



POSTAL LIFE INSURANCE COMPANY LIMITED

**CONDENSED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)**

**FOR THE PERIOD ENDED
JUNE 30, 2022**

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

INDEPENDENT AUDITORS REVIEW REPORT TO THE MEMBERS OF POSTAL LIFE INSURANCE COMPANY LIMITED

Report on Review of Condensed Interim Financial Statements

Introduction

We have reviewed the annexed condensed interim statement of financial position of **POSTAL LIFE INSURANCE COMPANY LIMITED** ("the Company") as at June 30, 2022 and the related condensed interim statement of profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim cash flow statement, and notes to the financial statements for the six-month period then ended (herein after referred as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as of and for the half year ended June 30, 2022, is not prepared, in all material respects, in accordance with the approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarter ended June 30, 2022 and June 30, 2021 in the condensed interim statement of profit or loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion, as we are required to review only the cumulative figures for the six month period ended June 30, 2022.

Revised

Emphasis of Matter

We draw attention to note 15.1 to the accompanying condensed interim financial statements which describe the contingency regarding chargeability of sales tax on premiums by provincial revenue authorities.

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

Other Matters

The condensed interim financial statement of the company for the six months period ended June 30, 2021 were reviewed by another firm of Chartered Accountants whose report dated September 22, 2021 expressed an unmodified conclusion thereon.

The engagement partner on the review resulting in this independent auditor's review report is Iffat Hussain.

ISLAMABAD

DATED: 08 DEC 2023

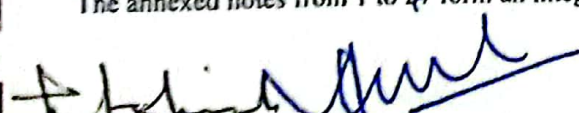
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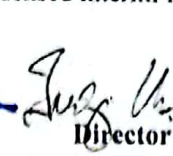
POSTAL LIFE INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

		June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Property and equipment	4	15,544	10,890
Intangible assets	5	1,022	1,276
Investments in government securities	6	5,276,268	4,468,793
Loans secured against life insurance policies		790,445	776,364
Receivable from Government of Pakistan	7	65,524,272	64,786,428
Insurance / reinsurance receivables	8	375,672	252,745
Other loans and receivables	9	1,023,860	296,968
Deferred taxation		613	750
Prepayments		1,805	24
Cash and bank	10	279,558	618,504
TOTAL ASSETS		73,289,059	71,212,742
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES ATTRIBUTABLE TO COMPANY'S EQUITY HOLDERS			
Authorized ordinary share capital (400,000,000 ordinary shares of Rs.10 each)		<u>4,000,000</u>	<u>4,000,000</u>
Issued subscribed and paid-up share capital	11	700,000	700,000
Share deposit money	12	3,300,000	3,300,000
Ledger account attributable to policyholders' fund		1,212,214	830,871
Unappropriated profit		373,888	190,825
TOTAL EQUITY		5,586,102	5,021,696
LIABILITIES			
Insurance liabilities	13	66,992,380	65,883,468
Retirement benefit obligations		3,679	2,317
Premium received in advance		128,004	3,792
Insurance / reinsurance payables		2,187	1,005
Other creditors and accruals	14	493,084	253,165
Taxation - provision less payments		83,623	47,298
TOTAL LIABILITIES		67,702,957	66,191,046
TOTAL EQUITY AND LIABILITIES		73,289,059	71,212,742
CONTINGENCIES & COMMITMENTS	15	-	-

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.


Chairman Chief Executive Officer


Director


Director


Chief Financial Officer

POSTAL LIFE INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022

	Half Year Ended		Quarter Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Note	----- (Rupees in '000) -----			
Premium revenue	1,608,654	-	661,735	-
Premium ceded to reinsurers	(1,182)	-	(606)	-
Net premium revenue	1,607,472	-	661,129	-
Investment incomes	272,354	77,799	153,834	62,459
Interest income on bank balances	16,235	37,379	12,868	8,530
Interest income on balance of promissory note	3,154,586	-	1,561,840	-
Interest income on outstanding policyholders loans	46,848	-	23,681	-
Other income	322	-	-	-
	3,490,345	115,178	1,752,223	70,989
Net income	5,097,817	115,178	2,413,352	70,989
Net insurance benefits	(3,004,042)	-	(1,174,463)	-
Net change in insurance liabilities	815,273	-	398,809	-
Acquisition expenses	315,125	-	202,223	-
Marketing and administration expenses	315,600	20,151	163,010	14,595
Other expenses	6,243	3,987	3,235	-
Total expenses	(1,452,241)	(24,138)	(767,277)	(14,595)
Profit before tax	641,534	91,041	471,612	56,394
Income tax expense	(77,128)	(26,402)	(21,693)	(16,354)
Profit after tax for the period	564,406	64,639	449,919	40,040
Earning per share - Rupees (Basic)	2.62	0.92	1.31	0.57
Earning per share - Rupees (Diluted)	0.46	0.16	0.23	0.10

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

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Chairman


Chief Executive Officer


Director


Director


Chief Financial Officer

POSTAL LIFE INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022

	Half Year Ended		Quarter Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	----- (Rupees in '000) -----			
Profit for the period	564,406	64,639	449,919	40,040
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	564,406	64,639	449,919	40,040

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

Refer.


Chairman


Chief Executive Officer


Director


Director


Chief Financial Officer

POSTAL LIFE INSURANCE COMPANY LIMITED
 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE HALF YEAR ENDED JUNE 30, 2022

Share Capital	Revenue reserves			Total	
	Issued, subscribed and paid up capital	Share deposit money	Ledger account attributable to policyholders' fund		Unappropriated profit
----- (Rupees in '000) -----					
Balance as at January 01, 2021 (Audited)	700,000	1,000,000	-	13,511	1,713,511
Share deposit money received	-	2,300,000	-	-	2,300,000
Total comprehensive income for the period	-	-	-	64,639	64,639
Surplus for the period in statutory funds	-	-	-	-	-
Balance as at June 30, 2021	700,000	3,300,000	-	78,150	4,078,150
Balance as at January 01, 2022 (Audited)	700,000	3,300,000	830,871	190,825	5,021,696
Total comprehensive income for the period	-	-	-	564,406	564,406
Surplus for the period in statutory funds	-	-	381,343	(381,343)	-
Balance as at June 30, 2022	700,000	3,300,000	1,212,214	373,888	5,586,102

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.


Chairman


Chief Executive Officer


Director


Director


Chief Financial Officer


POSTAL LIFE INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022

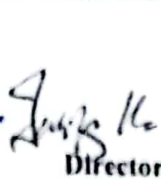
	Half Year Ended		Note
	June 30, 2022	June 30, 2021	
	———— (Rupees in '000) ————		
Operating Cash Flows			
(a) Underwriting activities			
Insurance premium received	1,608,070	178,876	
Claims paid	(2,710,402)	-	
Commission paid	(2,258)	-	
Marketing and administrative expenses paid	(389,660)	(22,154)	
Net cash flow (used in) / generated from underwriting activities	(1,494,250)	156,722	
(b) Other operating activities			
Income tax paid	(40,815)	(11,926)	
Other operating receipts / payments	691,535	(2,326)	
Loans advanced	(12,403)	-	
Loans repayments received	45,169	-	
Net cash flow generated from / (used in) other operating activities	683,486	(14,251)	
Total cash flow (used in) / generated from all operating activities	(810,764)	142,471	
Investment Activities			
Profit / return received	261,247	80,052	
Payment for investments in Government securities	(10,405,521)	(6,953,484)	
Maturity received against investments in Government securities	10,622,528	3,511,559	
Payment for investments in term deposits	(3,141,000)	-	
Maturity received against investment in term deposits	3,141,000	-	
Fixed capital expenditure	(6,435)	(297)	
Total cash flow generated from / (used in) investing activities	471,818	(3,362,169)	
Financing Activities			
Share deposit money received	-	2,300,000	
Total cash flow generated from financing activities	-	2,300,000	
Net cash flows generated from all activities	(338,946)	(919,699)	
Cash and cash equivalents at the start of the period	618,504	1,700,086	
Cash and cash equivalents at the end of the period	279,558	780,388	10
Reconciliation to profit and loss account			
Operating cash flows	(810,764)	142,471	
Depreciation & amortization expense	2,036	(257)	
Interest and other income	335,760	99,411	
Increase in assets other than cash	2,410,863	59,971,712	
Increase in liabilities other than borrowings	(1,373,489)	(60,148,697)	
Profit after taxation for the period	564,406	64,639	

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.


Chairman


Chief Executive Officer


Director


Director


Chief Financial Officer

POSTAL LIFE INSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Postal Life Insurance Company Limited (the Company) is incorporated in Pakistan on March 10, 2020 as a public limited company under the Companies Act, 2017. The Company is registered under the Securities & Exchange Commission of Pakistan Insurance Division on August 26, 2020. SECP allowed the commencement of business with effect from January 20, 2021. The address of its registered and principal office is DG PPO, G - 8/4, Islamabad.
- 1.2 The Company is engaged in life insurance business in accordance with the requirements of the Insurance Ordinance, 2000.
- 1.3 Policyholders' portfolio of erstwhile Postal Life Insurance (PLI) Fund of Pakistan Post Office Department has been transferred to PLICL through a promissory note issued by the Government of Pakistan, Finance Division with effect from April 02, 2021.
- 1.4 In accordance with the requirement of Insurance Ordinance, 2000, the Company has established a Shareholder Fund and separate Statutory Funds in respect of each class of life insurance business. The Statutory Funds established by the Company, in accordance with the advice of Appointed Actuary are as follows:
- Post Office Insurance Fund
 - Pakistan Business Fund

2 BASIS OF PREPARATION

- 2.1 These condensed interim financial statements have been prepared on the format of financial statements issued by the Securities and Exchange Commission of Pakistan (SECP) through the Insurance Rules, 2017 vide its S.R.O. 89(1)/2017 dated February 09, 2017 as applicable to life insurers.

2.2 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017 and the Insurance Ordinance, 2000 and the Insurance Rules, 2017 and the Insurance Accounting Regulations, 2017.

In case the requirements differ, the provisions or directives of the Companies Act, 2017; the Insurance Ordinance, 2000; the Insurance Rules, 2017; and the Insurance Accounting Regulations, 2017 shall prevail.

2.3 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, certain financial assets and liabilities which are stated at fair value or amortized cost as applicable.

2.4 Functional and presentation currency

These condensed interim financial statements are presented in Pakistan Rupees (rounded up to thousand) which is the Company's functional and presentation currency. Amounts have been rounded off to the nearest thousand, unless otherwise stated.

2.5 Standards, interpretations of and amendments to accounting standards that have become effective during the period

There are certain new and amended standards, interpretations and amendments to the accounting and reporting standards that are mandatory for accounting periods beginning on or after January 01, 2022 but are considered not to be relevant or do not have any significant impact on the Company's condensed interim financial statements and therefore not detailed in these condensed interim financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND FINANCIAL RISK MANAGEMENT / JUDGEMENTS AND ESTIMATES

The significant accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of annual financial statements of the company for the year ended December 31, 2021.

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended December 31, 2021. In preparing these condensed interim financial statements, the management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the financial statements for the year ended December 31, 2021.

Revised.

June 30, **December 31,**
2022 **2021**
(Un-audited) **(Audited)**
----- Rupees in '000 -----

4 PROPERTY AND EQUIPMENT

Net book value as at the beginning of the period	10,890	-
Additions during the period	6,435	12,318
Net depreciation charged during the period	(1,781)	(1,428)
Net book value as at the end of the period	15,544	10,890

5 INTANGIBLE ASSETS

Net book value as at the beginning of the period	1,276	-
Additions during the period	-	1,529
Net amortization charged during the period	(254)	(253)
Net book value as at the end of the period	1,022	1,276

6 INVESTMENTS IN GOVERNMENT SECURITIES

Particulars	June 30, 2022 (Un-audited)				
	Maturity year	Effective coupon / yield (%)	Amortized cost	Principal repayment	Carrying value

----- Rupees -----

Held to maturity

03 Months Treasury Bills	Jul 2022	13.64 - 14.19	821,393	850,000	841,512
03 Months Treasury Bills	Aug 2022	14.24 - 14.66	4,249,996	4,390,000	4,298,331
03 Months Treasury Bills	Sep 2022	15.08 - 15.12	204,879	212,000	205,540
			5,276,268	5,452,000	5,345,383

Particulars	December 31, 2021 (audited)				
	Maturity year	Effective coupon / yield (%)	Amortized cost	Principal repayment	Carrying value

----- Rupees -----

03 Months Treasury Bills	Feb 2022	9.65 - 9.75	3,131,482	3,200,000	3,157,552
03 Months Treasury Bills	Mar 2022	10.60 - 10.66	1,337,310	1,370,000	1,343,537
			4,468,793	4,570,000	4,501,089

6.1 Government Securities include Rs. 75 million (December 2021: 75 million) placed with the State Bank of Pakistan, in accordance with Section 29 of the Insurance Ordinance, 2000 as statutory reserve / statutory deposits.

	Note	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
----- Rupees in '000 -----			
7 RECEIVABLE FROM GOVERNMENT OF PAKISTAN			
Receivable against Postal Life Fund	7.1	57,892,279	60,309,021
Interest on Postal Life Fund	7.2	7,631,993	4,477,407
		<u>65,524,272</u>	<u>64,786,428</u>
7.1 Opening balance - Receivable from Government of Pakistan (GoP)	7.3	60,309,021	60,309,021
Less: Policyholders liabilities paid during the period		(2,416,742)	-
Closing balance - Receivable from GoP		<u>57,892,279</u>	<u>60,309,021</u>
7.2 Opening balance - Interest receivable		4,477,407	-
Add: Accrual during the period		3,154,586	4,477,407
Closing balance - Interest receivable		<u>7,631,993</u>	<u>4,477,407</u>

7.3 The Finance Division, Government of Pakistan committed to provide funds to the Company through Ministry of Communication to pay authenticated and certified claims / liabilities of the bonafied and valid insurance policies under Postal Life Insurance Scheme amounting to Rs. 48 billion as of October 31, 2020 and an additional amount as may be determined through actuarial valuation by the Ministry of Communication along with all interests accrued on the average outstanding balance of the principal amount. The amount assessed by the appointed actuary of the Company against the policies issued under Postal Life Insurance Scheme is estimated at Rs. 59.936 billion as of October 31, 2020.

	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
----- Rupees in '000 -----		
8 INSURANCE / REINSURANCE RECEIVABLES		
Due from insurance contract holder	<u>375,672</u>	<u>252,745</u>
	<u>375,672</u>	<u>252,745</u>

June 30, **December 31,**
2022 **2021**
(Un-audited) **(Audited)**
----- Rupees in '000 -----

9 OTHER LOANS AND RECEIVABLES

Accrued investment income	69,115	32,296
Accrued on bank deposits	10,294	19,770
Security deposit	4,328	348
Receivable from Pakistan Post (Premium Collection)	939,412	244,159
Advance to agents	650	395
Other receivable	60	-
	1,023,860	296,968

10 CASH AND BANK

Cash in hand	1,924	2,115
Cash at bank		
- Current account	5,801	73,211
- Saving account	271,834	543,178
	279,558	618,504

10.1 These carry mark-up / interest at the rate of 6.25% to 9.75% per annum (2021: 6.25%-10.50% per annum).

11 SHARE CAPITAL

11.1 Authorized ordinary share capital

June 30, 2022 (Un-audited) (No. of Shares in '000)	December 31, 2021 (Audited)		June 30, 2022 (Un-audited)	December 31, 2021 (Audited)	
400,000	400,000	Ordinary shares of	4,000,000	4,000,000	
400,000	400,000	Rs.10 each	4,000,000	4,000,000	

11.2 Issued, subscribed and paid-up share capital

June 30, 2022 (Un-audited) (No. of Shares in '000)	December 31, 2021 (Audited)		June 30, 2022 (Un-audited)	December 31, 2021 (Audited)	
70,000	70,000	Ordinary shares of	700,000	700,000	
70,000	70,000	Rs.10 each fully paid in cash	700,000	700,000	

June 30, **December 31,**
2022 **2021**
(Un-audited) **(Audited)**
----- Rupees in '000 -----

12 SHARE DEPOSIT MONEY

Opening balance	3,300,000	1,000,000
Share deposit money received during the period	-	2,300,000
	3,300,000	3,300,000

12.1 It represents share deposit money received from Government of Pakistan for issuance of ordinary share capital. The application of allotment of shares has been filed with Securities Exchange Commission of Pakistan (SECP) for approval subsequently.

June 30, **December 31,**
2022 **2021**
(Un-audited) **(Audited)**
----- Rupees in '000 -----

13 INSURANCE LIABILITIES

	Note		
Incurred but not reported claims	13.1	544,952	544,952
Liabilities under individual insurance	13.2	6,068,985	5,804,126
Liabilities under group insurance	13.3	2,355,355	2,326,574
Other insurance liabilities - Technical reserves		55,976,189	55,160,916
Other insurance liabilities - Policyholder liabilities		2,046,900	2,046,900
		66,992,380	65,883,468

13.1 Incurred but not reported claims

Gross of reinsurance	544,952	544,952
Reinsurance credit	-	-
Net of reinsurance	544,952	544,952

13.2 Liabilities under individual insurance

Gross of reinsurance	6,068,985	5,804,126
Reinsurance credit	-	-
Net of reinsurance	6,068,985	5,804,126

13.3 Liabilities under group insurance

Gross of reinsurance	2,355,355	2,326,574
Reinsurance credit	-	-
Net of reinsurance	2,355,355	2,326,574

Advised

June 30, **December 31,**
2022 **2021**
(Un-audited) **(Audited)**
----- Rupees in '000 -----

14 OTHER CREDITORS AND ACCRUALS

Agent commission payable	299,376	116,538
Payable to vendors	3,536	4,078
Accrued expenses	2,615	3,723
Staff salaries & other benefits payable	44,786	45,348
Pension fund payable	33,912	31,145
Compensated absence payable	3,778	2,167
Directors fee payable	-	665
Audit fee payable	1,086	1,086
Actuarial services fee payable	1,765	1,765
Rent payable	61,070	33,665
Zakat payable	31,121	12,287
Other liabilities	10,038	699
	493,084	253,165

15 CONTINGENCIES & COMMITMENTS

15.1 Contingencies

Punjab Sales Tax (PST): The life insurance as well as takaful operations were exempt from sales tax on services till November 01, 2018 when the Punjab Revenue Authority (PRA) withdrew exemption on both life insurance and takaful operations. However, during the year 2020, the Government of Punjab through Notification # SO(TAX)1-110/220 (COVID-19) dated April 02, 2020, levied "zero percent" tax without any input tax adjustment for life insurance, in order to provide relief to the industry for the damage caused during the pandemic outbreak. The said Notification was effective for the period from April 02, 2020 to June 30, 2020 only. Thereafter, no exemption from sales tax on services are available to life insurers under PST.

Sindh Sales Tax (SST): Similar to PRA, the Sindh Revenue Board also lifted the exemption that was initially provided vide Notification # SRB-3-4/18/2014 dated October 29, 2014, and was extended through different notifications. However, during the year 2019, SRB vide Notification # SRB-3-4/5/2019 dated May 08, 2019, restored the exemption on both life insurance and takaful business for the period from July 01, 2018, to June 2019. This exemption was further extended till June 30, 2020, through Notification # SRB-3-4/13/2020 dated June 22, 2020. Since then, no exemption is available to life insurer under SST.

Khyber Pakhtunkhwa Sales Tax (KPST): Furthermore, the Khyber Pakhtunkhwa Revenue Authority (KPRA) through Khyber Pakhtunkhwa Finance Act, 2021 has imposed sales tax on life insurance at the rate of 15% from July 01, 2021 which was previously exempt. The matter has been taken up by the IAP with KPRA explaining that 'Insurance' is a Federal subject and thus, law in respect of insurance should not be made by the Province.

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The management of the Company is of the view that life insurance / takaful operation is not a service but infact is an underwriting agreement to pay to the participants in the future, a specified sum of money, either on occurrence of an identified event or upon maturity of the policy, as is also clearly identified in the definition of the term "insurance or takaful" under the Insurance Ordinance, 2000.

In view of the above, the industry through the forum of Insurance Association of Pakistan (IAP) has filed constitutive petitions in the Lahore High Court, Lahore and in the High Court of Sindh, Karachi on September 28, 2019 and November 28, 2019 against PRA and SRB respectively.

Resultantly, a stay order against any coercive actions by SRB and PRA were received from the High Court of Sindh, Karachi and Lahore High Court, Lahore on September 22, 2020 and October 03, 2019 respectively.

In view of the above, the Company is neither billing its customers the provincial sales tax for the time being nor has made any provision for the same in the books of account for the year ended December 31, 2021.

15.2 Commitments

There were no capital commitments as at the period end.

June 30, 2022	June 30, 2021
(Un-audited)	(Un-audited)
----- Rupees in '000 -----	

16 NET PREMIUM REVENUE

Gross premium

Regular premium - Individual policies

First year

Second year renewal

Subsequent year renewal

Group policies without cash value

Total Gross Premiums

33,025	-
53,607	-
1,398,520	-
123,501	-
1,608,654	-

Less: Reinsurance premiums ceded on individual life first year business

Net Premiums revenue

(1,182)	-
1,607,472	-

17 NET INSURANCE BENEFITS

Claims under individual policies

by death

by maturity

by surrender

Total gross individual policies claims

Behler

228,468	-
1,879,366	-
610,315	-
2,718,149	-

	June 30, 2022 (Un-audited)	June 30, 2021 (Un-audited)
	----- Rupees in '000 -----	
Claims under group policies		
by death	285,393	-
by insured event other than death	500	-
Total gross group policies claims	285,893	-
Less: Reinsurance recoveries	-	-
Net insurance benefit expense	<u>3,004,042</u>	<u>-</u>

18 ACQUISITION EXPENSES

Remuneration to insurance intermediaries on individual policies:

- Commission to agent on first year premiums	7,547	-
- Commission to agent on subsequent renewal premiums	177,804	-
	185,352	-

Other acquisition costs

Stamp duty	3,050	-
Medical fee	2,106	-
Employee benefit cost	92,722	-
Depreciation	445	-
Amortization	64	-
Travel and conveyance	1,271	-
Advertisements and sales promotion	383	-
Printing and stationery	756	-
Rent, rates and taxes	19,757	-
Electricity, gas and water	3,445	-
Fees, subscription and periodicals	445	-
Entertainment	310	-
Vehicle running expenses	1,454	-
Repair and maintenance	676	-
Postage, telegrams and telephone	520	-
Computer expenses	1,842	-
Training and development	126	-
Finance charges	301	-
Miscellaneous	101	-
	<u>129,773</u>	<u>-</u>
	<u>315,125</u>	<u>-</u>

Review

June 30, **June 30,**
2022 **2021**
(Un-audited) **(Un-audited)**
----- Rupees in '000 -----

19 MARKETING AND ADMINISTRATIVE EXPENSES

Employee benefit cost	278,167	18,363
Depreciation	1,336	214
Amortization	191	42
Travel and conveyance	3,812	-
Advertisements and sales promotion	1,148	-
Printing and stationery	2,269	-
Rent, rates and taxes	13,172	74
Electricity, gas and water	2,297	163
Fees, subscription and periodicals	1,334	-
Entertainment	207	-
Vehicle running expenses	969	-
Repair and maintenance	2,027	109
Postage, telegrams and telephone	1,561	107
Computer expenses	5,527	-
Training and development	377	-
Bank charges	903	1
Miscellaneous	304	1,078
	315,600	20,151

20 OTHER EXPENSES

Actuarial services	3,529	1,176
Directors meeting fee	1,500	2,150
Consultancy charges	657	460
Legal and professional charges	357	-
Auditors' remuneration	200	200
	6,243	3,987

21 TAXATION

For the period		
- Current	83,620	25,716
- Prior Year	(6,630)	-
- Deferred	138	686
	77,128	26,402

Adverse.

22 SEGMENTAL INFORMATION

22.1 Revenue Account by Statutory Fund

Income

Premium less reinsurances

Net investment income

Total net income

Insurance benefits and expenditure

Insurance benefits including bonuses, net of reinsurance recoveries

Management expenses less recoveries

Total insurance benefits and expenditure

Surplus of income over claims and expenditure

Add: Policyholders' liabilities as at January 01,

Less: Policyholders' liabilities as at June 30,

Surplus for the period in statutory funds

Movement in policyholders' liabilities

Balance of statutory fund as at January 01,

Balance of statutory fund at at June 30,

Statutory funds		Aggregate	
Pakistan Business Fund	Post office Business Fund	June 30, 2022 (Un-audited)	June 30, 2021 (Un-audited)
----- Rupees in '000 -----			
85,450	1,522,022	1,607,472	-
1,807	3,201,433	3,203,240	-
87,257	4,723,455	4,810,712	-
-	3,004,042	3,004,042	-
40,110	569,943	610,054	-
(40,110)	(3,573,986)	(3,614,096)	-
47,146	1,149,470	1,196,616	-
6,085	55,699,783	55,705,868	-
12,274	56,508,867	56,521,141	59,936,005
40,957	340,386	381,343	(59,936,005)
6,189	809,084	815,273	59,936,005
6,085	55,699,783	55,705,868	-
53,231	56,849,253	56,902,484	-

Advea.

22.2 Segment Statement of financial position

	Statutory funds		June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	Ordinary Life			
Shareholders' fund	Pakistan Business Fund	Post Office Business Fund		
Rupees in '000				
Property and equipment	15,544	-	15,544	10,890
Intangible assets	1,022	-	1,022	1,276
Investments in Government securities	5,241,268	35,000	5,276,268	4,468,793
Receivable from Government of Pakistan	-	-	65,524,272	64,786,428
Loans secured against life insurance policies	-	-	790,445	776,364
Insurer/ reinsurance receivable	-	-	375,672	252,745
Other loans and receivables	84,448	-	939,412	296,968
Deffered taxation	613	-	613	750
Prepayments	1,805	-	1,805	24
Cash and Bank	279,558	-	279,558	618,504
Total Assets	5,624,257	35,000	73,289,059	71,212,742
Insurance liabilities	-	-	66,992,380	65,883,468
Premium received in advance	-	-	128,004	3,792
Insurance / reinsurance payables	-	-	2,187	1,005
Retirement benefit obligation	3,679	-	3,679	2,317
Other creditors and accruals	493,084	-	493,084	253,165
Taxation -provision less payments	83,623	-	83,623	47,298
Total Liabilities	580,386	-	67,122,571	66,191,046

PKIA

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of all financial assets and liabilities reflected in the condensed interim financial statements are appropriate to their fair values except for non-trading investments. Fair value is determined on the basis of the objective evidence at each reporting date.

23.1 Carrying amount versus fair value

The following table compares the carrying amount and fair values of the Company's financial assets and financial liabilities as at June 30, 2022.

	As at June 30, 2022 (Unaudited)		As at December 31, 2021 (Audited)	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Rupees		Rupees	
Financial Assets				
Investments in government securities	5,276,268	5,276,268	4,468,793	4,468,793
Loans secured against life insurance policies	790,445	790,445	776,364	776,364
Receivable from Government of Pakistan	65,524,272	65,524,272	64,786,428	64,786,428
Insurance / reinsurance receivables	375,672	375,672	252,745	252,745
Other loans and receivables	1,023,860	1,023,860	296,968	296,968
Cash and bank	279,558	279,558	618,504	618,504
	73,270,076	73,270,076	71,199,802	71,199,802
Financial Liabilities				
Insurance liabilities	66,992,380	66,992,380	65,883,468	65,883,468
Retirement benefit obligations	3,679	3,679	2,317	2,317
Premium received in advance	128,004	128,004	3,792	3,792
Insurance / reinsurance payables	2,187	2,187	1,005	1,005
Other creditors and accruals	493,084	493,084	253,165	253,165
	67,619,334	67,619,334	66,143,748	66,143,748

23.2 Fair value hierarchy

The level in the fair value hierarchy within which the asset or liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement.

Assets and liabilities are classified in their entirety into only one of the three levels.

The fair value hierarchy has the following levels:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

The table below analyses assets measured at the end of the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised:

	As at June 30, 2022	Level 1	Level 2	Level 3
	----- Rupees -----			
Financial Assets				
Investments in government securities	5,276,268	5,276,268	-	-
Loans secured against life insurance policies	790,445	790,445	-	-
Receivable from Government of Pakistan	65,524,272	65,524,272	-	-
Insurance / reinsurance receivables	375,672	375,672	-	-
Other loans and receivables	1,023,860	1,023,860	-	-
Cash and bank	279,558	279,558	-	-
	73,270,076	73,270,076	-	-

	As at December 30, 2022	Level 1	Level 2	Level 3
	----- Rupees -----			
Financial Assets				
Investments in government securities	4,468,793	4,468,793	-	-
Loans secured against life insurance policies	776,364	776,364	-	-
Receivable from Government of Pakistan	64,786,428	64,786,428	-	-
Insurance / reinsurance receivables	252,745	252,745	-	-
Other loans and receivables	296,968	296,968	-	-
Cash and bank	618,504	618,504	-	-
	71,199,802	71,199,802	-	-

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

Notes.

24 RELATED PARTY TRANSACTION

The Company has related party relationships with state owned profit oriented entities and its key management personnel.

Remuneration to key management personnel are determined in accordance with the terms of their employment / appointment and certain key post retirement benefits in accordance with their entitlement under the terms of their employment.

The related parties also comprise shareholders and premium collection agents. The Company, in the normal course of business, carries out transactions with various related parties. Amounts due from and to related parties are disclosed in the relevant notes.

Name of the related party	Relationship with the company	Nature of transactions	June 30,	December 31,
			2022 (Un-audited)	2021 (Audited)
			----- Rupees in '000 -----	
Government of Pakistan	Shareholders	Receivable against Postal Life Fund	57,892,279	60,309,021
		Interest on Postal Life Fund	3,154,586	4,477,407
		Share deposit money received	-	2,300,000
Pakistan Post Office Department	Collection agent	Premium collection receivable	939,412	244,159
		Rent payable	61,070	33,665
Directors	Key management personnel	Meeting fee paid	1,500	3,350
Executives	Other key management personnel	Remuneration paid	117,759	14,021
Staff retirement benefit plan - Gratuity fund:	Other related party	Gratuity expense for the period	1,362	-
		Payable to Gratuity fund	3,679	2,317
Staff retirement contribution plan - Pension fund:	Other related party	Pension expense for the period	33,912	-
		Pension paid during the period	31,145	-
		Payable to Pension fund	33,912	31,145

Balances with related parties are disclosed in the respective notes of the condensed interim financial statements

25 CORRESPONDING FIGURE

Corresponding figures have been re-arranged and re-classified, wherever considered necessary, for better presentation. However no significant reclassification has been made during the period.

26 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue by the Board on 08 DEC 2023.

27 GENERAL

Figures have been rounded off to the nearest thousands.

 Chairman
 Chief Executive Officer
 Director
 Director
 Chief Financial Officer