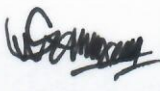





STATE LIFE INSURANCE CORPORATION OF PAKISTAN
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	-----Rupees in '000-----	
ASSETS			
Property and equipment	4	991,338	1,033,492
Investment properties	5	3,529,432	3,573,082
Investment in subsidiaries		323,618	323,618
Investments			
Equity securities	6	85,109,824	77,799,314
Government securities	7	1,176,520,296	1,133,671,503
Debt securities	8	13,678,729	10,763,786
Mutual funds	9	6,445,625	7,169,767
Loans secured against life insurance policies		173,728,677	171,822,531
Insurance / reinsurance receivables	10	115,363,016	78,092,696
Other loans and receivables	11	77,654,094	65,281,569
Taxation - payments less provision		3,460,455	3,544,796
Prepayments	12	60,245	66,105
Cash and bank	13	57,227,925	48,345,441
TOTAL ASSETS		<u>1,714,093,274</u>	<u>1,601,487,700</u>
EQUITY AND LIABILITIES			
Capital and reserves attributable to corporation's equity holders			
Ordinary share capital		6,200,000	6,200,000
Ledger account C & D		22,670,700	18,190,546
Reserves		921,919	808,314
Unappropriated profit		1,462,559	2,113,605
Capital contributed to statutory fund		100,000	100,000
TOTAL EQUITY		<u>31,355,178</u>	<u>27,412,465</u>
LIABILITIES			
Insurance liabilities	14	1,631,844,035	1,522,008,512
Retirement benefit obligations		6,376,385	6,113,662
Deferred government grant		5,704	26,692
Deferred taxation	15	12,074,594	9,210,234
Premium received in advance		5,193,816	5,326,067
Insurance / reinsurance payables	16	1,059,008	1,154,322
Other creditors and accruals	17	26,184,554	30,235,746
TOTAL LIABILITIES		<u>1,682,738,096</u>	<u>1,574,075,235</u>
TOTAL EQUITY AND LIABILITIES		<u>1,714,093,274</u>	<u>1,601,487,700</u>
CONTINGENCIES AND COMMITMENTS	18		

The annexed notes 1 to 37 form an integral part of these unconsolidated condensed interim financial statements.

CHAIRMAN **DIRECTOR** **DIRECTOR** **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**
SULAIMAN S. MEHDI **Humayun Bashir** **Liaquat Ali Memora** **Shoab Javed Hussain** **Muhammad Rashid**

STATE LIFE INSURANCE CORPORATION OF PAKISTAN
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2023

Note	Six-months period ended		Three-months period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
-----Rupees in '000 -----				
Premium revenue	124,586,562	97,740,345	61,837,286	37,239,309
Premium ceded to reinsurers	(336,683)	(372,576)	(143,739)	(173,748)
Net premium revenue	124,249,879	97,367,769	61,693,547	37,065,561
Investment income	68,539,444	53,569,048	36,143,613	27,320,029
Net realized fair value gain on financial assets	685,512	105,487	12,176	8,318
Net unrealized fair value loss on financial asset at fair value through profit or loss	(4,387,585)	(3,477,485)	(269,334)	(3,970,757)
Net rental income	809,979	395,173	414,097	183,075
Other income	29,484,873	12,676,158	11,837,115	7,737,342
	95,132,223	63,268,381	48,137,667	31,278,007
Total Net Income	219,382,102	160,636,150	109,831,214	68,343,568
Insurance benefits	(115,441,250)	(68,272,494)	(63,654,925)	(39,243,615)
Recoveries from reinsurers	188,795	125,625	87,448	31,016
Claim related expenses	(8,695)	(5,266)	(5,314)	(2,472)
Net Insurance Benefits	(115,261,150)	(68,152,135)	(63,572,791)	(39,215,071)
Net Change in Insurance Liabilities (other than outstanding claims)	(79,349,588)	(73,689,418)	(34,849,793)	(19,097,298)
Acquisition expenses	(7,767,936)	(6,432,317)	(4,266,369)	(3,293,065)
Marketing and administration expenses	(6,694,997)	(5,502,519)	(3,387,216)	(3,011,095)
Other expenses	(227,533)	(166,173)	(135,326)	(96,753)
Total Expenses	(94,040,054)	(85,790,427)	(42,638,704)	(25,498,211)
Profit before tax for the period	10,080,898	6,693,588	3,619,719	3,630,286
Income tax expense	(4,138,185)	(2,211,947)	(2,003,718)	(1,321,310)
Profit after tax for the period	5,942,713	4,481,641	1,616,001	2,308,976
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	5,942,713	4,481,641	1,616,001	2,308,976
Earnings (after tax) per share - Rupees	95.85	91.46	26.06	47.12

The annexed notes 1 to 37 form an integral part of these unconsolidated condensed interim financial statements.



CHAIRMAN

SULAIMAN S. MEHDI



DIRECTOR

Humayun Bashir



DIRECTOR

Liaquat Ali Memon



CHIEF EXECUTIVE OFFICER

Shoab Javed Hussain



CHIEF FINANCIAL OFFICER

Muhammad Rashid

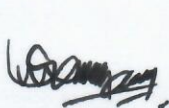
STATE LIFE INSURANCE CORPORATION OF PAKISTAN
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2023

Six-months period ended
June 30, 2023 June 30, 2022
-----Rupees in '000-----

CASH FLOWS FROM OPERATING ACTIVITIES

(a) Underwriting activities		
Insurance Premiums received	86,872,726	98,195,393
Reinsurance premiums paid	(431,996)	(282,244)
Claims paid	(50,365,257)	(29,208,304)
Surrenders paid	(34,598,754)	(16,038,296)
Reinsurance and other recoveries received	203,811	119,844
Commissions paid	(9,783,604)	(7,901,500)
Other underwriting payments	(1,662,968)	(1,534,541)
Net cash (used) in / generated from underwriting activities	(9,766,042)	43,350,352
(b) Other operating activities		
Income tax paid	(1,189,482)	(416,475)
General management expenses paid	(7,285,121)	(3,616,629)
Loans secured against life insurance policies - advanced	3,605,259	(5,383,769)
Loans secured against life insurance policies - repayments received	149,957	4,054,643
Other operating payments	(4,879,113)	(786,249)
Net cash used in other operating activities	(9,598,500)	(6,148,479)
Total cash (used) in / generated from operating activities	(19,364,542)	37,201,873
CASH FLOWS FROM INVESTING ACTIVITIES		
Profit / return received	60,560,169	48,500,994
Dividends received	4,613,766	4,042,921
Rentals received	1,717,336	1,261,896
Payments for investments	(214,950,007)	(181,143,242)
Proceeds from disposal of investments	181,992,078	26,158,571
Proceeds from disposal of fixed assets	99	-
Fixed capital expenditure	(44,938)	(3,473)
Total cash generated from / (used) in investing activities	33,888,503	(101,182,333)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(2,000,000)	(1,720,286)
Total cash used in financing activities	(2,000,000)	(1,720,286)
Net cash flows from all activities	12,523,962	(65,700,746)
Cash and cash equivalents at beginning of the period	44,702,253	92,894,679
Cash and cash equivalents at end of the period	57,226,215	27,193,933
	13.1	
Reconciliation to Profit and Loss Account		
Operating cash flows	(19,364,543)	37,201,873
Depreciation expense	(61,790)	(52,388)
Investment income	95,521,478	63,268,381
Amortization/capitalization	(129,385)	368,619
Non cash adjustments (APL)	(5,624,216)	(6,320,144)
Decrease in assets other than cash	44,264,033	4,101,755
Decrease in liabilities other than running finance	(26,448,917)	(18,783,002)
Other adjustments	(2,864,360)	(1,614,035)
Net change in insurance liabilities (other than outstanding claims)	(79,349,588)	(73,689,418)
Profit after taxation	5,942,713	4,481,641

The annexed notes 1 to 37 form an integral part of these unconsolidated condensed interim financial statements.



CHAIRMAN

ULAIMAN S. MEHDAL



DIRECTOR

Humayun Bashir



DIRECTOR

Liaquat Ali Memon



CHIEF EXECUTIVE OFFICER

Shoaib Javed Hussain



CHIEF FINANCIAL OFFICER


Muhammad Rashid


**STATE LIFE INSURANCE CORPORATION OF PAKISTAN
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2023**


	Attributable to equity holders of the Corporation					Total
	Share capital	Capital contributed to statutory fund	Revenue reserves		Unappropriated profit	
			General reserves	Ledger account C & D [Refer Note]		
-----Rupees in '000-----						
Balance as at January 01, 2022 (Audited)	4,900,000	100,000	4,725	8,544,917	1,923,866	15,473,508
Dividend for the year ended December 31, 2021	-	-	-	-	(1,720,286)	(1,720,286)
Transfer to General Reserve	-	-	203,580	-	(203,580)	-
Total comprehensive income for the period	-	-	-	-	4,481,641	4,481,641
Surplus for the period retained in statutory funds-net of tax	-	-	-	3,274,164	(3,274,164)	-
Balance as at June 30, 2022 (Un-audited)	4,900,000	100,000	208,305	11,819,081	1,207,477	18,234,863
Balance as at January 01, 2023 (Audited)	6,200,000	100,000	808,314	18,190,546	2,113,605	27,412,465
Dividend for the year ended December 31, 2022	-	-	-	-	(2,000,000)	(2,000,000)
Transfer to General Reserve	-	-	113,605	-	(113,605)	-
Total comprehensive income for the period	-	-	-	-	5,942,713	5,942,713
Surplus for the period retained in statutory funds-net of tax	-	-	-	4,480,154	(4,480,154)	-
Balance as at June 30, 2023 (Un-audited)	6,200,000	100,000	921,919	22,670,700	1,462,559	31,355,178


Note: 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 (previously the SEC Insurance Rules, 2002) to meet solvency margins, which are mandatorily maintained for the carry on of the life insurance business.

The annexed notes 1 to 37 form an integral part of these unconsolidated condensed interim financial statements.


SULAIMAN S. MEHDI
 CHAIRMAN


Humayun Bashir
 DIRECTOR


Liaquat Ali Memon
 DIRECTOR


Shoaib Javed Hussain
 CHIEF EXECUTIVE OFFICER


Muhammad Rashid
 CHIEF FINANCIAL OFFICER

STATE LIFE INSURANCE CORPORATION OF PAKISTAN
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 State Life Insurance Corporation of Pakistan (the Corporation) was incorporated in Pakistan on November 01, 1972 under the Life Insurance Nationalization Order, 1972 (LINO). The Corporation's principal office is located at State Life Building No. 9, Dr. Ziauddin Ahmad Road, Karachi. It operates in Pakistan through 33 zones for individual life business, 4 zones for group life business and in the gulf countries comprising United Arab Emirates (UAE) and Kuwait through zonal office located at Dubai (UAE).
- 1.2 The Corporation is engaged in the life insurance, health, accident insurance business and takaful business. The Corporation maintains a shareholders' fund and five statutory funds, namely Pakistan Life fund, Overseas Life Fund, Pension Fund, Accidental and Health Insurance Fund and Family Takaful Fund, separately in respect of its each class of life insurance business.
- 1.3 The Corporation was issued the certificate of authorization for commencement of Window Takaful Operation under rule 6 of the Takaful rules, 2012 by Securities Exchange Commission of Pakistan vide letter no. 0097, dated September 22, 2016. For the purpose of carrying on the takaful business, the Corporation has formed an Individual Family Participant Takaful Fund (IFPTF) on August 18, 2017 under the Waqf deed and cede Rupees 1 million to the IFPTF. The Waqf deed governs the relationship of Corporation and participants for management of takaful operations. The Corporation launched the Window Takaful Operations on January 28, 2021.
- 1.4 The Presidential Order dated April 06, 2016 in respect of State Life (Reorganization and Conversion) Ordinance, 2016 was issued by Government of Pakistan Ministry of Law and Justice to provide for the re-organization and conversion of the State Life Insurance Corporation of Pakistan into a Public Limited Company. After the commencement of this Ordinance, the Federal Government established a Company namely, State Life Insurance Company Limited under the repealed Companies Ordinance, 1984 (XLVII of 1984) with the objective of taking over the business, functions, contracts, policies, proceedings, undertakings, assets, liabilities etc of the Corporation on fulfillment of the statutory requirements. The National Assembly converted the said Ordinance into Bill for the conversion of State Life Insurance Corporation of Pakistan to State Life Insurance Company Limited and sent the Bill to Senate for approval and the Senate, instead of passing the Bill, proposed few amendments in the Bill.

For the consideration of the proposed amendments the matter was moved to National Assembly Standing Committee on Commerce. Subsequently, Ministry of Commerce vide letter No.1(7)/2013-SLIC-INS dated 10-09-2020 informed that the Senate of Pakistan passed the Bill with certain amendments. The amended Bill, as passed by the Senate, was forwarded to the National Assembly as per Article 70(2) of the Constitution of Pakistan. The National Assembly did not pass the amended Bill within 90 days, therefore, request was made to the Ministry of Parliamentary Affairs to place the same before the Joint Session of the Parliament for consideration. However, Bill was not passed by the Joint Session due to dissolution of Assembly at that day. Hence, in terms of Article 76(3) of the Constitution of Pakistan said Bill has been lapsed, despite the fact that it had been passed by the Senate. After detailed deliberation on the issue between Privatization Commission and Ministry of Commerce, it was agreed that view/comments/input from SLIC may first be obtained in the matter.

Ministry of commerce conveyed the decision of Cabinet Committee dated September 10, 2021 vide MoC letter No. 1(1)/2020-Ins.Mise./Service dated September 22, 2021 requesting to prepare draft amendments in LINO for the divestment of State Life Insurance Corporation of Pakistan and share it with ministry of commerce. The amendments in LINO were sent to MoC vide letter dated October 06, 2021. No correspondence was received by MoC regarding the matter as at reporting date.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The unconsolidated condensed interim financial statements for the half-year ended June 30, 2023 of the Corporation has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of;

- International Accounting Standard (IAS) 34, Interim Financial Reporting issued by the International Accounting and Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and Takaful Rules, 2012.

Where the provisions of and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017 and Takaful Rules 2012 differ with the requirements of IAS 34, the provisions and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017 and Takaful Rules 2012 have been followed.

This unconsolidated condensed interim financial information does not include all the information and disclosures as required for full annual financial statements and should be read in conjunction with the annual financial statements of the Corporation as at and for the year ended December 31, 2022 which have been prepared in accordance with the IFRS as applicable in Pakistan.

The comparative unconsolidated statement of financial position presented in this condensed interim financial information, together with the notes thereto has been extracted from the annual audited financial statements of the Corporation for the year ended December 31, 2022, whereas the comparative unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity together with the notes thereto for the six months period ended June 30, 2023 have been extracted from the unaudited unconsolidated condensed interim financial information for the half year ended June 30, 2022.

2.2 Basis of measurement

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except certain investments which are carried at fair value and the obligations under policy holder liability and certain employee benefits that are measured at present value.

2.3 Financial risk management

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

2.4 Judgement and estimates

In preparing these unconsolidated condensed interim financial statements, the management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Corporation's and the key sources of estimation uncertainty are the same as those that applied to the annual unconsolidated financial statements for the year ended December 31, 2022.

2.5 Functional and presentation currency

These unconsolidated condensed interim financial statements are prepared and presented in Pakistani Rupees, which is the Corporation's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and method of computation adopted for the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual unconsolidated financial statements of the Corporation for the year ended December 31, 2022.

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2023
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2023
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

3.1 New accounting standards, amendments and interpretations that are not yet effective.

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2024
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2024
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2024

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts

	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
4. PROPERTY AND EQUIPMENT	-----Rupees in '000 -----	
Operating fixed assets		
Net book value as at the beginning of the period	1,033,492	881,186
Additions / adjustments during the period	36,916	304,747
Disposal during the period	(1,101)	(14,668)
Net depreciation charge during the period	(77,969)	(137,773)
Net book value as at the end of the period	<u>991,338</u>	<u>1,033,492</u>

5 INVESTMENT PROPERTIES

Net book value as at the beginning of the period	3,172,818	3,222,331
Additions during the period	8,022	25,514
Disposal during the period	(212)	-
Net depreciation charged during the period	(51,460)	(72,312)
Less: Provision for impairment in value	-	(2,715)
	<u>3,129,168</u>	<u>3,172,818</u>
Capital work-in-progress	400,264	400,264
	<u>3,529,432</u>	<u>3,573,082</u>

5.1 The market value of the investment properties, owned by the Corporation as determined by the independent valuers on yearly basis, amounted to Rs.109,852 million as of December 31, 2022.

6 INVESTMENTS IN EQUITY SECURITIES

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Fair value through profit or loss	-----Rupees in '000-----					
Related parties						
Listed shares	3,530,713	-	15,557,031	3,531,054	-	15,684,413
Unlisted shares	5,000	-	5,000	5,000	-	5,000
Others						
Listed shares	42,319,175	-	69,482,572	31,378,679	-	62,044,839
Unlisted shares	279,425	(215,623)	63,802	276,097	(212,295)	63,802
Unlisted preference shares	3,743	(2,323)	1,419	3,743	(2,483)	1,260
	<u>46,138,056</u>	<u>(217,946)</u>	<u>85,109,824</u>	<u>35,194,573</u>	<u>(214,778)</u>	<u>77,799,314</u>

7 INVESTMENTS IN GOVERNMENT SECURITIES

	June 30, 2023 (Un-audited)					December 31, 2022 (Audited)
	Maturity Year	Effective Yield (%)	Amortized Cost	Principal Repayment	Carrying Value	Carrying Value
Held to maturity	-----Rupees in '000-----					
Pakistan Investment Bond						
3 year Pakistan Investment Bonds	2023 - 2026	19.56% - 22.60%	182,180,947	199,500,000	182,180,947	67,234,614
5 year Pakistan Investment Bonds	2023 - 2027	16.38% - 22.45%	234,656,754	246,075,000	234,656,754	232,657,424
10 year Pakistan Investment Bonds	2024 - 2030	15.41% - 22.77%	432,495,167	447,833,300	432,495,167	432,458,978
15 year Pakistan Investment Bonds	2023 - 2035	15.25% - 22.51%	115,286,926	113,377,100	115,286,926	115,332,892
20 year Pakistan Investment Bonds	2024 - 2039	15.28% - 22.91%	70,683,725	69,461,000	70,683,725	70,655,625
30 year Pakistan Investment Bonds	2036 - 2038	15.16% - 15.28%	37,794,202	40,050,000	37,794,202	37,766,082
Islamic Republic of Pakistan Bonds			19,024,891	-	19,024,891	14,700,870
			<u>1,092,122,612</u>	<u>1,116,296,400</u>	<u>1,092,122,612</u>	<u>970,806,485</u>
Treasury Bills						
Treasury Bills	2023 - 2024	22.37% - 22.90%	83,786,090	89,975,000	83,786,090	162,353,685
Other						
Sukuk Bonds (Takaful)	2025 - 2027	16.37% - 22.91%	611,594	513,600	611,594	511,333
			<u>1,176,520,296</u>	<u>1,206,785,000</u>	<u>1,176,520,296</u>	<u>1,133,671,503</u>

7.1 Market value of Government securities carried at amortized cost to Rs.984,374 million (999,073 million), which has been calculated based on PKRV valuation technique taken by

8 INVESTMENTS IN DEBT SECURITIES

Note	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
-----Rupees in '000-----						
Held to maturity						
Debtures	8.1	7,573	(7,573)	-	7,573	(7,573)
Foreign fixed income securities		13,678,729	-	13,678,729	10,763,786	-
		<u>13,686,302</u>	<u>(7,573)</u>	<u>13,678,729</u>	<u>10,771,359</u>	<u>(7,573)</u>
						<u>10,763,786</u>

8.1 Debtures represents an amount of Rs. 7.573 million (2022: Rs. 7.573 million) pertaining to those companies which are in liquidation process since 1974.

9 INVESTMENT IN MUTUAL FUNDS

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
-----Rupees in '000-----						
Fair value through profit or loss						
Listed						
Open & close ended mutual fund		3,282,446	-	4,989,526	3,282,447	-
						5,613,601
Unlisted						
Close end mutual fund		594,190	-	1,456,099	594,190	-
		<u>3,876,636</u>	<u>-</u>	<u>6,445,625</u>	<u>3,876,637</u>	<u>-</u>
						<u>7,169,767</u>

June 30, **December 31,**
2023 **2022**
(Un-audited) **(Audited)**
 -----Rupees in '000 -----

10 INSURANCE / REINSURANCE RECEIVABLES

Unsecured and considered good

Due from insurance contract holders	114,682,467	77,397,131
Less: provision for impairment of receivables from Insurance contract holders	-	-
Due from other insurers / reinsurers	680,549	695,565
Less: provision for impairment of due from other insurers / reinsurers	-	-
	<u>115,363,016</u>	<u>78,092,696</u>

		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	-----Rupees in '000 -----	
11	LOANS AND OTHER RECEIVABLES		
	Accrued investment income	65,329,554	58,152,076
	Loans to agents	130,880	86,441
	Loans to employees	1,229,444	936,969
	Advance to contractors & security deposit	430,666	379,491
	Other receivables	10,085,849	5,278,891
	Deposit against bank guarantee	447,701	447,701
		<u>77,654,094</u>	<u>65,281,569</u>
11.1	These include amount Rs. 8,800 million (Dec 31, 2022: 4,400 million) receivable from KPK Government in relation to sehat health cards.		
12	PREPAYMENTS		
	Prepaid rent	8,101	24,094
	Prepaid miscellaneous expenses	52,144	42,011
		<u>60,245</u>	<u>66,105</u>
13	CASH AND BANK		
	Cash in hand	1,128	644
	Cash in transit	-	3,207,642
	Policy & Revenue stamps, Bond papers	30,920	9,608
		32,048	3,217,894
	Current accounts	28,677,597	30,399,795
	Savings accounts	28,516,570	11,084,563
	Fixed deposits maturing within 12 months	1,710	3,643,189
		<u>57,227,925</u>	<u>48,345,441</u>
13.1	Cash and Cash Equivalents		
	Cash in hand	1,128	644
	Cash in transit	-	3,207,642
	Policy & Revenue stamps, Bond papers	30,920	9,608
	Current accounts	28,677,597	30,399,795
	Savings accounts	28,516,570	11,084,563
		<u>57,226,215</u>	<u>44,702,252</u>
13.2	These carry mark-up ranging from 14.50% to 19.75 % (2022: 9.00% to 15.10%) per annum.		

	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)												
	-----Rupees in '000 -----													
14 INSURANCE LIABILITIES														
Reported outstanding claims (including claims in payment)	149,153,360	118,667,425												
Incurred but not reported claims (IBNR)	7,822,981	7,672,373												
Investment Component of Unit Linked and Account	392,448	300,962												
Liabilities under individual conventional insurance contracts	1,467,682,773	1,385,674,040												
Liabilities under group insurance contracts (other than investment linked)	5,279,706	8,285,685												
Other insurance liabilities	1,512,767	1,408,027												
	<u>1,631,844,035</u>	<u>1,522,008,512</u>												
15 DEFERRED TAXATION														
Deferred tax credit arising in respect of On retained balance on Ledger Account D	<u>12,074,594</u>	<u>9,210,234</u>												
	<table border="1"> <thead> <tr> <th style="text-align: left;">Balance as at January 1, 2023</th> <th style="text-align: center;">Recognised in statement of comprehensive income</th> <th style="text-align: center;">Recognised in Other Comprehensive Income</th> <th style="text-align: right;">Balance as at June 30, 2023</th> </tr> </thead> <tbody> <tr> <td colspan="4" style="text-align: center;">-----Rupees in '000-----</td> </tr> <tr> <td>Deferred credit arising in respect of On Retained balance on Ledger Account D</td> <td style="text-align: right;">9,210,234</td> <td style="text-align: right;">2,864,360</td> <td style="text-align: right;">12,074,594</td> </tr> </tbody> </table>	Balance as at January 1, 2023	Recognised in statement of comprehensive income	Recognised in Other Comprehensive Income	Balance as at June 30, 2023	-----Rupees in '000-----				Deferred credit arising in respect of On Retained balance on Ledger Account D	9,210,234	2,864,360	12,074,594	
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-----Rupees in '000-----														
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Balance as at January 1, 2022	Recognised in statement of comprehensive income	Recognised in Other Comprehensive Income	Balance as at December 31, 2022											
-----Rupees in '000-----														
Deferred credit arising in respect of On Retained balance on Ledger Account D	3,489,579	5,720,655	9,210,234											
16 INSURANCE / REINSURANCE PAYABLES														
Due to other insurers / reinsurers	<u>1,059,008</u>	<u>1,154,322</u>												
17 OTHER CREDITORS AND ACCRUALS														
Agents commission payable	2,136,567	5,815,203												
Accrued expenses	12,077,493	13,012,469												
Other liabilities	11,970,494	11,408,074												
	<u>26,184,554</u>	<u>30,235,746</u>												

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

There are no material changes in the status of contingencies as reported in note 22.3 to the annual unconsolidated financial statements of the Corporation for the year ended December 31, 2022, except as specified below:

- 18.1.1 The Corporation had filed nine appeals on different issues before the Honorable High Court of Sindh contesting the decision of the ATIR for the income years 1992-1993 to 2002-2003 mainly relating to turnover tax and excess perquisites. In addition, the issue of tax rate was raised for the income years 1992-93 to 1996-97. The Inland Revenue Department added back the excess perquisites to the taxable income and tax liability was enhanced accordingly. Further, Inland Revenue Department re-opened these assessments and rectified to invoke provisions of turnover tax on the ground that the tax paid under Fourth Schedule of the Income Tax Ordinance, 2001 is less than turnover tax and hence, should be paid accordingly. The Corporation then filed aforesaid appeals on the ground that the Fourth Schedule of the Income Tax Ordinance, 2001 restricts taxable income to that portion of actuarial surplus which is attributed to the shareholders fund by the appointed Actuary.

Out of nine appeals, Sindh High Court vide judgement dated November 24, 2020 decided four appeals against the Corporation. Corporation has filed CPLAs before the Honorable Supreme Court of Pakistan against judgement of the Sindh High Court. Honourable Supreme Court of Pakistan has granted leave to appeal in Civil Petitions filed by the Corporation. Management of the Corporation and its tax advisor are confident that ultimate outcome of these matters will be in favour of the Corporation. Remaining five appeals have been decided by the Sindh High Court in favour of the Corporation vide orders dated March 28, 2023.

- 18.1.2 According to the Sindh Sales Tax on Services Act 2011, sales tax is payable on premium of life and health insurance policies written in the province of Sindh. The Punjab and Baluchistan Revenue Authorities have also introduced sales tax on life and health insurance premium effective from November 01, 2018 and July 03, 2015 respectively.

This being a collective issue of the industry, the Insurance Association of Pakistan (IAP) has actively taken up the matter with the provincial revenue authorities for the exemption on sales tax. The industry's main contention is that life insurance is not a service, but in fact, in sum and substance, a contingent contract under which payment is made on occurrence of an event, specified in the terms of contract or policy and thus is a financial arrangement. Superior courts in foreign jurisdiction have held that insurance is not a service.

In this relation, the legal advisors have also opined that an insurance contract is essentially a financial transaction, which is unrelated to the sale of any identifiable consumer goods or service, and as such, in leading jurisdictions, it has been widely held that insurance is not a service and hence, does not fall within the scope of taxability under the provincial sales tax laws.

Subsequently, life insurance companies collectively filed Constitutional Petitions (CPs) before Hon'ble High Courts of Lahore (writ petition no. 55421/ 2019) and Sindh (C.P. No. D.7677 of 2019) against the levy of sales tax on life and health insurance in Punjab and levy of sales tax on life insurance in Sindh respectively that are pending adjudication. As far as Baluchistan Revenue Authority (BRA) is concerned, no notice or communication has been received by the Corporation in this respect and hence, no petition was filed before any court.

The Hon'ble LHC in its order dated October 03, 2019 has restrained Punjab Revenue Authority (PRA) from taking any coercive measures against applicants. The Corporation has filed another petition at Hon'ble LHC against impugned show cause notice no. PRA/LIFE/PREMIUM/SLCP /1592 issued by the PRA on October 02, 2019. The Hon'ble LHC, in its order dated December 15, 2021, has directed that no final order shall be passed in pursuance of the impugned show cause by PRA and shall not take any coercive measures. This and the connected petitions are then disposed of accordingly.

The Hon'ble SHC, in its interim order dated December 02, 2019, directed that the request of the petitioners, seeking exemption in terms of Section 10 of the Sindh Sales Tax Act, 2011, shall be considered by the Sindh Revenue Board (SRB), in accordance with the law.

Sindh Revenue Board (SRB) vide notification No.3-4/13/2020 dated June 22, 2020, has exempted life insurance from levy of service tax up to June 30, 2020 subject to the condition that person providing insurance services commences e-depositing the amount of Sindh sales tax due on such services from July, 2020 onwards. The exemption to health insurance has been extended by the SRB up to June 30, 2023, through notification no. SRB-3-4/19/2022 dated June 28, 2022.

Through the Khyber Pakhtunkhwa Finance Act, 2021, the exemption in respect of the sales tax on services of life and health insurance in the province of Khyber Pakhtunkhwa (KP) has been withdrawn from July 01, 2021. As a consequence, life insurance is taxable at the rate of 15% and health insurance is taxable at a reduced rate of 1% without any input tax adjustment. This withdrawal of the exemption was intimated by Khyber Pakhtunkhwa Revenue Authority (KPRA) on July 29, 2021 vide letter no. F. No. 7(10)/KPRA/ADC(HQ)/2021/12114. In reply, the Corporation most respectfully requested KPRA to exempt the levy of sales tax on life and health insurance vide letter no. F&A/KPRA/ST/47 Dated: 9th August, 2021.

Moreover, on October 05, 2021, the Corporation sent a letter to the Ministry of Finance, Government of KP, in which the Corporation requested to allow the permanent exemption from sales tax on services under Khyber Pakhtunkhwa Sales Tax on Services Act, 2013. Consequently, the Government of Khyber Pakhtunkhwa has allowed the exemption on health insurance premium vide notification dated 10th August, 2022. However, the exemption related to life insurance is yet to be decided.

In view of the opinion of legal advisor the Corporation has calculated estimated aggregated amount of sales tax liability amounting to Rs. 7,307.03 million (December 31, 2022: Rs. 5,985.72 million), which is calculated based on risk premium and excluding the investment amount allocated to policies.

- 18.1.3 Additional Commissioner Inland Revenue, LTU Karachi served notice u/s 122(9) of the Ordinance dated November 18, 2022 to the Corporation in respect of tax year 2022. Vide above notice, ACIR confronted certain issues like deduction claimed on account of investment property related expenses, advances to employees at interest rate lower than benchmark rate, difference between profit as per financial statements and as per tax return, alleged short withholding of tax on commission and advertisement/sales promotion, deduction claimed on account of unrealized loss on investments, adjustment of tax liability against prior years refund, etc. Based on the information/explanation submitted by the Corporation to tax authorities against above notice, ACIR passed an amended assessment order u/s 122 (5A) whereby tax demand of Rs. 119.89 million was raised. The Corporation has filed appeal before CIR-A against amended assessment order. CIR-A vide order dated June 26, 2023 decided the issue of alleged short withholding of tax on commission and advertisement/sales promotion in favour of the Corporation whereas issue of deduction claimed on account of investment property related expenses is decided against the Corporation. Further, issue of adjustment of tax liability against prior year refund has been remanded back to the concerned tax officer for re-adjudication. Corporation had filed appeal before the Tribunal against the order of CIR-A which is pending adjudication.

18.2 Commitments

The Corporation is committed in respect of capital expenditure contract aggregating to Rs. 500 million (December 31, 2022: Rs. 500 million). There were no other commitments as at the reporting date.

		June 30, 2023	June 30, 2022
		(Un-audited)	(Un-audited)
		-----Rupees in '000 -----	
19	NET PREMIUM REVENUE		
	Gross Premiums		
	Regular premium individual policies:		
	First year	6,691,164	5,471,232
	Second year renewal	4,035,293	3,982,452
	Subsequent year renewal	41,308,564	32,906,182
	Group policies with cash values	6,926	3,776
	Group policies without cash values	88,026,819	74,139,036
	Less: experience refund	(15,482,204)	(18,762,333)
	Total Gross Premiums	<u>124,586,562</u>	<u>97,740,345</u>
	Less: Reinsurance Premiums Ceded		
	On individual life first year business	(138,520)	(152,381)
	On individual life second year business	(16,822)	(13,876)
	On individual life renewal business	(68,476)	(57,474)
	On group life business	(112,865)	(154,221)
	Less: Reinsurance commission on risk premiums	-	5,376
		<u>(336,683)</u>	<u>(372,576)</u>
	Net Premium revenue	<u>124,249,879</u>	<u>97,367,769</u>
20	INVESTMENT INCOME		
	Income from equity securities		
	Fair value through profit or loss		
	Dividend income	5,183,637	3,961,182
	Income from government and debt securities		
	Held to maturity		
	Return on government and debt securities	63,355,807	49,607,866
		<u>68,539,444</u>	<u>53,569,048</u>
21	NET REALIZED FAIR VALUE GAIN ON FINANCIAL ASSETS		
	Fair value through profit or loss		
	Realized gain on equity securities	<u>685,512</u>	<u>105,487</u>

	June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)
	-----Rupees in '000 -----	
22 NET UNREALIZED FAIR VALUE LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Net loss on investments at fair value through profit or loss	(4,351,089)	(3,447,175)
Investment related expenses	(36,496)	(30,309)
	<u>(4,387,585)</u>	<u>(3,477,484)</u>
23 NET RENTAL INCOME		
Rental income	1,199,236	763,792
Less: Expenses of investment property	(389,257)	(368,619)
	<u>809,979</u>	<u>395,173</u>
24 OTHER INCOME		
Return on bank balances	5,187,623	2,106,512
Gain on sale of property and equipment	1	2,760
Return on loans to employees	34,040	27,727
Return on loans to policyholders	14,696,496	6,320,144
Exchange gain on revaluation	9,527,204	4,167,343
Miscellaneous income	39,509	51,672
	<u>29,484,873</u>	<u>12,676,158</u>
25 NET INSURANCE BENEFITS		
Gross Claims		
Claims under individual policies		
- by death	4,804,692	4,976,958
- by insured event other than death	166,568	181,916
- by maturity	11,500,184	8,782,107
- by surrender	34,598,754	16,038,296
- annuity payments	4,103	3,844
Total gross individual policy claims	<u>51,074,301</u>	<u>29,983,121</u>
Claims under group policies		
- by death	4,790,792	4,348,688
- by insured event other than death	59,575,243	33,872,861
- by maturity	509	-
- by surrender	19	67,256
- annuity payments	386	568
Total gross group policy claims	<u>64,366,949</u>	<u>38,289,373</u>
Total gross claims	<u>115,441,250</u>	<u>68,272,494</u>

	June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)
	-----Rupees in '000 -----	
Less: Reinsurance recoveries		
-on individual life claims	(23,060)	(14,866)
-on group life claims	(165,735)	(110,759)
	(188,795)	(125,625)
Claim related expenses	8,695	5,266
Net insurance benefit	<u>115,261,150</u>	<u>68,152,135</u>

26 ACQUISITION EXPENSES

Remuneration to insurance intermediaries on individual policies:		
- commission to agent on first year premiums	3,450,823	2,750,674
- commission to agent on second year premiums	487,412	484,958
- commission to agent on subsequent renewal premiums	1,331,464	1,295,018
- other benefits to insurance intermediaries	802,931	361,666
- branch overhead	1,033,880	897,452
Remuneration to insurance intermediaries on group policies:		
- commission	3,422	1,522
- other benefits to insurance intermediaries	1,048	3,067
Other acquisition costs:		
- Stamp duty and medical fee	656,956	637,961
	<u>7,767,936</u>	<u>6,432,317</u>

27 MARKETING AND ADMINISTRATION EXPENSES

Employee benefit cost	27.1	4,525,115	3,981,270
Travelling expenses		221,201	163,669
Advertisement and sales promotion		23,640	9,412
Printing and stationery		65,382	48,366
Depreciation		61,790	51,759
Rent, rates and taxes		198,524	186,159
Legal and professional charges - business related		1,285,639	874,410
Electricity, gas and water		195,411	67,075
Office repair and maintenance		16,873	14,078
Bank charges		16,168	22,450
Postages, telegrams and telephone charges		56,299	58,871
Annual Supervision fees SECP		25,000	25,000
Appointed actuary fees		3,955	-
		<u>6,694,997</u>	<u>5,502,519</u>

		June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)
-----Rupees in '000 -----			
27.1 Employee benefit cost			
Salaries, allowances and other benefits		3,967,188	3,591,664
Charges for post employment benefit		557,927	389,606
		<u>4,525,115</u>	<u>3,981,270</u>
28 OTHER EXPENSES			
Auditors' remuneration	28.1	11,723	7,775
Training expense		35,595	17,463
Revenue stamps		20,151	19,470
Insurance charges		57,131	29,602
Office maintenance		53,177	42,841
Entertainment		10,963	10,758
Other rent, rates and taxes		26,686	15,502
Miscellaneous		12,107	22,762
		<u>227,533</u>	<u>166,173</u>
28.1 Auditors' remuneration			
Business within Pakistan			
Half yearly review fee			
BDO Ebrahim & Co.		1,980	1,825
Grant Thornton Anjum Rahman		-	2,326
Riaz Ahmed & Co		1,980	-
		3,960	4,151
Half yearly review out of pocket expenses			
BDO Ebrahim & Co.		454	412
Grant Thornton Anjum Rahman		-	412
Riaz Ahmed & Co.		500	-
		954	824
Other Services			
Riaz Ahmed & Co.		1,021	-
Business outside Pakistan			
Nabeel AL-Saie Public Accountants		5,789	2,799
		<u>11,723</u>	<u>7,774</u>
29 INCOME TAX EXPENSE			
For the period			
Current		1,273,825	597,912
Deferred		2,864,360	1,614,035
		<u>4,138,185</u>	<u>2,211,947</u>

	Note	June 30, 2023 (Un-audited) -----Rupees in '000 -----	June 30, 2022 (Un-audited)
30 EARNINGS PER SHARE			
Profit after tax for the period		5,942,713	4,481,641
Weighted average outstanding number of ordinary shares as at period end		62,000	49,000
Earnings per share (Rupees)		<u>95.85</u>	<u>91.46</u>

31 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the condensed interim unconsolidated financial statements are appropriate to their fair values except for non-trading investments. Fair value is determined on the basis of the objective evidence at each reporting date.

31.1 Carrying amount versus fair value

The following table compares the carrying amounts and fair values of the Corporation's financial assets and financial liabilities as at June 30, 2023.

	As at June 30, 2023 (Un-audited)		As at December 31, 2022 (Audited)	
	Carrying amount -----Rupees in '000 -----	Fair value	Carrying amount -----Rupees in '000 -----	Fair value
Financial assets				
- Cash and bank balances	57,227,925	57,227,925	48,345,441	48,345,441
- Loans secured against life insurance policies	173,728,677	173,728,677	171,822,531	171,822,531
- Loans to agents	130,880	130,880	86,441	86,441
- Loans to employees	1,229,444	1,229,444	936,969	936,969
- Other loans and receivables	77,654,094	77,654,094	63,878,268	63,878,268
Investments				
Fair value through Profit and loss				
- Listed equity securities and mutual fund units	90,029,129	90,029,129	83,342,853	83,342,853
- Unlisted equity securities and mutual fund units	1,526,320	1,526,320	1,626,228	1,626,228
Held to maturity				
- Government securities	1,176,520,296	964,483	1,133,671,503	999,072,761
- Investment in subsidiaries and associates	323,618	323,618	323,618	323,618
- Debt Securities	13,678,729	8,595	3,654	4,349
	1,282,078,092	92,852,145	1,218,967,856	1,084,369,809
- Other receivable - excluding taxation	190,778,419	190,778,419	78,092,696	78,092,696
Financial liabilities				
- Insurance liabilities	1,631,844,035	1,631,844,035	1,522,008,512	1,522,008,512
- Premium received in advance	5,193,816	5,193,816	5,326,067	5,326,067
- Insurance / reinsurance payables	1,059,008	1,059,008	1,154,322	1,154,322
- Other creditors and accruals	26,184,554	26,184,554	30,234,214	30,234,214

31.2 Fair value hierarchy

The level in the fair value hierarchy within which the asset or liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement.

Assets and liabilities are classified in their entirety into only one of the three levels.

The fair value hierarchy has the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - 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 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below analyses assets measured at the end of the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised:

	As at June 30, 2023 (Un-audited)	Level 1	Level 2	Level 3
	-----Rupees in '000-----			
Financial Assets at carrying value				
Investments at carrying value				
Fair value through Profit and loss				
Listed equity securities and mutual fund units	90,029,129	90,029,129	-	-
Unlisted equity securities and mutual fund units	1,526,320	-	1,526,320	-
Holding in subsidiary companies (Fair value only disclosed)	323,618	-	323,618	-
	<u>91,879,067</u>	<u>90,029,129</u>	<u>1,849,938</u>	<u>-</u>

The carrying value of investment in subsidiary companies approximate their fair value.

Carrying values of all other financial assets and liabilities approximate their fair value.

	As at December 31, 2022 (Audited)	Level 1	Level 2	Level 3
		-----Rupees in '000-----		
Financial Assets at carrying value				
Investments at carrying value				
Fair value through Profit and loss				
Listed equity securities and mutual fund units	83,342,853	83,342,853	-	-
Unlisted equity securities and mutual fund units	1,626,228	-	1,626,228	-
Holding in subsidiary companies	323,618	-	-	323,618
	<u>85,292,699</u>	<u>83,342,853</u>	<u>1,626,228</u>	<u>323,618</u>

31.3 Transfers during the period

During the period ended June 30, 2023:

- There were no transfers between Level 1 and Level 2 fair value measurements.
- There were no transfers into or out of Level 3 fair value measurements.

31.4 Valuation techniques

Fair value of investments is determined as follows:

- Fair value of listed equity securities is determined on the basis of closing market prices quoted on the respective stock exchange.
- Unlisted equity securities are carried at breakup value.
- Fair value of mutual funds is determined on the basis of prices quoted on MUFAP.

32 SEGMENTAL INFORMATION

32.1 Revenue account by statutory fund

For the period ended June 30, 2023 (Un-audited)

	Statutory Funds				Aggregate	
	Pakistan Life Fund	Overseas Life Fund	Pension Fund	Accidental and Health Insurance Fund		Family Takaful Fund
Income						
Premium less reinsurances	59,161,197	1,023,647	6,926	63,901,212	156,897	124,249,879
Rental income from investment property	809,979	-	-	-	-	809,979
Net investment income	78,212,729	11,191,795	26,763	4,549,846	67,022	94,048,156
Total net income	138,183,905	12,215,442	33,689	68,451,058	223,919	219,108,014
Insurance benefits and expenditures						
Insurance benefits, including bonuses, net of reinsurance recoveries	54,354,820	1,367,311	15,781	59,522,166	1,073	115,261,152
Management expenses less recoveries	12,802,645	254,265	1,088	1,550,481	77,338	14,685,817
Total insurance benefits and expenditure	67,157,465	1,621,576	16,869	61,072,647	78,411	129,946,969
Excess of income over insurance benefits and expenditures	71,026,440	10,593,866	16,820	7,378,411	145,508	89,161,045
Net change in insurance liabilities (other than outstanding claims)	22,611,062	(6,791,359)	3,379	(50,057)	(149,547)	15,623,478
Surplus/(deficit before tax)	93,637,502	3,802,507	20,199	7,328,354	(4,039)	104,784,523
Movement in policyholders' liabilities	(22,611,062)	6,791,359	(3,379)	50,057	149,547	(15,623,478)
Transfers to and from shareholders' fund						
Surplus appropriated to shareholders' fund	(2,371,867)	(95,078)	-	-	-	(2,466,945)
Capital returned to shareholders' fund	-	-	-	-	-	-
Capital contributions from shareholders' fund	-	-	-	-	-	-
Balance of statutory fund at beginning of the period	1,366,994,252	34,637,845	595,455	28,073,074	441,241	1,430,741,867
Balance of statutory fund at end of the period	1,435,648,825	45,136,633	612,275	35,451,485	586,749	1,517,435,967

Revenue account by statutory fund

For the period ended June 30, 2022 (Un-audited)

	Statutory Funds					Aggregate
	Pakistan Life Fund	Overseas Life Fund	Pension Fund	Accidental and Health Insurance Fund	Family Takaful	
	----- Rs in '000 -----					
Income						
Premium less reinsurances	50,704,722	648,098	3,776	45,903,856	107,317	97,367,769
Rental income from investment property	395,173	-	-	-	-	395,173
Net investment income	55,444,645	4,876,847	23,514	2,268,895	16,346	62,630,247
Total net income	106,544,540	5,524,945	27,290	48,172,751	123,663	160,393,189
Insurance benefits and expenditures						
Insurance benefits, including bonuses, net of reinsurance recoveries	33,267,894	1,026,946	8,591	33,848,704	-	68,152,135
Management expenses less recoveries	10,819,715	194,734	116	1,030,116	53,510	12,098,191
Total insurance benefits and expenditure	44,087,609	1,221,680	8,707	34,878,820	53,510	80,250,326
Excess of income over insurance benefits and expenditures	62,456,931	4,303,265	18,583	13,293,931	70,153	80,142,863
Net change in insurance liabilities (other than outstanding claims)	(2,509,446)	(2,625,706)	(2,249)	(8,434,328)	(57,891)	(13,629,620)
Surplus/(deficit before tax)	59,947,485	1,677,559	16,334	4,859,603	12,262	66,513,243
Movement in policyholders' liabilities	2,509,446	2,625,706	2,249	8,434,328	57,891	13,629,620
Transfers to and from shareholders' fund						
Surplus appropriated to shareholders' fund	(1,523,299)	(41,947)	-	-	-	(1,565,246)
Capital returned to shareholders' fund	-	-	-	-	-	-
Capital contributions from shareholders' fund	-	-	-	-	-	-
Balance of statutory fund at beginning of the period	1,228,466,499	26,388,120	501,982	12,757,203	197,561	1,268,311,365
Balance of statutory fund at end of the period	1,289,400,131	30,649,438	520,565	26,051,134	267,714	1,346,888,982

32.2 Segmental results by line of business

Income	Statutory Funds				Accidental and Health Insurance Fund		Family Takaful		Aggregate
	Pakistan Life Fund	Overseas Life Fund	Pension Fund	Health Insurance Fund	Family Takaful	2022	2023		
Gross premium									
- First year	6,494,875	99,164	-	-	97,125	6,691,164	4,035,293		
- Second year	3,872,221	113,089	-	-	49,983	4,035,293	41,308,564		
- Subsequent year renewal	40,463,792	834,984	-	-	9,788	41,308,564	6,926		
Group policies with cash value	-	-	6,926	-	-	6,926	-		
Group policies without cash value	8,646,574	-	-	79,380,245	-	88,026,819	-		
Less: experience premium refund	(123,956)	-	-	(15,358,248)	-	(15,482,204)	-		
Total gross premiums	59,353,506	1,047,237	6,926	64,021,997	156,896	124,586,562			
Less: reinsurance premiums ceded									
On individual life first year business	(16,947)	(788)	-	(120,785)	-	(138,520)			
On individual life second year business	(16,822)	-	-	-	-	(16,822)			
On individual life renewal business	(45,674)	(22,801)	-	-	-	(68,476)			
On group policies	(112,865)	-	-	-	-	(112,865)			
On group experience refund	-	-	-	-	-	-			
	(192,308)	(23,589)	-	(120,785)	-	(336,682)			
Net Premiums	59,161,198	1,023,648	6,926	63,901,212	156,896	124,249,880			
Rental income from investment property	809,979	-	-	-	-	809,979			
Net investment income	78,212,729	11,191,795	26,763	4,549,846	67,022	94,048,156			
Total net income	138,183,905	12,215,442	33,689	68,451,058	223,919	219,108,014			
Insurance benefits and expenditures									
Claims, including bonuses, net of reinsurance recoveries	54,354,820	1,367,311	15,781	59,522,166	1,073	115,261,152			
Management expenses less recoveries	12,802,645	254,265	1,088	1,550,481	77,338	14,685,817			
Total insurance benefits and expenditures	67,157,465	1,621,575	16,869	61,072,647	78,411	129,946,969			
Excess of income over insurance benefits	71,026,440	10,593,867	16,820	7,378,411	145,508	89,161,045			
Add: Policyholder liabilities at the beginning of period	1,312,427,627	27,743,894	122,320	1,172,392	414,278	1,341,880,511			
Less: Policyholder liabilities at the end of period	(1,289,816,565)	(34,535,253)	(118,941)	(1,222,449)	(563,825)	(1,326,257,033)			
Surplus/(deficit) before tax	93,637,502	3,802,508	20,199	7,328,354	(4,039)	104,784,523			

Segmental results by line of business

Income	Statutory Funds					Family Takaful	Aggregate
	Pakistan Life Fund	Overseas Life Fund	Pension Fund	Accidental and Health Insurance Fund	2022		
	----- Rs in '000 -----						
Gross premium	5,291,775	85,429	-	-	94,028	5,471,232	
- First year	3,903,477	65,687	-	-	13,289	3,982,453	
- Second year	32,391,016	515,166	-	-	-	32,906,182	
- Subsequent year renewal	-	-	3,776	-	-	3,776	
Group policies with cash value	9,491,749	-	-	64,647,287	-	74,139,036	
Group policies without cash value	(151,558)	-	-	(18,610,776)	-	(18,762,334)	
Less: experience premium refund							
Total gross premiums	50,926,459	666,282	3,776	46,036,511	107,317	97,740,345	
Less: reinsurance premiums ceded							
On individual life first year business	(18,746)	(980)	-	(132,655)	-	(152,381)	
On individual life second year business	(13,876)	-	-	-	-	(13,876)	
On individual life renewal business	(40,270)	(17,204)	-	-	-	(57,474)	
On group policies	(154,221)	-	-	-	-	(154,221)	
On group experience refund	5,376	-	-	-	-	5,376	
	(221,737)	(18,184)	-	(132,655)	-	(372,576)	
Net Premiums	50,704,722	648,098	3,776	45,903,856	107,317	97,367,769	
Rental income from investment property	395,173	-	-	-	-	395,173	
Net investment income	55,444,645	4,876,847	23,514	2,268,895	16,346	62,630,247	
Total net income	106,544,540	5,524,945	27,290	48,172,751	123,663	160,393,189	
Insurance benefits and expenditures							
Claims, including bonuses, net of reinsurance recoveries	33,267,894	1,026,946	8,591	33,848,704	-	68,152,135	
Management expenses less recoveries	10,819,715	194,734	116	1,030,116	53,510	12,098,191	
Total insurance benefits and expenditures	44,087,609	1,221,680	8,707	34,878,820	53,510	80,250,326	
Excess of income over insurance benefits	62,456,931	4,303,265	18,583	13,293,931	70,153	80,142,863	
Add: Policyholder liabilities at the beginning of period	1,180,781,402	21,672,207	121,054	1,116,926	84,270	1,203,775,859	
Less: Policyholder liabilities at the end of period	(1,183,290,848)	(24,297,913)	(123,303)	(9,551,254)	(142,161)	(1,217,405,479)	
Surplus/(deficit) before tax	59,947,485	1,677,559	16,334	4,859,603	12,262,000	66,513,243	

32.3 Segment Statement of Financial Position

Note	As at June 30, 2023 (Un-audited)		As at December 31, 2022 (Audited)	
	Shareholders Fund		Shareholders Fund	
	Statutory Funds	2023	Statutory Funds	2022
	-----Rs in '000-----			
4	991,338	991,338	1,033,492	1,033,492
5	3,529,432	3,529,432	3,573,082	3,573,082
	323,618	323,618	323,618	323,618
6	1,276,562,695	1,281,754,473	1,229,399,921	1,229,404,370
	173,728,677	173,728,677	171,822,531	171,822,531
10	115,363,016	115,363,016	78,092,696	78,092,696
11	75,464,981	2,189,113	65,280,512	65,281,569
	3,460,455	3,460,455	3,544,796	3,544,796
12	60,245	60,245	66,105	66,105
13	57,227,840	85	48,345,441	48,345,441
	1,706,712,297	7,380,976	1,601,482,194	1,601,487,700
	Total assets			
14	1,631,844,035	1,631,844,035	1,522,008,512	1,522,008,512
	6,376,385	6,376,385	6,113,662	6,113,662
	5,705	5,705	26,692	26,692
15	12,074,594	12,074,594	3,489,579	9,210,234
	5,193,816	5,193,816	5,326,067	5,326,067
16	1,059,008	1,059,008	1,154,322	1,154,322
17	26,184,555	26,184,555	30,235,746	30,235,746
	1,682,738,096	1,682,738,097	1,568,354,580	1,574,075,235
	Total Liabilities			

33	As at June 30, 2023 (Un-audited)		As at December 31, 2022 (Audited)	
	Fair value through profit or loss		Fair value through profit or loss	
	Held to Maturity	Total	Held to Maturity	Total
	-----Rs in '000-----			
	1,144,435,290	1,229,404,370	914,161,415	1,011,629,481
	203,810,666	214,849,746	530,712,373	531,714,138
	(178,255,000)	(178,350,598)	(319,403,125)	(319,427,743)
	20,208,070	20,208,070	18,964,627	18,964,627
	-	-	-	4,561
	-	(4,357,112)	-	(13,480,694)
	1,190,199,026	91,555,450	1,144,435,290	84,969,080
	Total			

33 MOVEMENT IN INVESTMENTS

At beginning of previous year	1,011,629,481
Additions	531,714,138
Disposals (sale and redemptions)	(319,427,743)
Amortization of premium	18,964,627
Provision created during the period / year	4,561
Unrealised fair value (loss) / gain	(13,480,694)
	84,969,080

34 RELATED PARTY TRANSACTIONS

The Corporation has related party relationships with provident fund, pension fund scheme, gratuity fund, state owned profit oriented entities and its key management personnel. Transactions with subsidiaries, associates and related parties are made at agreed terms as approved by the Board of Director. There have been no guarantees provided or received for any related party receivables or payables. Other material transactions and balances with related parties are given below:

	June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)
-----Rupees in '000-----		
Profit oriented state-controlled entities		
-common ownership		
Investment in shares - State Bank of Pakistan	3,221	3,221
PIB deposited with State Bank of Pakistan	<u>501,500</u>	<u>501,500</u>
Staff retirement fund		
Contribution to provident fund	408	817
Contribution to pension fund	<u>258,881</u>	<u>33,472</u>
Contribution to funded gratuity fund	<u>752</u>	<u>861</u>
Expense charged to pension fund	<u>795,700</u>	<u>668,985</u>
Transactions with associated companies		
- common directorship		
Dividend received during the year		
Pakistan Reinsurance Company Limited (24.41 % of holding)	<u>164,772</u>	<u>146,464</u>
Fauji Fertilizer Company Limited	<u>865,810</u>	<u>975,642</u>
Pak Cables Limited	<u>-</u>	<u>6,278</u>
Shahtaj Sugar Mills Limited	<u>-</u>	<u>3,785</u>
Balances with related parties		
- common directorship		
Investment in units:		
NIT Islamic Equity Fund	<u>161,243</u>	<u>175,105</u>
Balances with related parties		
Retirement benefit obligation	<u>6,376,385</u>	<u>6,113,662</u>

June 30, 2023 **December 31, 2022**
(Un-audited) (Audited)

----- Rupees in '000 -----

Investment in shares:

Fauji Fertilizer Company Limited	11,502,063	11,533,611
Sui Southern Gas Company Limited	496,108	532,494
Sui Northern Gas Pipelines Company Limited	1,082,011	1,031,992
Alpha Insurance Company Limited	298,818	298,818
Pakistan Cables Limited	289,766	311,013
Security Papers Limited	467,093	469,856
Shahtaj Sugar Mills Limited	37,736	27,743
Pak Data Communication Limited	60,717	52,152
Premier Insurance Company Limited	27,373	33,997
Pakistan Reinsurance Company Limited	1,388,483	1,507,119
Arabian Sea Country Club Limited	5,000	5,000
PICIC Insurance Limited	2,260	3,156
Nina Industries Limited	4,500	4,500
Mirpurkhas Sugar Mills Ltd.	58,489	39,719
State Life Abdullah Haroon Road Property (Private) Limited (Subsidiary Company) (100%	26,182	24,700
State Life Lackie Road Property (Private) Limited (Subsidiary Company) (100% holding) - net of	12,910	-
Wah-Nobel Chemicals Ltd	140,433	137,062

35 CORRESPONDING FIGURES

Previous year/period figures have been rearranged and/or reclassified, wherever necessary, for the purpose of comparison in the unconsolidated condensed interim financial statements.

36 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved and authorized for issue on 31 AUG 2023 by the Board of Directors of the Corporation.

37 GENERAL

Figures in these unconsolidated condensed interim financial statements have been rounded off to nearest thousand of Rupees unless otherwise stated.




CHAIRMAN
LAIMAN S. MEHDI



DIRECTOR
Humayun Bashir



DIRECTOR
Liaquat Ali Memon



CHIEF EXECUTIVE OFFICER
Page - 26 Shoalb Javed Hussain



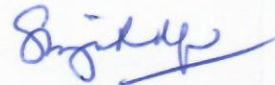
CHIEF FINANCIAL OFFICER
Muhammad Rashid

Statement by the Appointed Actuary

required under Section 52(2) (a) & (b) of the Insurance Ordinance, 2000

In my opinion,

- a. The policyholders liabilities / technical liabilities included in the balance sheet of State Life Insurance Corporation of Pakistan as at June 30, 2023 have been determined in accordance with the provisions of the Insurance Ordinance, 2000; and
- b. Each statutory fund of the State Life Insurance Corporation of Pakistan complies with the solvency requirements of the Insurance Ordinance, 2000.



(Shujaat Siddiqui)
Appointed Actuary of the Corporation

Dated: 31 AUG 2023

Statement of Directors

(As per requirement of Section 46(6) and Section 52(2) (C) of the Insurance Ordinance, 2000)

Section 46 (6)

- a. In our opinion the financial statements of the State Life Insurance Corporation of Pakistan for the six months ended June 30, 2023, set out in the forms attached to the statement have been drawn up in accordance with the Insurance Ordinance, and any rules made there under;
- b. State Life Insurance Corporation of Pakistan has at all times in the period complied with the provisions of the Insurance Ordinance and the Insurance Rules made there under relating to paid-up-capital, solvency and re-insurance / retakaful arrangements; and
- c. As at June 30, 2023, State Life Insurance Corporation of Pakistan continues to be in compliance with the provisions of the Ordinance and the rules made there under relating to paid-up-capital, solvency and reinsurance / retakaful arrangements.

Section 52 (2) (C)

- d. In our opinion, each statutory fund of the State Life Insurance Corporation of Pakistan complies with the solvency requirements of the Insurance Ordinance, 2000 and the Insurance Rules, 2017.



CHAIRMAN

SULAIMAN S. MEHDI



DIRECTOR

Humayun Bashir



DIRECTOR

Liaquat Ali Memon



CHIEF EXECUTIVE OFFICER

Shoab Javed Hussain



CHIEF FINANCIAL OFFICER

Muhammad Rashid