

YOUR TRUSTED PARTNER

Interim Financial Information for the

Third Quarter

Ended September 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.






Table of Contents



CONTENTS

3	Vision & Mission
4	Core Values
5	Strategic Objectives

Company Profile

7	Rating of the Company
8	Company Information

Directors' Review

13	Directors' Review (English)
15	Directors' Review (Urdu)

IFRS Financial Statements

18	Condensed Interim Statement of Financial Position
19	Condensed Interim Statement of Profit or Loss
20	Condensed Interim Statement of Other Comprehensive Income
21	Condensed Interim Statement of Changes in Equity
22	Condensed Interim Statement of Cash Flows
23	Notes to the Condensed Interim Financial Statements

Window Takaful Operations

48	Condensed Interim Statement of Financial Position
49	Condensed Interim Statement of Profit or Loss
50	Condensed Interim Statement of Other Comprehensive Income
51	Condensed Interim Statement of Changes in Equity
52	Condensed Interim Statement of Cash Flows
53	Notes to the Condensed Interim Financial Statements



Our Vision

To be the most trusted insurance partner

Our Mission

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



Core Values



Value Creation

Create value in everything we do



Customer Focus

Always keep customer's interest in mind



Openness

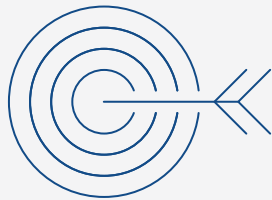
Foster a culture of trust and transparency



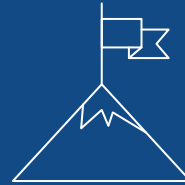
Respect

Promote mutual respect and inclusiveness

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

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 nine months ended on 30th September 2023.

Financial Highlights:

The highlights for the period under review are as follows:

	30 September 2023 Unaudited	30 September 2022 Unaudited
	----- Rupees in '000 -----	
Gross Premium	17,445,466	14,991,252
Net Premium	16,852,059	14,456,152
Investment income	9,686,207	2,730,667
Net Benefits paid to and reserved for policyholders	22,297,575	13,626,629
Acquisition & other operating expenses	3,199,568	3,024,682
Profit before tax	1,041,124	535,508
Profit after tax	696,265	353,063
	-----Rupees-----	
Earnings Per Share	2.79	1.41
	30 September 2023 Unaudited	31 December 2022 Audited
	----- Rupees in '000 -----	
Size of Statutory Fund	71,223,502	59,241,310
Shareholders' Equity	4,200,051	3,748,290

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 more than 16%. Whereas, the investment income has increased by almost 255% from corresponding period last year due to high yield fixed income securities and rapidly recovering equity market. Consequently, benefits paid to & reserved for Policy holders has increased by 63% over last year. Resultantly, the underwriting surplus of the Company has also been higher by 49%, profit before tax reported in this six month has increased by 95% and profit after tax has increased by almost 97% from the corresponding period last year.

Window Takaful Operations:

The gross contribution generated from Window Takaful operations was Rs. 2.704 Billion (September 30, 2022: Rs. 2.856 Billion). The profit before tax that has been reported for September 2023 is amounting to Rs. 155.8 million which has increased by 70% from the corresponding period i.e. Rs. 91.9 million as reported in September 2022.

Future Outlook:

The government recently undertook a massive crackdown against foreign currency smuggling and hoarding followed by administrative actions with regards to market operations of currency exchange companies. The resulting appreciation in currency along with ease of supply constraints due to better availability of greenback should support the inflation outlook. The gradual anticipated decline in inflation should provide space to start monetary easing cycle and recovery in economic growth. The revised GDP growth projections of Pakistan for FY 2023-24 is 3.5%.

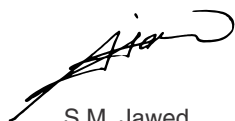
The new fiscal year has opened on a positive note as IMF and Pakistan have struck a staff-level agreement for the provision of USD 3bn in bailout funds under a stand-by arrangement (SBA) for nine months. The directors are of the opinion that till the results of all the above stated actions are fully materialize thus providing a space for growth in individuals' saving, the expansion of the industry will remain subdued.

The company though have reported an attractive and above the target profit for the three quarters due to income from its inforced long term policy portfolio and investment in high yield fixed income securities. Nevertheless, keeping economic perspective in sight, the Company remains prepared to consolidate its cost structure should the need so arises. 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 the company works to keep its position as the fastest-growing insurance firm in the sector, motivated by our sincere dedication to our respected policyholders and other stakeholders.

Acknowledgements:

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

On behalf of the Board of Directors



S.M. Jawed
Chairman

October 17, 2023



Manzar Mushtaq
Chief Executive Officer

ڈائریکٹر صاحبان کا جائزہ

آدھی لائف انشورنس کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز کے لئے یہ امر انتہائی مسرت کا باعث ہے کہ ہم ۳۰ ستمبر ۲۰۲۳ کو ختم ہونے والے نوماہ کے لئے کمپنی کے عبوری مالیاتی بیانات کا خلاصہ (Condensed Interim Financial Statements) اپنے ارکان کے روبرو پیش کر رہے ہیں۔

مالیاتی امور کے نمایاں پہلو:

۳۰ ستمبر ۲۰۲۲
غیر آڈٹ شدہ

30 ستمبر ۲۰۲۳
غیر آڈٹ شدہ

۱۴,۹۹۱,۲۵۲

۱۷,۴۴۵,۴۶۶

۱۴,۴۵۶,۱۵۲

۱۶,۸۵۲,۰۵۹

2,730,667

9,686,207

13,626,629

22,297,575

3,024,682

3,199,568

535,508

1,041,124

353,063

696,265

----- روپے میں -----

1.41

2.79

گراس پریمیم

نقد پریمیم

سرمایہ کاری سے آمدنی

پالیسی ہولڈرز کو ادا شدہ اور ان کے لئے مخصوص نقد مراعات

خریداری یا ایکویزیشن اور دیگر عملی اخراجات

قبل از ٹیکس منافع

بعد از ٹیکس منافع

فی حصص آمدنی

۳۱ دسمبر ۲۰۲۲

۳۰ ستمبر ۲۰۲۳

آڈٹ شدہ

غیر آڈٹ شدہ

۵۹,۲۴۱,۳۱۰

۷۱,۲۲۳,۵۰۲

3,748,290

4,200,049

سٹیچوٹری فنڈ کا حجم

حصص داران کی ایکوٹی

آئندہ منظر نامہ:

حکومت نے حال ہی میں غیر ملکی کرنسی کی سگنگ اور ذخیرہ اندوزی کے خلاف بڑے پیمانے پر کریک ڈاؤن کیا ہے جس کے بعد کرنسی ایکسیچ کمپنیوں کی مارکیٹ کی سرگرمیوں کے حوالے سے متعدد انتظامی اقدامات کئے گئے ہیں۔ اس کے نتیجے میں کرنسی کی قدر میں بہتری کے ساتھ ساتھ سرکاری کرنسی کی بہتر دستیابی کے باعث رسد کی رکاوٹیں دور ہوئی ہیں جس سے افراط زر کی صورت حال میں مدد ملنی چاہئے۔ افراط زر میں آہستہ آہستہ کمی کی پیش گوئی کے پیش نظر معاشی نمو کی بحالی اور زرعی امور میں آسانی کے لئے گنجائش پیدا ہونی چاہئے۔ مالی سال ۲۰۲۳-۲۴ء کے لئے پاکستان کے جی ڈی پی میں نمو کا نظر ثانی شدہ تخمینہ ۵.۳ فیصد ہے۔

نئے مالی سال کا آغاز بعض مثبت خبروں کے ساتھ ہوا ہے۔ آئی ایم ایف اور پاکستان کے درمیان سٹاف کی سطح پر معاہدہ طے پا گیا ہے جس کے تحت نومبر کے عرصے میں سٹینڈ بائی ایگریمنٹ (ایس بی اے) کے تحت ۱۳ ارب امریکی ڈالر کے نیل آؤٹ فنڈز فراہم کئے جائیں گے۔ ڈائریکٹر صاحبان کی رائے ہے کہ مذکورہ بالا اقدامات کے مکمل نتائج سامنے آنے اور اس کی روشنی میں افراد کی بچتوں میں نمو کی گنجائش پیدا ہونے تک انڈسٹری کی توسیع کا عمل دھیمارہے گا۔

کمپنی کی طرف سے عمل میں لائے گئے طویل مدتی پالیسی پورٹ فولیو اور زیادہ منافع دینے والی مقررہ آمدنی کی سکیورٹیز میں سرمایہ کاری سے ہونے والی آمدنی کی بدولت اگرچہ ان تین سہ ماہیوں میں منافع کی شرح پرکشش بتائی جاتی ہے جو اپنے ہدف سے بھی زیادہ ہے۔ لیکن معاشی صورت حال کو پیش نظر رکھتے ہوئے کمپنی ضرورت پڑنے پر اپنے اخراجات اور لاگت کے ڈھانچے کو حتمی شکل دینے کے لئے تیار ہے۔ اسی طرح کمپنی بھرپور آگاہی مہم کے ذریعے مالی تحفظ کی ضروریات پر آگاہی بڑھانے اور صارفین کی ضروریات کے عین مطابق، ڈیجیٹل سہولیات سے آراستہ، تحفظ کے منصوبے پیش کرنے پر اپنی توجہ مرکوز کرے گی۔ ہم پر امید ہیں کہ بلند شرح منافع اور شاہکار مارکیٹ کی بحالی کے پیش نظر سرمایہ کاری سے متعلق انشورنس مصنوعات پر شرح منافع بہتر رہے گی۔ ان حالات میں کمپنی اپنے شعبے میں انتہائی تیز رفتاری کے ساتھ ترقی کرتی ہوئی انشورنس فرم کے طور پر اپنی پوزیشن برقرار رکھنے کے لئے سرگرم عمل ہے اور اپنے معزز پالیسی ہولڈرز اور دیگر سٹیک ہولڈرز کو پوری لگن اور محنت کے ساتھ اپنی خدمات فراہم کرنے کے لئے پرعزم ہے۔

اظہار تشکر:

ہم اپنے سٹیک ہولڈرز، معزز کسٹمرز، ملازمین اور ڈویلپمنٹ سٹاف کے تہ دل سے شکر گزار ہیں جن کی بھرپور اور مسلسل معاونت کی بدولت آؤمچی لائف کاشمار آج پاکستان کی انتہائی تیز رفتاری سے ترقی کرتی ہوئی لائف انشورنس کمپنیوں میں ہوتا ہے۔ ہم سکیورٹیز اینڈ ایکسیچ کمیشن آف پاکستان (ایس ای سی پی) کی مسلسل رہنمائی اور معاونت پر ان کے بھی شکر گزار ہیں۔

Mansur Muratag
منظر مشتاق
چیف ایگزیکٹو آفیسر

از طرف بورڈ آف ڈائریکٹرز

اس ایم جاوید
چیئر مین

۱۷ اکتوبر ۲۰۲۳

IFRS Financial Statements



Adamjee Life Assurance Company Limited

Condensed Interim Statement of Financial Position


As at September 30, 2023

	Note	September 30, 2023 (Un-audited) (Rupees in '000)	December 31, 2022 (Audited) (Rupees in '000)
Assets			
Property and equipment	6	198,725	215,532
Intangible assets		29,338	26,579
Right of use assets		83,628	124,420
Investment property	7	1,023,394	943,669
Investments			
Equity securities	8	7,155,758	8,292,169
Government securities	9	50,565,327	37,930,238
Debt securities	10	3,633,056	4,254,845
Term deposits	11	2,950,000	2,276,000
Mutual funds	12	5,357,844	8,017,302
Loan secured against life insurance policies		39,362	42,163
(Insurance / takaful) / (reinsurance / retakaful) receivables	13	54,161	62,456
Other loans and receivables	14	1,173,836	778,323
Taxation - payments less provision		832,758	843,706
Prepayments	15	65,864	41,655
Cash and bank	16	5,336,143	5,316,997
Total Assets		78,499,194	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		-	(5,496)
Ledger account D		1,262,328	776,870
Unappropriated profit		437,223	476,416
Total Equity		4,200,051	3,748,290
Liabilities			
Insurance / takaful liabilities	17	72,345,065	63,408,661
Retirement benefit obligations		10,880	4,866
Deferred taxation		610,733	376,644
Lease liabilities	18	118,959	159,592
Premium / contribution received in advance		287,667	367,165
(Insurance / takaful) / (reinsurance / retakaful) payables		176,062	175,083
Other creditors and accruals	19	749,777	925,753
Total Liabilities		74,299,143	65,417,764
Total Equity and Liabilities		78,499,194	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


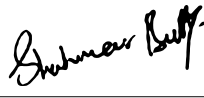
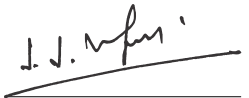
Adamjee Life Assurance Company Limited

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

For the nine months period ended September 30, 2023

		For the nine months ended		For the quarter ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Note		(Rupees in '000)			
Premium / contribution revenue		17,445,466	14,991,252	6,198,339	5,096,665
Premium / contribution ceded to reinsurers / (retakaful operators)		(593,407)	(535,100)	(294,740)	(259,493)
Net premium / contribution revenue	21	16,852,059	14,456,152	5,903,599	4,837,172
Investment income	22	8,291,140	3,989,046	3,301,373	1,645,871
Net realised fair value (losses) / gains on financial assets	23	402,202	215,390	162,714	14,404
Net fair value (losses) / gains on financial assets at fair value through profit or loss - unrealised	24	253,542	(2,039,025)	597,978	8,894
Net rental income		2,238	2,250	750	732
Net unrealised gain on investment property	7	79,725	4,275	-	4,275
Other income	25	657,360	558,731	199,897	167,664
		9,686,207	2,730,667	4,262,712	1,841,840
Net income		26,538,266	17,186,819	10,166,311	6,679,012
Insurance / takaful benefits	27	(13,953,694)	(9,644,219)	(5,091,395)	(3,601,136)
Recoveries from reinsurers / retakaful operators	27	344,721	279,185	43,323	65,385
Claims related expenses		(5,660)	(5,732)	(1,838)	(1,625)
Net insurance / takaful benefits		(13,614,633)	(9,370,766)	(5,049,910)	(3,537,376)
Net change in insurance / takaful liabilities (other than outstanding claims)		(8,688,601)	(4,261,595)	(3,547,507)	(1,882,826)
Acquisition expenses	28	(2,002,057)	(2,126,109)	(716,577)	(660,969)
Marketing and administration expenses	29	(1,164,991)	(873,336)	(435,468)	(328,409)
Other expenses	30	(16,794)	(5,212)	(9,773)	(944)
		(11,872,443)	(7,266,252)	(4,709,325)	(2,873,148)
Total expenses		(25,487,076)	(16,637,018)	(9,759,235)	(6,410,524)
Finance costs	31	(10,066)	(14,293)	(2,912)	(3,991)
Profit before tax		1,041,124	535,508	404,164	264,497
Income tax expense	32	(344,859)	(182,445)	(129,741)	(77,012)
Profit after tax for the period		696,265	353,063	274,423	187,485
Earnings (after tax) per share - Rupees	33	2.79	1.41	1.10	0.75

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

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

Adamjee Life Assurance Company Limited

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the nine months period ended September 30, 2023

	For the nine months ended		For the quarter ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Note	(Rupees in '000)			
Profit after tax for the period - as per statement of profit or loss	696,265	353,063	274,423	187,485
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)	-	-
<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	-	(5,485)	(1,097)	(170)
Loss on disposal transferred to statement of profit or loss	7,965	5,930	7,965	5,930
	7,965	445	6,868	5,760
Related deferred tax	(2,469)	(138)	(2,129)	(1,786)
	5,496	307	4,739	3,974
Total other comprehensive income/(loss)	5,496	(1,625)	4,739	3,974
Total comprehensive income for the period	701,761	351,438	279,162	191,459


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 Changes in Equity

For the nine months period ended September 30, 2023

	Attributable to equity holders' of the Company					
	Share capital	Money ceded to Waqf fund	Surplus / (deficit) on revaluation of available for sale investments	Ledger account D *	Unappropriated profit	Total
	(Rupees in '000)					
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 September 30, 2022						
- Profit for the period after tax	-	-	-	-	353,063	353,063
- Other comprehensive loss	-	-	307	-	(1,932)	(1,625)
	-	-	307	-	351,131	351,438
Surplus for the period retained in statutory funds	-	-	-	250,630	(250,630)	-
Balance as at September 30, 2022 (Un-audited)	2,500,000	500	(4,436)	840,335	264,767	3,601,166
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 September 30, 2023						
- Profit for the period after tax	-	-	-	-	696,265	696,265
- Other comprehensive income	-	-	5,496	-	-	5,496
	-	-	5,496	-	696,265	701,761
Transaction with owners recorded directly in the equity						
Interim dividend @ Rs. 1 per share i.e 10%	-	-	-	-	(250,000)	(250,000)
Surplus for the period retained in statutory funds	-	-	-	485,459	(485,459)	-
Balance as at September 30, 2023 (Un-audited)	2,500,000	500	-	1,262,328	437,222	4,200,051

* 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

Manzur Mushtaq
Chief Executive Officer

Jalal Meghani
Chief Financial Officer


Adamjee Life Assurance Company Limited

Condensed Interim Statement of Cash Flows (Un-audited)

For the nine months period ended September 30, 2023

	Note	September 30, 2023	September 30, 2022
		(Rupees in '000)	
Operating Cash Flows			
(a) Underwriting activities			
Insurance premium / contribution received		17,362,873	14,783,535
Reinsurance premium / retakaful contribution paid		(236,317)	(43,187)
Claims paid		(13,711,551)	(9,276,253)
Commission paid		(1,531,778)	(1,557,516)
Marketing and administrative expenses paid		(1,634,350)	(1,534,473)
Net cash flow generated from underwriting activities		248,877	2,372,106
(b) Other operating activities			
Income tax paid		(102,289)	(283,585)
Total cash flow generated from all operating activities		146,588	2,088,521
Investment activities			
Profit / return received		7,617,737	3,670,290
Dividend received		723,553	341,763
Rental received		2,238	2,250
Payment for investments		(206,123,033)	(452,623,824)
Proceeds from investments		199,621,416	439,035,124
Fixed capital expenditure		(58,935)	(113,806)
Loan to policyholders		6,514	2,690
Proceeds from sale of property and equipment		8,068	-
Total cash flow (used in) / generated from investing activities		1,797,558	(9,685,514)
Financing activities			
Borrowings		-	(44,817)
Interim dividend paid		(250,000)	-
Total cash flow used in financing activities		(250,000)	(44,817)
Net cash inflows from all activities		1,694,146	(7,641,810)
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	8,286,143	9,664,263
Reconciliation to Statement of profit and loss			
Cash flow from all operating activities		146,588	2,088,521
Depreciation and amortisation expense		(99,558)	(91,616)
Financial charge expense		(13,949)	(19,925)
Write offs		(5,292)	(2,041)
Profit on disposal of investment		402,202	215,390
Rental income		2,238	2,250
Dividend income		707,565	448,623
Other investment income		8,320,113	4,103,431
Increase in assets other than cash		481	242,751
Increase in liabilities other than borrowings		(9,017,665)	(4,595,296)
Gain / (deficit) on revaluation of investment		253,542	(2,039,025)
Profit after taxation		696,265	353,063

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 nine months period ended September 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 nine months period ended September 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 SEPTEMBER 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 nine months period ended September 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:

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

Financial assets

Cash at bank
Equity securities
Government securities
Debt securities
Term deposits
Mutual funds
Loan secured against life insurance policies
Loan to employees

As at September 30, 2023 (Un-audited)			
Fail the SPPI test		Pass the SPPI test	
Fair value	Change in unrealised (loss) / gain during the period	Fair value	Change in unrealised (loss) / gain during the period
(Rupees in '000)			
5,327,185	-	-	-
7,155,758	193,055	-	-
50,565,327	(278,301)	-	-
3,633,056	(46,620)	-	-
-	-	2,950,000	-
5,357,844	458,604	-	-
-	-	39,362	-
18,746	-	-	-
72,057,916	326,738	2,989,362	-

Loan secured against life insurance policies
Term deposits

As at September 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	
-	-	-	-	-	-	-	-	-	-	39,362	39,362	
1,750,000	1,200,000	-	-	-	-	-	-	-	-	-	2,950,000	
1,750,000	1,200,000	-	-	-	-	-	-	-	-	39,362	2,989,362	

Financial assets

Bank
Equity securities
Government securities
Debt securities
Term deposits
Mutual funds
Loan secured against life insurance policies
Loan to employees

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)			
5,307,056	-	-	-
8,292,169	(1,823,506)	-	-
37,930,238	(64,676)	-	-
4,254,845	(23,190)	-	-
-	-	2,276,000	-
8,017,302	(691,709)	-	-
-	-	42,163	-
21,873	-	-	-
63,823,483	(2,603,081)	2,318,163	-

Loan secured against life insurance policies
Term deposits

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	
-	400,000	-	-	875,000	1,001,000	-	-	-	-	-	2,276,000	
-	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 nine months period ended September 30, 2023

	September 30, 2023	December 31, 2022
	(Un-audited)	(Audited)
	(Rupees in '000)	
6. PROPERTY AND EQUIPMENT		
Operating fixed assets	194,244	212,363
Capital work-in-progress	4,481	3,169
	198,725	215,532

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

	Note	September 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
		(Rupees in '000)	
Leasehold improvements		4,656	4,947
Furniture and fixtures		1,610	7,081
Office equipment		3,128	4,891
Computer and related equipment		16,094	37,449
Motor vehicles		17,549	48,051
		43,037	102,419
6.2 Details of deletion / write-off to property and equipment is as follows for the period / year ended:			
Leasehold improvements		6,029	6,941
Furniture and fixtures		9,331	1,985
Office equipment		446	1,708
Computer and related equipment		15,358	18,091
Motor vehicles		6,499	3,489
		37,663	32,214
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 September 20, 2023. Total unrealised gain till September 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.

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the nine months period ended September 30, 2023

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	September 30, 2023	December 31, 2022
8. INVESTMENTS IN EQUITY SECURITIES		(Un-audited)	(Audited)
		(Rupees in '000)	
Available for sale	8.1	-	12,390
Fair value through profit or loss (held for trading)	8.2	7,155,758	8,279,779
		7,155,758	8,292,169

8.1 Available for sale

	As at September 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	-	-	-	795	-	728
Others	-	-	-	12,687	-	11,662
	-	-	-	13,482	-	12,390

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

	As at September 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	1,727,832	-	1,840,680	1,297,356	-	942,938
Others	5,234,871	-	5,315,078	8,804,837	-	7,336,841
	6,962,703	-	7,155,758	10,102,193	-	8,279,779

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the nine months period ended September 30, 2023

	Note	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
(Rupees in '000)			
9. INVESTMENTS IN GOVERNMENT SECURITIES			
Fair value through profit or loss (held for trading)	9.1	50,565,327	37,930,238

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

	Note	Term (year / months)	Maturity year	Effective yield (%)	Carrying amount	Principal repayment	Market value
(Rupees in '000)							
GOP Ijara Sukuk 1 Year - FRR		1 year	2024	20.96% - 22.91%	1,480,000	1,480,000	1,480,450
GOP Ijara Sukuk 1 Year - VRR		1 year	2024	22.61% - 22.77%	724,918	725,000	726,977
GOP Ijara Sukuk 3 Years - FRR		3 year	2026	18.91%	831,262	840,000	831,852
GOP Ijara Sukuk 5 Years - Fixed		5 year	2025	17.84%	87,620	100,000	85,700
GOP Ijara Sukuk 5 Years - FRR		5 year	2026	15.59%	499,091	527,500	473,062
GOP Ijara Sukuk 5 Years - VRR		5 year	2025	22.43% - 22.95%	623,764	630,000	622,113
GOP Ijara Sukuk 5 Years - VRR		5 year	2026	22.43% - 22.95%	472,188	475,000	471,545
GOP Ijara Sukuk 5 Years - VRR		5 year	2027	22.43% - 22.95%	263,740	264,900	263,475
Pakistan Investment Bond		3 year	2025	20.47%	8,998	10,000	8,449
Pakistan Investment Bond	9.1.1	3 year	2026	19.33%	1,946,955	2,350,000	1,950,203
Pakistan Investment Bond		5 year	2025	19.99%	409	500	399
Pakistan Investment Bond		5 year	2027	18.75%	58,321	75,000	53,675
Pakistan Investment Bond	9.1.1	10 year	2030	16.65%	1,062,225	1,470,000	947,412
Pakistan Investment Bond (FRB)	9.1.1	2 year	2023	23.66%	1,012,688	1,015,000	1,012,463
Pakistan Investment Bond (FRB)		3 year	2025	22.97% - 23.43%	5,121,760	5,100,000	5,018,970
Pakistan Investment Bond (FRB)		5 year	2026	23.73%	1,691,725	1,750,000	1,691,549
Pakistan Investment Bond (FRB)		5 year	2027	23.79%	801,696	840,000	800,604
Pakistan Investment Bond (FRB)		10 year	2028	23.55%	49,055	50,000	47,790
Pakistan Investment Bond (FRB)		10 year	2030	23.18%	493,200	500,000	479,450
Treasury Bill		3 months	2023	20.86%	24,284,327	25,425,200	24,288,929
Treasury Bill		6 months	2023	21.96%	445,613	502,920	501,863
Treasury Bill		12 months	2023	21.96%	569,495	570,585	569,366
Treasury Bill		12 months	2024	22.86%	8,314,578	9,651,000	8,239,031
As at September 30, 2023 (Un-audited)					50,843,628	54,352,605	50,565,327
As at December 31, 2022 (Audited)					37,995,014	38,889,665	37,930,238

9.1.1 These include PIBs of Rs. 75 million, Rs. 100 million & Rs. 300 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% & 12% per annum having maturity period of 5, 10 & 3 years and will mature on April 29, 2027, December 10, 2030 & July 4, 2026 respectively.

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the nine months period ended September 30, 2023

10. INVESTMENTS IN DEBT SECURITIES

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

		As at September 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 sukus	10.2	3,579,676	-	3,533,056	3,806,035	-	3,782,845
		3,679,676	-	3,633,056	4,278,035	-	4,254,845

10.1 This represents Rs. 100 million paid to The 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	September 30, 2023	December 31, 2022	Face value per certificate	Market value	December 31, 2022
		(Un-audited)	(Audited)		September 30, 2023	(Audited)
		(Un-audited)	(Audited)		(Un-audited)	(Audited)
(Number of certificates)		(Rupees in '000)				
Askari Bank Limited VII - TFC	17-Mar-30	100	100	1,000	97,500	100,980
Askari Bank Limited VI - TFC	Perpetual	100	100	1,000	100,000	100,000
Aspin Pharma Pvt Limited - Sukkuk	30-Nov-23	820	820	10	4,103	16,656
Bank Al Habib TFC	30-Sep-31	195,000	195,000	5	968,921	998,000
Bank Alfalah Limited TFC	15-Jan-24	20,000	20,000	5	96,630	92,514
Dubai Islamic Sukuk	2-Dec-32	22	-	1,000	22,055	-
Ghani Chemical Industries Limited TFC	3-Feb-24	600	600	12	4,696	11,499
Habib Bank Limited II - TFC	Perpetual	500	500	100	50,000	50,000
Jahangir Siddiqui & Company Limited - TFC	6-Sep-23	-	30,000	2	-	51,216
Meezan Bank Limited Sukuk - III	16-Dec-31	450	-	1,000	439,697	-
Meezan Bank Limited - Sukuk - I	30-Jun-30	500	500	1,000	498,353	513,600
Meezan Bank Limited - Sukuk - II	Perpetual	-	250	1,000	-	250,000
Pakistan Energy Sukuk II	21-May-30	115,000	115,000	5	575,115	574,999
Samba Bank Limited TFC	1-Mar-31	4,250	4,250	100	418,199	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	257,788	260,090
		339,922	373,100		3,533,056	3,782,845

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the nine months period ended September 30, 2023

	Note	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
(Rupees in '000)			
11. INVESTMENT IN TERM DEPOSITS			
Deposits maturing within 12 months	11.1	2,950,000	2,276,000

11.1 This represents term deposits with banks which carry profit rate ranging between 21% to 21.50% per annum (December 31, 2022: 14.8% to 16% per annum) and maturing in October 2023 (December 31, 2022: January, 2023 to September, 2023).

	Note	September 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	5,357,844	8,017,302

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

	As at September 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	4,308,691	-	4,745,941	6,099,261	-	5,403,600
Others	590,549	-	611,903	2,640,287	-	2,613,702
	4,899,240	-	5,357,844	8,739,548	-	8,017,302

	September 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	39,193	36,098
Due from reinsurers / retakaful operators	14,968	26,358
Net (insurance / takaful) / (reinsurance / retakaful) receivable	54,161	62,456

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the nine months period ended September 30, 2023

	Note	September 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
		(Rupees in '000)	
14. OTHER LOANS AND RECEIVABLES			
Receivable from related parties		1,250	6
Accrued income on investments		973,533	427,793
Security deposits		54,099	57,117
Loan to employees - secured	14.1	18,746	21,873
Advance to supplier		21,680	43,980
Dividend receivable		67,319	83,307
Receivable against the sale of investment		3,157	132,912
Other receivables		34,052	11,335
		1,173,836	778,323

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

	Note	September 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
		(Rupees in '000)	
15. PREPAYMENTS			
Prepaid rent- Ijarah term		21,681	10,698
Prepaid miscellaneous expenses	15.1	44,183	30,957
		65,864	41,655
15.1 These include prepayments related to insurance and software subscriptions.			
16. CASH AND BANK			
- Cash in hand		834	71
- Policy stamps		8,124	9,870
		8,958	9,941
Cash at bank			
- Current accounts		106,065	161,024
- Saving accounts	16.1	5,221,120	5,146,032
		5,327,185	5,307,056
		5,336,143	5,316,997

16.1 This carries profit rate ranging from 12.10% to 20.50% (December 31, 2022: 7.25% to 17.5%) per annum.

	September 30, 2023	September 30, 2022
	(Un-audited)	(Un-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	8,958	27,715
- Cash at bank	5,327,185	4,211,548
- Term deposits maturing within three months	2,950,000	5,425,000
	8,286,143	9,664,263

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the nine months period ended September 30, 2023

	Note	September 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
		(Rupees in '000)	
17. INSURANCE / TAKAFUL LIABILITIES			
Reported outstanding claims (including claims in payment)	17.1	3,370,300	3,122,497
Incurred but not reported claims	17.2	241,210	190,048
Investment component of unit-linked and account value policies	17.3	67,456,358	58,966,454
Liabilities under individual conventional insurance / takaful contracts	17.4	28,516	18,319
Liabilities under group insurance contracts (other than investment linked)	17.5	233,575	154,855
Other insurance / takaful liabilities	17.6	777,200	812,525
Gross insurance / takaful liabilities		72,107,159	63,264,698
Surplus of Participant Takaful Fund		237,906	143,963
Total Insurance / takaful liabilities		72,345,065	63,408,661
17.1 Reported outstanding claims			
Gross of reinsurance / retakaful			
Payable within one year		3,475,284	3,222,448
Recoverable from reinsurers / retakaful operators		(104,984)	(99,951)
Net reported outstanding claims		3,370,300	3,122,497
17.2 Incurred but not reported claims			
Individual life			
Gross of reinsurance / retakaful		272,053	223,514
Reinsurance / retakaful recoveries		(89,945)	(80,349)
Net of reinsurance / retakaful		182,108	143,165
Group life			
Gross of reinsurance / retakaful		134,992	105,264
Reinsurance / retakaful recoveries		(75,890)	(58,381)
Net of reinsurance / retakaful		59,102	46,883
Net incurred but not reported claims		241,210	190,048
17.3 Investment component of unit linked and account value policies			
Investment component of unit linked policies		66,081,415	57,385,281
Investment component of account value policies		1,374,943	1,581,173
		67,456,358	58,966,454
17.4 Liabilities under individual conventional insurance / takaful contracts			
Gross of reinsurance / retakaful		30,256	20,465
Reinsurance / retakaful credit		(1,740)	(2,146)
Net of reinsurance / retakaful		28,516	18,319
17.5 Liabilities under group insurance / takaful contracts (other than investment linked)			
Gross of reinsurance / retakaful		470,513	304,087
Reinsurance / retakaful credit		(236,938)	(149,232)
Net of reinsurance / retakaful		233,575	154,855

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the nine months period ended September 30, 2023

	Note	September 30, 2023 (Un-audited) (Rupees in '000)	December 31, 2022 (Audited)
17.6 Other insurance / takaful liabilities			
Gross of reinsurance / retakaful		897,231	902,851
Reinsurance / retakaful credit		(120,031)	(90,326)
Net of reinsurance / retakaful		777,200	812,525
18. LEASE LIABILITIES	18.1	118,959	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		13,949	28,636
		173,541	251,402
Repaid during the period / year		(54,582)	(91,810)
Closing balances		118,959	159,592
Current portion		85,336	63,337
Non-current portion		33,623	96,255
		118,959	159,592
19. OTHER CREDITORS AND ACCRUALS			
Agents commission payable		312,120	417,374
Payable to related parties		9,745	8,126
Payable against the purchase of investments		-	152,701
Accrued expenses	19.1	396,506	308,843
Other tax payable		31,406	38,709
		749,777	925,753

19.1 This includes provision for compensated absences amounting in aggregated to Rs. 78.14 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.

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the nine months period ended September 30, 2023

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. 993.15 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.

	Note	September 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
		(Rupees in '000)	
20.2 COMMITMENTS			
20.2.1 Commitments in respect of Ijarah rentals			
Not later than one year		76,115	80,066
Later than one year and not later than five years		123,340	176,989
		199,455	257,055

Commitments represent Ijarah rentals for vehicles payable in future period.

	For the nine months ended		For the quarter ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	(Rupees in '000)			
21. NET PREMIUM / CONTRIBUTION REVENUE				
Gross premiums / contributions				
Regular premium / contributions individual policies*				
- first year	2,094,305	2,294,532	750,846	678,649
- second year renewal	1,787,979	2,013,991	541,255	697,414
- subsequent years renewal	5,485,562	4,922,460	1,996,308	1,739,498
Single premium / contributions individual policies*	7,377,430	5,176,785	2,499,070	1,647,807
Group policies without cash values	740,288	593,678	412,709	333,297
Less: experience refund	(40,098)	(10,194)	(1,849)	-
Total gross premiums / contributions	17,445,466	14,991,252	6,198,339	5,096,665
Less: reinsurance premiums / retakaful contributions ceded				
On individual life first year business	(35,423)	(43,267)	(11,938)	(12,996)
On individual life second year business	(27,018)	(28,642)	(8,678)	(10,064)
On individual life subsequent renewal business	(119,238)	(134,350)	(39,152)	(44,818)
On individual life single premium business	(5,074)	(4,993)	(1,491)	(1,698)
On group policies	(409,924)	(323,848)	(233,481)	(189,917)
Profit commission on reinsurance	3,270	-	-	-
	(593,407)	(535,100)	(294,740)	(259,493)
Net premiums / contributions	16,852,059	14,456,152	5,903,599	4,837,172

* 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

For the nine months period ended September 30, 2023

	For the nine months ended		For the quarter ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
22. INVESTMENT INCOME				
Income from equity securities				
Dividend income				
Available for sale	801	723	-	39
Fair value through profit or loss	706,764	447,900	194,388	157,639
	707,565	448,623	194,388	157,678
Income from government securities				
Available for sale	15,837	14,671	9,099	5,692
Fair value through profit or loss	6,583,721	2,503,806	2,718,030	1,114,566
	6,599,558	2,518,477	2,727,129	1,120,258
Income from debt securities - fair value through profit or loss				
Return on TFCs and corporate sukuks	578,857	428,315	209,590	169,420
Income from term deposit receipts - loans and receivables				
Return on term deposit receipts	405,160	593,631	170,266	198,515
	8,291,140	3,989,046	3,301,373	1,645,871
23. NET REALISED FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS				
Available for sale				
Realised gains / (losses) on:				
- Listed equities	7,965	(5,950)	7,965	(5,941)
	7,965	(5,950)	7,965	(5,941)
Fair value through profit or loss				
Realised gains / (losses) on:				
- Equity securities	551,640	(37,394)	276,141	(111,110)
- Government securities	(148,964)	(24,590)	(59,838)	13,172
- Debt securities	(15,272)	-	(330)	-
- Mutual funds	6,833	283,324	(61,224)	118,283
	394,237	221,340	154,749	20,345
	402,202	215,390	162,714	14,404
24. NET FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNREALISED				
Net unrealised gains / (losses) on:				
- Equity securities	193,055	(1,156,765)	276,558	(61,468)
- Government securities	(278,301)	(57,035)	6,865	5,645
- Debt securities	(46,620)	(6,277)	(12,027)	8,010
- Mutual Funds	458,604	(727,300)	343,887	5,054
Total gains / (losses)	326,738	(1,947,377)	615,283	(42,759)
Less: Investment related expenses	(73,196)	(91,648)	(17,305)	33,865
	253,542	(2,039,025)	597,978	(8,894)

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the nine months period ended September 30, 2023

	For the nine months ended		For the quarter ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
(Rupees in '000)				
25. OTHER INCOME				
Return on bank balances	653,098	553,706	197,817	164,564
Mark-up on policy loans	3,713	2,984	1,312	1,059
Loss on disposal of fixed assets	549	2,041	768	2,041
	657,360	558,731	199,897	167,664
26. CHANGE IN UNREALISED GAINS ON AVAILABLE-FOR-SALE FINANCIAL ASSETS				
- Equity securities	-	(5,485)	(1,097)	(1,004)
- Government securities	-	-	-	834
	-	(5,485)	(1,097)	(170)
27. NET INSURANCE / TAKAFUL BENEFITS				
Gross claims				
Claims under individual policies				
- by death	(590,973)	(494,926)	(228,512)	(140,536)
- by insured event other than death	(3,216)	(2,571)	(1,087)	1,634
- by maturity	(5,328,435)	(2,726,851)	(1,976,647)	(1,005,585)
- by surrender	(7,660,914)	(6,147,390)	(2,830,846)	(2,382,226)
Total gross individual policy claims	(13,583,538)	(9,371,738)	(5,037,092)	(3,526,713)
Claims under group policies				
- by death	(362,632)	(268,573)	(51,828)	(77,215)
- by insured event other than death	(7,524)	(3,908)	(2,475)	2,792
Total gross group policy claims	(370,156)	(272,481)	(54,303)	(74,423)
Total gross claims	(13,953,694)	(9,644,219)	(5,091,395)	(3,601,136)
Less: Reinsurance / retakaful recoveries				
- on individual life claims	123,581	135,500	35,039	24,753
- on group life claims	221,140	143,685	8,284	40,632
	344,721	279,185	43,323	65,385
Net insurance / takaful benefit expense	(13,608,973)	(9,365,034)	(5,048,072)	(3,535,751)

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the nine months period ended September 30, 2023

		For the nine months ended		For the quarter ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Note		(Rupees in '000)			
28. ACQUISITION EXPENSES					
Remuneration to insurance / takaful intermediaries on individual policies / contracts:					
- Commission on first year premiums / contributions		(720,655)	(897,495)	(244,665)	(253,116)
- Commission on second year premiums / contributions		(105,426)	(110,209)	(30,972)	(40,617)
- Commission on subsequent years renewal premiums / contributions		(119,736)	(108,125)	(43,071)	(39,647)
- Commission on single premiums / contributions		(221,925)	(148,072)	(83,085)	(47,856)
- Other benefits to insurance / takaful intermediaries		(241,597)	(270,977)	(97,304)	(78,102)
		(1,409,339)	(1,534,878)	(499,097)	(459,338)
Remuneration to insurance / takaful intermediaries on group policies:					
- Commission		(14,855)	(12,058)	(6,177)	(2,932)
- Other benefits to insurance / takaful intermediaries		(2,330)	(2,400)	(264)	(419)
		(17,185)	(14,458)	(6,441)	(3,351)
Other acquisition costs					
- Employee benefit cost	28.1	(323,333)	(326,080)	(115,729)	(107,706)
- Traveling expenses		(4,674)	(5,436)	(2,643)	(1,602)
- Information technology expense		(3,440)	(2,245)	(1,117)	(962)
- Printing and stationery		(1,817)	(2,748)	(899)	(655)
- Depreciation		(20,667)	(20,462)	(7,000)	(7,378)
- Depreciation - Right of use asset		(10,086)	(12,690)	(3,363)	(4,230)
- Rent, rates and taxes		(36,615)	(34,670)	(13,203)	(10,938)
- Insurance cost		(2,289)	(1,503)	(946)	(161)
- Car fuel and maintenance		(32,866)	(23,732)	(12,259)	(10,807)
- Postage		(5,476)	(4,458)	(1,795)	(1,590)
- Electricity, gas and water		(17,946)	(15,458)	(9,352)	(8,190)
- Office repairs and maintenance		(41,975)	(35,422)	(16,643)	(12,399)
- Entertainment		(12,295)	(7,475)	(5,569)	(2,507)
- Training and development		(2,159)	(2,837)	(1,104)	(1,687)
- Marketing cost		(6,508)	(35,697)	(5,555)	(13,852)
- Financial charges		(3,883)	(5,632)	(1,206)	(1,792)
- Write off against property and equipment		(4,517)	-	-	-
- Legal and professional charges		(1,470)	(504)	(187)	(353)
- Stamp duty		(42,026)	(38,204)	(12,046)	(10,965)
- Medical examination fee		(1,491)	(1,520)	(423)	(506)
		(575,533)	(576,773)	(211,039)	(198,280)
		(2,002,057)	(2,126,109)	(716,577)	(660,969)

28.1 Employee benefit cost includes charges for post employment benefit of Rs. 11.704 million (September 30, 2022: Rs.10.97 million).

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the nine months period ended September 30, 2023

		For the nine months ended		For the quarter ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Note		(Rupees in '000)			
29. MARKETING AND ADMINISTRATION EXPENSES					
Employee benefit cost	29.1 & 29.2	(612,277)	(482,691)	(227,397)	(162,824)
Travelling expenses		(8,636)	(8,557)	(3,782)	(2,354)
Advertisements and sales promotion		(72,699)	(36,373)	(35,732)	(27,154)
Printing and stationery		(13,922)	(17,382)	(6,227)	(7,227)
Depreciation		(27,719)	(16,705)	(9,502)	(7,299)
Depreciation Right of use asset		(30,706)	(31,590)	(10,235)	(9,978)
Amortisation		(10,380)	(10,169)	(3,451)	(3,383)
Rent, rates and taxes		(10,243)	(10,333)	(3,522)	(3,626)
Legal and professional charges		(71,351)	(34,593)	(21,543)	(12,089)
Electricity, gas and water		(18,863)	(13,625)	(6,959)	(7,157)
Entertainment		(7,395)	(6,907)	(3,308)	(2,609)
Vehicle running expenses		(67,096)	(56,867)	(24,628)	(23,785)
Office repairs and maintenance		(31,998)	(24,508)	(12,146)	(9,437)
Appointed actuary fees		(13,649)	(6,561)	(5,181)	(2,280)
Postages, telegrams and telephone		(26,106)	(20,105)	(6,909)	(6,611)
Bank charges		(8,159)	(6,022)	(2,669)	(325)
Directors' Fee		(761)	(305)	-	(15)
Insurance expenses		(2,356)	(3,397)	(801)	(527)
Annual supervision fee		(16,586)	(20,577)	-	(6,859)
Information technology expenses		(96,348)	(58,409)	(42,653)	(24,415)
Training and development		(10,521)	(7,242)	(2,142)	(5,334)
Write off against property and equipment		(775)	-	(285)	-
Miscellaneous		(6,445)	(418)	(6,396)	(3,121)
		(1,164,991)	(873,336)	(435,468)	(328,409)
29.1 Employee benefit cost					
Salaries, allowances and other benefits		589,707	461,539	219,873	152,248
Charges for post employment benefit		22,570	21,152	7,524	10,576
		612,277	482,691	227,397	162,824

29.2 Total number of employees as at September 30, 2023 are 1,680 (September 30, 2022: 1,918) which includes permanent and contractual employees. Average number of employees during period ended September 30, 2023 were 1,677 (September 30, 2022: 1,987).

		For the nine months ended		For the quarter ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Note		(Rupees in '000)			
30.	OTHER EXPENSES				
	Auditor's remuneration	(5,354)	(3,421)	(1,389)	(687)
	Fee and subscription	(11,031)	(1,086)	(8,294)	(61)
	Donations	(409)	(705)	(90)	(196)
		(16,794)	(5,212)	(9,773)	(944)

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the nine months period ended September 30, 2023

30.1 Donations

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

	For the nine months ended		For the quarter ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Note	(Rupees in '000)			
31. FINANCE COSTS				
Markup on borrowings - net of government grant	-	(757)	-	-
Interest expense on lease liabilities	(10,066)	(13,536)	(2,912)	(3,991)
	(10,066)	(14,293)	(2,912)	(3,991)
32. INCOME TAX EXPENSE				
For the period				
- Current	(113,238)	(45,472)	(44,555)	(16,096)
- Prior	-	(1,769)	-	-
- Deferred	(231,621)	(135,204)	(85,186)	(60,916)
	(344,859)	(182,445)	(129,741)	(77,012)
33. EARNINGS PER SHARE				
Profit after tax for the period	696,265	353,063	274,423	187,485
	(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	2.79	1.41	1.10	0.75

33.1 There are no dilutive effect 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 nine months ended	
	September 30, 2023	September 30, 2022
	(Un-audited)	(Un-audited)
	(Rupees in '000)	
Transactions during the period		
Holding company		
Premium written	5,570	5,348
Insurance expense	23,591	23,513
Premises rental	44,523	39,649
Dividend paid	224,998	-
Rental income	2,238	2,250

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the nine months period ended September 30, 2023

For the nine months ended

September 30, 2023 September 30, 2022

	(Un-audited)	(Un-audited)
	(Rupees in '000)	
Associated undertakings		
Premium / contribution written	64,768	292,557
Claims expense	50,176	133,509
Commission and other incentives in respect of bancassurance	965,976	963,897
Profit on bank deposits	342,536	145,050
Bank charges	7,983	2,862
Investments purchased	4,160,148	24,086,906
Investments sold	5,764,972	23,016,502
Dividend income	207,844	136,345
Borrowing repaid	-	44,817
Others	8,157	-
Other related parties		
Premium / contribution written	304,443	8,506
Claims expense	119,365	-
Investment advisor fee	28,403	28,594
Trustee fee	7,033	6,883
Directors		
Fee	761	305
Key management personnel		
Remuneration	151,073	129,476
Advances given to key management personnels	7,750	1,093
Recoveries against advances to key management personnels	3,420	-
Staff retirement benefit plan (gratuity fund)		
Charge for the period	34,274	32,118

September 30, 2023 December 31, 2022

	(Un-audited)	(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	1,250	-
Associated undertakings		
Premium / contribution due but unpaid	9,271	14,106
Bank deposits	3,411,682	1,851,156
Investments held	6,586,621	7,348,266
Dividend receivables	-	26,788
Accrued income	-	41,548
Commission payable	263,111	334,192
Claims payable	5,024	-
Other related parties		
Premium / contribution due but unpaid	3,514	5,278
Remuneration payable for the management of discretionary investment portfolio	8,562	6,934
Remuneration payable to trustee	1,183	1,192
Key management personnel		
Short term loans (as per policy)	6,427	3,732
Staff retirement benefit plan (gratuity fund)		
Receivable / (payable) to gratuity fund	(10,880)	(4,866)

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the nine months period ended September 30, 2023

35. SEGMENTAL INFORMATION**35.1 Revenue account by statutory fund**

For the nine months ended September 30, 2023 (Un-audited)

	Statutory Funds						Total
	Conventional Business	Accident and Health Business	Non-unitised Investment Link Business	Unit Linked Business	Individual Family Takaful Unit Linked Business	Group Family Takaful Business	
	(Rupees in '000)						
Income							
Premiums / contributions less reinsurances / re-takaful	213,215	2,402	43,760	13,888,180	2,622,594	81,908	16,852,059
Rental income from investment property	-	-	-	2,238	-	-	2,238
Net investment income	73,735	-	276,607	7,722,772	1,216,932	19,622	9,309,668
Total net income	286,950	2,402	320,367	21,613,190	3,839,526	101,530	26,163,965
Insurance / takaful benefits and expenditures							
Insurance benefits including bonus net of reinsurance / retakaful	(103,238)	-	(452,920)	(11,925,275)	(1,086,005)	(47,195)	(13,614,633)
Management expenses less recoveries	(72,883)	(961)	(7,412)	(2,340,562)	(698,712)	(15,536)	(3,136,066)
Total insurance / takaful benefits and expenditures	(176,121)	(961)	(460,332)	(14,265,837)	(1,784,717)	(62,731)	(16,750,699)
Excess / (deficit) of income over insurance / takaful benefits and expenditures	110,829	1,441	(139,965)	7,347,353	2,054,809	38,799	9,413,266
Net change in insurance / takaful liabilities (other than outstanding claims)	(97,149)	(1,213)	207,316	(6,859,934)	(1,898,264)	(39,357)	(8,688,601)
Surplus / (deficit) before tax	13,680	228	67,351	487,419	156,545	(558)	724,665
Movement in policyholders' liabilities	97,149	1,213	(207,316)	6,859,934	1,898,264	39,357	8,688,601
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	474,368	2,763	1,573,101	58,316,941	10,706,946	149,373	71,223,492
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	281,693	1,576	1,417,169	56,883,015	10,113,926	39,480	68,736,859
Retained (deficit) / earning on other than participating business	(134,840)	(323)	155,932	1,433,926	593,020	74,263	2,121,978
Balance of statutory funds	474,368	2,763	1,573,101	58,316,941	10,706,946	149,373	71,223,492

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the nine months period ended September 30, 2023

35.2 Revenue account by statutory fund

For the nine months ended Septmeber 30, 2022 (Un-audited)

	Statutory Funds						
	Conventional Business	Accident and Health Business	Non-unitised Investment Link Business	Unit Linked Business	Individual Family Takaful Unit Linked Business	Group Life Family Takaful Business	Total
	(Rupees in '000)						
Income							
Premiums / contribution less reinsurances / re-takaful	222,174	269	54,950	11,321,958	2,818,145	38,656	14,456,152
Rental income from investment property	-	-	-	2,250	-	-	2,250
Net investment income	21,732	-	213,257	2,004,412	307,320	3,539	2,550,260
Total net income	243,906	269	268,207	13,328,620	3,125,465	42,195	17,008,662
Insurance benefits and expenditures							
Insurance benefits including bonus net of reinsurance / retakaful	(111,101)	-	(549,079)	(7,794,264)	(895,136)	(21,186)	(9,370,766)
Management expenses less recoveries	(44,870)	(120)	(4,426)	(2,071,187)	(862,671)	(5,720)	(2,988,994)
Total insurance / takaful benefits and expenditures	(155,971)	(120)	(553,505)	(9,865,451)	(1,757,807)	(26,906)	(12,359,760)
Excess / (deficit) of income over insurance / takaful benefits and expenditures	87,935	149	(285,298)	3,463,169	1,367,658	15,289	4,648,902
Net change in insurance / takaful liabilities (other than outstanding claims)	(77,372)	93	337,826	(3,231,109)	(1,276,388)	(14,645)	(4,261,595)
Surplus / (deficit) before tax	10,563	242	52,528	232,060	91,270	644	387,307
Movement in policyholders' liabilities	77,372	(93)	(337,826)	3,231,109	1,276,388	14,645	4,261,595
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	358,899	1,126	1,925,927	50,855,366	8,142,229	43,310	61,326,857
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	217,121	165	1,701,240	49,857,212	7,712,270	12,942	59,500,950
Retained (deficit) / earning on other than participating business	(185,736)	(550)	224,687	998,154	270,458	20,368	1,327,381
Balance of statutory funds	358,899	1,126	1,925,927	50,855,366	8,142,229	43,310	61,326,857

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the nine months period ended September 30, 2023

35.3 Segmental statement of financial position

	As at September 30, 2023 (Un-audited)		
	Statutory	Shareholders'	Total
	Funds	Fund	
	(Rupees in '000)		
Property and equipment	-	198,725	198,725
Intangible assets	-	29,338	29,338
Right of use asset	-	83,628	83,628
Investment property	1,023,394	-	1,023,394
Investments			
Equity securities	7,155,758	-	7,155,758
Government securities	48,375,415	2,189,912	50,565,327
Debt securities	3,633,056	-	3,633,056
Term deposits	2,950,000	-	2,950,000
Mutual funds	5,162,967	194,877	5,357,844
Loan secured against life insurance / takaful policies	39,362	-	39,362
(Insurance / takaful) / (reinsurance / retakaful) receivables	54,161	-	54,161
Deferred tax asset	-	12,566	12,566
Other loans and receivables	1,087,148	86,688	1,173,836
Taxation - payment less provision	1,019,233	-	1,019,233
Prepayments	10,402	55,462	65,864
Cash and bank	5,030,567	305,576	5,336,143
Total assets	75,541,463	3,156,772	78,698,235
Insurance / takaful liabilities	72,345,065	-	72,345,065
Retirement benefit obligations	-	10,880	10,880
Taxation - payment less provision	-	186,476	186,476
Deferred tax liability	623,299	-	623,299
Lease liabilities	-	118,959	118,959
Premium / contribution received in advance	287,667	-	287,667
(Insurance / takaful) / (reinsurance / retakaful) payables	176,062	-	176,062
Other creditors and accruals	483,461	266,316	749,777
Total liabilities	73,915,554	582,631	74,498,185

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the nine months period ended September 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 nine months period ended September 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).

As at September 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)	-	50,565,327	-	-	50,565,327	14,006,000	36,559,327	-	50,565,327
Equity securities	-	7,155,758	-	-	7,155,758	7,155,758	-	-	7,155,758
Mutual funds	-	5,357,844	-	-	5,357,844	5,357,844	-	-	5,357,844
Debt securities (listed TFCs / corporate sukus)	-	3,533,056	-	-	3,533,056	3,533,056	-	-	3,533,056
	-	66,611,985	-	-	66,611,985	30,052,658	36,559,327	-	66,611,985
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	-	-	5,327,185	-	5,327,185				
- Term deposit receipts	-	-	2,950,000	-	2,950,000				
- Investment in debt securities	-	100,000	-	-	100,000				
- Other financial assets	-	-	1,246,513	-	1,246,513				
	-	100,000	9,523,698	-	9,623,698				
Financial liabilities not measured at fair value									
- Other financial liabilities	-	-	-	925,839	925,839				
	-	-	-	925,839	925,839				
	-	67,735,379	9,523,698	925,839	78,184,916				

Adamjee Life Assurance Company Limited

Notes to and forming part of the Condensed Interim Financial Statements

For the nine months period ended September 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 sukus)	-	3,782,845	-	-	3,782,845	3,782,845	-	-	3,782,845
	12,390	58,010,164	-	-	58,022,554	31,483,944	26,583,610	-	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				

37. CORRESPONDING FIGURES

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

38. DATE OF AUTHORISATION FOR ISSUE


These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on October 23, 2023.



S. Muhammad Jawed
Chairman




Muhammad Ali Zeb
Director



Shahmeer Khalid
Director



Manzoor Mushtaq
Chief Executive Officer



Jalal Meghani
Chief Financial Officer

Window Takaful Operations



Adamjee Life Assurance Company Limited


Condensed Interim Statement of Financial Position (Un-audited)

Window Takaful Operations

As at September 30, 2023

		Aggregate			
		Operator's Sub Fund	Statutory Fund	September 30, 2023	December 31, 2022
Note	(Rupees in '000)				
Assets					
Investments					
Equity securities	5	-	984,596	984,596	1,000,449
Government securities	6	84,337	4,255,005	4,339,342	1,491,436
Debt securities	7	-	260,427	260,427	429,040
Term deposits	8	-	1,200,000	1,200,000	2,175,000
Mutual funds	9	464,348	558,920	1,023,268	1,031,554
Takaful / retakaful receivables		-	12,561	12,561	2,373
Contribution due but unpaid		-	6,025	6,025	1,963
Other loans and receivables		21,363	337,938	359,301	165,105
Secured loans to employees		1,714	-	1,714	2,529
Interfund receivable		-	77,376	77,376	1,256
Taxation - payments less provision		11,753	195,060	206,813	153,225
Prepayments		10,402	-	10,402	3,337
Cash and bank	10	81,838	2,782,394	2,864,232	2,753,762
Total assets		675,755	10,670,302	11,346,057	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		286,047	-	286,047	182,337
Total equity		273,547	48,630	322,177	218,467
Liabilities					
Takaful liabilities	11	63,652	10,547,308	10,610,960	8,643,376
Deferred taxation		142,828	-	142,828	90,653
Contribution received in advance		-	67,372	67,372	91,714
Takaful / retakaful payables		-	1,718	1,718	19,314
Interfund payable		77,376	-	77,376	1,256
Other creditors and accruals		118,352	5,274	123,626	146,249
Total liabilities		402,208	10,621,672	11,023,880	8,992,562
Contingencies and commitments					
Total equity and liabilities	12	675,755	10,670,302	11,346,057	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 (Un-audited)

Window Takaful Operations

For the nine months period ended September 30, 2023

		Operator's Sub Fund	Statutory Fund	For the nine months ended		For the quarter ended	
				September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Note		(Rupees in '000)					
Contribution revenue		613,823	2,181,683	2,795,506	2,918,473	965,569	917,253
Contribution ceded to retakaful		-	(91,004)	(91,004)	(61,672)	(33,083)	(18,237)
Net contribution revenue	13	613,823	2,090,679	2,704,502	2,856,801	932,486	899,016
Takaful operator's fee		218,426	(218,426)	-	-	-	-
Investment income	14	55,091	769,690	824,781	526,884	361,081	226,471
Net realised fair value gain/(loss) on financial assets	15	(10,861)	76,294	65,433	(7,072)	21,650	(7,036)
Net fair value gain / (loss) on financial assets at fair value through profit or loss - unrealised	16	5,428	49,160	54,588	(214,544)	94,874	(5,397)
Other income	17	16,730	297,868	314,598	31,996	18,847	5,479
		284,814	974,586	1,259,400	337,264	496,452	219,517
Net income		898,637	3,065,265	3,963,902	3,194,065	1,428,938	1,118,533
Takaful benefits	18	(709)	(1,190,675)	(1,191,384)	(951,760)	(422,461)	(310,791)
Recoveries from retakaful	18	-	60,409	60,409	37,680	12,494	10,088
Claims related expenses		-	(2,225)	(2,225)	(2,242)	(820)	(834)
Net takaful benefits		(709)	(1,132,491)	(1,133,200)	(916,322)	(410,787)	(301,537)
Net change in takaful liabilities (other than outstanding claims)		(6,803)	(1,930,718)	(1,937,521)	(1,291,033)	(777,839)	(528,147)
Acquisition expenses	19	(538,337)	-	(538,337)	(691,701)	(191,677)	(185,340)
Marketing and administration expenses	20	(173,814)	-	(173,814)	(175,259)	(42,460)	(61,224)
Other expenses		(23,089)	(2,056)	(25,145)	(27,836)	(1,978)	(2,449)
		(742,043)	(1,932,774)	(2,674,817)	(2,185,829)	(1,013,954)	(777,160)
Total expenses		(742,752)	(3,065,265)	(3,808,017)	(3,102,151)	(1,424,741)	(1,078,697)
Profit before tax		155,885	-	155,885	91,914	4,197	39,836
Income tax expense		(52,175)	-	(52,175)	(30,282)	(23,392)	(30,282)
Profit after tax for the period		103,710	-	103,710	61,632	(19,195)	9,554

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

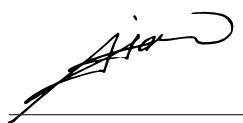
Condensed Interim Statement of Comprehensive Income (Un-audited)

Window Takaful Operations

For the nine months period ended September 30, 2023

	For the nine months ended		For the quarter ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	(Rupees in '000)			
Profit after tax for the period - as per statement of profit or loss	103,710	61,632	(19,195)	9,554
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	103,710	61,632	(19,195)	9,554

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 Changes in Equity (Un-audited)

Window Takaful Operations

For the nine months period ended September 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 September 30, 2022				
- Profit for the period after tax	-	-	61,632	61,632
- Other comprehensive income	-	-	-	-
	-	-	61,632	61,632
Balance as at September 30, 2022	169,501	500	191,264	351,265
Balance as at January 01, 2023	35,630	500	182,337	218,467
Total comprehensive income for the period ended September 30, 2023				
- Profit for the period after tax	-	-	103,710	103,710
- Other comprehensive income	-	-	-	-
	-	-	103,710	103,710
Balance as at September 30, 2023	35,630	500	286,047	322,177

* 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 (Un-audited)

Window Takaful Operations

For the nine months period ended September 30, 2023

	Note	September 30, 2023	September 30, 2022
(Rupees in '000)			
Operating Cash Flows			
(a) Takaful activities			
Takaful contribution received		2,767,102	2,862,436
Retakaful contribution paid		(58,379)	(62,212)
Claims paid		(1,163,646)	(939,684)
Hadia paid		(344,852)	(543,355)
Marketing and administrative expenses paid		(268,412)	(354,591)
Net cash flow generated from takaful activities		931,813	962,594
(b) Other operating activities			
Income tax paid		(53,589)	(72,437)
Total cash flow generated from all operating activities		878,224	890,157
Investment activities			
Profit / return received		848,762	391,429
Dividend received		84,247	18,976
Payment for investments		(6,255,283)	(4,762,229)
Proceeds from disposal of investments		4,529,520	3,174,695
Total cash flow used in investing activities		(792,754)	(1,177,129)
Net cash inflows from all activities		85,470	(286,972)
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	4,064,232	3,461,907
Reconciliation to statement of profit or loss			
Cash flow from all operating activities		878,224	890,157
Depreciation and amortisation expense		(14,685)	(14,880)
Financial charge expense		(2,500)	-
Write offs		(4,517)	-
Profit on disposal of investment		65,433	(7,072)
Dividend income		94,968	29,007
Other investment income		1,044,411	357,957
(Decrease) / increase in assets other than cash		(57,014)	72,437
Increase in liabilities other than borrowings		(1,955,198)	(1,051,430)
Surplus / (deficit) on revaluation of investment		54,588	(214,544)
Profit after taxation for the period		103,710	61,632

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 (Un-audited)**Window Takaful Operations**

For the nine months period ended September 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 (Un-audited)

Window Takaful Operations

For the nine months period ended September 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 SEPTEMBER 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 Exemptions From Applications From 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	September 30, 2023	December 31, 2022
		(Rupees in '000)	
5. INVESTMENT IN EQUITY SECURITIES			
Fair value through profit or loss (held for trading)	5.1	984,596	1,000,449

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

	As at September 30, 2023			As at December 31, 2022		
	Carrying value	Provision / Impairment	Market value	Carrying value	Provision / Impairment	Market value
	(Rupees in '000)					
Related party	62,304	-	55,739	50,531	-	32,889
Others	881,143	-	928,858	1,088,777	-	967,560
	943,447	-	984,597	1,139,308	-	1,000,449

Adamjee Life Assurance Company Limited

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

Window Takaful Operations

For the nine months period ended September 30, 2023

	Note	September 30, 2023	December 31, 2022
(Rupees in '000)			
6. INVESTMENT IN GOVERNMENT SECURITIES			
Fair value through profit or loss (held for trading)	6.1	4,339,342	1,491,436

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

	As at September 30, 2023					
	Term	Maturity Year	Effective Yield (%)	Carrying value	Principal Repayment	Market value
	(Rupees in '000)					
GOP Ijara Sukuk 1 Year - FRR	1 year	2024	21.91%	1,385,000	1,385,000	1,385,425
GOP Ijara Sukuk 1 Year - VRR	1 year	2024	22.69%	429,646	425,000	427,015
GOP Ijara Sukuk 3 Years - FRR	3 year	2026	18.91%	752,095	760,000	752,628
GOP Ijara Sukuk 5 Years - Fixed	5 year	2025	17.98% - 23.11%	87,620	100,000	85,700
GOP Ijara Sukuk 5 Years - FRR	5 year	2026	22.04% - 22.11%	401,993	425,000	381,140
GOP Ijara Sukuk 5 Years - VRR	5 year	2025	21.99% - 23.16%	623,764	630,000	622,113
GOP Ijara Sukuk 5 Years - VRR	5 year	2026	22.17%	447,330	450,000	446,690
GOP Ijara Sukuk 5 Years - VRR	5 year	2027	22.14%	238,845	239,900	238,631
As at September 30, 2023				4,366,293	4,414,900	4,339,342
As at December 31, 2022				1,530,908	1,535,000	1,491,436

	Note	September 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	260,427	429,040

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

As at September 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	263,007	260,427	430,125	-	429,040
263,007	-	260,427			

Adamjee Life Assurance Company Limited

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

Window Takaful Operations

For the nine months period ended September 30, 2023

	Note	September 30, 2023	December 31, 2022
(Rupees in '000)			
8. INVESTMENT IN TERM DEPOSITS			
Deposits maturing within 12 months	8.1	1,200,000	2,175,000

8.1 This represents term deposits with banks which carry interest rate of 21% per annum (December 31, 2022: 14.75% to 16% per annum) and maturing in October 2023.

	Note	September 30, 2023	December 31, 2022
(Rupees in '000)			
9. INVESTMENT IN MUTUAL FUND			
Fair value through profit or loss (held for trading)	9.1	1,023,268	1,031,554

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

	As at September 30, 2023			As at December 31, 2022		
	Carrying value	Provision / Impairment	Market value	Carrying value	Provision / Impairment	Market value
(Rupees in '000)						
Related party	649,699	-	695,521	999,283	-	943,929
Others	322,867	-	327,747	128,197	-	87,625
	972,566	-	1,023,268	1,127,480	-	1,031,554

	Note	September 30, 2023	December 31, 2022
(Rupees in '000)			
10. CASH AND BANK			
- Policy stamps		6,179	7,036
Cash at bank			
- Current accounts		98,986	145,967
- Saving accounts	10.1	2,759,067	2,600,759
		2,858,053	2,746,726
		2,864,232	2,753,762

10.1 This carries profit rate ranging from 12.10% to 20.5% (December 31, 2022: 9% to 12%) per annum.

Adamjee Life Assurance Company Limited

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

Window Takaful Operations

For the nine months period ended September 30, 2023

	Note	September 30, 2023	September 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		6,179	11,101
- Cash at bank		2,858,053	2,025,806
- Term deposits maturing within three months		1,200,000	1,425,000
		4,064,232	3,461,907

	Note	September 30, 2023	December 31, 2022
(Rupees in '000)			
11 TAKAFUL LIABILITIES			
Reported outstanding claims (including claims in payment)	11.1	219,648	189,685
Incurred but not reported claims	11.2	66,146	44,964
Investment component of unit-linked and account value policies	11.3	9,947,822	8,111,996
Liabilities under group takaful contracts (other than investment linked)	11.4	22,351	24,904
Other takaful liabilities	11.5	117,086	127,864
		10,373,053	8,499,413
Surplus retained in Participants' Takaful Fund (PTF)		237,906	143,963
		10,610,959	8,643,376
11.1 Reported outstanding claims (including claims in payment)			
Gross of retakaful		252,388	219,838
Recoverable from retakaful		(32,740)	(30,153)
Net reported outstanding claims		219,648	189,685
11.2 Incurred but not reported claims			
Individual life			
Gross of retakaful		82,940	49,075
Retakaful recoveries		(33,923)	(14,718)
Net of retakaful		49,017	34,357
Group life			
Gross of retakaful		30,365	15,039
Retakaful recoveries		(13,236)	(4,432)
Net of retakaful		17,129	10,607
		66,146	44,964

Adamjee Life Assurance Company Limited

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

Window Takaful Operations

For the nine months period ended September 30, 2023

Note	September 30, 2023	December 31, 2022
	(Rupees in '000)	
11.3 Investment component of unit linked and account value policies		
Investment component of unit linked policies	9,947,822	8,111,996
Investment component of account value policies	-	-
	9,947,822	8,111,996
11.4 Liabilities under group takaful contracts (other than investment linked)		
Gross of retakaful	37,397	39,891
Retakaful credit	(15,046)	(14,987)
Net of retakaful	22,351	24,904
11.5 Other takaful liabilities		
Gross of retakaful	144,916	160,351
Retakaful credit	(27,830)	(32,487)
Net of retakaful	117,086	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 September 30, 2023. Out of reported amount thereon, an amount of Rs. 169.61 million (December 31, 2022: Rs. 132.61 million) pertains to Window Takaful Operations. There are no other material contingencies or commitments as at September 30, 2023.

Adamjee Life Assurance Company Limited

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

Window Takaful Operations

For the nine months period ended September 30, 2023

	For the nine months ended		For the quarter ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Note	(Rupees in '000)			
13. Contribution revenue				
Gross Contribution				
Regular Contribution Individual Contracts*				
First year	569,276	882,984	205,441	667,057
Second year renewal	624,104	866,684	133,960	624,765
Subsequent year renewal	1,411,258	981,617	551,646	737,322
Single contribution individual contracts*	58,031	131,374	11,062	115,217
Group contracts without cash values	132,837	55,814	63,460	47,650
Total gross contribution	2,795,506	2,918,473	965,569	2,192,011
Less: retakaful contributions ceded				
On individual life first year business	(9,880)	(18,326)	(3,300)	(11,642)
On individual life second year business	(10,447)	(12,095)	(2,934)	(7,855)
On individual life subsequent renewal business	(19,707)	(13,947)	(7,012)	(9,381)
On individual life single premium business	(41)	(146)	(12)	(92)
On group contracts	(50,929)	(17,158)	(19,825)	(13,613)
	(91,004)	(61,672)	(33,083)	(42,583)
Net contribution	2,704,502	2,856,801	932,486	2,149,428

* Individual contracts are those underwritten on an individual basis.

	For the nine months ended		For the quarter ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Note	(Rupees in '000)			
14. INVESTMENT INCOME				
Dividend income	94,968	29,007	37,098	9,803
Income from government securities - fair value through profit or loss	343,311	115,471	183,604	50,368
Income from debt securities - fair value through profit or loss				
- Return on corporate sukuk	39,528	49,373	14,892	23,101
Income from term deposit receipts - loans and receivables				
- Return on term deposit receipts	346,974	333,033	125,487	143,199
	824,781	526,884	361,081	226,471

Adamjee Life Assurance Company Limited

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

Window Takaful Operations

For the nine months period ended September 30, 2023

	For the nine months ended		For the quarter ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Note	(Rupees in '000)			
15. NET REALISED FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS				
Fair value through profit or loss				
Realised gains / (losses) on:				
- Equity securities	67,217	4,755	(32,511)	1,596
- Government securities	-	3,694	-	7,106
- Debt securities	(6,378)	-	-	-
- Mutual funds	4,594	(1,377)	10,861	(1,666)
	65,433	7,072	(21,650)	7,036
16. NET FAIR VALUE GAINS/ (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNREALISED				
Net unrealised gains /(losses) on:				
- Equity securities	41,150	69,765	(52,092)	(42,709)
- Government securities	(26,951)	24,201	1,583	2,244
- Debt securities	(2,580)	4,619	784	5,724
- Mutual funds	50,702	109,418	(47,918)	37,670
	62,321	208,003	(97,643)	2,929
Total gains /(losses)	(7,733)	6,541	2,769	2,468
Less: Investment related expenses	54,588	214,544	(94,874)	5,397
17. OTHER INCOME				
Return on bank balances	291,752	(5,580)	(3,356)	(2,069)
Bonus allocation from operator's sub fund	22,846	(26,416)	(15,491)	(3,410)
	314,598	(31,996)	(18,847)	(5,479)
18. TAKAFUL BENEFITS				
Claims under individual policies				
- by death	(104,795)	(99,771)	(24,468)	(27,821)
- by insured event other than death	(681)	(2)	423	(2)
- by maturity	(169,347)	(59,293)	(46,629)	(44,613)
- by surrender	(841,344)	(770,683)	(323,922)	(240,497)
Total gross individual policy claims	(1,116,167)	(929,749)	(394,596)	(312,933)
Claims under group policies				
- by death	(73,722)	(23,637)	(27,308)	(2,200)
- by insured event other than death	(1,495)	1,626	(557)	4,342
Total gross claims	(1,191,384)	(951,760)	(422,461)	(310,791)
Less: Retakaful recoveries				
- on individual life claims	32,387	36,855	2,575	13,088
- on group life claims	28,022	825	9,919	(3,000)
	60,409	37,680	12,494	10,088
Net takaful benefit expense	(1,130,975)	(914,080)	(409,967)	(300,703)

Adamjee Life Assurance Company Limited

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

Window Takaful Operations

For the nine months period ended September 30, 2023

	For the nine months ended		For the quarter ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
19. Acquisition expenses	Note			
	(Rupees in '000)			
Operator's Sub-Fund				
Acquisition costs				
Remuneration to takaful intermediaries on individual policies:				
- Hadia to agent on first year contributions	(215,024)	(353,875)	(77,784)	(82,428)
- Hadia to agent on second year contributions	(41,500)	(44,895)	(9,603)	(19,280)
- Hadia to agent on subsequent year renewal contributions	(29,327)	(18,901)	(11,544)	(7,308)
- Hadia to agent on single contributions	(2,588)	(5,193)	(604)	(1,366)
- other benefits to takaful intermediaries	(18,639)	(49,680)	(5,816)	(7,451)
Total hadia cost	(307,078)	(472,544)	(105,351)	(117,833)
Remuneration to takaful intermediaries on group contracts:				
- Hadia	(6,904)	(3,232)	(4,322)	(355)
- Other benefits to takaful intermediaries	(640)	(341)	(183)	(20)
	(7,544)	(3,573)	(4,505)	(375)
Other acquisition costs	(11,491)	(11,813)	(2,639)	(2,352)
	(326,113)	(487,930)	(112,495)	(120,560)
Branch overheads	(212,224)	(203,771)	(79,182)	(64,780)
Total acquisition cost	(538,337)	(691,701)	(191,677)	(185,340)
20. Marketing and administration expenses				
Salaries allowances and other benefits	(81,342)	(78,837)	(12,423)	(28,469)
Travelling expenses	(1,103)	(870)	(456)	(263)
Actuary's fee	(1,363)	(656)	(518)	(228)
Auditor's remuneration	(535)	(325)	(138)	(69)
Legal and professional charges	(9,488)	(6,249)	(2,987)	(1,280)
Information technology expenses	(10,073)	(6,411)	(4,408)	(2,641)
Printing and stationery	(3,983)	(7,672)	(1,486)	(3,370)
Depreciation	(4,967)	(3,276)	(1,821)	(1,340)
Depreciation-right of use assets	(5,744)	(7,272)	(2,310)	(2,332)
Amortisation	(898)	(1,017)	(265)	(338)
Rent expense	(1,657)	(1,564)	(595)	(544)
Insurance expense	(281)	(826)	(109)	(53)
Vehicle running	(16,747)	(14,785)	(5,442)	(7,253)
Postage and courier	(8,401)	(6,203)	(2,128)	(2,039)
Electricity, gas and water	(2,235)	(1,541)	(828)	(809)
Office repairs and maintenance	(4,325)	(2,710)	(1,672)	(1,123)
Entertainment	(924)	(1,060)	(368)	(334)
Bank charges	(134)	(453)	(92)	(214)
Training and development	(835)	(3,795)	(207)	(3,521)
Fees and subscription	(2,738)	(2,166)	(829)	(692)
Marketing cost	(13,820)	(32,686)	(2,462)	(6,486)
Other expense	(109)	8,691	(104)	3,175
Finance charges against lease liabilities	(2,112)	(3,576)	(812)	(1,001)
	(173,814)	(175,259)	(42,460)	(61,224)

Adamjee Life Assurance Company Limited

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

Window Takaful Operations

For the nine months period ended September 30, 2023

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:

		for the nine months ended	
	Note	September 30, 2023	September 30, 2022
Transactions during the period		(Rupees in '000)	
Holding company			
Takaful expense		130	2,351
Associated undertakings			
Contribution written		30,324	-
Takaful expense		8,518	-
Hadia and other incentives in respect of bancatakaful		81,121	134,935
Profit on bank deposits		39,314	62,068
Bank charges		1,831	234
Investments purchased		608,907	6,345,720
Investments sold		1,952,786	5,670,224
Dividend income		107,989	518
Other related parties			
Contribution written		3,347	14,590
Takaful expense		22	-
Investment advisor fee		3,047	3,447
Key management personnel			
Remuneration		21,362	12,948
Advances given to key management personnels		1,096	-
Recoveries against advances to key management personnels		484	-
Staff retirement benefit plan (gratuity fund)			
Charge for the period		3,933	3,212

	Note	September 30, 2023 December 31, 2022	
		(Rupees in '000)	
Balances outstanding as at the end of the period / year			
Associated undertakings			
Contribution due but unpaid		5,854	920
Bank deposits		1,343,398	444,449
Investments held		751,260	1,726,771
Hadia payable		16,697	21,491
Other related parties			
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 (Un-audited)

Window Takaful Operations

For the nine months period ended September 30, 2023

22. SEGMENTAL INFORMATION**22.1 REVENUE ACCOUNT BY STATUTORY FUND**

For the nine months ended septmeber 30, 2023			
	Individual Family Takaful Unit Linked Business	Group Family Takaful Business	Total
	(Rupees in '000)		
Income			
Contribution less re-takaful	2,622,594	81,908	2,704,502
Net investment income	1,216,932	19,622	1,236,554
Total net income	3,839,526	101,530	3,941,056
Takaful benefits and expenditures			
Takaful benefits including bonus net of re-takaful	(1,086,005)	(47,195)	(1,133,200)
Management expenses less recoveries	(698,812)	(15,536)	(714,348)
Total takaful benefits and expenditures	(1,784,817)	(62,731)	(1,847,548)
Excess of income over takaful benefits and expenditures	2,054,709	38,799	2,093,508
Net change in takaful liabilities (other than outstanding claims)	(1,898,264)	(39,257)	(1,937,521)
Surplus / (deficit) before tax	156,445	(458)	155,987
Movement in policyholders' liabilities	1,898,264	39,257	1,937,521
Balance of statutory funds at beginning of the period	8,652,237	110,574	8,762,811
Balance of statutory funds at end of the period	10,706,946	149,373	10,856,319
For the nine months ended septmeber 30, 2022			
	Individual Family Takaful Unit Linked Business	Group Life Family Takaful Business	Total
Income			
Contribution less re-takaful	2,818,145	38,656	2,856,801
Net investment income	307,320	3,539	310,859
Total net income	3,125,465	42,195	3,167,660
Takaful benefits and expenditures			
Takaful benefits including bonus net of re-takaful	(895,136)	(21,186)	(916,322)
Management expenses less recoveries	(862,671)	(5,720)	(868,391)
Total takaful benefits and expenditures	(1,757,807)	(26,906)	(1,784,713)
Excess of income over takaful benefits and expenditures	1,367,658	15,289	1,382,947
Net change in takaful liabilities (other than outstanding claims)	(1,276,388)	(14,645)	(1,291,033)
Surplus before tax	91,270	644	91,914
Movement in policyholders' liabilities	1,276,388	14,645	1,291,033
Balance of statutory funds at beginning of the period	6,774,571	28,021	6,802,592
Balance of statutory funds at end of the period	8,142,229	43,310	8,185,539

Adamjee Life Assurance Company Limited

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

Window Takaful Operations

For the nine months period ended September 30, 2023

22.2 REVENUE ACCOUNT BY SUB STATUTORY FUND

	Statutory funds		Aggregate	
	Individual Family Takaful	Group Family Takaful	September 30, 2023	September 30, 2022
Note	(Rupees in '000)			
22.2.1 Operator's Sub Fund (OSF)				
Income				
Wakalah fee	482,209	22,970	505,179	673,981
Surrender charges	1,467	-	1,467	2,878
Tharawat fee	117,344	-	117,344	93,367
Bid offer spread	108,644	-	108,644	110,205
Participants' Takaful fund management income	70,446	-	70,446	74,112
Income against admin cost charged to PIF	30,636	-	30,636	19,590
Investment income	66,388	-	66,388	25,086
Total net income	877,134	22,970	900,104	999,219
Less: Expenditures				
Acquisition costs	(530,793)	(7,544)	(538,337)	(691,701)
Administration cost and others	(165,824)	(7,990)	(173,814)	(175,259)
Claim related expenses	(1,176)	(1,000)	(2,176)	(2,267)
Bonus Allocation to PIF	(22,846)	-	(22,846)	(26,416)
Expenses on behalf of PTF - Premium	(53)	-	(53)	(291)
Expenses on behalf of PTF - Tabbarru	(190)	-	(190)	(556)
Total management cost	(720,882)	(16,534)	(737,416)	(896,490)
Excess of income over expenditure	156,252	6,436	162,688	102,729
Technical reserve at the beginning of the period	56,599	400	56,999	36,914
Less: Technical reserve at end of the period	(56,510)	(7,292)	(63,802)	(47,729)
Movement in technical reserves	89	(6,892)	(6,803)	(10,815)
Surplus / (deficit) for the period	156,341	(456)	155,885	91,914
Movement in technical reserves	(89)	6,892	6,803	10,815
Contribution received from Shareholders' Fund	-	-	-	-
Capital contributed to Group Family Takaful	-	-	-	-
Balance of Operator's Sub Fund at the beginning of the period	300,146	7,244	307,390	262,823
Balance of Operator's Sub Fund at end of the period	456,398	13,680	470,078	365,552
Represented by:				
Capital contributed by shareholders' 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	56,510	7,292	63,802	47,729
Retained earnings on other than participating business	422,388	6,388	428,776	180,822
Balance of Operator's Sub Fund	456,398	13,680	470,078	365,552

Adamjee Life Assurance Company Limited

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

Window Takaful Operations

For the nine months period ended September 30, 2023

		Statutory funds		Aggregate	
		Individual Family Takaful	Group Family Takaful	September 30, 2023	September 30, 2022
Note		(Rupees in '000)			
22.2.2 Participants' Takaful Fund (PTF)					
Income					
	Allocated contribution	27,513	109,867	137,380	77,653
	Tabarru income	174,964	-	174,964	182,955
	Re-Takaful ceded	(40,075)	(50,929)	(91,004)	(61,672)
	Total contribution income net of re-takaful	162,402	58,938	221,340	198,936
	Add: Investment income	19,973	19,622	39,595	14,159
	Total income	182,375	78,560	260,935	213,095
Less: Expenditure					
22.2.1	Participants' Takaful fund management charges	(70,446)	-	(70,446)	(74,112)
	Expenses	-	-	-	-
	Death claim expense net of retakaful recoveries	(49,402)	(46,195)	(95,597)	(70,434)
		(119,848)	(46,195)	(166,043)	(144,546)
	Excess of income over expenditure	62,527	32,365	94,892	68,549
	Technical reserve at the beginning of the period	217,096	67,700	284,796	153,079
	(Less): Technical reserve at end of the period	(109,594)	(32,188)	(141,782)	(112,124)
	(Less): surplus retained in technical reserves	(170,029)	(67,877)	(237,906)	(109,504)
	Movement in technical reserve	(62,527)	(32,365)	(94,892)	(68,549)
	Surplus for the period	-	-	-	-
	Movement in technical reserve	62,527	32,365	94,892	68,549
	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	302,623	135,695	438,318	254,628
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	279,623	100,065	379,688	221,628
	Balance of statutory fund	302,623	135,695	438,318	254,628

Adamjee Life Assurance Company Limited

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

Window Takaful Operations

For the nine months period ended September 30, 2023

	Statutory Funds		Aggregate	
	Individual Family Takaful	Group Family Takaful	September 30, 2023	September 30, 2022
Note	(Rupees in '000)			
22.2.3 Participants' Investment Fund (PIF)				
Income				
Allocated contribution	2,044,303	-	2,044,303	2,056,634
Bonus Allocation from OSF	22,846	-	22,846	26,416
Investment income	1,130,571	-	1,130,571	271,603
Total net income	3,197,720	-	3,197,720	2,354,653
Less: Claims expense				
Surrender - Regular	(622,148)	-	(622,148)	(434,867)
Surrender - Top up	(220,663)	-	(220,663)	(338,694)
Maturity	(169,347)	-	(169,347)	(59,293)
Death claim	(24,736)	-	(24,736)	(13,645)
	(1,036,894)	-	(1,036,894)	(846,499)
Less: Expenditures				
Tabarru charges	(174,878)	-	(174,878)	(182,399)
Tharawat fee - investment management	(117,344)	-	(117,344)	(93,367)
Administrative charges	(30,636)	-	(30,636)	(19,590)
Other expenses	(408)	-	(408)	(703)
Bank charges	(1,734)	-	(1,734)	(426)
	(325,000)	-	(325,000)	(296,485)
Excess of income over expenditures	1,835,826	-	1,835,826	1,211,669
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	9,947,822	-	9,947,822	7,565,359
Movement in technical reserve	1,835,826	-	1,835,826	1,211,669
Surplus for the period	-	-	-	-
Movement in technical reserve	1,835,826	-	1,835,826	1,211,669
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	9,947,822	-	9,947,822	7,565,359
Represented by:				
Retained earnings on other than participating business	9,947,822	-	9,947,822	7,565,359
Balance of statutory fund	9,947,822	-	9,947,822	7,565,359

Adamjee Life Assurance Company Limited

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

Window Takaful Operations

For the nine months period ended September 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 September 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)	-	4,339,342	-	-	4,339,342	4,339,342	-	-	4,339,342
Equity securities	-	984,596	-	-	984,596	984,596	-	-	984,596
Mutual funds	-	1,023,268	-	-	1,023,268	1,023,268	-	-	1,023,268
Debt securities (Corporate sukus)	-	260,427	-	-	260,427	260,427	-	-	260,427
	-	6,607,633	-	-	6,607,633	6,607,633	-	-	6,607,633
Financial assets not measured at fair value									
- Balances with banks	-	-	2,864,232	-	2,864,232				
- Term deposit receipts	-	-	1,200,000	-	1,200,000				
- Investment in debt securities	-	-	-	-	-				
- Other financial assets	-	-	438,884	-	438,884				
	-	-	4,503,116	-	4,503,116				
Financial liabilities not measured at fair value									
- Borrowings	-	-	-	-	-				
- Other financial liabilities	-	-	-	(202,720)	(202,720)				
	-	-	-	(202,720)	(202,720)				
	-	6,607,633	4,503,116	(202,720)	11,313,469				

Adamjee Life Assurance Company Limited

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

Window Takaful Operations

For the nine months period ended September 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 (Sukus)	-	1,491,436	-	-	1,491,436	1,491,436	-	-	1,491,436
Listed equity securities	-	1,000,449	-	-	1,000,449	1,000,449	-	-	1,000,449
Units of mutual funds	-	1,031,554	-	-	1,031,554	1,031,554	-	-	1,031,554
Debt securities (Corporate sukus)	-	202,040	-	-	202,040	202,040	-	-	202,040
	-	3,725,479	-	-	3,725,479	3,725,479	-	-	3,725,479

Financial assets not measured at fair value

- Balances with banks	-	-	227,000	-	227,000
- Term deposit receipts	-	-	2,753,762	-	2,753,762
- Investment in debt securities	-	-	2,175,000	-	2,175,000
- Other financial assets	-	-	162,673	-	162,673
	-	-	5,091,435	-	5,091,435

Financial liabilities not measured at fair value

- Borrowings	-	-	-	-	-
- Other Financial liabilities	-	-	-	(166,819)	(166,819)
	-	-	-	(166,819)	(166,819)
	-	3,725,479	5,091,435	(166,819)	8,650,095

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 October 23, 2023.



S. Muhammad Jawed
Chairman




Muhammad Ali Zeb
Director



Shahmeer Khalid
Director



Manzur Mushtaq
Chief Executive Officer



Jalal Meghani
Chief Financial Officer