STATE LIFE INSURANCE CORPORATION OF PAKISTAN
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT SEPTEMBER 30, 2019

	Note	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
		-----------------Rupees in '000	-----------------
ASSETS			
Property and equipment	3	363,653	414,002
Investment property	4	3,792,091	3,657,341
Investments in subsidiaries and associates		338,010	338,010
Investments			
Equity securities	5	73,104,667	87,831,533
Government securities	6	693,660,466	638,939,449
Mutual funds	7	3,287,990	7,852,632
Debt securities	8	3,065,895	3,623,918
Loans secured against life insurance policies		100,570,594	93,313,445
Insurance / reinsurance receivables	9	21,744,656	21,803,073
Other loans and receivables	10	33,525,836	34,806,142
Taxation - payments less provision		3,981,514	3,958,284
Prepayments		408,167	395,030
Cash and bank	11	36,114,832	33,298,315
TOTAL ASSETS		973,958,371	930,231,174
EQUITY AND LIABILITIES			
Capital and reserves attributable to Corporation's equity holders			
Ordinary share capital		4,000,000	3,500,000
Ledger account C & D		1,840,400	1,257,718
Reserves		7,043	507,043
Unappropriated profit		1,237,777	713,615
Capital contributed to shareholder fund		-	(100,000)
TOTAL EQUITY		7,085,220	5,878,376
LIABILITIES			
Insurance liabilities	12	938,487,460	890,675,969
Retirement benefit obligations		7,737,084	6,343,778
Deferred capital grant		10,425	14,025
Premium received in advance		8,103,306	8,079,218
Insurance / reinsurance payables		293,592	466,442
Deferred tax		751,451	472,871
Other creditors and accruals		11,489,833	18,300,495
TOTAL LIABILITIES		966,873,151	924,352,798
TOTAL EQUITY AND LIABILITIES		973,958,371	930,231,174
CONTINGENCIES AND COMMITMENTS	13		

The annexed notes from 1 to 27 form an integral part of this condensed interim unconsolidated financial statement.

CHAIRMAN	**DIRECTOR**	**DIRECTOR**	**CHIEF FINANCIAL OFFICER**
FARRUKH AHMAD HAMIDI Chairman (SLIC)	Abdul Qadir Memon	Ghiasuddin Ahmed	Muhammad Rashid

STATE LIFE INSURANCE CORPORATION OF PAKISTAN
CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2019

	Note	Nine months period ended		Three months period ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
		Rupees in '000			
Premium revenue		60,686,235	57,095,485	19,100,290	17,522,191
Premium ceded to reinsurers		(112,580)	(105,055)	(41,032)	(44,423)
Net premium revenue	14	60,573,655	56,990,430	19,059,258	17,477,768
Investment income	15	54,730,109	47,307,991	19,704,410	16,091,118
Net realized fair value (loss) / gain on financial assets	16	5,256	2,376	22,971	787
Net unrealized fair value (loss) / gain on financial assets	17	(19,492,059)	3,025,435	(8,651,000)	(3,723,354)
Net rental income	18	400,923	440,358	85,552	137,861
Other income	19	10,024,555	7,445,112	2,388,068	2,924,492
		45,668,785	58,221,271	13,550,002	15,430,904
Net income		106,242,440	115,211,701	32,609,260	32,908,672
Net insurance benefits		(41,224,545)	(34,342,220)	(14,842,228)	(12,185,741)
Recoveries from reinsurers		34,348	23,837	21,642	5,311
Net insurance benefits	20	(41,190,197)	(34,318,383)	(14,820,586)	(12,180,430)
Net change in insurance liabilities (other than outstanding claims)		(47,672,914)	(62,143,174)	(11,738,509)	(14,656,988)
Acquisition expenses	21	(7,849,538)	(10,891,899)	(2,784,779)	(3,258,801)
Marketing and administration expenses	22	(6,699,000)	(5,806,812)	(2,574,196)	(2,258,562)
Other expenses	23	(124,875)	(173,597)	23,593	(68,624)
Total expenses		(62,346,327)	(79,015,482)	(17,073,891)	(20,242,975)
Results of operating activities		2,705,917	1,877,836	714,784	485,267
Profit before tax		2,705,917	1,877,836	714,784	485,267
Income tax expense	24	(785,458)	(391,681)	(207,481)	(93,159)
Profit for the period		1,920,459	1,486,155	507,303	392,108
Earnings per share - Rupees	25	51.85	48.79	12.11	12.87

The annexed notes from 1 to 27 form an integral part of this condensed interim unconsolidated financial statement.

CHAIRMAN	DIRECTOR	DIRECTOR	CHIEF FINANCIAL OFFICER
FARRUKH AHMAD HAMIDI Chairman (SLIC)	Abdul Qadir Memon	Ghiasuddin Ahmed	Muhammad Rashid

STATE LIFE INSURANCE CORPORATION OF PAKISTAN
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2019

	Six months period ended		Three months period ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	Rupees in '000			
Profit for the period	1,920,459	1,486,155	507,303	392,108
Other comprehensive income				
Change in unrealized gains/(losses) on investments held at fair value through OCI	-	-	-	-
Actuarial gains/(losses) on retirement benefit schemes	-	-	-	-
Total comprehensive income for the period	1,920,459	1,486,155	507,303	392,108

The annexed notes from 1 to 27 form an integral part of this condensed interim unconsolidated financial statement.

CHAIRMAN	DIRECTOR	DIRECTOR	CHIEF FINANCIAL OFFICER
FARRUKH AHMAD HAMIDI Chairman (SLIC)	Abdul Qadir Memon	Ghiasuddin Ahmed	Muhammad Rashid

STATE LIFE INSURANCE CORPORATION OF PAKISTAN
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY(UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2019

	Attributable to equity holders of the Corporation					
	Share capital	**Capital contributed to statutory fund**	**General and revenue reserves**	**Ledger account C & D**	**Unappropriated profit**	**Total**
	Rupees in '000					
Balance as at January 01, 2018 - as reported	3,000,000	(1,200,000)	307,043	-	1,269,914	3,376,957
Effect of restatement	-	-	-	2,204,876	-	2,204,876
	3,000,000	(1,200,000)	307,043	2,204,876	1,269,914	5,581,833
Addition in paid up capital	500,000		(300,000)		(200,000)	-
Total comprehensive income for the period	-	-	-	551,855	934,300	1,486,155
Transferred to BESOS from profit for the year ended December 31, 2017	-	-	-	-	(55,876)	(55,876)
Transfer to general reserve	-	1,200,000	-	(1,200,000)	-	-
Dividend for the year ended December 31, 2017	-	-	-	-	(1,214,038)	(1,214,038)
Balance as at September 30, 2018	3,500,000	-	7,043	1,556,731	734,300	5,798,074
Balance as at January 01, 2019	3,500,000	(100,000)	507,043	1,257,718	713,615	5,878,376
Total comprehensive income for the period	-	-	-	682,682	1,237,777	1,920,459
Transfer to general reserve	-	100,000	-	(100,000)	-	-
Dividend for the year ended December 31, 2018	-	-	-	-	(713,615)	(713,615)
Transfer for the issuance of share capital	500,000	-	(500,000)	-	-	-
Balance as at September 30, 2019	4,000,000	-	7,043	1,840,400	1,237,777	7,085,220

The annexed notes from 1 to 27 form an integral part of this condensed interim unconsolidated financial statement.

CHAIRMAN
FARRUKH AHMAD HAMIDI
Chairman (SLIC)

DIRECTOR
Abdul Qadir Memon

DIRECTOR
Ghiasuddin Ahmed

CHIEF FINANCIAL OFFICER
Muhammad Rashid

STATE LIFE INSURANCE CORPORATION OF PAKISTAN
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2019

	Nine months period ended	
	September 30, 2019	September 30, 2018
	------Rupees in '000------	
OPERATING CASH FLOWS		
(a) Underwriting activities		
Premiums received	61,683,920	57,095,567
Reinsurance premiums paid	(285,429)	(234,442)
Claims paid	(22,010,246)	(19,599,972)
Surrenders paid	(19,072,722)	(16,402,005)
Reinsurance and other recoveries received	178,331	175,447
Commissions paid	(10,708,935)	(12,796,886)
Other underwriting payments	(1,373,463)	(1,829,510)
Net cash flow from underwriting activities	8,411,456	6,408,199
(b) Other operating activities		
Income tax paid	(530,108)	(527,821)
General management expenses paid	(7,707,351)	(7,717,480)
Loans advanced	(13,892,689)	(10,051,780)
Loan repayments received	8,925,595	8,049,099
Other payments on operating assets	(1,262,900)	(703,306)
Net cash flow from other operating activities	(14,467,454)	(10,951,288)
Total cash flow from all operating activities	(6,055,997)	(4,543,090)
INVESTMENT ACTIVITIES		
Profit / return received	55,471,690	45,355,381
Dividends received	4,448,561	3,447,050
Rentals received	1,635,590	841,762
Payments for investments	(155,336,874)	(134,130,312)
Proceeds from disposal of investments	100,849,269	69,164,947
Fixed capital expenditure	(205,750)	(342,020)
Proceeds from sale of property and equipment	547	60
Total cash flow from investing activities	6,863,034	(15,663,132)
FINANCING ACTIVITIES		
Dividend paid	(713,609)	(1,269,914)
Total cash flow from financing activities	(713,609)	(1,269,914)
Net cash flow from all activities	93,428	(21,476,135)
Cash and cash equivalents at beginning of period	27,616,698	33,384,570
Cash and cash equivalents at end of period	27,710,126	11,908,435
Reconciliation to profit and loss account		
Operating cash flows	(6,055,997)	(4,543,089)
Depreciation expense	(76,460)	(71,227)
Investment income	45,668,785	58,221,271
Amortization/capitalization	528,434	464,867
Allocation of surplus	(100,000)	(1,200,000)
Non cash adjustments (APL)	(3,393,075)	(4,741,041)
Increase/(decrease) in assets other than cash	7,769,130	7,447,638
Increase/(decrease) in liabilities other than running finance	5,252,556	8,050,910
Net change in insurance liabilities (other than outstanding claims)	(47,672,914)	(62,143,174)
Profit after taxation	1,920,459	1,486,155

The annexed notes from 1 to 27 form an integral part of this condensed interim unconsolidated financial statement.

CHAIRMAN	**DIRECTOR**	**DIRECTOR**	**CHIEF FINANCIAL OFFICER**
FARRUKH AHMAD HAMIDI Chairman (SLIC)	Abdul Qadir Memon	Ghiasuddin Ahmed	Muhammad Rashid

STATE LIFE INSURANCE CORPORATION OF PAKISTAN
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 State Life Insurance Corporation of Pakistan (the Corporation) was incorporated in Pakistan on November 1, 1972 under the Life Insurance Nationalization Order, 1972 (LINO). The Corporation's principal office is located at State Life Building No. 9, Dr. Zia Uddin Ahmad Road, Karachi. It operates in Pakistan through 34 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 and, health and accident insurance businesses.

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 SECP vide letter no. 0097, dated September 22, 2016. However the Corporation is in the process of launching the Window Takaful Operations at an expected date of December, 2019. For the purpose of carrying on the takaful business, the Operator 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 Operator and participants for management of takaful operations.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed unconsolidated interim financial statements are the same as those applied in the preparation of the unconsolidated financial statements of the Corporation for the year ended December 31, 2018 except those as specified below;

2.1 Financial instruments

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan through its S.R.O 229 (I)/2019 and is effective for reporting period / year ending on or after June 30, 2019.

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

2.2 Financial assets

a) Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Corporation accounting policies related to financial assets and financial liabilities, mainly due to the exception provided by IFRS 9 on insurance contracts fall under IFRS 4. However, the other impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit and loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at Fair value through profit and loss (FVTPL):

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not classified as measured at FVTPL, the Corporation makes an irrevocable election to present subsequent fair value changes in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Corporation may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring these assets on different basis.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit and loss account.

Financial assets at amortized cost
These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses (see (b) below). Interest income, foreign exchange gains and losses and impairment are recognized in profit and loss account.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit and loss account. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit and loss account.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit and loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit and loss account.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Corporation's financial assets as at January 01, 2019.

	Note	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
				----------Rupees in '000	-------------
Financial assets					
Equity securities	(a)	Held for trading	Fair value through profit and loss	87,831,533	87,831,533
Mutual funds	(a)	Held for trading	Fair value through profit and loss	7,852,632	7,852,632
Debt securities					
Government securities	(b)	Held to maturity	Amortised cost	638,939,449	638,939,449
Debt securities	(b)	Held to maturity	Amortised cost	3,623,918	3,623,918
Loans secured against life insurance policies	(c)	Loans and receivables	Amortised cost	93,313,445	93,313,445
Other loans and receivables	(c)	Loans and receivables	Amortised cost	34,806,142	34,806,142
Prepayments	(c)	Loans and receivables	Amortised cost	395,030	395,030
Cash and bank balances	(c)	Loans and receivables	Amortised cost	33,298,315	33,298,315
				900,060,464	900,060,464

a) These financial assets classified as 'held for trading' have been classified as fair value through profit and loss.
b) These financial assets classified as 'held to maturity' have been classified as amortized cost.
c) These financial assets classified as 'loan and receivables' have been classified as amortized cost.

b) **Impairment of financial assets**

The impairment model under IFRS 9 requires the recognition of impairment based on Expected Credit Losses (ECL), and replaces the incurred credit loss model under IAS 39. The ECL model requires an entity to account for ECL and changes in those ECL at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.

- The determination of the business model within which a financial asset is held.
- The revocation of previous designations of certain financial assets as measured at FVTPL.

c) **Regular way contracts**

Regular purchases and sales of financial assets are recognized on the settlement date.

d) **Derecognition**

Financial assets are derecognized when the contractual rights to receive cash flows from the investments have been expired or transferred and the Corporation has transferred substantially all the risks and rewards of ownership.

2.3 **Financial liabilities**

The adoption of IFRS 9 has not had a significant effect on the Corporation's accounting policies related to financial liabilities. All financial liabilities are recognized at the time when the Corporation becomes a party to the contractual provisions of the instrument. These are initially recognized at fair value and subsequently stated at amortized cost. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

2.4 **Offsetting of financial assets and liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Corporation has a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liabilities simultaneously.

2.5 **IFRS 16 - Leases**

IFRS 16 'Leases' was issued on January 01, 2016. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for accounting periods beginning on or after January 1, 2019. IFRS 16 replaced IAS 17 'Leases', and IFRIC 4 'Determining whether an Arrangement contains a Lease' The Corporation applied IFRS 16 with a date of initial application of January 01, 2019.

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is twelve months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. The Corporation does not have significant impact of IFRS 16 due to short term lease contracts.

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
		---------Rupees in '000 ----------	
3.	**PROPERTY AND EQUIPMENT**		
	Operating fixed assets		
	Net book value as at the beginning of the period	414,002	436,868
	Additions / adjustments during the period / year	16,045	102,354
	Net depreciation charge during the period / year	(66,394)	(125,220)
	Net book value as at the end of the period / year	363,653	414,002
4	**INVESTMENT PROPERTY**		
	Investment Properties	2,290,826	2,298,608
	Less : Provision for impairment in value of investment property	(895)	(895)
		2,289,931	2,297,713
	Capital work-in-progress	1,502,160	1,359,628
		3,792,091	3,657,341

5 EQUITY SECURITIES

	September 30 2019 (Un-audited)			December 31 2018 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Fair value through profit or loss			----------Rupees in '000----------			
Related parties						
Listed shares	3,439,097	-	15,557,978	3,450,495	-	17,798,141
Unlisted shares	5,000	-	5,000	5,000	-	5,000
Others						
Listed shares	24,788,644	-	57,445,978	24,624,467	-	69,932,681
Unlisted shares	269,576	(173,865)	95,711	268,643	-	95,711
Unlisted preference shares	3,743	(3,743)	-	3,743	-	-
	28,506,060	(177,608)	73,104,667	28,352,348	-	87,831,533

6 GOVERNMENT SECURITIES

	September 30, 2019					December 31, 2018
	Maturity Year	Effective Yield (%)	Amortized Cost	Principal Repayment	Carrying Value	Carrying Value
			----------Rupees in '000----------			
3 year Pakistan Investment Bonds	2019 - 2021	13.13% - 12.50%	144,942,278	155,664,000	144,942,278	58,864,883
5 year Pakistan Investment Bonds	2020 - 2023	12.75% - 11.50%	113,696,835	114,606,000	113,696,835	152,057,680
10 year Pakistan Investment Bonds	2020 - 2028	13.00% - 11.33%	334,633,722	329,396,100	334,633,722	340,263,996
15 year Pakistan Investment Bonds	2021 - 2026	12.00% - 11.40%	11,767,371	11,870,000	11,767,371	13,670,780
20 year Pakistan Investment Bonds	2024 - 2031	11.45% -11.70%	28,385,631	28,900,000	28,385,631	28,342,644
30 year Pakistan Investment Bonds	2036 - 2038	12.50% - 12.55%	37,623,696	40,050,000	37,623,696	37,580,665
Treasury Bill	2019	14.17%	13,448,908	15,000,000	13,448,908	-
Islamic Republic of Pakistan Bonds			9,162,025	-	9,162,025	8,158,801
			693,660,466	695,486,100	693,660,466	638,939,449

7 INVESTMENT IN MUTUAL FUNDS

	September 30 2019 (Un-audited)			December 31 2018 (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	3,015,481	-	1,738,826	3,015,481	-	5,888,937
Unlisted						
Close end mutual fund	861,155	-	1,549,164	861,155	-	1,963,695
	3,876,636	-	3,287,990	3,876,636	-	7,852,632

8 INVESTMENTS IN DEBT SECURITIES

		September 30 2019 (Un-audited)			December 31 2018 (Audited)		
	Note	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
		Rupees in '000					
Amortised cost							
Debentures	9.1	7,573	(7,573)	-	7,573	(7,573)	-
Fair value through profit or loss							
Foreign fixed income securities		3,065,895	-	3,065,895	3,623,918	-	3,623,918
		3,073,468	(7,573)	3,065,895	3,631,491	(7,573)	3,623,918

8.1 Debentures include an amount of Rs. 7,573 million (December 31, 2018: Rs. 7.573 million) pertaining to those companies which are in liquidation process since 1974. Further, a court case is in process against the Colony Textile Mills Limited against debenture loan amounting to Rs. 0.678 million (December 31, 2018: Rs. 0.678 million). The Corporation had made full provision against these debentures.

	Note	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
		----------Rupees in '000	------------

9 INSURANCE / REINSURANCE RECEIVABLES

Unsecured and considered good			
Due from insurance contract holders		21,528,045	21,442,479
Less: provision for impairment of receivables from Insurance contract holders		-	-
Due from other insurers / reinsurers		216,611	360,594
Less: provision for impairment of due from other insurers / reinsurers		-	-
		21,744,656	21,803,073

10 OTHER LOANS AND RECEIVABLES

Accrued investment income		30,297,117	32,109,897
Loans to agents		96,485	69,694
Loans to employees		932,587	915,705
Other receivables		2,199,647	1,710,846
		33,525,836	34,806,142

11 CASH AND BANK

Cash and cash equivalent			
- In hand		36,354	13,481
- In transit		4	341,802
		36,357	355,283
Cash at bank			
- Current accounts		2,802,569	16,071,428
- Savings accounts		24,871,200	11,189,987
Cash and cash equivalent as per cash flow staement		27,710,126	27,616,698
- Fixed deposits maturing after 12 months		8,404,706	5,681,617
		36,114,832	33,298,315

12 INSURANCE LIABILITIES

Reported outstanding claims (including claims in payment)		18,734,873	18,593,297
Incurred but not reported claims		4,028,841	4,027,893
Liabilities under individual conventional insurance contracts		914,526,524	865,810,778
Liabilities under group insurance contracts		992,628	2,035,780
Other insurance liabilities		204,594	208,221
		938,487,460	890,675,969

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 The Corporation has filed appeals on different issues in the Honorable High Court of Sindh contesting the decision of the Appellate Tribunal Inland Revenue (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. Amount involved in these court cases is Rs. 28,488,159/.

All the appeals are still pending before Honorable High Court of Sindh, Karachi and management of the Corporation and its tax advisor are confident that ultimate outcome of these matters will be in favor of the Corporation and accordingly, no provision is required in these financial statements on account of these matters.

13.1.2 In the year 2010, the Inland Revenue Department served legal notices to the Corporation, requiring it to explain why the withholding tax has not been deducted on payments made to the policyholders on the maturity under section 151(1)(d) of the Income Tax Ordinance, 2001. Those notices were related to tax year 2008 and 2009.

According to those notices, the Inland Revenue Department were of opinion that Corporation was required to withhold Income Tax on maturity claims by virtue of the said section. The Department considered that the total amount of a matured policy given to the policy holder consist of bonuses and the sum assured. The bonuses are given to the policy holder on the basis of amount of premium received during the whole term of the policy which is a form of interest or profit on debt. Hence, the Corporation u/s 151 (1)(d) is liable for deducting withholding tax at the rate of 10% on the amount of bonuses paid to policyholder on maturity. Therefore, the Inland Revenue Department raised demands of Rs. 710.124 million and Rs. 738.514 million as withholding tax for tax year 2008 and 2009 respectively. The Corporation had filed appeals before Commissioner Inland Revenue Appeals (CIR (A)) on the grounds that policy contract as a debt instrument lacks legal sanctity and the definition of debt is being misinterpreted by the tax authorities.

CIR(A) has decided the subject appeals in favor of Corporation vide order No. 27 & 28 dated September 29, 2011 on the grounds that the provisions of section 151(1)(d) of the Income Tax Ordinance, 2001 are not attracted to the payments made by way of bonus on the maturity of the policies as the same can not be construed to be interest or profit on debt.

The demand raised by the Department has not been enforced after above judgment of CIR (A), therefore, no payment was made against the demand. Inland Revenue Department has filed appeals before the ATIR against the above orders of CIR (A) which were dismissed by learned ATIR vide order No. 506-07/KB/2012 on April 17, 2014.

Inland Revenue Department has filed appeals before High Court of Sindh, Karachi against the orders of ATIR. Management of the Corporation and its tax advisor are confident that ultimate outcome of this matter will be in favor of the Corporation and accordingly, no provision is required in these financial statements on account of this matter.

13.1.3 Inland Revenue Department served a legal notice u/s 122 (5A) on apportionment of expenses under section 67 of the Income Tax Ordinance, 2001 to the dividend income for tax year 2004. The said notice was replied by the Corporation but not agreed by the concerned Additional Commissioner Inland Revenue (ACIR). Subsequently, amended assessment order was passed u/s 122 (5A) which resulted in tax demand of Rs. 164.88 million. The Corporation was not in agreement with said order and preferred appeal before CIR(A). Said appeal was not upheld at this forum. Next appeal was filed before ATIR. Meanwhile, the Department adjusted demand amount from the pending refunds for tax year 2010.

ATIR decided the above appeal in favor of the Corporation vide order No/ 925/KB/2010 dated July 24, 2012; wherein the addition made u/s 67 has been deleted. The said issue has already been decided by the Honorable High Court of Sindh, Karachi in an other appeal on the issue reported as Commissioner (Legal) Inland Revenue v/s EFU General Insurance Ltd 2011-PTD-2042.

In the year 2013, the Inland Revenue Department filed appeal in the Honorable High Court of Sindh against the decision of ATIR in the above cases. Inland Revenue Department has passed an order u/s 124 of the Income Tax Ordinance, 2001 to give effect to the appeal Ref. Document # 11/54 dated June 24, 2014 and also issued refund of Rs. 153.75 million to the Corporation. The Corporation had adjusted Rs. 8.8 million against demand for Tax year 2014. The refund amounting to Rs. 2.2 million is still pending with the Department. An appeal was filed by Inland Revenue Department before the High Court of Sindh, Karachi. The aforesaid appeal has also been dismissed by the High Court of Sindh, Karachi vide order dated August 30, 2016. Inland Revenue Department has filed civil appeal before Honorable Supreme Court of Pakistan against the judgement of Honorable High Court of Sindh, Karachi which is pending as at reporting date.

13.1.4 In the year 2013, Inland Revenue Department issued similar notices to Corporation regarding withholding of tax on maturity proceeds of insurance policies. These notices were related to Tax Year 2010 to Tax Year 2012 stating that the Department holds a similar stance as described in the said note. Reply was filed by the Corporation through authorized representative which was not accepted by the Department and order of amendment u/s 161 and 205 of the Income Tax Ordinance was passed, resulting in total demand of Rs. 1,577.456 million (Rs. 1,249.138 million as withholding tax and Rs. 328.318 million as default surcharge).

The entire principal demand of Rs. 1,249.138 million was paid under protest and without prejudice to its legal right to appeal. The Corporation then filed appeals before CIR (A) which have not been upheld. The Corporation filed appeal before ATIR against the above order which has been decided in favor of Corporation vide consolidated order dated February 21, 2017. Further, LTU, Karachi had also issued notice u/s 161/205 of the Income Tax Ordinance, 2001 similar to the notices issued in the previous years to invoke the section 151 (1)(d) of the Ordinance to recover withholding tax from the Corporation on the amount of bonus paid to the policyholders on the maturity of the polices during the tax year 2013. Reply was filed through tax consultant which was not agreed by Department and order u/s 161/205 was passed and tax demand amounting to Rs. 609.23 million including default surcharge of Rs. 99.11 million was raised which was discharged without prejudice to legal rights to appeal. Appeal was filed before CIR (A) against said order which was upheld vide order # 34 dated March 30, 2015.

Inland Revenue Department has issued refund amounting to Rs. 500 million from appeal effect of Tax Year 2013 in July, 2015. Further, IR Department has adjusted outstanding demand for tax year 2009, 2010 and 2011 at Rs. 10.8 million, 12.5 million and Rs. 56.3 million respectively against pending appeal effect of tax year 2013. As at September 30, 2019, appeal effect amounting to Rs. 29.4 million is still pending with the Inland Revenue Department. Inland Revenue Department has filed an appeal before ATIR against the said order of the CIR (A) which is pending till to date.

The management and legal counsel are optimistic that ultimate outcome of the cases shall be decided in favor of the Corporation as ATIR has decided the appeals related to similar issue in previous years in favor of the Corporation.

13.1.5 While assessing the income and tax liability thereon for assessment years 2000-01, 2001-02 and 2002-03, Income Tax Department, AJK disallowed excess perquisites u/s 24(i) of the Income Tax Ordinance, 1979 (repealed) as inadmissible business expense of the Corporation. Disallowance of said expense increased taxable income for all the three years and tax liability was worked out accordingly which resulted in additional tax demand. The aggregate additional tax demand involved due to addition of excess perquisites to the Corporation's taxable income was Rs. 12.669 million (Assessment year 2000-01 to 2002-03 Rs. 1.464 million, Rs. 9.036 million, Rs. 2.169 million respectively).

In addition, the Corporation's assessments were also made at higher tax rate of 43% for assessment years 2000-01 and 2001-02 and at 45% for 2002-03 instead @ 5% being entire dividend income. These assessments at higher rates also multiplied Corporation's tax liability for each assessment year.

Being aggrieved, the Corporation preferred appeal before CIR(A), Mirpur-AJK against the alleged assessment orders. Corporation's appeals before CIR(A), Mirpur AJK were not upheld. Thereafter, Corporation had challenged the orders of CIR(A) before Appellate Tribunal Inland Revenue, Mirpur AJK. The learned ATIR upheld all the appeals of the Corporation vide order # ITAT/969-73 dated August 20, 2009.

Income Tax Department, AJK had filed reference against the order of ATIR-AJK before Honorable High Court of AJK. At present, Departmental references are still pending before High Court of Mirpur, Azad Jammu and Kashmir.

13.1.6 In 2015, Inland Revenue Department initiated monitoring of withholding of taxes for previous five year from tax year 2009 to 2013 u/s 161/205 of the Income Tax Ordinance, 2001. During the course of monitoring certain payment to insurance agents were held liable to withholding of tax u/s 233 as deemed commission for the first time. In addition payment evidence of withholding taxes under various sections of law were took into scrutiny.

Reply filed by the Corporation were not agreed by the Department and aggregate demand amounting to Rs. 494 million was raised for all tax years u/s 161 ,182 and 205 (tax year 2009: Rs. 48 million, tax year 2010: Rs. 58 million, tax year 2011: Rs. 53 million, tax year 2012: Rs. 258 million and tax year 2013: Rs. 77 million). The Corporation has paid the above demand under protest and without prejudice to the legal rights to appeal.

The Corporation being aggrieved preferred appeals against impugned orders of Inland Revenue Department before Commissioner Inland Revenue -Appeals. CIR (A) vides his order dated July 6, 2015 has vacated the orders passed by Deputy Commissioner Inland Revenue and has directed concerned Deputy Commissioner Inland Revenue Department to re-visit the case and pass order afresh.

Deputy Commissioner Inland Revenue on the directive of CIR (A) had issued notices afresh for tax year 2009 to 2013. Corporation has referred these notices to its tax consultant for compliance. Based on the reply filed by the Corporation through consultant for tax year 2009 to 2013, DCIR has passed rectified orders whereby previously created demand has been reduced by Rs. 7.6 million.

In prior year, Inland Revenue Department issued show cause notices related to monitoring of withholding taxes on similar lines for tax year 2014 and 2015. Reply filed by the Corporation was not agreed by the Inland Revenue Department and initial demand amounting to Rs. 450 million and Rs. 572 million was raised for the tax year 2014 and 2015 respectively.

On the advice of the consultant the Corporation filed application for rectification of order passed by DCIR for tax year 2014 and 2015. In pursuance of our rectification request, DCIR has passed rectified order whereby rectified demand of Rs.213 million and Rs.166 million was raised for the tax year 2014 and 2015 respectively.

Without prejudice to the legal right to appeal, the Corporation has adjusted demand for tax year 2014 from the pending refund of the tax year 2004 and 2012 and has paid demand amounting to Rs. 150 million for tax year 2015 in cash.

Being aggrieved from the order of DCIR for tax year 2014 and 2015, the Corporation has filed an appeal before CIR (A).CIR (A) in its order dated September 19, 2016 has referred back the case to concerned DCIR for re-assessment. At present, the case is being re-assessed by DCIR and is pending as at reporting date. As per section 124 (1) of the Income Tax Ordinance, 2001, above cases have become time barred.

13.1.7 Additional Commissioner Inland Revenue, Audit Range-B, Zone-III, LTU, Karachi has served legal notice u/s 122 (9) of the Income Tax Ordinance, 2001 dated March 13, 2017 to the Corporation for tax year 2015. Subsequent to the reply filed by the Corporation through its counsel, ACIR proceeded to amend an assessment and passed an amended assessment order dated April 13, 2017 u/s 122 (5A) of the Income Tax Ordinance, 2001 whereby demand of Rs. 163.4 million was raised u/s 137 of the Income Tax Ordinance. In said order, ACIR has incorrectly adjusted Rs. 446.6 million against demand raised u/s 161 / 205 of the Ordinance which was actually duly discharged by the Corporation by making cash payment.

The Corporation, not in agreement with above order, filed application for rectification u/s 221 dated April 24, 2017 through tax consultant which was rejected by concerned ACIR vide letter dated April 28, 2017. Our tax consultant vide letter dated May 05, 2017 again requested for rectification of order. DCIR passed rectified order vide letter DC # 03/117 dated December 21, 2017 whereby refund of Rs. 316.7 million is determined as refundable to the Corporation.

The Corporation filed appeal against the impugned order before CIR (A). Issues related to subjecting dividend income to normal tax rate and disallowance on account of exchange loss related to foreign currency balances are decided in favor of the Corporation whereas issues related to deduction claimed on account of real estate expenses, provision for impairment in value of shares and provision for bad debts are decided against the Corporation. Inland Revenue Department as well as the Corporation filed appeals before ATIR against order of CIR (A) which are pending till to date.

13.1.8 Additional Commissioner Inland Revenue, Audit Range-B, Zone-III, LTU, Karachi has served legal notice u/s 122 (9) of the Income Tax Ordinance, 2001 dated December 31, 2014 to the Corporation for tax year 2012 whereby certain issues regarding reconciliation of commission expense between cash flow statement and monthly withholding tax statements, short withholding of tax under various provisions of the Ordinance, taxation of dividend income as single basket income, provision for IBNR, etc. were confronted. Tax consultant responded said notice on behalf of the Corporation. Additional information/explanation were also called vide letters dated February 24, 2015, September 22, 2015 and January 25, 2017. Subsequent to the reply filed by tax consultant ACIR proceeded to amend an assessment and passed an amended assessment order dated Feb 02, 2017u/s122 (5A) of the Income Tax Ordinance, 2001 whereby outstanding refund for same year was utilized to adjust the demand of Rs. 39.3 million. After adjustment, balance refunds stands at Rs. 93.3 million.

The Corporation has filed appeal against the impugned order before CIR (A). Issue of subjecting dividend income to normal tax rate, foreign tax credit claimed u/s 103, disallowance of provision for IBNR and disallowance of amount pertaining to investment arrangement between Corporation and Bureau of Emigration and Overseas Employment has been decided by CIR (A) in favor of Corporation vide order dated May 22, 2017. However, CIR (A) has decided the issue relating to disallowance of provision for impairment in value of shares against the Corporation. Inland Revenue Department as well as Corporation has filed cross appeal before Appellate Tribunal Inland Revenue against above order of CIR (A) which is still pending till to date.

13.1.9 Additional Commissioner Inland Revenue, Audit Range-B, Zone-III, LTU, Karachi also issued notices u/s 122 of the Ordinance to the Corporation related to tax years 2011, 2013 and 2014. Vide Said notices, ACIR confronted. the Corporation engaged A.F. Ferguson & Co. for responding these notices. Subsequently, ACIR passed amended orders whereby demand of Rs. 520.5 million was raised (Tax Year 2011: Rs. 56.3 million, Tax Year 2013: Rs. 107.1 million and Tax Year 2014: Rs. 357.1 million). Inland Revenue Department adjusted the demand related to tax year 2011 from pending appeal effect related to tax year 2013. Further, demand related to tax years 2013 and 2014 was adjusted by Inland Revenue Department from pending refund related to tax year 2015. The Corporation, being aggrieved from above orders of ACIR, filed appeals before CIR (A). Appeals related to tax years 2013 and 2014 are pending before CIR (A) till to date. However, appeal related to tax year 2011 has been decided by CIR (A). Issue related to subjecting dividend income to normal tax rate has been decided in favor of the Corporation whereas issue related to deduction claimed on account of real estate expenses is decided against the Corporation. Inland Revenue Department as well as the Corporation filed appeals before ATIR against the order of CIR (A).

13.1.10 Additional Commissioner Inland Revenue, Audit Range-B, Zone-III, LTU, Karachi served notice u/s 122 of the Income Tax Ordinance, 2001 dated January 10, 2018 to the Corporation for Tax Year 2017. Vide Said notice, ACIR confronted issues like investment arrangement between the Corporation and Bureau of Emigration and Overseas Employment, deduction claimed on account of provision for diminution in value of investments, provision for impairment in the value of investment properties, provision for impairment in the value of shares, loans / advances to employees and agents, short withholding of tax under various provisions of the Ordinance. the Corporation engaged A.F. Ferguson & Co. for responding the notice. Subsequently, ACIR passed amended order whereby demand of Rs. 480.2 million was raised. Corporation, being aggrieved from above amended order, file appeal before CIR (A). Further, the Corporation, through its tax consultant, also file application for stay of tax demand vide letter dated April 05, 2018 along with application for out of turn hearing vide letter dated March 28, 2018 before CIR (A). Hearing before CIR (A) was held on April 26, 2018. CIR (A) vide order No. 6 dated May 03, 2018 decided issues which involves major tax impact at Rs. 357.1 million like tax on Bureau Fund, disallowance on account of inter-company rent expenses in favor of the Corporation. However, issue of disallowance on account of real estate expenses and provision against other receivables are decided against the Corporation. Inland Revenue Department as well as the Corporation filed appeals before ATIR against order of CIR (A) which are pending till to date.

13.1.11 In 1967, one of the defunct insurance company sold a property to certain persons on installments basis on certain agreed terms and conditions. However, later those vendees defaulted in payment of their installments on due dates which render the sale agreement null and void. Although these defaults were committed before Life Insurance Nationalization Order 10, 1972 came into existence, property was recorded in books of defunct insurance company at the time of Nationalization Order, which required all the assets and liabilities of defunct insurance companies to be vested in the Corporation. The matter remained pending till the vendees approached the Corporation in 2006 to execute the sale deed in their favor.

The Corporation had taken advice from their legal advisors who are of the view that since vendees had defaulted in making payment of their installments before Nationalization Order, 1972 came into existence, the above property is the property of the Corporation and vendees are in the possession of said property as licensees.

The Corporation a Suit for possession in respect of State Life Building 102-B, Gulberg, Lahore against vendees in the year 2007 in the Court of Civil judge, Lahore, whereas, the opponent vendee has filed a suit for specific performance. Both the suits have been clubbed and are pending for adjustment. However, management of the Corporation has not recognized the property, which has written down value of Rs. 42,000 as at reporting date, in its books as the said asset does not met the definition of property, plant and equipment as it arises from past events and its existence will be confirmed by uncertain future events not wholly within the control of the Corporation.

13.1.12 The provincial revenue authority of Punjab and Baluchistan has made applicable provincial sales tax on life insurance and health insurance, which as per the management is not currently enforced by the authorities. The Corporation has not levied the sales tax to policy holders in the said provinces and also not provided for in the accounts.

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 and health insurance is not a service, but infact, an underwriter's promise to pay to the policyholder in the future, a specified sum of money, either on occurrence of an identified event causing loss, or upon maturity of the policy, as is also clearly defined in the definition of the term "insurance" under the Insurance Ordinance, 2000. On the basis of this definition, "Insurance" is actually a contract of indemnification from loss, dependent on a contingent event, and does not constitute a "service". Such contention of the insurance industry has also been upheld in the superior courts of foreign jurisdiction.

The legal advisors, in their opinion, have expressed the view 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, hence, it does not fall within the scope of taxability under the provincial sales tax laws.

The legal advisors has also expressed their opinion that the applicability of sales tax on the provision of life and health insurance would be in contravention of global norms where insurance is held to be not a service, but rather, a financial transaction, and further, any such applicability of tax will greatly inhibit the ability of the Corporation and the country's other insurance providers to allow for access to life and health insurance as a basic personal right of a citizen to enjoy life according to the law. In other foreign jurisdictions including UK and Malaysia, life and permanent health insurance are either exempt, or, excluded from taxable services.

Based on the above, the legal advisors of the Corporation have expressed the opinion that there are sufficient grounds available to the Corporation for filing a Constitutional Petition to challenge the levy of provincial sales tax on life and health insurance, and in their opinion, it is likely that the Court may allow the same accordingly. However, in view of the ongoing discussions with the provincial tax authorities to resolve this matter administratively, the Corporation has not yet exercised its right to legal recourse, as the management is hopeful of a successful conclusion of discussions with the Authorities.

Based on the opinion of legal advisors, the Corporation has neither levied sales tax to policy holders in the province of Punjab and Baluchistan nor provided for in the unconsolidated financial statements.

SLIC along with other insurance companies had filed constitutional petition before Lahore High Court through M/s Khalid Anwar & Co. against levy of sales tax on life and health insurance in Punjab. It is pertinent to mention here that in Sindh, individual life and group life is also subject to sales tax @ 3% and 13% respectively w.e.f 01st July, 2019. Subsequently, Assistant Commissioner - Unit 10, Sindh Revenue Board has served notice dated 21.11.2019 whereby Corporation is advised for registration as service provider, payment of sales tax due for the period July 2019 to October 2019 and furnishing of monthly sales tax returns for the same period. Hearing in above notice is fixed on 29th November, 2019. SLIC and other insurance companies have agreed to file CP before Sindh High Court through M/s Khalid Anwar & Co. against levy of sales tax on life insurance in Sindh w.e.f 01.07.2019. As per our legal counsel, petition would be filed on 27th November, 2019.

13.2 Commitments

The Corporation is committed in respect of capital expenditure contract aggregating to Rs. 528 million (December 31, 2018: Rs. 252 million). There were no other commitments as at the balance sheet date.

14 NET INSURANCE PREMIUM REVENUE

	September 30, 2019 (Un-audited)	September 30, 2018 (Un-audited)
	------Rupees in '000 ------	
Gross premiums		
Regular premium individual policies		
First year	6,473,336	9,430,532
Second year renewal	5,242,866	5,162,596
Subsequent year renewal	38,886,681	35,780,477
Group policies with cash values	170	22,244
Group policies without cash values	10,083,182	6,699,636
Total gross premiums	60,686,235	57,095,485

	September 30, 2019 (Un-audited)	September 30, 2018 (Un-audited)
	------Rupees in '000 ------	
Less: Reinsurance premiums ceded		
On individual life first year business	(13,768)	(21,652)
On individual life second year business	(14,614)	(11,276)
On individual life renewal business	(84,198)	(72,127)
On group policies	-	-
	(112,580)	(105,055)
	60,573,655	56,990,430

15 INVESTMENT INCOME

Income from equity securities		
- Dividend income	4,591,293	4,162,949
Income from debt securities		
- Return on debt securities	50,138,816	43,145,041
	54,730,109	47,307,991

16 NET REALISED FAIR VALUE (LOSS) / GAIN ON FINANCIAL ASSET

Realized gains on equity securities	5,256	2,376

17 NET UNREALIZED FAIR VALUE (LOSS) / GAIN ON FINANCIAL ASSETS

Unrealized losses on equity securities	(19,444,302)	3,070,573
Investment related expenses	(47,757)	(45,138)
	(19,492,059)	3,025,435

18 NET RENTAL INCOME

Rental income	927,488	906,186
Less: expenses of investment property	(526,565)	(465,828)
	400,923	440,358

19 OTHER INCOME

Return on bank balances	1,777,380	768,712
Return on loans to employees	34,499	26,284
Return on loans to policyholders	5,660,397	4,741,040
Exchange gain on revaluation	2,459,483	1,883,184
Miscellaneous income	92,796	25,891
	10,024,555	7,445,112

	September 30, 2019 (Un-audited)	September 30, 2018 (Un-audited)
	------Rupees in '000 ------	

20 NET INSURANCE BENEFITS

	September 30, 2019	September 30, 2018
Gross Claims		
Claims under individual policies		
- by death	5,232,109	4,134,745
- by insured event other than death	283,675	276,517
- by maturity	7,588,195	7,136,106
- by surrender	19,072,722	16,402,005
- annuity payments	12,753	14,213
Total gross individual policy claims	32,189,454	27,963,586
Claims under group policies		
- by death	2,323,767	3,066,438
- by insured event other than death	2,056,675	2,323,257
- by surrender	1,445	899
- annuity payments	2,257	415
- experience premium refund	4,650,947	987,625
Total gross group policy claims	9,035,091	6,378,634
Total gross claims	41,224,545	34,342,220
Less: reinsurance recoveries		
-on individual life claims	(34,348)	(23,837)
-on group life claims	-	-
	(34,348)	(23,837)
Net insurance benefit expense	41,190,197	34,318,383

21 ACQUISITION EXPENSES

	September 30, 2019	September 30, 2018
Remuneration to insurance intermediaries on individual policies:		
- commission to agent on first year premiums	3,150,241	5,738,096
- commission to agent on second year premiums	648,399	633,966
- commission to agent on subsequent renewal premiums	1,641,455	1,574,341
- other benefits to insurance intermediaries	1,033,495	1,113,263
- branch overhead	959,266	1,377,128
Remuneration to insurance intermediaries on group policies:		
- commission	2,205	2,169
- other benefits to insurance intermediaries	280	554
Other acquisition costs		
- Stamp duty and medical fee	414,197	452,382
	7,849,538	10,891,899

	September 30, 2019 (Un-audited)	September 30, 2018 (Un-audited)
	------Rupees in '000 ------	

22 MARKETING AND ADMINISTRATION EXPENSE

Employee benefit cost	4,957,954	4,462,392
Travelling expenses	233,900	185,932
Advertisement and sales promotion	62,598	46,877
Printing and stationery	114,652	59,760
Depreciation expense	75,971	71,227
Rent, rates and taxes	222,442	164,188
Legal and professional charges - business related	201,228	133,195
Electricity, gas and water charges	625,297	540,201
Office repair and maintenance	60,940	9,029
Bank charges	24,944	23,090
Postages, telegrams and telephone charges	70,053	50,042
Miscellaneous expense	49,021	60,879
	6,699,000	5,806,812

23 OTHER EXPENSES

Auditors' remuneration	8,575	6,116
Miscellaneous expense	116,300	167,481
	124,875	173,597

24 INCOME TAX EXPENSE

For the period		
Current	506,878	553,836
Deferred	278,580	(162,155)
	785,458	391,681

25 EARNINGS PER SHARE

Profit after tax for the period	1,920,459	1,486,155
Weighted average outstanding number of ordinary shares as at period end	37,037	30,463
Earnings per share (Rupees)	51.85	48.79

During the current period, the Corporation has issued 5 million ordinary shares of Rs. 100 each to the exsisiting shareholders.

26 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements were approved and authorized for issue on 28 NOV 2019 by the Board of Directors of the Corporation.

27 GENERAL

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

CHAIRMAN	DIRECTOR	DIRECTOR	CHIEF FINANCIAL OFFICER
FARRUKH AHMAD HAMIDI Chairman (SLIC)	Abdul Qadir Memon	Ghiasuddin Ahmed	Muhammad Rashid

Statement of Directors

Form LN

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

Section 46 (6)

a. In our opinion, nine months period ended September 30, 2019 Condensed Interim Financial Information of State Life Insurance Corporation of Pakistan set out in the forms attached to the statement have been drawn up in accordance with the Insurance Ordinance, 2000, and the Insurance Rules, 2017; and

b. State Life Insurance Corporation of Pakistan has at all times in the period complied with the provisions of the Insurance Ordinance, 2000, and the Insurance Rules, 2017, made there under relating to paid-up-capital, solvency and re-insurance arrangements; and

c. As at September 30, 2019, State Life Insurance Corporation of Pakistan continues to be in compliance with the provisions of the Insurance Ordinance, 2000, and the Insurance Rules, 2017, made there under relating to paid-up-capital, solvency and reinsurance arrangement.

Section 52 (2) (C)

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 Insurance Rules, 2017.

CHAIRMAN	DIRECTOR	DIRECTOR	CHIEF FINANCIAL OFFICER
FARRUKH AHMAD HAMIDI Chairman (SLIC)	Abdul Qadir Memon	Ghiasuddin Ahmed	Muhammad Rashid

Statement by the Appointed Actuary

Form LM

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 September 30, 2019 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