STATE LIFE INSURANCE CORPORATION OF PAKISTAN
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2020

	Note	March 31, 2020 (Un-audited)	December 31, 2019 (Audited)
		Rupees in '000	
ASSETS			
Property and equipment	3	829,688	920,237
Investment property	4	3,427,872	3,375,166
Investments in subsidiaries and associates		318,900	318,901
Investments			
Equity securities	5	65,362,872	91,592,105
Government securities	6	731,627,993	674,943,342
Mutual funds	7	5,936,584	7,987,520
Debt securities	8	3,264,935	3,042,398
Loans secured against life insurance policies		114,665,155	111,873,885
Insurance / reinsurance receivables	9	26,786,769	26,301,325
Other loans and receivables	10	36,938,008	42,681,211
Taxation - payments less provision		4,342,730	3,875,690
Prepayments		441,057	64,539
Cash and bank	11	60,622,841	91,859,786
TOTAL ASSETS		1,054,565,404	1,058,836,105
EQUITY AND LIABILITIES			
Capital and reserves attributable to Corporation's equity holders			
Ordinary share capital		4,300,000	4,300,000
Ledger account C & D		2,911,062	2,207,145
Reserves		165,533	7,043
Unappropriated profit		1,578,397	1,284,883
Capital contributed to shareholder fund		(650,000)	(650,000)
TOTAL EQUITY		8,304,992	7,149,071
LIABILITIES			
Insurance liabilities	12	1,017,641,865	1,016,711,293
Retirement benefit obligations		4,930,609	4,722,072
Deferred capital grant		43,866	44,714
Premium received in advance		8,821,377	10,632,410
Insurance / reinsurance payables		418,422	480,184
Deferred tax		658,039	636,015
Other creditors and accruals		13,746,234	18,460,346
TOTAL LIABILITIES		1,046,260,412	1,051,687,034
TOTAL EQUITY AND LIABILITIES		1,054,565,404	1,058,836,105
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
Riaz Ahmad Memon	Iftikhar-ul-Hussain Shah	M. Saeedullah Khan	Muhammad Rashid

STATE LIFE INSURANCE CORPORATION OF PAKISTAN
CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2020

	Note	Three months period ended March 31, 2020	March 31, 2019
		---------- Rupees in '000 ----------	
Premium revenue		22,697,521	20,809,658
Premium ceded to reinsurers		(30,250)	(27,141)
Net premium revenue	14	22,667,271	20,782,517
Investment income	15	21,012,146	17,607,389
Net realized fair value (loss) / gain on financial assets	16	-	(18,179)
Net unrealized fair value (loss) / gain on financial assets	17	(28,306,565)	3,534,861
Net rental income	18	194,674	142,454
Other income	19	4,075,090	3,098,360
		(3,024,655)	24,364,886
Net income		19,642,616	45,147,403
Net insurance benefits		(13,074,155)	(10,317,010)
Recoveries from reinsurers		567	18,477
Net insurance benefits	20	(13,073,588)	(10,298,533)
Net change in insurance liabilities (other than outstanding claims)		(1,454,381)	(29,249,559)
Acquisition expenses	21	(2,390,820)	(2,272,428)
Marketing and administration expenses	22	(1,955,941)	(2,005,567)
Other expenses	23	(54,836)	(56,489)
Total expenses		(5,855,978)	(33,584,043)
Results of operating activities		713,050	1,264,826
Profit before tax		713,050	1,264,826
Income tax expense	24	(207,129)	(362,223)
Profit for the period		505,921	902,603
Earnings per share - Rupees	25	11.77	25.79

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

CHAIRMAN	DIRECTOR	DIRECTOR	CHIEF FINANCIAL OFFICER
Riaz Ahmad Memon	Iftikhar-ul-Hussain Shah	M. Saeedullah Khan	Muhammad Rashid

STATE LIFE INSURANCE CORPORATION OF PAKISTAN
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITE
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2020

	Three months period ended	
	March 31, 2020	March 31, 2019
	---------- Rupees in '000 ----------	
Profit for the period	505,921	902,603
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	505,921	902,603

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

CHAIRMAN	DIRECTOR	DIRECTOR	CHIEF FINANCIAL OFFICER
Riaz Ahmad Memon	Iftikhar-ul-Hussain Shah	M. Saeedullah Khan	Muhammad Rashid

STATE LIFE INSURANCE CORPORATION OF PAKISTAN
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY(UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2020

	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, 2019 - as reported	3,500,000	(100,000)	507,043	1,257,718	713,616	5,878,377
	3,500,000	(100,000)	507,043	1,257,718	713,616	5,878,377
Unappropriated profit				478,429	558,136	1,036,565
Effect of change in accounting policies	-	-	-	593,335	-	593,335
Tax on surplus retained in Ledger D @28%				(624,255)	(7)	(624,262)
Transfer to general reserve	-	100,000	713,609	(100,000)	(713,609)	-
Balance as at March 31, 2019	3,500,000	-	1,220,652	1,605,227	558,136	6,884,015
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 year retained in statutory funds - net of tax	-	-	-	703,917	-	703,917
Transfer to general reserve			158,490		(158,490)	-
Balance as at March 31, 2020	4,300,000	(650,000)	165,533	2,911,062	1,578,397	8,304,992

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

CHAIRMAN
Riaz Ahmad Memon

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 CASH FLOW (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2020

	Three months period ended	
	March 31, 2020	**March 31, 2019**
	------Rupees in '000------	
OPERATING CASH FLOWS		
(a) Underwriting activities		
Premiums received	21,987,467	66,420,738
Reinsurance premiums paid	(92,012)	(248,608)
Claims paid	(6,077,758)	(7,683,501)
Surrenders paid	(7,520,206)	(5,512,521)
Reinsurance and other recoveries received	45,972	241,543
Commissions paid	(4,040,624)	(6,246,592)
Other underwriting payments	(442,663)	(361,397)
Net cash flow from underwriting activities	3,860,176	46,609,662
(b) Other operating activities		
Income tax paid	(652,146)	(5,480)
General management expenses paid	(3,734,886)	(3,059,612)
Loans advanced	(2,037,441)	(44,467,578)
Loan repayments received	5,341	(3,407)
Other payments on operating assets	(35,411)	(519,498)
Net cash flow from other operating activities	(6,454,543)	(48,055,575)
Total cash flow from all operating activities	(2,594,367)	(1,445,913)
INVESTMENT ACTIVITIES		
Profit / return received	24,143,623	17,842,329
Dividends received	1,368,801	236,568
Rentals received	308,541	710,685
Payments for investments	(92,607,923)	(39,712,669)
Proceeds from disposal of investments	43,278,021	3,422,369
Fixed capital expenditure	(11,621)	(24,790)
Proceeds from sale of property and equipment		342
Total cash flow from investing activities	(23,520,557)	(17,525,166)
FINANCING ACTIVITIES		
Capital payments repaid by statutory funds	650,000	
Total cash flow from financing activities	650,000	-
Net cash flow from all activities	(25,464,924)	(18,971,079)
Cash and cash equivalents at beginning of period	80,810,076	27,616,698
Cash and cash equivalents at end of period	55,345,152	8,645,619
Reconciliation to profit and loss account		
Operating cash flows	(2,594,367)	(768,352)
Depreciation expense	(32,750)	(32,401)
	-	-
Investment income	(3,024,655)	24,485,423
Amortization/capitalization	109,867	129,972
Allocation of surplus	-	(100,000)
Non cash adjustments (APL)	(2,385,667)	(1,905,278)
Increase/(decrease) in assets other than cash	3,656,863	2,373,645
Increase/(decrease) in liabilities other than running finance	6,903,034	6,123,652
Net change in insurance liabilities (other than outstanding claims)	(1,454,381)	(29,404,058)
Other adjustment	(672,023)	-
Profit after taxation	505,921	902,603

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

CHAIRMAN	DIRECTOR	DIRECTOR	CHIEF FINANCIAL OFFICER
Riaz Ahmad Memon	Iftikhar-ul-Hussain Shah	M. Saeedullah Khan	Muhammad Rashid

STATE LIFE INSURANCE CORPORATION OF PAKISTAN
NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2020

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, 2020. 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, 2019 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	65,362,872	65,362,872
Mutual funds	(a)	Held for trading	Fair value through profit and loss	5,936,584	5,936,584
Debt securities					
Government securities	(b)	Held to maturity	Amortised cost	731,627,993	731,627,993
Debt securities	(b)	Held to maturity	Amortised cost	3,264,935	3,264,935
Loans secured against life insurance policies	(c)	Loans and receivables	Amortised cost	114,665,155	114,665,155
Other loans and receivables	(c)	Loans and receivables	Amortised cost	36,938,008	36,938,008
Prepayments	(c)	Loans and receivables	Amortised cost	441,057	441,057
Cash and bank balances	(c)	Loans and receivables	Amortised cost	60,622,841	60,622,841
				1,018,859,445	1,018,859,445

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.

	March 31, 2020 (Un-audited)	December 31, 2019 (Audited)
	----------Rupees in '000	-------------
3 PROPERTY AND EQUIPMENT		
Operating fixed assets		
Net book value as at the beginning of the period	920,237	414,002
Transfer to/from Investment property	(67,676)	530,426
Additions / adjustments during the period / year	3,091	88,147
Net depreciation charge during the period / year	(25,964)	(112,338)
Net book value as at the end of the period / year	829,688	920,237
4 INVESTMENT PROPERTY		
Investment Properties	1,823,766	1,773,617
Less : Provision for impairment in value of investment property	(895)	(895)
	1,822,871	1,772,722
Capital work-in-progress	1,605,001	1,602,444
	3,427,872	3,375,166

5 EQUITY SECURITIES

	March 31 2020 (Un-audited)			December 31 2019 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
		------------------------------Rupees in '000	------------------------------			
Fair value through profit or loss						
Related parties						
Listed shares	3,439,097	-	15,290,229	3,439,097	-	18,307,249
Unlisted shares	5,000	-	5,000	5,000	-	5,000
						-
Others		-				-
Listed shares	24,798,113	-	50,009,368	24,798,113	-	73,221,583
Unlisted shares	275,897	(218,573)	57,324	275,897	(218,573)	57,322
Unlisted preference shares	4,694	(3,743)	951	4,694	(3,743)	951
	28,522,801	(222,316)	65,362,872	28,522,801	(222,316)	91,592,105

6 GOVERNMENT SECURITIES

	March 31, 2020					December 31, 2019
	Maturity Year	Effective Yield (%)	Amortized Cost	Principal Repayment	Carrying Value	Carrying Value
			--------------------Rupees in '000	--------------------		
3 year Pakistan Investment Bonds	2021 - 2022	11.02% - 13.26%	131,357,093	141,008,000	**131,357,093**	109,230,108
5 year Pakistan Investment Bonds	2020 - 2024	6.35% - 12.55%	108,715,605	111,800,000	**108,715,605**	117,957,286
10 year Pakistan Investment Bonds	2020 - 2029	7.08% - 14.01%	392,075,888	389,896,100	**392,075,888**	349,281,303
15 year Pakistan Investment Bonds	2021 -2026	8.01% - 15.23%	11,811,665	11,870,000	**11,811,665**	11,787,581
20 year Pakistan Investment Bonds	2024 - 2031	8.02% - 14.15%	28,417,585	28,900,000	**28,417,585**	28,397,607
30 year Pakistan Investment Bonds	2036 - 2038	10.28% - 16.03%	37,632,152	40,050,000	**37,632,152**	37,628,226
Treasury Bill	2020	14.17%	14,404,522	15,000,000	**14,404,522**	6,743,095
Islamic Republic of Pakistan Bonds			7,213,483	-	**7,213,483**	13,918,136
			731,627,993	738,524,100	**731,627,993**	674,943,342

7 INVESTMENT IN MUTUAL FUNDS

	March 31 2020 (Un-audited)			December 31 2019		
	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	-	4,490,947	3,015,481	-	5,924,802
Unlisted						
Close end mutual fund	861,155	-	1,445,637	861,156	-	2,062,718
	3,876,636	-	5,936,584	3,876,637	-	7,987,520

8 INVESTMENTS IN DEBT SECURITIES

		March 31 2020 (Un-audited)			December 31 2019		
	Note	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
			------------	------------	Rupees in '000	------------	
Amortised cost							
Debentures		7,573	(7,573)	-	7,573	(7,573)	-
Fair value through profit or loss							
Foreign fixed income securities		3,264,935	-	3,264,935	3,042,398	-	3,042,398
		3,272,508	(7,573)	3,264,935	3,049,971	(7,573)	3,042,398

8.1 Debentures include an amount of Rs. 7,573 million (December 31, 2019: 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, 2019: Rs. 0.678 million). The Corporation had made full provision against these debentures.

	Note	March 31, 2020 (Un-audited)	December 31, 2019 (Audited)
		----------Rupees in '000 ----------	

9 INSURANCE / REINSURANCE RECEIVABLES

	March 31, 2020	December 31, 2019
Unsecured and considered good		
Due from insurance contract holders	26,463,093	25,932,244
Less: provision for impairment of receivables from Insurance contract holders	-	-
Due from other insurers / reinsurers	323,676	369,081
Less: provision for impairment of due from other insurers / reinsurers	-	-
	26,786,769	26,301,325

10 OTHER LOANS AND RECEIVABLES

	March 31, 2020	December 31, 2019
Accrued investment income	34,082,896	38,712,693
Loans to agents	81,306	81,604
Loans to employees	945,332	953,037
Other receivables	1,828,474	2,933,877
	36,938,008	42,681,211

11 CASH AND BANK

	March 31, 2020	December 31, 2019
Cash and cash equivalent		
- In hand	39,152	16,173
- In transit	4	252,822
	39,156	268,995
Cash at bank		
- Current accounts	8,697,339	15,901,274
- Savings accounts	46,608,657	64,639,806
Cash and cash equivalent as per cash flow staement	55,345,152	80,810,075
- Fixed deposits maturing after 12 months	5,277,689	11,049,711
	60,622,841	91,859,786

12 INSURANCE LIABILITIES

	March 31, 2020	December 31, 2019
Reported outstanding claims (including claims in payment)	22,629,312	23,153,121
Incurred but not reported claims	4,005,977	3,965,610
Liabilities under individual conventional insurance contracts	989,611,020	987,760,099
Liabilities under group insurance contracts	1,164,703	1,603,253
Other insurance liabilities	230,853	229,210
	1,017,641,865	1,016,711,293

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 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.

All the appeals are 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 favour 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 under section 151(1)(d) of the Income Tax Ordinance, 2001 has not been deducted on payments made to the policyholders on the maturity . Those notices were related to tax years 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 the 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 @ 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 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) 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 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 Corporation but not agreed by the concerned 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.

Appellate Tribunal Inland Revenue (ATIR) decided the above appeal in favor of 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.

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. In the year 2013, the Inland Revenue Department filed appeal in the Honorable High Court of Sindh against the decision of ATIR which was 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 adjudication.

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 as described in note 23.1.2. 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 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 filed appeals before CIR (A) which was not upheld. The Corporation then filed appeal before ATIR against the above order which has been decided in favour of Corporation

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 March 31, 2020, 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 favour 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 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 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, Corporation's assessments were also made at higher tax rate of 43% for assessment year 2000-01 and 2001-02 and at 45% for 2002-03 instead @ 5% being entire dividend income. These assessments at Being aggrieved, 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). Corporation has paid the above demand under protest and without prejudice to the legal rights to appeal.

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, DCIR passed orders for tax years 2009 and 2010. Corporation challenged above departmental orders before CIRA. CIRA has decided the issue of incorrect CPRs and issue of short deduction on salary payments in favor of the Company. CIRA has not decided the issue of default surcharge and penalty on merit and has stated that as a result of deletion of whole of tax demand, default surcharge and penalty being consequential in nature are hereby deleted. However, CIRA has decided issue of time barred against SLIC. Corporation has filed appeals before Tribunal against above order of CIRA which are pending adjudication.

Similarly, DCIR passed orders for tax years 2011 and 2013 on more or less similar to initial orders. Corporation filed appeals before CIRA against these departmental orders and challenged levy of default surcharge and penalty on the ground that penalties were enhanced and default surcharge was levied without issuing any show-cause notice despite the availability of tax refunds. Appellate orders have been passed by CIRA, whereby CIRA has cancelled the order passed by DCIR with regard to levy of default surcharge and penalty on the ground that no show-cause notice was issued by DCIR in this regard. Corporation has filed appeals before ATIR on the ground that default surcharge and penalty levied by DCIR without issuing any show-cause notice were ab initio void and the issue could not be set-aside by CIRA and that default surcharge and penalties are levied without establishing mens rea. These appeals are pending before ATIR.

Appellate order in respect of tax year 2012 had been passed by CIRA wherein the issues of default surcharge and penalty had been remanded back to DCIR for verifying the availability of tax refunds. Corporation had also challenged tax recovery of Rs. 75 million on arbitrary basis for alleged non provision of tax payment challans which issue was remanded back by CIRA for adjudication being rectificatory matter. In appeal effect proceedings, tax payment challans for Rs. 69 million were provided to taxation officer and appeal effect order has been passed wherein default surcharge and penalty were once again levied and tax demand on the above issue was reduced from Rs. 75 million to Rs. 6 million. However, mistake had been made in the order i.e. tax of Rs. 258 million already paid has not been accounted for in the order. The Corporation has filed rectification application, and mistake has been rectified vide order dated February 07, 2019. Corporation filed appeal before CIRA with regard to levy of default surcharge and penalty and CIRA upheld the order passed by DCIR. The Company has filed appeal before ATIR which is pending for adjudication.

In the year 2016, 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 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, 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, Corporation has filed an appeal before CIRA on alleged non-provision of tax payment challans and levy of default surcharge and Penalty on account of absence of mens rea and also because of availability of significant tax refunds due to the Corporation during the default period. CIRA has set-aside the orders and directed taxation officer to revisit the issue and levy default surcharge and penalty. Corporation had challenged tax recovery of Rs. 71 million and Rs. 11 million on arbitrary basis for alleged non provision of tax payment challans in respect of tax year 2014 and 2015 respectively. CIRA has remanded back the issue for adjudication being rectificatory matter. We have written to the taxation officer to pass appeal effect orders and evidence of tax refunds were also provided, however, appeal effect orders are not yet passed.

13.1.7 Additional Commissioner Inland Revenue, Audit Range-B, Zone-III, Large Taxpayers Unit, Karachi issued notices u/s 122 (9) of the Income Tax Ordinance, 2001 with the intention to amend assessment in terms of section 122 (5A) of the Ordinance on the grounds that returns filed by Corporation which constituated deemed assessment u/s 120 (1) of the Ordinance are erroneous in so far as prejudicial to the interest of revenue. These notices were related to tax years 2011 to 2017 and 2019. Vide these notices, ACIR confronted issues like taxation of dividend income as single basket income, provision for IBNR claims, tax on commission payable to Bureau of Emigration and Overseas employment, alleged short withholding of tax on various expenses (commission, training, advertisement, rent, etc) investment property related expenses, provision for impairment in value of shares, provision for doubtful debts, diminution in value of investment, unrealized loss on investment, loans/advances to employees, adjustment of tax liability against prior year appeal effect, etc.

Corporation engaged tax consultant for responding these notices. Based on the reply filed by our tax consultant, ACIR passed amended assessment order u/s 122 (5A) whereby aggregate tax demand of Rs. 1,392 M was raised for all tax years (Tax Year 2011: Rs. 56 M, Tax Year 2012: Rs. 39 M, Tax Year 2013: 107 M, Tax Year 2014: 357 M, Tax Year 2015: Rs. 163 M, Tax Year 2016: Rs. 24 M, Tax Year 2017: Rs. 480 M and Tax Year 2019: Rs. 165 M). Since, SLIC has pending refunds/appeal effect towards IR Department, therefore; without prejudice to the legal right to appeal; SLIC through its tax consultant requested to adjust the above demands against pending refunds/appeal effects.

Being aggrieved, Corporation filed appeals before CIR (A) against above impugned orders. Tax demand at Rs. 1,015 M has been deleted by CIR (A) in above tax years. With respect to the balance tax demand, either it was maintained or remanded back to concerned ACIR for re-adjudication. SLIC as well as IR Department has filed appeals before Tribunal against orders passed by CIR (A).

13.1.8 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.

State Life filed 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 the balance sheet 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.

13.1.9 Sindh Revenue Board vide notification No.3-4/13/2020 dated 22nd June, 2020 has exempted life insurance from levy of service tax up to 30th June, 2020 subject to the condition that person providing life insurance services commences e-depositing the amount of SST due on such services from July 2020 onwards. Further, health insurance is exempt in Sindh up to 30th June, 2021 by virtue of notification No. 3-4/14/2020 dated 22nd June, 2020. Life and health insurance are also taxable in Balochistan @ 15% whereas both these services are exempt in Khyber Pakhtunkhwa from levy of service tax. Further, life and health insurance are also taxable in Punjab @ 16% w.e.f. 01st November, 2018. However, Punjab Revenue Authority vide notification dated 10.12.2018 had exempted health insurance services provided to Federal Government or Government of Punjab for smooth implementation of Prime Minister National Health Program and Health Insurance Program Punjab. Therefore, government funded health insurance services provided by Corporation are not subject to sales tax in Punjab by virtue of above notification.

Being the collective issue of the industry, life insurance companies through Insurance Association of Pakistan (IAP) engaged a legal representative to negotiate with Provincial Revenue Authorities for resolving the issue administratively. Industry's main contention is that life and health insurance is not a service, but infact, an underwriter 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 "service". Such contention of the insurance industry has also been upheld in the superior courts of the foreign jurisdictions.

Insurance contract is essentially a financial transaction which is unrelated to sale of any identifiable goods or service. In leading jurisdictions, it has been widely held that insurance is not a service and hence, it does not fall within the scope of taxability under Provincial Sales Tax Laws.

Applicability of sales tax on 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. Further, any such applicability of tax will greatly inhibit the ability of Corporation or other insurers to provide access to life and health insurance as a basic personal right of the citizen. In most of the foreign jurisdictions, life and health insurance is either permanently exempt or excluded from taxable services.

However, despite continuous follow up and negotiations, exemption from sales tax is not allowed. Subsequently, life insurance companies collectively filed constitutional petitions (CPs) before Lahore High Court and Sindh High Court against levy of sales tax on life and health insurance in Punjab and Sindh respectively. Lahore High Court has also passed stay order wherein PRA has been restrained from taken any coercive measure against SLIC.

Also, a committee has been formed comprising representatives from Provincial Revenue Authorities as well as from Insurance industry to discuss and deliberate the tax issues being faced by insurance industry and to identify the way forward.

13.2 Commitments

The Corporation is committed in respect of capital expenditure contract aggregating to Rs. 388 million (2019: Rs. 388 million). There were no other commitments as at the balance sheet date.

	March 31, 2020 (Un-audited)	March 31, 2019 (Un-audited)
	------Rupees in '000 ------	

14 NET INSURANCE PREMIUM REVENUE

Gross premiums		
Regular premium individual policies		
First year	1,872,235	1,530,666
Second year renewal	1,512,839	1,745,684
Subsequent year renewal	16,344,553	15,839,381
Group policies with cash values	-	-
Group policies without cash values	4,761,132	2,661,917
Less : experience refund premium	(1,793,238)	(967,990)
Total gross premiums	22,697,521	20,809,658
Less: Reinsurance premiums ceded		
On individual life first year business	(4,214)	(3,673)
On individual life second year business	(1,992)	(2,761)
On individual life renewal business	(24,044)	(20,707)
On group policies	-	-
	(30,250)	(27,141)
	22,667,271	20,782,517

15 INVESTMENT INCOME

Income from equity securities		
- Dividend income	1,368,801	1,325,114
Income from debt securities		
- Return on debt securities	19,643,345	16,282,275
	21,012,146	17,607,389

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

Realized gains on equity securities	-	(18,179)

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

Unrealized losses on equity securities	(28,293,841)	3,549,520
Investment related expenses	(12,724)	(14,659)
	(28,306,565)	3,534,861

18 NET RENTAL INCOME

Rental income	308,541	261,023
Less: expenses of investment property	(113,867)	(118,569)
	194,674	142,454

19 OTHER INCOME

Return on bank balances	769,292	629,317
Return on loans to employees	26,873	11,469
Return on loans to policyholders	2,385,667	1,905,278
Exchange gain on revaluation	873,018	531,267
Miscellaneous income	20,239	21,028
	4,075,090	3,098,360

	March 31, 2020 (Un-audited)	March 31, 2019 (Un-audited)
	------Rupees in '000 ------	

20 NET INSURANCE BENEFITS

	March 31, 2020	March 31, 2019
Gross Claims		
Claims under individual policies		
- by death	1,385,607	1,473,336
- by insured event other than death	80,173	93,288
- by maturity	1,749,587	1,990,838
- by surrender	7,520,206	5,512,521
- annuity payments	776	1,391
Total gross individual policy claims	10,736,349	9,071,374
Claims under group policies		
- by death	681,527	837,682
- by insured event other than death	1,656,194	405,256
- by surrender	26	889
- annuity payments	59	1,809
Total gross group policy claims	2,337,806	1,245,636
Total gross claims	13,074,155	10,317,010
Less: reinsurance recoveries		
-on individual life claims	(567)	(18,477)
-on group life claims	-	-
	(567)	(18,477)
Net insurance benefit expense	13,073,588	10,298,533

21 ACQUISITION EXPENSES

	March 31, 2020	March 31, 2019
Remuneration to insurance intermediaries on individual policies:		
- commission to agent on first year premiums	880,038	817,465
- commission to agent on second year premiums	216,898	255,237
- commission to agent on subsequent renewal premiums	719,160	682,610
- other benefits to insurance intermediaries	131,051	154,842
- branch overhead	307,157	249,171
Remuneration to insurance intermediaries on group policies:		
- commission	538	597
- other benefits to insurance intermediaries	470	280
Other acquisition costs		
- Stamp duty and medical fee	135,508	112,226
	2,390,820	2,272,428

22 MARKETING AND ADMINISTRATION EXPENSE

	March 31, 2020	March 31, 2019
Employee benefit cost	1,481,803	1,518,102
Travelling expenses	51,653	60,781
Advertisement and sales promotion	1,650	773
Printing and stationery	14,293	9,834
Depreciation expense	31,060	30,826
Rent, rates and taxes	59,187	57,197
Legal and professional charges - business related	96,821	92,221
Electricity, gas and water charges	183,100	195,571
Office repair and maintenance	1,889	2,021
Bank charges	8,258	8,996
Postages, telegrams and telephone charges	17,811	19,008
Miscellaneous expense	8,416	10,237
	1,955,941	2,005,567

	March 31, 2020 (Un-audited)	March 31, 2019 (Un-audited)
	------Rupees in '000 ------	

23 OTHER EXPENSES

Auditors' remuneration	1,491	-
Miscellaneous expense	53,345	56,489
	54,836	56,489

24 INCOME TAX EXPENSE

	4,401,597	4,334,484
For the period		
Current	185,106	228,263
Deferred	22,023	133,960
	207,129	362,223

25 EARNINGS PER SHARE

Profit after tax for the period	505,921	902,604
Weighted average outstanding number of ordinary shares as at period end	43,000	35,000
Earnings per share (Rupees)	11.77	25.79

During the current period, the Corporation has issued 8 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 31-08-2020 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
Riaz Ahmad Memon	Iftikhar-ul-Hussain Shah	M. Saeedullah 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 annual audited financial statements of State Life Insurance Corporation of Pakistan for the quarter ended March 31, 2020, set out in the forms attached to the statement 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 year complied with the provisions of the Insurance Ordinance and the rules made thereunder relating to paid-up-capital, solvency and re-insurance arrangements; and

c. As at March 31, 2020, State Life Insurance Corporation of Pakistan continues to be in compliance with the provisions of the Insurance Ordinance and the rules made thereunder relating to paid-up-capital, solvency and reinsurance arrangements.

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 the Insurance Rules, 2017.

Dated July 27, 2020

CHAIRMAN	DIRECTOR	DIRECTOR	CHIEF FINANCIAL OFFICER
Riaz Ahmad Memon	Iftikhar-ul-Hussain Shah	M. Saeedullah Khan	Muhammad Rashid

Form LM

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, 2020 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: July 27, 2020