


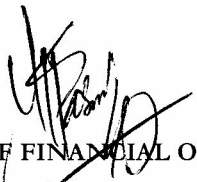


STATE LIFE INSURANCE CORPORATION OF PAKISTAN  
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2021

		March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	-----Rupees in '000-----	
<b>Assets</b>			
Property and equipment	3	830,958	850,816
Investment properties	4	3,710,713	3,638,142
Investment in subsidiaries		323,618	323,618
Investments			
Equity securities	5	90,600,991	92,918,024
Government securities	6	887,298,363	821,691,138
Debt securities	7	3,519,737	3,654,344
Mutual funds	8	8,909,237	8,686,126
Loans secured against life insurance policies		132,966,580	129,180,723
Insurance / reinsurance receivables	9	29,002,626	32,574,358
Other loans and receivables	10	44,213,744	49,925,310
Taxation - payments less provision		3,398,308	3,693,190
Prepayments	11	52,232	62,120
Cash and bank	12	30,627,990	56,184,733
<b>Total Assets</b>		<b>1,235,455,097</b>	<b>1,203,382,643</b>
<b>Equity and Liabilities</b>			
<b>Capital and reserves attributable to Corporation's equity holders</b>			
Ordinary share capital		4,600,000	4,600,000
Ledger account C & D		5,192,104	3,943,311
Reserves	13	304,725	304,725
Unappropriated profit		2,162,219	1,460,496
Capital contributed to statutory fund		-	-
<b>Total Equity</b>		<b>12,259,049</b>	<b>10,308,532</b>
<b>Liabilities</b>			
Insurance liabilities	14	1,187,685,840	1,157,476,582
Retirement benefit obligations		2,361,306	2,095,926
Deferred capital grant		36,957	36,957
Deferred taxation	15	2,120,331	1,610,642
Premium received in advance		7,994,714	8,644,311
Insurance / reinsurance payables	16	255,667	566,647
Other creditors and accruals	17	22,741,233	22,643,046
<b>Total Liabilities</b>		<b>1,223,196,048</b>	<b>1,193,074,111</b>
<b>Total Equity and Liabilities</b>		<b>1,235,455,097</b>	<b>1,203,382,643</b>
<b>Contingencies and commitments</b>	18		


The annexed notes 1 to 33 form an integral part of these unconsolidated condensed interim financial statements.


 CHAIRMAN Shoaib Javed Hussain	 DIRECTOR Iftikhar-ul-Hussain Shah	 DIRECTOR M. Saeedullah Khan	 CHIEF FINANCIAL OFFICER Muhammad Rashid
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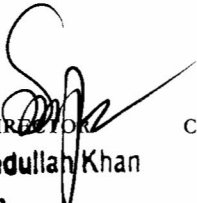
STATE LIFE INSURANCE CORPORATION OF PAKISTAN  
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021


	Three-months period ended	
	March 31, 2021	March 31, 2020
	Note -----Rupees in '000 -----	
Premium revenue	30,286,662	22,697,521
Premium ceded to reinsurers	(80,639)	(30,250)
<b>Net premium revenue</b>	<b>30,206,023</b>	<b>22,667,271</b>
Investment income	23,619,772	21,012,146
Net realized fair value		
gain / (loss) on financial assets	5,524	-
Net fair value loss on financial assets		
at fair value through profit or loss	(2,485,593)	(28,306,565)
Net rental income	241,883	194,674
Other income	2,773,172	4,075,090
	<b>24,154,759</b>	<b>(3,024,655)</b>
<b>Net Income</b>	<b>54,360,782</b>	<b>19,642,616</b>
Insurance benefits	(18,445,334)	(13,074,155)
Recoveries from reinsurers	65,365	567
Claim related expenses	(3,830)	-
<b>Net Insurance Benefits</b>	<b>(18,383,799)</b>	<b>(13,073,588)</b>
<b>Net Change in Insurance Liabilities</b>		
<b>(other than outstanding claims)</b>	<b>(27,802,885)</b>	<b>(1,454,381)</b>
Acquisition expenses	(3,202,366)	(2,390,820)
Marketing and administration expenses	(2,162,359)	(1,946,791)
Other expenses	(61,848)	(63,987)
<b>Total Expenses</b>	<b>(33,229,458)</b>	<b>(5,855,979)</b>
<b>Profit before tax for the period</b>	<b>2,747,525</b>	<b>713,049</b>
Income tax expense	(797,008)	(207,129)
<b>Profit after tax for the period</b>	<b>1,950,517</b>	<b>505,920</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>1,950,517</b>	<b>505,920</b>
<b>Earnings (after tax) per share - Rupees</b>	<b>42.40</b>	<b>11.77</b>

The annexed notes 1 to 33 form an integral part of these unconsolidated condensed interim financial statements.

  
 CHAIRMAN  
 Shoaib Javed Hussain

  
 DIRECTOR  
 Iftikhar-ul-Hussain Shah

  
 DIRECTOR  
 M. Saeedullah Khan

  
 CHIEF FINANCIAL OFFICER  
 Muhammad Rashid


STATE LIFE INSURANCE CORPORATION OF PAKISTAN  
 CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
 FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2021

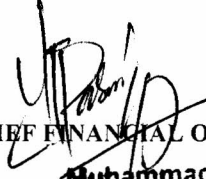
	Three months period ended	
	March 31, 2021	March 31, 2020
	----- Rupees in '000 -----	
<b>Profit for the period</b>	1,950,517	505,920
<b>Other comprehensive income</b>		
Change in unrealized gains/(losses) on investments held at fair value through OCI	-	-
Actuarial gains/(losses) on retirement benefit schemes	-	-
<b>Total comprehensive income for the period</b>	<u>1,950,517</u>	<u>505,920</u>

The annexed notes from 1 to 33 form an integral part of this condensed interim unconsolidated financial statement.

  
 CHAIRMAN  
 Shoaib Javed Hussain

  
 DIRECTOR  
 Iftikhar-ul-Hussain Shah

  
 DIRECTOR  
 M. Saeedullah Khan

  
 CHIEF FINANCIAL OFFICER  
 Muhammad Rashid

STATE LIFE INSURANCE CORPORATION OF PAKISTAN  
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

	Three-months period ended	
	March 31, 2021	March 31, 2020
	Note	-----Rupees in '000-----
<b>Operating Cash Flows</b>		
<b>(a) Underwriting activities</b>		
Insurance Premiums received	33,057,846	21,987,467
Reinsurance premiums paid	(391,618)	(92,012)
Claims paid	(8,343,840)	(6,077,758)
Surrenders paid	(7,698,951)	(7,520,206)
Reinsurance and other recoveries received	177,656	45,972
Commissions paid	(3,989,968)	(4,040,624)
Other underwriting payments	(918,480)	(442,663)
<b>Net cash flow generated from underwriting activities</b>	<b>11,892,645</b>	<b>3,860,176</b>
<b>b) Other operating activities</b>		
Income tax paid	7,562,000	(652,146)
General management expenses paid	(1,933,077)	(3,734,886)
Loans advanced	(5,328,340)	(2,037,441)
Loan repayments received	3,655,649	5,341
Other operating payments	37,657,800	(35,411)
Net cash flow used in other operating activities	(3,560,548)	(6,454,543)
<b>Total cash flow generated from / (used in) operating activities</b>	<b>8,332,097</b>	<b>(2,594,367)</b>
<b>Investment Activities</b>		
Profit / return received	28,185,456	24,143,623
Dividends received	1,956,790	1,368,801
Rentals received	320,017	308,541
Payments for investments	(64,252,057)	(92,607,923)
Proceeds from disposal of investments	1,247,409	43,278,021
Fixed capital expenditure	(86,550)	(11,621)
Proceeds from sale of property and equipment	(12,963)	-
<b>Total cash flow used in investing activities</b>	<b>(32,641,897)</b>	<b>(23,520,557)</b>
<b>Finance Activities</b>		
Capital payment repaid by Statutory funds	-	650,000
<b>Total cash flow from financing activities</b>	<b>-</b>	<b>650,000</b>
<b>Net cash flow from all activities</b>	<b>(24,309,801)</b>	<b>(25,464,924)</b>
Cash and cash equivalents at beginning of the period	45,938,843	80,810,076
<b>Cash and cash equivalents at end of the period</b>	<b>21,629,042</b>	<b>55,345,152</b>
<b>Reconciliation to Profit and Loss Account</b>		
Operating cash flows	8,332,097	(2,594,367)
Depreciation expense	(35,370)	(32,750)
Investment income	24,154,757	(3,024,655)
Amortization/capitalization	111,328	109,867
Allocation of surplus	-	-
Non cash adjustments (APL)	(2,067,294)	(2,385,667)
Decrease in assets other than cash	1,576,930	3,656,863
Decrease in liabilities other than running finance	(1,809,361)	6,903,034
Net change in insurance liabilities (other than outstanding claims)	(29,561,369)	(1,454,381)
Other adjustment	1,248,800	(672,023)
<b>Profit after taxation</b>	<b>1,950,517</b>	<b>505,921</b>


The annexed notes 1 to 33 form an integral part of these unconsolidated condensed interim financial statements

  
CHAIRMAN


Shoab Javed Hussain

  
DIRECTOR

Iftikhar-ul-Hussain Shah

  
DIRECTOR

M. Saadullah Khan

  
CHIEF FINANCIAL OFFICER


Muhammad Rashid

STATE LIFE INSURANCE CORPORATION OF PAKISTAN  
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021


	Attributable to equity holders of the Corporation					Total
	Share capital	Capital contributed to statutory fund	Revenue reserves General reserves	Ledger account C & D [Refer Note]	Unappropriated profit	
	-----Rupees in '000-----					
Balance as at January 01, 2020	4,300,000	(650,000)	7,043	2,207,145	1,284,883	7,149,071
Total comprehensive income for the period	-	-	-	-	452,004	452,004
Surplus for the period retained in statutory funds-net of tax	-	-	-	703,917	-	703,917
Transfer for the issuance of share capital	-	-	158,490	-	(158,490)	-
Balance as at March 31, 2020	<u>4,300,000</u>	<u>(650,000)</u>	<u>165,533</u>	<u>2,911,062</u>	<u>1,578,397</u>	<u>8,304,992</u>
<b>Balance as at January 01, 2021</b>	<b>4,600,000</b>	<b>-</b>	<b>304,725</b>	<b>3,943,311</b>	<b>1,460,496</b>	<b>10,308,532</b>
Total comprehensive income for the period	-	-	-	-	1,950,517	1,950,517
Surplus for the period retained in statutory funds-net of tax	-	-	-	1,248,793	(1,248,793)	-
Transfer to general reserve	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b><u>4,600,000</u></b>	<b><u>-</u></b>	<b><u>304,725</u></b>	<b><u>5,192,104</u></b>	<b><u>2,162,219</u></b>	<b><u>12,259,049</u></b>

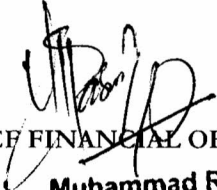
**Note:** This includes balances maintained in accordance with the requirements of Section 35 of the Insurance Ordinance, 2000 read with Rule 14 of the Insurance Rules, 2017 (previously the SEC Insurance Rules, 2002) to meet solvency margins, which are mandatorily maintained for the carry on of the life insurance business.

The annexed notes 1 to 33 form an integral part of these unconsolidated condensed interim financial statements.

  
CHAIRMAN  
Choaib Javed Hussain

  
DIRECTOR  
Iftikhar-ul-Hussain Shah

  
DIRECTOR  
M. Saeedullah Khan

  
CHIEF FINANCIAL OFFICER  
Muhammad Rashid

**STATE LIFE INSURANCE CORPORATION OF PAKISTAN**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM**  
**FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021**

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**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 and Takaful 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 Securities Exchange Commission of Pakistan (SECP) vide letter no. 0097, dated September 22, 2016. However, the Corporation is in the process of launching the Window Takaful Operations at the reporting date i.e. June 30, 2020. 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.

**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, 2019.

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 nine-months period ended March 30, 2021 are not audited.

These unconsolidated condensed interim financial statements does not include all the information and disclosures required in the annual unconsolidated financial statements, accordingly, these unconsolidated condensed interim financial statements should be read in conjunction with the Corporation's annual unconsolidated financial statements as at and for the year ended December 31, 2019.

**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 SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS**

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on 11 March 2020, impacting countries globally including Pakistan. Government of Pakistan has taken certain measures to reduce the spread of the COVID-19 including lockdown of businesses, suspension of flight operations, intercity movements, cancellation of major events etc. These measures have resulted in an overall economic slowdown, disruptions to various business and

**STATE LIFE INSURANCE CORPORATION OF PAKISTAN  
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021**

significant volatility in the Pakistan Stock Exchange (PSX). However, currently, the potential impacts from COVID-19 remain uncertain, including, among other things, on economic conditions, businesses and consumers. The extent of these impacts on the Corporation are unclear. The Corporation is conducting business with some modifications to employee working and cancellation of certain events, among other modifications while following all necessary Standard Operating Procedures (SOPs). The Corporation will continue to actively monitor the situation and may take further actions that alter its business operations as may be required by federal, provincial or local authorities or that are in the best interests of our employees, policy holders, partners and stockholders. However, the management based on its assessment considered that there would be no significant impact that will adversely affect its businesses, results of operations and financial condition in future period.

**2.4 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.

**2.5 FUNCTIONAL AND PRESENTATION CURRENCY**

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

**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.

<b>Standard or Interpretation</b>	<b>Effective Date (Annual periods beginning on or after)</b>
IFRS 14 'Regulatory Deferral accounts'	July 1, 2019
IFRS 3 'Definition of a business' Amendment to IFRS 3	January 01, 2020
IAS 1/IAS 8 'Definition of Material' (Amendments to IAS 1 and IAS 8)	January 01, 2020
Various Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020

Adoption of the above standard have no significant effect on the amounts for the period ended June 30, 2020.

**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**

There are no such new standards, amendments to published standards and interpretations that would be relevant but not yet effective.

**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.

<b>Standard or Interpretation</b>	<b>IASB effective date (Annual periods beginning on or after)</b>
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**STATE LIFE INSURANCE CORPORATION OF PAKISTAN**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM**  
**FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021**

IFRS 17 'Insurance Contracts' - amendments to IFRS-17

January 01, 2023

IFRS 1 'First-time Adoption of International Financial Reporting Standards'

July 1, 2009

	March 31, 2021 (Un-audited)	December 31,2020 (Audited)
-----Rupees in '000-----		
<b>3. PROPERTY AND EQUIPMENT</b>		
<b>Operating fixed assets</b>		
Net book value as at the beginning of the period / year	850,816	920,235
Additions / adjustments during the period / year	33,669	61,103
Disposal during the period / year	(1,557)	-
Net depreciation charge during the period / year	(51,970)	(130,522)
Net book value as at the end of the period / year	<u>830,958</u>	<u>850,816</u>

	March 31, 2021 (Un-audited)	December 31,2020 (Audited)
-----Rupees in '000-----		
<b>4 INVESTMENT PROPERTIES</b>		
Investment Properties	1,737,801	1,749,139
Less : Provision for impairment in value of investment property	(2,579)	(895)
	1,735,222	1,748,244
Capital work-in-progress	1,975,491	1,889,898
	<u>3,710,713</u>	<u>3,638,142</u>

4.1 The market value of the investment properties, owned by the Corporation as determined by the independent valuers on yearly basis, amounted to **Rs.55,089 million** (2020: Rs..55,089 million).

**5 INVESTMENTS IN EQUITY SECURITIES**

	March 31 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						
<b>Related parties</b>						
Listed shares	3,517,424	-	17,122,709	3,517,424	-	18,192,483
Unlisted shares	5,000	-	5,000	5,000	-	5,000
<b>Others</b>						
Listed shares	26,472,419		73,412,366	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	(1,171)	2,572	3,743	(1,150)	2,593
	<u>30,274,483</u>	<u>(218,724)</u>	<u>90,600,991</u>	<u>29,874,809</u>	<u>(218,703)</u>	<u>92,918,024</u>



STATE LIFE INSURANCE CORPORATION OF PAKISTAN  
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

6 INVESTMENTS IN GOVERNMENT SECURITIES

	March 31, 2021(Un-audited)				December 31, 2020 (Audited)	
	Maturity Year	Effective Yield (%)	Amortized Cost	Principal Repayment	Carrying Value	Carrying Value
-----Rupees in '000-----						
<i>Held to maturity</i>						
<b>Pakistan Investment Bond</b>						
3 year Pakistan Investment Bonds	2021 - 2022	7.60% - 8.10%	150,662,223	153,908,000	<b>150,662,223</b>	147,001,163
5 year Pakistan Investment Bonds	2021 - 2024	7.02% - 10.24%	127,270,274	129,300,000	<b>127,270,274</b>	127,195,587
10 year Pakistan Investment Bonds	2021 - 2029	7.78% - 10.28%	407,146,809	406,187,600	<b>407,146,809</b>	390,955,891
15 year Pakistan Investment Bonds	2021 - 2035	7.42% - 10.56%	50,907,806	49,370,000	<b>50,907,806</b>	50,886,975
20 year Pakistan Investment Bonds	2024 - 2039	9.27% - 10.67%	60,222,264	59,461,000	<b>60,222,264</b>	60,206,205
30 year Pakistan Investment Bonds	2036 - 2038	10.61% - 10.65%	37,690,212	40,050,000	<b>37,690,212</b>	37,680,832
Sukuk Bonds (Takaful)			40,000	40,000	<b>40,000</b>	40,000
Islamic Republic of Pakistan Bonds			7,416,804	-	<b>7,416,804</b>	7,724,485
			<b>841,356,392</b>	<b>838,316,600</b>	<b>841,356,392</b>	<b>821,691,138</b>
<b>Treasury Bills</b>						
Treasury Bills	2021	7.15% - 7.61%	45,941,971	46,139,000	<b>45,941,971</b>	-
			<b>887,298,363</b>	<b>884,455,600</b>	<b>887,298,363</b>	<b>821,691,138</b>

7 INVESTMENTS IN DEBT SECURITIES

Note	March 31 2021 (Un-audited)			December 31 2020 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
-----Rupees in '000-----						
<i>Held to maturity</i>						
7.1	7,573	(7,573)	-	7,573	(7,573)	-
Foreign fixed income securities	3,519,737	-	3,519,737	3,654,344	-	3,654,344
	<b>3,527,310</b>	<b>(7,573)</b>	<b>3,519,737</b>	<b>3,661,917</b>	<b>(7,573)</b>	<b>3,654,344</b>

7.1 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. Further, a court case is in process against the Colony Textile Mills Limited against debenture loan amounting to Rs. 0.678 million (December 31, 2020: Rs. 0.678 million). The Corporation had made full provision against these debentures.

8 INVESTMENT IN MUTUAL FUNDS

	March 31 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						
<i>Listed</i>						
Open and close ended mutual fund	3,015,481	-	6,510,820	3,282,446	-	6,669,127
<i>Unlisted</i>						
Close end mutual fund	861,156	-	2,398,417	594,190	-	2,016,999
	<b>3,876,637</b>	<b>-</b>	<b>8,909,237</b>	<b>3,876,636</b>	<b>-</b>	<b>8,686,126</b>

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		March 31, 2021 (Un-audited)	December 31,2020 (Audited)
<b>9</b>	<b>INSURANCE / REINSURANCE RECEIVABLES</b>		
	<i>Unsecured and considered good</i>		
	Due from insurance contract holders	28,692,331	32,151,773
	Less: provision for impairment of receivables from Insurance contract holders	-	-
	Due from other insurers / reinsurers	310,295	422,586
	Less: provision for impairment of due from other insurers / reinsurers	-	-
		<u>29,002,626</u>	<u>32,574,358</u>
<b>10</b>	<b>OTHER LOANS AND RECEIVABLES</b>		
	Accrued investment income	39,218,861	46,598,010
	Loans to agents	87,184	78,493
	Loans to employees	943,480	949,821
	Advance to contractors & security deposit	381,635	464,561
	Other receivables	3,136,584	1,388,425
	Deposit against bank guarantee	446,000	446,000
		<u>44,213,744</u>	<u>49,925,310</u>

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	March 31, 2021 (Un-audited)	December 31,2020 (Audited)
<b>11 PREPAYMENTS</b>	-----Rupees in '000 -----	
Prepaid rent	15,455	15,428
Prepaid miscellaneous expenses	36,777	46,692
	<u>52,232</u>	<u>62,120</u>
<b>12 CASH AND BANK</b>		
<b>Cash and Cash Equivalent</b>		
- Cash in hand	33,873	12,838
- Cash in transit	-	190,000
<b>Cash at bank</b>		
- Current accounts	7,400,146	14,693,173
- Savings accounts	12.2 14,195,023	31,042,831
- Fixed deposits maturing after 12 months	8,998,948	10,245,891
	<u>30,627,990</u>	<u>56,184,733</u>
	March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited)
	-----Rupees in '000 -----	
<b>12.1 Cash and cash equivalent include the following for the purposes of the cash flow statement:</b>		
<b>Cash and cash equivalent</b>		
- Cash in hand	33,873	39,152
- Cash in transit	-	3,755
<b>Cash at bank</b>		
- Current accounts	7,400,146	8,697,339
- Savings accounts	14,195,023	46,608,657
	<u>21,629,042</u>	<u>55,345,152</u>
<b>12.2</b> These carry mark-up ranging from 6.60% to 6.71% (2020: 6.46% to 12.66%) per annum.		
	March 31, 2021 (Un-audited)	December 31,2020 (Audited)
<b>13 RESERVES</b>	-----Rupees in '000 -----	
<b>Revenue reserves</b>		
General reserve	304,725	304,725
<b>14 INSURANCE LIABILITIES</b>		
Reported outstanding claims (including claims in payment)	37,285,298	34,878,925
Incurred but not reported claims	4,116,298	4,081,391
Liabilities under individual conventional investment component of unit linked policies insurance contracts	1,145,057,271	1,116,847,629
Liabilities under group insurance contracts (other than investment linked)	1,019,545	1,462,422
Other insurance liabilities	207,428	206,215
	<u>1,187,685,840</u>	<u>1,157,476,582</u>

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		March 31, 2021 (Un-audited)	December 31,2020 (Audited)
15	<b>DEFERRED TAXATION</b>	-----Rupees in '000 -----	
	Deferred tax credit arising in respect of		
	On retained balance on Ledger Account D	15.1 <u>2,120,331</u>	<u>1,610,642</u>
		Recognised in	Recognised in
		Balance as at	Balance as at
15.1		January 1, 2021	March 31, 2021
		statement of	Other
		comprehensive	Comprehensive
		income	Income
		-----Rupees in '000-----	
	<i>Defer credit arising in respect of</i>		
	On Retained balance on Ledger Account D	<u>1,610,642</u>	<u>2,120,331</u>
		509,689	-

		March 31, 2021 (Un-audited)	December 31,2020 (Audited)
16	<b>INSURANCE / REINSURANCE PAYABLES</b>	-----Rupees in '000 -----	
	Due to other insurers / reinsurers	<u>255,667</u>	<u>566,647</u>
17	<b>OTHER CREDITORS AND ACCRUALS</b>		
	Agents commission payable	1,844,219	3,550,301
	Accrued expenses	10,284,598	9,936,450
	Other liabilities	<u>10,612,416</u>	<u>9,156,295</u>
		<u>22,741,233</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 With reference to the contingency disclosed in note 22.1.13, In view of the opinion of the legal advisor and pending the adjudication of the petitions filed, the Corporation has neither billed its customers nor recognized the contingent liability for sales tax in Sindh, Punjab and Balochistan which, calculated on the basis of the risk premium and excluding the investment amount allocated to policies as per the opinion of the legal advisors, aggregated to Rs. 1187.75 million (2020: Rs. 939.85 million) in its books of account. The management contends that should the administrative efforts fail, the amount will be charged to the policyholders.

**STATE LIFE INSURANCE CORPORATION OF PAKISTAN  
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**18.1.2** With reference to the contingency disclosed in note 22.1.16, an income tax return, being a deemed assessment order under section 120(1) of the Income Tax Ordinance (the Ordinance), determining a taxable income of Rs. 2,234,278,000 and tax chargeable of Rs. 621,473,190 was duly submitted by SLIC with the Federal Board of Revenue (FBR) for tax year 2020.

**18.1.3**

The Additional Commissioner Inland Revenue (the ACIR) issued a notice for amendment of assessment dated December 10, 2020. In response thereto SLIC submitted its replies along with relevant supporting documents to ACIR. The ACIR, passed an Order-in-Original dated March 17, 2021 under section 122(5A) of the Ordinance amending the subject return of income and determined a tax liability of Rs. 458,251,143. Out of aforesaid tax demand, ACIR held that recovery proceedings shall not be initiated for recovery of Rs. 306,031,200 on the grounds that Field Worker's Association of Pakistan has obtained stay order from Lahore High Court against tax recovery. Without prejudice to the legal right to appeal, balance tax demand of Rs. 152,219,943 has been offered for adjustment against available tax refunds.

**18.1.4** SLIC filed an appeal before the Commissioner Inland Revenue – Appeals (CIRA) against impugned order. 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.

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		March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited)
19	<b>NET PREMIUM REVENUE</b>		
		-----Rupees in '000 -----	
	<b>Gross Premiums</b>		
	Regular premium individual policies		
	First year	2,641,116	1,872,235
	Second year renewal	1,729,782	1,512,839
	Subsequent year renewal	19,029,766	16,344,553
	Group policies with cash values	-	-
	Group policies without cash values	9,899,115	4,761,132
	Less: experience refund	<u>(3,013,117)</u>	<u>(1,793,238)</u>
	<b>Total Gross Premiums</b>	<b>30,286,662</b>	<b>22,697,521</b>
	<b>Less: Reinsurance Premiums Ceded</b>		
	On individual life first year business	(6,802)	(4,214)
	On individual life second year business	(3,216)	(1,992)
	On individual life renewal business	(24,912)	(24,044)
	On group policies	(45,709)	-
		<u>(80,639)</u>	<u>(30,250)</u>
	<b>Net Premium revenue</b>	<b>30,206,023</b>	<b>22,667,271</b>
20	<b>INVESTMENT INCOME</b>		
	<b>Income from equity securities</b>		
	<i>Fair value through profit or loss</i>		
	- Dividend income	1,993,356	1,368,801
	<b>Income from government and debt securities</b>		
	<i>Held to maturity</i>		
	- Return on government and debt securities	21,626,417	19,643,345
		<u>23,619,772</u>	<u>21,012,146</u>
21	<b>NET REALISED FAIR VALUE GAIN / (LOSS) ON FINANCIAL ASSETS</b>		
	<i>Fair value through profit or loss</i>		
	Realised gain / (loss) on equity securities	5,524	-
22	<b>NET FAIR VALUE LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		
	Net unrealised loss on investments at fair value through profit or loss	(2,472,184)	(28,293,841)
	Investment related expenses	(13,409)	(12,724)
		<u>(2,485,593)</u>	<u>(28,306,565)</u>
23	<b>NET RENTAL INCOME</b>		
	Rental income	351,282	308,541
	Less: Expenses of investment property	(109,399)	(113,867)
		<u>241,883</u>	<u>194,674</u>
24	<b>OTHER INCOME</b>		
	Return on bank balances	380,894	769,292
	Return on loans to employees	13,165	26,873
	Return on loans to policyholders	2,067,304	2,385,667
	Exchange gain on revaluation	295,350	873,018
	Miscellaneous income	16,459	20,239
		<u>2,773,172</u>	<u>4,075,090</u>

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		March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited)
<b>25 NET INSURANCE BENEFITS</b>	<b>Note</b>	-----Rupees in '000 -----	
<b>Gross Claims</b>			
Claims under individual policies			
- by death		2,373,450	1,385,607
- by insured event other than death		69,351	80,173
- by maturity		2,901,625	1,749,587
- by surrender		7,698,951	7,520,206
- annuity payments		7,059	776
<b>Total gross individual policy claims</b>		<b>13,050,436</b>	<b>10,736,349</b>
Claims under group policies			
- by death		1,264,354	681,527
- by insured event other than death		4,129,515	1,656,194
- by maturity		283	-
- by surrender		700	26
- annuity payments		46	59
<b>Total gross policy claims</b>		<b>5,394,898</b>	<b>2,337,806</b>
<b>Total Gross Claims</b>		<b>18,445,334</b>	<b>13,074,155</b>
<b>Less: Reinsurance Recoveries</b>			
-on individual life claims		(8,330)	(567)
-on group life claims		(57,035)	-
		<b>(65,365)</b>	<b>(567)</b>
<b>Claim related expenses</b>		<b>3,830</b>	<b>-</b>
Net insurance benefits		<b>18,383,799</b>	<b>13,073,588</b>
<b>26 ACQUISITION EXPENSES</b>			
Remuneration to insurance intermediaries on individual policies:			
- commission to agent on first year premiums		1,236,516	880,038
- commission to agent on second year premiums		210,898	216,898
- commission to agent on subsequent renewal premiums		763,006	719,160
- other benefits to insurance intermediaries		72,654	131,051
- branch overhead		618,603	307,157
Remuneration to insurance intermediaries on group policies:			
- commission		812	538
- other benefits to insurance intermediaries		-	470
Other acquisition costs			
- Stamp duty and medical fee		299,877	135,508
		<b>3,202,366</b>	<b>2,390,820</b>

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		March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited)
	Note	-----Rupees in '000 -----	
<b>27</b>	<b>MARKETING AND ADMINISTRATION EXPENSES</b>		
Employee benefit cost	27.1	1,812,777	1,635,563
Travelling expenses		47,200	51,653
Advertisement and sales promotion		674	1,650
Printing and stationery		11,681	14,293
Depreciation		33,819	31,060
Rent, rates and taxes		61,107	59,187
Legal and professional charges - business related		123,023	84,178
Electricity, gas and water		30,841	29,340
Office repair and maintenance		3,119	1,155
Bank charges		7,500	8,258
Postages, telegrams and telephone charges		17,975	17,811
Appointed Actuary fees		143	143
Annual Supervision fees SECP		12,500	12,500
		<u>2,162,359</u>	<u>1,946,791</u>
<b>27.1</b>	<b>Employee benefit cost</b>		
Salaries, allowances and other benefits		1,566,503	1,424,377
Charges for post employment benefit		246,274	211,186
		<u>1,812,777</u>	<u>1,635,563</u>
<b>28</b>	<b>OTHER EXPENSES</b>		
Auditors' remuneration	28.1	1,752	1,491
Training expense		4,189	5,234
Revenue stamps		6,591	4,187
Insurance charges		20,073	17,685
Office maintenance		15,490	13,375
Other rent, rates and taxes		4,571	3,330
Miscellaneous		9,182	18,685
		<u>61,848</u>	<u>63,987</u>
<b>28.1</b>	<b>Auditors' remuneration</b>		
	<b>Business within Pakistan</b>		
BDO Ebrahim & Co.		700	581
Grant Thornton Anjum Rahman		700	581
		<u>1,401</u>	<u>1,163</u>
BDO Ebrahim & Co.		176	164
Grant Thornton Anjum Rahman		176	164
		<u>351</u>	<u>328</u>
		<u>1,752</u>	<u>1,491</u>



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		March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited)
29	<b>INCOME TAX EXPENSE</b>	Note	-----Rupees in '000 -----
	For the period		
	Current	287,320	185,106
	Deferred	509,689	22,023
		<u>797,008</u>	<u>207,129</u>

30 **EARNINGS PER SHARE**

Profit (after tax) for the period	1,950,517	505,921
Weighted average outstanding number of ordinary shares as at period end	46,000	43,000
Earnings per share (Rupees)	<u>42.40</u>	<u>11.77</u>

31 **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:

	March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
	-----Rupees in '000-----	
<b>Profit oriented state-controlled entities</b>		
<b>-common ownership</b>		
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>
<b>Subsidiaries</b>		
Rental income received	<u>1,877</u>	<u>3,976</u>
<b>Staff retirement fund</b>		
Contribution to provident fund	632	3,152
Contribution to pension fund	<u>111,497</u>	<u>534,231</u>
Contribution to funded gratuity fund	<u>602</u>	<u>3,056</u>
Expense charged to pension fund	<u>282,326</u>	<u>1,056,614</u>
<b>Transactions with associated companies</b>		
Dividend received during the period / year Pakistan Reinsurance Company Limited	<u>146,464</u>	<u>146,464</u>

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	March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
	-----Rupees in '000-----	
<b>Balances with related parties - common directorship</b>		
Investment in units :		
National Islamic Equity Trust	200,000	200,000
<b>Balances with related parties</b>		
Retirement benefit obligations	2,361,306	2,095,926
<b>Balances with related parties - common directorship</b>		
<b>Investment in shares:</b>		
Fauji Fertilizer Company Limited	12,208,966	12,677,508
Sui Southern Gas Company Limited	741,564	838,591
Sui Northern Gas Pipelines Company Limited	1,077,889	1,220,801
Alpha Insurance Company Limited ( <i>Subsidiary Company</i> )	298,818	298,818
Pakistan Cables Limited	312,335	337,448
Security Papers Limited	665,482	889,034
Shahtaj Sugar Mills Limited	52,633	48,417
Pak Data Communication Limited	67,560	99,106
Premier Insurance Company Limited	22,172	26,552
Pakistan Reinsurance Company Limited	1,928,936	2,015,350
Arabian Sea Country Club Limited	5,000	5,000
PICIC Insurance Limited	5,143	6,234
Nina Industries Limited	4,500	4,500
Mirpurkhas Sugar Mills Ltd	35,522	28,942
State Life Abdullah Haroon Road Property (Private) Limited ( <i>Subsidiary Company</i> )	26,182	26,182
State Life Lackie Road Property (Private) Limited ( <i>Subsidiary Company</i> )	12,910	12,910

32 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved and authorized for issue on 07/05/2021 by the Board of Directors of the Corporation.

33 GENERAL

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

			
CHAIRMAN	DIRECTOR	DIRECTOR	CHIEF FINANCIAL OFFICER
Shoab Javed Hussain	Iftikhar-ul-Hussain Shah	M. Saadullah Khan	Muhammad Rashid

# Statement of Directors

Form LN

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

### Section 46 (6)

- a. In our opinion the Condensed Interim Un-audited financial statements of State Life Insurance Corporation of Pakistan for the quarter ended March 31, 2021, set out in the forms attached to the statements have been drawn up in accordance with the Insurance Ordinance, 2000 and any rules made thereunder;
- b. State Life Insurance Corporation of Pakistan has at all times in the period complied with the provisions of the Insurance Ordinance and the rules made there under relating to paid-up-capital, solvency and re-insurance arrangements; and
- c. As at March 31, 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 arrangements.

### Section 52 (2) ( C )

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

Karachi, May 7, 2021



CHAIRMAN

Shoalb Javed Hussain



DIRECTOR

Iftikhar-ul-Hussain Shah



DIRECTOR

M. Saeedullah Khan



CHIEF FINANCIAL OFFICER

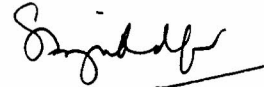
Muhammad Rashid

# **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 March 31, 2021 have been determined in accordance with the provisions of the Insurance Ordinance, 2000; and
  
- b. Each statutory fund of State Life Insurance Corporation of Pakistan complies with the solvency requirements of the Insurance Ordinance, 2000.



(Shujaat Siddiqui)

Appointed Actuary of the Corporation  
MA, FIA, FPSA

Dated: May 6, 2021