

Directors' Report to the Shareholders

I am pleased to present the Directors' Report and Chairman's Review of State Life Insurance Corporation of Pakistan together with the condensed interim financial information (un-audited) for the half year ended 30th June 2018.

OPERATING AND FINANCIAL PERFORMANCE:

During the period under review, financial performance of the Corporation remained satisfactory. An overview of the performance of State Life during the half year 2018 as compared to half year 2017 is given hereunder:

- 1.1 Total Income of the State Life increased to Rs.82,303 million in half year 2018 as against Rs. 60,359 million (restated) in the preceding half year, registering an increase of 36.4%. If the impact of unrealized gains / (Losses) is excluded, total income at period ended June 2018 would be Rs. 75,554 million as against Rs. 65,806 million in June 2017 up by 14.81%.
- 1.2 Management expenses for the half year 2018 were Rs.11,286 million as compared to Rs.10,266 million in half year 2017 showing an increase of 10%. Overall management expense ratio to total premium income for the half year 2018 was 28.52% as against 30.86% for corresponding period of 2017.
- 1.3 Payments to policyholders in the half year 2018 were Rs. 22,138 million as against Rs. 18,543 million in the corresponding period 2017, showing an increase of 19.40%.
- 1.4 Total amount of insurance liabilities at the end of half year 2018 was Rs.838,437 million as against Rs. 748,215 million (restated) in the corresponding period 2017, showing an increase of 12%.
- 1.5 The basic and diluted Earnings Per Share (EPS) for the half year 2018 is Rs. 36.47 as compared to Rs. 27.21 (restated) in the same period last year. If the impact of unrealized gains / (Losses) is excluded, earning per share at period ended June 2018 would be Rs. 24.04 as against Rs. 20.01 in June 2017, showing rise of 20%.

2. BUSINESS PORTFOLIO WISE PERFORMANCE:

2.1 INDIVIDUAL LIFE BUSINESS:

First year gross premium income under Individual Life policies, during the half year 2018 is Rs.6,392 million as compared to Rs. 5,980 million in the last year corresponding period, resulting an increase of 6.9%. Gross renewal premium was Rs. 28,390 million in half year

