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INDEPENDENT AUDITORS' REVIEW REPORT

To the members of State Life Insurance Corporation of Pakistan

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of State Life Insurance Corporation of Pakistan ("the Corporation") as at June 30, 2021 and the related unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement and unconsolidated condensed interim statement of changes in equity, and notes to the unconsolidated condensed interim financial statements for the six-months period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements is not prepared, in all

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material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to Note 18.1.2 to the unconsolidated condensed interim financial statements that describes the chargeability of sales tax on premium by provincial revenue authorities.

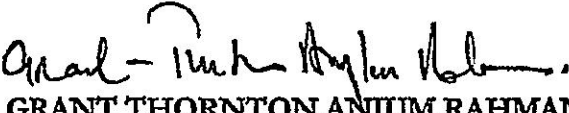
Our conclusion is not modified in respect of the above matter.

Other Matter


The figures of the unconsolidated condensed interim statement of comprehensive income for the three-months period ended June 30, 2021 and June 30, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six-months period ended June 30, 2021.

The engagement partners on the audit resulting in this independent auditors' report are Muhammad Khalid Aziz and Qasim E. Causer on behalf of Grant Thornton Anjum Rahman and BDO Ebrahim & Co. respectively.

Yours truly,


GRANT THORNTON ANJUM RAHMAN
Chartered Accountants

KARACHI
DATE: April 20, 2022


BDO EBRAHIM & CO.
Chartered Accountants

KARCHI
Date: April 20, 2022

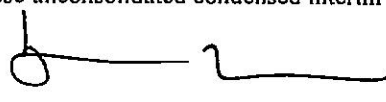
STATE LIFE INSURANCE CORPORATION OF PAKISTAN
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	-----Rupees in '000-----	
ASSETS			
Property and equipment	4	802,811	850,816
Investment properties	5	3,737,156	3,638,142
Investment in subsidiaries and associates		323,618	323,618
Investments			
Equity securities	6	93,645,003	92,918,024
Government securities	7	893,880,925	821,691,138
Debt securities	8	3,621,057	3,654,344
Mutual funds	9	9,366,217	8,686,126
Loans secured against life insurance policies		136,252,943	129,180,723
Insurance / reinsurance receivables	10	28,457,096	32,574,359
Other loans and receivables	11	53,038,298	49,925,310
Taxation - payments less provision		3,479,960	3,693,190
Prepayments	12	49,531	62,120
Cash and bank	13	53,762,688	56,184,733
TOTAL ASSETS		1,280,417,303	1,203,382,643
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES ATTRIBUTABLE TO CORPORATION'S EQUITY HOLDERS			
Ordinary share capital		4,600,000	4,600,000
Ledger account C & D		6,162,711	3,943,311
Reserves		304,725	304,725
Unappropriated profit		984,835	1,460,496
TOTAL EQUITY		12,052,271	10,308,532
LIABILITIES			
Insurance liabilities	14	1,222,748,833	1,157,476,582
Retirement benefit obligations		2,393,796	2,095,926
Deferred capital grant		31,829	36,957
Deferred taxation	15	2,517,156	1,610,642
Premium received in advance		19,935,047	8,644,311
Insurance / reinsurance payables	16	479,991	566,647
Other creditors and accruals	17	20,258,380	22,643,046
TOTAL LIABILITIES		1,268,365,032	1,193,074,111
TOTAL EQUITY AND LIABILITIES		1,280,417,303	1,203,382,643
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 FINANCIAL OFFICER

Shoaib Javed Hussain

Pouruchisty Sidhwa

Humayun Bashir

Muhammad Rashid

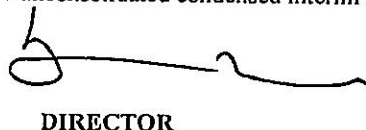
STATE LIFE INSURANCE CORPORATION OF PAKISTAN
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2021

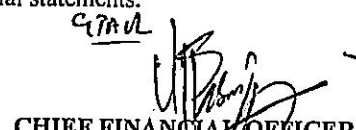
Note	Six-months period ended		Three-months period ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
-----Rupees in '000-----				
Premium revenue	59,395,984	37,086,426	29,109,321	14,388,905
Premium ceded to reinsurers	(160,203)	(69,350)	(79,564)	(39,100)
Net premium revenue	59,235,781	37,017,076	29,029,757	14,349,805
Investment income	47,633,816	42,568,373	24,014,044	21,556,227
Net realized fair value gain on financial assets	9,458	196,095	3,934	196,095
Net fair value gain / (loss) on financial asset at fair value through profit or loss	967,207	(15,194,622)	3,452,800	13,111,943
Net rental income	259,380	234,833	17,497	40,159
Other income	5,565,053	8,316,535	2,791,881	4,241,445
Net Income	54,434,914	36,121,214	30,280,156	39,145,869
	113,670,695	73,138,290	59,309,913	53,495,674
Insurance benefits	(42,351,387)	(23,230,599)	(23,906,053)	(10,156,444)
Recoveries from reinsurers	275,041	8,313	209,676	7,746
Claim related expenses	(5,205)	(2,921)	(1,375)	(2,921)
Net Insurance Benefits	(42,081,551)	(23,225,207)	(23,697,752)	(10,151,619)
Net Change in Insurance Liabilities (other than outstanding claims)	(56,206,446)	(38,646,802)	(28,403,561)	(37,192,421)
Acquisition expenses	(5,877,655)	(4,357,079)	(2,675,289)	(1,966,259)
Marketing and administration expenses	(4,863,906)	(4,197,117)	(2,701,547)	(2,241,176)
Other expenses	(127,224)	(110,602)	(65,376)	(55,766)
Total Expenses	(67,075,231)	(47,311,600)	(33,845,773)	(41,455,622)
Profit before tax for the period	4,513,913	2,601,483	1,766,388	1,888,433
Income tax expense	(1,309,678)	(565,844)	(512,670)	(358,716)
Profit after tax for the period	3,204,235	2,035,639	1,253,718	1,529,717
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	3,204,235	2,035,639	1,253,718	1,529,717
Earnings (after tax) per share - Rupees	69.66	47.34	27.25	35.57

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


CHAIRMAN


DIRECTOR


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CHIEF FINANCIAL OFFICER

Shoalb Javed Hussain

Douruchisty Sidhwa


Humayun Bashir

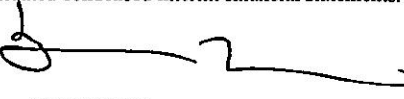
Muhammad Rashid


STATE LIFE INSURANCE CORPORATION OF PAKISTAN
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2021

	Six-months period ended	
	June 30, 2021	June 30, 2020
	-----Rupees in '000-----	
Operating Cash Flows		
(a) Underwriting activities		
Insurance Premiums received	74,930,476	38,210,318
Reinsurance premiums paid	(246,859)	(109,826)
Claims paid	(17,895,549)	(7,296,939)
Surrenders paid	(15,395,238)	(13,430,208)
Reinsurance and other recoveries received	109,885	2,921
Commissions paid	(6,056,562)	(5,769,246)
Other underwriting payments	(1,544,176)	(921,930)
Net cash flow generated from underwriting activities	33,901,977	10,685,090
(b) Other operating activities		
Income tax paid	(189,933)	(519,462)
General management expenses paid	(5,108,858)	(2,326,062)
Loans advanced	(11,906,923)	(2,628,069)
Loan repayments received	6,918,640	(59,319)
Other operating payments	(1,862,017)	(1,486,585)
Net cash flow used in other operating activities	(12,149,091)	(7,019,497)
Total cash flow generated from operating activities	21,752,886	3,665,593
Investment Activities		
Profit / return received	42,930,643	38,195,966
Dividends received	3,590,097	2,309,874
Rentals received	583,313	528,034
Payments for investments	(161,912,064)	(146,464,659)
Proceeds from disposal of investments	92,132,463	38,159,659
Fixed capital expenditure	(126,663)	(125,444)
Total cash flow used in investing activities	(22,802,211)	(67,396,570)
Finance Activities		
Dividend paid	(1,460,496)	-
Total cash flow used in financing activities	(1,460,496)	-
Net cash flow from all activities	(2,509,821)	(63,730,977)
Cash and cash equivalents at beginning of the period	45,938,842	80,810,075
Cash and cash equivalents at end of the period	43,429,021	17,079,098
	13.1	
Reconciliation to Profit and Loss Account		
Operating cash flows	21,752,886	3,665,593
Depreciation expense	(57,121)	(57,095)
Investment income	54,434,915	35,471,214
Amortization/capitalization	385,945	285,606
Non cash adjustments (APL)	(2,067,294)	(2,385,667)
Decrease in assets other than cash	4,045,825	4,446,884
Decrease in liabilities other than running finance	(76,600,397)	(39,187,528)
Other adjustments	(909,924)	(1,350,573)
	984,835	888,434
Ledger account C & D	2,219,400	1,147,205
Profit after taxation	3,204,235	2,035,639

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


CHAIRMAN
Shaukat Hussain


DIRECTOR
Humayun Bashir


CHIEF FINANCIAL OFFICER
Muhammad Rashid

**STATE LIFE INSURANCE CORPORATION OF PAKISTAN
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2021**

	Attributable to equity holders of the Corporation						Total
	Share capital	Capital contributed to statutory fund	Revenue reserves		Ledger account C & D [Refer Note]	Unappropriated profit	
			General reserves				
Rupees in '000							
Balance as at January 01, 2020	4,300,000	(650,000)	7,043	2,207,145	1,284,882	7,149,070	
Total comprehensive income for the period	-	-	-	-	2,035,639	2,035,639	
Surplus for the period retained in statutory funds-net of tax	-	-	-	1,147,205	(1,147,205)	-	
Transfer to general reserve	-	-	238,000	-	(238,000)	-	
Balance as at June 30, 2020	4,300,000	(650,000)	245,043	3,354,350	1,935,316	9,184,709	
Balance as at January 01, 2021	4,600,000	-	304,725	3,943,311	1,460,496	10,308,532	
Dividend for the year ended December 31, 2020	-	-	-	-	(1,460,496)	(1,460,496)	
Total comprehensive income for the period	-	-	-	-	3,204,235	3,204,235	
Surplus for the period retained in statutory funds-net of tax	-	-	-	2,219,400	(2,219,400)	-	
Balance as at June 30, 2021	4,600,000	-	304,725	6,162,711	984,835	12,052,271	

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.


CHAIRMAN

Shoaib Javed Hussain


DIRECTOR

Pouruchisty Sidhwā


DIRECTOR

Humayun Bashir


CHIEF FINANCIAL OFFICER

Muhammad Rashid

**STATE LIFE INSURANCE CORPORATION OF PAKISTAN
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2021**

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 and accident insurance business. The brief description of accounting policies are defined in the note 3 of the unconsolidated financial statement for the year ended December 31, 2020.
- 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. During the period end, the Corporation launched the Window Takaful Operations from February 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.

The MoC, vide letter dated October 26, 2020 further intimated that the Cabinet Committee on State Owned Enterprises (CCOSOE), in its decision dated August 31, 2020, considered the summary submitted by Finance Division, dated August 27, 2020, on the subject and accorded approval in-principle for privatization, restructuring and liquidation of the loss-making State owned enterprise (SOEs), which also includes State Life Insurance Corporation (SLIC), National Insurance Company Limited (NICL) and Pakistan Reinsurance Company Limited (PRCL). However, the MoC does not agree that it is the case with SLIC, NICL and PRCL. It was further directed that, data of the last three years in respect of organizations, indicating organization's profitability may be shared with the MoC so that the MoC can take up the case with Federal Cabinet and CCOSOE to review its recommendation in respect of SLIC, NICL and PRCL. SLIC shared requested information with MoC and matter is still pending in MoC so there will be no change in operational activities of the Corporation pursuant to change in legal structure and no adjustments are expected to the carrying values of the assets and liabilities.

- 1.5 The Corporation maintains a shareholders' fund and five statutory funds, separately in respect of its each class of life insurance business. This note should be read in conjunction with the Corporation's annual unconsolidated financial statements for the year ended December 31, 2020.

2 BASIS OF PREPARATION

These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual unconsolidated financial statements and should be read in conjunction with the Corporation's annual unconsolidated financial statements for the year ended December 31, 2020.

The figures in the unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement and condensed interim unconsolidated statement of changes in equity together with the relevant notes to the unconsolidated condensed interim financial statements for the six-months period ended June 30, 2021 are not audited. Further, the figures for the three-months period ended June 30, 2021 and 2020 in the unconsolidated condensed interim statement of comprehensive income have also not been reviewed by the auditors.

2.1 Statement of compliance

The unconsolidated condensed interim financial statements 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.

In case requirements differ, the provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 have been followed.

2.2 Basis of measurement

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except the 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. Accrual basis of accounting has been used except for cash flow statement.

2.3 Financial risk management / judgement and estimates

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, 2020. In preparing this 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, 2020.

2.4 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.

2.5 SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS

- During the period, expansion of health program has been undertaken with the Corporation and Government of Khyber Pakhtunkhwa which in turn resulted in an increase of premium income under Group policies amounting to Rs. 7.73 billion.
- During the period, the Corporation has entered into the Contract with the Government of Sindh for group insurance of Sindh Government employees which in turn resulted in an increase of premium income under Group policies amounting to Rs. 5.97 billion.

2.6 Standards, amendments and interpretations to approved accounting standards

2.6.1 Standards, amendments and interpretations to the published standards that are relevant to the company and adopted in the current period

The Corporation has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current period.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IBOR Reform and its Effects on Financial Reporting—Phase 2	January 1, 2021

2.6.2 Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Corporation

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	
Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendment to IFRS 9)	January 1, 2022
Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)	January 1, 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	January 1, 2022

**IASB effective date
(Annual periods beginning
on or after)**

Subsidiary as a First-time Adopter (Amendment to IFRS 1)	January 1, 2022
Taxation in Fair Value Measurements (Amendment to IAS 41)	January 1, 2022
Updating a Reference to the Conceptual Framework (Amendments to IFRS 3)	January 1, 2022
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	January 1, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023
Disclosure Initiative—Accounting Policies	January 1, 2023

2.6.3 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation

IFRS 17 'Insurance Contracts'	January 01, 2023
Amendments to IFRS 17 Insurance Contracts	January 01, 2023
IFRS 1 'First-time Adoption of International Financial Reporting Standards'	July 1, 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and method of computation adopted for the preparation of this unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Corporation for the year ended December 31, 2020. Certain amendments and interpretations to approved accounting standards became effective during the period were not relevant to the Corporation's operation and do not have any impact on accounting policies of the Corporation.

	June 30, 2021 (Un-audited)	December 31,2020 (Audited)
-----Rupees in '000 -----		
4. PROPERTY AND EQUIPMENT		
Operating fixed assets		
Net book value as at the beginning of the period / year	850,816	920,235
Additions / adjustments during the period / year	6,029	63,676
Disposal during the period / year	(47)	(2,573)
Net depreciation charge during the period / year	(53,987)	(130,522)
Net book value as at the end of the period / year	<u>802,811</u>	<u>850,816</u>

5 INVESTMENT PROPERTIES

Investment Properties	1,728,749	1,749,139
Less : Provision for impairment in value of investment property	(2,579)	(895)
	<u>1,726,170</u>	<u>1,748,244</u>
Capital work-in-progress	2,010,986	1,889,898
	<u>3,737,156</u>	<u>3,638,142</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.59,666 million (2020: Rs.59,666 million).

6 INVESTMENTS IN EQUITY SECURITIES

	June 30 2021 (Un-audited)			December 31 2020 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
-----Rupees in '000-----						
Fair value through profit or loss						
Related parties						
Listed shares	3,517,424	-	17,562,778	3,517,424	-	18,192,482
Unlisted shares	5,000	-	5,000	5,000	-	5,000
Others						
Listed shares	26,466,258	-	76,015,847	26,072,745	-	74,659,605
Unlisted shares	275,897	(217,553)	58,344	275,897	(217,553)	58,344
Unlisted preference shares	3,743	(709)	3,034	3,743	(1,150)	2,593
	<u>30,268,322</u>	<u>(218,262)</u>	<u>93,645,003</u>	<u>29,874,809</u>	<u>(218,703)</u>	<u>92,918,024</u>

7 INVESTMENTS IN GOVERNMENT SECURITIES

	June 30, 2021 (Un-audited)				December 31, 2020 (Audited)	
	Maturity Year	Effective Yield (%)	Amortized Cost	Principal Repayment	Carrying Value	Carrying Value
-----Rupees in '000-----						
Held to maturity						
Pakistan Investment Bond						
3 year Pakistan Investment Bonds	2021 - 2022	7.14% - 8.66%	157,581,457	158,908,000	157,581,457	147,001,163
5 year Pakistan Investment Bonds	2021 - 2024	7.53% - 9.36%	123,482,777	126,250,000	123,482,777	127,195,587
10 year Pakistan Investment Bonds	2020 - 2029	7.20% - 9.91%	426,374,892	426,466,600	426,374,892	396,955,891
15 year Pakistan Investment Bonds	2021 - 2035	7.40% - 11.27%	66,040,887	64,370,000	66,040,887	50,886,975
20 year Pakistan Investment Bonds	2024 - 2039	8.82% - 10.81%	70,584,335	69,461,000	70,584,335	60,206,205
30 year Pakistan Investment Bonds	2036 - 2038	10.32% - 10.64%	37,702,813	40,050,000	37,702,813	37,680,832
Islamic Republic of Pakistan Bonds			8,099,103	-	8,099,103	7,724,485
			<u>889,866,264</u>	<u>885,505,600</u>	<u>889,866,264</u>	<u>821,651,138</u>

	June 30, 2021 (Un-audited)				December 31, 2020 (Audited)	
	Maturity Year	Effective Yield (%)	Amortized Cost	Principal Repayment	Carrying Value	Carrying Value
-----Rupees in '000-----						
Held to maturity						
Treasury Bills						
Treasury Bills	2021	7.55% - 7.61%	3,934,742	4,000,000	3,934,742	-
Other						
Sukuk Bonds			79,919	78,900	79,919	40,000
			<u>893,880,925</u>	<u>889,384,500</u>	<u>893,880,925</u>	<u>821,691,138</u>

8 INVESTMENTS IN DEBT SECURITIES

	Note	June 30 2021 (Un-audited)			December 31 2020 (Audited)		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
-----Rupees in '000-----							
Held to maturity							
Debentures	8.1	7,573	(7,573)	-	7,573	(7,573)	-
Foreign fixed income securities		3,621,057	-	3,621,057	3,654,344	-	3,654,344
		<u>3,628,630</u>	<u>(7,573)</u>	<u>3,621,057</u>	<u>3,661,917</u>	<u>(7,573)</u>	<u>3,654,344</u>

- 8.1 Debentures include an amount of Rs. 7.573 million (December 31, 2020: Rs. 7.573 million) pertaining to those companies which are in liquidation process since 1974. The Corporation had made full provision against these debentures.

9 INVESTMENT IN MUTUAL FUNDS

	June 30 2021 (Un-audited)			December 31 2020 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
-----Rupees in '000-----						
Fair value through profit or loss						
Listed						
Open ended mutual fund	3,282,446	-	7,190,415	3,282,446	-	6,669,127
Unlisted						
Close end mutual fund	594,190	-	2,175,802	594,190	-	2,016,999
	<u>3,876,636</u>	<u>-</u>	<u>9,366,217</u>	<u>3,876,636</u>	<u>-</u>	<u>8,686,126</u>

June 30, December
2021 31,2020
(Un-audited) (Audited)

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

10 INSURANCE / REINSURANCE RECEIVABLES

Unsecured and considered good

Due from insurance contract holders	27,869,355	32,151,773
Less: provision for impairment of receivables from Insurance contract holders	-	-
Due from other insurers / reinsurers	587,741	422,586
Less: provision for impairment of due from other insurers / reinsurers	-	-
	<u>28,457,096</u>	<u>32,574,359</u>

	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
11 OTHER LOANS AND RECEIVABLES	Note -----Rupees in '000 -----	
Accrued investment income	48,395,546	46,598,010
Loans to agents	106,290	78,493
Loans to employees	1,023,213	949,821
Advance to contractors & security deposit	382,602	464,561
Other receivables	3,130,647	1,834,425
	<u>53,038,298</u>	<u>49,925,310</u>
12 PREPAYMENTS		
Prepaid rent	9,868	15,428
Prepaid miscellaneous expenses	39,663	46,692
	<u>49,531</u>	<u>62,120</u>
13 CASH AND BANK		
Cash and Cash Equivalent		
Cash in hand	40,922	12,838
Cash in transit	(61)	190,000
Policy & Revenue stamps, Bond papers	-	-
	40,861	202,838
Cash at bank		
Current accounts	3,494,545	14,693,173
Savings accounts	39,893,615	31,042,831
Fixed deposits maturing after 12 months	10,333,667	10,245,891
	<u>53,762,688</u>	<u>56,184,733</u>
13.1 Cash and cash equivalent include the following for the purposes of the cash flow statement:		
Cash and cash equivalent		
Cash in hand	40,922	12,838
Cash in transit	(61)	190,000
Policy & Revenue stamps, Bond papers	-	-
	40,861	202,838
Cash at bank		
Current accounts	3,494,545	14,693,173
Savings accounts	39,893,615	31,042,831
	<u>43,429,021</u>	<u>45,938,842</u>
13.2	These carry mark-up ranging from 6.60% to 7.50% (2020: 6.46% to 12.66%) per annum.	

	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	-----Rupees in '000 -----	
14 INSURANCE LIABILITIES		
Reported outstanding claims (including claims in payment)	43,944,730	34,878,925
Incurred but not reported claims (IBNR)	4,152,966	4,081,391
Liabilities under individual conventional insurance contracts	1,172,386,356	1,116,847,629
Liabilities under group insurance contracts (other than investment linked)	2,035,136	1,462,422
Participant takaful fund balance	11,741	-
Other insurance liabilities	217,904	206,215
	<u>1,222,748,833</u>	<u>1,157,476,582</u>

15 DEFERRED TAXATION

Deferred tax credit arising in respect of On retained balance on Ledger Account D	<u>2,517,156</u>	<u>1,610,642</u>
--	------------------	------------------

	Balance as at January 1, 2021	Recognised in statement of comprehensive income	Recognised in Other Comprehensive Income	Balance as at June 30, 2021
	-----Rupees in '000-----			
Deferred credit arising in respect of On Retained balance on Ledger Account D	1,610,642	906,514	-	2,517,156
	<u>1,610,642</u>	<u>906,514</u>	<u>-</u>	<u>2,517,156</u>
	Balance as at January 1, 2020	Recognised in statement of	Recognised in Other Comprehensive Income	Balance as at December 31, 2020
	-----Rupees in '000-----			
Deferred credit arising in respect of On Retained balance on Ledger Account D	636,015	974,627	-	1,610,642
	<u>636,015</u>	<u>974,627</u>	<u>-</u>	<u>1,610,642</u>

	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	-----Rupees in '000 -----	
16 INSURANCE / REINSURANCE PAYABLES		
Due to other insurers / reinsurers	<u>479,991</u>	<u>566,647</u>
17 OTHER CREDITORS AND ACCRUALS		
Agents commission payable	1,827,217	3,550,301
Accrued expenses	9,452,733	9,936,450
Other liabilities	8,978,430	9,156,295
	<u>20,258,380</u>	<u>22,643,046</u>

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

There are no material changes in the status of contingencies as same reported in note 22.1 to the annual unconsolidated financial statements of the Corporation for the year ended 31 December, 2020, excepts specified below:

- 18.1.1 The Corporation has filed appeals on different issues in the Honourable 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 reopened 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 decided four appeals against the Corporation. Corporation is in the process of filing CPLAs before Honourable Supreme Court of Pakistan against judgement of Sindh High Court. Management of the Corporation and its tax advisor are confident that ultimate outcome of these matters will be in favour of the Corporation.

- 18.1.2 According to the Sindh Sales Tax 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.

Subsequently, life insurance companies collectively filed Constitutional Petitions (CPs) before Lahore High Court (LHC) and Sindh High Court (SHC) against levy of sales tax on life and health insurance in Punjab and 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 petitions were filed before any court.

The Honorable LHC in its order dated October 03, 2019 has restrained PRA from taking any coercive measures against applicants. The Corporation has filed another petition at Hon'ble LHC against impugned show cause notice. The Honorable LHC, in its order dated January 21, 2020, has directed that no final order shall be passed in pursuance of the impugned show cause by Punjab Revenue Authority (PRA) until the next due date of hearing.

The Honorable 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, 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, 2022 vide notification No. 3-4/17/2021 dated 30th June, 2021.

The Khyber Pakhtunkhwa Revenue Authority (KPRA) has also introduced sales tax on life and health insurance in its recent budget. Effective from 01 July, 2021, life and health insurance is taxable in Khyber Pakhtunkhwa @ 15% and 1% respectively.

Provincial Revenue Authorities invited IAP and insurance industry to hold a dialogue for amicable settlement of the matter. However, due to Covid-19 situation and consequential lockdown, consensus is not yet reached among stakeholders.

In view of the opinion of legal advisor the Corporation has calculated estimated aggregated amount of sales tax liability amounting to Rs. 2,455.59 million (2020: Rs. 1,930.86 million), which is calculated based on risk premium and excluding the investment amount allocated to policies. Advisor is also of the view that Corporation has a reasonably strong case on the merits in the constitution petitions.

- 18.1.3 Additional Commissioner Inland Revenue, Audit Range B, Zone-III, LTU Karachi served notice u/s 122(9) of the Ordinance to SLIC in respect of tax year 2020. 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, etc. Based on the information/explanation submitted by SLIC to tax authorities against above notice, ACIR passed an amended assessment order u/s 122 (5A) whereby tax demand of Rs. 458.25 million was raised. Out of aforesaid tax demand, recovery of Rs. 306.04 million was not enforced by Inland Revenue Department as Lahore High Court has granted stay to Filed Worker's Federation of Pakistan. Balance tax demand amounting to Rs. 152.21 million has been adjusted against tax refund pertaining to tax year 2012. SLIC has filed appeal before CIR-A against amended assessment order. However, date of hearing is not yet fixed.

18.2 Commitments

The Corporation is committed in respect of capital expenditure contract aggregating to Rs. 100 million (December 31, 2020: Rs. 100 million). There were no other commitments as at the reporting date.

	June 30, 2021 (Un-audited)	June 30, 2020 (Un-audited)
	-----Rupees in '000 -----	
19 NET PREMIUM REVENUE		
Gross Premiums		
Regular premium individual policies		
First year	5,352,429	3,156,677
Second year renewal	2,765,381	2,891,073
Subsequent year renewal	32,580,127	26,887,521
Group policies with cash values	4,439	4,355
Group policies without cash values	24,339,450	9,084,246
Less: experience refund	(5,645,842)	(4,937,446)
Total Gross Premiums	<u>59,395,984</u>	<u>37,086,426</u>
Less: Reinsurance Premiums Ceded		
On individual life first year business	(16,459)	(7,415)
On individual life second year business	(6,445)	(7,401)
On individual life renewal business	(56,601)	(54,534)
On group life business	(80,698)	-
	<u>(160,203)</u>	<u>(69,350)</u>
Net Premium revenue	<u><u>59,235,781</u></u>	<u><u>37,017,076</u></u>
20 INVESTMENT INCOME		
Income from equity securities		
Fair value through profit or loss		
Dividend income	3,626,663	2,309,874
Income from government and debt securities		
Held to maturity		
Return on government and debt securities	44,007,153	40,258,499
	<u>47,633,816</u>	<u>42,568,373</u>
21 NET REALISED FAIR VALUE GAIN ON FINANCIAL ASSETS		
Fair value through profit or loss		
Realised gain on equity securities	<u>9,458</u>	<u>196,095</u>

	June 30, 2021 (Un-audited)	June 30, 2020 (Un-audited)
	-----Rupees in '000 -----	
22 NET FAIR VALUE GAIN / (LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Net gain / (loss) on investments at fair value through profit or loss	1,017,735	(15,168,310)
Investment related expenses	(50,528)	(26,312)
	<u>967,207</u>	<u>(15,194,622)</u>
23 NET RENTAL INCOME		
Rental income	614,579	528,035
Less: Expenses of investment property	(355,199)	(293,202)
	<u>259,380</u>	<u>234,833</u>
24 OTHER INCOME		
Return on bank balances	1,386,838	1,238,365
Return on loans to employees	24,728	21,985
Return on loans to policyholders	4,320,685	5,155,823
Exchange gain on revaluation	(232,651)	1,854,858
Miscellaneous income	65,453	45,504
	<u>5,565,053</u>	<u>8,316,535</u>
25 NET INSURANCE BENEFITS		
Gross Claims		
Claims under individual policies		
- by death	5,163,433	2,451,117
- by insured event other than death	165,537	123,384
- by maturity	6,492,831	4,027,492
- by surrender	15,395,238	13,430,208
- annuity payments	9,215	1,929
Total gross individual policy claims	<u>27,226,254</u>	<u>20,034,130</u>
Claims under group policies		
- by death	5,198,676	995,752
- by insured event other than death	9,925,327	2,200,577
- by maturity	283	-
- by surrender	700	26
- annuity payments	147	114
- experience premium refund	-	-
Total gross policy claims	<u>15,125,133</u>	<u>3,196,469</u>
Total Gross Claims	<u>42,351,387</u>	<u>23,230,599</u>

	June 30, 2021 (Un-audited)	June 30, 2020 (Un-audited)
	-----Rupees in '000 -----	
Less: Reinsurance Recoveries		
-on individual life claims	(35,284)	(8,313)
-on group life claims	(239,757)	-
	(275,041)	(8,313)
Claim related expenses	5,205	2,921
Net insurance benefit	42,081,551	23,225,207

Note

26 ACQUISITION EXPENSES

Remuneration to insurance intermediaries on individual policies:		
- commission to agent on first year premiums	2,493,746	1,467,821
- commission to agent on second year premiums	342,214	357,218
- commission to agent on subsequent renewal premiums	1,284,132	1,086,250
- other benefits to insurance intermediaries	211,991	522,631
- branch overhead	891,406	531,794
Remuneration to insurance intermediaries on group policies:		
- commission	1,326	757
- other benefits to insurance intermediaries	70	470
Other acquisition costs		
- Stamp duty and medical fee	652,770	390,138
	5,877,655	4,357,079

27 MARKETING AND ADMINISTRATION EXPENSES

Employee benefit cost	27.1	4,003,351	3,251,133
Travelling expenses		135,665	91,136
Advertisement and sales promotion		1,970	4,528
Printing and stationery		35,979	22,798
Depreciation		55,772	55,887
Rent, rates and taxes		153,822	80,055
Legal and professional charges - business related		312,444	218,234
Electricity, gas and water		61,443	380,295
Office repair and maintenance		10,603	6,577
Bank charges		20,534	20,162

	Note	June 30, 2021 (Un-audited) -----Rupees in '000 -----	June 30, 2020 (Un-audited)
Postages, telegrams and telephone charges		47,323	41,312
Annual Supervision fees SECP		25,000	25,000
		<u>4,863,906</u>	<u>4,197,117</u>
27.1 Employee benefit cost			
Salaries, allowances and other benefits		3,527,034	2,341,207
Charges for post employment benefit		476,317	909,924
		<u>4,003,351</u>	<u>3,251,131</u>
28 OTHER EXPENSES			
Auditors' remuneration	28.1	5,826	5,414
Training expense		12,901	10,430
Revenue stamps		16,539	10,677
Insurance charges		35,266	31,362
Office maintenance		37,865	32,305
Entertainment		8,701	5,210
Other rent, rates and taxes		12,814	10,557
Commission from reinsurer		(19,115)	-
Miscellaneous		16,427	4,647
		<u>127,224</u>	<u>110,602</u>
28.1 Auditors' remuneration			
Business within Pakistan			
Half yearly review fee			
BDO Ebrahim & Co.		1,285	1,025
Grant Thornton Anjum Rahman		1,386	1,025
		2,671	2,050
Half yearly review out of pocket expenses			
BDO Ebrahim & Co.		412	375
Grant Thornton Anjum Rahman		412	375
		824	750
Business outside Pakistan			
Nabeel AL-Saie Public Accountants		2,331	2,614
Out of pocket expense			
		2,331	2,614
		<u>5,826</u>	<u>5,414</u>

	Note	June 30, 2021 (Un-audited)	June 30, 2020 (Un-audited)
-----Rupees in '000 -----			
29	INCOME TAX EXPENSE		
	For the period		
	Current	403,164	363,692
	Deferred	906,514	202,152
		<u>1,309,678</u>	<u>565,844</u>
30	EARNINGS PER SHARE		
	Profit (after tax) for the period	3,204,235	2,035,639
	Weighted average outstanding number of ordinary shares as at period end	46,000	43,000
	Earnings per share (Rupees)	<u>69.66</u>	<u>47.34</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, 2021.

	As at June 30, 2021 (Un-audited)		As at December 31, 2020 (Audited)	
	Carrying amount	Fair value	Carrying amount	Fair value
-----Rupees in '000 -----				
Financial assets				
Investment in subsidiaries and associates	323,618	323,618	323,618	323,618
Investments				
Equity securities	93,645,003	93,645,003	92,918,024	92,918,024
Government securities	893,880,925	898,379,819	821,691,138	842,952,048
Dcvt securities	3,621,057	4,184,699	3,654,344	3,654,344
Mutual funds	9,366,217	9,366,217	8,686,126	8,686,126
Loans secured against life insurance policies	136,252,943	136,252,943	129,180,723	129,180,723
Insurance / reinsurance receivables	28,457,096	28,457,096	32,574,359	32,574,359
Other loans and receivables	53,038,298	53,038,298	49,925,310	49,925,310
Cash and bank balances	53,762,688	53,762,688	56,184,733	56,184,733
Financial liabilities				
Insurance liabilities	1,222,748,833	1,222,748,833	1,157,476,582	1,157,476,582
Insurance / reinsurance payables	479,991	479,991	566,647	566,647
Other creditors and accruals	20,258,380	20,258,380	22,643,046	22,643,046

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, 2021	Level 1	Level 2	Level 3
	-----Rupees in '000-----			
Financial Assets at carrying value				
Listed equity securities and mutual fund units	100,769,040	100,769,040	-	-
Unlisted equity securities and mutual fund units	2,242,180	-	2,242,180	-
Holding in subsidiary and associated companies	323,618	-	323,618	-
	<u>103,334,838</u>	<u>100,769,040</u>	<u>2,565,798</u>	<u>-</u>

	As at December 31, 2020	Level 1	Level 2	Level 3
	-----Rupees in '000-----			
Financial Assets at carrying value				
Listed equity securities and mutual fund units	99,523,806	99,523,806	-	-
Unlisted equity securities and mutual fund units	2,080,343	-	2,080,343	-
Holding in subsidiary and associated companies	323,618	-	323,618	-
	<u>101,927,767</u>	<u>99,523,806</u>	<u>2,403,961</u>	<u>-</u>

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

31.3 Transfers during the period

During the period to June 30, 2021:

- 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 cost.
- Investments in subsidiary companies are being carried at cost.

32 SEGMENTAL INFORMATION

32.1 Revenue account by statutory fund

For the period ended June 30, 2021

	Statutory Funds				Aggregate
	Pakistan Life Fund	Overseas Life Fund	Pension Fund	Accidental and Health Insurance Fund	
Income					
Premium less reinsurances	46,243,181	583,063	4,439	12,373,521	59,235,781
Rental income from investment property	259,380	-	-	-	259,380
Net investment income	52,599,362	271,312	20,913	1,056,107	53,952,126
Total net income	99,101,923	854,375	25,352	13,429,628	113,447,287
Insurance benefits and expenditures					
Insurance benefits, including bonuses, net of insurance recoveries	31,010,808	1,162,551	12,595	9,895,597	42,081,551
Management expenses less recoveries	10,277,611	155,107	109	404,764	10,866,169
Total insurance benefits and expenditure	41,288,419	1,317,658	12,704	10,300,361	52,947,720
Excess of income over insurance benefits and expenditures	57,813,504	(463,283)	12,648	3,129,267	60,499,567
Net change in insurance liabilities (other than outstanding claims)	56,661,643	(478,627)	2,438	7,462	56,206,446
Surplus/(deficit before tax)	114,475,147	(941,910)	15,086	3,136,729	116,706,013
Movement in policyholders' liabilities	(56,661,643)	478,627	(2,438)	(7,462)	(56,206,446)
Transfers to and from shareholders' fund					
Surplus appropriated to shareholders' fund	(1,151,861)	(15,344)	-	-	(1,167,205)
Capital returned to shareholders' fund	-	-	-	-	-
Capital contributions from shareholders' fund	-	-	-	-	-
Balance of statutory fund at beginning of the period	1,099,097,119	23,294,315	436,128	5,284,382	1,128,151,608
Balance of statutory fund at end of the period	1,155,758,762	22,815,688	448,776	8,413,649	1,187,483,970

Revenue account by statutory fund	Statutory Funds				Accidental and Health Insurance Fund	Family Takaful	Aggregate
	Pakistan Life Fund	Overseas Life Fund	Pension Fund	Health Insurance Fund			
For the period ended June 30, 2020							
Rs in '000							
Income							
Premium less reinsurances	33,419,025	582,582	4,355	3,011,114	-	37,017,076	
Rental income from investment property	234,833	-	-	-	-	234,833	
Net investment income	32,457,163	2,359,719	21,592	830,301	6,090	35,674,865	
Total net income	66,111,021	2,942,301	25,947	3,841,415	6,090	72,926,774	
Insurance benefits and expenditures							
Insurance benefits, including bonuses, net of reinsurance recoveries	20,358,808	666,945	8,586	2,190,868	-	23,225,207	
Management expenses less recoveries	8,192,550	157,755	187	301,126	10,900	8,662,518	
Total insurance benefits and expenditure	28,551,358	824,700	8,773	2,491,994	10,900	31,887,725	
Excess of income over insurance benefits and expenditures	37,559,663	2,117,601	17,174	1,349,421	(4,810)	41,039,049	
Net change in insurance liabilities (other than outstanding claims)	36,552,434	2,091,067	3,301	-	-	38,646,802	
Surplus/(deficit) before tax	74,112,097	4,208,668	20,475	1,349,421	(4,810)	79,685,851	
Movement in policyholders' liabilities	(36,552,434)	(2,091,067)	(3,301)	-	-	(38,646,802)	
Transfers to and from shareholders' fund							
Surplus appropriated to shareholders' fund	(1,016,357)	(26,534)	-	-	-	(1,042,891)	
Capital returned to shareholders' fund	-	650,000	-	-	-	650,000	
Capital contributions from shareholders' fund	-	-	-	-	-	-	
Balance of statutory fund at beginning of the period	970,544,043	22,784,919	365,981	2,647,351	59,038	996,401,332	
Balance of statutory fund at end of the period	1,007,087,349	25,525,986	383,155	3,996,772	54,228	1,037,047,490	

32.2 Segmental results by line of business

Income	Statutory Funds				Accidental and Health Insurance Fund	Family Takaful	Aggregate 2021
	Pakistan Life Fund	Overseas Life Fund	Pension Fund				
	Rs in '000						
Gross premium							
- First year	5,263,239	57,613	-	-	31,577		5,352,429
- Second year	2,706,237	59,144	-	-	-		2,765,381
- Subsequent year renewal	32,095,896	484,231	-	-	-		32,580,127
Group policies with cash value	-	-	4,439	-	-		4,439
Group policies without cash value	7,259,663	-	-	17,079,787	-		24,339,450
Less: experience premium refund	(939,576)	-	-	(4,706,266)	-		(5,645,842)
Total gross premiums	46,385,459	600,988	4,439	12,373,521	31,577		59,395,984
Less: reinsurance premiums ceded							
On individual life first year business	(15,504)	(955)	-	-	-		(16,459)
On individual life second year business	(6,445)	-	-	-	-		(6,445)
On individual life renewal business	(39,631)	(16,970)	-	-	-		(56,601)
On group policies	(80,698)	-	-	-	-		(80,698)
	(142,278)	(17,925)	-	-	-		(160,203)
Net Premiums	46,243,181	583,063	4,439	12,373,521	31,577		59,235,781
Rental income from investment property	259,380	-	-	-	-		259,380
Net investment income	52,599,362	271,312	20,913	1,056,107	4,432		53,952,126
Total net income	99,101,923	854,375	25,352	13,429,628	36,009		113,447,287
Insurance benefits and expenditures							
Claims, including bonuses, net of reinsurance recoveries	31,010,808	1,162,551	12,595	9,895,597	-		42,081,551
Management expenses less recoveries	10,277,611	155,107	109	404,764	28,580		10,866,171
Total insurance benefits and expenditures	41,288,419	1,317,658	12,704	10,300,361	28,580		52,947,722
Excess of income over insurance benefits	57,813,504	(463,283)	12,648	3,129,267	7,429		60,499,565
Add: Policyholder liabilities at the beginning of period	1,057,342,674	19,588,962	131,214	75,001	-		1,077,137,851
Less: Policyholder liabilities at the end of period	(1,069,993,300)	(18,512,020)	(133,652)	(82,463)	(13,530)		(1,088,734,965)
Surplus/(deficit) before tax	45,162,878	613,659	10,210	3,121,805	(6,101)		48,902,451

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				
	Rs in '000						
Gross premium							
- First year	3,103,385	53,292	-	-	-	-	3,156,677
- Second year	2,817,705	73,368	-	-	-	-	2,891,073
- Subsequent year renewal	26,411,930	475,591	-	-	-	-	26,887,521
Group policies with cash value	-	-	4,355	-	-	-	4,355
Group policies without cash value	1,141,892	-	-	7,942,354	-	-	9,084,246
Less: experience premium refund	(6,206)	-	-	(4,931,240)	-	-	(4,937,446)
Total gross premiums	33,468,706	602,251	4,355	3,011,114	-	-	37,086,426
Less: reinsurance premiums ceded							
On individual life first year business	(6,640)	(775)	-	-	-	-	(7,415)
On individual life second year business	(7,401)	-	-	-	-	-	(7,401)
On individual life renewal business	(35,640)	(18,894)	-	-	-	-	(54,534)
	(49,681)	(19,669)	-	-	-	-	(69,350)
Net Premiums	33,419,025	582,582	4,355	3,011,114	-	-	37,017,076
Rental income from investment property	234,833	-	-	-	-	-	234,833
Net investment income	32,457,163	2,359,719	21,592	830,301	6,090	6,090	35,674,865
Total net income	66,111,021	2,942,301	25,947	3,841,415	6,090	6,090	72,926,774
Insurance benefits and expenditures							
Claims, including bonuses, net of reinsurance recoveries	20,358,808	666,945	8,586	2,190,868	-	-	23,225,207
Management expenses less recoveries	8,192,550	157,755	187	301,126	10,900	10,900	8,662,518
Total insurance benefits and expenditures	28,551,358	824,700	8,773	2,491,994	10,900	10,900	31,887,725
Excess of income over insurance benefits	37,559,663	2,117,601	17,174	1,349,421	(4,810)	(4,810)	41,039,049
Add: Policyholder liabilities at the beginning of period	970,544,043	22,784,919	365,981	2,647,351	59,038	59,038	996,401,332
Less: Policyholder liabilities at the end of period	(934,618,503)	(18,611,913)	(177,692)	(51,518)	54,228	54,228	(933,405,398)
Surplus/(deficit) before tax	73,485,203	6,290,607	205,463	3,945,254	108,456	108,456	84,034,983

32.3 Segment Statement of Financial Position

Note	As at June 30, 2021 (Un-audited)		As at December 31, 2020 (Audited)	
	Statutory Funds	Shareholders Fund	Statutory Funds	Shareholders Fund
	-----Rs in '000-----			
4	802,811	-	850,816	-
5	3,737,156	-	3,638,142	-
6	323,618	-	323,618	-
10	996,331,727	4,181,475	922,804,838	4,144,794
11	136,252,943	-	129,180,723	-
12	28,457,096	-	32,574,359	-
13	51,277,118	1,089,400	46,540,646	2,231,378
	3,479,960	-	3,693,190	-
	49,531	-	62,120	-
	53,762,519	169	56,184,666	67
	1,274,474,479	5,271,044	1,195,853,118	6,376,239
	1,222,748,833	-	1,157,476,582	-
	2,393,796	-	2,095,926	-
	31,829	-	36,957	-
	2,517,156	-	-	1,610,642
	19,935,047	-	8,644,311	-
	479,991	-	566,647	-
	19,586,602	-	21,489,760	-
	1,267,693,254	-	1,190,310,183	1,610,642
	1,222,748,833	-	1,157,476,582	-
	2,393,796	-	2,095,926	-
	31,829	-	36,957	-
	2,517,156	-	-	1,610,642
	19,935,047	-	8,644,311	-
	479,991	-	566,647	-
	19,586,602	-	21,489,760	-
	1,267,693,254	-	1,190,310,183	1,610,642
	1,222,748,833	-	1,157,476,582	-
	2,393,796	-	2,095,926	-
	31,829	-	36,957	-
	2,517,156	-	-	1,610,642
	19,935,047	-	8,644,311	-
	479,991	-	566,647	-
	19,586,602	-	21,489,760	-
	1,267,693,254	-	1,190,310,183	1,610,642

33	As at June 30, 2021 (Un-audited)		As at December 31, 2020 (Audited)	
	Statutory Funds	Shareholders Fund	Statutory Funds	Shareholders Fund
	-----Rs in '000-----			
At beginning of previous year	825,345,482	101,604,150	677,985,740	99,579,626
Additions	139,866,094	395,963	244,727,405	1,448,819
Disposals (sale and redemptions)	(71,689,000)	(6,628)	(105,870,207)	(95,868)
Amortization of premium	3,979,406	-	8,502,544	-
Provision created during the period / year	-	-	-	1,020
Unrealised fair value (loss) / gain	897,501,982	1,017,735	825,345,482	670,553
	103,011,220	1,017,735	101,604,150	670,553
	1,000,513,202	1,017,735	926,949,632	777,565,366
	139,866,094	395,963	244,727,405	1,448,819
	(71,689,000)	(6,628)	(105,870,207)	(95,868)
	3,979,406	-	8,502,544	-
	-	-	-	1,020
	897,501,982	1,017,735	825,345,482	670,553
	103,011,220	1,017,735	101,604,150	670,553
	1,000,513,202	1,017,735	926,949,632	777,565,366

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 related parties are made at arms length prices. 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, 2021(Un- audited)	December 31, 2020 (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>485,000</u>	<u>485,000</u>
Subsidiary		
Rental income received -		
Alpha Insurance Company Limited (95.15% holding)	<u>1,877</u>	<u>3,976</u>
Staff retirement fund		
Contribution to provident fund	<u>11,607</u>	<u>3,152</u>
Contribution to pension fund	<u>221,560</u>	<u>534,231</u>
Contribution to funded gratuity fund	<u>1,360</u>	<u>3,056</u>
Expense charged to pension fund	<u>447,336</u>	<u>1,056,614</u>
Balances with related parties - common directorship		
Investment in units :		
National Islamic Equity Trust	<u>200,000</u>	<u>200,000</u>
Investment in shares:		
Fauji Fertilizer Company Limited	<u>12,397,084</u>	<u>12,677,508</u>
Sui Southern Gas Company Limited	<u>768,131</u>	<u>838,591</u>
Sui Northern Gas Pipelines Company Limited	<u>1,335,131</u>	<u>1,220,801</u>
Alpha Insurance Company Limited	<u>298,918</u>	<u>298,918</u>
Pakistan Cables Limited	<u>375,445</u>	<u>337,448</u>
Security Papers Limited	<u>726,104</u>	<u>889,034</u>
Shahtaj Sugar Mills Limited	<u>41,634</u>	<u>48,417</u>
Pak Data Communication Limited	<u>58,184</u>	<u>99,106</u>
Premier Insurance Company Limited	<u>30,110</u>	<u>26,552</u>

	June 30, 2021(Un- audited)	December 31, 2020 (Audited)
	-----Rupees in '000-----	
Pakistan Reinsurance Company Limited	<u>1,781,739</u>	<u>2,015,350</u>
Arabian Sea Country Club Limited	<u>5,000</u>	<u>5,000</u>
PICIC Insurance Limited	<u>6,311</u>	<u>6,234</u>
Nina Industries Limited	<u>4,500</u>	<u>4,500</u>
Mirpurkhas Sugar Mills Ltd.	38,404	28,942
State Life Abdullah Haroon Road Property (Private) Limited (<i>Subsidiary Company</i>)	<u>26,182</u>	<u>26,182</u>
State Life Lackie Road Property (Private) Limited (<i>Subsidiary Company</i>)	<u>12,910</u>	<u>12,910</u>
Balances with related parties		
Retirement benefit obligations	<u>2,393,796</u>	<u>2,095,926</u>
	June 30, 2021(Un- audited)	June 30, 2020 (Un-audited)
	-----Rupees in '000-----	
Transactions with associated company		
Dividend received during the period		
Pakistan Reinsurance Company Limited (24.41% of holding)	<u>183,081</u>	<u>146,464</u>
Fauji Fertilizer Company Limited	<u>806,219</u>	<u>-</u>

35 CORRESPONDING FIGURES

Previous year 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 _____ by the Board of Directors of the Corporation.

06 APR 2022

37 GENERAL

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



CHAIRMAN

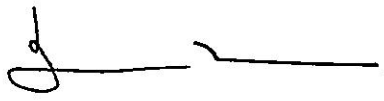
Shoalb Javed Hussain



DIRECTOR

Pouruchisty Sidhwa

STAMP



DIRECTOR

Humayun Bashir



CHIEF FINANCIAL OFFICER

Muhammad Rashid



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, 2021, 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 year 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, 2021, 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

Shoab Javed Hussain



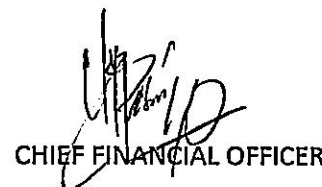
DIRECTOR

Pouruchisty Sidhwa



DIRECTOR

Humayun Bashir



CHIEF FINANCIAL OFFICER

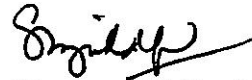
Muhammad Rashid

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, 2021 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: 04 APR 2022