

**TPL LIFE INSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022**

		<b>June 30, 2022</b>	<b>December 31, 2021</b>
		<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>Note</b>	<b>(Rupees in '000)</b>	
<b>Assets</b>			
Property and equipment	5	16,683	11,437
Intangible assets	6	20,906	13,765
Investments			
Government securities	7	242,888	237,662
Mutual funds	8	12,655	14,178
Term deposits receipts	9	85,000	235,000
Insurance / reinsurance receivables		93,775	136,017
Other loans and receivables		36,787	81,936
Taxation - payments less provision		33,442	31,689
Prepayments		2,125	603
Cash & bank balances	10	375,953	238,421
<b>Total Assets</b>		<b>920,214</b>	<b>1,000,708</b>
<b>Equity and Liabilities</b>			
<b>Capital and reserves attributable to Company's equity holders</b>			
Authorized share capital			
240,000,000 ordinary shares (2021: 190,000,000) of Rs. 10 each		2,400,000	1,900,000
Ordinary share capital		1,870,000	1,750,000
Accumulated losses of participatory business (Ledger account C & D)		(1,920,224)	(1,844,060)
Unappropriated profit		365,615	389,006
		315,391	294,946
Advance against right shares	11.3	-	120,000
<b>Total Equity</b>		<b>315,391</b>	<b>414,946</b>
<b>Liabilities</b>			
Insurance liabilities	12	185,041	301,332
Premium received in advance		16,769	11,376
Insurance / reinsurance payables		201,217	134,923
Other creditors and accruals	13	201,796	138,131
<b>Total Liabilities</b>		<b>604,823</b>	<b>585,762</b>
<b>Total Equity and Liabilities</b>		<b>920,214</b>	<b>1,000,708</b>
Contingencies and commitments	14		

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

Chairman

Chief Executive  
Officer

Director

Director

**TPL LIFE INSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022**

	Note	Six months period ended June 30,		Three months period ended June 30,	
		2022	2021	2022	2021
		(Rupees in '000)		(Rupees in '000)	
Premium revenue	15	179,270	468,664	75,059	152,939
Premium ceded to reinsurers		(67,815)	(59,101)	(16,688)	(17,388)
Net premium revenue		111,455	409,563	58,371	135,551
Investment income		(7,782)	19,924	11,607	10,243
Net fair value gain on financial assets at fair value through profit or loss		(1,523)	462	(1,431)	131
Other income		3,117	18,707	732	14,538
		(6,188)	39,093	10,909	24,912
Net income		105,267	448,656	69,280	160,463
Insurance benefits	16	145,931	467,939	77,728	214,235
Recoveries from reinsurers		(64,157)	(68,198)	(42,059)	(26,443)
Net Insurance benefits		81,774	399,741	35,669	187,792
Net change in insurance liabilities (other than outstanding claims)	19.1	(30,451)	(82,686)	(12,735)	(87,412)
Acquisition expenses		15,564	68,120	11,887	20,152
Marketing and administration expenses		133,340	158,882	62,433	74,962
Other expenses		4,095	692	3,618	572
Total Expenses		122,548	145,008	65,204	8,274
Results of operating activities		(99,054)	(96,093)	(31,593)	(35,605)
Financial costs		(296)	(298)	(260)	(134)
Loss before tax		(99,350)	(96,391)	(31,854)	(35,738)
Income tax expense	17	(205)	(236)	(103)	(117)
Loss for the period		(99,555)	(96,627)	(31,957)	(35,855)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		(99,555)	(96,627)	(31,957)	(35,855)
Loss per share - Rupees		(0.57)	(0.72)	(0.18)	(0.27)

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

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**Chairman**

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**Chief Executive  
Officer**

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**Director**

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**Director**

**TPL LIFE INSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022**

	<b>Six months period ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Rupees in '000)</b>	
<b>Operating Cash flows</b>		
<b>(a) Underwriting activities</b>		
Insurance premium received	226,905	589,763
Reinsurance premium paid	-	(15,826)
Claims paid	(165,598)	(528,746)
Surrenders paid	(3,534)	(3,071)
Commission paid	(27,312)	(72,644)
Marketing and administrative expenses paid	(69,792)	(221,358)
<b>Net cash used in underwriting activities</b>	<b>(39,332)</b>	<b>(251,882)</b>
<b>(b) Other operating activities</b>		
Income tax paid	(1,958)	(2,376)
Other operating payments	-	-
Other operating receipts	62,072	31,895
<b>Net cash flow from other operating activities</b>	<b>60,114</b>	<b>29,519</b>
<b>Total cash used in all operating activities</b>	<b>20,783</b>	<b>(222,363)</b>
<b>Investment activities</b>		
Profit/ return received	7,215	14,562
Dividend received	-	461
Payment for investments	(86,631)	(64,741)
Proceeds from investments	208,912	42,983
Fixed capital expenditure - net	(18,361)	(369)
<b>Total cash generated from / (used in) investing activities</b>	<b>111,134</b>	<b>(7,104)</b>
<b>Financing activities</b>		
Repayment of lease liabilities	5,615	(1,645)
Capital returned to shareholder fund	-	-
Advance against right shares	-	425,000
<b>Total cash flow from financing activities</b>	<b>5,615</b>	<b>423,355</b>
<b>Net cash flow from all activities</b>	<b>137,532</b>	<b>193,888</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>238,421</b>	<b>352,226</b>
<b>Cash and cash equivalents at end of period</b>	<b>375,953</b>	<b>546,114</b>
<b>Reconciliation to Profit and Loss Account</b>		
Operating cash flows	20,783	(222,363)
Depreciation / amortization expense	(5,544)	(6,354)
Amortization of lease liability	(296)	(298)
Loss on disposal of property and equipment	(429)	4,194
Dividend and other investment income	(9,305)	20,386
(Decrease) in assets other than cash	(28,978)	(122,885)
(Increase) / Decrease in liabilities other than borrowings	(75,786)	230,693
<b>Loss after taxation</b>	<b>(99,555)</b>	<b>(96,627)</b>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

Chairman

Chief Executive  
Officer

Director

Director

**TPL LIFE INSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022**

Attributable to equity holders of the Company					
Share Capital	Unappropriated profit	Accumulated losses of participating business (ledger account C & D)	Advance against right issue	Total	
------(Rupees in '000)-----					
<b>Balance as at January 1, 2021</b>					
At beginning of period	1,325,000	352,752	(1,616,196)	-	61,556
Advance against issuance of shares	-	-	-	325,000	325,000
Right shares issued	100,000	-	-	-	100,000
Total comprehensive income for the period					
Deficit for the period retained in statutory fund	-	-	(125,309)	-	(125,309)
Profit for the other than participating business	-	28,682	-	-	28,682
	-	28,682	(125,309)	-	(96,627)
<b>Balance as at June 30, 2021</b>	<b>1,425,000</b>	<b>381,434</b>	<b>(1,741,505)</b>	<b>325,000</b>	<b>389,929</b>
<b>Balance as at January 1, 2022</b>					
At beginning of period	1,750,000	389,007	(1,844,061)	120,000	414,946
Advance against issuance of shares	-	-	-	(120,000)	(120,000)
Right shares issued	120,000	-	-	-	120,000
Total comprehensive income for the period					
Deficit for the period retained in statutory fund	-	-	(76,163)	-	(76,163)
Profit for the other than participating business	-	(23,392)	-	-	(23,392)
	-	(23,392)	(76,163)	-	(99,555)
<b>Balance as at June 30, 2022</b>	<b>1,870,000</b>	<b>365,615</b>	<b>(1,920,224)</b>	<b>-</b>	<b>315,391</b>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

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**Chairman**

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**Chief Executive Officer**

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**Director**

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**Director**

**TPL LIFE INSURANCE LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2022**

**1. STATUS AND NATURE OF BUSINESS**

- 1.1 TPL Life Insurance Limited (the Company) was incorporated on March 19, 2008 under the Repealed Companies Ordinance, 1984 (now Companies Act, 2017) as public limited company and is registered as a life insurance company by the Securities and Exchange Commission of Pakistan (SECP) under the Insurance Ordinance, 2000. The Company obtained license to carry on life and related lines of insurance business on March 2, 2009. The Company was allowed to work as Window Takaful Operator on August 09, 2018 by the SECP under the Takaful Rules, 2012. The registered office of the Company is situated at 20th Floor, Sky Tower-East Wing, Dolmen City, HC-3, Block -4, Abdul Sattar Edhi Avenue, Clifton, Karachi-74900. The Company is a subsidiary of TPL Corp Limited - the Holding Company.
- 1.2 The Company is engaged in life insurance business including ordinary life business and accidental and health business.

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 and family takaful business. The Statutory Funds established by the Company, in accordance with the advice of Appointed Actuary are as follow:

- Individual Life Unit Linked
- Conventional Business
- Accidental and Health
- Family Takaful Business
- Accidental and Health Takaful

- 1.3 As at the half year ended June 30, 2022, the accumulated losses of the Company are Rs. 1,554.609 million and loss for the six months period ended is Rs. 99.555 million.

On July 06, 2022, the shareholders of TPL Insurance Limited, an associated company, in their Extra Ordinary General Meeting, resolved and authorized the associated company to make equity investment of Rs. 200 million in TPL Life Insurance Limited.

Further, as an abundant caution, the Holding Company has also provided a financial commitment to continue its financial support to the Company, if required, for the purposes of ensuring sustainable operations in the foreseeable future and also to meet the minimum solvency requirements.

Based on the above actions and further capital injection plans through associated company and financial support from the Holding Company, the management and the Board of Directors of the Company are confident that the Company will continue to operate on sustainable basis.

## **2. BASIS FOR PRESENTATION AND STATEMENT OF COMPLIANCE**

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

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under Companies Act 2017; and

Provisions of and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017 and Takaful Rules 2012.

Where the provisions of and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017 and Takaful Rules 2012 differ with the requirements of IAS 34, the provisions and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017 and Takaful Rules 2012 have been followed.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2021.

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the annual audited financial statements for the year ended December 31, 2021. Following are the standards, interpretations and amendments and improvements to accounting standards and interpretation that became effective during the current period:

IAS 16 – Property, plant and equipment: Proceeds before Intended Use (Amendments)

IFRS 3 – Reference to the Conceptual Framework (Amendments)

IAS 37 – Onerous Contracts - Costs of Fulfilling a Contract (Amendments)

Annual improvement process IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a First-time adopter Annual improvement process IAS 41 Agriculture – Taxation in fair value measurements.

IFRS 9 – Financial Instruments – Fees in '10 per cent' test for derecognition of financial liabilities.

The Company has taken the benefit of temporary exemption of applying IFRS 9 "Financial Instruments" with IFRS 17 "Insurance Contracts" as allowed under IFRS.

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any significant effect on the financial statements.

### **3.1 Application of new standards, amendments and interpretations to published approved accounting and reporting standards**

#### **New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2022**

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

	<b>Effective date (annual periods beginning on or after)</b>
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendments to IFRS 16 'Leases' - Extended practical relief regarding Covid - 19 related rent concessions	April 01, 2021

### **3.2 New accounting standards, amendments and interpretations that are not yet effective**

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
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	<b>Effective date (annual periods beginning on or after)</b>
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

Certain annual improvements have also been made to a number of IFRSs.

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts

#### **4. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT**

- 4.1 In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimating uncertainty were same as those that applied to the financial statements for the year ended December 31, 2021.
- 4.2 The Company's financial and insurance risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2021.

		<b>June 30, 2022</b>	<b>December 31, 2021</b>
		<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>Note</b>	<b>(Rupees in '000)</b>	
<b>5. PROPERTY AND EQUIPMENT</b>			
Operating assets	5.1	7,869	10,363
Right of use asset		8,814	1,074
		16,683	11,437
<b>5.1 Property And Equipment</b>			
Opening book value		10,363	8,059
Additions		432	9,269
Disposals		(614)	(14,103)
Depreciation		(2,428)	(5,089)
Depreciation on disposals		116	12,227
Closing book value		<u>7,869</u>	<u>10,363</u>
<b>6. INTANGIBLE ASSETS</b>			
Opening book value		13,765	5,699
Additions		-	3,393
Amortization		(1,663)	(4,552)
Work-in-Progress		8,804	9,225
Closing book value		<u>20,906</u>	<u>13,765</u>
<b>7. GOVERNMENT SECURITIES</b>			
Held to maturity			
Pakistan Investment Bonds	7.1 & 7.2	204,781	197,458
Fair value through profit and loss			
Treasury bills	7.3	38,107	40,204
		<u>242,888</u>	<u>237,662</u>

7.1 The Company has deposited 3 years, 5 years and 10 years Pakistan Investment Bonds having face value of Rs. 66 million, Rs. 133.80 million and Rs. 10.00 million respectively (2021: 3 years, 5 years and 10 years Pakistan Investment Bonds having face value of Rs. 55.50 million, Rs. 128.80 million and Rs. 10.00 million respectively) with State Bank of Pakistan under Section 29 of Insurance Ordinance, 2000.

7.2 The market value of held-to-maturity securities was Rs. 194.144 million (2021: Rs. 192.948 million) as at period end.

7.3 These carry yield of 10.90% (2021: 7.60%).

		<b>June 30, 2022</b>	<b>December 31, 2021</b>
		<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>Note</b>	<b>(Rupees in '000)</b>	
<b>8. INVESTMENTS IN MUTUAL FUNDS</b>			
Fair value through profit and loss			
Open end mutual funds		12,655	14,178
<b>9. INVESTMENTS IN TERM DEPOSITS</b>			
Deposits maturing within 12 months	9.1	85,000	235,000
9.1		These carry markup ranging from 7.00% to 11.60% (2021: 7.00% to 11.60%).	
<b>10. CASH &amp; BANK</b>			
Cash and cash equivalent			
- Cash in hand		3	6
- Policy & revenue Stamps		103	105
Cash at bank			
- Current account		232	305
- Savings account	10.1	375,615	238,005
		<u>375,953</u>	<u>238,421</u>

10.1 These carry markup ranging from 4.50% to 9.95% (2021: 4.40% to 9.95%) per annum.

## 11. SHARE CAPITAL

### 11.1 Authorized share capital

<b>June 30, 2022</b>	<b>December 31, 2021</b>		<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>(No. of shares)</b>				
240,000,000	190,000,000	Ordinary shares of Rs.10 each	2,400,000	1,900,000
<u>240,000,000</u>	<u>190,000,000</u>		<u>2,400,000</u>	<u>1,900,000</u>

### 11.2 Issued, subscribed and paid-up share capital

<b>June 30, 2022</b>	<b>December 31, 2021</b>		<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>(No. of shares)</b>				
		Issued, subscribed and paid up Ordinary shares of Rs.10 each issued for cash		
175,000,000	132,500,000	As at beginning of the period	1,750,000	1,325,000
12,000,000	42,500,000	Issued during the period	120,000	425,000
<u>187,000,000</u>	<u>175,000,000</u>	As at end of the period	<u>1,870,000</u>	<u>1,750,000</u>

11.3 On December 23, 2021, the Board of Directors had resolved issuance of 12 million right shares at par value of Rs. 10 each. These shares were subscribed by and issued during the period to the Holding Company.

	Note	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
(Rupees in '000)			
<b>12. INSURANCE LIABILITIES</b>			
Reported outstanding claims (including claims in payment)	12.1	76,655	162,494
Incurred but not reported claims	12.2	23,626	20,446
Investment component of unit-linked and account value policies	12.3	40,736	38,033
Liabilities under group insurance contracts (other than Investment linked)	12.4	44,024	80,359
Other insurance liabilities (premium deficiency reserve)	12.5	-	-
		185,041	301,332
<b>12.1 Reported outstanding claims</b>			
Gross of Reinsurance			
Payable within one year		196,309	219,511
Payable over a period of time exceeding one year		-	-
		196,309	219,511
Recoverable from Reinsurers			
Receivable within one year		119,654	57,017
Receivable over a period of time exceeding one year		-	-
		119,654	57,017
Net Reported Outstanding Claims		76,655	162,494
<b>12.2 Incurred But Not Reported Claims</b>			
Gross of Reinsurance		35,359	30,418
Reinsurance Recoveries		(11,733)	(9,972)
Net of Reinsurance		23,626	20,446
<b>12.3 Investment Component of Unit Linked and Account Value Policies</b>			
Investment Component of Unit Linked Policies		40,736	38,033
Investment Component of Account Value Policies		-	-
		40,736	38,033

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>Note</b>	<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>(Rupees in '000)</b>	
<b>12.4 Liabilities under Group Insurance Contracts (other than investment linked)</b>		
Gross of Reinsurance	90,805	110,830
Reinsurance Recoveries	(46,781)	(30,471)
Net of Reinsurance	<u>44,024</u>	<u>80,359</u>
<b>12.5 Other Insurance Liabilities (premium deficiency reserve)</b>		
Gross of Reinsurance	-	-
Reinsurance Recoveries	-	-
Net of Reinsurance	<u>-</u>	<u>-</u>
<b>13. OTHER CREDITORS AND ACCRUALS</b>		
Agents commission payable	34,910	56,558
Payable to related parties	63,683	31,654
Accrued expenses	37,681	18,939
Income tax liabilities	16,001	1,829
Sales tax liabilities	242	384
Payable to vendors	20,516	12,358
Liabilities against right to use asset	6,969	1,057
Staff provident fund	6,094	-
Other liabilities	15,700	15,352
	<u>201,796</u>	<u>138,131</u>
<b>14. CONTINGENCY AND COMMITMENT</b>		
<b>14.1 Contingencies</b>		
14.1.1	<p>During the year 2019, Sindh Revenue Board (SRB) vide notification no. SRB 3-4/5/2019 dated May 08, 2019 extended the exemption on life insurance till June 30, 2019. Subsequent to it, life insurance was made taxable from July 01, 2019 at the rate of 3% and group life insurance at the rate of 13%. However, during the year 2020, SRB vide notification no. SRB 3-4/13/2020, extended the exemption on life insurance till June 30, 2020, after which sales tax will be applicable on the said businesses at the same rates as directed in the previous notification. Further, SRB extended exemption on health insurance till June 30, 2022 vide notification no. SRB-3-4/17/2021. With effect from November 01, 2018, the Punjab Revenue Authority (PRA) withdrew its exemption on life and health insurance and made the same subject to Punjab Sales Tax (PST).</p>	

The Company collectively through the forum of Insurance Association of Pakistan (“IAP”) had filed a constitutive petition in the Lahore High Court (LHC) and in the High Court of Sindh at Karachi on September 28, 2019 and November 28, 2019 against PRA and SRB respectively, the proceedings of which are still ongoing.

According to the grounds of the petition the Insurance premium does not fall under the definition of service rather an insurance policy is a financial arrangement, which is in the nature of a contingent contract, and not a service upon which sales tax can be levied (and that an insurance company is not rendering a service).

In view of the above the Company has not started billing sales tax to its customers. The amount of sales tax involved is around Rs. 91.356 million.

Based on the legal opinion obtained, the Company considers that it has a reasonably strong case on the merits in the constitution petition and the writ petition filed in the High Courts.

- 14.1.2 On January 30, 2020, the Company received a show cause notice from SRB for sales tax demand aggregating to Rs.459,680 against reinsurance premium ceded in years 2012-2013, falling under the tariff heading 98.13. The Company was able to obtain extension against this notice up till February 2022. However, on January 18, 2022, the Company has received another show cause notice for sales tax demand aggregating to Rs.457,730 against reinsurance premium ceded in years 2014-2015, falling under the same tariff.

On February 10, 2022, SRB passed an order for deposit of SST amounting to Rs. 457,730/- against which the Company has filed an appeal with the Commissioner (Appeals).

- 14.2 There are no commitments as at the period ended June 30, 2022.

	<b>June 30 2022 (Un-audited)</b>	<b>June 30, 2021 (Un-audited)</b>
	<b>(Rupees in '000)</b>	
<b>15. NET INSURANCE PREMIUM REVENUE</b>		
<b>Gross Premiums</b>		
Regular Premium Individual Policies		
First year	63,617	111,866
Second year renewal	100	2,563

	<b>June 30 2022 (Un-audited)</b>	<b>June 30, 2021 (Un-audited)</b>
	<b>(Rupees in '000)</b>	
Subsequent year renewal	3,928	4,697
Single Premium Individual Policies	-	-
Group Policies without Cash Value	111,625	349,538
<b>Total Gross Premiums</b>	<b>179,270</b>	<b>468,663</b>
<b>Less: Reinsurance Premiums Ceded</b>		
On individual life and health business	10,828	8,646
On group policies	62,809	50,456
Less: Reinsurance commission on risk premiums	(5,822)	-
	<b>67,815</b>	<b>59,102</b>
<b>Net Premiums</b>	<b>111,455</b>	<b>409,562</b>

## 16. NET INSURANCE BENEFITS

Gross Claims		
Claims under individual policies		
by death	2,100	-
by insured event other than death	19,482	9,779
by surrender	2,034	3,071
<b>Total gross individual policy claims</b>	<b>23,616</b>	<b>12,849</b>
Claims under group policies		
by death	80,836	93,999
by insured other than death	41,480	361,090
<b>Total gross group policy claims</b>	<b>122,315</b>	<b>455,089</b>
<b>Total Gross Claims</b>	<b>145,931</b>	<b>467,938</b>
Less:- Reinsurance Recoveries		
On Group Life claims	64,157	68,198
<b>Net insurance benefit expense</b>	<b>81,774</b>	<b>399,740</b>

## 17. TAXATION

- 17.1 The company makes provision for taxation on profits of shareholder funds only and based on tax advisor's recommendation, the profits of the statutory funds are not liable to taxation unless appropriated to shareholders. Accordingly losses of statutory funds are not taken into account for the purpose of tax computations.

17.2 Current tax charge represents minimum tax on turnover in accordance with the provisions of section 113 of the Income Tax Ordinance, 2001 (the Ordinance). The Company has e-filed the return of income for the tax year 2021 which is deemed to be an assessment order issued by the Commissioner under the provision of section 120 of the Ordinance.

## 18 RELATED PARTY TRANSACTIONS

The related parties comprise of holding Company, associated companies, staff retirement fund, Directors and key management personnel. The transactions with related parties are in normal course of business. Transactions with related parties and remuneration and benefits to key management personnel under the terms of their employment are as follows:

	<b>June 30, 2022 (Un-audited)</b>	<b>June 30, 2021 (Un-audited)</b>
	<b>(Rupees in '000)</b>	
<b>18.1 Details of transactions</b>		
<b>TPL Corp Limited – Holding Company</b>		
Advance against right shares	-	325,000
Right shares issued	120,000	100,000
Premium written	(57)	(24)
Administrative cost charged	14,839	27,083
Sale of fixed assets	-	2,444
<b>TPL Trakker Limited - Associated Company</b>		
Administrative cost charged	499	18,207
Premium written	997	332
Sale of fixed assets	-	2,702
<b>TPL Securities Services (Pvt.) Limited - Associated Company</b>		
Administrative cost charged	193	-
Premium written	20	158
Claims incurred	500	500
Sale of fixed assets	-	71

	<b>June 30, 2022 (Un-audited)</b>	<b>June 30, 2021 (Un-audited)</b>
	<b>(Rupees in '000)</b>	
<b>TPL Insurance Limited - Associated Company</b>		
Administrative cost charged	10,984	4,553
Administrative cost incurred	3,361	15,513
Premium written	273	281
Sale of fixed assets	-	242
<b>TPL Property Management (Pvt.) Limited - Associated Company</b>		
Administrative cost charged	2,411	2,519
Premium written	289	1,157
Claims incurred	-	174
<b>TPL Logistic Park (Pvt.) Limited - Associated Company</b>		
Premium written	682	593
Sale of fixed assets	-	494
<b>Other Related Parties</b>		
Key Management Personnel	25,537	40,089
Directors	800	240
	<b>June 30, 2022 (Un-audited)</b>	<b>December 31, 2021 (Audited)</b>
<b>18.2 Details of outstanding balances</b>	<b>(Rupees in '000)</b>	
<b>TPL Corp Limited – Holding Company</b>		
Premium receivable	(178)	(24)
Payable against administrative cost	44,708	21,243
<b>TPL Trakker Limited - Associated Company</b>		
Premium receivable	435	(128)
Other receivables	-	520
Outstanding claims	3,624	224
Payable against administrative cost	964	-

	<b>June 30, 2022 (Un-audited)</b>	<b>December 31, 2021 (Audited)</b>
	<b>(Rupees in '000)</b>	
<b>TPL Securities Services (Pvt.) Limited - Associated Company</b>		
Premium receivable	(114)	1,632
Other receivables	3,464	713
Outstanding claims	1,000	500
<b>TPL Insurance Limited - Associated Company</b>		
Premium receivable	273	225
Other receivables	-	1,193
Outstanding claims	10,578	10,884
Payable against administrative cost	10,430	-
<b>TPL Property Management (Pvt.) Limited - Associated Company</b>		
Premium receivable	283	1,150
Outstanding claims	174	174
Payable against administrative cost	8,545	4,939
<b>TPL Logistic Park (Pvt.) Limited - Associated Company</b>		
Premium receivable	765	593
Other receivables	494	494
<b>TPL E-Ventures (Pvt.) Limited - Associated Company</b>		
Other receivables	1,709	1,709

- 18.3 Charges for administrative services is based on the actual cost incurred by the service provider whereas all other transactions with related parties are on arms length basis comparable with market quote.

## 19. SEGMENT INFORMATION

### 19.1 Revenue Account by Statutory Fund

	For the period ended June 30, 2022 (Un-audited)					
	Individual life unit linked	Conventional business	Accident & health business	Family takaful Business	Accident and health takaful business	Total
	------(Rupees in '000)-----					
Income						
Premium less Reinsurances	3,954	39,363	46,304	14,758	7,076	111,455
Net Investment Income	87	265	7,412	221	109	8,094
Other income	51	-	3,494	-	-	3,545
<b>Total Net Income</b>	<b>4,092</b>	<b>39,628</b>	<b>57,210</b>	<b>14,979</b>	<b>7,185</b>	<b>123,094</b>
Insurance benefits and Expenditures						
Insurance benefits, including bonuses, net of reinsurance recoveries	3,534	18,063	45,492	11,088	3,596	81,773
Management expenses less recoveries	34,488	31,158	81,560	1,416	284	148,906
<b>Total Insurance benefits and Expenditures</b>	<b>38,022</b>	<b>49,221</b>	<b>127,052</b>	<b>12,504</b>	<b>3,880</b>	<b>230,679</b>
Deficit of income over Insurance benefits and Expenditure	(33,930)	(9,593)	(69,842)	2,475	3,305	(107,585)
Net Change in Insurance Liabilities (other than outstanding claims)	2,706	(21,598)	(6,992)	(10,099)	23,764	(12,219)
Surplus / (Deficit) retained in PTF	-	-	-	4,554	(22,786)	(18,232)
(Deficit) / Surplus Before Tax	(36,636)	12,005	(62,850)	8,020	2,327	(77,134)
Movement in policyholders' liabilities	2,706	(21,598)	(6,992)	(5,545)	978	(30,451)
Transfer from Shareholders' Fund						
- Capital contributions from Shareholders' Fund	35,000	8,300	30,100	-	-	73,400
Balance of Statutory Fund at Beginning of the Period	39,181	33,371	86,637	33,801	18,799	211,789
Balance of Statutory Fund at End of the Period	40,251	32,078	46,895	36,275	22,104	177,604

**for the period ended June 30, 2021 (Un-audited)**

	<b>Individual life unit linked</b>	<b>Conventional business</b>	<b>Accident &amp; health business</b>	<b>Family takaful Business</b>	<b>Accident and health takaful business</b>	<b>Total</b>
	----- <b>(Rupees in '000)</b> -----					
Income						
Premium less Reinsurances	7,186	56,159	288,563	11,066	46,590	409,564
Net Investment Income	1,850	146	2,131	114	430	4,670
Other income	0	-	4,513	-	-	4,513
<b>Total Net Income</b>	<b>9,036</b>	<b>56,304</b>	<b>295,207</b>	<b>11,179</b>	<b>47,020</b>	<b>418,747</b>
Insurance benefits and Expenditures						
Insurance benefits, including bonuses, net of reinsurance recoveries	3,071	24,252	286,146	1,275	84,997	399,741
Management expenses less recoveries	36,448	50,291	130,121	2,430	7,712	227,002
<b>Total Insurance benefits and Expenditures</b>	<b>39,519</b>	<b>74,543</b>	<b>416,267</b>	<b>3,705</b>	<b>92,708</b>	<b>626,743</b>
Deficit of income over Insurance benefits and Expenditure	(30,482)	(18,239)	(121,061)	7,474	(45,688)	(207,995)
Net Change in Insurance Liabilities (other than outstanding claims)	(3,393)	(22,133)	64,668	(10,808)	28,659	56,993
Surplus / (Deficit) retained in PTF	-	-	-	(1,382)	(24,311)	(25,693)
(Deficit) / Surplus Before Tax	(33,875)	(40,372)	(56,393)	(1,951)	7,282	(125,309)
Movement in policyholders' liabilities	3,393	22,133	(64,668)	9,426	(52,970)	(82,686)
Transfer from Shareholders' Fund						
- Capital contributions from Shareholders' Fund	21,000	24,000	16,000	-	-	61,000
Balance of Statutory Fund at Beginning of the Period	37,965	24,412	326,301	5,905	76,727	471,310
Balance of Statutory Fund at End of the Period	28,483	30,173	221,240	13,379	31,039	324,315

## 19.2. Segment Statement of Financial Position

As of June 30, 2022 (Un-audited)

	Shareholders' fund	Individual life unit linked	Conventional business	Accident & health business	Family takaful Business	Accident and health takaful business	Total
	----- (Rupees in '000) -----						
Property and equipment	16,683	-	-	-	-	-	16,683
Intangible assets	20,906	-	-	-	-	-	20,906
Investments	156,894	37,655	-	145,994	-	-	340,543
Insurance / reinsurance receivables	-	-	37,887	30,917	11,236	13,735	93,775
Other loans and receivables	20,430	1,462	92	14,701	102	-	36,787
Taxation - payments less provision	30,288	390	160	2,223	109	272	33,442
Prepayments	2,125	-	-	-	-	-	2,125
Cash & Bank	222,201	2,650	30,306	117,231	2,753	811	375,952
Interfund balances	(80,784)	2,890	148,050	(115,096)	26,155	18,785	-
<b>Total assets</b>	<b>388,744</b>	<b>45,047</b>	<b>216,495</b>	<b>195,970</b>	<b>40,355</b>	<b>33,603</b>	<b>920,214</b>
Insurance liabilities net of reinsurance recoveries	-	40,739	40,281	109,254	7,446	(12,679)	185,041
Premium received in advance	-	2,141	3,622	9,364	616	1,026	16,769
Insurance / reinsurance payables	-	2,871	152,633	37,001	8,712	-	201,217
Other creditors and accruals	142,116	(101)	13,412	38,465	1,104	6,800	201,796
<b>Total Liabilities</b>	<b>142,116</b>	<b>45,650</b>	<b>209,948</b>	<b>194,084</b>	<b>17,878</b>	<b>(4,853)</b>	<b>604,823</b>

**As of December 31, 2021 (Audited)**

<b>Shareholders' fund</b>	<b>Individual life unit linked</b>	<b>Conventional business</b>	<b>Accident &amp; health business</b>	<b>Family takaful Business</b>	<b>Accident and health takaful business</b>	<b>Total</b>
------(Rupees in '000)-----						
Property and equipment	11,437	-	-	-	-	11,437
Intangible assets	13,765	-	-	-	-	13,765
Investments	252,428	39,177	25,000	170,235	-	486,840
Insurance / reinsurance receivables	-	-	39,885	65,874	14,521	15,737
Other loans and receivables	70,605	24	34	11,192	81	-
Taxation - payments less provision	28,743	364	121	2,127	76	257
Prepayments	603	-	-	-	-	-
Cash & Bank	179,653	2,914	25,882	25,726	2,666	1,580
Interfund balances	(151,708)	1,175	88,024	15,625	24,543	22,341
<b>Total assets</b>	<b>405,526</b>	<b>43,654</b>	<b>178,946</b>	<b>290,779</b>	<b>41,887</b>	<b>39,915</b>
Insurance liabilities net of reinsurance recoveries	-	38,034	58,039	189,107	21,696	(5,544)
Premium received in advance	-	2,106	689	6,812	805	964
Insurance / reinsurance payables	-	2,797	101,991	26,248	3,887	-
Other creditors and accruals	63,532	(429)	17,289	48,334	1,040	8,366
<b>Total Liabilities</b>	<b>63,532</b>	<b>42,508</b>	<b>178,008</b>	<b>270,501</b>	<b>27,428</b>	<b>3,786</b>

**19.3. Window Takaful Operation**

**19.3.1 Revenue Account**

**19.3.1.1 Participants' Takaful Fund (PTF)**

	TAKAFUL STATUTORY FUND		Aggregate	
	Group Family Takaful	Accident & Health Takaful	June 30, 2022 (un-audited)	June 30, 2021 (un-audited)
------(Rupees in '000)-----				
Income				
Contribution less Retakaful	14,758	7,076	21,834	57,656
Net Investment Income	207	101	308	483
Total net income	14,965	7,177	22,142	58,140
Insurance benefits and Expenditures				
Insurance benefits net of re-takaful recoveries	11,088	3,596	14,684	86,271
Takaful Operator's fee (wakalah)	11,936	3,134	15,070	16,817
Mudarib fee	-	-	-	193
Other expenses	-	(36)	(36)	5
Total Insurance benefits and Expenditures	23,024	6,694	29,718	103,287
Excess income over Insurance benefits and Expenditure	(8,059)	483	(7,576)	(45,148)
Technical reserves at beginning of the period	16,819	(18,955)	(2,136)	55,275
Technical reserves at end of the period	4,206	4,313	8,519	35,821
Surplus / (Deficit) retained in PTF	4,554	(22,786)	(18,232)	(25,693)
	8,059	(482)	7,577	45,148
Surplus / (Deficit) Before Tax	-	-	-	-
Movement in technical reserves	(8,059)	482	(7,577)	(45,148)
Transfers from (to)				
Qard-e-Hasna contributed by Window Takaful Operator	-	-	-	-
Balance of PTF at Beginning of the Period	19,127	1,273	20,400	62,814
Balance of PTF at end of the Period	11,068	1,755	12,823	17,666

**19.3.1.2 Operators' Sub Fund (OSF)**

	TAKAFUL STATUTORY FUND		Aggregate	
	Group Family Takaful	Accident & Health Takaful	June 30, 2022 (un-audited)	June 30, 2021 (un-audited)
------(Rupees in '000)-----				
Income				
Takaful Operators' Fee	11,936	3,134	15,070	16,817
Mudarib Fee	-	-	-	193
Investment Income	13	8	21	60
Total Net Income	11,949	3,141	15,091	17,071
Less: Expenditure				
Acquisition cost	168	(929)	(761)	7,638
Administration cost	1,248	1,250	2,498	2,499
Total Management cost	1,416	321	1,737	10,137
Excess of income over expenditure	10,533	2,821	13,354	6,934
Technical reserves at beginning of the period	2,524	1,626	4,150	6,657
Technical reserves at end of the period	5,037	2,121	7,159	8,261
	(2,513)	(495)	(3,008)	(1,604)
Surplus / (Deficit) Before Tax	8,020	2,326	10,345	5,330
Movement in technical reserves	2,513	495	3,008	1,604
Contribution received from Shareholder's Fund	-	-	-	-
Qard-e-Hasna contributed to Participants' Takaful Fund	-	-	-	-
Balance of Operator's Fund at Beginning of the Period	16,874	27,425	44,299	31,917
Balance of Operator's Fund at End of the Period	27,407	30,246	57,653	38,851



## 21. GENERAL

Figures have been rounded off to the nearest thousands.

## 22. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company on \_\_\_\_\_.

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**Chairman**

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**Chief Executive  
Officer**

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**Director**

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**Director**

## **REPORT OF THE DIRECTORS TO THE SHAREHOLDERS**

The Board of Directors of the Company are pleased to present the unaudited financial statements for six months ended June 30, 2022.

### **BUSINESS REVIEW**

The Company has achieved 72% of the total budget. The Retail business contribution stood at 52%. The life business comprised of 64%, whereas Health business stood at 36% of the total GWP. Further, the corporate business comprised of 49% and retail business comprised of 51% of the total GWP. The Company has shown significant growth in its Retail Distribution Channel in line of the Board's vision, whereby all retail distribution lines have shown double multiple growth despite scaling down of 2 main contributors of Retail from last year. The target achievement from retail stood at 88%. The overall contribution of Retail business to Company's topline grew by 2x. Retail business achieved 116% of its Life business targets as compared to 69% of health business targets.

Corporate business continued with positive renewals of existing customers which stood at 90% persistency ratio. However, new business has been a challenging front which has been addressed through improvements in Reinsurer, Internal & External Agents and brokerage relationships. Corporate distribution stood at 60% achievement against budget for H1 2022.

Gross Premium for six months period ended on June 30, 2022 was recorded at Rs. 179 million against a budget of PKR 250 million as against Rs.469m of last year – which was 25% Retail & 75% Corporate Business. The shortfall is mainly ascribed to health business by Rs.255m. which is a consequence of material shift of business from Corporate Health segment by the Company whereby the Corporate Health business was strategically stopped to be conducted by the Company, which had major share of the book up till last year (54%) and had an average deal size higher than life insurance. The topline has shown negative growth 62% (16%, excluding last year's Corporate Health Business) and admin expenses have shown improvement of (16% respectively).

The Company is looking at various options including but not limited to private investor and Initial public offering. On July 06, 2022, the shareholders of TPL Insurance Limited, an associated company, in their Extra Ordinary General Meeting, resolved and authorized the associated company to make equity investment of Rs. 200 million in TPL Life Insurance Limited. Further, as an abundant caution, the Holding Company i.e. TPL Corp Limited, has also provided a financial commitment to continue its financial support to the Company, if required, for the purposes of ensuring sustainable operations in the foreseeable future and also to meet the minimum solvency requirements.

Based on the above, the management and the Board of Directors of the Company are confident that the Company will continue to operate on sustainable basis.

During the period, the gross premium written was as follows:

Statutory Funds	Gross Premium / Contribution Rs. in “000”		
	2022	2021	Variance %
Individual Life unit Linked	4,028	7,554	-47%
Group Life Business	91,525	98,613	-07%
Accident & Health Business	57,058	295,653	-81%
Group Family Takaful	19,583	20,254	-03%
Accident & Health Business – Takaful	7,076	46,590	-85%
<b>Total</b>	<b>179,270</b>	<b>468,664</b>	<b>-62%</b>

The financial highlights of the performance of the Company are tabulated as follows:

	Six months ended June 30	
	2022	2021
	Rupees in ‘000	
Gross Premiums	179,270	468,664
Gross Claims	145,931	467,939
Policy Acquisition Cost	15,564	68,120
Management and other Expenses	137,435	159,574
Investment and other (loss) / income	(6,188)	39,093
Movement in Policyholder Liabilities	30,451	82,686
Loss after tax	(99,555)	(96,625)
EPS (In Rupees)	(0.57)	(0.75)

The after tax loss for the period was Rs. 99.5 million (2021: loss of Rs. 96.6 million). Major contributors are the decline in corporate health business and loss on redemption of equity investment. The Company is otherwise constantly reviewing its major cost centers and realigning business / operational strategies to reign in major cost heads, which is evitable from the decline in acquisition cost and administrative expenses in this quarter as compared to last.

The company paid total health and life claims of Rs. 165 million during the period with health claims to the tune of Rs. 115 million and life insurance claims of Rs. 50 million.

The Company has a reinsurance arrangement with Hannover Re and AXA having awarded “AA-” rating by Standard & Poor’s. The management believes that the reinsurance support provides diversification of risk and depth to the underwriting capacity of the Company.

The Board is pleased to report that the Company has maintained IFS (Insurer Financial Strength) rating of Company A (Single A) by PACRA.



## COMPANY AND ECONOMY OUTLOOK

The economy of Pakistan is currently confronting critical challenges viz. impact global COVID, the recent Russian invasion of Ukraine; pressure on dollar and enhanced bank rate at 12.25%; coupled with ouster of previous government. Trade deficit currently stands at \$3.1b whilst inflation has touched 12.2% in February.

Life insurance industry is facing various challenges, the most important of which is the imposition of provincial sales taxes on the business of life and health insurance as well as on commission of insurance agents. In a country like Pakistan having one of the lowest insurance penetrations in the world, the support from the Government for the development of insurance sector will play a key role in increasing penetration and resolving the current issues being faced. Company, along with other life insurance companies, has filed constitutional petition and writ petition respectively in High Court of Sind and Lahore High Court challenging the levy of sales tax on life and health premium.

The Company however continues being a front runner in tech led solutions within the Pakistani market and is ideally positioned to capitalize on the future market distribution models & growth through its upcoming platforms & new collaborations. The company is all set to be introducing an aggressive go-to-market strategy and increase awareness about its insurtech solutions.

For the retail line of business, the Company continues to focus on scaling its digital footprint through internal assets and ever increasing external partnerships which will enable the Company to attain accelerated growth, penetration and diversification of risk for the company. The Company has been successful in closing its first 2 Bancassurance Distribution Partnerships with Commercial Banks and is targeting to scale through this model as well. Further, TPL Life is strongly focused towards launching its Virtual Agent Platform to enhance its reach across Pakistan by end of the next quarter.

The Corporate business will continue to scale existing customer portfolio through new customer acquisition and focus on balancing portfolio profitability by regularly reviewing claims experience and retaining profit bearing corporate life relationships. The Company has tapered off the health insurance risk in Q2 2022 and continues towards the retention of clients in corporate life insurance domain especially in profitable buckets and review its loss making clients portfolio on regular basis.

The Company's Takaful line of business has performed consistently and it is expected to grow with bancatakaful partnerships launching further products in retail / digital domain.

The Directors are confident that with the renewed focus, continuous evolution in products, customer centric services and innovative insurtech platforms, TPL life is all set to carve its niche among the existing club of life insurance players as a significant player. Further, with the support of its sister concerns and TPL Corp, the holding company, the hard work of the management will achieve further levels of success in future.

There are no changes or commitments after the balance sheet date which could materially affect the financial position of the company.



## **ACKNOWLEDGMENT**

We also wish to express our profound gratitude to policyholders, business partners and shareholders who continue to repose their trust and confidence in the Company and assure them of best services. We remain committed to do the utmost to ensure the best utilization of their investment in the Company.

We thank the management team of the Company for its devotion and hard work and also the Reinsurers and Bankers of the Company for their support.

### **For and on behalf of the Board**

Chairman

Karachi, August 23, 2022