

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 nine months period ended September 30, 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 current nine months period of 2018 as compared to the same period of last year is given hereunder:

- 1.1 Net Income of the State Life during the current nine months period was Rs. 115,212 million as against Rs. 88,241 million (restated) in the preceding period, registering an increase of 30.6%. If the impact of unrealized gains / (Losses) is excluded, total income for the period ended September 30, 2018 would be Rs. 112,186 million as against Rs. 98,901 million in September 2017 showing 13.4% increase.
- 1.2 Management expenses for the nine months period ended September 30, 2018 were Rs. 16,872 as compared to Rs. 15,588 million in the previous period showing an increase of 8.2%. Overall management expense ratio to total premium income for the current nine months was 29.6% as against 30.6% for corresponding period of 2017.
- 1.3 Payments to policyholders in the current nine months period were Rs.34,318 million as against Rs.29,230 million in the corresponding period 2017, showing an increase of 17.4%.
- 1.4 Total amount of insurance liabilities at the end of current nine months period was Rs. 853,770 million as against Rs. 762,952 million (restated) in the corresponding period 2017, showing an increase of 11.9%.
- 1.5 The basic and diluted Earnings Per Share (EPS) for the nine months period is Rs. 48.8 which is 37.3% higher than the corresponding figure of Rs. 35.5 (restated) in the same period of last year.

2. BUSINESS PORTFOLIO WISE PERFORMANCE:

2.1 INDIVIDUAL LIFE BUSINESS:

First year gross premium income under Individual Life policies, during the current nine months is Rs.9,341 million as compared to Rs. 8,754 million in the last year corresponding period, resulting an increase of 6.7%. Gross renewal premium was Rs. 40,257 million in current nine months period whereas it was Rs. 35,465 million in the corresponding period of 2017, resulting in an increase of 13.5%.

