

## 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 unconsolidated statement of financial position (un-audited) for the nine months period ended September 30, 2021.

### OPERATING AND FINANCIAL PERFORMANCE:

During the period under review, financial performance of the Corporation showed an appreciable growth. An overview of the performance of State Life during the nine months period of 2021 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. 164,339 million as against Rs. 132,423 million in the preceding period, registering an increase of 24.1%. If the impact of unrealized Losses is excluded, total income for the period ended September 30, 2021 would be Rs. 170,284 million as against Rs. 135,333 million in September 2020 showing 25.8% increase.
- 1.2 Management expenses for the nine months period ended September 30, 2021 were Rs. 16,057 million as compared to Rs. 13,396 million in the previous period showing increase of 19.9%. Overall management expense ratio to total premium income for the current nine months was 18.4% as against 22.4% for corresponding period of 2020.
- 1.3 Payments to policyholders in the current nine months period were Rs.65,816 million as against Rs.42,572 million in the corresponding period 2020, showing an increase of 54.6%.
- 1.4 Total amount of insurance liabilities at the end of current nine months period was Rs. 1,095,681 million as against Rs. 966,326 million in the corresponding period 2020, showing an increase of 13.4%.
- 1.5 Earnings Per Share (EPS) for the nine months period is Rs. 98.81 which is 49.6% higher than the corresponding figure of Rs. 66.05 in the same period of last year. The Corporation has not issued any instrument which would dilute its basic earnings per share when exercised. Therefore, there is no dilutive effect on the earnings per share.

### 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. 7,903 million as compared to Rs. 5,764 million in the last year corresponding period, depicting an increase of 37.1%. Gross renewal premium was Rs. 50,528 million in current nine months period whereas it was Rs. 46,622 million in the corresponding period of 2020, showing an increase of 8.4%.

## 2.2 GROUP LIFE BUSINESS:

In current nine months gross premium under Group Life policies was Rs. 8,227 million as compared to Rs.1,936 million in the last period, showing remarkable increase of 324.9%. The steep increase is attributed to addition of two new groups namely State Bank of Pakistan and Sui Northern Gas Pipelines Limited and receipt of outstanding premium from Government of Sindh.

## 2.3 HEALTH INSURANCE BUSINESS:

Gross premium under Health Insurance policies during nine months of 2021 was Rs. 20,715 million as compared to Rs. 4,994 million in the preceding period 2020, showing an increase of 314.8% mainly due to enhancement of the Prime Minister's National Health Insurance Program.

## 2.4 REAL ESTATE:

In the nine months period of 2021, Real Estate Division (RED) performed satisfactorily in the context of Real Estate management. Breakup of rental income and expenses are stated hereunder:

	<u>Rs. in million</u>		
	For the Nine months		
	<u>2021</u>	<u>2020</u>	<u>Inc/(Dec)</u>
Rental Income	972	854	13.8%
Expenses	(575)	(492)	16.9%
Net	397	362	9.6%

## 2.5 INVESTMENT:

Net investment income including capital gains and unrealized losses during the nine months ended September 2021 was Rs. 77,093 million as compared to Rs. 73,220 million in September 2020, showing an increase of 5.3%; excluding unrealized losses the net investment income stood at Rs. 83,038 million as compared to Rs. 76,130 million in September 2020 showing an increase of 9.1%.

## 3. Note of Appreciation

We are pleased to place on record the deep appreciation on behalf of the Board of Directors for the efforts made by all the tiers of the field force and devotion to duty of the staff and officers for the overall performance of the Corporation. We are grateful to the Insurance Division, Securities and Exchange Commission of Pakistan for their continued guidance and assistance. May our future efforts continue to contribute to the nation's wellbeing in the economic and fiscal fields.

On behalf of the Board of Directors



Chairman

Karachi,

Date: April 06, 2022