

## DIRECTORS' REVIEW

The Board of Directors of Postal Life Insurance Company Limited (the Company) is pleased to present the Condensed Interim Financial Information of the Company for the half year ended 30<sup>th</sup> June, 2023 together with the Auditors' Review Report thereon.

### Financial Highlights & Review:

Despite the economic and operational challenges being faced by the Country, the half-year financial statements of the Company for the period ended 30<sup>th</sup> June, 2023 concluded on a positive note, reporting a net profit after tax of **Rs. 305 million**. The Earning per share is **Rs 0.76**. The Company's financial highlights for the half-year ended 30<sup>th</sup> June, 2023 are as follows:

Profit & Loss account	Half year ended 30 <sup>th</sup> June, 2023 (in "000)	Half year ended 30 <sup>th</sup> June, 2022 (in "000)
Net premium revenue	1,065,114	1,607,472
Investments and other incomes	4,638,103	3,490,345
Net insurance benefits	(4,455,605)	(3,004,042)
Net change in insurance liabilities	(244,011)	(815,273)
Acquisition expense	(201,548)	(315,125)
Marketing and administration expenses	(351,852)	(315,600)
Other expenses	(5,952)	(6,243)
Profit before tax	444,249	641,534
Taxation	(139,325)	(77,128)
<b>Net Profit After Tax</b>	<b>304,924</b>	<b>564,406</b>

During the half-year of 2023, the Gross premium written by the Company stood at Rs. 1,065 million, representing a decline from Rs. 1,607 million in the corresponding period last year. This is mainly due to the economic and operational challenges being faced by the Company. The management is putting its efforts to correct the situations and to achieve the sustainable growth and profitability in future.

The Company's investment portfolio currently stood at Rs. 3,908 million. Given the prevailing economic uncertainties, the Company has chosen to invest its portfolio in Government Securities. The Company has achieved a return on investment of Rs. 364 million against Rs. 272 million in



the corresponding period last year, marking a growth of 34%. The increase in investment income is mainly due to a rising trend in interest rates.

During the half-year of 2023, the net insurance benefits stood at Rs. 4,446 million, representing an increase from Rs. 3,004 in the corresponding period last year. This shows an increasing trend in maturities and surrender of policies. The Company's management is making efforts towards optimizing policy management processes and enhancing customer satisfaction.

The Company is currently in the midst of a transition phase characterized by significant operational challenges. These challenges include understaffing, vacancies in key positions, lack of consistent leadership at the CEO level, outstanding receivable from the Federal Government and other related matters. As a result, we are facing difficulties in effectively managing our corporate structure and implementing new marketing strategies. It is crucial for us to address these transitional issues to navigate this phase successfully and ensure our long-term growth and stability.

#### **Future Outlook:**

Despite facing significant operational hurdles, the Company is committed to overcoming the transitional phase by addressing these challenges. We will actively work towards resolving issues of understaffing and filling key positions with talented individuals who can implement the Board's vision. The management is also in co-ordination with the Ministry of Finance for releasing sufficient amount of funds against the promissory note for the payments of claims in a timely manner.

Additionally, efforts are underway to reconstitute the Board of PLICL under the State-Owned Enterprises (Governance and Operations) Act, 2023, and then consistent leadership can be established for providing the stability needed to steer the Company towards its strategic objectives.

In the coming year, our focus will also be on enhancing our corporate structure to improve efficiency and agility. We recognize the importance of implementing new marketing strategies to stay competitive in the market and are committed to exploring innovative approaches to reach our target audience effectively.

The Government is taking measures to control inflation and to bring stability to the economic conditions of the Country. In current circumstances, the Company will monitor the cost of business acquisition in order to improve profitability and at the same time special focus will be laid on retention and motivation of the staffs by career development and compensation structure. Further improvement in the company's internal workflow will be performed to achieve efficiency in business processing by the implementation of controls through modern IT solutions.

#### **Note of Appreciation:**

We take this opportunity to express our gratitude to SECP for their valuable assistance, support and guidance. The Board also wishes to thank the valued policy holders for placing their trust and

confidence in the Company. Finally, our special thanks to the Ministry of Communications and the Ministry of Finance for their continued patronage which is a source of encouragement for the Company.

For and on behalf of the Board of Directors



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Naeem Akhtar Sheikh  
Independent Director

Date: 18<sup>th</sup> April, 2024



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Farzin Khan  
Independent Director