note	June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
		(Rupees in '000)	
Leasehold improvements		2,809	4,947
Furniture and fixtures		931	7,081
Office equipment		301	4,891
Computer and related equipment		12,227	37,449
Motor vehicles		10,898	48,051
		27,166	102,419
7. INVESTMENT PROPERTY			
Opening net book value		943,669	939,394
Unrealised fair value gain		79,725	4,275
Closing net book value	7.1	1,023,394	943,669

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. 1,023.39 million with the forced sale value (FSV) of Rs. 705.60 million as at June 16, 2023. Total unrealised gain till June 30, 2023 is Rs. 251.467 million (December 31, 2022: Rs. 171.742 million). The fair value of investment property is determined by K.G Traders (Private) Limited, a external, independent property valuer having appropriate recognised professional qualifications.

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.

	Note	June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
		(Rupees in '000)	
8. INVESTMENTS IN EQUITY SECURITIES			
Available for sale	8.1	13,487	12,390
Fair value through profit or loss (held for trading)	8.2	6,887,774	8,279,779
		6,901,261	8,292,169

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the half year ended June 30, 2023

8.1 Available for sale

	As at June 30, 2023 (Un-audited)			As at December 31, 2022 (Audited)		
	Carrying value	Impairment / provision	Market value	Carrying value	Impairment / provision	Market value
	(Rupees in '000)					
Related parties	728	-	678	795	-	728
Others	11,662	-	12,809	12,687	-	11,662
	12,390	-	13,487	13,482	-	12,390

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

	As at June 30, 2023 (Un-audited)			As at December 31, 2022 (Audited)		
	Carrying value	Impairment / provision	Market value	Carrying value	Impairment / provision	Market value
	(Rupees in '000)					
Related parties	1,596,382	-	1,598,267	1,297,356	-	942,938
Others	5,374,894	-	5,289,506	8,804,837	-	7,336,841
	6,971,276	-	6,887,773	10,102,193	-	8,279,779

	Note	June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
		(Rupees in '000)	
9. INVESTMENTS IN GOVERNMENT SECURITIES			
Fair value through profit or loss (held for trading)	9.1	47,556,655	37,930,238

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

	Term (year / months)	Maturity year	Effective yield (%)	Amortised cost	Principal repayment	Market value
	(Rupees in '000)					
GOP Ijara Sukuk 1 Years - Fixed	1 year	2024	20.91%	450,000	450,000	450,495
GOP Ijara Sukuk 5 Years - Fixed	5 years	2025	16.76%	85,078	100,000	85,699
GOP Ijara Sukuk 5 Years - Fixed	5 years	2026	15.18%	498,416	522,500	470,668
GOP Ijara Sukuk 5 Years - VRR	5 years	2025	17.98%-23.11%	622,757	630,000	621,747
GOP Ijara Sukuk 5 Years - VRR	5 years	2026	22.04%-22.11%	472,234	475,000	471,707
GOP Ijara Sukuk 5 Years - VRR	5 years	2027	21.99%-22.14%	258,996	285,000	259,588
Pakistan Investment Bond	3 years	2025	19.67%	8,860	10,000	8,398
Pakistan Investment Bond	5 years	2025	19.6%	425	500	392
Pakistan Investment Bond (9.1.1)	5 years	2027	17.0%	59,890	75,000	55,488
Pakistan Investment Bond (9.1.1)	10 years	2030	15.4%	1,088,801	1,470,000	997,178
Pakistan Investment Bond (FRB)	2 years	2023	21.91%-24.21%	34,908	35,000	34,883
Pakistan Investment Bond (FRB)	3 years	2025	23.46%-23.48%	5,002,708	5,100,000	4,973,520
Pakistan Investment Bond (FRB)	5 years	2026	23.61%	1,700,364	1,750,000	1,691,200
Pakistan Investment Bond (FRB)	5 years	2027	23.90%	805,589	840,000	796,824
Pakistan Investment Bond (FRB)	10 years	2028	23.63%	49,142	50,000	47,640
Pakistan Investment Bond (FRB)	10 years	2030	23.40%	493,652	500,000	476,150
Treasury Bill	3 months	2023	22.32%-22.62%	30,140,808	31,352,500	30,098,275
Treasury Bill	6 months	2023	22.69%	473,736	500,000	471,550
Treasury Bill	12 months	2023	22.55%-22.69%	543,469	570,995	538,554
Treasury Bill	12 months	2024	22.92%-22.93%	5,051,990	6,105,000	5,006,700
	As at June 30, 2023 (Un-audited)			47,841,823	50,821,495	47,556,656
	As at December 31, 2022 (Audited)			37,995,014	38,889,665	37,930,238

Notes to and forming part of the Condensed Interim Financial Statements

For the half year ended June 30, 2023

- 9.1.1** These include PIBs of Rs. 75 million & Rs. 100 million (December 31, 2022: Rs. 75 million & Rs. 100 million) 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 June 30, 2023 (Un-audited)			As at December 31, 2022 (Audited)		
		Carrying value	Impairment / provision	Market value	Carrying value	Impairment / provision	Market value
	Note	(Rupees in '000)					
Advance against the purchase of term finance certificate	10.1	100,000	-	100,000	472,000	-	472,000
Term finance certificates / corporate sukuk	10.2	3,722,028	-	3,687,435	3,806,035	-	3,782,845
		3,822,028	-	3,787,435	4,278,035	-	4,254,845

- 10.1** This represents Rs. 100 million paid to Bank of Punjab Limited (December 31, 2022: Rs. 450 million paid to Meezan Bank Limited and Rs. 22 million to Dubai Islamic Bank Limited) against issue of TFC.

10.2 Term finance certificates / corporate sukuk

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

	Maturity date	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)	Face value per certificate	Market value	
					June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
					(Rupees in '000)	
(Number of certificates)						
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	100,110	100,980
Dubai Islamic Bank Pakistan Limited-Sukuk	2-Dec-32	22	-	1,000	22,000	-
Aspin Pharma (Private) Limited-Sukuk	30-Nov-23	820	820	30	8,216	16,656
Bank Al Habib Limited-TFC	30-Sep-31	195,000	195,000	5	962,722	998,000
Bank Alfalah Limited-TFC	15-Jan-24	20,000	20,000	5	94,503	92,514
Ghani Chemical Industries Limited-Sukuk	3-Feb-24	600	600	32	6,900	11,499
Habib Bank Limited-TFC II	Perpetual	500	500	100	50,000	50,000
Jahangir Siddiqui and Company Limited - TFC	6-Sep-23	30,000	30,000	2	25,180	51,216
Meezan Bank Limited-Sukuk I	9-Jan-30	500	500	1,000	502,535	513,600
Meezan Bank Limited-Sukuk	Perpetual	110	250	1,000	110,000	250,000
Meezan Bank Limited-Sukuk IV	16-Dec-31	450	-	1,000	445,500	-
Pakistan Energy II-Sukuk	21-May-30	115,000	115,000	5	575,115	574,999
Samba Bank Limited - TFC	1-Mar-31	4,250	4,250	100	424,660	424,107
The Bank Of Punjab I-TFC	23-Dec-26	-	3,400	100	-	339,184
The Bank Of Punjab II-TFC	23-Apr-28	2,580	2,580	100	259,996	260,090
		370,032	373,100		3,687,437	3,782,845

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the half year ended June 30, 2023

	Note	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
(Rupees in '000)			
11. INVESTMENT IN TERM DEPOSITS			
Deposits maturing within 12 months	11.1	3,676,000	2,276,000

11.1 This represents term deposits with banks which carry profit rate ranging between 15.15% to 20% per annum (December 31, 2022: 14.8% to 16% per annum) and maturing between July 2023 to September 2023 (December 31, 2022: January, 2023 to September, 2023). This includes term deposits of Rs. 1,001 million (December 31, 2022: Rs. 1,001 million) maintained with MCB Islamic Bank (related party).

	Note	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
(Rupees in '000)			
12. INVESTMENTS IN MUTUAL FUNDS			
Fair value through profit or loss (held for trading)	12.1	5,309,539	8,017,302

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

	As at June 30, 2023 (Un-audited)			As at December 31, 2022 (Audited)		
	Carrying value	Impairment / provision	Market value	Carrying value	Impairment / provision	Market value
(Rupees in '000)						
Related parties	4,125,600	-	4,252,888	6,099,261	-	5,403,600
Others	1,069,222	-	1,056,651	2,640,287	-	2,613,702
	5,194,822	-	5,309,539	8,739,548	-	8,017,302

	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
(Rupees in '000)		
13. (INSURANCE / TAKAFUL) / (REINSURANCE / RETAKAFUL RECEIVABLES)		
Due from insurance contract holders - Group life business	36,128	36,098
Less: provision for impairment of receivables from insurance contract holders	-	-
	36,128	36,098
Due from reinsurers / retakaful operators	86,218	26,358
Net (insurance / takaful) / (reinsurance / retakaful) receivable	122,346	62,456

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the half year ended June 30, 2023

	Note	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
(Rupees in '000)			
14. OTHER LOANS AND RECEIVABLES			
Receivable from related parties		500	6
Accrued income on investments		657,681	427,793
Security deposits		58,034	57,117
Receivable from gratuity fund		299	-
Loan to employees - secured	14.1	23,832	21,873
Advance to supplier		17,607	43,980
Dividend receivable		35,025	83,307
Receivable against the sale of investment		278,566	132,912
Other receivables		35,209	11,335
		1,106,753	778,323

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

	Note	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
(Rupees in '000)			
15. PREPAYMENTS			
Prepaid rent- Ijarah term		18,177	10,698
Prepaid miscellaneous expenses	15.1	71,004	30,957
		89,181	41,655

15.1 These include prepayments related to insurance and software subscriptions.

16. CASH AND BANK

- Cash in hand		734	71
- Policy stamps		10,191	9,870
		10,925	9,941
Cash at bank			
- Current accounts		206,217	161,024
- Saving accounts	16.1	3,661,138	5,146,032
		3,867,355	5,307,056
		3,878,280	5,316,997

16.1 This carries profit rate ranging from 14.5% to 20.5% (December 31, 2022: 7.25% to 17.5%) per annum.

	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
(Rupees in '000)		
16.2 Cash and cash equivalents		
Cash and cash equivalents includes the following for the purpose of cash flow statement:		
- Cash in hand and policy stamps	10,925	8,343
- Cash at bank	3,867,355	10,683,128
- Term deposits maturing within three months	2,675,000	15,895,000
	6,553,280	26,586,471

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the half year ended June 30, 2023

	Note	June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
		(Rupees in '000)	
17. INSURANCE / TAKAFUL LIABILITIES			
Reported outstanding claims (including claims in payment)	17.1	3,311,539	3,122,497
Incurred but not reported claims	17.2	227,457	190,048
Investment component of unit-linked and account value policies	17.3	64,085,356	58,966,454
Liabilities under individual conventional insurance / takaful contracts	17.4	28,423	18,319
Liabilities under group insurance contracts (other than investment linked)	17.5	108,146	154,855
Other insurance / takaful liabilities	17.6	780,502	812,525
Gross insurance / takaful liabilities		68,541,422	63,264,698
Surplus of Participant Takaful Fund		197,375	143,963
Total Insurance / takaful liabilities		68,738,797	63,408,661
17.1 Reported outstanding claims			
Gross of reinsurance / retakaful			
Payable within one year		3,502,436	3,222,448
Recoverable from reinsurers / retakaful operators		(190,897)	(99,951)
Net reported outstanding claims		3,311,539	3,122,497
17.2 Incurred but not reported claims			
Individual life			
Gross of reinsurance / retakaful		278,548	223,514
Reinsurance / retakaful recoveries		(94,532)	(80,349)
Net of reinsurance / retakaful		184,016	143,165
Group life			
Gross of reinsurance / retakaful		121,422	105,264
Reinsurance / retakaful recoveries		(77,981)	(58,381)
Net of reinsurance / retakaful		43,441	46,883
Net incurred but not reported claims		227,457	190,048
17.3 Investment component of unit linked and account value policies			
Investment component of unit linked policies		62,660,501	57,385,281
Investment component of account value policies		1,424,856	1,581,173
		64,085,357	58,966,454
17.4 Liabilities under individual conventional insurance / takaful contracts			
Gross of reinsurance / retakaful		30,165	20,465
Reinsurance / retakaful credit		(1,742)	(2,146)
Net of reinsurance / retakaful		28,423	18,319
17.5 Liabilities under group insurance / takaful contracts (other than investment linked)			
Gross of reinsurance / retakaful		206,336	304,087
Reinsurance / retakaful credit		(98,190)	(149,232)
Net of reinsurance / retakaful		108,146	154,855

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the half year ended June 30, 2023

	Note	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
(Rupees in '000)			
17.6 Other insurance / takaful liabilities			
Gross of reinsurance / retakaful		905,549	902,851
Reinsurance / retakaful credit		(125,047)	(90,326)
Net of reinsurance / retakaful		780,502	812,525
18. LEASE LIABILITIES	18.1	128,469	159,592
18.1 Lease liabilities - movement			
Opening balances		159,592	229,834
Derecognition during the period / year		-	(7,068)
		159,592	222,766
Interest accretion during the period / year		9,831	28,636
		169,423	251,402
Repaid during the period / year		(40,954)	(91,810)
Closing balances		128,469	159,592
Current portion		75,729	63,337
Non-current portion		52,740	96,255
		128,469	159,592
19. OTHER CREDITORS AND ACCRUALS			
Agents commission payable		318,548	417,374
Payable to related parties		7,811	8,126
Payable against the purchase of investments		60,968	152,701
Accrued expenses	19.1	335,701	308,843
Other tax payable		48,086	38,709
		771,114	925,753
19.1 This includes provision for compensated absences amounting in aggregated to Rs. 70.89 million (December 31, 2022: Rs. 73.42 million).			
20. CONTINGENCIES AND COMMITMENTS			
20.1 CONTINGENCIES			
Sales tax on life insurance premium			
During the period, there has been no major change in the status of contingencies relating to Punjab Sales Tax ("PST") and Sindh Sales Tax ("SST") on life insurance as disclosed in annual financial statements for the year ended December 31, 2022.			
In view of the opinion of the legal advisors, and pending the adjudication of the petitions filed, the Company has neither billed its customers, nor recognised the contingent liability for PST & SST which, calculated on the basis of risk premium and excluding the investment amount allocated to unit linked policies as per the opinion of the legal advisors, aggregated to Rs. 884.605 million (December 31, 2022: Rs. 775.53 million).			
The management contends that should the administrative efforts fail, the amount will be charged to the policyholders.			
		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
(Rupees in '000)			
20.2 COMMITMENTS			
20.2.1 Commitments in respect of Ijarah rentals			
Not later than one year		78,657	80,066
Later than one year and not later than five years		141,307	176,989
		219,964	257,055
Commitments represent Ijarah rentals for vehicles payable in future period.			

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the half year ended June 30, 2023

21. NET PREMIUM / CONTRIBUTION REVENUE

Gross premiums / contributions

Regular premium / contributions individual policies*

	For the half year ended June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)	For the quarter ended June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)
(Rupees in '000)				
- first year	1,343,459	1,615,883	691,444	724,503
- second year renewal	1,246,724	1,316,577	482,436	565,706
- subsequent years renewal	3,489,254	3,182,962	1,473,546	1,319,425
Single premium / contributions individual policies*	4,878,360	3,528,978	2,537,506	1,282,818
Group policies without cash values	327,579	260,381	71,444	52,324
Less: experience refund	(38,249)	(10,194)	-	-
Total gross premiums / contributions	11,247,127	9,894,587	5,256,376	3,944,776

Less: reinsurance premiums / retakaful contributions ceded

On individual life first year business	(23,485)	(30,271)	(11,469)	(15,055)
On individual life second year business	(18,340)	(18,578)	(9,138)	(10,211)
On individual life subsequent renewal business	(80,086)	(89,532)	(38,115)	(45,051)
On individual life single premium business	(3,583)	(3,295)	(1,977)	(2,051)
On group policies	(176,443)	(133,931)	(35,160)	(20,431)
Profit commission on reinsurance	3,270	-	-	-
	(298,667)	(275,607)	(92,589)	(92,799)

Net premiums / contributions

	10,948,460	9,618,980	5,163,787	3,851,977
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* Individual policies are those underwritten on an individual basis.

22. INVESTMENT INCOME

Income from equity securities

Dividend income

Available for sale	801	684	393	576
Fair value through profit or loss	512,376	290,261	324,746	139,703
	513,177	290,945	325,139	140,279

Income from government securities

Available for sale	6,738	8,979	3,369	4,823
Fair value through profit or loss	3,865,691	1,389,240	2,249,221	666,787
	3,872,429	1,398,219	2,252,590	671,610

Income from debt securities - fair value through profit or loss

Return on TFCs and corporate sukuks	369,267	258,895	194,122	143,241
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Income from term deposit receipts - loans and receivables

Return on term deposit receipts	234,894	395,116	133,885	250,708
	4,989,767	2,343,175	2,905,736	1,205,838

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the half year ended June 30, 2023

	For the half year ended		For the quarter ended	
	June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)	June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)
(Rupees in '000)				
23. NET REALISED FAIR VALUE (LOSSES) / GAINS ON FINANCIAL ASSETS				
Available for sale				
Realised losses on government securities	-	(9)	-	(23)
	-	(9)	-	(23)
Fair value through profit or loss				
Realised gains / (losses) on:				
- Equity securities	275,499	73,716	24,695	5,221
- Government securities	(89,126)	(37,762)	(29,186)	(6,877)
- Debt securities	(14,942)	-	-	-
- Mutual funds	68,057	165,041	50,043	136,979
	239,488	200,995	45,552	135,323
	239,488	200,986	45,552	135,300
24. NET FAIR VALUE (LOSSES) / GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNREALISED				
Net unrealised (losses) / gains on:				
- Equity securities	(83,503)	(1,218,233)	176,090	(966,702)
- Government securities	(285,166)	(51,390)	(71,303)	1,321
- Debt securities	(34,593)	1,733	(6,323)	(53,541)
- Mutual Funds	114,717	(722,246)	(4,813)	(722,185)
Total losses	(288,545)	(1,990,136)	93,651	(1,741,107)
Less: Investment related expenses	(55,891)	(57,783)	(24,637)	(38,406)
	(344,436)	(2,047,919)	69,014	(1,779,513)
25. OTHER INCOME				
Return on bank balances	455,281	389,142	246,209	234,645
Mark-up on policy loans	2,401	1,925	1,166	1,034
Loss on disposal of fixed assets	(219)	-	(66)	-
	457,463	391,067	247,309	235,679

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the half year ended June 30, 2023

	For the half year ended		For the quarter ended	
	June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)	June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)
(Rupees in '000)				
26. CHANGE IN UNREALISED GAINS ON AVAILABLE-FOR-SALE FINANCIAL ASSETS				
- Equity securities	1,097	(4,481)	625	(3,746)
- Government securities	-	(834)	-	(374)
	1,097	(5,315)	625	(4,120)
27. NET INSURANCE / TAKAFUL BENEFITS				
Gross claims				
Claims under individual policies				
- by death	(362,461)	(354,390)	(147,779)	(128,596)
- by insured event other than death	(2,129)	(4,205)	(1,912)	(4,113)
- by maturity	(3,351,788)	(1,721,266)	(1,897,046)	(1,022,391)
- by surrender	(4,830,068)	(3,765,164)	(2,317,799)	(1,789,574)
Total gross individual policy claims	(8,546,446)	(5,845,025)	(4,364,536)	(2,944,674)
Claims under group policies				
- by death	(310,804)	(191,358)	(182,485)	(90,251)
- by insured event other than death	(5,049)	(6,700)	(686)	(1,290)
Total gross group policy claims	(315,853)	(198,058)	(183,171)	(91,541)
Total gross claims	(8,862,299)	(6,043,083)	(4,547,707)	(3,036,215)
Less: Reinsurance / retakaful recoveries				
- on individual life claims	88,542	110,747	34,949	23,995
- on group life claims	212,856	103,053	130,629	46,344
	301,398	213,800	165,578	70,339
Net insurance / takaful benefit expense	(8,560,901)	(5,829,283)	(4,382,129)	(2,965,876)

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the half year ended June 30, 2023

		For the half year ended		For the quarter ended	
		June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)	June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)
Note		(Rupees in '000)			
28. ACQUISITION EXPENSES					
Remuneration to insurance / takaful intermediaries on individual policies / contracts:					
- Commission on first year premiums / contributions		(475,990)	(644,379)	(246,881)	(288,891)
- Commission on second year premiums / contributions		(74,454)	(69,592)	(29,006)	(24,636)
- Commission on subsequent years renewal premiums / contributions		(76,665)	(68,478)	(32,510)	(24,812)
- Commission on single premiums / contributions		(138,840)	(100,216)	(72,135)	(35,588)
- Other benefits to insurance / takaful intermediaries		(144,293)	(192,875)	(84,929)	(102,618)
		(910,242)	(1,075,540)	(465,461)	(476,545)
Remuneration to insurance / takaful intermediaries on group policies:					
- Commission		(8,678)	(9,126)	(1,455)	(2,182)
- Other benefits to insurance / takaful intermediaries		(2,066)	(1,981)	(345)	(1,217)
		(10,744)	(11,107)	(1,800)	(3,399)
Other acquisition costs					
- Employee benefit cost		28.1 (207,604)	(218,374)	(97,290)	(81,669)
- Traveling expenses		(2,031)	(3,834)	(1,051)	(2,235)
- Information technology expense		(2,323)	(1,283)	(1,752)	(722)
- Printing and stationery		(918)	(2,093)	(520)	(1,188)
- Depreciation		(13,667)	(13,084)	(6,627)	(6,812)
- Depreciation - Right of use asset		(6,723)	(8,460)	(3,361)	(4,230)
- Rent, rates and taxes		(23,412)	(23,732)	(11,287)	(11,438)
- Insurance cost		(1,343)	(1,342)	(700)	(171)
- Car fuel and maintenance		(20,607)	(12,925)	(11,755)	(6,171)
- Postage		(3,681)	(2,868)	(1,682)	(1,588)
- Electricity, gas and water		(8,594)	(7,268)	(4,869)	(4,579)
- Office repairs and maintenance		(25,332)	(23,023)	(14,820)	(8,887)
- Entertainment		(6,726)	(4,968)	(2,329)	(2,418)
- Training and development		(1,055)	(1,150)	(300)	(284)
- Marketing cost		(953)	(21,845)	4,469	(11,150)
- Financial charges		(2,677)	(3,840)	(1,275)	(1,871)
- Write off against property and equipment		(4,517)	-	(106)	-
- Legal and professional charges		(1,283)	(151)	(886)	(61)
- Stamp duty		(29,980)	(27,239)	(18,080)	(10,054)
- Medical examination fee		(1,068)	(1,014)	1,306	(611)
		(364,494)	(378,493)	(172,915)	(156,139)
		(1,285,480)	(1,465,140)	(640,176)	(636,083)

28.1 Employee benefit cost includes charges for post employment benefit of Rs. 7.803 million (June 30, 2022: Rs.7.35 million).

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the half year ended June 30, 2023

		For the half year ended		For the quarter ended	
		June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)	June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)
Note		(Rupees in '000)			
29. MARKETING AND ADMINISTRATION EXPENSES					
Employee benefit cost	29.1 & 29.2	(384,880)	(319,867)	(189,728)	(162,743)
Travelling expenses		(4,854)	(6,203)	(3,103)	(4,488)
Advertisements and sales promotion		(36,967)	(9,219)	(16,764)	(5,877)
Printing and stationery		(7,695)	(10,155)	(3,802)	(3,954)
Depreciation		(18,217)	(9,406)	(9,340)	(5,454)
Depreciation - Right of use asset		(20,471)	(21,612)	(10,234)	(10,806)
Amortisation		(6,929)	(6,786)	(3,282)	(3,379)
Rent, rates and taxes		(6,721)	(6,707)	(3,217)	(3,409)
Legal and professional charges		(49,808)	(22,504)	(24,124)	(3,270)
Electricity, gas and water		(11,904)	(6,468)	(9,203)	(3,525)
Entertainment		(4,087)	(4,298)	(2,497)	(1,540)
Vehicle running expenses		(42,468)	(33,082)	(17,925)	(17,308)
Office repairs and maintenance		(19,852)	(15,071)	(10,882)	(8,144)
Appointed actuary fees		(8,468)	(4,281)	(4,920)	(3,053)
Postages, telegrams and telephone		(19,197)	(13,494)	(9,492)	(6,825)
Bank charges		(5,490)	(5,697)	(4,275)	(3,641)
Directors' Fee		(761)	(290)	(601)	(139)
Insurance expenses		(1,555)	(2,870)	(657)	(506)
Annual supervision fee		(16,586)	(13,718)	(8,293)	(6,859)
Information technology expenses		(53,695)	(33,994)	(38,257)	(14,424)
Training and development		(8,379)	(1,908)	(6,312)	(571)
Write off against property and equipment		(490)	-	(490)	-
Miscellaneous		(49)	2,703	(6)	(443)
		(729,523)	(544,927)	(377,404)	(270,358)
29.1 Employee benefit cost					
Salaries, allowances and other benefits		369,834	306,156	182,205	155,888
Charges for post employment benefit		15,046	13,711	7,523	6,856
		384,880	319,867	189,728	162,743

29.2 Total number of employees as at June 30, 2023 are 1,700 (June 30, 2022: 1,916) which includes permanent and contractual employees. Average number of employees during period ended June 30, 2023 were 1,721 (June 30, 2022: 1,986).

		For the half year ended		For the quarter ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	Note	(Rupees in '000)			
30. OTHER EXPENSES					
Auditor's remuneration		(3,965)	(2,734)	(2,959)	(1,454)
Fee and subscription		(2,737)	(1,025)	(1,656)	(265)
Donations	30.1	(319)	(509)	(90)	-
		(7,021)	(4,268)	(4,705)	(1,719)

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the half year ended June 30, 2023

30.1 Donations

There was no interest of any of the directors / sponsors of the Company in the donee's during the year.

		For the half year ended		For the quarter ended	
		June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)	June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)
	Note	(Rupees in '000)			
31. FINANCE COSTS					
Markup on borrowings - net of government grant		-	(757)	-	-
Interest expense on lease liabilities		(7,154)	(9,545)	(3,380)	(5,231)
		(7,154)	(10,302)	(3,380)	(5,231)
32. INCOME TAX EXPENSE					
For the period					
- Current		(68,683)	(29,376)	(40,303)	(20,647)
- Prior		-	(1,769)	-	(1,769)
- Deferred		(146,435)	(74,288)	(99,869)	(54,316)
		(215,118)	(105,433)	(140,172)	(76,732)
33. EARNINGS PER SHARE					
Profit after tax for the period		421,842	165,578	291,344	98,000
(Number of shares in '000)					
Weighted average number of ordinary share outstanding as at period end		250,000	250,000	250,000	250,000
(Rupees)					
Basic earnings per share	33.1	1.69	0.66	1.17	0.39

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

34. 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 condensed interim financial statements are given below:

	For the half year ended	
	June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)
(Rupees in '000)		
Transactions during the period		
Holding company		
Premium written	2,637	2,669
Insurance expense	15,528	15,706
Premises rental	29,682	24,224
Rental income	1,488	1,518

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the half year ended June 30, 2023

	June 30, 2023	December 31, 2022
	(Un-audited)	(Audited)
	(Rupees in '000)	
Associated undertakings		
Premium / contribution written	51,275	39,440
Claims expense	9,018	116,480
Commission and other incentives in respect of bancassurance	611,671	668,804
Profit on bank deposits	228,977	121,902
Bank charges	5,362	3,004
Investments purchased	4,097,625	20,402,318
Investments sold	4,740,639	17,460,029
Dividend income	63,816	66,211
Other expenses	8,100	-
Other related parties		
Premium / contribution written	17,760	7,711
Claims expense	9,818	-
Investment advisor fee	24,449	19,050
Trustee fee	4,863	4,590
Directors		
Fee	761	290
Key management personnel		
Remuneration	109,056	86,301
Advances given to key management personnels	5,000	1,000
Recoveries against advances to key management personnels	2,557	308
Staff retirement benefit plan (gratuity fund)		
Charge for the period	22,850	21,061

	June 30, 2023	December 31, 2022
	(Un-audited)	(Un-audited)
	(Rupees in '000)	
Balances outstanding as at the end of the period		
Holding company		
Claims and other payable	-	3,000
Insurance claims receivable	4	6
Other (payable) / receivable	500	-
Associated undertakings		
Premium / contribution due but unpaid	6,119	14,106
Bank deposits	1,981,286	1,851,156
Investments held	6,852,833	7,348,266
Dividend receivables	199	26,788
Accrued income	116,751	41,548
Commission payable	244,750	334,192
Claims payable	8,834	-
Other related parties		
Premium / contribution due but unpaid	8,992	5,278
Remuneration payable for the management of discretionary investment portfolio	6,528	6,934
Remuneration payable to trustee	1,282	1,192
Claims payable	22,478	-
Key management personnel		
Short term loans (as per policy)	5,508	3,732
Staff retirement benefit plan (gratuity fund)		
Receivable / (payable) to gratuity fund	299	(4,866)

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the half year ended June 30, 2023

35. SEGMENTAL INFORMATION**35.1 Revenue account by statutory fund
For the half year ended June 30, 2023**

	Statutory Funds						Total
	Conventional Business	Accident and Health Business	Non-unitised Investment Link Business	Unit Linked Business	Individual Family Takaful Unit Linked Business	Group Family Takaful Business	
	(Rupees in '000)						
Income							
Premiums / contributions less reinsurances / re-takaful	79,348	1,156	33,820	9,062,120	1,733,743	38,273	10,948,460
Rental income from investment property	-	-	-	1,488	-	-	1,488
Net investment income	46,677	-	171,023	4,315,337	663,483	13,487	5,210,007
Total net income	126,025	1,156	204,843	13,378,945	2,397,226	51,760	16,159,955
Insurance / takaful benefits and expenditures							
Insurance benefits including bonus net of reinsurance / retakaful	(75,076)	-	(321,450)	(7,445,784)	(693,164)	(29,249)	(8,564,723)
Management expenses less recoveries	(37,057)	(493)	(2,217)	(1,472,716)	(473,613)	(6,009)	(1,992,105)
Total insurance / takaful benefits and expenditures	(112,133)	(493)	(323,667)	(8,918,500)	(1,166,777)	(35,258)	(10,556,828)
Excess / (deficit) of income over insurance / takaful benefits and expenditures	13,892	663	(118,824)	4,460,445	1,230,449	16,502	5,603,127
Net change in insurance / takaful liabilities (other than outstanding claims)	31,992	(499)	157,344	(4,170,149)	(1,140,634)	(19,148)	(5,141,094)
Surplus / (deficit) before tax	45,884	164	38,520	290,296	89,815	(2,646)	462,033
Movement in policyholders' liabilities	(31,992)	499	(157,344)	4,170,149	1,140,634	19,148	5,141,094
Balance of statutory funds at beginning of the period	363,539	1,322	1,713,066	50,969,588	8,652,137	110,574	61,810,226
Balance of statutory funds at end of the period	377,431	1,985	1,594,242	55,430,033	9,882,586	127,076	67,413,353
Represented by:							
Capital contribution by shareholders fund	327,515	1,510	-	-	-	35,630	364,655
Qard-e-Hasna from Window Takaful Operator to PTF	-	-	-	-	(22,500)	-	(22,500)
Qard-e-Hasna received by PTF	-	-	-	-	22,500	-	22,500
Policyholders' liabilities	152,552	862	1,467,141	54,193,230	9,388,642	27,456	65,229,883
Retained earning / deficit on other than participating business	(102,636)	(387)	127,101	1,236,803	493,944	63,990	1,818,815
Balance of statutory funds	377,431	1,985	1,594,242	55,430,033	9,882,586	127,076	67,413,353

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the half year ended June 30, 2023

35.2 Revenue account by statutory fund For the half year ended June 30, 2022

	Statutory Funds						
	Conventional Business	Accident and Health Business	Non-united Investment Link Business	Unit Linked Business	Individual Family Takaful Unit Linked Business	Group Life Family Takaful Business	Total
	(Rupees in '000)						
Income							
Premiums / contribution less reinsurances / re-takaful	84,372	242	41,301	7,535,280	1,924,728	33,057	9,618,980
Rental income from investment property	-	-	-	1,518	-	-	1,518
Net investment income	13,648	-	128,879	544,407	92,611	2,123	781,668
Total net income	98,020	242	170,180	8,081,205	2,017,339	35,180	10,402,166
Insurance benefits and expenditures							
Insurance benefits including bonus net of reinsurance / retakaful	(77,371)	-	(458,922)	(4,682,312)	(594,457)	(20,328)	(5,833,390)
Management expenses less recoveries	(30,136)	(109)	(1,951)	(1,353,939)	(614,474)	(4,812)	(2,005,421)
Total insurance / takaful benefits and expenditures	(107,507)	(109)	(460,873)	(6,036,251)	(1,208,931)	(25,140)	(7,838,811)
Excess / (deficit) of income over insurance / takaful benefits and expenditures	(9,487)	133	(290,693)	2,044,954	808,408	10,040	2,563,355
Net change in insurance / takaful liabilities (other than outstanding claims)	10,556	(11)	321,063	(1,947,491)	(752,650)	(10,236)	(2,378,769)
Surplus / (deficit) before tax	1,069	122	30,370	97,463	55,758	(196)	184,586
Movement in policyholders' liabilities	(10,556)	11	(321,063)	1,947,491	752,650	10,236	2,378,769
Balance of statutory funds at beginning of the period	270,964	977	2,211,225	47,392,197	6,774,571	28,021	56,677,955
Balance of statutory funds at end of the period	261,477	1,110	1,920,532	49,437,151	7,582,979	38,061	59,241,310
Represented by:							
Capital contribution by shareholders fund	327,514	1,511	-	-	159,501	10,000	498,526
Qard-e-Hasna from Window Takaful Operator to PTF	-	-	-	-	(22,500)	-	(22,500)
Qard-e-Hasna received by PTF	-	-	-	-	22,500	-	22,500
Policyholders' liabilities	129,193	269	1,718,003	48,573,594	7,208,640	19,317	57,649,016
Retained earning / deficit on other than participating business	(195,230)	(670)	202,529	863,557	214,838	8,744	1,093,768
Balance of statutory funds	261,477	1,110	1,920,532	49,437,151	7,582,979	38,061	59,241,310

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the half year ended June 30, 2023

35.3 Segmental statement of financial position

	As at June 30, 2023 (Un-audited)		
	Statutory Funds	Shareholders' Fund	Total
	(Rupees in '000)		
Property and equipment	-	200,198	200,198
Intangible assets	-	32,789	32,789
Right of use asset	-	97,225	97,225
Investment property	1,023,394	-	1,023,394
Investments			
Equity securities	6,889,264	11,997	6,901,261
Government securities	45,229,432	2,327,223	47,556,655
Debt securities	3,787,435	-	3,787,435
Term deposits	3,676,000	-	3,676,000
Mutual funds	4,768,754	540,785	5,309,539
Loan secured against life insurance / takaful policies	38,557	-	38,557
(Insurance / takaful) / (reinsurance / retakaful) receivables	122,346	-	122,346
Deferred tax asset	-	12,526	12,526
Other loans and receivables	1,138,856	(32,103)	1,106,753
Taxation - payment less provision	1,056,221	-	1,056,221
Prepayments	7,019	82,162	89,181
Cash and bank	3,837,820	40,460	3,878,280
Total assets	71,575,098	3,313,262	74,888,360
Insurance / takaful liabilities	68,738,797	-	68,738,797
Retirement benefit obligations	-	-	-
Taxation - payment less provision	-	167,967	167,967
Deferred tax liability	535,944	-	535,944
Lease liabilities	-	128,469	128,469
Premium / contribution received in advance	316,004	-	316,004
(Insurance / takaful) / (reinsurance / retakaful) payables	59,176	-	59,176
Other creditors and accruals	353,048	418,066	771,114
Total liabilities	70,002,969	714,502	70,717,471

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the half year ended June 30, 2023

	As at December 31, 2022 (Audited)		
	Statutory Funds	Shareholders' Fund	Total
	(Rupees in '000)		
Property and equipment	-	215,532	215,532
Intangible assets	-	26,579	26,579
Right of use asset	-	124,420	124,420
Investment property	943,669	-	943,669
Investments			
Equity securities	8,280,594	11,575	8,292,169
Government securities	36,395,920	1,534,318	37,930,238
Debt securities	4,254,845	-	4,254,845
Term deposits	2,276,000	-	2,276,000
Mutual funds	7,413,610	603,692	8,017,302
Loan secured against life insurance / takaful policies	42,163	-	42,163
(Insurance / takaful) / (reinsurance / retakaful) receivables	62,456	-	62,456
Deferred tax asset	-	6,811	6,811
Other loans and receivables	672,848	105,475	778,323
Taxation - payment less provision	966,224	-	966,224
Prepayments	3,337	38,318	41,655
Cash and bank	4,804,286	512,711	5,316,997
Total assets	66,115,952	3,179,431	69,295,383
Insurance / takaful liabilities	63,408,661	-	63,408,661
Retirement benefit obligations	-	4,866	4,866
Taxation - payment less provision	-	122,518	122,518
Deferred tax liability	383,455	-	383,455
Lease liabilities	-	159,592	159,592
Premium / contribution received in advance	367,165	-	367,165
(Insurance / takaful) / (reinsurance / retakaful) payables	175,083	-	175,083
Other creditors and accruals	640,379	285,374	925,753
Total liabilities	64,974,743	572,350	65,547,093

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the half year ended June 30, 2023

36. FAIR VALUE MEASUREMENT

The table below analyses assets 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).

37. SUBSEQUENT EVENTS - NON-ADJUSTING

As at June 30, 2023 (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)	-	47,556,655	-	-	47,556,655	10,380,121	37,176,534	-	47,556,655
Equity securities	13,487	6,887,774	-	-	6,901,261	6,901,261	-	-	6,901,261
Mutual funds	-	5,309,539	-	-	5,309,539	5,309,539	-	-	5,309,539
Debt securities (listed TFCs / corporate sukus)	-	3,687,435	-	-	3,687,435	3,687,435	-	-	3,687,435
	13,487	63,441,403	-	-	63,454,890	26,278,356	37,176,534	-	63,454,890
Non-financial assets measured at fair value									
- Investment property	-	1,023,394	-	-	1,023,394	-	-	1,023,394	1,023,394
	-	1,023,394	-	-	1,023,394	-	-	1,023,394	1,023,394
Financial assets not measured at fair value									
- Balances with banks	-	-	3,867,355	-	3,867,355				
- Term deposit receipts	-	-	3,676,000	-	3,676,000				
- Investment in debt securities	-	100,000	-	-	100,000				
- Other financial assets	-	-	1,250,783	-	1,250,783				
	-	100,000	8,794,138	-	8,894,138				
Financial liabilities not measured at fair value									
- Other financial liabilities	-	-	-	830,290	830,290				
	-	-	-	830,290	830,290				
	13,487	64,564,797	8,794,138	830,290	74,202,712				

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the half year ended June 30, 2023

As at December 31, 2022 (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)

- 37,930,238 - - 37,930,238 11,346,628 26,583,610 - 37,930,238

Equity securities

12,390 8,279,779 - - 8,292,169 8,292,169 - - 8,292,169

Mutual funds

- 8,017,302 - - 8,017,302 8,017,302 - - 8,017,302

Debt securities (listed TFCs / corporate sukuks)

- 3,782,845 - - 3,782,845 3,782,845 - - 3,782,845

12,390 58,010,164 - - 58,022,554 20,092,316 37,930,238 - 58,022,554

Non-financial assets measured at fair value

- Investment property

- 943,669 - - 943,669 - - 943,669 943,669

- 943,669 - - 943,669 - - 943,669 943,669

Financial assets not measured at fair value

- Balances with banks

- - 5,307,056 - 5,307,056

- Term deposit receipts

- - 2,276,000 - 2,276,000

- Investment in debt securities

- 472,000 - - 472,000

- Other financial assets

- - 838,962 - 838,962

- 472,000 8,422,018 - 8,894,018

Financial liabilities not measured at fair value

- Other Financial liabilities

- - - 1,062,127 1,062,127


- - - 1,062,127 1,062,127

12,390 59,425,833 8,422,018 1,062,127 68,922,368

The Board of Director in their meeting held on August 22, 2023 recommended interim cash dividend of Re 1.00 per share for the six months ended June 30, 2023, amounting to Rs. 250 million. The condensed interim financial statements does not recognize this appropriation which will be accounted for in the financial statements for the quarter ending September 30, 2023.

38. GENERAL

- Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison.
- These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on August 22, 2023.


S. Muhammad Jawed
Chairman


Muhammad Ali Zeb
Director


Shahmeer Khalid
Director


Manzur Mushtaq
Chief Executive Officer


Jalal Meghani
Chief Financial Officer

Window Takaful Operations



INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS OF ADAMJEE LIFE ASSURANCE COMPANY LIMITED

Introduction

We have reviewed the accompanying statement of condensed interim financial position of Adamjee Life Assurance Company Limited- Window Takaful Operations (the WTO Operations) as of June 30, 2023 and the related condensed interim statement of profit and loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the period then ended, and notes to and forming the part of the condensed interim financial statements (here-in-after referred to as the 'interim financial statements') Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for Window Takaful Operations. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

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

Emphasis of Matter

We draw attention to note 12 to the condensed interim financial statements where it is disclosed that the Company has challenged the scope and applicability of Sindh Sales Tax and Punjab Sales Tax on life insurance services.

Our conclusion is not modified in this respect.

Conclusion

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

Other matter

The figures for the quarter ended June 30, 2023 and June 30, 2022 in these condensed interim statement of profit or loss and other comprehensive income have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended June 30, 2023.

This review engagement was conducted on specific request of management.

The engagement partner on the review resulting in this independent auditor's review report is **Hena Sadiq**.

Chartered Accountants

Place: Karachi

Dated: August 23, 2023

UDIN: RR202310057fMvd18sat



Adamjee Life Assurance Company Limited

Condensed Interim Statement of Financial Position

Window Takaful Operations (Un-audited)

As at June 30, 2023

		Aggregate			
		Operator's Sub Fund	Statutory Fund	June 30, 2023	December 31, 2022
	Note	(Rupees in '000)			
Assets					
Investments					
Equity securities	5	-	936,204	936,204	1,000,449
Government securities	6	84,369	2,108,315	2,192,684	1,491,436
Debt securities	7	-	261,628	261,628	429,040
Term deposits	8	-	3,575,000	3,575,000	2,175,000
Mutual funds	9	329,114	570,142	899,256	1,031,554
Takaful / retakaful receivables		-	5,368	5,368	2,373
Contribution due but unpaid		-	9,542	9,542	1,963
Other loans and receivables		14,231	335,604	349,835	165,105
Secured loans to employees		2,724	-	2,724	2,529
Interfund receivable		55,070	-	55,070	1,256
Taxation - payments less provision		11,222	167,585	178,807	153,225
Prepayments		7,019	-	7,019	3,337
Cash and bank	10	112,000	2,018,079	2,130,079	2,753,762
Total assets		615,749	9,987,467	10,603,216	9,211,029
Equity and Liabilities					
Capital contributed from Shareholders' Fund		35,630	-	35,630	35,630
Qard-e-Hasna contributed by window takaful operator		(48,130)	48,130	-	-
Money ceded to waqf fund		-	500	500	500
Ledger account D		240,723	-	240,723	182,337
Total equity		228,223	48,630	276,853	218,467
Liabilities					
Takaful liabilities	11	58,485	9,773,663	9,832,148	8,643,376
Deferred taxation		119,436	-	119,436	90,653
Contribution received in advance		-	74,828	74,828	91,714
Takaful / retakaful payables		-	32,316	32,316	19,314
Interfund payable		-	55,070	55,070	1,256
Other creditors and accruals		209,605	2,960	212,565	146,249
Total liabilities		387,526	9,938,837	10,326,363	8,992,562
Contingencies and commitments					
Total equity and liabilities	12	615,749	9,987,467	10,603,216	9,211,029

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

S. Muhammad Jawed
Chairman

Muhammad Ali Zeb
Director

Shahmeer Khalid
Director

Manzar Mushtaq
Chief Executive Officer

Jalal Meghani
Chief Financial Officer

Adamjee Life Assurance Company Limited


Condensed Interim Statement of Profit and Loss

Window Takaful Operations (Un-audited)

For the half year and quarter ended June 30, 2023

		Operator's Sub Fund	Statutory Fund	For the half year ended		For the quarter ended	
				June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Note		(Rupees in '000)					
Contribution revenue		404,826	1,425,111	1,829,937	2,001,220	763,291	726,462
Contribution ceded to retakaful		-	(57,921)	(57,921)	(43,435)	(38,162)	(19,089)
Net contribution revenue	13	404,826	1,367,190	1,772,016	1,957,785	725,129	707,373
Takaful operator's fee		144,742	(144,742)	-	-	-	-
Investment income	14	35,448	428,252	463,700	298,984	274,594	170,674
Net realised fair value gain/(loss) on financial assets	15	-	43,783	43,783	(36)	15,149	(8,811)
Net fair value gain / (loss) on financial assets at fair value through profit or loss - unrealised	16	(13,062)	(27,857)	(40,919)	(209,147)	11,800	(182,637)
Other income	17	16,724	215,141	231,865	27,946	130,266	9,674
Net income		588,678	1,881,767	2,470,445	2,075,532	1,156,938	696,273
Takaful benefits	18	(249)	(768,674)	(768,923)	(640,969)	(353,186)	(312,149)
Recoveries from retakaful	18	-	47,915	47,915	27,592	17,357	(10,200)
Claims related expenses		-	(1,405)	(1,405)	(1,408)	(660)	(1,084)
Net takaful benefits		(249)	(722,164)	(722,413)	(614,785)	(336,489)	(323,433)
Net change in takaful liabilities (other than outstanding claims)		(1,636)	(1,158,046)	(1,159,682)	(762,886)	(543,306)	(98,916)
Acquisition expenses	19	(346,660)	-	(346,660)	(506,361)	(181,873)	(178,151)
Marketing and administration expenses	20	(131,354)	-	(131,354)	(114,035)	(63,437)	(63,069)
Other expenses		(21,610)	(1,557)	(23,167)	(25,387)	(14,889)	(8,296)
		(501,260)	(1,159,603)	(1,660,863)	(1,408,669)	(803,505)	(348,432)
Total expenses		(501,509)	(1,881,767)	(2,383,276)	(2,023,454)	(1,139,994)	(671,865)
Profit before tax		87,169	-	87,169	52,078	16,944	24,408
Income tax expense		(28,783)	-	(28,783)	-	(5,558)	-
Profit after tax for the period		58,386	-	58,386	52,078	11,386	24,408

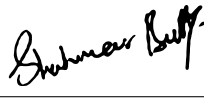
The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.



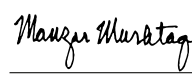
S. Muhammad Jawed
Chairman



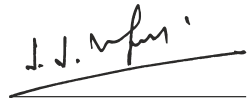
Muhammad Ali Zeb
Director



Shahmeer Khalid
Director



Manzur Mushtaq
Chief Executive Officer



Jalal Meghani
Chief Financial Officer

Adamjee Life Assurance Company Limited

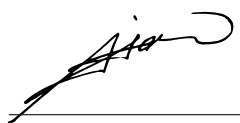
Condensed Interim Statement of Comprehensive Income

Window Takaful Operations (Un-audited)

For the half year and quarter ended June 30, 2023

	For the half year ended		For the quarter ended	
	June 30,	June 30,	June 30,	June 30,
	2023	2022	2023	2022
	(Rupees in '000)			
Profit after tax for the period - as per statement of profit or loss	58,386	52,078	11,386	24,408
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	58,386	52,078	11,386	24,408

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

S. Muhammad Jawed
ChairmanMuhammad Ali Zeb
DirectorShahmeer Khalid
DirectorManzar Mushtaq
Chief Executive OfficerJalal Meghani
Chief Financial Officer

Adamjee Life Assurance Company Limited

Condensed Interim Statement of Changes in Equity


Window Takaful Operations (Un-audited)

For the half year ended June 30, 2023

	Capital contributed from Shareholders' Fund	Money ceded to waqf fund	Ledger account D *	Total
	(Rupees in '000)			
Balance as at January 01, 2022	169,501	500	129,632	289,633
Total comprehensive income for the period ended June 30, 2022				
- Profit for the period after tax	-	-	52,078	52,078
- Other comprehensive income	-	-	-	-
	-	-	52,078	52,078
Balance as at June 30, 2022	169,501	500	181,710	341,711
Balance as at January 01, 2023	35,630	500	182,337	218,467
Total comprehensive income for the period ended June 30, 2023				
- Profit for the period after tax	-	-	58,386	58,386
- Other comprehensive income	-	-	-	-
	-	-	58,386	58,386
Balance as at June 30, 2023	35,630	500	240,723	276,853

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


S. Muhammad Jawed
Chairman


Muhammad Ali Zeb
Director


Shahmeer Khalid
Director


Manzar Mushtaq
Chief Executive Officer


Jalal Meghani
Chief Financial Officer



Adamjee Life Assurance Company Limited

Condensed Interim Statement of Cash Flows

Window Takaful Operations (Un-audited)

For the half year ended June 30, 2023

	Note	June 30, 2023	June 30, 2022
		(Rupees in '000)	
Operating Cash Flows			
(a) Takaful activities			
Takaful contribution received		1,805,472	1,945,686
Retakaful contribution paid		1	(53,026)
Claims paid		(741,338)	(632,147)
Hadia paid		(235,326)	(416,830)
Marketing and administrative expenses paid		(192,175)	(274,377)
Net cash flow generated from takaful activities		636,634	569,306
(b) Other operating activities			
Income tax paid		(25,325)	(46,865)
Total cash flow generated from all operating activities		611,309	522,441
Investment activities			
Profit / return received		453,776	237,316
Dividend received		55,144	17,801
Payment for investments		(3,531,715)	(2,730,384)
Proceeds from disposal of investments		3,187,171	2,469,301
Total cash flow generated from / (used) in investing activities		165,008	(5,965)
Net cash inflows from all activities		776,317	516,476
Cash and cash equivalent at the beginning of the period		3,978,762	3,748,879
Cash and cash equivalent at the end of the period	10.2	4,755,079	4,265,355
Reconciliation to statement of profit or loss			
Cash flow from all operating activities		611,309	522,441
Depreciation and amortisation expense		(9,252)	(9,709)
Financial charge expense		(1,568)	(2,575)
Write offs		(4,517)	-
Profit on disposal of investment		43,783	110,579
Dividend income		57,870	19,204
Other investment income		637,695	170,025
Increase in assets other than cash		43,972	119,742
Increase in liabilities other than borrowings		(1,279,987)	(672,555)
Deficit on revaluation of investment		(40,919)	(205,074)
Profit after taxation for the period		58,386	52,078

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.

S. Muhammad Jawed
Chairman

Muhammad Ali Zeb
Director

Shahmeer Khalid
Director

Manzar Mushtaq
Chief Executive Officer

Jalal Meghani
Chief Financial Officer

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

Window Takaful Operations (Un-audited)

For the half year ended June 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Adamjee Life Assurance Company Limited ("the Operator") was incorporated in Pakistan on August 04, 2008 as a public unlisted company under the Companies Act, 2017 (Previously Companies Ordinance, 1984). The Operator was converted to a public limited company on March 4, 2022 and registered itself on Pakistan Stock Exchange. The Operator started its operations from April 24, 2009. Registered office of the Operator 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 Operator is a subsidiary of Adamjee Insurance Company Limited.

The Operator 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 Operator 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 Operator 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 Operator.

The Operator 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 Operator 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;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012.

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

These condensed interim financial statements does not include all the information required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2022.

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

Window Takaful Operations (Un-audited)

For the half year ended June 30, 2023

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

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim financial statement are same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2022.

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Operator for the year ended December 31, 2022. 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 Operator'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, 2022.

4. AMENDMENTS TO ACCOUNTING STANDARDS THAT BECAME EFFECTIVE FOR THE PERIOD ENDED JUNE 30, 2023

There are certain new amendments that are mandatory for the Operator's accounting periods beginning on or after January 1, 2023 but are considered not to be relevant or do not have any significant effect on the Operator's operations and therefore not detailed in these condensed interim financial statements.

4.1 Temporary exemption from application of IFRS 9

As an takaful operator, the management has opted temporary exemptions from the applications of IFRS 9 as allowed by International Accounting Standard Board (IASB) for entities whose activities are predominantly connected with takaful line of business

	Note	June 30, 2023	December 31, 2022
		(Rupees in '000)	
5. INVESTMENT IN EQUITY SECURITIES			
Fair value through profit or loss (held for trading)	5.1	936,204	1,000,449

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

	As at June 30, 2023			As at December 31, 2022		
	Carrying value	Provision / Impairment	Market value	Carrying value	Provision / Impairment	Market value
	(Rupees in '000)					
Related party	52,370	-	53,234	50,531	-	32,889
Others	894,776	-	882,970	1,088,777	-	967,560
	947,146	-	936,204	1,139,308	-	1,000,449

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

Window Takaful Operations (Un-audited)

For the half year ended June 30, 2023

	Note	June 30, 2023	December 31, 2022
(Rupees in '000)			
6. INVESTMENT IN GOVERNMENT SECURITIES			
Fair value through profit or loss (held for trading)	6.1	2,192,684	1,491,436

6.1 Fair value through profit or loss (held for trading)

As at June 30, 2023						
Term	Maturity Year	Effective Yield (%)	Amortised Cost	Principal Repayment	Market value	
(Rupees in '000)						
GOP Ijara Sukuk 1 Year - Fixed	1 year	2024	20.91%	425,000	425,000	425,468
GOP Ijara Sukuk 5 Years - Fixed	5 years	2025	16.76%	85,078	100,000	85,699
GOP Ijara Sukuk 5 Years - Fixed	5 years	2026	15.18%	400,640	420,000	378,336
GOP Ijara Sukuk 5 Years - VRR	5 years	2025	17.98% - 23.11%	622,757	630,000	621,747
GOP Ijara Sukuk 5 Years - VRR	5 years	2026	22.04% - 22.11%	450,488	450,000	446,847
GOP Ijara Sukuk 5 Years - VRR	5 years	2027	21.99% - 22.14%	234,089	235,000	234,588
As at June 30, 2023			2,218,052	2,260,000	2,192,684	
As at December 31, 2022			1,530,908	1,535,000	1,491,436	

	Note	June 30, 2023	December 31, 2022
(Rupees in '000)			
7. INVESTMENT IN DEBT SECURITIES			
At fair value through profit or loss (held for trading)	7.1	261,628	429,040

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

As at June 30, 2023			As at December 31, 2022		
Carrying value	Provision / Impairment	Market value	Carrying value	Provision / Impairment	Market value
(Rupees in '000)					
Advances against purchase	-	-	227,000	-	227,000
purchase of corporate sukuks	-	-	203,125	-	202,040
Corporate sukuks	-	-	430,125	-	429,040
263,424	-	261,628			

	Note	June 30, 2023	December 31, 2022
(Rupees in '000)			
8. INVESTMENT IN TERM DEPOSITS			
Deposits maturing within 12 months	8.1	3,575,000	2,175,000

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

Window Takaful Operations (Un-audited)

For the half year ended June 30, 2023

- 8.1** This represents term deposits with banks which carry interest rate ranging between 15.15% to 20% per annum (December 31, 2022: 14.75% to 16% per annum) and maturing between July 2023 to September 2023. This includes term deposits of Rs. 950 million (December 31, 2022: Rs. 950 million) maintained with MCB Islamic Bank (related party).

	Note	June 30, 2023	December 31, 2022
(Rupees in '000)			
9. INVESTMENT IN MUTUAL FUND			
Fair value through profit or loss (held for trading)	9.1	899,256	1,031,554

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

	As at June 30, 2023			As at December 31, 2022		
	Carrying value	Provision / Impairment	Market value	Carrying value	Provision / Impairment	Carrying value
(Rupees in '000)						
Related party	451,808	-	467,577	999,283	-	943,929
Others	444,664	-	431,679	128,197	-	87,625
	896,472	-	899,256	1,127,480	-	1,031,554

	Note	June 30, 2023	December 31, 2022
(Rupees in '000)			
10. CASH AND BANK			
- Policy stamps		8,486	7,036
Cash at bank			
- Current accounts		110,722	145,967
- Saving accounts	10.1	2,010,871	2,600,759
		2,121,593	2,746,726
		2,130,079	2,753,762

- 10.1** This carries profit rate ranging from 14.5% to 20.5% (December 31, 2022: 9% to 12%) per annum.

	June 30, 2023	June 30, 2022
(Rupees in '000)		
10.2 Cash and cash equivalents		
Cash and cash equivalents includes the following for the purpose of cash flow statement:		
- Cash in hand and policy stamps	8,486	3,944
- Cash at bank	2,121,593	1,566,411
- Term deposits maturing within three months	2,625,000	2,695,000
	4,755,079	4,265,355

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

Window Takaful Operations (Un-audited)

For the half year ended June 30, 2023

	Note	June 30, 2023	December 31, 2022
(Rupees in '000)			
11 TAKAFUL LIABILITIES			
Reported outstanding claims (including claims in payment)	11.1	218,675	189,685
Incurred but not reported claims	11.2	64,485	44,964
Investment component of unit-linked and account value policies	11.3	9,218,447	8,111,996
Liabilities under group takaful contracts (other than investment linked)	11.4	15,406	24,904
Other takaful liabilities	11.5	117,760	127,864
		9,634,773	8,499,413
Surplus retained in Participants' Takaful Fund (PTF)		197,375	143,963
		9,832,148	8,643,376
11.1 Reported outstanding claims (including claims in payment)			
Gross of retakaful		261,133	219,838
Recoverable from retakaful		(42,458)	(30,153)
Net reported outstanding claims		218,675	189,685
11.2 Incurred but not reported claims			
Individual life			
Gross of retakaful		89,560	49,075
Retakaful recoveries		(37,125)	(14,718)
Net of retakaful		52,435	34,357
Group life			
Gross of retakaful		21,027	15,039
Retakaful recoveries		(8,977)	(4,432)
Net of retakaful		12,050	10,607
		64,485	44,964
11.3 Investment component of unit linked and account value policies			
Investment component of unit linked policies		9,218,447	8,111,996
Investment component of account value policies		-	-
		9,218,447	8,111,996

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

Window Takaful Operations (Un-audited)

For the half year ended June 30, 2023

	June 30, 2023	December 31, 2022
	(Rupees in '000)	
11.4 Liabilities under group takaful contracts (other than investment linked)		
Gross of retakaful	32,412	39,891
Retakaful credit	(17,006)	(14,987)
Net of retakaful	15,406	24,904
11.5 Other takaful liabilities		
Gross of retakaful	146,046	160,351
Retakaful credit	(28,286)	(32,487)
Net of retakaful	117,760	127,864

12. CONTINGENCIES AND COMMITMENTS

The contingencies and commitments reported in main condensed interim financial statements of the Company also includes impacts of Window Takaful Operations as at June 30, 2023. Out of reported amount thereon, an amount of Rs. 154.45 million (December 31, 2022: Rs. 132.61 million) pertains to Window Takaful Operations. There are no other material contingencies or commitments as at June 30, 2023.

	For the half year ended		For the quarter ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Rupees in '000)			
13. Contribution revenue				
Gross Contribution				
Regular Contribution Individual Policies*				
First year	363,835	679,423	208,862	215,927
Second year renewal	490,144	544,862	134,603	241,919
Subsequent year renewal	859,612	610,730	356,954	244,295
Single contribution individual policies*	46,969	119,833	21,262	16,157
Group policies without cash values	69,377	46,372	41,610	8,164
Total gross contribution	1,829,937	2,001,220	763,291	726,462
Less: retakaful contributions ceded				
On individual life first year business	(6,580)	(13,303)	(3,315)	(6,684)
On individual life second year business	(7,513)	(7,716)	(3,642)	(4,240)
On individual life subsequent renewal business	(12,695)	(8,975)	(6,595)	(4,566)
On individual life single premium business	(29)	(126)	(16)	(54)
On group policies	(31,104)	(13,315)	(24,594)	(3,545)
	(57,921)	(43,435)	(38,162)	(19,089)
Net Contribution	1,772,016	1,957,785	725,129	707,373

* Individual policies are those underwritten on an individual basis.

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

Window Takaful Operations (Un-audited)

For the half year ended June 30, 2023

	For the half year ended		For the quarter ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Rupees in '000)			
14. INVESTMENT INCOME				
Dividend income	57,870	19,204	41,777	8,721
Income from government securities - fair value through profit or loss	159,707	65,103	97,150	42,072
Income from debt securities - fair value through profit or loss				
- Return on TFCs and corporate sukuks	24,636	26,272	12,168	15,067
Income from term deposit receipts - loans and receivables				
- Return on term deposit receipts	221,487	188,405	123,499	104,814
	463,700	298,984	274,594	170,674
15. NET REALISED FAIR VALUE GAIN / (LOSS) ON FINANCIAL ASSETS				
Fair value through profit or loss				
Realised gains / (losses) on:				
- Equity securities	34,706	(3,159)	9,312	(11,745)
- Government securities	-	3,412	-	3,223
- Debt securities	(6,378)	-	-	-
- Mutual funds	15,455	(289)	5,837	(289)
	43,783	(36)	15,149	(8,811)
16. NET FAIR VALUE LOSSES ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNREALISED				
Net unrealised (losses) / gains on:				
- Equity securities	(10,942)	(112,474)	16,831	(81,943)
- Government securities	(25,368)	(21,957)	(588)	(19,570)
- Debt securities	(1,796)	1,105	426	129
- Mutual funds	2,784	(71,748)	(2,917)	(79,013)
Total losses	(35,322)	(205,074)	13,752	(180,397)
Less: Investment related expenses	(5,597)	(4,073)	(1,952)	(2,240)
	(40,919)	(209,147)	11,800	(182,637)
17. OTHER INCOME				
Return on bank balances	210,406	4,940	116,162	2,924
Bonus allocation from operator's sub fund	21,459	23,006	14,104	6,750
	231,865	27,946	130,266	9,674

For the half year ended June 30, 2023

Total acquisition cost

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

Window Takaful Operations (Un-audited)

For the half year ended June 30, 2023

	For the half year ended		For the quarter ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Rupees in '000)			
20. MARKETING AND ADMINISTRATION EXPENSES				
Salaries allowances and other benefits	68,919	50,368	29,270	22,678
Travelling expenses	647	607	443	537
Actuary's fee	845	428	490	305
Auditor's remuneration	397	256	296	128
Legal and professional charges	6,501	4,969	3,400	1,875
Information technology expenses	5,665	3,770	4,045	2,494
Printing and stationery	2,497	4,302	1,438	1,793
Depreciation	3,146	1,936	1,619	1,605
Depreciation-right of use assets	3,434	4,940	2,310	4,059
Amortisation	633	679	315	338
Rent expense	1,062	1,020	521	878
Insurance expense	172	773	74	(17)
Vehicle running	11,305	7,532	6,428	4,559
Postage and courier	6,273	4,164	3,234	2,223
Electricity, gas and water	1,407	732	1,030	475
Office repairs and maintenance	2,653	1,587	1,530	1,102
Entertainment	556	726	343	320
Bank charges	42	239	19	126
Training and development	628	274	260	227
Fees and subscription	1,909	1,474	995	763
Marketing cost	11,358	26,200	4,633	20,048
Other expense	5	(5,516)	(148)	(6,219)
Finance charges against lease liabilities	1,300	2,575	892	2,772
	131,354	114,035	63,437	63,069

21. RELATED PARTY TRANSACTIONS

The related parties comprise of the holding 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 condensed interim financial statements are given below:

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

Window Takaful Operations (Un-audited)

For the half year ended June 30, 2023

	June 30, 2023	June 30, 2022
	(Rupees in '000)	
Transactions during the period		
Associated undertakings		
Contribution written	30,024	11,880
Takaful expense	9,018	-
Insurance expense	11	1,331
Hadia and other incentives in respect of bancatakaful	63,478	107,610
Profit on bank deposits	23,700	5,552
Bank charges	1,151	105
Investments purchased	625,333	3,462,540
Investments sold	1,000,978	3,195,641
Dividend income	2,706	22,053
Other related parties		
Contribution written	2,155	1,663
Takaful expense	22	-
Investment advisor fee	2,478	2,150
Key management personnel		
Remuneration	10,906	8,630
Advances given to key management personnels	500	100
Recoveries against advances to key management personnels	256	31
Staff retirement benefit plan (gratuity fund)		
Charge for the period	2,622	2,106

	June 30, 2023	December 31, 2022
	(Rupees in '000)	
Balances outstanding as at the end of the period / year		
Associated undertakings		
Contribution due but unpaid	5,566	-
Bank deposits	1,258,730	1,566,411
Investments held	1,470,811	1,268,460
Hadia payable	15,940	11,907
Dividend receivables	199	-
Accrued income	116	2,715
Claims payable	8,518	4,800
Other related parties		
Contribution due but unpaid	743	-
Remuneration payable for the management of discretionary investment portfolio	767	595

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

Window Takaful Operations (Un-audited)

For the half year ended June 30, 2023

22. SEGMENTAL INFORMATION

22.1 REVENUE ACCOUNT BY STATUTORY FUND

Income

Contribution less re-takaful
Net investment income
Total net income

Takaful benefits and expenditures

Takaful benefits including bonus net of re-takaful
Management expenses less recoveries
Total takaful benefits and expenditures

Excess of income over takaful benefits and expenditures

Net change in takaful liabilities (other than outstanding claims)

Surplus / (deficit) before tax

Movement in policyholders' liabilities

Balance of statutory funds at beginning of the period

Balance of statutory funds at end of the period

FOR THE HALF YEAR ENDED JUNE 30, 2023

Individual Family Takaful Unit Linked Business	Group Family Takaful Business	Total
(Rupees in '000)		
1,733,743	38,273	1,772,016
663,483	13,487	676,970
2,397,226	51,760	2,448,986
(693,164)	(29,249)	(722,413)
(473,713)	(6,009)	(479,722)
(1,166,877)	(35,258)	(1,202,135)
1,230,349	16,502	1,246,851
(1,140,634)	(19,048)	(1,159,682)
89,715	(2,546)	87,169
1,140,634	19,048	1,159,682
8,652,237	110,574	8,762,811
9,882,586	127,076	10,009,662

FOR THE HALF YEAR ENDED JUNE 30, 2022

Individual Family Takaful Unit Linked Business	Group Life Family Takaful Business	Total
(Rupees in '000)		
1,924,728	33,057	1,957,785
92,611	2,123	94,734
2,017,339	35,180	2,052,519
(594,457)	(20,328)	(614,785)
(614,474)	(4,812)	(619,286)
(1,208,931)	(25,140)	(1,234,071)
808,408	10,040	818,448
(752,650)	(10,236)	(762,886)
55,758	(196)	55,562
752,650	10,236	762,886
6,774,571	28,021	6,802,592
7,582,979	38,061	7,621,040

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

Window Takaful Operations (Un-audited)

For the half year ended June 30, 2023

22.2 REVENUE ACCOUNT BY SUB STATUTORY FUND**22.2.1 Operator's Sub Fund (OSF)****Income**

		Statutory funds	Aggregate	
		Individual Family Takaful	Group Family Takaful	June 30, 2023 June 30, 2022
	Note	(Rupees in '000)		
Wakalah fee		325,905	7,454	333,359 487,710
Surrender charges		985	-	985 2,367
Tharawat fee	22.2.3	75,449	-	75,449 61,601
Bid offer spread		71,467	-	71,467 74,756
Participants' Takaful fund management income	22.2.2	47,004	-	47,004 49,656
Income against admin cost charged to PIF	22.2.3	22,289	-	22,289 12,622
Investment income		39,110	-	39,110 15,037
Total net income		582,209	7,454	589,663 703,749

Less: Expenditures

Acquisition costs	(343,621)	(3,039)	(346,660)	(506,361)
Administration cost and others	(128,385)	(2,969)	(131,354)	(114,035)
Claim related expenses	(234)	(1,000)	(1,234)	(2,123)
Bonus Allocation to PIF	(21,459)	-	(21,459)	(22,562)
Expenses on behalf of PTF - Premium	(47)	-	(47)	(249)
Expenses on behalf of PTF - Tabbaru	(104)	-	(104)	(444)
Total management cost	(493,850)	(7,008)	(500,858)	(645,774)

Excess of income over expenditure

Technical reserve at the beginning of the period	56,599	400	56,999	36,914
Less: Technical reserve at end of the period	(55,244)	(3,391)	(58,635)	(42,811)
Movement in technical reserves	1,355	(2,991)	(1,636)	(5,897)

Surplus / (deficit) for the period

	89,714	(2,545)	87,169	52,078
Movement in technical reserves	(1,355)	2,991	1,636	5,897
Contribution received from Shareholders' Fund	-	-	-	-
Capital contributed to Group Family Takaful	-	-	-	-

Balance of Operator's Sub Fund at the beginning of the period

	300,145	7,244	307,389	262,823
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Balance of Operator's Sub Fund at end of the period**Represented by:**

Capital contributed by shareholder's fund	-	10,000	10,000	169,501
Capital contributed to Group Family Takaful	-	(10,000)	(10,000)	(10,000)
Qard-e-Hasna to PTF	(22,500)	-	(22,500)	(22,500)
Technical reserve at end of the period	55,244	3,391	58,635	42,811
Retained earnings on other than participating business	355,760	4,299	360,059	140,986
Balance of Operator's Sub Fund	388,504	7,690	396,194	320,798

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

Window Takaful Operations (Un-audited)

For the half year ended June 30, 2023

	Statutory funds		Aggregate	
	Individual Family Takaful	Group Family Takaful	June 30, 2023	June 30, 2022
Note	(Rupees in '000)			
22.2.2 Participants' Takaful Fund (PTF)				
Income				
Allocated contribution	17,817	61,923	79,740	59,814
Tabarru income	117,128	-	117,128	122,510
Re-Takaful ceded	(26,817)	(31,104)	(57,921)	(43,435)
Total contribution income net of re-takaful	108,128	30,819	138,947	138,889
Add: Investment income	11,511	13,487	24,998	8,859
Total income	119,639	44,306	163,945	147,748
Less: Expenditure				
Participants' Takaful fund management charges	(47,004)	-	(47,004)	(49,657)
Death claim expense net of retakaful recoveries	(37,097)	(28,249)	(65,346)	(56,407)
	(84,101)	(28,249)	(112,350)	(106,064)
Excess of income over expenditure	35,538	16,057	51,595	41,684
Technical reserve at the beginning of the period	217,096	67,700	284,796	153,079
(Less): Technical reserve at end of the period	(114,951)	(24,065)	(139,016)	(116,151)
(Less): surplus retained in technical reserves	(137,683)	(59,692)	(197,375)	(78,612)
Movement in technical reserve	(35,538)	(16,057)	(51,595)	(41,684)
Surplus for the period	-	-	-	-
Movement in technical reserve	35,538	16,057	51,595	41,684
Balance of Participants' Takaful Fund at beginning of the period	240,096	103,330	343,426	186,079
Balance of Participants' Takaful Fund at end of the period	275,634	119,387	395,021	227,763
Represented by:				
Money ceded to Waqf Funds	500	-	500	500
Capital contribution by OSF	-	35,630	35,630	10,000
Qard-e-Hasna received by PTF	22,500	-	22,500	22,500
Policyholders' liabilities	252,634	83,757	336,391	194,763
Balance of statutory fund	275,634	119,387	395,021	227,763

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

Window Takaful Operations (Un-audited)

For the half year ended June 30, 2023

Note	Statutory Funds		Aggregate	
	Individual Family Takaful	Group Family Takaful	June 30, 2023	June 30, 2022
(Rupees in '000)				
22.2.3 Participants' Investment Fund (PIF)				
Income				
Allocated contribution	1,345,371	-	1,345,371	1,378,940
Bonus allocation from OSF	21,459	-	21,459	22,562
Investment income	612,862	-	612,862	70,845
Total net income	1,979,692	-	1,979,692	1,472,347
Less: Claims expense				
Surrender - Regular	(369,232)	-	(369,232)	(298,672)
Surrender - Top up	(149,175)	-	(149,175)	(233,881)
Maturity	(122,718)	-	(122,718)	(14,680)
Death claim	(15,693)	-	(15,693)	(11,389)
	(656,818)	-	(656,818)	(558,622)
Less: Expenditures				
Tabarru charges	(117,128)	-	(117,128)	(122,065)
Tharawat fee - investment management	(75,449)	-	(75,449)	(61,601)
Administrative charges	(22,289)	-	(22,289)	(12,622)
Other expenses	(420)	-	(420)	(508)
Bank charges	(1,137)	-	(1,137)	(1,624)
	(216,423)	-	(216,423)	(198,420)
Excess of income over expenditures	1,106,451	-	1,106,451	715,305
Technical reserve at the beginning of the period	8,111,996	-	8,111,996	6,353,690
Technical reserve at the end of the period	9,218,447	-	9,218,447	7,068,995
Movement in technical reserve	1,106,451	-	1,106,451	715,305
Surplus for the period	-	-	-	-
Movement in technical reserve	1,106,451	-	1,106,451	715,305
Balance of statutory funds at beginning of the period	8,111,996	-	8,111,996	6,353,690
Balance of statutory funds at end of the period	9,218,447	-	9,218,447	7,068,995
Represented by:				
Retained earnings on other than participating business	9,218,447	-	9,218,447	7,068,995
Balance of statutory fund	9,218,447	-	9,218,447	7,068,995

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

Window Takaful Operations (Un-audited)

For the half year ended June 30, 2023

23. 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 Operator 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 June 30, 2023								
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 (Sukuks)	-	2,192,684	-	-	2,192,684	2,192,684	-	2,192,684
Equity securities	-	936,204	-	-	936,204	936,204	-	936,204
Mutual funds	-	899,256	-	-	899,256	899,256	-	899,256
Debt securities (listed corporate sukuks)	-	261,628	-	-	261,628	261,628	-	261,628
	-	4,289,772	-	-	4,289,772	4,289,772	-	4,289,772
Financial assets not measured at fair value								
- Balances with banks	-	-	2,121,593	-	2,121,593			
- Term deposit receipts	-	-	3,575,000	-	3,575,000			
- Investment in debt securities	-	-	-	-	-			
- Other financial assets	-	-	399,871	-	399,871			
	-	-	6,096,464	-	6,096,464			
Financial liabilities not measured at fair value								
- Borrowings	-	-	-	-	-			
- Other financial liabilities	-	-	-	299,951	299,951			
	-	-	-	299,951	299,951			
	-	4,289,772	6,096,464	(299,951)	10,086,285			

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

Window Takaful Operations (Un-audited)

For the half year ended June 30, 2023

As at December 31, 2022

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

(Sukuks)

-	1,491,436	-	-	1,491,436	-	1,491,436	-	1,491,436
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Listed equity securities

-	1,000,449	-	-	1,000,449	1,000,449	-	-	1,000,449
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Units of mutual funds

-	1,031,554	-	-	1,031,554	1,031,554	-	-	1,031,554
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Debt securities (Corporate sukuks)

-	202,040	-	-	202,040	-	202,040	-	202,040
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-	3,725,479	-	-	3,725,479	2,032,003	1,693,476	-	3,725,479
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Financial assets not measured at fair value

- Balances with banks

-	-	227,000	-	227,000
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- Term deposit receipts

-	-	2,753,762	-	2,753,762
---	---	-----------	---	-----------

- Investment in debt securities

-	-	2,175,000	-	2,175,000
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- Other financial assets

-	-	162,673	-	162,673
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-	-	5,091,435	-	5,091,435
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Financial liabilities not measured at fair value

- Borrowings

-	-	-	-	-
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- Other Financial liabilities

-	-	-	166,819	166,819
---	---	---	---------	---------

-	-	-	166,819	166,819
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-	3,725,479	5,091,435	166,819	8,650,095
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24. CORRESPONDING FIGURES

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

25. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Operator in their meeting held on August 22, 2023.



S. Muhammad Jawed
Chairman



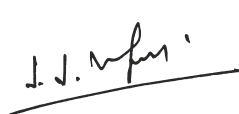
Muhammad Ali Zeb
Director



Shahmeer Khalid
Director



Manzur Mushtaq
Chief Executive Officer



Jalal Meghani
Chief Financial Officer