

Directors' Review, 31 March 2021

The Directors of your Company are pleased to present the Condensed Interim Financial Statements (Un-audited) for the first quarter ended 31 March 2021.

The Country was gradually showing signs of recovery from the second wave of COVID-19 but has entered the third wave from March 2021. Your Company continues to closely monitor the impact of this latest wave on various business parameters, such as premium, renewal persistency, claims and profitability. Overall, the first quarter of 2021 has shown a positive trend both in top and bottom lines as compared to the corresponding period of 2020.

Your Company's gross premium income was Rs. 9.11 billion during the first quarter of 2021 (2020: Rs 7.31 billion), an increase of 24.6%. New individual life regular premium income was Rs. 1.64 billion (2020: Rs.1.19 billion), an increase of 38.1%. Renewal premium was Rs. 6.26 billion (2020: Rs.5.05 billion) an increase of 24%. Inclusive of renewal premium, the total individual life regular premium was Rs. 7.90 billion (2020: 6.24 billion). Single premium business was Rs.197 million (2020: Rs. 88 million). Group Benefits business increased by 12.4% and was Rs.1.039 billion (2020: Rs. 925 million)



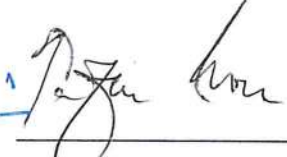
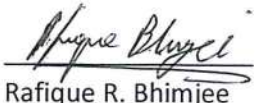
Your Company's total family takaful contribution was Rs. 1.686 billion (2020: 1.065 billion), a growth of 58%. Out of this, Rs. 1.568 billion (2020: Rs. 995 million) was from Individual family takaful business (a growth of 58%) while Rs. 118 million (2020: Rs. 70 million) was from Group Family Takaful (a growth of 69%). The Company expects the Takaful line of business to continue its contribution to the overall topline during 2021.

Your Company had a Profit after Tax of Rs. 407.95 million (2020: Rs. 361.5 million), a growth of 13%. The Earnings per Share is Rs. 4.08 (2020: Rs. 3.61).

Interim Dividend:

The Directors have pleasure in declaring an Interim Dividend of Rs.1.5 per share. i.e. 15%.

We would like to thank our valued customers for their continued patronage and to the Securities and Exchange Commission of Pakistan for their guidance, and our main reinsurer Munich Re for its support. It is a matter of deep gratification for your Directors to place on record their appreciation for the efforts made by the officers, all distribution channels and staff who have contributed to the development, growth and continued success of the Company.

			
Taher G. Sachak	Hasanali Abdullah	Saifuddin N. Zoomkawala	Rafique R. Bhimjee
Managing Director	Director	Director	Chairman
Chief Executive			

EFU LIFE ASSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at 31 MARCH 2021 (Unaudited)

		Aggregate	
		31 March	31 December
	Note	2021	2020
		----- (Rupees in '000) -----	
Assets			
Properties and equipments	5	2,400,004	2,443,398
Right of use asset	5	426,371	440,811
Intangible assets	5.3	32,844	38,700
Investments			
Equity securities	6	37,083,469	39,239,825
Government securities	7	79,207,813	74,461,100
Debt securities	8	6,636,415	7,983,738
Term deposits	9	19,779,429	19,062,000
Open-ended mutual funds	10	1,698,754	1,685,371
Insurance / reinsurance receivables		226,302	200,586
Other loans and receivables		2,184,508	2,652,996
Taxation - payments less provision		782,217	854,654
Prepayments		131,426	81,666
Cash and Bank	11	6,417,195	5,335,091
Total Assets		157,006,747	154,479,936
Equity and Liabilities			
Authorised share capital			
[150,000,000 ordinary shares (2020: 150,000,000) of Rs.10 each]		1,500,000	1,500,000
Ordinary share capital:100,000,000 (2020:100,000,000) ordinary shares of Rs.10 each		1,000,000	1,000,000
Retained earnings arising from business other than participating business			
attributable to shareholders (Ledger account D)	12	2,012,634	1,973,336
General reserve		2,100,000	2,000,000
Surplus on revaluation of available for sale investments-net of tax		33,190	38,311
Unappropriated profit		365,636	1,163,442
Total Equity		5,511,460	6,175,089
Liabilities			
Insurance Liabilities	13	146,008,271	143,513,015
Deferred taxation		789,580	804,232
Premium received in advance		1,198,028	1,220,106
Insurance / reinsurance payables		305,762	183,440
Lease liability		506,303	503,513
Other creditors and accruals		2,687,343	2,080,541
		5,487,016	4,791,832
Total Liabilities		151,495,287	148,304,847
Total Equity and Liabilities		157,006,747	154,479,936
Contingency and commitment	14		

The annexed notes 1 to 30 form an integral part of these financial statements.


Managing Director &
Chief Executive Officer


Chief Financial Officer


Director


Director


Chairman

EFU LIFE ASSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021 (Unaudited)

		Aggregate	
		Three months ended	
		31 March	
Note		2021	2020
		----- (Rupees in '000) -----	
Premium / contribution revenue		9,114,391	7,312,189
Premium / retakaful ceded to reinsurers		(387,219)	(282,441)
Net premium / contribution revenue	15	8,727,172	7,029,748
Investment income	16	2,780,044	2,832,315
Net realised fair value gains on financial assets	17	955,631	96,938
Net fair value losses on financial assets at fair value through profit or loss	18	(1,198,213)	(641,961)
Other income	19	24,545	10,587
		2,562,007	2,297,879
Net income		11,289,179	9,327,627
Insurance benefits		6,133,761	4,668,809
Recoveries from reinsurers		(256,094)	(154,517)
Claims related expenses		2,450	1,907
Net insurance benefits	20	5,880,117	4,516,199
Net change in insurance liabilities (other than outstanding claims)		2,468,312	2,265,240
Acquisition expenses	21	1,859,217	1,541,940
Marketing and administration expenses	22	505,050	474,723
Other expenses	23	6,089	10,797
Total expenses		4,838,668	4,292,700
Profit before tax (Refer note below)		570,394	518,728
Income tax expense	24	(162,440)	(157,262)
Profit after tax for the period		407,954	361,466
Earnings per share - Rupees		4.08	3.61

The annexed notes 1 to 30 form an integral part of these financial statements.

Note:

Profit before tax is inclusive of the amount of the profit before tax of the Shareholders' Fund, the Surplus transfer from the Revenue Account of the Statutory Funds to the Shareholders' Fund based on the advice of the Appointed Actuary, and the undistributed surplus in the Revenue Account of the Statutory Funds which also includes the solvency margins maintained in accordance with the Insurance Rules, 2017. For details of the Surplus transfer from the Revenue Account of the Statutory Funds to the Shareholders' Fund aggregating to Rs. 572 million (2020: Rs.625 million), please refer to note 26, relating to segmental information - Revenue Account by Statutory Fund.


Managing Director &
Chief Executive Officer


Chief Financial Officer


Director


Director


Chairman

EFU LIFE ASSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021 (Unaudited)


	Aggregate	
	Three Months ended	
	31 March	
	2021	2020
	(Rupees in '000) -----	
Profit after tax for the period	407,954	361,466
Other Comprehensive Income:		
<i>Items that may be reclassified to profit and loss in subsequent periods:</i>		
Change in unrealised (losses) on available-for-sale financial assets	(7,213)	(91,115)
Reclassification adjustment relating to available-for-sale investments sold during the period	-	-
	(7,213)	(91,115)
Related deferred tax	2,092	26,423
Other comprehensive loss for the period-net of tax	(5,121)	(64,692)
Total comprehensive income for the period	402,833	296,774

The annexed notes 1 to 30 form an integral part of these financial statements.


 Managing Director &
 Chief Executive Officer


 Chief Financial Officer


 Director


 Director



 Chairman

EFU LIFE ASSURANCE LIMITED
CASH FLOW STATEMENT
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021 (Unaudited)

	31 March	
Note	2021	2020
	(Rupees in '000)	
Operating cash flows		
a) Underwriting activities		
Insurance premium / contribution received	9,084,455	7,265,671
Reinsurance premium / retakaful contribution paid	(256,095)	(154,720)
Claims paid	(6,149,940)	(4,381,776)
Reinsurance and other recoveries received	256,094	154,517
Commission paid	(1,510,022)	(1,333,448)
Marketing and administrative expenses paid	(505,050)	(474,723)
Other acquisition cost paid	(809,182)	(773,432)
Net cash flow from underwriting activities	110,260	302,089
b) Other operating activities		
Income tax paid	(102,565)	(380,624)
Other operating (payments) / receipts	(336,227)	137,288
Loans advanced	(61,175)	(20,815)
Loans repayments received	29,900	33,447
Net cash flow from other operating activities	(470,067)	(230,704)
Total cash flow from all operating activities	(359,807)	71,385
Investment activities		
Profit / Return received	3,048,733	4,245,860
Dividends received	448,872	314,757
Payments for investments	(61,557,149)	(33,250,048)
Proceed from disposal of investments	60,265,652	33,338,656
Fixed capital expenditure	(54,588)	(79,138)
Proceeds from sale of property and equipment	37,151	7,008
Total cash flow from investing activities	2,188,671	4,577,095
Financing activities		
Dividends paid	-	(1,050,000)
Payment against lease liability	(29,331)	(31,354)
Total cash flow from financing activities	(29,331)	(1,081,354)
Net cash flow from all activities	1,799,533	3,567,126
Cash and cash equivalents at beginning of the year	24,397,091	25,372,547
Cash and cash equivalents at end of the period	11.1 26,196,624	28,939,673
Reconciliation to statement of profit and loss account		
Operating cash flows	(359,807)	71,385
Depreciation expense	(75,468)	(80,286)
Depreciation on Right-of-use-assets	(33,835)	(34,989)
Amortization expense	(6,398)	(4,985)
Profit on disposal of property and equipment	15,180	1,999
Other revenue	5,083	5,365
Profit on lease termination	-	271
Finance cost on lease liabilities	(12,726)	(10,792)
Profit on disposal of investments	955,631	96,938
Dividend income	445,245	312,021
Other investment income	2,280,402	3,030,371
Depreciation in market value of investments	(946,345)	(1,022,010)
(Provision) of impairment in the value of available for sale equity investments	(37,151)	(22,798)
Increase/(Decrease) in assets other than cash	364,710	(419,514)
Increase in liabilities	(2,186,567)	(1,561,510)
Profit after tax for the period	407,954	361,466

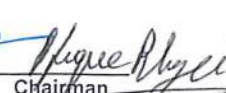
The annexed notes 1 to 30 form an integral part of these financial statements.


**Managing Director &
Chief Executive Officer**


Chief Financial Officer


Director


Director


Chairman

EFU LIFE ASSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021 (Unaudited)

	Attributable to the equity holders' of the Company					
	Share capital	General reserve	Retained earnings arising from business other than participating business attributable to shareholders (ledger account D) - net of tax *	Surplus / deficit on revaluation of available for sale investments - net of tax	Unappropriated profit	Total
	(Rupees in '000)					
Balance as at 1 January 2020	1,000,000	2,000,000	1,730,534	50,986	1,126,420	5,907,940
Comprehensive Income for the period ended 31 March 2020						
Income for the period ended 31 March 2020	-	-	(69,518)	-	430,984	361,466
Other Comprehensive loss	-	-	-	(64,692)	-	(64,692)
Total income for the period ended 31 March 2020	-	-	(69,518)	(64,692)	430,984	296,774
Contribution to increase solvency margin	-	-	72,500	-	(72,500)	-
Transactions with shareholders						
Dividend for the year ended 31 December 2019	-	-	-	-	(1,050,000)	(1,050,000)
	-	-	-	-	(1,050,000)	(1,050,000)
Balance as at 31 March 2020	1,000,000	2,000,000	1,733,516	(13,706)	434,904	5,154,714
Balance as at 1 January 2021	1,000,000	2,000,000	1,973,336	38,311	1,163,442	6,175,089
Comprehensive Income for the period ended 31 March 2021						
Income for the period ended 31 March 2021	-	-	(1,823)	-	409,777	407,954
Capital contribution transferred to policyholder liability	-	-	(16,462)	-	-	(16,462)
Other Comprehensive loss	-	-	-	(5,121)	-	(5,121)
	-	-	(18,285)	(5,121)	409,777	386,371
Contribution to increase solvency margin	-	-	57,583	-	(57,583)	-
Transfer from General Reserve	-	100,000	-	-	(100,000)	-
Transactions with shareholders						
Dividend for the year ended 31 December 2020	-	-	-	-	(1,050,000)	(1,050,000)
	-	-	-	-	(1,050,000)	(1,050,000)
Balance as at 31 March 2021	1,000,000	2,100,000	2,012,634	33,190	365,636	5,511,460

*This include balances maintained in accordance with the requirements of section 35 of the Insurance Ordinance, 2000 read with rule 14 of the Insurance Rules, 2017 to meet solvency margins, which are mandatorily maintained for the carrying on of the life insurance business.

The annexed notes 1 to 30 form an integral part of these financial statements.


Managing Director &
Chief Executive Officer



Chief Financial Officer

[Signature]
Director


Director

[Signature]
Chairman

EFU LIFE ASSURANCE LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021 (Unaudited)

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** EFU Life Assurance Limited (the Company) was incorporated in Pakistan on 09 August 1992 as a public limited company under the Repealed Companies Ordinance, 1984 (now Companies Act, 2017) and started its operation from 18 November 1992. The shares of the Company are quoted on Pakistan Stock Exchange. The registered office of the Company is located at Al-Malik Centre, 70W, F-7/ G-7 Jinnah Avenue, Islamabad while principal place of business is located at EFU Life House Plot No.112, 8th East street, Phase 1, DHA, Karachi.
- 1.2** The Company is a subsidiary of EFU General Insurance Limited on the basis of its ability to control the composition of the Board of Directors of EFU Life Assurance Limited effective 31 March 2018.
- 1.3** The Company is engaged in life insurance business including ordinary life business, pension fund business and accident and health business and has established following statutory 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 (Refer note 1.4)
 - Family takaful protection business (Refer note 1.4)
- * The Company had discontinued pension fund business and accordingly no new business has been written under this fund.
- 1.4** The Company was granted authorisation on 19 January 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations in respect of family takaful products by Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations on 6 February 2015 under the brand name "Hemayah". For the purpose of carrying on takaful business, the Company has formed a Waqf namely EFU Life - Window Family Takaful Limited Waqf (here-in-after referred to as the Participant Takaful Fund (PTF)) on 6 February 2015 under a Waqf deed executed by the Company with a cede amount of Rs. 2 million. The cede money is required to be invested in Shariah compliant investments and any profit thereon can be utilized only to pay benefits to participants or defray PTF expenses. Waqf deed also governs the relationship of the Company and policyholders for the management of Takaful operations, investment of policyholders' funds and shareholders' funds as approved by the company's appointed Shariah Advisor.

2 Basis of preparation and statement of compliance

- 2.1** These condensed interim financial statements have been prepared on the format of financial statements issued by the Securities and Exchange Commission of Pakistan (SECP) through the Insurance Rules, 2017 vide its S.R.O. 89(1) / 2017 dated 09 February 2017.
- 2.2** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:
- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
 - 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; and

In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules 2012 shall prevail. The condensed interim financial information does not include all the information required in the annual financial statements. Accordingly the condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2020.

2.3 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except for the available for sale investments which are stated at their fair values.

2.4 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency. All financial information presented in Pakistani Rupees has been rounded to the nearest thousands.

2.5 Standards, Interpretations and Amendments effective in 2021

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 2021 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 condensed interim financial statements.

2.6 Application of IFRS 9 and IFRS 17

IFRS 9 'Financial Instruments' is effective for reporting year ended 31 December 2019. It replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS- 39.

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from 1 July 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

The Company has determined that it is eligible for the temporary exemption option since the Company has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the company doesn't engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Company can defer the application of IFRS 9 until the application of IFRS 17.

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI") i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest.

IFRS 9 defines the terms "principal" as being the fair value of the financial asset at initial recognition, and the "interest" as being compensation for (i) the time value of money, and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The tables below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

2.7 Standards, Interpretations and amendments not effective at year end

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2021:

- COVID-19-Related Rent Concessions (Amendment to IFRS 16) – the International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications. Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:
 - the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
 - any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
 - there is no substantive change to the other terms and conditions of the lease.
- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after 1 January 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met. The amendments are not likely to affect the financial statements of the Company.
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual period beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarify what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are not likely to affect the financial statements of the Company.
- Annual Improvements to IFRS standards 2018-2020:

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022:

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The amendments are not likely to have an impact on the financial statements of the Company's financial statements.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are not likely to affect the financial statements of the Company.
- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.
- Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after 1 January 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and any future periods affected.

The outbreak of coronavirus in late 2019 has been officially announced as a global pandemic on 11 March 2020 by the World Health Organisation. However, Pakistan witnessed its first case amidst February 2020, which subsequently increased exponentially throughout the country countered by several measures by both the Federal and Provincial governments including the imposition of lockdowns and restricting economic activities.

Although insurance industry has its impact on multiple fronts as a claim payer, as an employer and as investment manager, but for the Company the operational disruption, as indicated by outstanding claim inventories and development triangles, has been minimal. However, the significant uncertainty requires changes to methodologies and assumptions have been made to provide additional margins in the Policyholder Liabilities.

Following are the changes in valuation principles, methodologies and assumptions including the changes in response to COVID-19:

Change in assumptions and additional provisions

- *Investment Linked Business*

Due to the pandemic, the IBNR claims reserve for the current year for individual life policies has been increased to provide an additional margin.

- *Conventional Business*

Expected Loss Ratio (ELR) assumptions being used for conventional group life business IBNR claim reserve have been revised to provide for possible increase in incidence and delay in reporting of claims due to COVID-19. The methodology for third last event quarter has been moved from ELR to Chain Ladder (CL) basis.

The methodology used to assess the need for Premium Deficiency Reserve (PDR) is same as used for valuation as at 31 December 2019. No PDR was required as at the previous valuation date but as at 31 December 2020, a PDR is required and have been set aside for conventional group business.

- *Family Takaful Investment Linked Business*

Since the individual family takaful fund has become sizeable an Incurred But Not Reported (IBNR) claims reserve has been set aside. This reserve has been determined using the CL method subject to a minimum flooring net of reinsurance.

- *Family Takaful Protection Business*

Similar to conventional group life business, the methodology and assumptions for group family takaful IBNR reserve has also been reviewed.

The methodology used to assess the need for Contribution Deficiency Reserve (CDR) is same as used for valuation as at 31 December 2019. No CDR was required as at the previous valuation date but as at 31 December 2020, a CDR is required and have been set aside for takaful group business.

Furthermore, an additional Mortality Fluctuation Reserve (MFR) has been set aside to provide for increased uncertainty due to COVID-19.

5 Properties, Equipments and Intangible Assets

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
	----- (Rupees in '000) -----	
Operating assets	2,400,004	2,443,398
Right of use asset	426,371	440,811
	<u>2,826,375</u>	<u>2,884,209</u>

5.1 Details of additions and disposals during the Three months period ended 31 March 2020 are as follows:

	Three months ended - Unaudited			
	31 March 2021.		31 March 2020.	
	Additions	Disposals	Additions	Disposals
	Rupees in '000			
Furniture, fixture and fittings	4,192	-	17,918	-
Office equipment	3,669	-	6,440	-
Computer equipment	9,530	-	25,962	-
Motor Vehicle	20,586	41,556	6,818	9,500
Lease hold Improvements	16,069	-	4,249	-
Total	<u>54,046</u>	<u>41,556</u>	<u>61,387</u>	<u>9,500</u>

5.2 The market value of land and building is estimated at Rs. 3,811 million. The valuations have been carried out by independent valuer.

5.3 During the period additions in intangible assets was Rs.0.542 million (31 March 2020: Rs. 17.764 million).

6 INVESTMENTS IN EQUITY SECURITIES

Available for sale

At fair value through profit or loss (Designated - upon initial recognition)

	Note	31 March 2021 Unaudited	31 December 2020 Audited
		----- (Rupees in '000) -----	
		243,157	280,659
		36,840,312	38,959,166
		<u>37,083,469</u>	<u>39,239,825</u>

	31 March 2021 (Unaudited)		31 December 2020 (Audited)	
	Note	Cost	Impairment/ provision	Carrying Value
----- (Rupees in '000) -----				
Available for sale				
Related Party				
Listed shares		306,470	(236,783)	69,687
Others				105,423
Listed shares		146,351	(17,619)	128,732
Unlisted shares		16,008	-	508
Surplus on revaluation		-	-	44,230
		<u>468,829</u>	<u>(254,402)</u>	<u>243,157</u>
				460,589
				<u>(219,904)</u>
				<u>280,659</u>

6.2 Fair value through profit or loss (Designated - upon initial recognition)

Related Parties

Listed shares

Unlisted shares

Others

Listed shares

		476,653	-	641,197	476,653	-	764,432
		-	-	-	-	-	-
		<u>32,536,463</u>	-	<u>36,199,115</u>	<u>33,977,498</u>	-	<u>38,194,734</u>
		<u>33,013,116</u>	-	<u>36,840,312</u>	<u>34,454,151</u>	-	<u>38,959,166</u>
		<u>33,481,945</u>	<u>(254,402)</u>	<u>37,083,469</u>	<u>34,914,740</u>	<u>(219,904)</u>	<u>39,239,825</u>

Reconciliation of provision for impairment

Balance at the beginning of the year
Provision/(Reversal) for impairment on available for sale investments
Balance at the end of the period

	31 March 2021	31 December 2020
	Unaudited	Audited
	----- (Rupees in '000) -----	
	219,904	272,478
	34,498	(52,574)
	<u>254,402</u>	<u>219,904</u>

7. GOVERNMENT SECURITIES

Held to maturity
Fair value through profit or loss (designated - upon initial recognition)

	31 March 2021	31 December 2020
	Unaudited	Audited
	----- (Rupees in '000) -----	
	7,448,110	7,447,581
	71,759,703	67,013,519
	<u>79,207,813</u>	<u>74,461,100</u>

31 March 2021 (Unaudited)

	Maturity Year	Effective Yield %	Amortised Cost	Principal Repayment	Carrying Value
			----- (Rupees in '000) -----		
	2023	7.12	49,818	50,000	49,818
	2023	7.1178	47,235	47,500	47,235
	2024	10.00	54,047	53,700	54,047
	2021	7.25	68,619	70,000	68,619
	2028	8.75	12,155	15,000	12,155
	2022	9.00	3,759,511	3,835,000	3,759,511
	2021	7.12	1,250,813	1,252,500	1,250,813
	2021	7.5	1,069,293	1,100,000	1,069,293
	2022	8.95	248,342	250,000	248,342
	2023	6.27	241,227	241,078	241,227
	2029	8.05	194,507	197,160	194,507
	2030	7.25	452,543	452,700	452,543
			<u>7,448,110</u>	<u>7,564,638</u>	<u>7,448,110</u>

7.1 Held to maturity

3 Years Pakistan Investment Bond
3 Years Pakistan Investment Bond
20 Years Pakistan Investment Bond
3 Years Pakistan Investment Bond
10 Years Pakistan Investment Bond
3 Years Pakistan Investment Bond
3 Months Treasury Bills
6 Months Treasury Bills
12 Months Treasury Bills
03 Years Government Ijara
10 Years Pakistan Energy Sukuk 1
Pakistan Energy Sukuk II

31 December 2020 (Audited)

Term finance certificates	8.1	3,525,368	-	3,525,368	-	3,905,652
Corporate sukuk	8.2	2,901,047	-	2,901,047	-	3,859,532
Commercial papers	8.3	-	-	-	-	8,554
Certificates of investment	8.4	210,000	-	210,000	-	210,000
		<u>6,636,415</u>	<u>-</u>	<u>6,636,415</u>	<u>-</u>	<u>7,983,738</u>

(000,

	2021	5,000	5,000	100	500,000	500,000
Bank Alfalah Limited	9.03					
Bank Al Habib Limited	8.03	80,100	80,100	5	-	360,909
TPL Tracker	-	25	-	1,000	25,000	-
Bank Al Habib Limited	8.35	20,000	20,000	5	100,213	97,048
Bank Al Habib Limited	8.85	40,000	40,000	5	200,000	200,000
United Bank Limited	8.85	250,000	250,000	5	1,250,000	1,250,000
Soneri Bank Limited	9.35	10,000	10,000	5	50,000	50,000
JS Bank Limited	9.60	5,000	5,000	100	500,000	500,000
Habib Bank Limited	8.90	2,000	2,000	100	200,000	200,000
Bank Alfalah Limited	8.79	20,000	20,000	5	100,000	100,000
Askari Bank Limited	8.49	100	100	1,000	100,155	99,040
Askari Bank Limited	8.45	450	450	1,000	450,000	450,000

Askari Bank Limited	8.45	50	50	1,000	50,000	50,000
					50,000	50,000
					3,525,368	3,856,997

	31 March 2021 (Unaudited)				
	Maturity	Effective	Amortised	Principal	Carrying
	Year	Yield	Cost	Repayment	Value
----- (Rupees in '000) -----					
7.2	Fair Value through profit and loss (Designated - upon initial recognition)				

7.2 Fair Value through profit and loss (Designated - upon initial recognition)

3 Years Pakistan Investment Bond
 3 Years Pakistan Investment Bond
 3 Years Pakistan Investment Bond
 5 Years Pakistan Investment Bond
 5 Years Pakistan Investment Bond
 10 Years Pakistan Investment Bond
 10 Years Pakistan Investment Bond
 10 Years Pakistan Investment Bond
 20 Years Pakistan Investment Bond
 20 Years Pakistan Investment Bond
 3 Months Treasury Bills
 6 Months Treasury Bills
 12 Months Treasury Bills
 03 Years Government Ijara
 08 Years Pakistan Water And Power Development Authority
 10 Years Pakistan Energy Sukuk 1
 10 Years Pakistan Energy Sukuk II

8.2	Corporate sukuk	Yield	Maturity	No. of Certificates		Face Value	Carrying Amount	
				31 March 2021	31 December 2020		31 March 2021	31 December 2020
				(Rupees in '000)				
Fair value through profit or loss								
	Al Baraka Bank Limited	8.54	2021	-	50	1,000	3,574	7,141
	Byco Petroleum Pakistan Limited	8.34	2022	-	1,000	100	33,286	41,514
	International Brands Limited	7.79	2021	1,000	1,000	100	30,485	42,258
	Fatima Fertilizer Company Limited	8.45	2021	9,807	9,807	3	9,860	9,874
	Hascol Petroleum Limited	8.75	2022	30,000	30,000	3	22,500	37,086
	K Electric Limited	8.29	2022	352,233	352,233	5	444,474	533,685
	Dawood Hercules-Sukuk	8.30	2022	6,431	6,431	200	-	455,838
	Dawood Hercules-Sukuk	8.30	2023	5,819	5,819	100	-	352,965
	HUB Co-Sukuk	9.19	2023	3,500	3,500	100	357,828	357,870
	Pakistan Services Limited	8.30	2024	250	250	1,000	145,164	197,577
	Engro Polymer Limited	8.20	2026	2,050	2,050	100	208,405	209,408
	Neelum Jhelum Hydropower Company Limited	9.1	2026	12,500	12,500	100	-	885,156
	Meezan Bank Limited	9.10	Perpetual	500	500	1,000	500,000	500,000
	Dubai Islamic Bank Pakistan Limited	7.9	Perpetual	20,000	20,000	5	100,000	100,000
	BankIslami Pakistan Limited	8.22	Perpetual	28,063	28,063	5	140,315	140,315
Held to maturity							2,881,047	3,870,687
	Dawood Hercules-Sukuk	8.3	2020	250	250	100	-	17,500
	Engro Polymer Limited	8.2	2026	200	200	100	20,000	20,000
							20,000	37,500
							2,901,047	3,908,187
8.3 Commercial paper								
	TPL Commercial Paper	9.2	2021	1	1	25,000	-	8,554
8.4 Certificate of investment								
	First Habib Modarba	7.10	2021	-	-	210,000	210,000	210,000
							6,636,415	7,983,738

	<i>Note</i>	31 March 2021	31 December 2020
9. INVESTMENTS IN TERM DEPOSITS			
		----- (Rupees in '000) -----	
Deposits maturing within 12 months		<u>19,779,429</u>	<u>19,062,000</u>

10. INVESTMENT IN MUTUAL FUNDS

At fair value through profit or loss (Designated - upon initial recognition)	10.1	1,574,643	1,558,312
Available for sale	10.2	<u>124,111</u>	<u>127,059</u>
		<u>1,698,754</u>	<u>1,685,371</u>

	31 March 2021 (Unaudited)			31 December 2020 (Audited)		
	Cost	Impairment/ provision	Carrying Value	Cost	Impairment/ provision	Carrying Value
	----- (Rupees in '000) -----					
10.1 At fair value through profit or loss (Designated - upon initial recognition)						
Related parties						
Mutual funds	596	-	1,161	596	-	1,174
Others						
Mutual funds	1,410,482	-	1,573,482	1,410,788	-	1,557,138
	<u>1,411,078</u>	<u>-</u>	<u>1,574,643</u>	<u>1,411,384</u>	<u>-</u>	<u>1,558,312</u>
10.2 Available for sale						
Related parties						
Mutual funds	523	-	523	523	-	523
Others						
Mutual funds	118,964	(13,392)	105,572	123,307	(10,754)	112,553
Surplus on revaluation	-	-	18,016	-	-	13,983
	<u>119,487</u>	<u>(13,392)</u>	<u>124,111</u>	<u>123,830</u>	<u>(10,754)</u>	<u>127,059</u>
	<u>1,530,565</u>	<u>(13,392)</u>	<u>1,698,754</u>	<u>1,535,214</u>	<u>(10,754)</u>	<u>1,685,371</u>

Reconciliation of provision for impairment

Balance at the beginning of the year	10,754	11,200
Provision/(Reversal) for impairment on available for sale investments	<u>2,638</u>	<u>(446)</u>
Balance at the end of the period	<u>13,392</u>	<u>10,754</u>

	31 March 2021	31 December 2020
	----- (Rupees in '000) -----	
13.1 Reported outstanding claims		
Gross of reinsurance		
Payable within one year	3,070,021	3,059,539
Payable over a period of time exceeding one year	992,484	905,164
	<u>4,062,505</u>	<u>3,964,703</u>
Recoverable from reinsurers		
Receivable over a period of time exceeding one year	(442,884)	(396,191)
	<u>(442,884)</u>	<u>(396,191)</u>
Net reported outstanding claims	<u>3,619,621</u>	<u>3,568,512</u>
13.2 Incurred but not reported claims		
Gross of reinsurance	920,562	957,089
Reinsurance recoveries	(210,724)	(187,232)
Net of reinsurance	<u>709,838</u>	<u>769,857</u>
13.3 Investment component of unit linked and account value policies		
Investment component of unit linked policies	139,900,733	137,565,348
Investment component of account value policies	-	-
	<u>139,900,733</u>	<u>137,565,348</u>
13.4 Liabilities under individual conventional insurance contracts		
Gross of reinsurance	1,184,712	1,122,415
Reinsurance credit	(209,512)	(188,463)
Net of reinsurance	<u>975,200</u>	<u>933,952</u>
13.5 Liabilities under group insurance contracts (other than investment linked)		
Gross of reinsurance	780,040	560,405
Reinsurance credit	(230,493)	(113,232)
Net of reinsurance	<u>549,547</u>	<u>447,173</u>
13.6 Participant takaful fund balance	<u>253,332</u>	<u>228,173</u>

		31 March 2021 Unaudited	31 December 2020 Audited
		----- (Rupees in '000) -----	
11	CASH AND BANK		
	Cash and Cash Equivalent		
	Cash in hand	1,491	25
	Policy & revenue stamps	6,994	4,900
	Cash at bank		
	Current account	1,680,226	1,376,808
	Savings account	4,728,484	3,953,358
		<u>6,417,195</u>	<u>5,335,091</u>
		31 March 2021	31 March 2020
		Unaudited	
		----- (Rupees in '000) -----	
11.1	Cash and cash equivalents for cash flow purpose comprise of the following:		
	Cash and others	8,485	22,063
	Cash at bank	6,408,710	12,074,320
	Term deposits receipt with original maturity of three months or less	19,779,429	16,843,290
		<u>26,196,624</u>	<u>28,939,673</u>
		31 March 2021	31 December 2020
12	Retained Earning Ledger Account D		
	Opening balance	2,647,743	2,315,372
	Contribution to increase solvency margin	57,583	26,109
	Change in solvency margin through statement of profit and loss account	(26,204)	306,262
		<u>2,679,122</u>	<u>2,647,743</u>
	Related deferred tax liability on:		
	Opening balance	(674,407)	(584,838)
	(Charge) / Reversal to statement of profit and loss account	7,919	(89,569)
	Closing balance	(666,488)	(674,407)
	Net of tax	<u>2,012,634</u>	<u>1,973,336</u>
13.	INSURANCE LIABILITIES		
	Reported outstanding claims	13.1 3,619,621	3,568,512
	Incurred but not reported claims	13.2 709,838	769,857
	Investment component of unit-linked and account value policies	13.3 139,900,733	137,565,348
	Liabilities under individual conventional insurance contracts	13.4 975,200	933,952
	Liabilities under group insurance contracts (other than investment linked)	13.5 549,547	447,173
	Participant takaful fund balance	13.6 253,332	228,173
		<u>146,008,271</u>	<u>143,513,015</u>

14. CONTINGENCIES AND COMMITMENTS

- 14.1 The Income tax assessment of the Company for tax year 2020 has been deemed finalized. 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.13.833 million and Rs.15.014 million for Tax Years 2012 and 2013 respectively. The Company filed an appeal before Commissioner Inland Revenue (Appeals) and the same was dismissed. The Company filed second appeal before the Appellate Tribunal against the order of CIT. The Learned Appellate Tribunal Inland revenue had now decided the case in Company's favour. Subsequent to the period, the department has filed review application against the order in Honourable Court of Sindh. The decision is still pending. The Company expects a favourable decision.

In 2015 and 2016, The Searle Company Limited 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 the Company in Sindh High Court challenging the applicability of withholding tax provision on bonus shares received by the Company. The honorable high court decided the case against the Company. Subsequently, the Company 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 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. 3.279 million.

- 14.2 During 2019, Sindh Revenue Board (SRB) vide notification no. SRB 3-4/5/2019 dated 8 May 2019 extended the exemption on life insurance till 30 June 2019. Subsequent to it, life insurance was made taxable from 1 July 2019 at the rate of 3% and group life insurance at the rate of 13%. Further, SRB extended exemption on health insurance till 30 June 2020. With effect from 1 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 Company collectively through the forum of Insurance Association of Pakistan ("IAP") had filed a constitutional 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 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 would 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.

On 2 April 2020, due to the outbreak of COVID-19, the PRA provided a relief to Life Insurance sector through its notification no. SO(TAX) 1-1110/2020 (COVID-19). The PRA reduced the PST rate from 16% to zero percent without input tax adjustment for life insurance from 2 April 2020 till 30 June 2020.

SRB through notification no. SRB-3-4/13/2020 dated 22 June 2020 exempted the life insurance services conditionally from 1 July 2019 to 30 June 2020 subject to e-depositing SST due, on such services for the tax periods from 1 July 2020 onward.

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

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

Based on the legal opinion obtained the 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 Company has not started billing or withholding sales tax from its customers. The amount of sales tax involved is around Rs. 1,365 million computed on the basis of risk based premium. As per the advice of legal advisor, in case the administrative efforts fail, the amount will be charged to the policyholders.

- 14.3 Bank guarantees amounting to Rs. 66.369 million have been given in respect of Group Life coverage. These bank guarantees will expire on 19 February 2021 and 30 December 2023.
- 14.4 There were no capital commitments at the period end.

		Aggregate	
		31 March	
		2021	2020
		----- (Rupees in '000) -----	
15.	NET INSURANCE PREMIUM / CONTRIBUTION REVENUE		
	Gross premium / contribution		
	Regular premium / contribution individual policies		
	First year	1,640,061	1,188,005
	Second year renewal	1,230,268	1,122,408
	Subsequent year renewal	5,033,979	3,927,694
	Single premium / contribution individual policies	196,821	87,892
	Group policies with cash values	7,236	12,460
	Group policies without cash values	1,032,687	912,907
	Reversal / (Provision) experience refund	(26,661)	60,823
	Total gross premium / contribution	9,114,391	7,312,189
	Less: Reinsurance premium / retakaful contribution ceded		
	On individual life first year business	26,662	15,582
	On individual life second year business	17,209	10,265
	On individual life renewal business	103,662	63,511
	On group policies	252,396	199,646
	Less: Experience refund from reinsurers	-	(837)
	Less: Reinsurance commission on risk premium	(12,710)	(5,726)
	Total reinsurance premium / retakaful contribution ceded	387,219	282,441
	Net premium / contribution	8,727,172	7,029,748
16.	INVESTMENT INCOME		
	Income from Equity Securities		
	At fair value through profit or loss (Designated upon initial recognition)		
	Dividend income	441,572	309,152
	Available for Sale		
	Dividend income	7,300	5,605
	Income from Debt Securities		
	At fair value through profit or loss (Designated upon initial recognition)		
	Return on debt securities	278,689	535,649
	On government securities	1,613,413	1,327,593
	Held to maturity		
	On government securities	137,142	154,416
	Income from Term Deposits		
	Return on term deposits	301,928	499,900
		2,780,044	2,832,315

		Aggregate 31 March	
		2021	2020
		----- (Rupees in '000) -----	
17. NET REALISED FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS			
Available for sale			
Realised gains on:			
- Equity securities		1,267,754	44,818
- Government securities		-	52,120
Realised losses on:			
- Equity securities		(312,123)	-
- Government securities		-	-
		<u>955,631</u>	<u>96,938</u>
18. NET FAIR VALUE GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS- UNREALISED			
Net unrealised gains on investments in financial assets - Government securities and Debt Securities(fair value through profit and loss designated upon initial recognition)		(481,658)	3,893,484
Net unrealised gains on investments at fair value through profit or loss (designated upon initial recognition) - Equity Securities		<u>(671,901)</u>	<u>(4,520,228)</u>
Total investment income		<u>(1,153,559)</u>	<u>(626,744)</u>
Exchange Gain		(7,503)	8,822
Reversal of impairment in value of available for sale securities		(37,151)	(22,797)
Less: Investment related expenses		-	(1,242)
		<u>(1,198,213)</u>	<u>(641,961)</u>
19. OTHER INCOME			
Gain on sale of fixed assets		15,180	1,999
Return on loans to employees		5,083	5,365
Fees charged to Policyholders		<u>4,282</u>	<u>3,223</u>
		<u>24,545</u>	<u>10,587</u>
20. NET INSURANCE BENEFITS			
Gross claims			
Claims under individual policies			
by death		406,555	317,269
by insured event other than death		3,538	1,486
by maturity		692,574	403,951
by surrender		<u>4,266,423</u>	<u>3,414,569</u>
Total gross individual policy claims		<u>5,369,090</u>	<u>4,137,275</u>
Claims under group policies			
by death		741,668	483,345
by insured event other than death		18,943	23,644
by maturity		-	331
by surrender		<u>4,060</u>	<u>24,214</u>
Total gross group claims		<u>764,671</u>	<u>531,534</u>
Total gross claims		6,133,761	4,668,809
Less: Reinsurance / retakaful recoveries			
On individual life claims		68,891	68,946
On group life claims		<u>187,203</u>	<u>85,571</u>
Total reinsurance / retakaful recoveries		256,094	154,517
Add: Claims related expenses		<u>2,450</u>	<u>1,907</u>
Net insurance benefit expense		<u>5,880,117</u>	<u>4,516,199</u>

	Note	31 March	
		2021	2020
		(Rupees in '000)	
21. ACQUISITION EXPENSES			
Remuneration to insurance intermediaries on individual policies:			
- Commission to agent on first year premiums / contributions		675,608	481,197
- Commission to agent on second year premiums / contributions		111,294	113,242
- Commission to agent on subsequent renewal premiums / contributions		138,598	110,156
- Commission to agent on single premiums / contributions		5,371	2,469
- Override commission to supervisors		152,740	117,458
- Other benefits to insurance intermediaries salaries, allowances and other benefits		461,868	416,691
Remuneration to insurance intermediaries on group policies:			
- Commission		82,223	88,500
- Other benefits to insurance intermediaries		19,422	19,931
Other acquisition costs			
- Traveling expenses (including cost of contests, conventions etc.)		11,895	12,388
- Printing and stationery		7,297	1,518
- Depreciation		73,187	72,729
- Rent, rates and taxes		1,761	1,403
- Electricity, gas and water		6,605	5,218
- Entertainment		11,479	8,953
- Vehicle running expenses		1,134	382
- Office repairs & maintenance		6,758	7,565
- Postages, telegrams and telephone		9,722	8,434
- Medical fees		3,845	4,221
- Finance cost		12,728	10,352
- Others		35,776	38,278
- Policy stamps		29,906	20,855
		<u>1,859,217</u>	<u>1,541,940</u>
22. MARKETING AND ADMINISTRATION EXPENSES			
Employee benefit cost		223,348	212,341
Traveling expenses		5,609	4,762
Advertisements and sales promotion		15,915	46,076
Printing and stationery		29,799	15,246
Depreciation		36,346	42,546
Amortisation		6,398	4,984
Rent, rates and taxes		265	358
Legal and professional charges - business related		10,939	15,609
Electricity, gas and water		8,361	8,746
Entertainment		9,486	15,339
Vehicle running expenses		1,402	379
Office repair and maintenance		45,736	24,904
Appointed actuary fees		4,236	3,559
Bank charges		3,264	3,459
Postage, internet and telephone		26,520	26,362
Fees and subscription		12,664	11,926
Annual supervision fee SECP		14,625	10,250
Miscellaneous		50,137	27,877
		<u>505,050</u>	<u>474,723</u>
23. OTHER EXPENSES			
Directors' fee		1,111	800
Donation		4,210	9,403
Others		768	594
		<u>6,089</u>	<u>10,797</u>
24. TAXATION			
		31 March	31 December
		2021	2020
		(Rupees in '000)	
For the year			
Current		175,000	186,900
Deferred		(12,560)	(29,638)
		<u>162,440</u>	<u>157,262</u>

25. RELATED PARTY TRANSACTIONS

The related parties comprise of holding company, directors, key management personnel, associated companies / associated undertakings, and entities with common directors and retirement benefit fund. Compensation of key management personnel are on employment terms. Contribution to the provident fund is in accordance with the service rules. Change to the defined contribution is in accordance with the actuarial advice. Other transactions are at agreed rates. Details of transactions with related parties during the period, other than those which have been specifically disclosed elsewhere in the financial statements are as follows:

	31 March 2021	31 March 2020
	----- (Rupees in '000) -----	
Transactions		
Holding company		
Premium written	11,077	10,623
Premium paid	28,727	25,817
Claims paid	8,014	-
Claims received	-	1,082
Dividend paid	-	461,262
Dividend received	-	25,745
Associated companies / related parties		
Premium written	96,216	74,542
Premium paid	30,373	22,729
Claims paid	17,070	4,736
Commission paid	56,843	80,731
Travelling expenses	2,835	1,412
Donation paid	1,174	1,589
Dividend paid	-	447,712
Interest received on bank deposit	198,284	232,321
Purchase of vehicles (Pak Suzuki Motors)	6,266	72,647
Payment to K-Electric	10,988	-
Placement of TDR	500,000	-
Investment sold of related party	34,196	-
Key management personnel		
Premium written	1,224	414
Loan to key employees		6,584
Loan recovered	1,299	1,107
Compensation paid	55,826	49,357
Dividend paid	-	7,092
Employees' funds		
Contribution to provident fund	11,751	10,724
Contribution to pension fund	9,433	7,566

	31 March 2021	31 December 2020
	Unaudited	Audited
	----- (Rupees in '000) -----	
Balances		
Bank balances	1,829,193	1,656,528
Bank deposits	7,221,000	6,721,000
Premium payable	4,311	1,201
Premium receivable	1,555	4,577
Dividend Payable	921,948	-
Dividend Receivable	25,745	-
Investment in EFU General Insurance Limited from designated unit fund	514,906	561,715
Advance for Purchase of vehicles (Pak Suzuki Motors)	76,957	-
Investment in related party	1,708,627	1,869,533
Claims outstanding - Holding company	-	4,527
Claims outstanding - Related party	48,641	23,429
Loan receivable from key employees	34,628	35,926

26. SEGMENTAL INFORMATION

26.1 Revenue Account by Statutory Fund

	Statutory Funds					Aggregate
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business
	(Rupees in '000)					
Income						
Premium / Contribution less reinsurance / retakaful	6,430,650	673,711	28	80	1,536,234	82,139
Policy transfer from other statutory funds	3,114				4,330	7,444
Bonus units transfer to statutory fund						
Net investment income / wakala income	2,321,453	55,773	759	129	290,258	-
Total net income	8,755,217	729,484	787	209	1,830,822	2,693,590
						11,423,876
Insurance Benefits and Expenditures						
Claims net of reinsurance recoveries	5,007,842	519,596	938	-	290,690	53,852
Policy transfer from other statutory funds	4,749		3,114			7,863
Bonus units transfer to statutory fund						
Management expenses less recoveries	1,558,263	149,704	9	120	760,370	37,055
Total Insurance Benefits and Expenditures	6,570,854	669,300	4,061	120	1,051,060	90,907
						8,386,302
Excess of income over Insurance Benefits and Expenditures	2,184,363	60,184	(3,274)	89	779,762	16,450
						3,037,574
Net Change in Insurance Liabilities (Other than outstanding Claims)	(1,620,942)	(47,127)	3,499	56	(771,574)	(23,527)
						(2,459,615)
Surplus / (deficit) before tax	563,421	13,057	225	145	8,188	577,959
Movement in policyholders' liabilities	1,620,942	47,127	(3,499)	(56)	771,574	23,527
						2,459,615
Transfer to and from Shareholder's Fund						
Transfer of (surplus) / deficit to shareholders' fund	(548,371)	(22,986)	(290)	(153)	-	-
Capital contribution from share holders' fund					24,539	25,842
Net Transfer to / from shareholders' fund	(548,371)	(22,986)	(290)	(153)	24,539	25,842
						(521,419)
Balance of statutory funds at beginning of the period	132,737,657	1,615,304	22,216	927	8,594,191	128,926
						143,099,221
Balance of statutory funds at end of the period	134,373,649	1,652,502	18,652	863	9,398,492	171,218
						145,615,376

	Statutory Funds					Aggregate
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business
	(Rupees in '000)					31 March 2020
Income						
Premium / Contribution less reinsurances / retakaful	5,274,050	729,725	41	235	973,756	7,023,868
Policy transfer from other statutory funds			-	-	5,880	5,880
Bonus units transferred to statutory funds			-	-	-	-
Net investment income	2,122,674	68,976	(79)	-	156,403	2,377,032
Total net income	7,396,724	798,701	(38)	235	1,136,039	9,406,780
Insurance Benefits and Expenditures						
Claims net of reinsurance recoveries	3,925,182	392,396	1,233	407	160,133	4,508,052
Policy transfer from other statutory funds	6,239	-	-	-	-	6,239
Bonus units transferred to statutory funds	-	-	-	-	-	-
Management expenses less recoveries	1,353,140	151,852	310	121	560,572	2,108,418
Total Insurance Benefits and Expenditures	5,284,561	544,248	1,543	528	720,705	6,622,709
Excess of income over Insurance Benefits and Expenditures	2,112,163	254,453	(1,581)	(293)	415,334	2,784,071
Net Change in Insurance Liabilities (Other than outstanding Claims)	(1,691,623)	(93,006)	1,641	177	(462,962)	(2,243,731)
Surplus / (Deficit) before tax	420,540	161,447	60	(116)	(47,628)	540,340
Movement in policyholders' liabilities	1,691,623	93,006	(1,641)	(177)	462,962	2,243,731
Transfer to and from Shareholder's Fund						
Transfer of (surplus) / deficit to shareholders' fund	(410,027)	(198,139)	(80)	-	-	(625,378)
Capital contribution from share holders' fund	-	-	-	84	81,055	81,139
Net Transfer to/from shareholders' fund	(410,027)	(198,139)	(80)	84	81,055	(544,239)
Balance of statutory funds at beginning of the period	112,260,531	1,565,488	22,273	1,277	5,153,135	119,138,120
Balance of statutory funds at end of the period	113,962,667	1,621,802	20,612	1,068	5,649,524	121,377,952

	As at 31 March 2021 (Unaudited)		As at 31 December 2020 (Audited)	
	Statutory Funds	Shareholders Funds	Statutory Funds	Shareholders Funds
	Total		Total	
	(Rupees in '000)			

27. MOVEMENT IN INVESTMENTS					
			(Rupees in '000)		
At beginning of previous year	3,433,321	1,822,719	91,150,249	19,659,000	116,065,289
Additions	7,169,094	33,014,125	55,987,553	79,458,159	175,628,931
Disposals (sale and redemptions)	(5,432,775)	(30,878,425)	(39,059,755)	(80,055,159)	(155,426,114)
Fair value net gains / (losses) (excluding net realised gains)	-	(19,706)	6,130,614	-	6,110,908
Impairment gains	-	53,020	-	-	53,020
At beginning of current year	5,169,640	3,991,733	114,208,661	19,062,000	142,432,034
Additions	4,558,107	39,034,452	11,867,545	32,982,429	88,442,533
Disposals (sale and redemptions)	(3,816,900)	(39,007,500)	(10,394,524)	(32,265,000)	(85,483,924)
Fair value net gains (excluding net realised gains)	-	330	(947,943)	-	(947,613)
Designated at fair value through profit or loss upon initial recognition	-	-	-	-	-
Impairment losses	-	(37,151)	-	-	(37,151)
At end of current period	5,910,847	3,981,864	114,733,739	19,779,429	144,405,880

FAIR VALUE

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

31 March 2021 (Unaudited)									
Fair Value through profit or loss designated upon initial recognition	Available for Sale	Held To Maturity	Loans and Receivables	Other financial assets	Other financial liabilities	Total	Fair value		
							Level 1	Level 2	Level 3
<hr/> <div>(Rupees in '000)</div> <hr/>									
On balance sheet financial instruments									
Financial assets measured at fair value									
- Investments									
Government Securities (T-bills + PIBs + Sukuks)	72,212,246	-	-	-	-	72,212,246	-	72,212,246	
Sukuk Bonds (other than government)	2,901,047	-	-	-	-	2,901,047	-	2,901,047	
Listed equity securities	36,839,804	243,157	-	-	-	37,082,961	37,082,961	-	
Unlisted equity securities	-	508	-	-	-	508	-	508	
Units of mutual funds	1,574,643	124,111	-	-	-	1,698,754	-	1,698,754	
Debt securities (Listed TFCs)	3,525,368	-	-	-	-	3,525,368	-	3,525,368	
Financial assets not measured at fair value									
- Government Securities (T-bills + PIBs + Sukuks)	-	6,995,567	-	-	-	6,995,567	-	7,539,448	
Balances with banks *	26,196,624	-	-	-	-	26,196,624	-	-	
- Certificate of Investment	210,000	-	-	-	-	210,000	-	-	
- Advances	-	-	245,657	-	-	245,657	-	-	
Investment income accrued	-	-	-	1,236,754	-	1,236,754	-	-	
- Other loans and receivables (excluding markup accrued)*	-	-	-	1,938,851	-	1,938,851	-	-	
	143,459,732	367,776	6,995,567	245,657	3,175,605	154,244,337	-	-	
Financial liabilities not measured at fair value									
Deferred taxation	-	-	-	-	789,580	789,580	-	-	
Premium received in advance	-	-	-	-	1,198,028	1,198,028	-	-	
Insurance / reinsurance payables	-	-	-	-	305,762	305,762	-	-	
Other creditors and accruals	-	-	-	-	2,687,343	2,687,343	-	-	
	-	-	-	-	4,980,713	4,980,713	-	-	
	143,459,732	367,776	6,995,567	245,657	3,175,605	(4,980,713)	149,263,624	-	

	Fair Value through profit or loss (designated upon initial recognition)	Available for Sale	Held to Maturity	Loans and Receivables	Other financial Assets	Other financial liabilities	Total	Fair value			Total
								Level 1	Level 2	Level 3	
(Rupees in '000)											
On balance sheet financial instruments											
Financial assets measured at fair value											
- Investments											
Government Securities (T-bills + PIBs + Sukuks)	67,013,519	-	-	-	-	-	67,013,519	-	67,013,519	-	67,013,519
Sukuk Bonds (other than government)	3,859,532	-	-	-	-	-	3,859,532	-	3,859,532	-	3,859,532
Listed equity securities	38,958,658	280,659	-	-	-	-	39,239,317	39,239,317	-	-	39,239,317
Unlisted equity securities	-	508	-	-	-	-	508	-	-	508	508
Units of mutual funds	1,558,312	127,059	-	-	-	-	1,685,371	-	1,685,371	-	1,685,371
Debt securities (Listed TFCs)	3,914,206	-	-	-	-	-	3,914,206	-	3,914,206	-	3,914,206
Financial assets not measured at fair value											
- Government Securities (T-bills + PIBs + Sukuks)	-	-	7,447,581	-	-	-	7,447,581	-	7,954,646	-	7,954,646
- Balances with banks *	24,397,091	-	-	-	-	-	24,397,091	-	-	-	-
- Certificate of Investment	210,000	-	-	-	-	-	210,000	-	-	-	-
- Advances	-	-	-	214,382	-	-	214,382	-	-	-	-
- Investment income accrued	-	-	-	-	2,003,629	-	2,003,629	-	-	-	-
- Other loans and receivables	-	-	-	-	-	-	-	-	-	-	-
(excluding markup accrued)*	-	-	-	-	2,438,614	-	2,438,614	-	-	-	-
	139,911,318	408,226	7,447,581	214,382	4,442,243	-	152,423,750	-	-	-	-
Financial liabilities not measured at fair value											
Deferred taxation	-	-	-	-	-	804,232	804,232	-	-	-	-
Premium received in advance	-	-	-	-	-	1,220,106	1,220,106	-	-	-	-
Insurance / reinsurance payables	-	-	-	-	-	183,440	183,440	-	-	-	-
Other creditors and accruals	-	-	-	-	-	2,080,541	2,080,541	-	-	-	-
	-	-	-	-	-	4,288,319	4,288,319	-	-	-	-
	139,911,318	408,226	7,447,581	214,382	4,442,243	(4,288,319)	148,135,431	-	-	-	-

*The Company has not disclosed the fair values for these financial assets and liabilities, as these are for short term or reprice over short term. Therefore their carrying amounts are reasonable approximation of fair value.

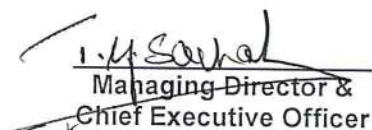
29 GENERAL

Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

Certain prior year's figures have been rearranged and reclassified, wherever necessary, to facilitate comparisons.

30 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 27 April 2021.


Managing Director &
Chief Executive Officer


Chief Financial Officer


Director


Director


Chairman

EFU LIFE ASSURANCE LIMITED-WINDOW TAKAFUL OPERATIONS (Un-audited / Un-reviewed)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

		Operator Sub Fund	Policyholder Fund	31 March 2021 Unaudited	31 December 2020 Audited
	Note	(Rupees in '000)			
Assets					
Investments					
Equity securities	5	-	2,677,982	2,677,982	2,503,083
Government securities	6	354,195	1,230,143	1,584,338	1,584,838
Debt securities	7	10,000	1,020,545	1,030,545	1,168,366
Term deposits	8	78,000	3,616,000	3,694,000	2,894,000
Takaful / retakaful receivables		-	22,711	22,711	17,069
Other loans and receivables		252,881	705,761	958,642	739,106
Deferred tax asset		53,392	-	53,392	49,103
Prepayments		8,466	-	8,466	5,861
Cash & Bank	9	59,529	1,621,100	1,680,629	1,719,868
Total Assets		816,463	10,894,242	11,710,705	10,681,294
Equity and Liabilities					
Cede Money		50,000	-	50,000	50,000
Capital contributed by shareholder's fund		260,674	(20,788)	239,886	216,469
Qard-e-Hasna		(76,567)	76,567	-	-
Retained Earning arising from business other than participating business attributable to shareholder's (Ledger account D)		98,785	-	98,785	89,024
Accumulated losses		(130,719)	-	(130,719)	(120,218)
Total Equity		202,173	55,779	257,952	235,275
Liabilities					
Takaful Liabilities	10	-	9,757,600	9,757,600	8,871,914
Takaful contribution received in advance		-	148,169	148,169	159,226
Takaful / retakaful payables		-	56,018	56,018	40,459
Defered Tax Liability		-	-	-	-
Other creditors and accruals		614,290	876,676	1,490,966	1,374,420
Total Liabilities		614,290	10,838,463	11,452,753	10,446,019
Total Equity and Liabilities		816,463	10,894,242	11,710,705	10,681,294

Contingency(ies) and commitment(s)

11

The annexed notes 1 to 23 form an integral part of these financial statements.


Managing Director &
Chief Executive Officer


Chief Financial Officer


Director

 
Director Chairman

EFU LIFE ASSURANCE LIMITED-WINDOW TAKAFUL OPERATIONS (Un-audited / Un-reviewed)
Condensed Interim Profit And Loss Account
For The Three Months Period Ended 31 March 2021


	Note	Operator's Sub Fund		Policyholder's Fund		Aggregate	
		Three Months Ended 31 March		Three Months Ended 31 March		Three Months Ended 31 March	
		2021	2020	2021	2020	2021	2020
----- (Rupees in '000) -----							
Contribution Revenue		454,144	317,295	1,231,655	747,925	1,685,799	1,065,220
Contribution ceded to reinsurers		-	-	(63,097)	(39,523)	(63,097)	(39,523)
Net Contribution revenue	12	454,144	317,295	1,168,558	708,402	1,622,702	1,025,697
Wakalat-ul-Istismar - PIF		108,596	61,294	(108,596)	(61,294)	-	-
Wakala Fee - PTF		51,724	45,936	(51,724)	(45,936)	-	-
Investment income	13	14,984	8,706	126,690	144,833	141,674	153,539
Net realised fair value gains / (losses) on financial assets	14	637	-	121,291	-	121,928	-
Net fair value gains / (losses) on financial assets at fair value through profit or loss	15	(567)	(565)	(107,880)	(74,744)	(108,447)	(75,309)
		175,374	115,371	(20,219)	(37,141)	155,155	78,230
Net income		629,518	432,666	1,148,339	671,261	1,777,857	1,103,927
Takaful benefits		-	-	392,080	199,209	392,080	199,209
Recoveries from retakafuls		-	-	(47,538)	(10,375)	(47,538)	(10,375)
Claims related expenses		-	-	-	-	-	-
Net Takaful Benefits	16	-	-	344,542	188,834	344,542	188,834
Net Change in Takaful Liabilities (other than outstanding claims)		-	-	803,797	482,427	803,797	482,427
Acquisition expenses	17	569,939	424,294	-	-	569,939	424,294
Marketing and administration expenses	18	74,369	62,837	-	-	74,369	62,837
Total Expenses		644,308	487,131	803,797	482,427	1,448,105	969,558
Loss before tax		(14,790)	(54,465)	-	-	(14,790)	(54,465)
Income tax	19	4,289	15,795	-	-	4,289	15,795
Loss for the period		(10,501)	(38,670)	-	-	(10,501)	(38,670)
Earnings per share - Rupees		(0.11)	(0.39)	-	-	(0.11)	(0.39)


Managing Director &
Chief Executive Officer


Chief Financial Officer


Director


Director


Chairman

EFU LIFE ASSURANCE LIMITED-WINDOW TAKAFUL OPERATIONS (Un-audited / Un-reviewed)
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For The Three Months Period Ended 31 March 2021

	Operator Sub Fund		Policyholder Funds		Aggregate	
	Three Months Ended 31 March		Three Months Ended 31 March		Three Months Ended 31 March	
	2021	2020	2021	2020	2021	2020
(Rupees in '000)						
Loss for the period - as per Profit and Loss Account	(10,501)	(38,670)	-	-	(10,501)	(38,670)
Other Comprehensive Income:						
Items that may be reclassified to profit and loss in subsequent periods:						
Change in unrealised gains / (losses) on available-for-sale financial assets	-	-	-	-	-	-
Reclassification adjustment relating to available-for-sale investments sold during the period	-	-	-	-	-	-
Related deferred tax	-	-	-	-	-	-
Other comprehensive income for the period- net of tax	-	-	-	-	-	-
Total comprehensive loss for the period	(10,501)	(38,670)	-	-	(10,501)	(38,670)

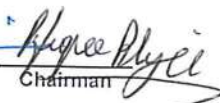
0


**Managing Director &
Chief Executive Officer**


Chief Financial Officer


Director


Director

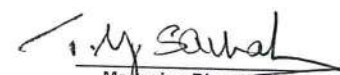

Chairman

EFU LIFE ASSURANCE LIMITED-WINDOW TAKAFUL OPERATIONS (Un-audited / Un-reviewed)
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021

	Attributable to the equity holders' of the Company						Total
	Cede Money	Capital Contribution from main Shareholder Fund	General Reserve	Retained earnings arising from business other than participating business attributable to shareholders (ledger account D)- net of tax *	Surplus/Deficit on revaluation of available for sale investment	Unappropriated Profit	
	(Rupees in '000)						
Balance as at 1 January 2020	50,000	298,964	-	56,348	-	(133,181)	272,131
Capital contribution from shareholder's fund	-	72,416	-	-	-	-	72,416
Profit transferred to main shareholder's fund	-	(71,602)	-	-	-	-	(71,602)
Income for the period ended 31 March 2020	-	-	-	-	-	(38,670)	(38,670)
Other Comprehensive income/(loss)	-	-	-	-	-	-	-
Total income for the period ended 31 March 2020	-	-	-	-	-	(38,670)	(38,670)
Contribution to increase solvency margin	-	(820)	-	820	-	-	-
Balance as at 31 March 2020	50,000	298,958	-	57,168	-	(171,851)	234,275
Balance as at 1 January 2021	50,000	216,469	-	89,024	-	(120,218)	235,275
Capital contribution from shareholder's fund	-	57,583	-	-	-	-	57,583
Profit transferred to main shareholder's fund	-	(7,943)	-	-	-	-	(7,943)
Income for the year ended 31 March 2021	-	-	-	-	-	(10,501)	(10,501)
Other Comprehensive income/(loss)	-	-	-	-	-	-	-
Total income for the period ended 31 March 2021	-	-	-	-	-	(10,501)	(10,501)
Contribution to increase solvency margin	-	(9,761)	-	9,761	-	-	-
Capital contribution transferred to policy holder liability	-	(16,462)	-	-	-	-	(16,462)
Balance as at 31 March 2021	50,000	239,886	-	98,785	-	(130,719)	257,952


*This include balances maintained in accordance with the requirements of section 35 of the Insurance Ordinance ,2000 read with rule 14 of the Insurance Rules, 2017 to meet solvency margins, which are mandatorily maintained for the carrying on of the life insurance business.

0


Managing Director &
Chief Executive Officer


Chief Financial Officer


Director


Director


Chairman

EFU LIFE ASSURANCE LIMITED-WINDOW TAKAFUL OPERATIONS (Un-audited / Un-reviewed)
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021

Three months ended 31 March	
2021	2020
----- (Rupees in '000) -----	

Operating cash flows

a) Takaful activities

Takaful contribution received

1,669,100	1,005,743
-----------	-----------

2021	2020
------	------

Operating cash flows

a) Takaful activities

Takaful contribution received

Retakaful contribution paid

Claims paid

Retakaful and other recoveries received

Commission paid

Marketing and Administrative expenses paid

Other acquisition cost paid

Net cash flow from underwriting activities

1,669,100	1,005,743
(47,538)	(10,375)
(326,843)	(174,575)
47,538	10,375
(424,169)	(328,236)
(74,369)	(62,837)
(163,402)	(173,550)
680,317	266,545

b) Other operating activities

Other operating payments

Other receipts on operating assets

160,665	368,061
(230,077)	(151,319)

Net cash flow from other operating activities

Total cash flow from all operating activities

(69,412)	216,742
610,905	483,287

Investment activities

Profit / Return received

Dividends received

Payments for investments

Proceed from disposal of investments

Total cash flow from investing activities

135,221	135,324
14,579	3,251
(3,995,346)	(3,351,218)
3,972,249	3,096,087
126,703	(116,556)

Financing activities

Net Capital contributed from shareholder's fund

Surplus appropriated to shareholder's fund

Total cash flow from financing activities

23,153	(22,906)
23,153	(22,906)

Net cash flow from all activities

760,761	343,825
---------	---------

Cash and cash equivalents at beginning of the period

4,613,868	3,856,351
-----------	-----------

Cash and cash equivalents at end of the period

5,374,629	4,200,176
-----------	-----------

Reconciliation to profit and loss account

Operating cash flows

Depreciation expense

Amortization expense

Loss on disposal of investments

Other investment income

610,905	483,287
(25,658)	(23,074)
(829)	(646)
121,928	-
14,579	3,251
119,447	156,124

Managing Director & Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

EFU LIFE ASSURANCE LIMITED- Window Takaful Operations (Un-audited / Un-reviewed)
Notes To and forming part of Condensed Interim Financial Statement
For The Three Months Period Ended 31 March 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** EFU Life Assurance Limited (the Company) was incorporated in Pakistan on 09 August 1992 as a public limited company under the Repealed Companies Ordinance, 1984 (now Companies Act, 2017) and started its operation from 18 November 1992. The shares of the Company are quoted on Pakistan Stock Exchange. The Registered office of the Company is located at Al-Malik Centre, 70W, F-7/G-7 Jinnah Avenue, Islamabad while principal place of business is located at EFU Life House Plot No.112, 8th East street, Phase 1, DHA, Karachi.
- 1.2** The Company is a subsidiary of EFU General Insurance Limited on the basis of its ability to control the composition of the Board of Directors of EFU Life Assurance Limited effective 31 March 2018.
- 1.3** The Company is engaged in life insurance business including ordinary life business, pension fund business and accident and health business and has established following statutory funds, as required by the Insurance Ordinance, 2000:
- Family Takaful Investment Linked Business (Refer note 1.4)
 - Family Takaful Protection Business (Refer note 1.4)
- 1.4** The Company was granted authorisation on 19 January 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Takaful Window Operation in respect of family takaful products by Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations on 6 February 2015 under the brand name "Hemayah". For the purpose of carrying on takaful business, the Company has formed a Waqf namely EFU Life - Window Family Takaful Limited Waqf (here-in-after referred to as the Participant Takaful Fund (PTF)) was formed on 6 February 2015 under a Waqf deed executed by the Company with a cede amount of Rs. 2 million. The cede money is required to be invested in Shariah compliant investments and any profit thereon can be utilized only to pay benefits to participants or defray PTF expenses. Waqf deed also governs the relationship of the Company and policyholders for the management of Takaful operations, investment of policyholders' funds and shareholders' funds as approved by the Shariah Advisor appointed by the Company.

2 Basis of preparation and statement of compliance

- 2.1** These condensed interim financial statements have been prepared on the format of financial statements issued by the Securities and Exchange Commission of Pakistan (SECP) through the Insurance Rules, 2017 vide its S.R.O. 89(1) / 2017 dated 09 February 2017.
- 2.2** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:
- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Takaful Rules, 2012 and Insurance Accounting Regulations, 2017; and
- Islamic Financial Accounting Standards (IFAS) (as a lease) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017.

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

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for the available for sale investments which are stated at their fair values.

2.4 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency. All financial information presented in Pakistani Rupees has been rounded to the nearest thousands.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation adopted in the preparation of the condensed interim financial information are consistent with those followed in the preparation of the annual financial statements of the Company for the year ended 31 December 2020.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and any future periods affected.

5 INVESTMENTS IN EQUITY SECURITIES

	Note	31 March 2021 Unaudited	31 December 2020 Audited
		----- (Rupees in '000) -----	
Available for Sale	5.1	-	-
At fair value through profit or loss (Designated - upon initial recognition)	5.2	2,677,982	2,503,083
		<u>2,677,982</u>	<u>2,503,083</u>

	31 March 2021 (Unaudited)			31 December 2020 (Audited)		
	Cost	Impairment/ provision	Carrying Value	Cost	Impairment/ provision	Carrying Value
	----- (Rupees in '000) -----					
5.1 Available for Sale	-	-	-	-	-	-
5.2 Fair Value through Profit and Loss (Designated - upon initial recognition)						
Related Parties						
Listed Shares	-	-	-	-	-	-
Others						
Listed Shares	2,287,951	-	2,677,982	2,015,337	-	2,503,083
	<u>2,287,951</u>	<u>-</u>	<u>2,677,982</u>	<u>2,015,337</u>	<u>-</u>	<u>2,503,083</u>

6. GOVERNMENT SECURITIES

	Note	31 March 2021 Unaudited	31 December 2020 Audited
		----- (Rupees in '000) -----	
Held to Maturity	6.1	846,151	846,753
Fair value through profit and loss (designated - upon initial recognition)	6.2	738,187	738,085
		<u>1,584,338</u>	<u>1,584,838</u>

	31 March 2021 (Unaudited)				
	Maturity Year	Effective Yield %	Amortised Cost	Principal Repayment	Carrying Value
			----- (Rupees in '000) -----		
6.1 Held to Maturity					
03 Years Government Ijara	2023	6.27	199,102	199,089	199,102
10 Years Pakistan Energy Sukuk 1	2029	8.05	194,507	197,160	194,507
10 Years Pakistan Energy Sukuk 11	2030	7.25	452,542	452,700	452,542
			<u>846,151</u>	<u>848,949</u>	<u>846,151</u>

	31 March 2021 (Unaudited)				
	Maturity Year	Effective Yield %	Amortised Cost	Principal Repayment	Carrying Value
			----- (Rupees in '000) -----		
6.2 Fair Value through profit and loss (Designated - upon initial recognition)					
03 Years Government Ijara	2023	5.95	148,982	148,825	147,305
10 Years Pakistan Energy Sukuk 1	2029	8.05	611,869	620,840	540,600
10 Years Pakistan Energy Sukuk 11	2030	7.25	50,282	50,300	50,282
			<u>811,134</u>	<u>819,965</u>	<u>738,187</u>

7. INVESTMENT IN DEBT SECURITIES

	Note	31 March 2021 (Unaudited)			31 December 2020 (Audited)		
		Cost	Impairment/ Provision	Carrying Value	Cost	Impairment / Provision	Carrying Value
Others		(Rupees in '000)					
Corporate Sukuks	7.1	1,030,545	-	1,030,545	1,168,366	-	1,168,366
		<u>1,030,545</u>	<u>-</u>	<u>1,030,545</u>	<u>1,168,366</u>	<u>-</u>	<u>1,168,366</u>
Fair Value through Profit and Loss (Designated upon initial recognition)		No. Of Certificates		Face Value	Carrying Amount		
	Yield	Maturity	31 March 2021		31 March 2021	31 December 2020	
7.1 Corporate Sukuks					(Rupees in '000)		
K Electric	8.29	2022	25,000	25,000	10	31,547	37,879
Dawood Hercules	8.30	2022	5,819	5,819	200	-	127,617
Meezan Bank Ltd	9.10	Perpetual	250	250	1,000	250,000	250,000
LOT-HUBCO Sukuk 4Y 22/08/2019	9.19	2023	2,000	2,000	100	204,473	204,497
Lot-IBL Sukuk	7.79	2021	250	250	100	7,621	10,565
Engro Polymer & Chemicals Ltd.	8.2	2026	1,850	2,050	100	188,073	208,977
Neelum Jehlum Hydropower	9.1	2026	1,250	1,250	100	88,516	88,516
DIBL Tier I Sukuk	7.9	Perpetual	20,000	20,000	5	100,000	100,000
BankIslami EHAD Sukuk Tier 1	8.22	Perpetual	28,063	28,063	-	140,315	140,315
						<u>1,010,545</u>	<u>1,168,366</u>
Held to Maturity							
ENGRO POLYMER & CHEMICALS LTD.	8.20	2026	100	100	100	20000	0
						<u>1,030,545</u>	<u>1,168,366</u>
8. INVESTMENTS IN TERM DEPOSITS					31 March 2021 Unaudited	31 December 2020 Audited	
					(Rupees in '000)		
Deposit maturing within 12 months					<u>3,694,000</u>	<u>2,894,000</u>	
9. CASH AND BANK							
Cash and Cash Equivalent							
Cash in hand					402	15	
Cash at bank							
Current account					523,647	523,647	
Saving account					1,156,580	1,196,206	
					<u>1,680,629</u>	<u>1,719,868</u>	
					31 March 2021 Unaudited	31 March 2020 Audited	
					(Rupees in '000)		
9.1 Cash and cash equivalents for cash flow purpose comprise of the following:							
- Cash and others					402	424	
- Cash at bank					1,680,227	1,855,752	
- Term deposits maturing within three months					3,694,000	2,344,000	
					<u>5,374,629</u>	<u>4,200,176</u>	

	Note	31 March 2021 Unaudited	31 December 2020 Audited
		(Rupees in '000)	
10. TAKAFUL LIABILITIES			
Reported outstanding claims	10.1	312,213	246,615
Incurred but not reported claims	10.2	82,806	70,630
Investment component of unit-linked and account value policies	10.3	8,895,834	8,135,178
Liabilities under individual conventional insurance contracts	10.4	101,458	91,633
Liabilities under group insurance contracts (other than investment linked)	10.5	64,201	52,119
Other liabilities		47,756	47,566
Participant takaful fund balance	10.6	253,332	228,173
		<u>9,757,600</u>	<u>8,871,914</u>
10.1 Reported Outstanding Claims			
Gross of Retakaful			
Payable within one year		294,700	229,463
Payable over a period of time exceeding one year		45,722	45,031
		<u>340,422</u>	<u>274,494</u>
Recoverable from Retakaful			
Receivable over a period of time exceeding one year		(28,209)	(27,879)
		<u>(28,209)</u>	<u>(27,879)</u>
Net reported outstanding claims		<u>312,213</u>	<u>246,615</u>
10.2 Incurred But Not Reported Claims			
Gross of retakaful		143,516	127,037
Retakaful recoveries		(60,710)	(56,407)
Net of retakaful		<u>82,806</u>	<u>70,630</u>
10.3 Investment Component of Unit Linked and Account Value Policies			
Investment component of unit linked policies		8,895,834	8,135,178
Investment component of account value policies		-	-
		<u>8,895,834</u>	<u>8,135,178</u>
10.4 Liabilities under Individual Conventional takaful Contracts			
Gross of Retakaful		157,484	142,445
Retakaful Credit		(56,026)	(50,812)
Net of Reinsurance		<u>101,458</u>	<u>91,633</u>
10.5 Liabilities under Group Insurance Contracts (other than investment linked)			
Gross of Reinsurance		90,552	61,386
Reinsurance Credit		(26,351)	(9,267)
Net of Reinsurance		<u>64,201</u>	<u>52,119</u>
10.6			
This comprises of surplus of Individual Family Takaful - Participant Takaful Fund, which relates exclusively to participants of the Individual Family Takaful Fund and is not available for distribution to shareholders. Under the Waqf Deed of Individual Family Takaful Fund read with Rule 21 of Takaful Rules, 2012, the surplus arising in the Participants Sub Fund can only be distributed to the Participants of that Fund based on approval of the Appointed Actuary. The surplus has been classified under insurance liabilities as clarified by SECP.			

11. CONTINGENCIES AND COMMITMENTS

The contingencies and commitments reported in the main financials of the Company also includes impacts of Window Takaful Operations as at December 31, 2020. Out of the reported amount thereon, an amount of Rs.133.70 million pertains to Window Takaful Operations. There were no other material contingencies and commitments as at December 31, 2020.

		Aggregate	
		Three months ended	
		31 March	
		2021	2020
		----- (Rupees in '000) -----	
12. NET CONTRIBUTION REVENUE			
Gross contribution			
Regular contribution individual policies			
First year	559,228	386,189	
Second year renewal	347,859	259,974	
Subsequent year renewal	578,353	317,475	
Single contribution individual policies	82,319	31,554	
Group policies with cash values	95	180	
Group policies without cash values	117,945	69,848	
Total gross contribution	1,685,799	1,065,220	
Less: Retakaful contribution ceded			
On individual life first year business	11,857	7,413	
On individual life second year business	6,093	4,246	
On individual life renewal business	16,316	6,032	
On group policies	35,806	23,787	
Less: Experience refund from reinsurers	(6,975)	(1,955)	
Total reinsurance premium / retakaful contribution ceded	63,097	39,523	
Net premium / contribution	1,622,702	1,025,697	
13. INVESTMENT INCOME			
Income from equity securities			
At fair value through profit and loss (Designated upon initial recognition)			
Dividend income	14,579	3,251	
Available for Sale			
Dividend income	-	-	
Income from debt securities			
At fair value through profit and loss (Designated upon initial recognition)			
Return on debt securities	49,970	87,439	
On government securities	(121,562)	(48,963)	
Held to maturity			
On government securities	157,160	45,791	
Income from term deposits			
Return on term deposits	41,527	66,021	
	141,674	153,539	

		Three months ended 31 March Unaudited	
		2021	2020
		(Rupees in '000)	
14.	NET REALISED FAIR VALUE GAINS (LOSSES) ON FINANCIAL ASSETS		
	Available for sale		
	Realised gains on:		
	- Equity securities	130,336	-
	- Government securities	-	-
	Realised losses on:		
	- Equity securities	(8,408)	-
		<u>121,928</u>	<u>-</u>
15.	NET FAIR VALUE GAINS (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNREALISED		
	Net unrealised gains/(Losses) on investments at fair value through profit or loss (designated upon initial recognition)- Equity Securities	<u>(108,447)</u>	<u>(75,309)</u>
	Total investment income	<u>(108,447)</u>	<u>(75,309)</u>
		<u>(108,447)</u>	<u>(75,309)</u>
16.	NET TAKAFUL BENEFITS		
	Gross claims		
	Claims under individual policies		
	by death	52,290	18,047
	by insured event other than death	-	-
	by maturity	-	-
	by surrender	268,181	149,329
	Total gross individual policy claims	<u>320,471</u>	<u>167,376</u>
	Claims under group policies		
	by death	71,609	29,117
	by insured event other than death	-	2,716
	by maturity	-	-
	by surrender	-	-
	Total gross group claims	<u>71,609</u>	<u>31,833</u>
	Total gross claims	392,080	199,209
	Less: Retakaful recoveries		
	On individual life claims	29,781	7,243
	On group life claims	17,757	3,132
	Total retakaful recoveries	47,538	10,375
	Net takaful benefit expense	<u>344,542</u>	<u>188,834</u>

		Aggregate	
		Three months ended	
		31 March	
		2021	2020
		(Rupees in '000)	
17 ACQUISITION EXPENSES			
Remuneration to takaful intermediaries on individual policies:			
- Commission to agent on first year contributions	240,679	161,714	
- Commission to agent on second year contributions	32,837	26,456	
- Commission to agent on subsequent renewal contributions	18,067	10,837	
- Commission to agent on single contributions	2,256	847	
- Override commission to supervisors	42,767	29,280	
- Other benefits to takaful intermediaries	166,386	141,294	
Salaries, allowances and other benefits			
Remuneration to takaful intermediaries on group policies:			
- Commission	8,428	12,402	
- Other benefits to takaful intermediaries	2,584	117	
Other acquisition costs			
- Traveling expenses	1,621	1,230	
- Printing and stationery	1,347	106	
- Depreciation	20,794	17,455	
- Rent, rates and taxes	1,021	406	
- Electricity, gas and water	2,941	3,318	
- Entertainment	2,320	1,864	
- Vehicle running expenses	224	149	
- Office repairs & maintenance	1,057	1,610	
- Postages, telegrams and telephone	2,810	1,896	
- Finance Cost	3,598	3,742	
- Others	7,410	2,910	
- Medical fees	1,040	995	
- Policy stamps	9,752	5,666	
	569,939	424,294	
18. MARKETING AND ADMINISTRATION EXPENSES			
Employee benefit cost	29,842	29,192	
Traveling expenses	1,128	1,504	
Advertisements and sales promotion	890	2,556	
Printing and stationery	6,754	2,016	
Depreciation	4,864	5,619	
Amortisation	829	646	
Rent, rates and taxes	32	46	
Legal and Professional charges	1,042	1,289	
Electricity, gas and water	1,166	1,139	
Entertainment	1,528	2,325	
Vehicle running expenses	181	48	
Office repair and maintenance	5,927	3,201	
Appointed actuary fees	549	461	
Bank charges	436	1,051	
Postage, internet and telephone	4,041	3,677	
Fees and subscription	1,622	1,544	
Annual supervision fee SECP	2,698	1,705	
Miscellaneous	10,840	4,818	
	74,369	62,837	

19. Tax for the period

	Aggregate	
	Three months ended	
	31 March	
	2021	2020
	(Rupees in '000)	
	Unaudited	
Current	-	-
Deferred	4,289	15,795
	4,289	15,795

20. RELATED PARTY TRANSACTIONS

The related parties comprise of holding company, directors, key management personnel, associated companies/associated undertakings, and entities with common directors and retirement benefit fund. Compensation of key management personnel are on employment terms. Contribution to the provident fund is in accordance with the service rules. Change to the defined contribution is in accordance with the actuarial advice. Other transactions are at agreed rates. Details of transactions with related parties during the period, other than those which have been specifically disclosed elsewhere in the financial statements are as follows:

	Three months ended	
	31 March	
	2021	2020
	(Rupees in '000)	
	Unaudited	
Transactions		
Associated companies/ Related Party		
Premium written	2	1,500
Premium paid	2,735	2,202
Claims paid	1,978	1,655
Commission paid	15,429	20,142
Interest /profit received	39,893	44,822
Investment Bought	-	-
Placement of TDR	-	-
TDR matured	-	-
Key management personnel		
Premium written	1,070	109
Employees' funds		
Contribution to provident fund	926	872
Contribution to pension fund	349	209
	31 March	31 December
	2021	2020
	(Rupees in '000)	
	Unaudited	Audited
Balances		
Bank balances	1,079,091	1,029,198
Bank deposits	800,000	800,000
Premium payable	-	-
Premium receivable	1,413	1,411
Investment in Related Party	584,789	674,000
Claims outstanding - Related party	-	-

21. SEGMENTAL INFORMATION

21.1 Revenue Account by Statutory Fund

	Family Takaful Investment Linked Business	Family Takaful Protection Business	Aggregate 31 March 2021
	(Rupees in '000)		
Income			
Contribution less retakaful	1,536,234	82,139	1,618,373
Policy transfer from other statutory funds	4,330	-	4,330
Bonus units transfer to statutory fund	-	-	-
Net investment income / wakala income	290,258	25,218	315,476
Total net income	1,830,822	107,357	1,938,179
Takaful Benefits and Expenditures			
Claims net of retakaful recoveries	290,690	53,852	344,542
Policy transfer from other statutory funds	-	-	-
Bonus units transfer to statutory fund	-	-	-
Management expenses less recoveries	760,370	37,055	797,425
Total takaful Benefits and Expenditures	1,051,060	90,907	1,141,967
Excess of income over takaful Benefits and Expenditures	779,762	16,450	796,212
Net Change in takaful Liabilities (Other than outstanding Claims)	(771,574)	(23,527)	(795,101)
Deficit before tax	8,188	(7,077)	1,111
Movement in takaful liabilities	771,574	23,527	795,101
Transfer to and from Shareholder's Fund			
Transfer of (surplus) / deficit to shareholders' fund	-	-	-
Capital contribution from share holders' fund	24,539	25,842	50,381
Net Transfer to / from shareholders' fund	24,539	25,842	50,381
Balance of statutory funds at beginning of the period	8,594,191	128,926	8,723,117
Balance of statutory funds at end of the period	9,398,492	171,218	9,569,710

	Family Takaful Investment Linked Business	Family Takaful Protection Business	Aggregate 31 March 2020
	(Rupees in '000)		
Income			
Contribution less retakaful	973,756	46,061	1,019,817
Policy transfer from other statutory funds	5,880	-	5,880
Bonus units transferred to statutory funds	-	-	-
Net investment income	156,403	29,058	185,461
Total net income	1,136,039	75,119	1,211,158
Takaful Benefits and Expenditures			
Claims net of retakaful recoveries	160,133	28,701	188,834
Policy transfer from other statutory funds	-	-	-
Bonus units transferred to statutory funds	-	-	-
Management expenses less recoveries	560,572	42,424	602,996
Total Insurance Benefits and Expenditures	720,705	71,125	791,830
Excess of income over Takaful Benefits and Expenditures	415,334	3,994	419,328
Net Change in Takaful Liabilities (Other than outstanding Claims)	(462,962)	2,042	(460,920)
Deficit before tax	(47,628)	6,036	(41,592)
Movement in takaful liabilities	462,962	(2,042)	460,920
Transfer to and from Shareholder's Fund			
Transfer of (surplus) / deficit to shareholders' fund	-	(17,132)	(17,132)
Capital contribution from share holders' fund	81,055	-	81,055
Net Transfer to/from shareholders' fund	81,055	(17,132)	63,923
Balance of statutory funds at beginning of the year	5,153,135	135,416	5,288,551
Balance of statutory funds at end of the year	5,649,524	122,278	5,771,802

FAIR VALUE

Investments on the balance sheet are carried at fair value except for investments in non unit-linked funds which are stated at lower of cost or market value and unquoted investments which are stated at cost. The Company is of the view that the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are essentially short term in nature.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

On balance sheet financial instruments

31 March 2021

	Fair Value through profit and loss designated upon initial recognition	Available for Sale	Held To Maturity	Loans and Receivables	Other financial assets	Other financial liabilities	Total	Fair value			Total
								Level 1	Level 2	Level 3	
(Rupees in '000)											
Financial assets measured at fair value											
- Investments											
Government Securities (T-bills + PIBs + Sukuks)	738,187	-	-	-	-	-	738,187	-	738,187	-	738,187
Sukuk Bonds (other than government)	1,010,545	-	-	-	-	-	1,010,545	-	1,010,545	-	1,010,545
Listed equity securities	2,677,982	-	-	-	-	-	2,677,982	2,677,982	-	-	2,677,982
Unlisted equity securities	-	-	-	-	-	-	-	-	-	-	-
Units of mutual funds	-	-	-	-	-	-	-	-	-	-	-
Debt securities (Listed TFCs)	20,000	-	-	-	-	-	20,000	20,000	-	-	20,000
Financial assets not measured at fair value											
- Government Securities (T-bills + PIBs + Sukuks)	-	-	846,151	-	-	-	846,151	-	823,605	-	823,605
- Balances with banks *	5,374,629	-	-	-	-	-	5,374,629	-	-	-	-
- Certificate of Investment	-	-	-	-	-	-	-	-	-	-	-
- Advances	-	-	-	-	-	-	-	-	-	-	-
- Investment income accrued	-	-	-	-	88,255	-	88,255	-	-	-	-
- Other loans and receivables (excluding markup accrued)*	-	-	-	-	958,642	-	958,642	-	-	-	-
	9,821,343	-	846,151	-	1,046,897	-	11,714,391	-	-	-	-
Financial liabilities not measured at fair value											
Deferred taxation	-	-	-	-	-	-	-	-	-	-	-
Premium received in advance	-	-	-	-	-	148,169	148,169	-	-	-	-
Insurance / reinsurance payables	-	-	-	-	-	56,018	56,018	-	-	-	-
Other creditors and accruals	-	-	-	-	-	1,490,966	1,490,966	-	-	-	-
	-	-	-	-	-	1,695,153	1,695,153	-	-	-	-
	9,821,343	-	846,151	-	1,046,897	(1,695,153)	10,019,238	-	-	-	-

On balance sheet financial instruments

31 December 2020

	Fair Value through profit and loss (designated upon initial recognition)	Available for Sale	Held to Maturity	Loans and Receivables	Other financial Assets	Other financial liabilities	Total	Fair value			Total
								Level 1	Level 2	Level 3	
(Rupees in '000)											
Financial assets measured at fair value											
- Investments											
Government Securities (T-bills + PIBs + Sukuks)	738,085	-	-	-	-	-	738,085	-	738,085	-	738,085
Sukuk Bonds (other than government)	1,168,366	-	-	-	-	-	1,168,366	-	1,168,366	-	1,168,366
Listed equity securities	2,503,083	-	-	-	-	-	2,503,083	2,503,083	-	-	2,503,083
Unlisted equity securities	-	-	-	-	-	-	-	-	-	-	-
Units of mutual funds	-	-	-	-	-	-	-	-	-	-	-
Debt securities (Listed TFCs)	-	-	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value											
- Government Securities (T-bills + PIBs + Sukuks)	-	-	846,753	-	-	-	846,753	-	352,518	-	352,518
- Balances with banks *	4,613,868	-	-	-	-	-	4,613,868	-	-	-	-
- Certificate of Investment	-	-	-	-	-	-	-	-	-	-	-
- Advances	-	-	-	-	-	-	-	-	-	-	-
- Investment income accrued	-	-	-	-	96,381	-	96,381	-	-	-	-
- Other loans and receivables (excluding markup accrued)*	-	-	-	-	739,106	-	739,106	-	-	-	-
	9,023,402	-	846,753	-	835,487	-	10,705,642	-	-	-	-
Financial liabilities not measured at fair value											
Deferred taxation	-	-	-	-	-	-	-	-	-	-	-
Premium received in advance	-	-	-	-	-	159,226	159,226	-	-	-	-
Insurance / reinsurance payables	-	-	-	-	-	40,459	40,459	-	-	-	-
Other creditors and accruals	-	-	-	-	-	1,374,420	1,374,420	-	-	-	-
	-	-	-	-	-	1,574,105	1,574,105	-	-	-	-
	9,023,402	-	846,753	-	835,487	(1,574,105)	9,131,537	-	-	-	-

*The Company has not disclosed the fair values for these financial assets and liabilities, as these are for short term or reprice over short term. Therefore their carrying amounts are reasonable approximation of fair value.

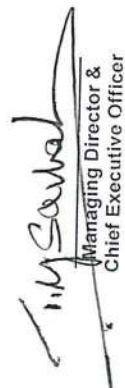
23 GENERAL

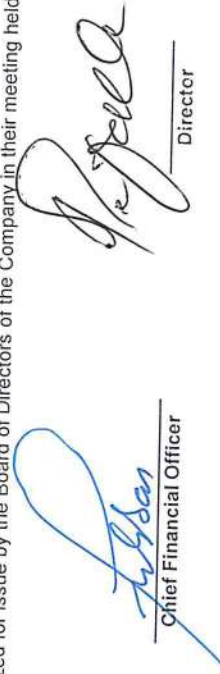
Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

Certain prior year's figures have been rearranged and reclassified, wherever necessary, to facilitate comparisons.

23.1 DATE OF AUTHORIZATION FOR ISSUE

These financial statement were authorized for issue by the Board of Directors of the Company in their meeting held on 27 April 2021.


Managing Director &
Chief Executive Officer


Chief Financial Officer


Director


Chairman