

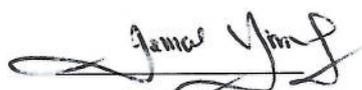
**TPL LIFE INSURANCE LIMITED**

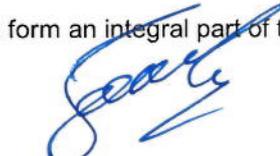
**CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE NINE MONTHS PERIOD ENDED  
SEPTEMBER 30, 2023 (UNAUDITED)**

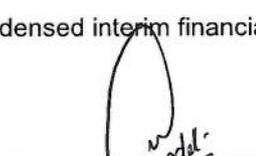
**TPL LIFE INSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2023**

	Note	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
(Rupees in '000)			
<b>Assets</b>			
Property and equipment	5	11,238	15,057
Intangible assets	6	35,757	27,471
Investments			
Government securities	7	125,695	231,389
Mutual funds	8	12,042	12,297
Term deposit receipts	9	85,000	85,000
Insurance / reinsurance receivables		274,004	116,890
Other loans and receivables		35,836	48,569
Taxation - payments less provision		39,306	38,320
Prepayments		1,915	1,003
Cash & bank	10	518,727	355,722
<b>Total Assets</b>		<b>1,139,520</b>	<b>931,718</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 (2022: 240,000,000) of Rs. 10 each		<b>2,400,000</b>	2,400,000
Ordinary share capital	11	2,050,000	1,910,000
Accumulated losses of other than participating business		(2,183,372)	(2,048,518)
Unappropriated profit		394,898	379,466
		<b>261,526</b>	240,948
Advance against issuance of right shares	11.3	-	50,000
<b>Total Equity</b>		<b>261,526</b>	290,948
<b>Liabilities</b>			
Insurance liabilities	12	267,291	178,270
Premium received in advance		31,804	13,940
Insurance / reinsurance payables		251,858	215,957
Other creditors and accruals	13	327,041	232,603
<b>Total Liabilities</b>		<b>877,994</b>	640,770
<b>Total Equity and Liabilities</b>		<b>1,139,520</b>	<b>931,718</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

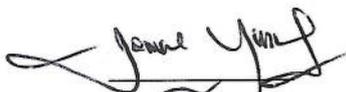
  
Director

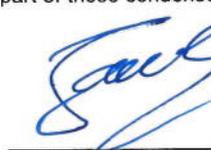
  
Director

**TPL LIFE INSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

Note	Nine months period ended September 30, 2023		Three months period ended September 30, 2023	
	2022		2022	
	(Rupees in '000)		(Rupees in '000)	
Gross premium revenue	389,591	259,492	114,840	80,222
Premium ceded to reinsurers	(118,541)	(96,945)	(6,955)	(29,131)
<b>Net premium revenue</b>	<b>271,050</b>	<b>162,547</b>	<b>107,885</b>	<b>51,091</b>
Investment income	27,040	5,518	8,137	13,300
Net fair value gain / (loss) on financial assets at fair value through profit or loss	(420)	(1,657)	(627)	(134)
Other income	18,857	3,930	6,132	813
	45,477	7,791	13,641	13,979
<b>Net income</b>	<b>316,527</b>	<b>170,338</b>	<b>121,526</b>	<b>65,070</b>
Insurance benefits	103,205	176,026	40,808	30,095
Reinsurance recoveries	(61,321)	(85,616)	(27,474)	(21,459)
<b>Net insurance benefits</b>	<b>41,884</b>	<b>90,410</b>	<b>13,334</b>	<b>8,636</b>
Net change in insurance liabilities (other than outstanding claims)	76,497	(31,476)	44,506	(1,025)
Acquisition expenses	53,600	28,410	10,930	12,846
Marketing and administration expenses	249,875	204,444	72,733	71,104
Other expenses	3,017	5,055	1,063	960
<b>Total expenses</b>	<b>382,989</b>	<b>206,433</b>	<b>129,232</b>	<b>83,885</b>
<b>Results of operating activities</b>	<b>(108,346)</b>	<b>(126,505)</b>	<b>(21,039)</b>	<b>(27,451)</b>
Financial charges	(6,960)	(1,810)	(1,109)	(1,514)
<b>Loss before tax</b>	<b>(115,306)</b>	<b>(128,315)</b>	<b>(22,148)</b>	<b>(28,965)</b>
Income tax expense	(4,116)	(334)	(2,530)	(129)
<b>Loss for the period</b>	<b>(119,422)</b>	<b>(128,650)</b>	<b>(24,678)</b>	<b>(29,094)</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(119,422)</b>	<b>(128,650)</b>	<b>(24,678)</b>	<b>(29,094)</b>
Loss per share - basic and diluted	<b>(0.61)</b>	<b>(0.72)</b>	<b>(0.13)</b>	<b>(0.16)</b>

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

  
Chairman

  
Chief Executive  
Officer

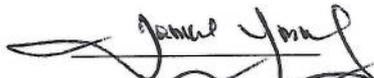
  
Director

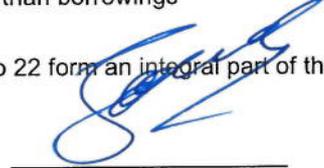
  
Director

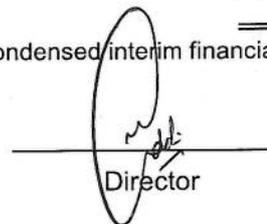
**TPL LIFE INSURANCE LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

	<b>Nine months period ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Rupees in '000)</b>	
<b>Operating Cash flows</b>		
<b>(a) Underwriting activities</b>		
Insurance premium received	250,341	280,683
Claims paid	(109,347)	(211,642)
Surrenders paid	(2,652)	(4,253)
Commission paid	(21,625)	(33,130)
Marketing and administrative expenses paid	(212,003)	(108,778)
<b>Net cash used in underwriting activities</b>	<b>(95,286)</b>	<b>(77,120)</b>
<b>(b) Other operating activities</b>		
Income tax paid	(5,102)	(2,951)
Other operating receipts	38,123	64,362
<b>Net cash generated from other operating activities</b>	<b>33,021</b>	<b>61,411</b>
<b>Total cash used in all operating activities</b>	<b>(62,265)</b>	<b>(15,709)</b>
<b>Investment activities</b>		
Profit/ return received	38,799	23,124
Dividend received	165	104
Purchase of investments	107,608	124,329
Capital expenditure - net	(9,941)	(22,372)
Proceeds from sale of property and equipment	45	-
<b>Total generated from investing activities</b>	<b>136,676</b>	<b>125,185</b>
<b>Financing activities</b>		
Repayment of lease liabilities	(1,406)	3,906
Advance against right shares	90,000	40,000
<b>Total cash generated from financing activities</b>	<b>88,594</b>	<b>43,906</b>
<b>Net cash generated from all activities</b>	<b>163,005</b>	<b>153,382</b>
Cash and cash equivalents at beginning of period	355,722	238,421
<b>Cash and cash equivalents at end of period</b>	<b>518,727</b>	<b>391,803</b>
<b>Reconciliation to Profit and Loss Account</b>		
Operating cash flows	(62,265)	(15,709)
Depreciation / amortization expense	(5,474)	(7,631)
Amortization of lease liability	(640)	(1,810)
Gain / (loss) on disposal of property and equipment	45	54
Dividend and other investment income / (loss)	44,694	3,861
Increase in assets other than cash	120,890	23,832
Increase in liabilities other than borrowings	(216,672)	(131,246)
<b>Loss after taxation</b>	<b>(119,422)</b>	<b>(128,650)</b>

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

  
Chairman

  
Chief Executive  
Officer

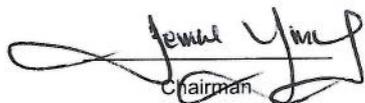
  
Director

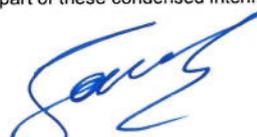
  
Director

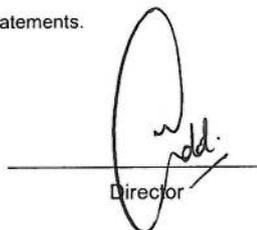
**TPL LIFE INSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

	Attributable to equity holders of the Company				Total
	Share Capital	Unappropriated profit	Accumulated losses of other than participating business	Advance against right issue	
(Rupees in '000)					
<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	-	-	-	(80,000)	(80,000)
Right shares issued	120,000	-	-	-	120,000
<b>Total comprehensive income for the period</b>					
Deficit for the period retained in statutory fund	-	-	(112,801)	-	(112,801)
Loss for the period from other than participating business	-	(15,849)	-	-	(15,849)
	-	(15,849)	(112,801)	-	(128,650)
<b>Balance as at September 30, 2022</b>	<b>1,870,000</b>	<b>373,158</b>	<b>(1,956,862)</b>	<b>40,000</b>	<b>326,296</b>
<b>Balance as at January 1, 2023</b>					
At beginning of period	1,910,000	379,466	(2,048,518)	50,000	290,948
Advance against issuance of shares	-	-	-	90,000	90,000
Right shares issued	140,000	-	-	(140,000)	-
<b>Total comprehensive income for the period</b>					
Deficit for the period retained in statutory fund	-	-	(134,854)	-	(134,854)
Profit for the period from other than participating business	-	15,432	-	-	15,432
	-	15,432	(134,854)	-	(119,422)
<b>Balance as at September 30, 2023</b>	<b>2,050,000</b>	<b>394,898</b>	<b>(2,183,372)</b>	<b>-</b>	<b>261,526</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**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023**

**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 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. The Company is a subsidiary of TPL Corp Limited - the Holding Company. The Company is owned 97.324% by TPL Corp Limited.

**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 September 30, 2023, the accumulated losses of the Company are Rs. 1,788.474 million (September 30, 2022: Rs. 1,583.703 million) and loss for the nine months period ended is Rs. 119.422 million (September 30, 2022: Rs. 128.650 million).

The Company is looking at various options including but not limited to reverse merger, private investor and Initial public offering. 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 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 have 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, 2022.

### 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, 2022.

The following standards, amendments and interpretations are effective for the year ended September 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	<b>Effective date (annual periods beginning on or after)</b>
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
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
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 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

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

#### 3.1 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.

<b>Standard or Interpretation</b>	<b>Effective date (annual periods beginning on or after)</b>
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
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' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

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):

<b>Standards</b>	<b>IASB Effective date (annual periods beginning on or after)</b>
IFRS 1 - First time adoption of IFRSs	January 01, 2004
IFRS 17 - Insurance Contracts	January 01, 2023

#### 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, 2022.
- 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, 2022.

	Note	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
(Rupees in '000)			
<b>5. PROPERTY AND EQUIPMENT</b>			
Operating assets	5.1	4,324	7,001
Right of use assets		6,915	8,056
		<u>11,238</u>	<u>15,057</u>
<b>5.1 Operating Assets</b>			
Written down value at the beginning of the period		7,001	10,363
Additions and transfers during the period - at cost			
- Computer equipments		387	1,690
- Mobile phones		88	155
		<u>475</u>	<u>1,845</u>
Written down value of disposals / write-offs during the period / year		(34)	(532)
Depreciation for the period / year		(3,118)	(4,675)
		<u>(3,152)</u>	<u>(5,208)</u>
Written down value at the end of the period / year		<u>4,324</u>	<u>7,001</u>
<b>6. INTANGIBLE ASSETS</b>			
Opening book value		27,471	13,765
Additions		-	-
Amortization		(1,215)	(2,690)
Work-in-Progress		9,501	16,396
Closing book value		<u>35,757</u>	<u>27,471</u>
<b>7. GOVERNMENT SECURITIES</b>			
<b>Held to maturity</b>			
Pakistan Investment Bonds	7.1 & 7.2	85,160	195,297
<b>Fair value through profit or loss</b>			
Treasury Bills	7.3	40,535	36,092
		<u>125,695</u>	<u>231,389</u>
7.1	The Company has deposited 3 years and 5 years Pakistan Investment Bonds having face value of Rs.16.00 million and 71.30 million respectively (2022: 3 years and 5 years Pakistan Investment Bonds having face value of Rs.66.00 million and 133.80 million respectively) with State Bank of Pakistan under Section 29 of Insurance Ordinance, 2000. These carry coupon rate of 7.50% to 10.00% (2022: 7.00% to 10.00%) and will mature by 19-September-2024, 04-August-2025, 15-October-2025 and 29-April-2027.		
7.2	The market value of held-to-maturity securities was Rs.74.780 million (2022: Rs.183.249 million) as at period end.		
7.3	These carry yield of 16.80% (2022: 16.80%).		
<b>8. INVESTMENTS IN MUTUAL FUNDS</b>			
<b>Fair value through profit or loss</b>			
Open end mutual funds		12,042	12,297
<b>9. INVESTMENTS IN TERM DEPOSIT RECEIPTS</b>			
Deposits maturing within 12 months	9.1	85,000	85,000
9.1	These carry markup of 14.25% to 20.25% (2022: 14.25% to 15.50%) per annum.		

		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
		(Rupees in '000)	
<b>10. CASH &amp; BANK</b>			
Cash and cash equivalent			
- Cash in hand		20	26
- Policy & revenue stamps		93	103
Bank balances			
- Current account		264,968	1
- Savings account	10.1	253,644	355,592
		<u>518,727</u>	<u>355,722</u>

10.1 These carry markup ranging from 13.75% to 20.00% (2022: 5.50% to 15.21%) per annum.

## 11. SHARE CAPITAL

### 11.1 Authorized share capital

September 30, 2023	December 31, 2022		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
(No. of shares)			(Rupees in '000)	
240,000,000	240,000,000	Ordinary shares of Rs.10 each	2,400,000	2,400,000
<u>240,000,000</u>	<u>240,000,000</u>		<u>2,400,000</u>	<u>2,400,000</u>

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

September 30, 2023 (No. of shares)	December 31, 2022 (No. of shares)		Note	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
				(Rupees in '000)	
		Issued, subscribed and paid up Ordinary shares of Rs.10 each issued for cash			
191,000,000	175,000,000	As at beginning of the period		1,910,000	1,750,000
14,000,000	16,000,000	Issued during the period	11.3	140,000	160,000
<u>205,000,000</u>	<u>191,000,000</u>	As at end of the period		<u>2,050,000</u>	<u>1,910,000</u>

11.3 On December 26, 2022, the Board of Directors resolved issuance of 5 million right shares at par value of Rs. 10 each. These shares were subscribed by and issued during the period to the Holding Company.

On April 20, 2023, the Board of Directors further resolved issuance of 3.5 million right shares at par value of Rs. 10 each. These shares were also subscribed by and issued during the period to the Holding Company.

On August 23, 2023, the Board of Directors further resolved issuance of 5.5 million right shares at par value of Rs. 10 each. These shares were also subscribed by and issued during the period to the Holding Company.

		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
		(Rupees in '000)	
<b>12. INSURANCE LIABILITIES</b>			
Reported outstanding claims (including claims in payment)	12.1	81,274	68,750
Incurred but not reported claims	12.2	19,616	18,543
Investment component of unit-linked and account value policies		27,325	35,942
Liabilities under group insurance contracts (other than investment linked)	12.3	139,075	55,035
		<u>267,291</u>	<u>178,270</u>
<b>12.1 Reported outstanding claims</b>			
Gross of Reinsurance		163,601	172,395
Recoverable from Reinsurers		(82,326)	(103,645)
Net Reported Outstanding Claims		<u>81,274</u>	<u>68,749</u>

Note	September 30,	December 31,
	2023 (Un-audited)	2022 (Audited)
	(Rupees in '000)	
<b>12.2. Incurred But Not Reported Claims</b>		
Gross of reinsurance	36,517	33,159
Reinsurance recoveries	(16,901)	(14,616)
Net of reinsurance	<u>19,616</u>	<u>18,543</u>
<b>12.3. Liabilities under Group Insurance Contracts (other than investment linked)</b>		
Gross of reinsurance	208,931	107,896
Reinsurance recoveries	(69,855)	(52,861)
Net of reinsurance	<u>139,075</u>	<u>55,035</u>
<b>13. OTHER CREDITORS AND ACCRUALS</b>		
Agents commission payable	47,657	38,747
Payable to related parties	77,051	45,278
Accrued expenses	25,024	20,701
Income tax liabilities	57,778	29,791
Sales tax liabilities	1,320	21
Payable to vendors	72,413	66,512
Obligation under finance lease	5,752	6,519
Staff provident fund	18,810	5,157
Other liabilities	21,235	19,877
	<u>327,041</u>	<u>232,603</u>
<b>14. CONTINGENCIES</b>		
<b>14.1.1</b>	During the year 2019, Sindh Revenue Board (SRB) vide notification no. SRB 3-4/5/2019 dated May 8, 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 1, 2018, the Punjab Revenue Authority (PRA) withdrew its exemption on life and health insurance and made the same subject to Punjab Sales Tax (PST). 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.	
	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.	
<b>14.1.2</b>	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 2012-13, 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 2014-15, 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 filed an appeal with the Commissioner (Appeals). The final hearing before the Commissioner (Appeals), SRB, was conducted and an order No. 19/2023 was passed by the Commissioner (Appeals-II). Through the said order, the Commissioner (Appeals), SRB upheld the stance of the department. Being aggrieved, the Company filed an appeal before the Appellate Tribunal, Sindh Revenue Board against the order passed by Commissioner (Appeals), SRB.

14.2 There are no commitments as at the period ended 30 September 2023.

	September 30, 2023 (Un-audited)	September 30, 2022 (Un-audited)
	(Rupees in '000)	
<b>15. NET INSURANCE PREMIUM REVENUE</b>		
<b>Gross Premiums</b>		
Regular Premium Individual Policies:		
First year	206,251	104,377
Second year renewal	-	100
Subsequent year renewal	3,727	5,494
Group Policies without Cash Value	179,614	149,521
<b>Total Gross Premiums</b>	<b>389,591</b>	<b>259,492</b>
<b>Less: Reinsurance Premiums Ceded</b>		
On individual life and health business	15,219	21,785
On group policies	103,321	80,982
Less: Reinsurance commission on risk premiums:	-	(5,822)
	<b>118,541</b>	<b>96,945</b>
<b>Net Premiums</b>	<b>271,050</b>	<b>162,547</b>
<b>16. NET INSURANCE BENEFITS</b>		
<b>Gross Claims</b>		
Claims under individual policies		
by death	2,111	2,100
by insured event other than death	20,023	19,482
by surrender	2,653	2,753
<b>Total gross individual policy claims</b>	<b>24,786</b>	<b>24,335</b>
Claims under group policies		
by death	61,777	93,371
by insured other than death	16,642	58,320
<b>Total gross group policy claims</b>	<b>78,419</b>	<b>151,691</b>
<b>Total Gross Claims</b>	<b>103,205</b>	<b>176,026</b>
<b>Less:- Reinsurance Recoveries</b>		
On Group Life claims	61,321	85,616
Net insurance benefit expense	<b>41,884</b>	<b>90,410</b>
<b>17. TAXATION</b>		

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 fund are not taken into account for the purpose of tax computations.

**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:

Relationship	Transactions	September 30, 2023	September 30, 2022
		(Un-audited)	(Un-audited)
		(Rupees in '000)	
Holding company	Right shares issued	140,000	120,000
Holding company	Advance against right shares	-	40,000
Holding company	Administrative cost charged	17,562	26,516
Associated undertaking	Administrative cost charged	23,092	15,464
Holding company	Premium written / (refund)	107	(49)
Associated undertaking	Premium written	1,687	2,176
Associated undertaking	Claims incurred	7,590	647
Associated undertaking	Administrative cost incurred	-	3,361
Key Management Personnel	Remuneration	71,534	45,099
Directors	Fee	860	1,300

	Balances	September 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
		(Rupees in '000)	
Holding company	Other creditors	40,296	30,921
Associated undertaking	Other creditors	36,756	14,357
Associated undertaking	Other receivables	4,251	13,983
Holding company	Insurance liabilities	3,505	7,667
Associated undertaking	Insurance liabilities	11,052	4,259
Holding company	Premium (refundable) / receivable	(148)	1,569
Associated undertaking	Premium (refundable) / receivable	(263)	3,902

- 18.1** 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 September 30, 2023 (Un-audited)					Total
	Individual life unit linked	Conventional business	Accident & health business	Family takaful Business	Accident and health takaful business	
	(Rupees in '000)					
<b>Income</b>						
Premium less Reinsurances	3,712	64,644	101,725	41,308	59,661	271,050
Net Investment Income	3,297	409	11,130	288	91	15,214
Other income	-	-	738	-	-	738
<b>Total Net Income</b>	<b>7,009</b>	<b>65,053</b>	<b>113,594</b>	<b>41,596</b>	<b>59,752</b>	<b>287,003</b>
<b>Insurance benefits and Expenditures</b>						
Insurance benefits, including bonuses, net of reinsurance recoveries	2,652	15,396	14,282	2,830	6,724	41,884
Management expenses less recoveries	61,520	55,326	175,839	3,229	7,562	303,476
<b>Total Insurance benefits and Expenditures</b>	<b>64,172</b>	<b>70,721</b>	<b>190,121</b>	<b>6,059</b>	<b>14,286</b>	<b>345,360</b>
<b>Deficit of income over Insurance benefits and Expenditure</b>	<b>(57,163)</b>	<b>(5,669)</b>	<b>(76,528)</b>	<b>35,537</b>	<b>45,466</b>	<b>(58,357)</b>
<b>Decrease / (increase) in Insurance Liabilities (other than outstanding claims)</b>	<b>8,616</b>	<b>(25,672)</b>	<b>(2,868)</b>	<b>(7,322)</b>	<b>(39,790)</b>	<b>(67,036)</b>
<b>Deficit / (surplus) retained in PTF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,188)</b>	<b>(5,273)</b>	<b>(9,461)</b>
<b>(Deficit) / Surplus Before Tax</b>	<b>(48,547)</b>	<b>(31,341)</b>	<b>(79,396)</b>	<b>24,027</b>	<b>403</b>	<b>(134,854)</b>
<b>Movement in policyholders' liabilities</b>	<b>(8,616)</b>	<b>25,672</b>	<b>2,868</b>	<b>11,510</b>	<b>45,063</b>	<b>76,497</b>
<b>Transfer from Shareholders' Fund</b>						
- Capital contributions from Shareholders' Fund	48,000	29,000	120,000	-	-	197,000
<b>Balance of Statutory Fund at Beginning of the Period</b>	<b>36,835</b>	<b>19,893</b>	<b>50,003</b>	<b>49,732</b>	<b>31,050</b>	<b>187,513</b>
<b>Balance of Statutory Fund at End of the Period</b>	<b>27,672</b>	<b>43,224</b>	<b>93,475</b>	<b>85,269</b>	<b>76,516</b>	<b>326,156</b>

	For the period ended September 30, 2022 (Un-audited)					Total
	Individual life unit linked	Conventional business	Accident & health business	Family takaful Business	Accident and health takaful business	
	(Rupees in '000)					
<b>Income</b>						
Premium less Reinsurances	5,448	53,155	70,237	20,355	13,351	162,547
Net Investment Income	1,033	308	10,864	267	132	12,604
Other income	101	-	3,734	-	-	3,835
<b>Total Net Income</b>	<b>6,582</b>	<b>53,465</b>	<b>84,834</b>	<b>20,622</b>	<b>13,484</b>	<b>178,986</b>
<b>Insurance benefits and Expenditures</b>						
Insurance benefits, including bonuses, net of reinsurance recoveries	4,253	20,944	48,566	13,108	3,539	90,410
Management expenses less recoveries	52,148	46,067	129,443	2,298	2,898	232,854
<b>Total Insurance benefits and Expenditures</b>	<b>56,401</b>	<b>67,010</b>	<b>178,010</b>	<b>15,405</b>	<b>6,439</b>	<b>323,264</b>
<b>(Deficit) / surplus of income over Insurance benefits and Expenditure</b>	<b>(49,819)</b>	<b>(13,546)</b>	<b>(93,174)</b>	<b>5,217</b>	<b>7,045</b>	<b>(144,279)</b>
<b>Decrease / (increase) in Insurance Liabilities (other than outstanding claims)</b>	<b>(1,350)</b>	<b>16,794</b>	<b>13,490</b>	<b>12,729</b>	<b>(26,433)</b>	<b>15,230</b>
<b>Deficit / (surplus) retained in PTF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,873)</b>	<b>20,120</b>	<b>16,246</b>
<b>(Deficit) / Surplus Before Tax</b>	<b>(51,169)</b>	<b>3,248</b>	<b>(79,684)</b>	<b>14,073</b>	<b>732</b>	<b>(112,802)</b>
<b>Movement in policyholders' liabilities</b>	<b>1,350</b>	<b>(16,794)</b>	<b>(13,490)</b>	<b>(8,856)</b>	<b>6,313</b>	<b>(31,476)</b>
<b>Transfer from Shareholders' Fund</b>						
- Capital contributions from Shareholders' Fund	51,000	8,300	57,100	-	-	116,400
<b>Balance of Statutory Fund at Beginning of the Period</b>	<b>39,181</b>	<b>33,371</b>	<b>86,637</b>	<b>33,801</b>	<b>18,799</b>	<b>211,789</b>
<b>Balance of Statutory Fund at End of the Period</b>	<b>40,361</b>	<b>28,126</b>	<b>50,563</b>	<b>39,019</b>	<b>25,844</b>	<b>183,911</b>

## 19.2. Segment Statement of financial position

As of September 30, 2023 (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	11,238	-	-	-	-	11,238
Intangible assets	35,757	-	-	-	-	35,757
Investments	106,017	37,042	-	79,678	-	222,737
Insurance / reinsurance receivables	-	-	73,927	84,642	38,775	274,004
Other loans and receivables	12,134	1,137	(1,097)	23,163	122	35,836
Taxation - payments less provision	35,591	523	257	2,465	177	39,306
Prepayments	1,915	-	-	-	-	1,915
Cash and bank	459,918	4,244	46,916	9,632	443	518,727
Interfund balances	(297,666)	(8,715)	149,439	81,548	52,832	-
<b>Total assets</b>	<b>364,904</b>	<b>34,231</b>	<b>269,442</b>	<b>281,128</b>	<b>92,349</b>	<b>1,139,520</b>
Insurance liabilities net of reinsurance recoveries	-	27,328	83,958	85,652	28,042	267,291
Premium received in advance	-	3,138	3,183	21,299	2,650	31,804
Insurance / reinsurance payables	-	3,010	168,319	80,529	-	251,858
Other creditors and accruals	243,517	409	13,865	50,852	2,030	327,041
<b>Total Liabilities</b>	<b>243,517</b>	<b>33,885</b>	<b>269,325</b>	<b>238,332</b>	<b>32,722</b>	<b>877,994</b>

As of December 31, 2022 (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	15,056	-	-	-	-	15,056
Intangible assets	27,470	-	-	-	-	27,470
Investments	145,903	37,297	-	145,486	-	328,686
Insurance / reinsurance receivables	-	-	37,602	42,113	13,737	116,890
Other loans and receivables	29,567	238	92	18,192	102	48,569
Taxation - payments less provision	34,895	425	196	2,391	134	38,321
Prepayments	1,003	-	-	-	-	1,003
Cash and bank	302,966	5,615	32,347	9,746	3,422	355,721
Interfund balances	(185,214)	(247)	143,639	(5,327)	26,708	-
<b>Total assets</b>	<b>371,646</b>	<b>43,328</b>	<b>213,876</b>	<b>212,601</b>	<b>44,103</b>	<b>931,716</b>
Insurance liabilities net of reinsurance recoveries	-	35,945	50,266	90,382	6,606	178,270
Premium received in advance	-	3,088	191	8,497	616	13,941
Insurance / reinsurance payables	-	2,996	147,637	65,323	-	215,956
Other creditors and accruals	158,694	409	13,323	46,206	1,281	232,603
<b>Total Liabilities</b>	<b>158,694</b>	<b>42,438</b>	<b>211,417</b>	<b>210,408</b>	<b>8,503</b>	<b>640,770</b>

## 19.3. Window Takaful Operation

## 19.3.1 Revenue Account

## 19.3.1.1 Participants' Takaful Fund (PTF)

	TAKFUL STATUTORY FUND		Aggregate	
	Group Family Takaful	Accident & Health Takaful	September 30, 2023 (un-audited)	September 30, 2022 (un-audited)
	(Rupees in '000)			
<b>Income</b>				
Contribution less Retakaful	41,308	59,660	100,968	33,706
Net Investment Income	270	74	344	375
<b>Total net income</b>	<b>41,578</b>	<b>59,734</b>	<b>101,312</b>	<b>34,081</b>
<b>Insurance benefits and Expenditures</b>				
Insurance benefits net of re-takaful recoveries	2,830	6,724	9,554	16,647
Takaful Operator's fee (wakalah)	20,435	8,078	28,513	25,190
Mudarib fee	-	-	-	-
Other expenses	21	-	21	87
<b>Total insurance benefits and Expenditures</b>	<b>23,286</b>	<b>14,802</b>	<b>38,088</b>	<b>41,924</b>
<b>Excess income over Insurance benefits and Expenditure</b>	<b>18,292</b>	<b>44,932</b>	<b>63,224</b>	<b>(7,843)</b>
<b>Technical reserves at beginning of the period</b>	<b>456</b>	<b>7,206</b>	<b>7,662</b>	<b>(2,138)</b>
<b>Technical reserves at end of the period</b>	<b>14,560</b>	<b>46,865</b>	<b>61,425</b>	<b>6,265</b>
<b>(Surplus) / deficit retained in PTF</b>	<b>4,188</b>	<b>5,273</b>	<b>9,461</b>	<b>(16,246)</b>
	<b>(18,292)</b>	<b>(44,932)</b>	<b>(63,224)</b>	<b>7,843</b>
<b>Surplus Before Tax</b>	-	-	-	-
<b>Movement in technical reserves</b>	<b>18,292</b>	<b>44,932</b>	<b>63,224</b>	<b>(7,843)</b>
<b>Transfers from / (to)</b>				
Qard-e-Hasna contributed by Window Takaful Operator	-	-	-	-
<b>Balance of PTF at Beginning of the Period</b>	<b>9,656</b>	<b>10,675</b>	<b>20,331</b>	<b>20,400</b>
<b>Balance of PTF at end of the Period</b>	<b>27,948</b>	<b>55,607</b>	<b>83,555</b>	<b>12,557</b>

## 19.3.1.2 Operators' Sub Fund (OSF)

	TAKFUL STATUTORY FUND		Aggregate	
	Group Family Takaful	Accident & Health Takaful	September 30, 2023 (un-audited)	September 30, 2022 (un-audited)
	(Rupees in '000)			
<b>Income</b>				
Takaful Operators' Fee	20,435	8,078	28,513	25,190
Mudarib Fee	-	-	-	-
Investment Income	18	17	35	25
<b>Total Net Income</b>	<b>20,453</b>	<b>8,095</b>	<b>28,548</b>	<b>25,214</b>
<b>Less: Expenditure</b>				
Acquisition cost	1,337	5,666	7,023	1,363
Administration cost	1,872	1,873	3,745	3,746
<b>Total Management cost</b>	<b>3,209</b>	<b>7,559</b>	<b>10,768</b>	<b>5,108</b>
<b>Excess of income over expenditure</b>	<b>17,244</b>	<b>536</b>	<b>17,779</b>	<b>20,106</b>
<b>Technical reserves at beginning of the period</b>	<b>6,783</b>	<b>3,754</b>	<b>10,537</b>	<b>4,150</b>
<b>Technical reserves at end of the period</b>	<b>-</b>	<b>3,887</b>	<b>3,887</b>	<b>9,451</b>
	<b>6,783</b>	<b>(134)</b>	<b>6,649</b>	<b>(5,302)</b>
<b>Surplus Before Tax</b>	<b>24,027</b>	<b>402</b>	<b>24,429</b>	<b>14,805</b>
<b>Movement in technical reserves</b>	<b>(6,783)</b>	<b>134</b>	<b>(6,649)</b>	<b>5,301</b>
Contribution received from Shareholder's Fund	-	-	-	-
Qard-e-Hasna contributed to Participants' Takaful Fund	-	-	-	-
<b>Balance of Operator's Fund at Beginning of the Period</b>	<b>42,275</b>	<b>30,275</b>	<b>72,550</b>	<b>44,299</b>
<b>Balance of Operator's Fund at End of the Period</b>	<b>59,518</b>	<b>30,811</b>	<b>90,329</b>	<b>64,405</b>

## 20. FAIR VALUE

IFRS 13 defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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 observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Following are the assets which are either measured at fair value or for which fair value is only disclosed and is different from their carrying value:

<b>As of September 30, 2023</b>			
<b>Fair value measurement using</b>			
<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
(Rupees in '000)			
Government securities (fair value only disclosed)	85,160	-	-
Government securities (measured at fair value)	40,535	-	-
Open end mutual funds (measured at fair value)	12,042	-	-
	<b>12,042</b>	<b>125,696</b>	-

<b>As of December 31, 2022</b>			
<b>Fair value measurement using</b>			
<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
(Rupees in '000)			
Government securities (fair value only disclosed)	195,297	-	-
Government securities (measured at fair value)	36,092	-	-
Open end mutual funds (measured at fair value)	12,297	-	-
	<b>12,297</b>	<b>231,389</b>	-

### 20.1 Transfers during the year

During the period ended September 30, 2023:

- There were no transfers between Level 1 and Level 2 fair value measurements
- There were no transfers into or out of Level 3 fair value measurements

### 20.2 Valuation techniques

Fair value of investments classified as held to maturity and fair value through profit or loss are assessed using level 2 inputs usually closing market price as per rates prescribed by Financial Market Association of Pakistan by using PKRV rates at reporting date per certificates multiplied by the number of certificates held.

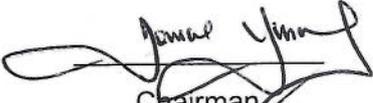
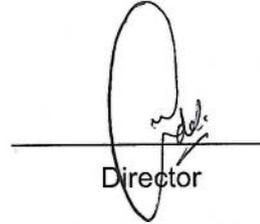
Fair value of investments at fair value through profit or loss is determined using level 1 inputs i.e., NAVs of open end mutual funds.

**21. GENERAL**

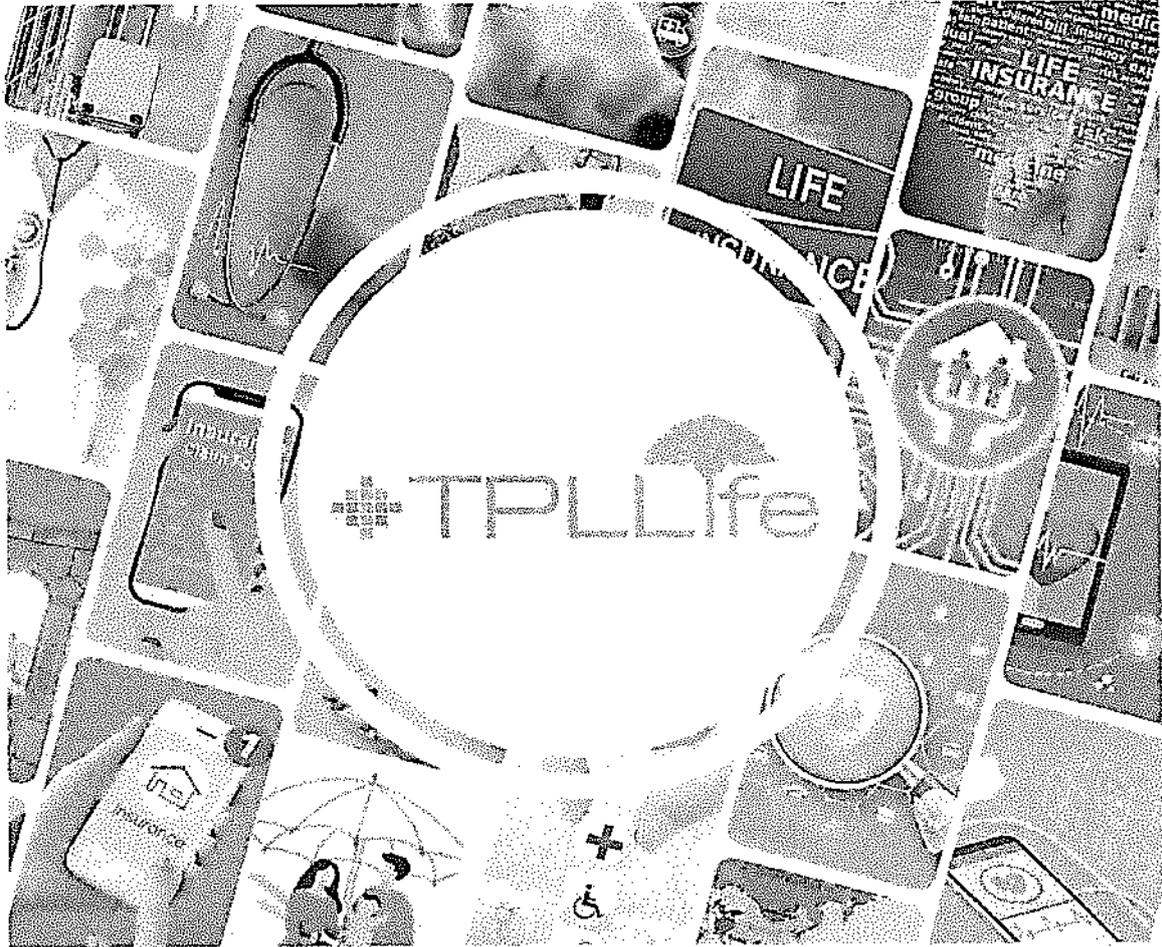
Figures have been rounded off to the nearest thousands.

**22. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company on **October 19, 2023**.

  
Chairman  
Chief Executive  
Officer  
Director  
Director

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS



The Board of Directors of the Company are pleased to present the unaudited financial statements for the nine months ended September 30, 2023.

## BUSINESS REVIEW

The period ended on September 30, 2023, has registered a significant growth of 50% in terms of Gross Premium i.e. Rs. 389.6m over last year. This increase is predominantly ascribed to increase in the underwritten business i.e. 72% by the Retail Segment with gross written premiums of Rs.229m vs. Rs.133m in comparison to last year whilst corporate business grew by 28% at Rs.161m vs Rs.126m of last years. The split between Life & Health portfolios stood at 55% & 45% respectively.

During the year the Company further accelerated its retail centric strategy by aggressively marketing over Social Media, its virtual life insurance agent platform that has been designed and developed with an intention to improve acquisition cost, enhance reach and improve business penetration across Pakistan. This project was successfully launched this year and by the end of the said period a total of 95,000 potential Life Insurance Agents have been on boarded.

During the period ended September 30, 2023, TPL Corp Limited, the parent company, has invested Rs. 90 million at par value to meet the solvency requirements. TPL Corp remains committed to supporting the business. Further, the Company is looking at various options to enhance its capital base.

The management and the Board of Directors of the Company, given the support of TPL Corp, remain confident that the Company will continue to operate on a sustainable basis.

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

Statutory Funds	Gross Premium / Contribution		Variance %
	Rs. in "000"		
	2023	2022	
Individual Life unit Linked	3,727	5,595	-44%
Group Life Business	146,339	120,739	21%
Accident & Health Business	116,930	91,876	27%
Group Family Takaful	62,935	27,931	125%
Accident & Health Business – Takaful	59,660	13,351	347%
<b>Total</b>	<b>389,591</b>	<b>259,492</b>	<b>50%</b>

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

	Nine months ended	
	2023	2022
	Rupees '000	
Net Premium	194,553	194,022
Investment and other income	45,477	7,791
Net Claims, acquisition and expenses	(355,336)	(330,129)
Taxation	(4,116)	(334)
Profit / (Loss) after tax	(119,422)	(128,650)

The after tax loss for the period dropped to Rs. 119.4million (2022: Rs.128.7 million). Major contributors in reducing the loss are increased premium revenue through the Retail Distribution Line and investment income.

The Company has been able to control claims expense owing to the better claim management processes and less intimations received during the period. Claim ratio for the period is 22% (2022: 47%). Management expenses on Gross Premium remained under 65% vs 81% of last years.

The Company this year on boarded Munich Re which is rated "AA-" by Standard & Poor. The management believes that the reinsurance support & stature of Munich Re will further enable the Company to diversify its risk and extend depth to its underwriting capacity.

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 facing stiff challenges with exchange reserves, lower GDP and higher inflation. The government has taken bold step to freeze unregistered exchange companies which is a consequence of bringing down the dollar rupee parity, drop in fuel prices and inflation to some extent.

The Life insurance industry has challenged the imposition of provincial sales taxes on the business of life and health insurance as well as on the commission of insurance agents. The Company, along with other life insurance companies, have filed a constitutional petition and writ petition respectively in the High Court of Sind and the Lahore High Court challenging the levy of sales tax on life and health premium.

TPL Life is focused towards building upon its Retail Centric Strategy that was introduced by the Company at the beginning of last year. The realigned strategy has shown good results in the form of both - growth and scale. The Company continues its focus towards further penetrating existing & new Bancassurance and other distribution models while continuing to invest towards building new distribution lines with a futuristic approach such as – Virtual Agent Platform, Web & App based Models & Call Center based distribution line. The Company plans aggressive market offerings & awareness drives backed by both online & offline marketing activities as a push to enhance customer awareness about the Company's offerings and establish TPL Life Insurance as a dominant Life Insurance Brand.

The Company continues to invest its resources into enhancement & development of Tech & Core Systems'. The internally developed core systems offer state of the art business solutions corroborating sales, underwriting, claims and reinsurance with minimal turnaround processing time. The systems are open ended and also cater for possible additional requirements that may be enforced time to time - example applicability of IFRS 17.

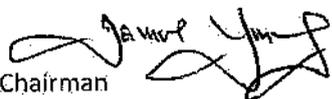
The Directors are confident that with the renewed focus, continuous evolution in products, customer centric services and innovative insurtech platforms, TPL life is all set to carve its niche among the existing club of life insurance industry as a major player.

#### **ACKNOWLEDGMENT**

We wish to express our profound gratitude to the Securities & Exchange Commission of Pakistan, 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

  
Director

Karachi,  
October 30, 2023.