

Report (Un-Audited)

2022
Second Quarter
2022



Sustained Momentum
Continuous Growth



EFU GENERAL
INSURANCE LTD



EFU GENERAL INSURANCE LTD
ISO 9001: 2015 Certified

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Company Information

Chairman

Saifuddin N. Zoomkawala

Managing Director & Chief Executive

Hasanali Abdullah

Directors

Rafique R. Bhimjee
 Taher G. Sachak
 Ali Raza Siddiqui
 Mohammed Iqbal Mankani
 Saad Bhimjee
 Mahmood Lotia
 Tanveer Sultan Moledina
 Yasmin Hyder

Chief Financial Officer

Altaf Qamruddin Gokal, F.C.A.

Company Secretary

Amin Punjani, A.C.A., A.C.C.A., M.A.

Advisors

S.C. (Hamid) Subjally
 Syed Mehdi Imam, M.A.
 Darius H. Sidhwa, F.C.I.I.
 S. Aftab Hussain Zaidi, M.A., M.B.A.

Shari'ah Advisor

Mufti Muhammad Ibrahim Essa

Audit Committee

Tanveer Sultan Moledina
 Rafique R. Bhimjee
 Ali Raza Siddiqui
 Taher G. Sachak
 Yasmin Hyder

Investment Committee

Rafique R. Bhimjee
 Saifuddin N. Zoomkawala
 Hasanali Abdullah
 Taher G. Sachak
 Altaf Gokal

Ethics, Human Resource & Remuneration Committee

Iqbal Mankani
 Saifuddin N. Zoomkawala
 Hasanali Abdullah

Auditors

EY Ford Rhodes, Chartered Accountants
 Progressive Plaza, Beaumont Road
 Karachi - 75530

Registrar

CDC Share Registrar Services Limited
 CDC House, 99-B, Block B
 S.M.C.H.S., Shahrah-e-Faisal
 Karachi - 74400

Website

www.efuinsurance.com

Email

info@efuinsurance.com

Registered Office

Kamran Centre, 1st Floor
 85, East, Jinnah Avenue,
 Blue Area
 Islamabad

Main Offices

EFU House
 M. A. Jinnah Road
 Karachi

Co-operative Insurance Building
 23, Shahrah-e-Quaid-e-Azam
 Lahore

Window Takaful Operations

5th Floor, EFU House
 M. A. Jinnah Road
 Karachi

Directors' Review

We are pleased to present the unaudited financial statements for the six months period ended 30 June 2022.

Performance Review

The Written Premium (including Takaful) for the period was Rs. 14,020 million (including Takaful Contribution of Rs. 1,302 million) as against Rs. 10,790 million (including Takaful Contribution of Rs. 1,262 million) for the corresponding period of last year. The Net Premium Revenue was Rs. 5,190 million as against Rs. 4,753 million for the corresponding period of last year. The overall Claims ratio to Net Premium Revenue was 55 % as compared to 43 % for the corresponding period of last year.

Investment income (including rental income, profit on deposits and other income) for the period was Rs. 1,335 million as compared to Rs. 1,427 million for the corresponding period of last year.

The after-tax profit for the period was Rs. 972 million as compared to Rs. 1,555 million in the corresponding period last year.

The higher Income Tax charge is due to the imposition of super Tax at the rate of 4 % for the preceding year amounting to Rs. 163 million.

The earnings per share for the period was Rs. 4.86 against Rs. 7.78 in the corresponding period of last year.

Your Directors have pleasure in declaring the second interim cash dividend of Rs. 1.50 (15.00 %) per share for the year 2022.

Outlook

During the year, the economy continued to register high external account deficits and depreciation of Pak Rupee amid heightened global commodity prices (specifically fuel prices). As a result, headline inflation has accelerated to over 20 %. Consequently, the State Bank of Pakistan has hiked the policy rate to 15 %. The government remains fully engaged with IMF in order to revive the Extended Fund Facility (EFF) which would likely instill stability going forward.

Acknowledgments

It is a matter of deep gratification for your Directors to place on record their appreciation of the efforts made by officers, field force and staff who had contributed to the growth of the Company and the continued success of its operations.

Your Directors would also like to thank the Securities & Exchange Commission of Pakistan, Pakistan Reinsurance Company Limited and all our reinsurers for their continued guidance and support.

RAFIQUE R. BHIMJEE
Director

MAHMOOD LOTIA
Director

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 23 August 2022

ڈائریکٹرز ریویو

(یہ انگریزی ڈائریکٹرز ریویو کا ترجمہ ہے)

ہم بمسرت ۳۰ جون ۲۰۲۲ء کو ختم ہونے والی ششماہی مدت کے لئے غیر آڈٹ شدہ مالیاتی حسابات پیش کر رہے ہیں۔

کارکردگی کا جائزہ

تحریری پرییمیم (بشمول تکافل) برائے زیر جائزہ مدت ۱۴،۰۲۰ ملین روپے (بشمول تکافل کٹری بیوٹن ۳۰۲، ملین روپے) رہا جو اس کے مقابلے میں گزشتہ سال کی اس مدت کے لئے ۱۰،۷۹۰ ملین روپے (بشمول تکافل کٹری بیوٹن ۲۶۲، ملین روپے) رہا تھا۔ خالص پرییمیم ریونیو ۱۹۰،۱۹۰ ملین روپے تھا جو اس کے مقابلے میں گزشتہ سال کی اس مدت کیلئے ۱۷۳،۷۵۳ ملین روپے رہا تھا۔ خالص پرییمیم ریونیو کے لئے مجموعی کلیمز کا تناسب ۵۵ فیصد تھا جو اس کے مقابلے میں گزشتہ سال کی اس مدت کیلئے ۴۳ فیصد رہا تھا۔

سرمایہ کاری کی آمدنی (بشمول ریٹیل آمدنی، ڈپازٹس اور دیگر آمدنی پر منافع جات) برائے زیر جائزہ مدت ۳۳۳۵، ملین روپے رہی جو اس کے مقابلے میں گزشتہ سال کی اس مدت میں ۴۲۷، ملین روپے تھی۔

اس مدت کے لئے منافع بعد از ٹیکس ۹۷۲ ملین روپے تھا جو اس کے مقابلے میں گزشتہ سال کی اس مدت میں ۵۵۵، ملین روپے تھا۔

سال رواں کے لئے ۴ فیصد کی شرح سے سپرنٹیکس کے نفاذ کے باعث بلند ترین انکم ٹیکس کی وصولی کا حجم ۱۶۳ ملین روپے رہا۔

اس مدت کے لئے آمدنی فی شیئر ۸۶ روپے رہی جو اس کے مقابلے میں گزشتہ سال کی اس مدت میں ۷۷ روپے تھی۔

آپ کے ڈائریکٹرز بمسرت سال ۲۰۲۲ء کے لئے دوسرے عبوری نقد منافع منقسمہ بشرح ۵۰ روپے (۱۵ فیصد) کا اعلان کرتے ہیں۔

مستقبل کا نقطہ نظر

سال کے دوران معیشت کو مستقل طور پر بلند تر بیرونی اکاؤنٹ خسارہ اور پاک روپے کی قدر میں کمی کے ساتھ ایشیائے صرف کے عالمی نرخوں میں اضافے (بالخصوص ایندھن کے نرخوں) کا سامنا رہا۔ جس کے نتیجے میں مرکزی افریڈ زر کی شرح ۲۰ فیصد سے زائد بڑھ گئی۔ اس کے نتیجے میں اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ میں ۱۵ فیصد تک اضافہ کیا، حکومت آئی ایم ایف کے ساتھ مستقل طور پر رابطے میں ہے تاکہ ایکٹیو بیڈ ڈیفنڈ فیسیلیٹی (ای ایف ایف) کو بحال کرایا جائے جو کہ مکمل طور پر آگے معیشت میں استحکام کا باعث ہوگی۔

اظہار تشکر

آپ کے ڈائریکٹرز تہہ دل سے یہ امر ریکارڈ پر لاتے ہیں کہ ہمارے آفیسرز، فیلڈ فورس اور دیگر اسٹاف نے نہایت جانفشانی سے کمپنی کی ترقی کے لئے محنت کی ہے اور کاروبار کے اضافے اور کامیابیوں کے تسلسل کو برقرار رکھنے میں کردار ادا کیا ہے۔

آپ کے ڈائریکٹرز سیکورٹی اینڈ ایڈجسٹمنٹ آف پاکستان، پاکستان ری انشورنس کمپنی لمیٹڈ اور اپنے تمام ری انشوررز کا ان کی مسلسل رہنمائی اور تعاون کیلئے شکریہ بھی ادا کرنا چاہتے ہیں۔

سیف الدین این۔ زومکوالا
چیئر مین

حسن علی عبداللہ
ٹیچنگ ڈائریکٹر و چیف ایگزیکٹو

محمود لوٹیا
ڈائریکٹر

رفیق آر۔ مجیم جی
ڈائریکٹر

Independent Auditor's Review Report To the members of EFU General Insurance Limited Report on Review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of EFU General Insurance Limited ("the Company") as at 30 June 2022 and the related unconsolidated condensed interim statement of profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows, unconsolidated condensed interim statement of changes in equity and notes to the unconsolidated condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures for the quarters ended 30 June 2022 and 30 June 2021 in the unconsolidated condensed interim statement of profit and loss and unconsolidated condensed interim statement of comprehensive income have not been subject to the review and therefore, we do not express a conclusion thereon.

Scope of review

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

Conclusion

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

Other matter

The unconsolidated condensed interim financial statements for the half year ended 30 June 2021 and the unconsolidated annual financial statements of the Company for the year ended 31 December 2021 were reviewed and audited respectively by another firm of Chartered Accountants, whose review report dated 28 August 2021 and audit report dated 07 March 2022, expressed an unmodified conclusion and an unmodified opinion respectively, on the aforementioned financial statements.

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

EY Ford Rhodes
Chartered Accountants

Independent Auditor's Review Report To the members of EFU General Insurance Limited - Window Takaful Operations on Review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of EFU General Insurance Limited - Window Takaful Operations (the Operator) as at 30 June 2022 and the related condensed interim statement of profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in funds, condensed interim statement of cash flows, and notes forming part thereof (here-in-after referred to as the "Condensed interim financial statements") for the six-months' period then ended. Management is responsible for the preparation and presentation of these interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures for the quarters ended 30 June 2022 and 30 June 2021 in the condensed interim statement of profit and loss account and condensed interim statement of comprehensive income have not been subject to the review and therefore, we do not express a conclusion thereon.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matter

The condensed interim financial statements for the half year ended 30 June 2021 and the annual financial statements of the Company for the year ended 31 December 2021 were reviewed and audited respectively by another firm of Chartered Accountants, whose review report dated 28 August 2021 and audit report dated 07 March 2022, expressed an unmodified conclusion and an unmodified opinion respectively, on the aforementioned financial statements.

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

EY Ford Rhodes
Chartered Accountants

Unconsolidated Condensed Interim Statement of Financial Position As at 30 June 2022 (Unaudited)

	Note	30 June 2022 (Unaudited)	Rupees '000 (Restated) 31 December 2021 (Audited)
Assets			
Property and equipment	6	2 949 583	2 887 013
Investment property	7	2 600 618	2 599 970
Investment in subsidiary Investments	8	9 464 943	9 644 327
Equity securities	9	3 136 710	3 705 178
Debt securities	10	10 591 264	9 405 824
Term deposits		979 440	678 785
Loans and other receivables	11	330 746	387 908
Insurance / reinsurance receivables	12	4 888 601	5 012 826
Reinsurance recoveries against outstanding claims	18	6 053 807	3 974 297
Salvage recoveries accrued		88 992	76 869
Deferred commission expense	19	779 765	772 985
Retirement benefit		49 408	–
Deferred taxation		39 698	–
Prepayments	13	7 046 413	5 523 607
Cash and bank	14	1 365 438	1 189 522
		50 365 426	45 859 111
Total assets of window takaful operations - Operator's Fund		1 222 026	1 141 221
Total assets		51 587 452	47 000 332
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		2 000 000	2 000 000
Reserves and unappropriated profit / loss	15	16 187 080	17 273 812
Total equity		18 187 080	19 273 812
Surplus on revaluation of property and equipment		1 015 158	1 076 919
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	19	10 055 888	7 085 599
Unearned premium reserve	18	11 648 905	10 517 726
Unearned reinsurance commission	20	127 521	135 214
Retirement benefit obligations		–	9 038
Deferred taxation		–	278 253
Premium received in advance		73 577	26 779
Insurance / reinsurance payables		6 417 843	4 809 795
Other creditors and accruals	16	3 311 168	3 222 312
Taxation - provision less payments		238 410	50 910
Total liabilities		31 873 312	26 135 626
		51 075 550	46 486 357
Total liabilities of window takaful operations - Operator's Fund		511 902	513 975
Total equity and liabilities		51 587 452	47 000 332
Contingencies and commitments	17		

The annexed notes 1 to 33 form an integral part of these unconsolidated condensed interim financial statements.

RAFIQUE R. BHIMJEE
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 23 August 2022

Unconsolidated Condensed Interim Profit and Loss Account For the six months period ended 30 June 2022 (Unaudited)

Rupees '000

	Note	Three months period ended		Six months period ended	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
Net insurance premium	18	2 633 244	2 371 276	5 190 177	4 753 338
Net insurance claims	19	(1 658 717)	(1 093 750)	(2 863 294)	(2 041 823)
Net commission and other acquisition cost	20	(380 467)	(302 336)	(735 809)	(598 838)
Insurance claims and acquisition expenses		(2 039 184)	(1 396 086)	(3 599 103)	(2 640 661)
Management expenses		(768 302)	(720 462)	(1 451 573)	(1 364 740)
Underwriting results		(174 242)	254 728	139 501	747 937
Investment income	21	282 874	448 402	1 102 919	1 316 638
Rental income		28 836	30 595	59 971	59 416
Other income	22	122 036	40 613	172 497	50 891
Other expenses		(21 568)	(18 830)	(42 943)	(45 819)
		412 178	500 780	1 292 444	1 381 126
Results of operating activities		237 936	755 508	1 431 945	2 129 063
Profit from window takaful operations - Operator's Fund	23	66 126	28 626	133 501	61 060
Profit before tax		304 062	784 134	1 565 446	2 190 123
Income tax expense	24				
Current period		(78 706)	(227 625)	(431 275)	(634 936)
Prior period		(162 565)	-	(162 565)	-
		(241 271)	(227 625)	(593 840)	(634 936)
Profit after tax		62 791	556 509	971 606	1 555 187
Earnings (after tax) per share - Rupees	25	0.31	2.78	4.86	7.78

The annexed notes 1 to 33 form an integral part of these unconsolidated condensed interim financial statements.

RAFIQUE R. BHIMJEE
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 23 August 2022

Unconsolidated Condensed Interim Statement of Comprehensive Income For the six months period ended 30 June 2022 (Unaudited)

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Profit after tax	62 791	556 509	971 606	1 555 187
Other comprehensive income				
Total items that may be reclassified subsequently to profit and loss account				
Unrealized (loss) / gain on available-for-sale investments during the period	(305 649)	63 741	(655 494)	(500 591)
Reclassification adjustments relating to available-for-sale investments disposed off during the period	–	–	–	40 941
Unrealized (loss) / gain on available-for-sale investments during the period of subsidiary company	18 485	55 016	(249 513)	(110 575)
Total unrealized (loss) / gain on available-for-sale investments	(287 164)	118 757	(905 007)	(570 225)
Deferred tax on available-for-sale investments	76 301	(18 484)	177 758	133 299
Deferred tax on available-for-sale investments of subsidiary company	(11 164)	(15 955)	66 555	32 067
Net unrealized gain / (loss) from window takaful operations - Operator's Fund (net of deferred tax)	(2 533)	2 812	1 283	1 630
Other comprehensive (loss) / income	(224 560)	87 130	(659 411)	(403 229)
Total comprehensive income / (loss) for the period	(161 769)	643 639	312 195	1 151 958

The annexed notes 1 to 33 form an integral part of these unconsolidated condensed interim financial statements.

RAFIQUE R. BHIMJEE
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 23 August 2022

Unconsolidated Condensed Interim Cash Flow Statement For the six months period ended 30 June 2022 (Unaudited)

	2022	2021
		Rupees '000
Operating cash flows		
a) Underwriting activities		
Insurance premium received	12 820 809	9 579 602
Reinsurance premium paid	(6 255 230)	(4 911 380)
Claims paid	(2 396 177)	(3 114 235)
Reinsurance and other recoveries received	480 516	1 015 243
Commission paid	(876 813)	(702 901)
Commission received	122 322	95 714
Management expenses paid	(1 379 800)	(1 229 059)
Net cash flow from underwriting activities	2 515 627	732 984
b) Other operating activities		
Income tax paid	(488 761)	(511 880)
Other operating payments	(79 981)	(182 500)
Other operating receipts	149 709	(12 446)
Loans advanced	(3 273)	(366)
Loans repayments received	1 930	327
Net cash flow used in other operating activities	(420 376)	(706 865)
Total cash flow from all operating activities	2 095 251	26 119
Investment activities		
Profit / return received	695 430	620 069
Dividend received	666 349	641 256
Rentals received	50 335	48 980
Payment for investments / investment properties	(5 730 309)	(6 288 017)
Proceeds from investments / investment properties	3 974 914	6 162 102
Fixed capital expenditures	(237 691)	(104 196)
Proceeds from sale of property and equipment	37 524	15 306
Total cash flow (used in) / from investing activities	(543 448)	1 095 500
Financing activities		
Payments against lease liabilities	(21 694)	(22 058)
Dividends paid	(1 354 193)	(1 363 987)
Total cash flow used in financing activities	(1 375 887)	(1 386 045)
Net cash flow from / (used in) all activities	175 916	(264 426)
Cash and cash equivalents at the beginning of period	1 189 522	1 328 500
Cash and cash equivalents at the end of period	1 365 438	1 064 074
Reconciliation to profit and loss account		
Operating cash flows	2 095 251	26 119
Depreciation / amortization expense	(134 433)	(193 324)
Finance cost	(6 725)	(4 735)
Profit on disposal of property and equipment	16 225	11 691
Profit on disposal of investments / investment properties	90 572	102 748
Rental income	59 971	59 416
Dividend Income	667 094	635 576
Other investment income	345 253	578 314
Profit on deposits	76 396	44 006
Other income / (loss)	79 876	(4 806)
Increase in assets other than cash	3 486 017	281 296
Increase in liabilities other than borrowings	(5 937 392)	(42 174)
Profit after tax from conventional insurance operations	838 105	1 494 127
Profit from window takaful operations - Operator's Fund	133 501	61 060
Profit after tax	971 606	1 555 187

The annexed notes 1 to 33 form an integral part of these unconsolidated condensed interim financial statements.

RAFIQUE R. BHIMJEE
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Unconsolidated Condensed Interim Statement of Changes in Equity For the six months period ended 30 June 2022 (Unaudited)

Rupees '000

	Share capital	Capital Reserve - Reserve for exceptional losses	Revenue reserve - General reserve and unappropriated profit / (loss)	Unrealized gain / (loss) on revaluation of available-for-sale investment-net	Unrealized gain on fair value of investment property	Total reserve	Total equity
Balance as at 01 January 2021	2 000 000	12 902	16 795 315	(852 863)	1 623 511	17 578 865	19 578 865
Effect of adjustment - net of tax as disclosed in note 8			(2 822 351)	2 822 351			
Balance as at 01 January 2021 (restated)	2 000 000	12 902	13 972 964	1 969 488	1 623 511	17 578 865	19 578 865
Total comprehensive income for the period ended 30 June 2021							
Profit after tax			1 555 187	(403 229)		1 555 187	1 555 187
Other comprehensive loss				(403 229)		(403 229)	(403 229)
			1 555 187	(403 229)		1 151 958	1 151 958
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation - net of tax			121			121	121
Transactions with owners recorded directly in equity							
Final dividend for the year 2020 at the rate of Rs. 5.50 (55.00%) per share			(1 100 000)			(1 100 000)	(1 100 000)
1st Interim dividend paid for the year 2021 at the rate of Rs. 1.50 (15.00%) per share			(300 000)			(300 000)	(300 000)
Balance as at 30 June 2021 (restated)	2 000 000	12 902	14 128 272	1 566 259	1 623 511	17 330 944	19 330 944
Balance as at 01 January 2022	2 000 000	12 902	17 516 609	(1 934 889)	1 679 190	17 273 812	19 273 812
Effect of adjustment - net of tax as disclosed in note 8			(2 896 013)	2 896 013			
Balance as at 01 January 2022 (restated)	2 000 000	12 902	14 620 596	961 124	1 679 190	17 273 812	19 273 812
Total comprehensive income for the period ended 30 June 2022							
Profit after tax			1 066 208	(659 411)	(94 602)	971 606	971 606
Other comprehensive loss				(659 411)	(94 602)	(659 411)	(659 411)
			1 066 208	(659 411)	(94 602)	312 195	312 195
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation - net of tax			1 073			1 073	1 073
Transactions with owners recorded directly in equity							
Final dividend for the year 2021 at the rate of Rs. 5.50 (55.00%) per share			(1 100 000)			(1 100 000)	(1 100 000)
1st Interim dividend paid for the year 2022 at the rate of Rs. 1.50 (15.00%) per share			(300 000)			(300 000)	(300 000)
Balance as at 30 June 2022	2 000 000	12 902	14 287 877	301 713	1 584 588	16 187 080	18 187 080

The annexed notes 1 to 33 form an integral part of these unconsolidated condensed interim financial statements.

RAFIQUE R. BHIMJEE
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 23 August 2022

Notes to the Unconsolidated Condensed Interim Financial Statements For the six months period ended 30 June 2022 (Unaudited)

1. Legal status and nature of business

EFU General Insurance Limited (the Company) was incorporated as a public limited company on 02 September 1932. The Company is listed on the Pakistan Stock Exchange and is engaged in non-life insurance business comprising of fire and property damage, marine, aviation and transport, motor, miscellaneous etc.

The Registered Office of the Company is situated in Islamabad while the principal place of business is located at EFU House, M.A. Jinnah Road, Karachi. The Company commenced Window Takaful Operations from 16 April 2015 as per Securities and Exchange Commission of Pakistan (SECP) Takaful Rules, 2012. The Company operates through 51 (2021: 57) branches in Pakistan including a branch in Export Processing Zone (EPZ) and a branch in Gwadar Free Zone.

- 1.1 In 2018, the Company had assessed its control position in relation to its investments in EFU Life Assurance Limited after its agreement with some shareholders of EFU Life Assurance Limited effective 31 March 2018, accordingly it was concluded that the Company has the ability to control the composition of the Board of Directors of EFU Life Assurance Limited, therefore EFU Life Assurance Limited has become the subsidiary of the Company from 31 March 2018.

2. Basis of preparation and statement of compliance

These unconsolidated condensed interim financial information 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 the Companies Act, 2017; and

Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017 and Takaful Rules 2012, General Takaful Accounting Regulations, 2019;

In case requirement differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, Insurance Rules 2017, General Takaful Accounting Regulations, 2019 shall prevail.

Total assets, total liabilities and profit of the Window Takaful Operations of the Company referred to as the Operator's Fund has been presented in these unconsolidated condensed interim financial statements in accordance with the requirements of Circular 25 of 2015 dated 09 July 2015. A separate set of condensed interim financial statements of the General Window Takaful Operations has been reported which is annexed to these unconsolidated condensed interim financial statements as per the requirements of the SECP Takaful Rules, 2012, General Takaful Accounting Regulations, 2019.

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

2.1 Basis of measurement

The unconsolidated condensed interim financial statements have been prepared under the historical cost basis except for the available-for-sale investments, property and equipment and investment property that have been measured at fair value and the Company's liability under defined benefit plan that is determined based on present value of defined benefit obligation less fair value of plan assets.

2.2 Functional and presentation currency

These unconsolidated condensed interim financial statements are presented in Pakistani Rupees which is also the Company's functional currency. All financial information presented in Pakistani Rupees has been rounded to the nearest rupees in thousand, unless otherwise stated.

2.3 Standards, interpretations and amendments effective during the current period

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

2.4 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	01 January 2023

IFRS 17 - Insurance Contracts effective date 01 January 2023: 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 above standards and amendments are not expected to have any material impact on the Company's condensed interim financial statements in the period of initial application except IFRS 17 and IFRS 9 for which the impact is being assessed.

3. Summary of significant accounting policies

The significant accounting policies and method of computation adopted in preparation of unconsolidated condensed interim financial statements are consistent with those followed in preparation of annual audited unconsolidated financial statements of the Company for the year ended 31 December 2021 except as disclosed in note 8.

4. Accounting estimates and judgements

The preparation of these unconsolidated condensed interim financial statements are in conformity with approved accounting standards which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparation of these unconsolidated condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation, uncertainty were the same as those that applied to the audited unconsolidated financial statements as at and for the year ended 31 December 2021.

5. Management of insurance and financial risk

Insurance and financial risk management objectives and policies are consistent with those disclosed in the audited unconsolidated financial statements for the year ended 31 December 2021.

6. Property and equipment

The movement of property and equipment during the six months period ended 30 June 2022 are as follows:

		Rupees '000	
	Note	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Opening balance - net book value		2 887 013	2 818 853
Additions	6.1	237 691	340 810
Depreciation during the period		(134 433)	(349 154)
Book value of disposal		(40 688)	(13 349)
Revaluation		-	89 853
		<u>2 949 583</u>	<u>2 887 013</u>
6.1 Additions			
Building		40 580	95 413
Right of use assets - buildings		39 876	84 803
leasehold improvements		539	2 167
Furniture and fixtures		13 267	18 632
Office equipment		22 958	21 662
Computer equipment		9 403	23 758
Vehicles		111 068	70 104
Tracker equipment		-	24 271
		<u>237 691</u>	<u>340 810</u>
7. Investment Property			
Opening net book value		2 599 970	2 517 970
Additions and capital improvements		648	3 579
Unrealized fair value gain *		-	78 421
Closing net book value		<u>2 600 618</u>	<u>2 599 970</u>

* The Company revalues its investment property annually and any change in fair value is accounted for at the end of the year, as per IAS 40.

8. Investment in subsidiary

		Rupees '000					
		30 June 2022 (Unaudited)	(Restated) 31 December 2021 (Audited)				
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Subsidiary							
Listed shares		13 398 746	(4 078 891)	9 319 855	13 328 616	(4 078 891)	9 249 725
Suplus on revaluation		-	-	145 088	-	-	394 602
		<u>13 398 746</u>	<u>(4 078 891)</u>	<u>9 464 943</u>	<u>13 328 616</u>	<u>(4 078 891)</u>	<u>9 644 327</u>

In terms of the current accounting policy of the Company, the investment in its subsidiary company is accounted for as an available-for-sale investment based on the requirements of IAS 39 "Financial Instruments" read with IAS 27 "Separate Financial Statements". Under such accounting policy, the Company followed the impairment testing approach for the investment using the "value-in-use" model of IAS 36 "Impairment of Assets". Considering the interaction between IAS 27 and IAS 39 it follows that IAS 39 fair value-driven impairment method (for details refer to note 3.13.2.1 to the annual financial statements for the year 2021) applies in the case of this investment. The Company has revised the previous accounting treatment retrospectively in accordance with the requirements of IAS 8 and impacts are reflected in the statement of changes in equity.

9. Investment in equity securities - available-for-sale

Rupees '000

	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Related Party *						
Listed shares	396 298	–	396 298	396 298	–	396 298
Others						
Listed shares	2 265 449	(361 970)	1 903 479	2 260 862	(160 216)	2 100 646
Unlisted shares	15 500	(15 500)	–	15 500	(15 500)	–
	2 280 949	(377 470)	1 903 479	2 276 362	(175 716)	2 100 646
Surplus on revaluation	–	–	836 933	–	–	1 208 234
	<u>2 677 247</u>	<u>(377 470)</u>	<u>3 136 710</u>	<u>2 672 660</u>	<u>(175 716)</u>	<u>3 705 178</u>

* The Company has not accounted for investment in related parties as associates under IAS 28 "Investment in Associates and Joint Ventures", as the management has concluded that the Company does not have significant influence in these companies.

10. Investment in debt securities - available-for-sale

Rupees '000

	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Government securities	10 938 101	–	10 938 101	9 455 653	–	9 455 653
Term finance certificates	244 118	(44 118)	200 000	244 118	(44 118)	200 000
Corporate sukus	167 500	–	167 500	180 000	–	180 000
	11 349 719	(44 118)	11 305 601	9 879 771	(44 118)	9 835 653
Deficit on revaluation	–	–	(714 337)	–	–	(429 829)
	<u>11 349 719</u>	<u>(44 118)</u>	<u>10 591 264</u>	<u>9 879 771</u>	<u>(44 118)</u>	<u>9 405 824</u>

Rupees '000

11. Loans and other receivables – considered good

	Note	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Loans to employees		3 336	1 993
Accrued investment income		250 213	246 992
Security deposits		19 100	17 969
Advances to suppliers		39 729	50 026
Advances to employees		12 822	7 200
Other receivables		5 546	63 728
		<u>330 746</u>	<u>387 908</u>
12. Insurance / reinsurance receivables – unsecured and considered good			
Due from insurance contract holders		4 863 204	4 918 382
Provision for impairment of receivables from insurance contract holders		(1 267)	(1 195)
		<u>4 861 937</u>	<u>4 917 187</u>
Due from other insurer / reinsurers		26 664	95 639
		<u>4 888 601</u>	<u>5 012 826</u>
13. Prepayments			
Prepaid reinsurance premium ceded	18	6 934 872	5 468 998
Software and hardware support services		5 939	2 419
Group health insurance premium		13 112	–
Group life insurance premium		6 455	–
Prepaid charges for vehicle tracking devices		57 423	39 347
Annual supervision fee		16 155	–
Others		12 457	12 843
		<u>7 046 413</u>	<u>5 523 607</u>
14. Cash and bank			
Cash and cash equivalents			
Cash in hand		5	–
Policy and revenue stamps bond papers		31 623	19 588
		31 628	19 588
Cash at bank			
Current accounts		163 615	164 974
Saving accounts		1 170 195	1 004 960
		<u>1 333 810</u>	<u>1 169 934</u>
		<u>1 365 438</u>	<u>1 189 522</u>

Rupees '000

15. Reserves

	Note	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Capital Reserves			Restated (Note 8)
Reserve for exceptional losses		12 902	12 902
Revenue reserves			
General reserve	15.1	16 400 000	15 650 000
Unappropriated loss		(2 112 123)	(1 029 404)
		14 287 877	14 620 596
Revaluation reserve for unrealized gain on available-for-sale investments - net		301 713	961 124
Reserve for change in fair value of investment property - net		1 584 588	1 679 190
		<u>16 187 080</u>	<u>17 273 812</u>

15.1 During the period Rs. 750 million (2021: Rs. 250 million) have been transferred from unappropriated profit to general reserves.

16. Others creditors and accruals

Rupees '000

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Federal insurance fee payable	29 668	13 513
Sales tax payable	176 480	307 645
Accrued expenses	249 181	312 001
Agent commission payable	565 312	569 519
Unearned rentals	60 701	69 329
Other deposits	1 578 903	1 378 680
Unclaimed dividends	454 441	408 634
Lease liability	139 162	139 330
Others	57 320	23 661
	<u>3 311 168</u>	<u>3 222 312</u>

17. Contingencies and commitments

17.1 The income tax assessment of the Company has been finalized up to the tax year 2021

The Income Tax Department has made an assessment order for the assessment years 1999-2000 and 2000 2001 by adding back provision for bonus to staff, provision for gratuity and excess management expenses. The Company had filed appeals before the Commissioner, Inland Revenue (Appeals). The appeals have been decided in the favour of the Income Tax Department. The Company had filed appeals before the Income Tax Appellate Tribunal (ITAT). If the appeals are decided against the Company a tax liability of Rs. 13 million would arise.

The Income Tax Department (Audit) has made an assessment order for the assessment year 2002-2003 by adding certain items. The Company had filed an appeal before Commissioner Income Tax (Appeals). The appeal was decided in the favour of the Company. The Department had filed an appeal before the Income Tax Appellate Tribunal (ITAT) and the same has been decided in the favour of the Company. The Department has filed an appeal before the Honourable High Court of Sindh against the order of the Income Tax Appellate Tribunal (ITAT) in respect of the estimated liability of claims, excess perquisites and retrocession commission. If the appeal is decided against the Company a tax liability of Rs. 76 million would arise.

The Commissioner Inland Revenue (Audit) has amended the tax assessment of the Company for the tax year 2005 to 2007 by disallowing prorated expense. The Company has filed appeals before Commissioner Income Tax (Appeals). The appeals were decided in the favour of the Company. The Department then filed appeals before the Income Tax Appellate Tribunal (ITAT). The Income Tax Appellate Tribunal (ITAT) had passed an order in favour of the Company. The Department then filed a reference before the Honourable High Court of Sindh. The Honourable High Court of Sindh maintained the decision of the Income Tax Appellate Tribunal (ITAT). The Department has filed appeals for the tax year 2005 to 2007 before the Honourable Supreme Court of Pakistan against the decision of the Honourable High Court of Sindh in respect of proration of expenses and if the appeals are decided against the Company, a tax liability of Rs. 37 million would arise.

The Commissioner Inland Revenue (Audit) has amended the tax assessment of the Company for the tax year 2008 by adding capital gain on investment, depreciation on leased asset, admissible expenses, re-insurance premium ceded, provision for leave encashment, amortization of premium relative to par and provision for outstanding claims (IBNR). The Company filed an appeal before Commission Income Tax (Appeals) against the order of Income Tax Commissioner (Audit). The Appeal decided in favour of the Company except addition made on account of reinsurance premium ceded. The Company has filed an appeal before the Income Tax Appellate Tribunal (ITAT) against the decision of the Income Tax Commissioner (Appeals) for maintaining the decision of Income Tax Commissioner (Audit) with respect to confirming the addition made on account of reinsurance premium ceded. The Income Tax Appellate Tribunal (ITAT) decided the case in favour of the Company. The Department filed an appeal in Income Tax Appellate Tribunal (ITAT) against the decision of the Income Tax Commissioner (Appeals) for deletion of Capital Gain on Investment, Provision for Leave Encashment, and Depreciation on Leased Asset. The Income Tax Appellate Tribunal (ITAT) decided the case in favour of the Company. The Department has filed appeals before the Honourable High Court of Sindh against the decision of the Income Tax Appellate Tribunal (ITAT) in respect of tax on reinsurance premium, deletion of Capital Gain on Investment, Provision for Leave Encashment, and Depreciation on Leased Asset. If the appeals decided against the Company, a tax liability of Rs. 5,099 million would be payable. The Honourable High Court of Sindh has issued orders in favour of the assesses on identical cases.

The Department has filed an appeal for tax years 2014 to 2016 before the Income Tax Appellate Tribunal (ITAT) against the order of Commissioner (Appeal) in respect of Dividend Income taxed at the reduced rate. If the appeal is decided against the Company, a tax liability of Rs. 355 million would arise.

The Commissioner Inland Revenue (Audit) has made an addition to the income of Tax years 2017 and 2019 on account of the fair market value of motor vehicles. The Company has filed appeals before Commissioner Income Tax (Appeals). The Commissioner Income Tax (Appeals) has confirmed the action of the Commissioner, Inland Revenue (Audit). The Company then filed appeals before the Income Tax Appellate Tribunal (ITAT). If the appeal is decided against the Company, a tax liability of Rs. 2 million would arise. The Income-tax Appellate Tribunal (ITAT) has issued orders in favour of the Company on this issue in previous years.

In 2014, 2015, 2016, 2017 and 2018, the Searle Company Limited issued bonus shares (453,612, 312,993, 664,632, 472,284 and 443,697 shares, respectively) after withholding 5 percent of bonus shares (22,680, 15,650, 34,981, 24,857 and 21,360 shares respectively). In this regard, a constitutional petition had been filed by the Company in the Honourable High Court of Sindh challenging the applicability of withholding tax provision on bonus shares received by the Company. The Honourable High Court of Sindh decided the case against the Company. Subsequently, the

Company filed an appeal with a larger bench of the Honourable High Court of Sindh and in response; the Sindh High Court has suspended the earlier judgement until the next date of hearing, which has not yet been decided. Consequently, the Company has not paid/provided an amount of Rs. 37 million being withholding tax on bonus shares.

No provision has been made in these unconsolidated condensed interim financial statements for the above contingencies, as the management, based on the tax advisor's opinion, is confident that the decision in this respect will be decided in favour of the Company.

There are no commitments as at 30 June 2022 (31 December 2021: Nil).

18. Net insurance premium

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Written gross premium	6 603 520	4 218 094	12 718 761	9 527 901
Unearned premium reserve - opening	10 998 822	9 682 893	10 517 726	9 411 142
Unearned premium reserve - closing	(11 648 905)	(8 805 984)	(11 648 905)	(8 805 984)
Premium earned	5 953 437	5 095 003	11 587 582	10 133 059
Less:				
Reinsurance premium ceded	4 599 984	2 612 943	7 863 279	5 187 321
Prepaid reinsurance premium - opening	5 655 081	4 727 054	5 468 998	4 808 670
Prepaid reinsurance premium - closing	(6 934 872)	(4 616 270)	(6 934 872)	(4 616 270)
Reinsurance expense	3 320 193	2 723 727	6 397 405	5 379 721
	<u>2 633 244</u>	<u>2 371 276</u>	<u>5 190 177</u>	<u>4 753 338</u>
19. Net insurance claim expense				
Claims Paid	1 276 282	1 732 376	2 384 054	3 105 559
Outstanding claims including IBNR - closing	10 055 888	7 532 603	10 055 888	7 532 603
Outstanding claims including IBNR - opening	(8 524 553)	(6 757 309)	(7 085 599)	(7 111 989)
Claim expense	2 807 617	2 507 670	5 354 343	3 526 173
Less:				
Reinsurance and other recoveries received	203 271	609 924	411 539	1 073 039
Reinsurance and other recoveries in respect of outstanding claims - opening	(5 108 178)	(3 463 457)	(3 974 297)	(3 856 142)
Reinsurance and other recoveries in respect of outstanding claims - closing	6 053 807	4 267 453	6 053 807	4 267 453
Reinsurance and other recoveries revenue	1 148 900	1 413 920	2 491 049	1 484 350
	<u>1 658 717</u>	<u>1 093 750</u>	<u>2 863 294</u>	<u>2 041 823</u>

20. Net commission expense

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Commission paid or payable	424 734	216 339	872 605	606 840
Deferred commission expense - opening	798 170	697 589	772 985	678 039
Deferred commission expense - closing	(779 765)	(541 078)	(779 765)	(541 078)
Net commission	443 139	372 850	865 825	743 801
Less:				
Commission received or recoverable	56 784	42 873	122 323	95 712
Unearned reinsurance commission-opening	133 409	130 534	135 214	152 144
Unearned reinsurance commission-closing	(127 521)	(102 893)	(127 521)	(102 893)
Commission from reinsurers	62 672	70 514	130 016	144 963
	380 467	302 336	735 809	598 838
21. Investment income				
Income from subsidiary - available-for-sale				
Dividend income	68 909	67 081	549 607	534 203
Income from equity securities - available-for-sale				
Dividend income	35 139	41 453	117 487	101 373
Income from debt securities - available-for-sale				
Return on debt securities	279 988	287 576	541 282	574 202
Income from term deposits Return on term deposits	1 849	1 898	6 489	5 145
	385 885	398 008	1 214 865	1 214 923
Net realized gains / (losses) on investments Available-for-sale financial assets				
Realized gains on:				
Equity securities	800	55 633	97 372	160 030
Realized losses on:				
Equity securities	(6 800)	(7 209)	(6 800)	(57 282)
	(6 000)	48 424	90 572	102 748
	379 885	446 432	1 305 437	1 317 671
(Impairment) / reversal in value of available-for-sale equity securities	(96 688)	2 490	(202 069)	(253)
Investment related expenses	(323)	(520)	(449)	(780)
	282 874	448 402	1 102 919	1 316 638

22. Other income

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Gain on sale of property and equipment	30 056	10 371	36 103	11 691
Return on loans to employees	101	31	131	61
Exchange gains / (losses)	42 582	9 512	54 182	(4 866)
Gain on early termination of lease agreements	5 685	–	5 685	–
Return on bank balances	43 612	20 699	76 396	44 005
	<u>122 036</u>	<u>40 613</u>	<u>172 497</u>	<u>50 891</u>
23. Profit from window takaful operations – Operator's Fund				
Wakala fee	214 637	189 974	430 132	366 817
Commission expense	(77 302)	(76 321)	(157 839)	(146 039)
General administrative and management expenses	(104 148)	(91 349)	(196 491)	(184 416)
Modarib's share of PTF investment income	16 044	7 197	25 289	14 840
Investment income / (loss)	15 972	(1 632)	30 815	8 684
Direct expenses	(275)	(248)	(570)	(460)
Other income	1 198	1 005	2 165	1 634
	<u>66 126</u>	<u>28 626</u>	<u>133 501</u>	<u>61 060</u>
24. Income tax expense				
For current period				
Current	114 596	243 907	496 753	657 259
Deferred	(104 749)	(16 282)	(134 337)	(22 323)
Super tax	68 859	–	68 859	–
	<u>78 706</u>	<u>227 625</u>	<u>431 275</u>	<u>634 936</u>
For prior year(s)				
Super tax	162 565	–	162 565	–
	<u>241 271</u>	<u>227 625</u>	<u>593 840</u>	<u>634 936</u>
25. Earnings per share - basic and diluted				
Profit (after tax) for the period (Rupees '000)	<u>62 791</u>	<u>556 509</u>	<u>971 606</u>	<u>1 555 187</u>
Weighted average number of ordinary shares (Numbers '000)	<u>200 000</u>	<u>200 000</u>	<u>200 000</u>	<u>200 000</u>
Earnings per share (Rupees)	<u>0.31</u>	<u>2.78</u>	<u>4.86</u>	<u>7.78</u>

26. Related party transactions

Related parties comprise of directors, major shareholders, key management personnel, associated companies, subsidiary company, and entities with common directors and employee retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions except for compensation to key management personnel which are on employment terms. The transactions and balances with related parties during the period other than those which have been specifically disclosed elsewhere in these unconsolidated condensed interim financial statements are as follows:

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Transactions				
Subsidiary company				
Premium written	278	401	28 639	25 536
Premium paid	800	–	13 424	10 753
Claims paid including salvage recovered	724	1 322	946	1 204
Dividends received	549 607	534 203	549 607	534 203
Dividends paid	32 767	32 767	32 767	32 767
Associated companies				
Premium written	97 370	120 813	148 675	217 155
Premium paid / (refund)	354	(104)	25 960	21 566
Claims paid including salvage recovered	56 742	26 755	131 254	43 885
Dividends paid	475 052	460 478	475 052	460 478
Bank deposits made / (withdrawn)	310 000	(50 000)	210 000	(50 000)
Key management personnel				
Premium written	20	–	114	99
Claims paid	–	–	168	20
Dividends paid	6 283	6 052	6 283	6 052
Compensation	63 770	51 162	112 343	94 116
Others				
Premium written	195 520	224 965	222 220	244 302
Claims paid including salvage recovered	1 588	3 394	37 380	6 307
Dividends paid	470 523	464 471	470 523	464 471
Brokerage paid	120	528	184	1 060
Employees' funds				
Contribution to provident fund	9 598	7 276	17 419	14 634
Contribution to gratuity fund	7 129	5 465	14 360	10 930
Contribution released to pension fund	(1 855)	(973)	(3 710)	(1 945)
Dividends paid	3 146	3 789	3 146	3 789
			30 June 2022 (Unaudited)	31 December 2021 (Audited)
Balances				
Others				
Balances receivable			179 572	104 926
Balances payable			894	555
Deposits maturing within 12 months			498 500	288 500
Bank balances			427 400	168 016
Employees' funds receivable / (payable)				
EFU gratuity fund			(14 360)	(69 001)
EFU pension fund			63 768	59 963

27. Segment Information

Rupees '000

For six months period ended 30 June 2022 (Unaudited)

Current period	Fire and property damage	Marine, aviation and transport	Motor	Misce-llaneous	Treaty	Total
Premium receivable (inclusive of sales tax federal insurance fee and administrative surcharge)	8 795 621	2 654 503	1 990 712	1 127 602	-	14 568 438
Less: Sales tax	965 501	283 330	242 480	132 933	-	1 624 244
Stamp duty	203	96 977	601	542	-	98 323
Federal insurance fee	77 453	22 509	17 305	9 843	-	127 110
Gross written premium (inclusive of administrative surcharge)	7 752 464	2 251 687	1 730 326	984 284	-	12 718 761
Gross direct premium	7 727 336	2 222 817	1 635 259	977 377	-	12 562 789
Facultative inward premium	11 246	718	-	-	-	11 964
Administrative surcharge	13 882	28 152	95 067	6 907	-	144 008
Insurance premium earned	7 359 893	1 594 144	1 772 355	861 190	-	11 587 582
Insurance premium ceded to reinsurers	(5 453 122)	(690 047)	(10 328)	(243 908)	-	(6 397 405)
Net insurance premium	1 906 771	904 097	1 762 027	617 282	-	5 190 177
Commission income	102 924	8 070	4	19 018	-	130 016
Net underwriting income	2 009 695	912 167	1 762 031	636 300	-	5 320 193
Insurance claims	(3 663 433)	(265 717)	(988 451)	(436 742)	-	(5 354 343)
Insurance claims recovered from reinsurers	2 449 130	(18 097)	(2 017)	62 033	-	2 491 049
Net insurance claims	(1 214 303)	(283 814)	(990 468)	(374 709)	-	(2 863 294)
Commission expense	(489 365)	(151 313)	(158 100)	(67 047)	-	(865 825)
Management expenses	(546 162)	(241 871)	(492 076)	(171 464)	-	(1 451 573)
Net insurance claims and expenses	(2 249 830)	(676 998)	(1 640 644)	(613 220)	-	(5 180 692)
Underwriting results	(240 135)	235 169	121 387	23 080	-	139 501
Investment income						1 102 919
Rental income						59 971
Other income						172 497
Other expenses						(42 943)
Profit from window takaful operations - Operator's Fund						133 501
Profit before tax						1 565 446
						As at 30 June 2022 (Unaudited)
Corporate segment assets	13 825 098	2 338 424	577 115	754 569	-	17 495 206
Corporate segment assets - Takaful OPF	72 571	14 881	256 445	6 804	-	350 701
Corporate unallocated assets						32 870 220
Corporate unallocated assets - Takaful OPF						871 325
Total assets						51 587 452
Corporate segment liabilities	19 973 841	3 932 952	2 661 233	3 766 705	-	30 334 731
Corporate segment liabilities - Takaful OPF	76 739	14 070	380 228	8 313	-	479 350
Corporate unallocated liabilities						1 538 581
Corporate unallocated liabilities - Takaful OPF						32 552
Total liabilities						32 385 214
Location	External premium less reinsurance by geographical segments 2022 (Unaudited)					
Pakistan	5 174 761					
* EPZ	15 416					
Total	5 190 177					

* This represents US Dollar Equivalent in Pak Rupees

Rupees '000

For six months period ended 30 June 2021 (Unaudited)

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	6 557 681	1 678 465	1 833 635	1 004 018	-	11 073 799
Less: Sales tax	849 722	181 378	223 069	125 532	-	1 379 701
Stamp duty	182	69 759	556	428	-	70 925
Federal insurance fee	56 513	14 123	15 942	8 694	-	95 272
Gross written premium (inclusive of administrative surcharge)	5 651 264	1 413 205	1 594 068	869 364	-	9 527 901
Gross direct premium	5 638 145	1 386 170	1 492 265	862 987	-	9 379 567
Facultative inward premium	-	827	-	-	-	827
Administrative surcharge	13 119	26 208	101 803	6 377	-	147 507
Insurance premium earned	6 424 116	1 294 156	1 639 905	774 882	-	10 133 059
Insurance premium ceded to reinsurers	(4 568 784)	(515 455)	(9 885)	(285 597)	-	(5 379 721)
Net insurance premium	1 855 332	778 701	1 630 020	489 285	-	4 753 338
Commission income	113 538	6 821	27	24 577	-	144 963
Net underwriting income	1 968 870	785 522	1 630 047	513 862	-	4 898 301
Insurance claims	(2 103 248)	(444 531)	(769 047)	(209 347)	-	(3 526 173)
Insurance claims recovered from reinsurers	1 355 858	138 845	(90)	(10 263)	-	1 484 350
Net insurance claims	(747 390)	(305 686)	(769 137)	(219 610)	-	(2 041 823)
Commission expense	(407 682)	(132 068)	(150 027)	(54 024)	-	(743 801)
Management expenses	(518 901)	(208 797)	(500 666)	(136 376)	-	(1 364 740)
Net insurance claims and expenses	(1 673 973)	(646 551)	(1 419 830)	(410 010)	-	(4 150 364)
Underwriting results	294 897	138 971	210 217	103 852	-	747 937
Investment income						1 316 638
Rental income						59 416
Other income						50 891
Other expenses						(45 819)
Profit from window takaful operations - Operator's Fund						61 060
Profit before tax						2 190 123
						As at 31 December 2021 (Audited)
Corporate segment assets	11 948 826	1 950 272	668 558	802 029	-	15 369 685
Corporate segment assets - Takaful OPF	91 055	11 820	244 001	11 127	-	358 003
Corporate unallocated assets						30 489 426
Corporate unallocated assets - Takaful OPF						783 218
Total assets						47 000 332
Corporate segment liabilities	15 887 724	2 795 937	2 593 290	3 246 362	-	24 523 313
Corporate segment liabilities - Takaful OPF	95 867	13 030	375 669	12 660	-	497 226
Corporate unallocated liabilities						1 612 313
Corporate unallocated liabilities - Takaful OPF						16 749
Total liabilities						26 649 601
						External premium less reinsurance by geographical segments 2021 (Unaudited)
Location						
Pakistan	4 738 275					
* EPZ	16 063					
Total	4 754 338					

* This represents US Dollar Equivalent in Pak Rupees

Rupees '000

For three months period ended 30 June 2022 (Unaudited)

Current period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	4 333 292	1 916 310	876 682	529 767	–	7 656 051
Less: Sales tax	550 108	208 435	106 463	70 634	–	935 640
Stamp duty	84	50 255	266	285	–	50 890
Federal insurance fee	37 430	16 404	7 624	4 543	–	66 001
Gross written premium (inclusive of administrative surcharge)	3 745 670	1 641 216	762 329	454 305	–	6 603 520
Gross direct premium	3 733 489	1 626 536	719 607	451 339	–	6 530 971
Facultative inward premium	6 638	718	–	–	–	7 356
Administrative surcharge	5 543	13 962	42 722	2 966	–	65 193
Insurance premium earned	3 810 879	818 198	895 149	429 211	–	5 953 437
Insurance premium ceded to reinsurers	(2 852 641)	(356 449)	(4 538)	(106 565)	–	(3 320 193)
Net insurance premium	958 238	461 749	890 611	322 646	–	2 633 244
Commission income	48 715	4 097	–	9 860	–	62 672
Net underwriting income	1 006 953	465 846	890 611	332 506	–	2 695 916
Insurance claims	(1 803 855)	(186 400)	(527 819)	(289 543)	–	(2 807 617)
Insurance claims recovered from reinsurers	1 038 765	42 284	(11)	67 862	–	1 148 900
Net insurance claims	(765 090)	(144 116)	(527 830)	(221 681)	–	(1 658 717)
Commission expense	(253 818)	(75 948)	(79 878)	(33 495)	–	(443 139)
Management expenses	(287 807)	(129 406)	(257 780)	(93 309)	–	(768 302)
Net insurance claims and expenses	(1 306 715)	(349 470)	(865 488)	(348 485)	–	(2 870 158)
Underwriting results	(299 762)	116 376	25 123	(15 979)	–	(174 242)
Investment income						282 874
Rental income						28 836
Other income						122 036
Other expenses						(21 568)
Profit from window takaful operations						
- Operator's Fund						66 126
Profit before tax						304 062

Rupees '000

For three months period ended 30 June 2021 (Unaudited)

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	2 842 844	907 254	729 305	422 861	–	4 902 264
Less: Sales tax	363 223	98 552	90 034	50 891	–	602 700
Stamp duty	73	38 765	238	220	–	39 296
Federal insurance fee	24 550	7 615	6 328	3 681	–	42 174
Gross written premium (inclusive of administrative surcharge)	2 454 998	762 322	632 705	368 069	–	4 218 094
Gross direct premium	2 449 892	747 947	587 627	365 433	–	4 150 899
Facultative inward premium	–	827	–	–	–	827
Administrative surcharge	5 106	13 548	45 078	2 636	–	66 368
Insurance premium earned	3 223 886	653 350	831 264	386 503	–	5 095 003
Insurance premium ceded to reinsurers	(2 331 289)	(268 718)	(3 435)	(120 285)	–	(2 723 727)
Net insurance premium	892 597	384 632	827 829	266 218	–	2 371 276
Commission income	56 327	3 528	9	10 650	–	70 514
Net underwriting income	948 924	388 160	827 838	276 868	–	2 441 790
Insurance claims	(1 737 210)	(209 063)	(366 947)	(194 450)	–	(2 507 670)
Insurance claims recovered from reinsurers	1 323 387	68 146	(15)	22 402	–	1 413 920
Net insurance claims	(413 823)	(140 917)	(366 962)	(172 048)	–	(1 093 750)
Commission expense	(204 079)	(65 926)	(75 655)	(27 190)	–	(372 850)
Management expenses	(257 575)	(106 252)	(281 503)	(75 132)	–	(720 462)
Net insurance claims and expenses	(875 477)	(313 095)	(724 120)	(274 370)	–	(2 187 062)
Underwriting results	73 447	75 065	103 718	2 498	–	254 728
Investment income						448 402
Rental income						30 595
Other income						40 613
Other expenses						(18 830)
Profit from window takaful operations						
- Operator's Fund						28 626
Profit before tax						784 134

28. Movement in investment

Name of investment	Rupees '000				Total
	Held to maturity - Term deposits	Available-for-sale - Subsidiary	Available-for-sale - Debt securities	Available-for-sale - Equity securities	
At beginning of previous year	683 006	9 298 848	10 273 302	4 480 733	24 735 889
Additions	4 963 205	237 673	8 998 559	2 319 664	16 519 101
Disposals (sale and redemptions)	(4 967 426)	–	(9 155 590)	(2 028 695)	(16 151 711)
Fair value net gains / (losses) (excluding net realized gains / (losses))	–	211 555	(710 447)	(919 108)	(1 418 000)
Impairment losses	–	(103 749)	–	(147 416)	(251 165)
At beginning of current year	678 785	9 644 327	9 405 824	3 705 178	23 434 114
Additions	616 975	70 129	4 756 616	285 941	5 729 661
Disposals (sale and redemptions)	(316 320)	–	(3 286 668)	(281 354)	(3 884 342)
Fair value net gains / (losses) (excluding net realized gains / (losses))	–	(249 513)	(284 508)	(370 986)	(905 007)
Impairment losses	–	–	–	(202 069)	(202 069)
At end of current period	979 440	9 464 943	10 591 264	3 136 710	24 172 357

29. Fair value

29.1 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.

29.2 All assets and liabilities for which fair value is measured or disclosed in the unconsolidated condensed interim 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 or indirectly 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 where fair value is only disclosed and is different from their carrying value:

Rupees '000

As at 30 June 2022 (Unaudited)								
	Available- for-sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Equity securities - quoted	3 136 710				3 136 710	3 136 710		
Debt securities	10 591 264				10 591 264		10 591 264	
Investment in subsidiary	9 464 943				9 464 943	9 464 943		
Financial assets not measured at fair value								
Term deposits *			979 440		979 440			
Loans and other receivables *		330 746			330 746			
Insurance / reinsurance receivables *		4 888 601			4 888 601			
Reinsurance recoveries against outstanding claims *		6 053 807			6 053 807			
Cash and bank *			1 365 438		1 365 438			
Total assets of window takaful operations - Operator's fund *	758 242	241 560	75 820		1 075 622		758 242	
	23 951 159	11 514 714	2 420 698	-	37 886 571	12 601 653	11 349 506	-
Financial liabilities not measured at fair value								
Outstanding claims including IBNR *				(10 055 888)	(10 055 888)			
Premium received in advance *				(73 577)	(73 577)			
Insurance / reinsurance payables *				(6 417 843)	(6 417 843)			
Other creditors and accruals *				(3 311 168)	(3 311 168)			
Total liabilities of window takaful operations - Operator's Fund *				(91 503)	(91 503)			
	23 951 159	11 514 714	2 420 698	(19 949 979)	17 936 592	12 601 653	11 349 506	-

* The Company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

Rupees '000

As at 31 December 2021 (Audited)								
	Available- for-sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Equity securities - quoted	3 705 178				3 705 178	3 705 178		
Debt securities	9 405 824				9 405 824		9 405 824	
Investment in subsidiary	9 644 327				9 644 327	9 644 327		
Financial assets not measured at fair value								
Term deposits *			678 785		678 785			
Loans and other receivables *		387 908			387 908			
Insurance / reinsurance receivables *		5 012 826			5 012 826			
Reinsurance recoveries against outstanding claims *		3 974 297			3 974 297			
Cash and bank *			1 189 522		1 189 522			
Total assets of window takaful operations - Operator's fund *	643 122	231 571	109 883		984 576		643 122	
	23 398 451	9 606 602	1 978 190		34 983 243	13 349 505	10 048 946	-
Financial liabilities not measured at fair value								
Outstanding claims including IBNR *				(7 085 599)	(7 085 599)			
Premium received in advance *				(26 779)	(26 779)			
Insurance / reinsurance payables *				(4 809 795)	(4 809 795)			
Other creditors and accruals *				(3 222 312)	(3 222 312)			
Total liabilities of window takaful operations - Operator's Fund *				(94 683)	(94 683)			
	23 398 451	9 606 602	1 978 190	(15 239 168)	19 744 075	13 349 505	10 048 946	-

* The Company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

30. Non-adjusting event after the unconsolidated condensed interim financial statement date

The Board of Directors in their meeting held on 23 August 2022 have announced a second interim cash dividend in respect of the year ended 31 December 2022 of Rs. 1.50 per share i.e. 15.00 % (2021: Rs. 1.50 per share i.e. 15.00 %). In addition, the Board of Directors have also approved the transfer from general reserve to un-appropriated profit amounting to Rs. 3,400 million. These unconsolidated condensed interim financial statements for the six months period ended 30 June 2022 do not include the effect of these appropriations, which will be accounted for subsequent to the period end.

31. Corresponding Figures

31.1 Corresponding figures have been restated as disclosed in note 8 and 15.

32. General

Figures have been rounded off to the nearest thousand rupees.

33. Date of authorization for issue of unconsolidated condensed interim financial statements

These unconsolidated condensed interim financial statements were authorized for issue by the Board of Directors in its meeting held on 23 August 2022.

RAFIQUE R. BHIMJEE
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 23 August 2022

Consolidated Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2022

Directors' Review to the Members on Consolidated Condensed Interim Financial Information for the six months period ended 30 June 2022

We are pleased to present the consolidated condensed interim financial information of EFU General Insurance Limited and our subsidiary, EFU Life Assurance Limited.

Performance Review

Consolidated gross premium was Rs. 31.1 billion (2021: Rs. 26.9 billion), net premium was Rs. 22.9 billion (2021: Rs. 21.4 billion) and profit before tax was Rs. 2,105 million (2021: Rs. 2,660 million). Consolidated investment income (including rental and other income) for the six months period was Rs. 5,537 million (2021: Rs. 7,531 million). The consolidated total assets were Rs. 218 billion (31 December 2021: Rs. 211 billion) and total investments rose to Rs. 167 billion (31 December 2021: Rs. 164 billion).

Movement of Reserves

Rupees '000

	30 June 2022 (Unaudited)
Unappropriated profit brought forward	136 672
Profit attributable to ordinary shares	582 669
Transferred from surplus on revaluation of property and equipment	8 874
Acquisition of Non-Controlling Interest without a change in control	(43 390)
	548 153
Profit available for appropriations	684 825
Earnings per share (Rupees)	2.44

Outlook

During the year, the economy continued to register high external account deficits and depreciation of Pak Rupee amid heightened global commodity prices (specifically fuel prices). As a result, headline inflation has accelerated to over 20 %. Consequently, the State Bank of Pakistan has hiked the policy rate to 15 %. The government remains fully engaged with IMF in order to revive the Extended Fund Facility (EFF) which would likely instill stability going forward.

Acknowledgements

It is a matter of deep gratification for your Directors to place on record their appreciation of the efforts made by officers, field force and staff who had contributed to the growth of the Company and the continued success of its operations.

Your Directors would also like to thank the Securities & Exchange Commission of Pakistan, Pakistan Reinsurance Company Limited and all our reinsurers for their continued guidance and support.

RAFIQUE R. BHIMJEE
Director

MAHMOOD LOTIA
Director

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 23 August 2022

مجموعی کنڈینسڈ عبوری مالیاتی حسابات پر ممبران کیلئے ڈائریکٹرز کا جائزہ ۳۰ جون ۲۰۲۲ء کو ختم ہونے والی ششماہی کیلئے

ہم، مسرت ای ایف یو جزل انشورنس لمیٹڈ اور اپنے ذیلی ادارے ای ایف یو لائف انشورنس لمیٹڈ کے مجموعی کنڈینسڈ عبوری مالیاتی حسابات پیش کر رہے ہیں۔

کارکردگی کا جائزہ

یکجا شدہ مجموعی پرمیٹم ۳۱ ارب ۳۱۰ ملین روپے (۲۰۲۱ء: ۲۶۹ ارب ۹۰۰ ملین روپے)، خالص پرمیٹم ۲۲ ارب ۹۰۰ ملین روپے (۲۰۲۱ء: ۲۱ ارب ۳۰۰ ملین روپے) اور منافع قبل از ٹیکس ۲ ارب ۱۰۵ ملین روپے رہا (۲۰۲۱ء: ۲ ارب ۶۶۰ ملین روپے)۔ یکجا شدہ انویسٹمنٹ آمدنی (بشمول ریٹنل اور دیگر آمدنی) برائے ششماہی مدت ۵ ارب ۵۳۷ ملین روپے رہی (۲۰۲۱ء: ۵ ارب ۵۳۱ ملین روپے)۔ یکجا شدہ مجموعی اثاثہ جات ۲۱۸ ارب ۳۱۸ ملین روپے (۳۱ دسمبر ۲۰۲۱ء: ۲۱۱ ارب ۳۱۰ ملین روپے) اور مجموعی سرمایہ کاری بڑھ کر ۱۶ ارب ۱۶۰ ملین روپے رہی (۳۱ دسمبر ۲۰۲۱ء: ۱۶ ارب ۱۶۰ ملین روپے)۔

محفوظ اثاثہ جات کی منتقلی

روپے ہزاروں میں

۳۰ جون ۲۰۲۲ء
(غیر آڈٹ شدہ)

۱۳۶ ۶۷۲

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(۲۳ ۳۹۰)

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۲۶۴۴

غیر مختص کردہ منافع جو آئندہ شامل کیا جائے گا

عمومی شیئرز کیلئے قابل منسوب منافع

جائیداد اور ایکویٹی کی ری ویلیویشن پر اضافے سے منتقل شدہ کنٹرول

کنٹرول میں کسی تبدیلی کے بغیر نان-کنٹرولنگ انٹرسٹ کا حصول

تناسب کے تحت دستیاب منافع

آمدنی فی شیئر (روپے)

مستقبل کا نقطہ نظر

سال کے دوران معیشت کو مستقل طور پر بلند تر بیرونی اکاؤنٹ خسارہ اور پاک روپے کی قدر میں کمی کے ساتھ ایشیائے صرف کے عالمی نرخوں میں اضافے (بالخصوص ایندھن کے نرخوں) کا سامنا رہا۔ جس کے نتیجے میں مرکزی افراط زر کی شرح ۲۰ فیصد سے زائد بڑھ گئی۔ اس کے نتیجے میں اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ میں ۱۵ فیصد تک اضافہ کیا، حکومت آئی ایم ایف کے ساتھ مستقل طور پر رابطے میں ہے تاکہ ایکٹیوڈیفنڈ فیسیلیٹی (ای ایف ایف) کو بحال کرایا جائے جو کہ ممکنہ طور پر آگے معیشت میں استحکام کا باعث ہوگی۔

اظہار تشکر

آپ کے ڈائریکٹرز تہمدول سے یہ امر ریکارڈ پر لاتے ہیں کہ ہمارے آفیسرز، فیلڈ فورس اور دیگر اسٹاف نے نہایت جانفشانی سے کمپنی کی ترقی کیلئے محنت کی ہے اور کاروبار کے اضافے اور کامیابیوں کے تسلسل کو برقرار رکھنے میں مثالی کردار ادا کیا ہے۔

آپ کے ڈائریکٹرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان ری انشورنس کمپنی لمیٹڈ اور اپنے تمام ری انشوررز کا ان کی مسلسل رہنمائی اور تعاون کیلئے شکریہ بھی ادا کرنا چاہتے ہیں۔

سیف الدین این۔ زومکوالا
چیئر مین

حسن علی عبداللہ
ٹیچنگ ڈائریکٹر و چیف ایگزیکٹو

محمود لوٹیا
ڈائریکٹر

رفیق آر۔ عظیم
ڈائریکٹر

کراچی: ۲۳ اگست ۲۰۲۲ء

Consolidated Condensed Interim Statement of Financial Position As at 30 June 2022 (Unaudited)

Rupees '000

	Note	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Assets			
Property and equipment	6	8 511 121	8 649 723
Intangible assets		7 991 379	7 999 293
Investment property	7	2 600 618	2 599 970
Investments			
Equity securities	8	29 010 153	36 532 351
Debt securities	9	116 426 519	102 612 901
Term deposits		21 675 869	25 055 214
Loans and other receivables	10	4 369 283	3 094 087
Insurance / reinsurance receivables	11	5 493 293	5 469 946
Reinsurance recoveries against outstanding claims	20	6 053 807	3 974 297
Salvage recoveries accrued		88 992	76 869
Deferred commission expense	21	779 765	772 985
Retirement benefit		49 408	–
Taxation - payments less provision		938 320	1 238 260
Prepayments	12	7 237 202	5 658 476
Cash and bank	13	5 479 453	5 797 647
		<u>216 705 182</u>	<u>209 532 019</u>
Total assets of window takaful operations - Operator's Fund		<u>1 222 026</u>	<u>1 141 221</u>
Total assets		<u>217 927 208</u>	<u>210 673 240</u>
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	14	2 000 000	2 000 000
Reserves and Unappropriated (loss) / profit	15	16 473 987	17 899 531
Capital and reserve attributable to Company's equity holders		18 473 987	19 899 531
Non-controlling interest		3 635 145	4 019 263
Total equity		<u>22 109 132</u>	<u>23 918 794</u>
Surplus on revaluation of property and equipment		1 855 272	1 986 146
Liabilities			
Insurance liabilities	16	154 894 093	151 091 103
Underwriting provisions			
Outstanding claims including IBNR	20	10 055 888	7 085 599
Unearned premium reserves	19	11 648 905	10 517 726
Unearned reinsurance commission	21	127 521	135 214
Retirement benefit obligations		–	9 038
Deferred taxation		3 046 592	2 997 603
Premium received in advance		1 358 926	1 175 071
Insurance / reinsurance payables		6 806 140	4 886 033
Other creditors and accruals	17	5 512 837	6 356 938
		<u>38 556 809</u>	<u>33 163 222</u>
Total liabilities		<u>193 450 902</u>	<u>184 254 325</u>
		<u>217 415 306</u>	<u>210 159 265</u>
Total liabilities of window takaful operations - Operator's Fund		<u>511 902</u>	<u>513 975</u>
Total equity and liabilities		<u>217 927 208</u>	<u>210 673 240</u>
Contingencies and commitments	18		

The annexed notes 1 to 36 form an integral part of these consolidated condensed interim financial statements.

RAFIQUE R. BHIMJEE
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 23 August 2022

Consolidated Condensed Interim Profit and Loss Account For the six months period ended 30 June 2022 (Unaudited)

Rupees '000

	Note	Three months period ended		Six months period ended	
		30 June 2022 (Unaudited)	30 June 2021 (Unaudited)	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Net insurance premium	19	11 178 137	10 339 419	22 910 033	21 412 441
Net insurance claims	20	(8 387 248)	(6 725 794)	(15 636 746)	(13 553 984)
Net commission and other acquisition costs	21	(2 176 296)	(2 135 758)	(4 447 161)	(4 291 477)
Insurance claims and acquisition expenses		(10 563 544)	(8 861 552)	(20 083 907)	(17 845 461)
Management expenses		(1 453 207)	(1 268 556)	(2 705 837)	(2 427 229)
Net change in insurance liabilities (other than outstanding claims)		(635 030)	(3 535 043)	(3 619 567)	(6 003 355)
Underwriting result		(1 473 644)	(3 325 732)	(3 499 278)	(4 863 604)
Investment income	22	4 562 865	3 260 295	8 698 790	6 441 453
Net realized fair value (losses) / gains on financial assets	23	(973 856)	1 215 082	(716 503)	2 170 713
Net fair value losses on financial assets at fair value through profit and loss	24	(1 591 901)	(97 824)	(2 724 260)	(1 249 227)
Rental income		28 836	30 595	59 971	59 416
Other income	25	147 650	67 921	218 706	108 963
Other expenses		(43 242)	(35 208)	(66 054)	(68 286)
		<u>2 130 352</u>	<u>4 440 861</u>	<u>5 470 650</u>	<u>7 463 032</u>
Results of operating activities		656 708	1 115 129	1 971 372	2 599 428
Profit from window takaful operations - Operator's Fund	26	66 126	28 626	133 501	61 060
Profit before tax		<u>722 834</u>	<u>1 143 755</u>	<u>2 104 873</u>	<u>2 660 488</u>
Income tax expense	27				
Current period		(565 987)	(375 157)	(1 087 958)	(931 696)
Prior period		(240 719)	18 900	(240 719)	18 900
		<u>(806 706)</u>	<u>(356 257)</u>	<u>(1 328 677)</u>	<u>(912 796)</u>
Profit after tax		<u>(83 872)</u>	<u>787 498</u>	<u>776 196</u>	<u>1 747 692</u>
Profit attributable to:					
Equity holders of the parent		(129 382)	622 827	488 067	1 337 271
Non-controlling interest		45 510	164 671	288 129	410 421
		<u>(83 872)</u>	<u>787 498</u>	<u>776 196</u>	<u>1 747 692</u>
Earnings (after tax) per share - Rupees	28	<u>(0.65)</u>	<u>3.11</u>	<u>2.44</u>	<u>6.69</u>

The annexed notes 1 to 36 form an integral part of these consolidated condensed interim financial statements.

RAFIQUE R. BHIMJEE
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 23 August 2022

Consolidated Condensed Interim Statement of Comprehensive Income For the six months period ended 30 June 2022 (Unaudited)

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Profit after tax	(83 872)	787 498	776 196	1 747 692
Other comprehensive income				
Total items that may be reclassified subsequently to profit and loss account				
Unrealized (loss) / gain on available-for-sale investments during the period	(327 684)	77 259	(664 017)	(494 286)
Reclassification adjustments relating to available-for-sale investments disposed of during the period	–	–	–	40 941
Deferred tax on available-for-sale investments	80 904	(22 404)	180 571	131 471
Net unrealized gain / (loss) from window takaful operations - Operator's Fund (net of deferred tax)	(2 533)	2 812	1 283	1 630
Other comprehensive (loss) / income for the period	(249 313)	57 667	(482 163)	(320 244)
Total comprehensive income / (loss) for the period	(333 185)	845 165	294 033	1 427 448
Total comprehensive income attributable to:				
Equity holders of the parent	(369 271)	675 188	8 972	1 014 564
Non-controlling interest	36 086	169 977	285 061	412 884
	(333 185)	845 165	294 033	1 427 448

The annexed notes 1 to 36 form an integral part of these consolidated condensed interim financial statements.

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Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 23 August 2022

Consolidated Condensed Interim Cash Flow Statement For the six months period ended 30 June 2022 (Unaudited)

	2022	2021
		Rupees '000
Operating cash flows		
a) Underwriting activities		
Insurance premium / contribution received	31 343 084	26 994 346
Reinsurance premium / retakaful contribution paid	(6 278 534)	(5 649 726)
Claims paid	(15 453 070)	(15 124 699)
Reinsurance and other recoveries received	480 516	1 517 514
Commission paid	(3 313 414)	(3 327 715)
Commission received	122 322	95 714
Management expenses paid	(4 839 003)	(3 764 615)
Net cash flow from underwriting activities	2 061 901	740 819
b) Other operating activities		
Income tax paid	(861 322)	(621 432)
Other operating payments	(609 966)	(182 500)
Other operating receipts	149 709	10 522
Loans advanced	(48 020)	(61 541)
Loans repayments received	108 763	40 956
Net cash flow used in other operating activities	(1 260 836)	(813 995)
Total cash flow from / (used in) all operating activities	801 065	(73 176)
Investment activities		
Profit / return received	6 659 456	5 057 275
Dividend received	1 482 093	1 045 016
Rentals received	50 335	48 980
Payment for investments / investment properties	(23 267 787)	(116 621 454)
Proceeds from investments / investment properties	12 644 479	115 224 729
Fixed capital expenditures	(320 879)	(404 254)
Proceeds from sale of property and equipment	65 338	69 182
Total cash flow (used in) / from investing activities	(2 686 965)	4 419 474
Financing activities		
Payments against lease liabilities	(107 708)	(96 234)
Dividends paid	(2 004 586)	(2 029 784)
Total cash flow used in financing activities	(2 112 294)	(2 126 018)
Net cash flow (used in) / from all activities	(3 998 194)	2 220 280
Cash and cash equivalents at beginning of period	30 174 076	25 725 591
Cash and cash equivalents at end of period	26 175 882	27 945 871
Reconciliation to profit and loss account		
Operating cash flows	801 065	(73 176)
Depreciation / amortization expense	(495 623)	(526 108)
Finance cost	(35 202)	(29 891)
Profit on disposal of property and equipment	35 712	48 660
(Loss) / profit on disposal of investments / investment properties	(625 931)	2 273 461
Rental income	59 971	59 416
Dividend income	1 477 416	1 031 739
Other investment income	7 307 554	5 237 557
Profit on lease termination	3 154	2 444
Profit on deposits	76 396	44 006
Other income	94 443	5 673
Depreciation in market value of investments	(2 448 644)	(856 395)
(Impairment) / reversal in the value of available-for-sale equity investments	(19 792)	7 048
Increase in assets other than cash	3 509 083	213 554
Increase in liabilities other than running finance	(9 096 907)	(5 751 356)
Profit after tax from conventional insurance operations	642 695	1 686 632
Profit from window takaful operations - Operator's Fund	133 501	61 060
Profit after tax	776 196	1 747 692

The annexed notes 1 to 36 form an integral part of these consolidated condensed interim financial statements.

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Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 23 August 2022

Consolidated Condensed Interim Statement of Changes in Equity For the six months period ended 30 June 2022 (Unaudited)

Rupees '000

	Share capital	Capital Reserve - Reserve for exceptional losses	Revenue reserve - General reserve and unappropriated profit/(loss)	Unrealized gain/(loss) on revaluation of available-for-sale investment-net	Unrealized gain on fair value of investment property	Equity attributable to equity holder of parent	Non-controlling interest	Total
Balance as at 01 January 2021	2 000 000	12 902	15 209 226	1 805 449	1 399 579	20 427 156	4 130 931	24 558 087
Total comprehensive income for the period ended 30 June 2021								
Profit after tax			1 337 271			1 337 271	410 421	1 747 692
Other comprehensive income				(322 707)		(322 707)	2 463	(320 244)
			1 337 271	(322 707)	-	1 014 564	412 884	1 427 448
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation- net of tax			5 293			5 293	6 423	11 716
Loss on Group Life PTF			(12 215)			(12 215)	(15 183)	(27 398)
Acquisition of NCI without a change in control			(35 877)			(35 877)	(20 003)	(55 880)
Transactions with owners recorded directly in equity								
Final dividend for the year 2020 at the rate of Rs. 5.50 (55.00%) per share			(1 100 000)			(1 100 000)		(1 100 000)
Final dividend for the year 2020 at the rate of Rs. 10.50 (105.00%) per share							(582 878)	(582 878)
1st Interim dividend paid for the year 2021 at the rate of Rs. 1.50 (15.00%) per share			(300 000)			(300 000)		(300 000)
1st Interim dividend paid for the year 2021 at the rate of Rs. 1.50 (15.00%) per share							(82 919)	(82 919)
Balance as at 30 June 2021	<u>2 000 000</u>	<u>12 902</u>	<u>15 103 698</u>	<u>1 482 742</u>	<u>1 399 579</u>	<u>19 998 921</u>	<u>3 849 255</u>	<u>23 848 176</u>
Balance as at 01 January 2022	2 000 000	12 902	15 786 672	644 699	1 455 258	19 899 531	4 019 263	23 918 794
Total comprehensive income for the period ended 30 June 2022								
Profit after tax			582 669		(94 602)	488 067	288 129	776 196
Other comprehensive income				(479 095)		(479 095)	(3 068)	(482 163)
			582 669	(479 095)	(94 602)	8 972	285 061	294 033
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation- net of tax			8 874			8 874	7 953	16 827
Acquisition of NCI without a change in control			(43 390)			(43 390)	(26 739)	(70 129)
Transactions with owners recorded directly in equity								
Final dividend for the year 2021 at the rate of Rs. 5.50 (55.00%) per share			(1 100 000)			(1 100 000)		(1 100 000)
Final dividend for the year 2021 at the rate of Rs. 10.50 (105.00%) per share							(569 302)	(569 302)
1st Interim dividend paid for the year 2022 at the rate of Rs. 1.50 (15.00%) per share			(300 000)			(300 000)		(300 000)
1st Interim dividend paid for the year 2022 at the rate of Rs. 1.50 (15.00%) per share							(81 091)	(81 091)
Balance as at 30 June 2022	<u>2 000 000</u>	<u>12 902</u>	<u>14 934 825</u>	<u>165 604</u>	<u>1 360 656</u>	<u>18 473 987</u>	<u>3 635 145</u>	<u>22 109 132</u>

The annexed notes 1 to 36 form an integral part of these consolidated condensed interim financial statements.

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Director

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SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 23 August 2022

Notes to the Consolidated Condensed Interim Financial Statements For the six months period ended 30 June 2022 (Unaudited)

1. Legal status and nature of business

1.1 EFU General Insurance Limited (The Company) has assessed its control position in relation to its investments in EFU Life Assurance Limited after its agreement with some shareholders of EFU Life Assurance Limited effective 31 March 2018, accordingly it has been concluded that the Company has the ability to control the composition of the Board of Directors of EFU Life Assurance Limited, therefore EFU Life Assurance Limited has become the subsidiary of the Company from 31 March 2018. The consolidated financial statements have been prepared and are presented as per the requirements of Section 228 of the Companies Act 2017.

1.2 The group comprises of:

1.2.1 EFU General Insurance Limited (Holding Company)

EFU General Insurance Limited was incorporated as a public limited company on 02 September 1932. The Holding Company is listed on the Pakistan Stock Exchange Limited and is engaged in non-life insurance business comprising of fire and property damage, marine, aviation and transport, motor, miscellaneous etc.

The Registered Office of the Holding Company is situated at Kamran Centre, 1st Floor 85, East, Jinnah Avenue Blue Area Islamabad while the principal place of business is located at EFU House, M.A. Jinnah Road, Karachi. The Holding Company commenced Window Takaful Operations from 16 April 2015 as per Securities and Exchange Commission of Pakistan (SECP) Takaful Rules, 2012. The Holding Company operates through 51 (2021: 57) branches in Pakistan including a branch in Export Processing Zone (EPZ) and a branch in Gwadar Free Zone.

1.2.2 EFU Life Assurance Limited (Subsidiary Company)

EFU Life Assurance Limited with 46.12 % effective holding was incorporated as public limited company on 09 August 1992 and started its operation from 18 November 1992. The Subsidiary Company is listed on Pakistan Stock Exchange Limited and is engaged in life assurance business comprising of ordinary life business, pension fund business and accident and health business and has established following funds, as required by the Insurance Ordinance, 2000.

- Investment linked business (includes individual life business)
- Conventional business (includes group life and individual life businesses)
- Pension business (unit-linked) *
- Accident and health business
- Family takaful investment linked business
- Family takaful protection business

* The Subsidiary Company has discontinued pension business and accordingly no new business has been written under this fund.

The Registered Office of the Subsidiary Company is located at Al-Malik Centre, 70W, F-7/G-7 Jinnah Avenue, Islamabad while principal place of business is located at Plot No.112, 8th East Street, Phase 1, DHA, Karachi. The Subsidiary Company commenced Window Takaful Operations on 06 February 2015 as per Securities and Exchange Commission of Pakistan (SECP) Takaful Rules, 2012.

2. Basis of preparation and statement of compliance

2.1 These consolidated 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 the Companies Act, 2017; and

Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017 and Takaful Rules 2012, General Takaful Accounting Regulations, 2019;

In case requirement differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, Insurance Rules 2017, General Takaful Accounting Regulations, 2019 shall prevail.

Total assets, total liabilities and profit of the Window Takaful Operations of the Company referred to as the Operator's Fund has been presented in these consolidated condensed interim financial statements in accordance with the requirements of Circular 25 of 2015 dated 09 July 2015. A separate set of condensed interim financial statements of the General Window Takaful Operations has been reported which is annexed to these consolidated condensed interim financial statements as per the requirements of the SECP Takaful Rules, 2012, General Takaful Accounting Regulations, 2019.

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

2.2 Basis of measurement

These consolidated condensed interim financial statements have been prepared under the historical cost basis except for the available-for-sale investments, property and equipment and investment property that have been measured at fair value and the Group's liability under defined benefit plan that is determined based on present value of defined benefit obligation less fair value of plan assets.

2.3 Functional and presentation currency

These consolidated condensed interim financial statements are presented in Pakistani Rupees which is also the Group's functional currency. All financial information presented in Pakistani Rupees has been rounded to the nearest rupees in thousand, unless otherwise stated.

2.4 Standards, interpretations and amendments effective in the current year

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

2.5 Standards, interpretations and amendments not effective at year end

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	01 January 2023

IFRS 17 - Insurance Contracts effective date 01 January 2023: The group has taken the benefit of temporary exemption of applying IFRS 9 "financial instruments" with IFRS 17 "Insurance Contracts" as allowed under IFRS.

The above standards and amendments are not expected to have any material impact on the Group's condensed interim financial statements in the period of initial application except IFRS 17 and IFRS 9 for which the impact is being assessed.

3. Summary of significant accounting policies

The significant accounting policies and method of computation adopted in preparation of consolidated condensed interim financial statements are consistent with those followed in preparation of annual consolidated financial statements of the Group for the year ended 31 December 2021.

4. Accounting estimates and judgements

The preparation of consolidated condensed interim financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparation of these consolidated condensed interim financial statements, the significant judgment made by management in applying the Group's accounting policies and the key sources of estimation, uncertainty were the same as those that applied to the consolidated financial statement as at and for the year ended 31 December 2021.

5. Management of insurance and financial risk

Insurance and financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2021.

6. Property and equipment

The movement of property and equipment during the six months period ended 30 June 2022 are as follows:

		Rupees '000	
	Note	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Opening balance - net book value		8 649 723	8 050 240
Additions	6.1	414 376	1 086 882
Depreciation during the period		(487 709)	(1 015 796)
Book value of disposal		(65 269)	(84 121)
Revaluation		-	612 518
		<u>8 511 121</u>	<u>8 649 723</u>
6.1 Additions			
Building		40 580	95 413
Right of use assets - buildings		133 374	390 126
Leasehold improvements		15 954	60 923
Furniture and fixtures		20 611	36 135
Office equipment		30 218	37 194
Computer equipment		52 793	230 153
Vehicles		120 846	212 667
Tracker equipment		-	24 271
		<u>414 376</u>	<u>1 086 882</u>
7. Investment Property			
Opening net book value		2 599 970	2 517 970
Additions and capital improvements		648	3 579
Unrealized fair value gain *		-	78 421
Closing net book value		<u>2 600 618</u>	<u>2 599 970</u>

* The Group revalues its investment property annually and any change in fair value is accounted for at the end of the year, as per IAS 40.

8. Investment in equity securities

Rupees '000

	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
At available-for-sale						
Related Party *						
Listed shares	600 520	(172 987)	427 533	600 520	(166 433)	434 087
Mutual funds	523	–	523	523	–	523
	601 043	(172 987)	428 056	601 043	(166 433)	434 610
Others						
Listed shares	2 406 106	(392 060)	2 014 045	2 407 213	(188 326)	2 218 887
Unlisted shares	31 508	(15 500)	508	31 508	(15 500)	508
Mutual funds	160 862	(29 801)	131 061	127 075	(18 544)	108 531
	2 598 476	(437 361)	2 145 614	2 565 796	(222 370)	2 327 926
Surplus on revaluation	–	–	874 561	–	–	1 270 795
	3 199 519	(610 348)	3 448 231	3 166 839	(388 803)	4 033 331
At fair value through profit and loss designated upon initial recognition						
Related Party *						
Listed shares	8 460	–	81 984	12 544	–	105 351
Mutual funds	1 247	–	1 037	1 247	–	1 136
	9 707	–	83 021	13 791	–	106 487
Others						
Listed shares	27 992 602	–	25 250 410	31 623 510	–	31 067 535
Mutual funds	225 928	–	228 491	1 174 048	–	1 324 998
	28 218 530	–	25 478 901	32 797 558	–	32 392 533
	28 228 237	–	25 561 922	32 811 349	–	32 499 020
	31 427 756	(610 348)	29 010 153	35 978 188	(388 803)	36 532 351

* The Group has not accounted for investment in related parties as associates under IAS 28 "Investment in Associates and Joint Ventures", as management has concluded that the Group does not have significant influence in these companies.

9. Investment in debt securities

Rupees '000

	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Held to maturity						
Government securities	8 262 830	–	8 262 830	7 903 248	–	7 903 248
Available-for-sale						
Government securities	10 938 101	–	10 938 101	9 455 653	–	9 455 653
Term Finance Certificate	244 118	(44 118)	200 000	244 118	(44 118)	200 000
Corporate Sukuks	167 500	–	167 500	180 000	–	180 000
Deficit on revaluation	–	–	(714 337)	–	–	(429 829)
	11 349 719	(44 118)	10 591 264	9 879 771	(44 118)	9 405 824
Fair value through profit and loss (Designated-upon initial recognition)						
Government securities	91 356 883	–	90 375 100	80 016 058	–	79 419 004
Term Finance Certificates	3 835 328	–	3 835 328	2 992 793	–	2 992 793
Corporate Sukuks	2 536 239	(37 500)	2 498 739	2 519 532	(37 500)	2 482 032
Certificates of investment	863 258	–	863 258	410 000	–	410 000
	98 591 708	(37 500)	97 572 425	85 938 383	(37 500)	85 303 829
	118 204 257	(81 618)	116 426 519	103 721 402	(81 618)	102 612 901

10. Loans and other receivables - considered good

Rupees '000

	Note	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Loans to employees		91 366	104 381
Accrued investment income		3 324 583	2 313 942
Security deposits		64 864	70 925
Advances to suppliers		460 464	123 569
Advances to employees		94 469	134 243
Other receivables		333 537	347 027
		<u>4 369 283</u>	<u>3 094 087</u>
11. Insurance / reinsurance receivables - unsecured and considered good			
Due from insurance contract holders		5 183 343	5 166 605
Provision for impairment of receivables from insurance contract holders		(1 267)	(1 195)
		<u>5 182 076</u>	<u>5 165 410</u>
Due from other insurer / reinsurers		311 217	304 536
		<u>5 493 293</u>	<u>5 469 946</u>
12. Prepayments			
Prepaid reinsurance premium ceded	19	6 934 872	5 468 998
Software and hardware support services		5 939	2 419
Group health insurance premium		13 112	-
Prepaid tracker expense		57 423	39 347
Annual supervision fee		16 155	-
Others		209 701	147 712
		<u>7 237 202</u>	<u>5 658 476</u>
13. Cash and Bank			
Cash and cash equivalents			
Cash in hand		1 859	173
Policy and revenue stamps bond papers		34 293	22 295
		36 152	22 468
Cash at bank			
Current accounts		1 446 677	1 326 512
Saving accounts		3 996 624	4 448 667
		<u>5 443 301</u>	<u>5 775 179</u>
		<u>5 479 453</u>	<u>5 797 647</u>

16. Insurance liabilities

Rupees '000

	Note	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Reported outstanding claims	16.1	3 576 507	3 378 978
Incurred but not reported claims	16.2	978 170	880 319
Investment component of unit-linked and account value policies	16.3	148 400 005	145 125 387
Liabilities under individual conventional insurance contracts	16.4	978 607	989 072
Liabilities under group insurance contracts (other than investment linked)	16.5	542 284	415 452
Participant's Takaful Fund Balance		418 520	301 895
		<u>154 894 093</u>	<u>151 091 103</u>
16.1 Reported outstanding claims			
Gross of reinsurance		3 056 881	2 873 458
Payable within one year		893 224	887 283
Payable over a period of time exceeding one year		3 950 105	3 760 741
Recoverable from reinsurers		(373 598)	(381 763)
Receivable over a period of time exceeding one year		(373 598)	(381 763)
Net reported outstanding claims		<u>3 576 507</u>	<u>3 378 978</u>
16.2 Incurred but not reported claims			
Gross of reinsurance		1 165 230	1 054 712
Reinsurance recoveries		(187 060)	(174 393)
Net of reinsurance		<u>978 170</u>	<u>880 319</u>
16.3 Investment component of unit-linked and account value policies			
Investment component of unit linked policies		148 400 005	145 125 387
		<u>148 400 005</u>	<u>145 125 387</u>
16.4 Liabilities under Individual Conventional Insurance Contracts			
Gross of reinsurance		1 197 929	1 197 514
Reinsurance credit		(219 322)	(208 442)
Net of reinsurance		<u>978 607</u>	<u>989 072</u>
16.5 Liabilities under Group Insurance Contracts (other than investment linked)			
Gross of reinsurance		790 528	532 869
Reinsurance credit		(248 244)	(117 417)
Net of reinsurance		<u>542 284</u>	<u>415 452</u>

17. Others creditors and accruals

Rupees '000

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Federal insurance fee payable	29 668	13 513
Sales tax payable	176 480	307 645
Accrued expenses	793 030	1 462 124
Agent commission payable	1 275 579	1 542 426
Unearned rentals	60 701	69 329
Other deposits	1 578 903	1 378 680
Unclaimed / unpaid dividends	523 275	470 506
Lease liability	733 389	788 911
Others	341 812	323 804
	<u>5 512 837</u>	<u>6 356 938</u>

18. Contingencies and commitments

The income tax assessment of the Holding Company and its Subsidiary Company has been finalized up to tax year 2021.

18.1 Holding Company

The Income Tax Department has made an assessment order for the assessment years 1999-2000 and 2000-2001 by adding back provision for bonus to staff, provision for gratuity and excess management expenses. The Holding Company had filed appeals before the Commissioner, Inland Revenue (Appeals). The appeals have been decided in the favour of the Income Tax Department. The Holding Company had filed appeals before the Income Tax Appellate Tribunal (ITAT). If the appeals are decided against the Holding Company a tax liability of Rs. 13 million would arise.

The Income Tax Department (Audit) has made an assessment order for the assessment year 2002-2003 by adding certain items. The Holding Company had filed an appeal before Commissioner Income Tax (Appeals). The appeal was decided in the favour of the Holding Company. The Department had filed an appeal before the Income Tax Appellate Tribunal (ITAT) and the same has been decided in the favour of the Holding Company. The Department has filed an appeal before the Honourable High Court of Sindh against the order of the Income Tax Appellate Tribunal (ITAT) in respect of the estimated liability of claims, excess perquisites and retrocession commission. If the appeal is decided against the Holding Company a tax liability of Rs. 76 million would arise.

The Commissioner Inland Revenue (Audit) has amended the tax assessment of the Holding Company for the tax year 2005 to 2007 by disallowing prorated expense. The Holding Company has filed appeals before Commissioner Income Tax (Appeals). The appeals were decided in the favour of the Holding Company. The Department then filed appeals before the Income Tax Appellate Tribunal (ITAT). The Income Tax Appellate Tribunal (ITAT) had passed an order in favour of the Holding Company. The Department then filed a reference before the Honourable High Court of Sindh. The Honourable High Court of Sindh maintained the decision of the Income Tax Appellate Tribunal (ITAT). The Department has filed appeals for the tax year 2005 to 2007 before the Honourable Supreme Court of Pakistan against the decision of the Honourable High Court of Sindh in respect of proration of expenses and if the appeals are decided against the Holding Company, a tax liability of Rs. 37 million would arise.

The Commissioner Inland Revenue (Audit) has amended the tax assessment of the Holding Company for the tax year 2008 by adding capital gain on investment, depreciation on leased asset, admissible expenses, re-insurance premium ceded, provision for leave encashment, amortization of premium relative to par and provision for outstanding claims (IBNR). The Holding Company filed an appeal before Commission Income Tax (Appeals) against the order of Income Tax Commissioner (Audit). The Appeal decided in favour of the Holding Company except addition made on account of reinsurance premium ceded. The Holding Company has filed an appeal before the Income Tax Appellate Tribunal (ITAT) against the decision of the Income Tax Commissioner (Appeals) for maintaining the decision of Income Tax Commissioner (Audit) with respect to confirming the addition made on account of reinsurance premium ceded. The Income Tax Appellate Tribunal (ITAT) decided the case in favour of the Holding Company. The Department filed an appeal in Income Tax Appellate Tribunal (ITAT) against the decision of the Income Tax Commissioner (Appeals) for deletion of Capital Gain on Investment, Provision for Leave Encashment, and Depreciation on Leased Asset. The Income Tax Appellate Tribunal

(ITAT) decided the case in favour of the Holding Company. The Department has filed appeals before the Honourable High Court of Sindh against the decision of the Income Tax Appellate Tribunal (ITAT) in respect of tax on reinsurance premium, deletion of Capital Gain on Investment, Provision for Leave Encashment, and Depreciation on Leased Asset. If the appeals decided against the Holding Company, a tax liability of Rs. 5,099 million would be payable. The Honourable High Court of Sindh has issued orders in favour of the assesses on identical cases.

The Department has filed an appeal for tax years 2014 to 2016 before the Income Tax Appellate Tribunal (ITAT) against the order of Commissioner (Appeal) in respect of Dividend Income taxed at the reduced rate. If the appeal is decided against the Holding Company, a tax liability of Rs. 355 million would arise.

The Commissioner Inland Revenue (Audit) has made an addition to the income of Tax years 2017 and 2019 on account of the fair market value of motor vehicles. The Holding Company has filed appeals before Commissioner Income Tax (Appeals). The Commissioner Income Tax (Appeals) has confirmed the action of the Commissioner, Inland Revenue (Audit). The Holding Company then filed appeals before the Income Tax Appellate Tribunal (ITAT). If the appeal is decided against the Company, a tax liability of Rs. 2 million would arise. The Income-tax Appellate Tribunal (ITAT) has issued orders in favour of the Holding Company on this issue in previous years.

In 2014, 2015, 2016, 2017 and 2018, the Searle Company Limited issued bonus shares (453,612, 312,993, 664,632, 472,284 and 443,697 shares, respectively) after withholding 5 percent of bonus shares (22,680, 15,650, 34,981, 24,857 and 21,360 shares respectively). In this regard, a constitutional petition had been filed by the Holding Company in the Honourable High Court of Sindh challenging the applicability of withholding tax provision on bonus shares received by the Holding Company. The Honourable High Court of Sindh decided the case against the Holding Company. Subsequently, the Holding Company filed an appeal with a larger bench of the Honourable High Court of Sindh and in response; the Sindh High Court has suspended the earlier judgement until the next date of hearing, which has not yet been decided. Consequently, the Holding Company has not paid/provided an amount of Rs. 37 million being withholding tax on bonus shares.

18.2 Subsidiary Company

In 2013, Income Tax Department imposed an additional tax demand under section 151(1)(d) on account of non-deduction of withholding tax on surrender and maturity amounting to Rs.14 million and Rs.15 million for Tax Years 2012 and 2013 respectively. The Subsidiary Company filed an appeal before Commissioner Inland Revenue (Appeals) and the same was dismissed. The Subsidiary Company filed second appeal before the Appellate Tribunal against the order of CIT. The Learned Appellate Tribunal Inland revenue had decided the case in Subsidiary Company's favour. Subsequent to it, the department has filed review application against the order in Honourable Court of Sindh. The decision is still pending. The Subsidiary Company expects a favourable decision.

In 2015 and 2016, The Searle Company Limited (Searle) issued bonus shares (76,031 shares and 342,480 shares respectively) after withholding 5 percent of bonus shares (3,802 shares and 17,124 shares respectively) and the IBL Healthcare Limited issued bonus shares (46,625 shares and 80,311 shares respectively) after withholding 5 percent of bonus shares (2,331 shares and 4,016 shares respectively). In this regard, a constitutional petition had been filed by Searle in Sindh High Court challenging the applicability of withholding tax provision on bonus shares received by the Subsidiary Company. The honorable high court decided the case against Searle. Subsequently, Searle filed an appeal with a larger bench of the Sindh High Court and in response the Sindh High Court has suspended the earlier judgment until the next date of hearing, which has not yet been decided. The Subsidiary Company is of the view that the case will be decided in its favour and as such no provision has been made for the aforementioned tax. The amount involved is Rs. 3 million.

18.2.1 During 2019, the Subsidiary Company, along with other life insurance industry players, based on the advice of its tax consultants filed petitions in the Honorable High Courts of Lahore and Sindh, challenging the levy of Punjab Sales Tax (PST) and Sindh Sales Tax (SST) on life insurance in Punjab and Sindh. The petitions were filed on the strength of legal advice that:

Substantiating the Subsidiary Company's view that insurance is not a service, but in fact, in sum and substance, a contingent contract under which payment is made on the occurrence of an event, specified in the terms of contract or policy;

A question of constitutionality arose on the levy of provincial sales tax on life insurance, which in their view, was a Federal subject, since the Federation has retained a legislative mandate over all laws relating to insurance under Entry 29 of the said List, therefore, only the Federation is entitled to levy any tax in relation to insurance business; and

Without prejudice to the main contentions as stated above, even otherwise, the legal advisors had expressed a further illegality that there is a critical flaw in the context of the manner in which the entire premium payment has been charged to the levy of provincial sales tax. Even the component of the premium which is to form part of a policyholder's investment account is subjected to the levy.

SRB through notification no. SRB-3-4/17/2021 dated 30 June 2021 has revoked its previous exemption of life insurance, granted through SRB-3-4/5/2019 dated 08 May 2019, which is now taxable at a rate of 3%. However, exemption for health insurance has been extended till 30 June 2022.

With effect from 01 November 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 Subsidiary 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 28 September 2019 and 28 November 2019 against PRA and SRB respectively.

According to the grounds of the petition and legal opinion obtained by the Subsidiary Company 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). The legal opinion covered question of constitutionality arose on the levy of provincial sales tax on life insurance, which in their view, is a Federal subject. The opinion also mentions that vast majority of premium received from a policyholder, during the life of the policy, is in fact channeled it to the policyholder's investment account and as such this is critically important in exposing the legal fallacies embodied in the Rules.

The Honorable Lahore and Sindh High Courts have directed that no coercive measure will be taken until the next date of hearing.

Further subsequent to filing petition, all the provincial tax authorities i.e. SRB, PRA and BRA called a meeting of the industry representatives on 11 January 2020 in Karachi to discuss the matters relating to sales tax on premium. The matter was discussed in details and it was agreed to form a joint committee of the industry representatives as well as from all the provincial tax authorities. Further the committee formed met on 5 February 2020 in Lahore at PRA office to work out the way forward. Thereafter, due to the COVID 19 situation and consequential lockdown, further meetings of the Joint committee are not being held.

SRB through notification no. SRB-3-4/13/2020 dated 22 June 2020 exempted the life insurance services conditionally from 01 July 2019 to 30 June 2020 subject to e-depositing SST due, on such services for the tax periods from 01 July 2020 onward.

Further in Sindh, on 29 June 2020 SRB through another notification No SRB-3-4/18/2020 has amended the responsibility of withholding agent rules requiring a Subsidiary Company also to withheld SST on Services of Life Insurance.

The Subsidiary Company with other life insurance companies has filed another petition in this regard in the Hon'ble Sindh High Court. The Hon'ble SHC has directed that no coercive measure will be taken until the next date of hearing.

In continuation to the petition filed in Sindh High Court, a hearing was scheduled to be conducted during 2021, however no hearing was held during the period amid rising cases due to the pandemic and annual vacations of the judges.

Furthermore, Khyber Pakhtunkhwa Revenue Authority (KPRA) through Khyber Pakhtunkhwa Finance Act 2021 has imposed sales tax on life insurance at the rate of 15%, from 1st July 2021, which was previously exempt, for the reason of economic documentation. The matter has been taken up by the IAP with KPRA explaining that 'Insurance' is a Federal subject, hence law in respect of insurance should not be made by the province.

Based on the legal opinion obtained the Subsidiary Company considers that it has a reasonably strong case on the merits in the Constitutional petition and the writ petition filed in the High Courts. In view of the above the Subsidiary Company has not started billing or withholding sales tax to its customers. The amount of sales tax involved is around Rs. 2,045 million (2021: Rs. 1,816 million) computed on the basis of risk based premium excluding the investment amount allocated to unit linked policies. The management contends that in case the administrative efforts fail, the amount will be charged to the policyholders.

Bank guarantees amounting to Rs. 57 million have been given in respect of Group Life coverage. These bank guarantees will expire on 30 December 2023.

- 18.3 No provision has been made in these consolidated condensed interim financial statements for the above contingencies, as the management, based on tax advisor's opinion, is confident that the decision in this respect will be received in favour of the Group.
- 18.4 There are no commitments as at 30 June 2022 (31 December 2021: Nil).

19. Net insurance premium

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Written gross premium	15 337 118	12 483 977	31 056 353	26 871 963
Unearned premium reserve - opening	10 998 822	9 682 893	10 517 726	9 411 142
Unearned premium reserve - closing	(11 648 905)	(8 805 984)	(11 648 905)	(8 805 984)
Premium earned	14 687 035	13 360 886	29 925 174	27 477 121
Less:				
Reinsurance premium ceded	4 788 689	2 910 683	8 481 015	5 872 280
Prepaid reinsurance premium - opening	5 655 081	4 727 054	5 468 998	4 808 670
Prepaid reinsurance premium - closing	(6 934 872)	(4 616 270)	(6 934 872)	(4 616 270)
Reinsurance expense	3 508 898	3 021 467	7 015 141	6 064 680
	<u>11 178 137</u>	<u>10 339 419</u>	<u>22 910 033</u>	<u>21 412 441</u>
20. Net insurance claims expense				
Claims Paid	8 169 563	7 605 549	15 511 302	15 112 493
Outstanding claims including IBNR - closing	10 055 888	7 532 603	10 055 888	7 532 603
Outstanding claims including IBNR - opening	(8 524 553)	(6 757 309)	(7 085 599)	(7 111 989)
Claims expense	9 700 898	8 380 843	18 481 591	15 533 107
Less:				
Reinsurance and other recoveries received	368 021	851 053	765 335	1 567 812
Reinsurance and other recoveries in respect of outstanding claims - opening	(5 108 178)	(3 463 457)	(3 974 297)	(3 856 142)
Reinsurance and other recoveries in respect of outstanding claims - closing	6 053 807	4 267 453	6 053 807	4 267 453
Reinsurance and other recoveries revenue	1 313 650	1 655 049	2 844 845	1 979 123
	<u>8 387 248</u>	<u>6 725 794</u>	<u>15 636 746</u>	<u>13 553 984</u>
21. Net commission expense				
Commission paid or payable	1 997 464	1 823 680	4 103 383	3 861 305
Deferred commission expense - opening	798 170	697 589	772 985	678 039
Deferred commission expense - closing	(779 765)	(541 078)	(779 765)	(541 078)
Net commission	2 015 869	1 980 191	4 096 603	3 998 266
Less:				
Commission received or recoverable	56 784	42 873	122 323	95 712
Unearned reinsurance commission - opening	133 409	130 534	135 214	152 144
Unearned reinsurance commission - closing	(127 521)	(102 893)	(127 521)	(102 893)
Commission from reinsurers	62 672	70 514	130 016	144 963
Other acquisition cost	223 099	226 081	480 574	438 174
	<u>2 176 296</u>	<u>2 135 758</u>	<u>4 447 161</u>	<u>4 291 477</u>

22. Investment income

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Income from equity securities				
- Available-for-sale				
Dividend income	35 212	46 275	126 947	113 495
- Fair value through profit and loss				
Dividend income	464 732	484 269	1 355 891	925 841
Income from debt securities				
- Available-for-sale				
Return on debt securities	279 988	287 576	541 282	574 202
- Held to maturity				
On government securities	279 455	138 013	436 607	275 155
Return on debt securities	56 726	14 261	85 743	35 449
- Fair value through profit and loss				
Return on debt securities	167 069	309 609	471 549	567 110
On government securities	2 805 852	1 661 551	4 822 767	3 274 964
Income from term deposits				
Return on term deposits	576 842	268 347	969 950	573 522
	<u>4 665 876</u>	<u>3 209 901</u>	<u>8 810 736</u>	<u>6 339 738</u>
Net realized gains / (losses) on investments				
Available-for-sale financial assets				
Realized gains on:				
Equity securities	800	55 633	97 372	160 030
Realized losses on:				
Equity securities	(6 800)	(7 209)	(6 800)	(57 282)
Net unrealized gains / (losses) on investments	(6 000)	48 424	90 572	102 748
(Impairment) / reversal in value of				
available-for-sale equity securities	(96 688)	2 490	(202 069)	(253)
Investment related expenses	(323)	(520)	(449)	(780)
Total Investment income	<u>4 562 865</u>	<u>3 260 295</u>	<u>8 698 790</u>	<u>6 441 453</u>
23. Net realized fair value gains / (losses) on financial assets				
Realized gain on:				
Equity securities	230 721	1 458 732	490 976	2 726 486
Realized losses on:				
Equity securities	(1 204 577)	(243 650)	(1 207 479)	(555 773)
	<u>(973 856)</u>	<u>1 215 082</u>	<u>(716 503)</u>	<u>2 170 713</u>

24. Net fair value losses on financial assets at fair value through profit or loss		Three months period ended		Six months period ended	
		30 June 2022 (Unaudited)	30 June 2021 (Unaudited)	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
		Rupees '000			
Net unrealized losses on investments in financial assets - government securities and debt securities (designated upon initial recognition)		(156 865)	(104 165)	(273 855)	(585 823)
Net unrealized losses on investments at fair value through profit or loss (designated upon initial recognition)- Equity Securities		(1 450 639)	(41 727)	(2 459 627)	(666 818)
Total investment loss		(1 607 504)	(145 892)	(2 733 482)	(1 252 641)
Exchange gain / (loss)		23 287	4 631	29 167	(2 872)
(Impairment) / reversal in value of available-for-sale securities		(7 583)	44 199	(19 791)	7 048
Investment related expenses		(101)	(762)	(154)	(762)
		(1 591 901)	(97 824)	(2 724 260)	(1 249 227)
25. Other income					
Gain on sale of property and equipment		41 620	25 941	55 590	48 660
Return on loans to employees		7 391	5 427	14 698	10 540
Exchange difference		42 582	9 512	54 182	(4 866)
Return on bank balances		43 612	20 699	76 396	44 005
Fee charged to policyholders		4 513	3 898	8 981	8 180
Gain on early termination of lease contracts		7 920	2 444	8 839	2 444
Others		12	-	20	-
		147 650	67 921	218 706	108 963
26. Window takaful operations - Operator's fund					
Wakala fee		214 637	189 974	430 132	366 817
Commission expense		(77 302)	(76 321)	(157 839)	(146 039)
General, administrative and management expense		(104 148)	(91 349)	(196 491)	(184 416)
Modarib's share of PTF investment income		16 044	7 197	25 289	14 840
Investment income		15 972	(1 632)	30 815	8 684
Direct expenses		(275)	(248)	(570)	(460)
Other income		1 198	1 005	2 165	1 634
		66 126	28 626	133 501	61 060
27. Taxation					
For current period					
Current		315 442	328 907	903 599	937 259
Deferred		181 686	46 250	115 500	(5 563)
Super tax		68 859	-	68 859	-
		565 987	375 157	1 087 958	931 696
For prior period(s)					
Deferred tax		-	(18 900)	-	(18 900)
Super tax		240 719	-	240 719	-
		240 719	(18 900)	240 719	(18 900)
		806 706	356 257	1 328 677	912 796
28. Earnings per share - basic and diluted					
(Loss) / profit (after tax) for the period (Rupees '000)		(129 382)	622 827	488 067	1 337 271
Weighted average number of ordinary shares (Numbers '000)		200 000	200 000	200 000	200 000
Earnings per share (Rupees)		(0.65)	3.11	2.44	6.69

29. Related party transactions

Related parties comprise of directors, major shareholders, key management personnel, associated companies, and entities with common directors and employee retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions except for compensation to key management personnel which are on employment terms. The transactions and balances with related parties other than those which have been specifically disclosed elsewhere in these consolidated condensed interim financial statements are as follows:

	Three months period ended		Six months period ended	
	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Rupees '000				
Transactions				
Associated companies				
Premium written	115 914	131 584	255 651	324 142
Premium paid	2 377	2 897	69 236	54 940
Claims paid	65 418	49 518	147 566	83 718
Commission paid	38 968	47 637	67 859	104 480
Travelling expenses	431	108	984	2 943
Donation paid	1 828	9 136	11 290	10 310
Dividend paid	992 838	978 478	992 838	978 478
Interest on bank deposits	218 147	339 933	435 396	538 217
Purchase of vehicle	45 110	1 640	132 783	84 863
Investment made	–	335 915	–	335 915
Investment sold	91 810	369 000	10 880 239	403 196
Bank deposit	7 838 429	2 000 000	7 938 429	2 500 000
Payment to K-Electric	18 317	20 446	31 139	31 434
Key management personnel				
Premium written	2 436	2 330	2 934	3 653
Claims paid	–	–	168	20
Dividend paid	6 992	7 852	6 992	6 052
Loan to key employees	–	2 503	–	2 503
Loan recovered	1 863	2 195	3 535	–
Compensation	112 638	91 835	223 022	190 615
Others				
Premium written	188 717	224 966	222 220	243 939
Claims paid	1 588	3 394	37 380	6 307
Dividend paid	470 523	464 471	470 523	464 471
Brokerage paid	120	528	184	1 060
Employees' funds				
Contribution to provident fund	21 917	18 257	43 200	37 366
Contribution to gratuity fund	7 129	5 465	14 360	10 930
Contribution to pension fund	9 015	8 645	18 581	17 106
Dividend paid	3 146	3 789	3 146	3 789
			30 June 2022 (Unaudited)	31 December 2021 (Audited)
Balances				
Others				
Balances receivable			220 429	136 428
Balances payable			1 335	7 213
Bank deposits			8 226 929	11 076 929
Bank balances			1 475 860	1 333 983
Employees' funds receivable / (payable)				
EFU gratuity fund			(14 360)	(69 001)
EFU pension fund			63 768	59 963

Rupees '000

For the six months period ended 30 June 2022 (Unaudited)

Current period	General Insurance				Life Assurance		Aggregate Life Insurance	Total
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Shareholders' Fund		
Premium Receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	8 777 574	2 654 503	1 984 009	1 123 687	-	-	18 366 257	32 906 030
Less: Sales tax	965 501	283 330	242 480	132 933	-	-	-	1 624 244
Stamp duty	203	96 977	601	542	-	-	-	98 323
Federal insurance fee	77 453	22 509	17 305	9 843	-	-	-	127 110
Gross Written Premium (inclusive of administrative surcharge)	7 734 417	2 251 687	1 723 623	980 369	-	-	18 366 257	31 056 353
Gross direct premium	7 709 289	2 222 817	1 628 556	973 462	-	-	18 366 257	30 900 381
Facultative inward premium	11 246	718	-	11 964	-	-	-	11 964
Administrative surcharge	13 882	28 152	95 067	6 907	-	-	-	144 008
Insurance premium earned	7 341 846	1 594 144	1 765 652	857 275	-	-	18 366 257	29 925 174
Insurance premium ceded to reinsurers	(5 453 122)	(690 047)	(10 328)	(243 908)	-	-	(6 177 336)	(7 015 141)
Net insurance premium	1 888 724	904 097	1 755 324	613 367	-	-	17 748 521	22 910 033
Commission income	102 924	8 070	4	19 018	-	-	-	130 016
Net underwriting income	1 991 648	912 167	1 755 328	632 385	-	-	17 748 521	23 040 049
Insurance claims	(3 662 501)	(265 717)	(988 451)	(436 728)	-	-	(13 128 194)	(18 481 591)
Insurance claims recovered from reinsurers	2 449 130	(18 097)	(2 017)	62 033	-	-	353 796	2 844 845
Net claims	(1 213 371)	(283 814)	(990 468)	(374 695)	-	-	(12 774 398)	(15 636 746)
Commission expense	(489 365)	(151 313)	(158 100)	(67 047)	-	-	(3 711 352)	(4 577 177)
Management expenses	(541 250)	(239 520)	(487 511)	(169 868)	-	-	(1 267 688)	(2 705 837)
Net insurance claims and expenses	(2 243 986)	(674 647)	(1 636 079)	(611 610)	-	-	(17 753 438)	(22 919 760)
Net Change in Insurance Liabilities (Other than outstanding Claims)	-	-	-	-	-	-	(3 619 567)	(3 619 567)
Underwriting result	(252 338)	237 520	119 249	20 775	-	-	(3 624 484)	(3 499 278)
Net investment income	-	-	553 312	-	-	-	8 145 478	8 698 790
Net realized fair value gain on financial assets	-	-	-	-	-	-	(716 503)	(716 503)
Net fair value loss on financial assets at fair value through profit and loss	-	-	-	-	-	-	(2 724 260)	(2 724 260)
Rental income	-	-	59 971	-	-	-	-	59 971
Other income	-	-	172 497	-	-	-	46 209	218 706
Other expense	-	-	(42 943)	-	-	-	(23 111)	(66 054)
Profit before tax from takaful operations - OPF	-	-	133 501	-	-	-	-	133 501
Profit before tax	-	-	1 001 544	-	-	-	1 103 329	2 104 873
Corporate segment assets - conventional	13 825 098	2 338 424	577 115	754 569	-	-	163 624 531	181 119 737
Corporate segment assets - Takaful OPF	72 571	14 881	256 445	6 804	-	-	-	350 701
Corporate unallocated assets - conventional	-	-	-	-	-	-	4 477 359	35 585 445
Corporate unallocated assets - Takaful OPF	-	-	-	-	-	-	-	871 325
Consolidated total assets	13 897 669	2 353 305	833 560	761 373	-	-	168 101 890	217 927 208
Corporate segment liabilities	19 973 841	3 932 952	2 661 233	3 766 705	-	-	158 708 301	189 043 032
Corporate segment liabilities - Takaful OPF	76 739	14 070	380 228	8 313	-	-	-	479 350
Corporate unallocated liabilities	-	-	-	-	-	-	1 810 889	4 407 870
Corporate unallocated liabilities - Takaful OPF	-	-	-	-	-	-	-	32 552
Consolidated total liabilities	20 050 580	3 947 022	2 661 233	3 775 018	-	-	160 519 190	193 962 804
External premium less reinsurance by geographical segments 2022	22 894 617	-	-	-	-	-	-	-
Pakistan	15 416	-	-	-	-	-	-	-
* EPZ	-	-	-	-	-	-	-	-
Total	22 910 033	-	-	-	-	-	-	-

* This represents US Dollar Equivalent in Pak Rupees

For the six months period ended 30 June 2021 (Unaudited) Rupees '000

	General Insurance				Treaty	Aggregate General Insurance	Life Assurance		Aggregate Life Assurance	Total
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous			Shareholders' Fund	Statutory Funds		
Prior period										
Premium Receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	6 542 834	1 678 465	1 826 446	1 000 518	-	11 048 263	-	17 369 598	17 369 598	28 417 861
Less: Sales tax	849 722	181 378	223 069	125 532	-	1 379 701	-	-	-	1 379 701
Stamp duty	182	69 759	556	428	-	70 925	-	-	-	70 925
Federal insurance fee	56 513	14 123	15 942	8 694	-	95 272	-	-	-	95 272
Gross Written Premium (inclusive of administrative surcharge)	5 636 417	1 413 205	1 586 879	865 864	-	9 502 365	-	17 369 598	17 369 598	26 871 963
Gross direct premium	5 623 298	1 386 170	1 485 076	859 487	-	9 354 031	-	17 369 598	17 369 598	26 723 629
Facultative inward premium	-	827	-	-	-	827	-	-	-	827
Administrative surcharge	13 119	26 208	101 803	6 377	-	147 507	-	-	-	147 507
Insurance premium earned	6 409 269	1 294 156	1 632 716	771 382	-	10 107 523	-	17 369 598	17 369 598	27 477 121
Insurance premium ceded to reinsurers	(4 568 784)	(515 455)	(9 885)	(285 597)	-	(5 379 721)	-	(684 959)	(684 959)	(6 064 680)
Net insurance premium	1 840 485	778 701	1 622 831	485 785	-	4 727 802	-	16 684 639	16 684 639	21 412 441
Commission income	113 538	6 821	27	24 577	-	144 963	-	-	-	144 963
Net underwriting income	1 954 023	785 522	1 622 858	510 362	-	4 872 765	-	16 684 639	16 684 639	21 557 404
Insurance claims	(2 103 248)	(444 531)	(769 047)	(209 347)	-	(3 526 173)	-	(12 006 934)	(12 006 934)	(15 533 107)
Insurance claims recovered from reinsurers	1 355 858	138 845	(90)	(10 263)	-	1 484 350	-	494 773	494 773	1 979 123
Net claims	(747 390)	(305 686)	(769 137)	(219 610)	-	(2 041 823)	-	(11 512 161)	(11 512 161)	(13 553 984)
Commission expense	(407 682)	(132 068)	(150 027)	(54 024)	-	(743 801)	-	(3 692 639)	(3 692 639)	(4 436 440)
Management expenses	(514 362)	(206 877)	(496 664)	(135 177)	-	(1 353 080)	-	(1 074 149)	(1 074 149)	(2 427 229)
Net insurance claims and expenses	(1 669 434)	(644 631)	(1 415 828)	(408 811)	-	(4 138 704)	-	(16 278 949)	(16 278 949)	(20 417 653)
Net Change in Insurance Liabilities (Other than outstanding Claims)	-	-	-	-	-	-	-	(6 003 355)	(6 003 355)	(6 003 355)
Underwriting result	284 589	140 891	207 030	101 551	-	734 061	-	(5 597 665)	(5 597 665)	(4 863 604)
Net investment income	-	-	-	-	-	782 435	-	5 659 018	5 659 018	6 441 453
Net realized fair value gain on financial assets	-	-	-	-	-	-	-	2 170 713	2 170 713	2 170 713
Net fair value loss on financial assets at fair value through profit and loss	-	-	-	-	-	-	-	(1 249 227)	(1 249 227)	(1 249 227)
Rental income	-	-	-	-	-	59 416	-	-	-	59 416
Other income	-	-	-	-	-	50 891	-	58 072	58 072	108 963
Other expense	-	-	-	-	-	(45 819)	-	(22 467)	(22 467)	(68 286)
Profit before tax from takaful operations - OPF	-	-	-	-	-	61 060	-	-	-	61 060
Profit before tax	-	-	-	-	-	1 642 044	-	1 018 444	1 018 444	2 660 488
										As at 31 December 2021 (Audited)
Corporate segment assets - conventional	11 948 826	1 950 272	668 558	802 029	-	15 369 685	-	160 644 159	160 644 159	176 013 844
Corporate segment assets - Takaful OPF	91 055	11 820	244 001	11 127	-	358 003	-	-	-	358 003
Corporate unallocated assets - conventional	-	-	-	-	-	28 775 106	4 743 069	-	4 743 069	33 518 175
Corporate unallocated assets - Takaful OPF	-	-	-	-	-	783 218	-	-	-	783 218
Consolidated total assets	-	-	-	-	-	45 286 012	4 743 069	160 644 159	165 387 228	210 673 240
Corporate segment liabilities	15 887 724	2 795 937	2 593 290	3 246 362	-	24 523 313	-	156 092 115	156 092 115	180 615 428
Corporate segment liabilities - Takaful OPF	95 867	130 300	375 669	12 660	-	497 226	-	-	-	497 226
Corporate unallocated liabilities	-	-	-	-	-	2 628 502	1 010 395	-	1 010 395	3 638 897
Corporate unallocated liabilities - Takaful OPF	-	-	-	-	-	16 749	-	-	-	16 749
Consolidated total liabilities	-	-	-	-	-	27 665 790	1 010 395	156 092 115	157 102 510	184 768 300
External premium less reinsurance by geographical segments 2021										
Location										
Pakistan	21 396 378									
* EPZ	16 063									
Total	21 412 441									

* This represents US Dollar Equivalent in Pak Rupees

Rupees '000

For the three months period ended 30 June 2022 (Unaudited)

Current period

	General Insurance				Life Assurance		Aggregate Life Assurance	Total	
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Aggregate General Insurance			Shareholders' Fund
Premium Receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	4 333 292	1 916 310	876 358	529 787	-	7 655 747	-	8 733 902	16 389 649
Less: Sales tax	550 108	208 435	106 463	70 634	-	935 640	-	-	935 640
Stamp duty	84	50 255	266	285	-	50 890	-	-	50 890
Federal insurance fee	37 430	16 404	7 624	4 543	-	66 001	-	-	66 001
Gross Written Premium (inclusive of administrative surcharge)	3 745 670	1 641 216	762 005	454 325	-	6 603 216	-	8 733 902	15 337 118
Gross direct premium	3 733 489	1 626 536	719 283	451 359	-	6 530 667	-	8 733 902	15 264 569
Facultative inward premium	6 638	718	-	-	-	7 356	-	-	7 356
Administrative surcharge	5 543	13 962	42 722	2 966	-	65 193	-	-	65 193
Insurance premium earned	3 810 879	818 198	894 825	429 231	-	5 953 133	-	8 733 902	14 687 035
Insurance premium ceded to reinsurers	(2 852 641)	(356 449)	(4 538)	(106 565)	-	(3 320 193)	-	(188 705)	(3 508 898)
Net insurance premium	958 238	461 749	890 287	322 666	-	2 632 940	-	8 545 197	11 178 137
Commission income	48 715	4 097	-	9 860	-	62 672	-	-	62 672
Net underwriting income	1 006 953	465 846	890 287	332 526	-	2 695 612	-	8 545 197	11 240 809
Insurance claims	(1 802 923)	(186 400)	(528 027)	(289 543)	-	(2 806 893)	-	(6 894 005)	(9 700 898)
Insurance claims recovered from reinsurers	1 038 765	42 284	(11)	67 862	-	1 148 900	-	164 750	1 313 650
Net claims	(764 158)	(144 116)	(528 038)	(221 681)	-	(1 657 993)	-	(6 729 255)	(8 387 248)
Commission expense	(253 818)	(75 948)	(79 878)	(33 495)	-	(443 139)	-	(1 795 829)	(2 238 968)
Management expenses	(287 540)	(129 263)	(257 534)	(93 165)	-	(767 502)	-	(685 705)	(1 453 207)
Net insurance claims and expenses	(1 305 516)	(349 327)	(865 450)	(348 341)	-	(2 868 634)	-	(9 210 789)	(12 079 423)
Net Change in Insurance Liabilities (Other than outstanding Claims)	-	-	-	-	-	-	-	(635 030)	(635 030)
Underwriting result	(298 563)	116 519	24 837	(15 815)	-	(173 022)	-	(1 300 622)	(1 473 644)
Net investment income	-	-	-	-	-	213 965	-	4 348 900	4 562 865
Net realized fair value loss on financial assets	-	-	-	-	-	-	-	(973 856)	(973 856)
Net fair value loss on financial assets at fair value through profit and loss	-	-	-	-	-	-	-	(1 591 901)	(1 591 901)
Rental income	-	-	28 836	-	-	28 836	-	-	28 836
Other income	-	-	122 036	-	-	122 036	-	25 614	147 650
Other expense	-	-	(21 568)	-	-	(21 568)	-	(21 674)	(43 242)
Profit before tax from takaful operations - OPF	-	-	66 126	-	-	66 126	-	-	66 126
Profit before tax	-	-	236 373	-	-	236 373	-	486 461	722 834

For the three months period ended 30 June 2021 (Unaudited) Rupees '000

	General Insurance				Treaty	Aggregate General Insurance	Life Assurance		Aggregate Life Assurance	Total
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous			Shareholders' Fund	Statutory Funds		
Premium Receivable (inclusive of sales tax federal insurance fee and administrative surcharge)	2 842 844	907 254	728 904	422 861	-	4 901 863	-	8 266 284	8 266 284	13 168 147
Less: Sales tax	363 223	98 552	90 034	50 891	-	602 700	-	-	-	602 700
Stamp duty	73	38 765	238	220	-	39 296	-	-	-	39 296
Federal insurance fee	24 550	7 615	6 328	3 681	-	42 174	-	-	-	42 174
Gross Written Premium	2 454 998	762 322	632 304	368 069	-	4 217 693	-	8 266 284	8 266 284	12 483 977
(inclusive of administrative surcharge)	2 449 892	747 947	587 226	365 433	-	4 150 498	-	8 266 284	8 266 284	12 416 782
Gross direct premium	-	827	-	-	-	827	-	-	-	827
Facultative inward premium	5 106	13 548	45 078	2 636	-	66 368	-	-	-	66 368
Administrative surcharge	3 223 886	653 350	830 863	386 503	-	5 094 602	-	8 266 284	8 266 284	13 360 886
Insurance premium earned	(2 331 289)	(268 718)	(3 435)	(120 285)	-	(2 723 727)	-	(297 740)	(297 740)	(3 021 467)
Insurance premium ceded to reinsurers	892 597	384 632	827 428	266 218	-	2 370 875	-	7 968 544	7 968 544	10 339 419
Net insurance premium	56 327	3 528	9	10 650	-	70 514	-	-	-	70 514
Commission income	948 924	388 160	827 437	276 868	-	2 441 389	-	7 968 544	7 968 544	10 409 933
Net underwriting income	(1 737 210)	(209 063)	(366 947)	(194 450)	-	(2 507 670)	-	(5 873 173)	(5 873 173)	(8 380 843)
Insurance claims	1 323 387	68 146	(15)	22 402	-	1 413 920	-	241 129	241 129	1 655 049
Insurance claims recovered from reinsurers	(413 823)	(140 917)	(366 962)	(172 048)	-	(1 093 750)	-	(5 632 044)	(5 632 044)	(6 725 794)
Net claims	(204 079)	(65 926)	(75 655)	(27 190)	-	(372 850)	-	(1 833 422)	(1 833 422)	(2 206 272)
Commission expense	(257 491)	(106 184)	(281 239)	(74 965)	-	(719 879)	-	(548 677)	(548 677)	(1 268 556)
Management expenses	(875 393)	(313 027)	(723 856)	(274 203)	-	(2 186 479)	-	(8 014 143)	(8 014 143)	(10 200 622)
Net insurance claims and expenses (Other than outstanding Claims)	-	-	-	-	-	-	-	(3 535 043)	(3 535 043)	(3 535 043)
Underwriting result	73 531	75 133	103 581	2 665	-	254 910	-	(3 580 642)	(3 580 642)	(3 325 732)
Net investment income	-	-	-	-	-	381 321	-	2 878 974	2 878 974	3 260 295
Net realized fair value gains on financial assets	-	-	-	-	-	-	-	1 215 082	1 215 082	1 215 082
Net fair value loss on financial assets at fair value through profit and loss	-	-	-	-	-	-	-	(97 824)	(97 824)	(97 824)
Rental Income	-	-	-	-	-	30 595	-	-	-	30 595
Other income	-	-	-	-	-	40 613	-	27 308	27 308	67 921
Other expense	-	-	-	-	-	(18 830)	-	(16 378)	(16 378)	(35 208)
Profit before tax from takaful operations - OPF	-	-	-	-	-	28 626	-	-	-	28 626
Profit before tax	-	-	-	-	-	717 235	-	426 520	426 520	1 143 755

31. Movement in investments

Name of investment	Rupees '000			
	Held to maturity	Available-for-sale	Fair value through Profit & Loss	Total
At beginning of previous year	24 914 646	18 719 068	113 673 646	157 307 360
Additions	158 761 001	54 478 109	42 243 793	255 482 903
Disposals (sale and redemptions)	(150 428 255)	(54 868 574)	(35 502 084)	(240 798 913)
Fair value net gains / (losses) (excluding net realized gains / losses))	–	(1 638 266)	(5 987 103)	(7 625 369)
Impairment losses	–	(165 515)	–	(165 515)
At beginning of current period	33 247 392	16 524 822	114 428 252	164 200 466
Additions	54 031 116	5 313 512	15 604 365	74 948 993
Disposals (sale and redemptions)	(55 748 307)	(3 568 022)	(9 386 068)	(68 702 397)
Fair value net gains (excluding net realized gains / (losses))	–	(664 017)	(2 448 644)	(3 112 661)
Impairment losses	–	(221 860)	–	(221 860)
At end of current period	<u>31 530 201</u>	<u>17 384 435</u>	<u>118 197 905</u>	<u>167 112 541</u>

32. Fair value

32.1 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.

32.2 All assets and liabilities for which fair value is measured or disclosed in the consolidated 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 or indirectly 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 where fair value is only disclosed and is different from their carrying value:

Rupees '000

As at 30 June 2022 (Unaudited)										
	Available-for-sale	Fair value through profit & loss	HTM	Loans & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
								Level 1	Level 2	Level 3
Financial assets measured at fair value										
Investments										
Equity securities - quoted	3 859 015	25 858 452					29 717 467	29 717 467		
Equity securities - unquoted	508						508			508
Government securities		90 375 100					90 375 100		90 375 100	
Mutual funds	142 465	240 155					382 620		382 620	
Sukuk Bonds		2 498 739					2 498 739		2 498 739	
Debt securities	10 591 264	3 835 328					14 426 592		14 426 592	
Financial assets not measured at fair value										
Term deposits *					979 440		979 440			
Government securities		24 805 920	8 262 830				33 068 750			
Loans and other receivables *				500 423			500 423			
Insurance / reinsurance receivables *				4 888 601			4 888 601			
Reinsurance recoveries against outstanding claims *				6 053 807			6 053 807			
Other assets *					3 868 860		3 868 860			
Certificate of investment *			863 258				863 258			
Cash and bank *					1 365 438		1 365 438			
Total assets of window takaful operations - Operator's fund *	758 242			241 560	75 820		1 075 622		758 242	
	15 351 494	147 613 694	9 126 088	11 684 391	6 289 558	-	190 065 225	29 717 467	108 441 293	508
Financial liabilities not measured at fair value										
Outstanding claims including IBNR *						(10 055 888)	(10 055 888)			
Premium received in advance *						(1 358 926)	(1 358 926)			
Insurance / reinsurance payables *						(6 806 140)	(6 806 140)			
Other creditors and accruals *						(5 512 837)	(5 512 837)			
Total liabilities of window takaful operations - Operator's fund *						(91 503)	(91 503)			
	15 351 494	147 613 694	9 126 088	11 684 391	6 289 558	(23 825 294)	166 239 931	29 717 467	108 441 293	508

*The Group has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

Rupees '000

As at 31 December 2021 (Audited)										
	Available-for-sale	Fair value through profit & loss	HTM	Loans and receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
								Level 1	Level 2	Level 3
Financial assets measured at fair value										
Investments										
Equity securities - quoted	3 904 381	31 664 387					35 568 768	35 568 768		
Equity securities - unquoted	508						508			508
Government securities		79 419 004					79 419 004		79 419 004	
Mutual funds	128 442	1 326 134					1 454 576		1 454 576	
Sukuk Bonds		2 482 032					2 482 032		2 482 032	
Debt securities	9 405 824	2 992 793					12 398 617		12 398 617	
Financial assets not measured at fair value										
Term deposits *					678 785		678 785			
Government securities			7 903 248				7 903 248			
Loans and other receivables *				387 908	409 799		797 707			
Insurance / reinsurance receivables *				5 012 826			5 012 826			
Reinsurance recoveries against outstanding claims *				3 974 297			3 974 297			
Advances *				229 430			229 430			
Other assets *					2 066 950		2 066 950			
Certificate of investment *			410 000				410 000			
Cash and bank *					30 171 196		30 171 196			
Total assets of window takaful operations - Operator's fund *	643 122			231 571	109 883		984 576		643 122	
	14 082 277	117 884 350	8 313 248	9 836 032	33 436 613	-	183 552 520	35 568 768	96 397 351	508
Financial liabilities not measured at fair value										
Outstanding claims including IBNR *						(7 085 599)	(7 085 599)			
Premium received in advance *						(1 175 071)	(1 175 071)			
Insurance / reinsurance payables *						(4 886 033)	(4 886 033)			
Other creditors and accruals *						(6 356 938)	(6 356 938)			
Total liabilities of window takaful operations - Operator's fund *						(94 683)	(94 683)			
	14 082 277	117 884 350	8 313 248	9 836 032	33 436 613	(19 598 324)	163 954 196	35 568 768	96 397 351	508

*The Group has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

33. Non-adjusting event after the financial statement date

The Board of Directors in their meeting held on 23 August 2022 have announced a second interim cash dividend in respect of the year ended 31 December 2022 of Rs. 1.50 per share i.e. 15.00 % (2021: Rs. 1.50 per share i.e. 15.00 %). In addition, the Board of Directors have also approved the transfer from general reserve to un-appropriated profit amounting to Rs. 3,400 million. These consolidated condensed interim financial statements for the six months period ended 30 June 2022 do not include the effects of these appropriations, which will be accounted for subsequent to the period end.

34. Corresponding Figures

34.1 Corresponding figures have been rearranged and reclassified, wherever necessary, to facilitate comparisons.

35. General

Figures have been rounded off to the nearest thousand rupees.

36. Date of authorization for issue of consolidated condensed interim financial statements

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors in its meeting held on 23 August 2022.

RAFIQUE R. BHIMJEE
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 23 August 2022

Window Takaful Operations

Condensed Interim Financial Statements

For the six months period ended 30 June 2022 (Unaudited)

EFU General Insurance Limited - Window Takaful Operations
Condensed Interim Statement of Financial Position
As at 30 June 2022 (Unaudited)

Rupees '000

	Note	Operator's Fund		Participants' Takaful Fund	
		30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Assets					
Property and equipment	6	2 439	2 777	–	–
Investments					
Debt securities	7	758 242	643 122	2 204 451	1 735 650
Term deposits		–	9 000	–	120 000
Loans and other receivables	8	908	967	2 850	1 283
Takaful / retakaful receivables	9	9 260	7 410	339 043	321 441
Retakaful recoveries against outstanding claims / benefits	17	–	–	731 385	541 251
Salvage recoveries accrued		–	–	76 177	50 080
Deferred commission expense	18	138 188	149 495	–	–
Receivable from PTF	10	219 644	211 809	–	–
Accrued investment income		11 748	11 385	26 555	24 980
Deferred wakala fee		–	–	394 787	410 961
Deferred taxation		3 859	4 373	–	–
Prepayments	11	1 918	–	252 345	325 790
Cash and bank	12	75 820	100 883	108 951	239 302
Total assets		1 222 026	1 141 221	4 136 544	3 770 738
Funds and liabilities					
Operator's Fund					
Statutory fund		100 000	100 000	–	–
Revaluation reserve - available-for-sale investments		(2 113)	(3 396)	–	–
Accumulated profit		612 237	530 643	–	–
Total Operator's Fund		710 124	627 247	–	–
Participants' Takaful Fund (PTF)					
Cede money		–	–	500	500
Revaluation reserve - available-for-sale investments		–	–	(11 694)	(16 099)
Accumulated surplus		–	–	1 010 158	871 978
Balance of Participants' Takaful Fund		–	–	998 964	856 379
Liabilities					
PTF Underwriting provisions					
Outstanding claims / benefits including IBNR	17	–	–	1 340 032	1 088 118
Unearned contribution reserves		–	–	1 249 317	1 304 837
Reserve for unearned retakaful rebate	16	–	–	23 259	63 362
Contribution received in advance		–	–	8 520	4 467
Takaful / retakaful payables		2 147	2 039	280 685	212 227
Unearned wakala fee		394 787	410 961	–	–
Payable to OPF	10	–	–	219 644	211 809
Taxation - provision less payments		23 465	6 291	–	–
Other creditors and accruals	13	91 503	94 683	16 123	29 539
Total liabilities		511 902	513 974	3 137 580	2 914 359
Total funds and liabilities		1 222 026	1 141 221	4 136 544	3 770 738
Contingencies and commitments	14				

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

RAFIQUE R. BHIMJEE
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 23 August 2022

EFU General Insurance Limited - Window Takaful Operations
Condensed Interim Profit and Loss Account
For the six months period ended 30 June 2022 (Unaudited)

		Three months period ended		Six months period ended	
		30 June 2022 (Unaudited)	30 June 2021 (Unaudited)	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
		Rupees '000			
Note					
Participants' Takaful Fund - (PTF)					
	Contributions earned	464 558	449 396	927 003	888 036
	Less: Contributions ceded to retakaful	(164 177)	(140 091)	(329 079)	(272 342)
15	Net contribution revenue	300 381	309 305	597 924	615 694
16	Retakaful rebate earned	32 122	22 517	65 292	43 320
	Net underwriting income	332 503	331 822	663 216	659 014
17	Net claims - reported / settled - IBNR	(235 917)	(253 782)	(563 862)	(541 259)
	Other direct expenses	(15 247)	(40 388)	(37 046)	(82 715)
	Surplus before investment income	81 339	37 652	62 308	35 040
19	Investment Income	60 050	17 031	94 013	45 261
20	Other income	4 132	2 773	7 148	5 114
	Less: Modarib's share of investment income	(16 044)	(7 197)	(25 289)	(14 840)
	Surplus transferred to accumulated surplus	129 477	50 259	138 180	70 575
Operator's Fund - (OPF)					
	Wakala fee	214 637	189 974	430 132	366 817
18	Commission expense	(77 302)	(76 321)	(157 839)	(146 039)
	General, administrative and management expense	(104 148)	(91 349)	(196 491)	(184 416)
		33 187	22 304	75 802	36 362
	Modarib's share of PTF investment income	16 044	7 197	25 289	14 840
19	Investment income / (loss)	15 972	(1 632)	30 815	8 684
	Direct expenses	(275)	(248)	(570)	(460)
20	Other income	1 198	1 005	2 165	1 634
	Profit before taxation	66 126	28 626	133 501	61 060
21	Taxation	(32 369)	(8 284)	(51 907)	(17 690)
	Profit after taxation	33 757	20 342	81 594	43 370

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

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Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 23 August 2022

EFU General Insurance Limited - Window Takaful Operations
Condensed Interim Statement of Comprehensive Income
For the six months period ended 30 June 2022 (Unaudited)

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Participants' Takaful Fund - (PTF)				
Surplus for the period	129 477	50 259	138 180	70 575
Other comprehensive income				
Unrealized gain on available-for-sale investments during the period - net	7 280	7 170	4 405	6 078
Total items that may be reclassified subsequently to profit and loss account	7 280	7 170	4 405	6 078
Total comprehensive income for the period	<u>136 757</u>	<u>57 429</u>	<u>142 585</u>	<u>76 653</u>
Operator's Fund - (OPF)				
Profit after tax for the period	33 757	20 342	81 594	43 370
Other comprehensive income				
Fair value gain / (loss) on available for sale investments during the period	(3 568)	3 960	1 807	2 296
Deferred tax on available-for-sale investments	1 035	(1 148)	(524)	(666)
Total items that may be reclassified subsequently to profit and loss account	(2 533)	2 812	1 283	1 630
Total comprehensive income for the period	<u>31 224</u>	<u>23 154</u>	<u>82 877</u>	<u>45 000</u>

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

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Chairman

Karachi 23 August 2022

EFU General Insurance Limited - Window Takaful Operations
Condensed Interim Cash Flow Statement
For the six months period ended 30 June 2022 (Unaudited)

Rupees '000

	Operator's Fund		Participants' Takaful Fund	
	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Operating cash flows				
a) Takaful activities				
Contributions received	–	–	1 293 704	1 246 144
Retakaful contribution paid	–	–	(185 145)	(182 759)
Claims / benefits paid	–	–	(564 387)	(532 892)
Retakaful and other recoveries received	–	–	30 569	54 340
Commission paid	(150 271)	(163 240)	–	–
Retakaful rebate received	–	–	25 189	38 497
Wakala fee received / (paid)	411 805	372 542	(411 805)	(372 542)
Modarib received / (paid)	19 609	1 668	(19 609)	(1 668)
Net cash flow from takaful activities	281 143	210 970	168 516	249 120
b) Other operating activities				
Income tax paid	(34 743)	(25 488)	–	–
General and other expenses paid	(197 101)	(188 144)	(37 047)	(82 714)
Other operating payments	(3 708)	(6 996)	(3 595)	36 505
Other operating receipts	1 042	(11 397)	(13 411)	2 261
Net cash flow used in other operating activities	(234 510)	(232 025)	(54 053)	(43 948)
Total cash flow from / (used in) all operating activities	46 633	(21 055)	114 463	205 172
Investment activities				
Profit / return received	32 607	21 151	99 582	64 125
Payment for investments	(136 813)	(258 294)	(501 232)	(631 337)
Proceeds from investments	32 500	236 396	156 836	441 519
Fixed capital expenditure	–	(109)	–	–
Proceeds from disposal of property and equipment	10	–	–	–
Total cash flow used in investing activities	(71 696)	(856)	(244 814)	(125 693)
Net cash flow (used in) / from all activities	(25 063)	(21 911)	(130 351)	79 479
Cash and cash equivalents at the beginning of the period	100 883	57 829	239 302	97 799
Cash and cash equivalents at the end of the period	75 820	35 918	108 951	177 278
Reconciliation to profit and loss account				
Operating cash flow	46 633	(21 055)	114 463	205 172
Depreciation expense	(339)	(305)	–	–
Other investment income	30 815	8 684	94 013	45 261
Other income	2 165	1 634	7 145	5 143
Increase in assets other than cash	247	68 172	145 779	8 003
Increase in liabilities other than borrowings	2 073	(13 760)	(223 220)	(193 004)
Surplus after tax for the period	81 594	43 370	138 180	70 575
Attributed to				
Operator's Fund	81 594	43 370	–	–
Participants' Takaful Fund	–	–	138 180	70 575
	81 594	43 370	138 180	70 575

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

RAFIQUE R. BHIMJEE
Director

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Director

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Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 23 August 2022

EFU General Insurance Limited - Window Takaful Operations
Condensed Interim Statement of Changes in Funds
For the six months period ended 30 June 2022 (Unaudited)

Rupees '000

	Operator's Fund			
	Statutory fund	Unrealized gain / (loss) on revaluation of available-for-sale investments-net	Accumulated profit	Total
Balance as at 01 January 2021	100 000	(1 812)	398 512	496 700
Total comprehensive income for the period ended 30 June 2021				
Profit for the period			43 370	43 370
Other comprehensive income		1 630		1 630
Balance as at 30 June 2021	<u>100 000</u>	<u>(182)</u>	<u>441 882</u>	<u>541 700</u>
Balance as at 01 January 2022	100 000	(3 396)	530 643	627 247
Total comprehensive income for the period ended 30 June 2022				
Profit for the period			81 594	81 594
Other Comprehensive Income		1 283		1 283
Balance as at 30 June 2022	<u>100 000</u>	<u>(2 113)</u>	<u>612 237</u>	<u>710 124</u>
	Participants' Takaful Fund			
	Cede money	Unrealized gain / (loss) on revaluation of available-for-sale investments-net	Accumulated surplus	Total
Balance as at 01 January 2021	500	(14 101)	650 714	637 113
Surplus for the period			70 575	70 575
Other comprehensive income		6 078		6 078
Balance as at 30 June 2021	<u>500</u>	<u>(8 023)</u>	<u>721 289</u>	<u>713 766</u>
Balance as at 01 January 2022	500	(16 099)	871 978	856 379
Surplus for the period			138 180	138 180
Other Comprehensive Income		4 405		4 405
Balance as at 30 June 2022	<u>500</u>	<u>(11 694)</u>	<u>1 010 158</u>	<u>998 964</u>

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

RAFIQUE R. BHIMJEE
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 23 August 2022

EFU General Insurance Limited - Window Takaful Operations Notes to the Condensed Interim Financial Statements For the six months period ended 30 June 2022 (Unaudited)

1. Legal status and nature of business

EFU General Insurance Limited (the Operator) was allowed to undertake Window Takaful Operations (the Operations) on 16 April 2015 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan.

For the purpose of carrying on the takaful business, the Operator has formed a Waqf / Participants' Takaful Fund (PTF) on 06 May 2015 under the Waqf deed. The Waqf deed governs the relationship of Operator and participants for management of takaful operations.

2. Basis of preparation and statement of compliance

These condensed interim financial information 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 the Companies Act, 2017; and

Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017, General Takaful Accounting Regulation, 2019 and Takaful Rules, 2012;

In case requirement differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, Insurance Rules, 2017, Takaful Rules, 2012, General Takaful Accounting Regulations, 2019 shall prevail.

These condensed interim financial statements reflect the financial position and results of operations of both the Operator and Participant in a manner that the assets, liabilities, income and expenses of the Operator and Participant remain separately identifiable.

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 Operators' annual financial statements for the year ended 31 December 2021.

2.1 Basis of measurement

The condensed interim financial statements have been prepared under the historical cost basis except for the available-for-sale investments that have been measured at fair value.

2.2 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupees, which is also the Operator's functional currency. All financial information presented in Pakistani Rupees has been rounded off to the nearest rupees in thousand, unless otherwise stated.

3. Summary of significant accounting policies

The significant accounting policies and method of computation adopted in preparation of condensed interim financial statements are consistent with those followed in preparation of the annual financial statement of the Operator for the year ended 31 December 2021.

3.1 Standards, interpretations and amendments effective during the current period

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

3.2 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	01 January 2023

IFRS 17 - Insurance Contracts effective date 01 January 2023:

The operator has taken the benefit of temporary exemption for applying IFRS 9 "financial instruments" with IFRS 17 "Insurance Contracts" as allowed under IFRS

The above standards and amendments are not expected to have any material impact on the Operator's condensed interim financial statements in the period of initial application except IFRS 17 and IFRS 9 for which the impact is being assessed.

4. Accounting estimates and judgements

The preparation of these condensed interim financial statements are in conformity with approved accounting standards which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparation of these condensed interim financial statements, the significant judgments made by management in applying the Operator's accounting policies and the key sources of estimation, uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2021.

5. Management of takaful and financial risk

Takaful and financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2021.

6. Property and equipment

The details of additions and disposals during the six months period ended 30 June 2022 are as follows:

	Additions (at cost)		Disposals (at net book value)	
	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Computer	-	109	-	-
	-	109	-	-

Rupees '000

7. Investment in debt securities - available-for-sale

Rupees '000

7.1 Operator's Fund

	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Fixed Income Securities						
Ijara Sukuks	707 001	–	707 001	570 711	–	570 711
Corporate Sukuks	63 149	(8 931)	54 218	86 126	(8 931)	77 195
	770 150	(8 931)	761 219	656 837	(8 931)	647 906
Deficit on revaluation	–	–	(2 977)	–	–	(4 784)
	<u>770 150</u>	<u>(8 931)</u>	<u>758 242</u>	<u>656 837</u>	<u>(8 931)</u>	<u>643 122</u>

7.2 Participants' Takaful Fund

	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Fixed Income Securities						
Ijara Sukuks	2 132 440	–	2 132 440	1 633 658	–	1 633 658
Corporate Sukuks	92 635	(8 931)	83 704	127 021	(8 931)	118 090
	2 225 075	(8 931)	2 216 144	1 760 679	(8 931)	1 751 748
Deficit on revaluation	–	–	(11 693)	–	–	(16 098)
	<u>2 225 075</u>	<u>(8 931)</u>	<u>2 204 451</u>	<u>1 760 679</u>	<u>(8 931)</u>	<u>1 735 650</u>

8. Loans and other receivables - considered good

	Operator's Fund		Participants' Takaful Fund	
	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Security deposits	301	301	–	–
Other receivables	607	666	2 850	1 283
	<u>908</u>	<u>967</u>	<u>2 850</u>	<u>1 283</u>

9. Takaful / retakaful receivables - unsecured and considered good

Due from takaful participants holders	–	–	325 364	313 401
Due from other takaful / retakaful operators	9 260	7 410	13 679	8 040
	<u>9 260</u>	<u>7 410</u>	<u>339 043</u>	<u>321 441</u>

10. Receivable (OPF) / Payable (PTF)	Rupees '000			
	Operator's Fund		Participants' Takaful Fund	
	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Wakala fee	203 252	201 098	203 252	201 098
Modarib fee	16 392	10 711	16 392	10 711
	<u>219 644</u>	<u>211 809</u>	<u>219 644</u>	<u>211 809</u>
11. Prepayments				
Annual supervision fees	1 918	-	-	-
Prepaid retakaful contribution ceded	-	-	208 343	283 818
Prepaid charges for vehicle tracking devices	-	-	44 002	41 972
	<u>1 918</u>	<u>-</u>	<u>252 345</u>	<u>325 790</u>
12. Cash and bank balances				
Cash and cash equivalents				
Policy stamps	-	-	1 906	1 269
Cash at bank				
Current accounts	3 584	7 058	1 119	1 135
Saving accounts	72 236	93 825	105 926	236 898
	<u>75 820</u>	<u>100 883</u>	<u>108 951</u>	<u>239 302</u>
13. Other creditors and accruals				
Federal insurance fee payable	-	-	2 170	2 045
Sales tax payable	1 282	1 245	6 569	18 594
Accrued expenses	6 124	6 500	-	-
Agent commission payable	82 418	86 265	-	-
Retirement benefit obligations	136	167	-	-
Other creditors	1 543	506	7 384	8 900
	<u>91 503</u>	<u>94 683</u>	<u>16 123</u>	<u>29 539</u>
14. Contingencies and commitments				
There are no contingencies and commitments as at 30 June 2022 (31 December 2021: Nil).				Rupees '000
15. Net contribution	Three months period ended		Six months period ended	
	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Written gross contribution	613 036	550 085	1 301 615	1 262 487
Wakala fee	(195 668)	(192 850)	(413 958)	(398 830)
Contribution net of wakala fee	417 368	357 235	887 657	863 657
Unearned contribution reserve - opening	901 720	902 580	893 876	834 798
Unearned contribution reserve - closing	(854 530)	(810 419)	(854 530)	(810 419)
Contribution earned	464 558	449 396	927 003	888 036
Less:				
Retakaful contribution ceded	101 165	93 427	253 603	238 486
Prepaid retakaful contribution - opening	271 354	232 885	283 818	220 077
Prepaid retakaful contribution - closing	(208 342)	(186 221)	(208 342)	(186 221)
Retakaful expense	164 177	140 091	329 079	272 342
	<u>300 381</u>	<u>309 305</u>	<u>597 924</u>	<u>615 694</u>

16. Retakaful rebate

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Rebate received or recoverable	3 557	3 854	25 189	38 495
Unearned retakaful rebate-opening	51 824	43 690	63 362	29 852
Unearned retakaful rebate-closing	(23 259)	(25 027)	(23 259)	(25 027)
	<u>32 122</u>	<u>22 517</u>	<u>65 292</u>	<u>43 320</u>
17. Takaful benefits / claims expense				
Benefits / claims paid	298 174	251 760	538 290	549 071
Outstanding benefits / claims including IBNR - opening	(1 200 383)	(1 216 304)	(1 088 118)	(1 252 165)
Outstanding benefits / claims including IBNR - closing	1 340 032	1 337 096	1 340 032	1 337 096
Claim expense	437 823	372 552	790 204	634 002
Less:				
Retakaful and other recoveries received	14 763	4 835	36 208	53 443
Retakaful and other recoveries in respect of outstanding claims - opening	(544 242)	(656 003)	(541 251)	(730 638)
Retakaful and other recoveries in respect of outstanding claims - closing	731 385	769 938	731 385	769 938
Retakaful and other recoveries revenue	201 906	118 770	226 342	92 743
	<u>235 917</u>	<u>253 782</u>	<u>563 862</u>	<u>541 259</u>
18. Commission expense				
Commission paid or payable	68 347	62 150	146 532	164 414
Deferred commission expense - opening	147 143	157 595	149 495	125 049
Deferred commission expense - closing	(138 188)	(143 424)	(138 188)	(143 424)
	<u>77 302</u>	<u>76 321</u>	<u>157 839</u>	<u>146 039</u>
19. Investment income				
19.1 Operator's Fund				
Income from debt securities - available-for-sale - Return on debt securities (Sukuk)	15 972	8 983	30 739	16 761
Income from term deposits - Return on term deposits	-	(1 225)	76	1 313
	<u>15 972</u>	<u>7 758</u>	<u>30 815</u>	<u>18 074</u>
Impairment in value of available-for-sale debt securities	-	(9 390)	-	(9 390)
	<u>15 972</u>	<u>(1 632)</u>	<u>30 815</u>	<u>8 684</u>
19.2 Participants' Takaful Fund				
Income from debt securities - available-for-sale - Return on debt securities (Sukuk)	60 050	25 406	93 138	48 252
Income from term deposits - Return on term deposits	-	956	875	6 340
	<u>60 050</u>	<u>26 362</u>	<u>94 013</u>	<u>54 592</u>
Impairment in value of available-for-sale debt securities	-	(9 331)	-	(9 331)
	<u>60 050</u>	<u>17 031</u>	<u>94 013</u>	<u>45 261</u>

20. Other income

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
20.1 Operator's Fund				
Profit on bank deposits	1 188	1 005	2 155	1 634
Gain on property and equipment	10	–	10	–
	<u>1 198</u>	<u>1 005</u>	<u>2 165</u>	<u>1 634</u>
20.2 Participants' Takaful Fund				
Profit on bank deposits	4 129	2 802	7 145	5 143
Exchange gain / (loss)	3	(29)	3	(29)
	<u>4 132</u>	<u>2 773</u>	<u>7 148</u>	<u>5 114</u>

21. Taxation

For current period				
Current	19 207	11 022	38 753	20 441
Super tax	5 345	–	5 345	–
Deferred	(3)	(2 738)	(11)	(2 751)
	<u>24 549</u>	<u>8 284</u>	<u>44 087</u>	<u>17 690</u>
For prior year(s)				
Super tax	7 820	–	7 820	–
	<u>32 369</u>	<u>8 284</u>	<u>51 907</u>	<u>17 690</u>

22. Related party transactions

Related parties comprise of directors, major shareholders, key management personnel, associated companies, entities with common directors and employees' retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions except for compensation to key management personnel, which are on employment terms. The transactions and balances with related parties are as follows:

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Participants' Takaful Fund				
Associated company				
Contributions written	112	1 906	132	1 941
Contributions paid	–	–	103	–
Claims paid	245	353	468	3 853
Key management personnel				
Contribution written	–	–	78	–
Others				
Contributions written	1 338	82	2 470	1 657
Claims paid	116	125	148	287
Employees' funds				
Contributions to gratuity fund	68	42	136	84

Rupees '000

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Balances payable	430	374
EFU Gratuity Fund payable	136	167

23. Segment reporting

For the six months period ended 30 June 2022 (Unaudited)

23.1 Operator's Fund	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Current period						
Wakala fee	67 421	26 076	328 662	7 973	–	430 132
Commission expense	(34 327)	(12 366)	(107 680)	(3 466)	–	(157 839)
General, administrative and management expenses	(5 660)	(3 971)	(185 746)	(1 114)	–	(196 491)
Net commission and expenses	(39 987)	(16 337)	(293 426)	(4 580)	–	(354 330)
	27 434	9 739	35 236	3 393	–	75 802
Modarib's share of PTF investment income						25 289
Investment income						30 815
Direct expenses						(570)
Other income						2 165
Profit before taxation						133 501
Taxation						(51 907)
Profit after taxation						81 594
						As at 30 June 2022 (Unaudited)
Corporate segment assets	72 570	14 881	256 445	6 804	–	350 700
Corporate unallocated assets						871 326
Total assets						1 222 026
Corporate segment liabilities	76 740	14 070	380 228	8 314	–	479 352
Corporate unallocated liabilities						32 550
Total liabilities						511 902

Rupees '000

For the three months period ended 30 June 2022 (Unaudited)

Current period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Wakala fee	34 911	12 958	163 439	3 329	-	214 637
Commission expense	(17 587)	(6 156)	(51 732)	(1 827)	-	(77 302)
General administrative and management expenses	(2 836)	(1 752)	(99 045)	(515)	-	(104 148)
Net commission and expenses	(20 423)	(7 908)	(150 777)	(2 342)	-	(181 450)
	14 488	5 050	12 662	987	-	33 187
Modarib's share of PTF investment income						16 044
Investment income						15 972
Direct expenses						(275)
Other income						1 198
Profit before taxation						66 126
Taxation						(32 369)
Profit after taxation						33 757

For the three months period ended 30 June 2021 (Unaudited)

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Wakala fee	20 890	9 726	154 368	4 990	-	189 974
Commission expense	(12 846)	(5 348)	(57 464)	(663)	-	(76 321)
General administrative and management expenses	(2 132)	(1 721)	(85 695)	(1 801)	-	(91 349)
Net commission and expenses	(14 978)	(7 069)	(143 159)	(2 464)	-	(167 670)
	5 912	2 657	11 209	2 526	-	22 304
Modarib's share of PTF investment income						7 197
Investment income						(1 632)
Direct expenses						(248)
Other income						1 005
Profit before taxation						28 626
Taxation						(8 284)
Profit after taxation						20 342

23.2 Participants' Takaful Fund

Rupees '000

For the six months period ended 30 June 2022 (Unaudited)

Current period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Contribution receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	218 536	89 228	1 168 997	15 594	–	1 492 355
Less: Sales tax	25 243	9 183	135 826	1 798	–	172 050
Stamp duty	26	5 536	105	5	–	5 672
Federal insurance fee	1 914	738	10 229	137	–	13 018
Gross written contribution (inclusive of administrative surcharge)	191 353	73 771	1 022 837	13 654	–	1 301 615
Gross direct contribution	189 663	70 253	945 973	13 542	–	1 219 431
Administrative surcharge	1 690	3 518	76 864	112	–	82 184
Wakala fee	(52 303)	(25 820)	(332 421)	(3 414)	–	(413 958)
Contributions earned	182 299	48 494	669 555	26 655	–	927 003
Contributions ceded to retakaful	(230 733)	(56 899)	(11 215)	(30 232)	–	(329 079)
Net contribution revenue	(48 434)	(8 405)	658 340	(3 577)	–	597 924
Retakaful rebate earned	46 712	12 802	3	5 775	–	65 292
Net underwriting income	(1 722)	4 397	658 343	2 198	–	663 216
Takaful claims	(233 850)	(6 021)	(543 921)	(6 412)	–	(790 204)
Takaful claims recovered from retakaful	214 329	4 817	–	7 196	–	226 342
Net claims	(19 521)	(1 204)	(543 921)	784	–	(563 862)
Other direct expenses	(48)	(44)	(36 943)	(11)	–	(37 046)
Surplus / (deficit) before investment income	(21 291)	3 149	77 479	2 971	–	62 308
Investment income						94 013
Other income						7 148
Modarib share of investment income						(25 289)
Surplus transferred to accumulated surplus						138 180
						As at 30 June 2022 (Unaudited)
Corporate segment assets	989 475	91 492	646 089	66 680	–	1 793 736
Corporate unallocated assets						2 342 808
Total assets						4 136 544
Corporate segment liabilities	1 156 321	121 672	1 738 743	88 329	–	3 105 065
Corporate unallocated liabilities						32 515
Total liabilities						3 137 580

Rupees '000

For the six months period ended 30 June 2021 (Unaudited)

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Contribution receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	169 455	72 226	1 139 058	65 831	–	1 446 570
Less: Sales tax	19 486	7 792	132 503	7 564	–	167 345
Stamp duty	19	3 989	99	4	–	4 111
Federal insurance fee	1 486	598	9 966	577	–	12 627
Gross written contribution (inclusive of Administrative surcharge)	148 464	59 847	996 490	57 686	–	1 262 487
Gross direct contribution	146 946	57 136	909 707	57 580	–	1 171 369
Administrative surcharge	1 518	2 711	86 783	106	–	91 118
Wakala fee	(35 444)	(18 844)	(333 553)	(10 989)	–	(398 830)
Contributions earned	142 487	40 620	651 571	53 358	–	888 036
Contributions ceded to retakaful	(168 395)	(44 257)	(11 687)	(48 003)	–	(272 342)
Net contribution revenue	(25 908)	(3 637)	639 884	5 355	–	615 694
Rebate from retakaful operator	25 493	9 921	7	7 899	–	43 320
Net underwriting income	(415)	6 284	639 891	13 254	–	659 014
Takaful claims	(127 017)	676	(512 815)	5 154	–	(634 002)
Takaful claims recovered from retakaful	108 930	(540)	(3 886)	(11 761)	–	92 743
Net claims	(18 087)	136	(516 701)	(6 607)	–	(541 259)
Other direct expense	(40)	(36)	(82 599)	(40)	–	(82 715)
Surplus / (deficit) before investment income	(18 542)	6 384	40 591	6 607	–	35 040
Investment income						45 261
Other income						5 114
Modarib share of investment income						(14 840)
Surplus transferred to accumulated surplus						70 575
						As at 31 December 2021 (Audited)
Corporate segment assets	911 800	50 971	592 033	94 719	–	1 649 523
Corporate unallocated assets						2 121 215
Total assets						3 770 738
Corporate segment liabilities	933 727	81 385	1 325 617	122 419	–	2 463 148
Corporate unallocated liabilities						451 211
Total liabilities						2 914 359

Rupees '000

For the three months period ended 30 June 2022 (Unaudited)

Current period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Contribution receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	82 095	44 780	565 168	10 113	-	702 156
Less: Sales tax	8 744	4 539	65 606	1 210	-	80 099
Stamp duty	12	2 824	49	3	-	2 888
Federal insurance fee	727	371	4 946	89	-	6 133
Gross written contribution (inclusive of administrative surcharge)	72 612	37 046	494 567	8 811	-	613 036
Gross direct contribution	71 988	35 287	457 189	8 783	-	573 247
Administrative surcharge	624	1 759	37 378	28	-	39 789
Wakala fee	(19 766)	(12 966)	(160 733)	(2 203)	-	(195 668)
Contributions earned	93 360	24 064	337 147	9 987	-	464 558
Contributions ceded to retakaful	(118 507)	(28 274)	(5 394)	(12 002)	-	(164 177)
Net contribution revenue	(25 147)	(4 210)	331 753	(2 015)	-	300 381
Rebate from retakaful operator	23 540	6 361	-	2 221	-	32 122
Net underwriting income	(1 607)	2 151	331 753	206	-	332 503
Takaful claims	(208 324)	(3 269)	(216 872)	(9 358)	-	(437 823)
Takaful claims recovered from retakaful	191 092	2 615	(1)	8 200	-	201 906
Net claims	(17 232)	(654)	(216 873)	(1 158)	-	(235 917)
Other direct expense	(13)	(13)	(15 221)	-	-	(15 247)
Surplus / (deficit) before investment income	(18 852)	1 484	99 659	(952)	-	81 339
Investment income						60 050
Other income						4 132
Modarib share of investment income						(16 044)
Surplus transferred to accumulated surplus						129 477

Rupees '000

For the three months period ended 30 June 2021 (Unaudited)

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Contribution receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	57 466	38 492	507 041	26 728	-	629 727
Less: Sales tax	5 660	4 090	58 938	3 129	-	71 817
Stamp duty	8	2 269	44	2	-	2 323
Federal insurance fee	513	318	4 437	234	-	5 502
Gross written contribution (inclusive of administrative surcharge)	51 285	31 815	443 622	23 363	-	550 085
Gross direct contribution	50 707	30 377	406 053	23 333	-	510 470
Administrative surcharge	578	1 438	37 569	30	-	39 615
Wakala fee	(13 710)	(11 135)	(162 164)	(5 841)	-	(192 850)
Contributions earned	72 391	21 472	328 825	26 708	-	449 396
Contributions ceded to retakaful	(85 871)	(23 980)	(5 361)	(24 879)	-	(140 091)
Net contribution revenue	(13 480)	(2 508)	323 464	1 829	-	309 305
Rebate from retakaful operator	12 954	5 377	4	4 182	-	22 517
Net underwriting income	(526)	2 869	323 468	6 011	-	331 822
Takaful claims	(151 067)	6 522	(235 596)	7 589	-	(372 552)
Takaful claims recovered from retakaful	132 059	(5 217)	(1 407)	(6 665)	-	118 770
Net claims	(19 008)	1 305	(237 003)	924	-	(253 782)
Other direct expense	(23)	(22)	(40 322)	(21)	-	(40 388)
Surplus / (deficit) before investment income	(19 557)	4 152	46 143	6 914	-	37 652
Investment income						17 031
Other income						2 773
Modarib share of investment income						(7 197)
Deficit transferred to accumulated surplus						50 259

24. Movement in investments

24.1 Operator's Fund

Rupees '000

Name of investment	Available-for-sale debt securities	Held to maturity - term deposit	Total
At beginning of previous year	378 864	195 000	573 864
Additions	390 680	69 000	459 680
Disposals (sale and redemptions)	(115 260)	(255 000)	(370 260)
Impairment losses	(8 931)	–	(8 931)
Fair value net losses (excluding net realized gains / (losses))	(2 231)	–	(2 231)
At beginning of current year	643 122	9 000	652 122
Additions	136 813	–	136 813
Disposals (sale and redemptions)	(23 500)	(9 000)	(32 500)
Fair value net losses (excluding net realized gains / (losses))	1 807	–	1 807
At end of current period	758 242	–	758 242

24.2 Participants' Takaful Fund

Name of investment	Available-for-sale debt securities	Held to maturity - term deposit	Total
At beginning of previous year	1 270 934	360 000	1 630 934
Additions	659 254	315 000	974 254
Disposals (sale and redemptions)	(183 609)	(555 000)	(738 609)
Impairment losses	(8 931)	–	(8 931)
Fair value net losses (excluding net realized gains / (losses))	(1 998)	–	(1 998)
At beginning of current year	1 735 650	120 000	1 855 650
Additions	501 232	–	501 232
Disposals (sale and redemptions)	(36 836)	(120 000)	(156 836)
Fair value net losses (excluding net realized gains / (losses))	4 405	–	4 405
At end of current period	2 204 451	–	2 204 451

25. Fair value

25.1 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.

25.2 All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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 or indirectly 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 where fair value is only disclosed and is different from their carrying value:

25.3 Operator's Fund

Rupees '000

As at 30 June 2022 (Unaudited)								
	Available-for-sale	Loan & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Ijara Sukuks	699 114				699 114		699 114	
Corporate Sukuks	59 128				59 128		59 128	
Financial assets not measured at fair value								
Investments								
Loans and other receivables *		908			908			
Takaful / retakaful receivables *		9 260			9 260			
Receivable from PTF *		219 644			219 644			
Accrued investment income *		11 748			11 748			
Cash and bank balances *			75 820		75 820			
	758 242	241 560	75 820		1 075 622		758 242	
Financial liabilities not measured at fair value								
Other creditors and accruals *				(91 503)	(91 503)			
	758 242	241 560	75 820	(91 503)	984 119	-	758 242	-

As at 31 December 2021 (Audited)

	Available-for-sale	Loan & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Ijara Sukuk	565 425				565 425		565 425	
Corporate Sukuks	77 697				77 697		77 697	
Financial assets not measured at fair value								
Investments								
Term deposits *			9 000		9 000			
Loans and other receivables *		967			967			
Takaful / retakaful receivables *		7 410			7 410			
Receivable from PTF *		211 809			211 809			
Accrued investment income *		11 385			11 385			
Cash and bank balances *			100 883		100 883			
	643 122	231 571	109 883		984 576		643 122	
Financial liabilities not measured at fair value								
Other creditors and accruals *				(94 683)	(94 683)			
	643 122	231 571	109 883	(94 683)	889 893	-	643 122	-

* The Operator has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

25.4 Participants' Takaful Fund

Rupees '000

As at 30 June 2022 (Unaudited)								
	Available-for-sale	Loan & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Ijara Sukuk	2 105 959				2 105 959		2 105 959	
Corporate Sukuk	98 492				98 492		98 492	
Financial assets not measured at fair value								
Investments								
Loans and other receivables *		2 850			2 850			
Takaful / retakaful receivables *		339 043			339 043			
Retakaful recoveries against outstanding claims *		731 385			731 385			
Accrued investment income *		26 555			26 555			
Cash and bank balances *			108 951		108 951			
	<u>2 204 451</u>	<u>1 099 833</u>	<u>108 951</u>		<u>3 413 235</u>		<u>2 204 451</u>	
Financial liabilities not measured at fair value								
Outstanding claims including IBNR *				(1 340 032)	(1 340 032)			
Contributions received in advance *				(8 520)	(8 520)			
Takaful / retakaful payable *				(280 685)	(280 685)			
Payable to OPF *				(219 644)	(219 644)			
Other creditors and accruals *				(16 123)	(16 123)			
	<u>2 204 451</u>	<u>1 099 833</u>	<u>108 951</u>	<u>(1 865 004)</u>	<u>1 548 231</u>	<u>–</u>	<u>2 204 451</u>	<u>–</u>
As at 31 December 2021 (Audited)								
	Available-for-sale	Loan & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Ijara Sukuks	1 616 156				1 616 156		1 616 156	
Corporate Sukuks	119 494				119 494		119 494	
Financial assets not measured at fair value								
Investments								
Term deposits *			120 000		120 000			
Loans and other receivables *		1 283			1 283			
Takaful / retakaful receivables *		321 441			321 441			
Retakaful recoveries against outstanding claims *		541 251			541 251			
Accrued investment income *		24 980			24 980			
Cash and bank balances *			239 302		239 302			
	<u>1 735 650</u>	<u>888 955</u>	<u>359 302</u>		<u>2 983 907</u>		<u>1 735 650</u>	
Financial liabilities not measured at fair value								
Outstanding claims including IBNR *				(1 088 118)	(1 088 118)			
Contributions received in advance *				(4 467)	(4 467)			
Takaful / retakaful payable *				(212 227)	(212 227)			
Payable to OPF *				(211 809)	(211 809)			
Other creditors and accruals *				(29 539)	(29 539)			
	<u>1 735 650</u>	<u>888 955</u>	<u>359 302</u>	<u>(1 546 160)</u>	<u>1 437 747</u>	<u>–</u>	<u>1 735 650</u>	<u>–</u>

* The Participant has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

26. General

Figures have been rounded off to the nearest thousand rupees.

27. Date of authorization for issue of condensed interim financial statements

These condensed interim financial statements were authorized for issue by the Board of Directors in its meeting held on 23 August 2022.

RAFIQUE R. BHIMJEE
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 23 August 2022

