



Directors' Review, 30 June 2022

The Directors of your Company are pleased to present the Condensed Interim Financial Statements (Un-audited) for the half year ended 30 June 2022.

Your Company's gross premium income was Rs. 18.38 billion during the first half of 2022 (2021: Rs 17.38 billion), an increase of 5.7%. New individual life regular premium income was Rs. 3.31 billion (2021: Rs.3.50 billion). Renewal premium was Rs. 12.55 billion (2021: Rs.11.54 billion) an increase of 8.7%. Inclusive of renewal premium, the total individual life regular premium was Rs. 15.85 billion (2021: 15.04 billion) an increase of 5.4%. Single premium business was Rs.337 million (2021: Rs. 450 million). Group Benefits business increased by 19.2% and was Rs.2.30 billion (2021: Rs. 1.93 billion).

Your Company's total family takaful contribution was Rs. 3.96 billion (2021: 3.26 billion), a growth of 21.5%. Out of this, Rs. 3.69 billion (2021: Rs. 3.04 billion) was from Individual family takaful business (a growth of 21.5%) while Rs. 277 million (2021: Rs. 225 million) was from Group Family Takaful (a growth of 23.1%). The Company expects the Takaful line of business to continue its contribution to the overall topline during 2022.

Your Company had a Profit before Tax of Rs. 1.23 Billion (2021: Rs. 1.06 billion), an increase of 16%. However, due to imposition of additional 4% super tax under the Finance Act 2022, for the tax year 2022 & 2023, the Profit after Tax has declined compared to last half year and stands at Rs. 620 million (2021: Rs. 758 million). The Earnings per Share is Rs. 6.20 (2021: Rs. 7.58).

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 reinsurers, Munich Re and Hannover Re, for their support. Your Directors would also like to place on record their deep 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.

 Managing Director & Chief Executive Officer	 Director	 Director	 Chairman
TGS	SNZ	HAA	RRB



ممبران کو ڈائریکٹرز کی رپورٹ (۳۰ جون ۲۰۲۲ء)

آپ کی کمپنی کے ڈائریکٹرز، سال ۲۰۲۲ء کی پہلی ششماہی جو ۳۰ جون ۲۰۲۲ء کو اختتام پذیر ہوئی، کمپنی کے (غیر آڈٹ شدہ) مالیاتی گوشواروں کی مختصر مگر جامع عبوری معلومات کے ساتھ، پہلی ششماہی رپورٹ پیش کرنے میں مسرت محسوس کرتے ہیں۔

آپ کی کمپنی کی مجموعی پرمیٹیم آمدنی ۲۰۲۲ء کی پہلی ششماہی کے دوران 18.38 بلین روپے (۲۰۲۱ء: 17.38 بلین روپے) رہی اور 5.7 فیصد کا اضافہ ہوا۔ نئی انفرادی لائف ریگولر پرمیٹیم آمدنی 3.31 بلین روپے (۲۰۲۱ء: 3.50 بلین روپے) رہی۔ تجدیدی پرمیٹیم 12.55 بلین روپے (۲۰۲۱ء: 11.54 بلین روپے) رہا اور 8.7 فیصد کا اضافہ ہوا۔ تجدیدی پرمیٹیم کے ساتھ مجموعی انفرادی لائف ریگولر پرمیٹیم 15.85 بلین روپے (۲۰۲۱ء: 15.04 بلین روپے) رہا اور 5.4 فیصد کا اضافہ ہوا۔ سنگل پرمیٹیم برنس 337 بلین روپے تھا۔ (۲۰۲۱ء: 450 بلین روپے)۔ گروپ نیٹس برنس 19.2 فیصد تک بڑھ گیا اور 2.30 بلین روپے (۲۰۲۱ء: 1.93 بلین روپے)۔

آپ کی کمپنی کا مجموعی فیملی ٹکافل کنٹری بیوشن 3.96 بلین روپے رہا (۲۰۲۱ء: 3.26 بلین روپے) اور 21.5 فیصد کی شرح نمو حاصل ہوئی۔ اس کے علاوہ انفرادی فیملی ٹکافل برنس سے 3.69 بلین روپے (۲۰۲۱ء: 3.04 بلین روپے) (21.5 فیصد کی شرح نمو) جبکہ گروپ فیملی ٹکافل سے 277 بلین روپے (۲۰۲۱ء: 225 بلین روپے) حاصل ہوئے (23.1 فیصد کی شرح نمو)۔ کمپنی توقع کرتی ہے کہ کاروبار کا ٹکافل شعبہ ۲۰۲۲ء میں مجموعی ٹاپ لائن کی زرخشاں کا سلسلہ جاری رکھے گا۔

آپ کی کمپنی نے 1.23 بلین روپے کا منافع قبل از ٹیکس حاصل کیا (۲۰۲۱ء: 1.06 بلین روپے) اور 16 فیصد کا اضافہ ہوا۔ ہم فنانس ایکٹ، ۲۰۲۲ء کے تحت اضافی 4 فیصد پیر ٹیکس برائے سال ۲۰۲۲ء اور ۲۰۲۳ء لاگو کئے جانے کے باعث منافع بعد از ٹیکس گزشتہ ششماہی کے مقابلے میں کم ہو گیا اور 620 بلین روپے پر موجود تھا (۲۰۲۱ء: 758 بلین روپے)۔ آمدنی فی شیئر 6.20 روپے رہی (۲۰۲۱ء: 7.58 روپے)۔


عبوری منافع منقسمہ

ڈائریکٹرز بمسرت 1.50 روپے فی شیئر یعنی 15 فیصد کے عبوری منافع منقسمہ کا اعلان کر رہے ہیں۔

ہم اپنے معزز صارفین کا ان کی مستقل سرپرستی اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کا ان کی رہنمائی اور ہمارے مرکزی ری انشورر میونخ ری اور جین اوروری کا ان کی معاونت کیلئے شکریہ ادا کرتے ہیں۔ آپ کے ڈائریکٹرز اپنے افسران، تمام ڈسٹری بیوشن چینلز اور اسٹاف کی جانب سے لگی کاوشوں اور جدوجہد پر تہہ دل سے ان کو خراج تحسین پیش کرتے ہیں جنہوں نے کمپنی کی ڈیولپمنٹ، فروغ اور مستقل کامیابی میں اپنا بھرپور کردار ادا کیا ہے۔


چیرمین
RRB


ڈائریکٹر
HAA


ڈائریکٹر
SHZ


مینیجنگ ڈائریکٹر و چیف ایگزیکٹو
TGS

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of EFU Life Assurance Limited

Report on review of Condensed Interim Financial Statements

Introduction

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

Scope of review

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

Conclusion

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

[Signature]



Building a better
working world

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Emphasis of matter

We draw attention to note 14.2 to the condensed interim financial statements, which describes that the Company has challenged the scope and applicability of provincial sales tax on services on premium from the life insurance business in provincial High Courts.

Our conclusion is not modified in respect of above matter

Other matter

The condensed interim financial statements for the half year ended 30 June 2021 and the annual financial statements of the Company for the year ended 31 December 2021 were reviewed and audited respectively by another firm of Chartered Accountants, whose review report dated 26 August 2021 and audit report dated 01 March 2022, expressed an unmodified conclusion and an unmodified opinion respectively, on the aforementioned financial statements.

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

Chartered Accountants

Date: 24 August 2022

Karachi

UDIN: RR202210191ERHPkoSt5

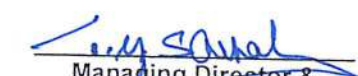
EFU LIFE ASSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022


		Aggregate	
	Note	30 June 2022	31 December 2021
		----- (Rupees in '000) -----	
Assets			
Properties and equipments	5	2,398,640	2,494,333
Right of use assets	5	572,249	569,603
Intangible assets		10,462	18,376
Investments			
Equity securities	6	26,023,425	31,864,098
Government securities	7	98,637,930	87,322,252
Debt securities	8	7,197,325	5,884,825
Term deposits	9	20,696,429	24,376,429
Open-ended mutual funds	10	371,993	1,454,576
Insurance / reinsurance receivables		604,692	457,120
Other loans and receivables		4,038,537	2,706,179
Taxation - payments less provision		1,176,730	1,289,170
Prepayments		197,244	134,869
Cash and bank	11	4,114,015	4,608,125
Total Assets		<u>166,039,671</u>	<u>163,179,955</u>
Equity and Liabilities			
Authorised share capital			
[150,000,000 ordinary shares (2022: 150,000,000) of Rs.10 each]		<u>1,500,000</u>	<u>1,500,000</u>
Ordinary share capital			
[100,000,000 ordinary shares (2021:100,000,000) 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	2,055,462	2,100,521
General reserves		1,980,000	2,100,000
Surplus on revaluation of available for sale investments - net of tax		27,694	33,404
Unappropriated profit		529,805	944,454
Total Equity		<u>5,592,961</u>	<u>6,178,379</u>
Liabilities			
Insurance liabilities	13	155,560,615	151,757,625
Deferred taxation		1,004,326	884,797
Premium received in advance		1,291,804	1,148,292
Insurance / reinsurance payables		388,297	76,238
Lease liabilities		666,134	649,581
Other creditors and accruals		1,535,534	2,485,043
		<u>4,886,095</u>	<u>5,243,951</u>
Total Liabilities		<u>160,446,710</u>	<u>157,001,576</u>
Total Equity and Liabilities		<u>166,039,671</u>	<u>163,179,955</u>
Contingency(ies) and commitment(s)			


Contingency(ies) and commitment(s)

14


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


 Managing Director &
 Chief Executive Officer
 TOS


 Chief Financial Officer


 Director
 SNZ


 Director
 HAA


 Chairman
 ERB



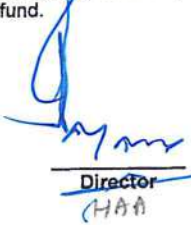

EFU LIFE ASSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

Note	Aggregate		Aggregate	
	Six months period ended 30 June		Three months period ended 30 June	
	2022	2021	2022	2021
	(Rupees in '000)		(Rupees in '000)	
Premium / contribution revenue	18,379,681	17,381,258	8,734,702	8,266,867
Premium / retakaful ceded to reinsurers	(617,736)	(684,959)	(188,705)	(297,740)
Net premium / contribution revenue	17,761,945	16,696,299	8,545,997	7,969,127
Investment income	8,145,478	5,659,018	4,348,900	2,878,974
Net realised fair value gains on financial assets	(716,503)	2,170,713	(973,856)	1,215,082
Net fair value (losses) on financial assets at fair value through profit or loss	(2,693,787)	(1,267,998)	(1,546,917)	(69,785)
Other income	38,753	43,692	20,920	19,147
	4,773,941	6,605,425	1,849,047	4,043,418
Net income	22,535,886	23,301,724	10,395,044	12,012,545
Insurance benefits	13,128,194	12,006,935	6,894,005	5,873,174
Recoveries from reinsurers	(358,029)	(502,272)	(167,956)	(246,178)
Claims related expenses	4,233	7,498	3,206	5,048
Net insurance benefits	12,774,398	11,512,161	6,729,255	5,632,044
Net change in insurance liabilities (other than outstanding claims)	3,619,567	6,003,355	635,030	3,535,043
Acquisition expenses	3,711,352	3,692,639	1,795,829	1,833,422
Marketing and administration expenses	1,179,826	1,008,220	630,306	503,170
Other expenses	23,111	22,467	17,779	16,378
Total expenses	8,533,856	10,726,681	3,078,944	5,888,013
Profit before tax (Refer note below)	1,227,632	1,062,882	586,845	492,488
Income tax expense	(607,340)	(304,385)	(422,294)	(141,945)
Profit after tax for the period	620,292	758,497	164,551	350,543
	(Rupees)			
Earnings per share - Rupees	6.20	7.58	1.65	3.51

The annexed notes 1 to 30 form an integral part of these condensed interim 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. 1,146 million (2021: Rs.876 million), please refer to note 26, relating to segmental information - revenue account by statutory fund.

Managing Director &
 Chief Executive Officer
 TOS

Chief Financial Officer

Director
 SHZ

Director
 HAA






Chairman
 RRB

EFU LIFE ASSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

	Six months period ended 30 June		Three months period ended 30 June		Aggregate 31 March	
	2022	2021	2022	2021	2022	2021
(Rupees in '000)						
Profit after tax for the period- as per statement of profit and loss account	620,292	758,497	164,551	350,543	455,741	407,954
Other comprehensive income:						
<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>						
Change in unrealised gains / (losses) on available-for-sale financial assets	(8,523)	6,305	(22,035)	13,518	13,512	(7,213)
Reclassification adjustment relating to available-for-sale investments sold during the period	-	-	-	-	-	-
	(8,523)	6,305	(22,035)	13,518	13,512	(7,213)
Related deferred tax	2,813	(1,828)	4,603	(3,920)	(1,790)	2,092
Other comprehensive loss for the period - net of tax	(5,710)	4,477	(17,432)	9,598	11,722	(5,121)
Total comprehensive income for the period	614,582	762,974	147,119	360,141	467,463	402,833

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

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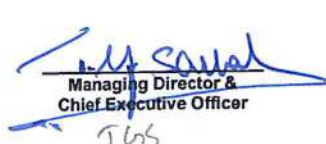
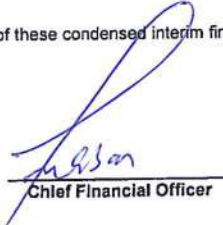



 Managing Director & Chief Executive Officer TUS	 Chief Financial Officer	 Director SMZ	 Director HAA	 Chairman RRB
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EFU LIFE ASSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

	Attributable to the equity holders' of the Company					Total
	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	
	(Rupees in '000)					
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 30 June 2021						
Income for the period ended 30 June 2021	-	-	100,344	-	658,153	758,497
Capital contribution transferred to policyholder liability	-	-	(27,398)	-	-	(27,398)
Other comprehensive loss	-	-	-	4,477	-	4,477
Total income / (loss) for the period ended 30 June 2021	-	-	72,946	4,477	658,153	735,576
Contribution to increase solvency margin	-	-	40,225	-	(40,225)	-
Transfer to General Reserve	-	100,000	-	-	(100,000)	-
Transactions with shareholders						
Dividend for the year ended 31 December 2020	-	-	-	-	(1,050,000)	(1,050,000)
Interim Dividend - 1st Quarter 2021	-	-	-	-	(150,000)	(150,000)
	-	-	-	-	(1,200,000)	(1,200,000)
Balance as at 30 June 2021	1,000,000	2,100,000	2,086,507	42,788	481,370	5,710,665
Balance as at 1 January 2022	1,000,000	2,100,000	2,100,521	33,404	944,454	6,178,379
Comprehensive income for the period ended 30 June 2022						
Income for the period ended 30 June 2022	-	-	(82,363)	-	702,655	620,292
Other comprehensive income	-	-	-	(5,710)	-	(5,710)
Total income for the period ended 30 June 2022	-	-	(82,363)	(5,710)	702,655	614,582
Contribution to increase solvency margin	-	-	37,304	-	(37,304)	-
Transfer to general reserve	-	(120,000)	-	-	120,000	-
Transactions with shareholders						
Dividend for the year ended 31 December 2021	-	-	-	-	(1,050,000)	(1,050,000)
Interim Dividend - 1st Quarter 2022	-	-	-	-	(150,000)	(150,000)
	-	-	-	-	(1,200,000)	(1,200,000)
Balance as at 30 June 2022	1,000,000	1,980,000	2,055,462	27,694	529,805	5,592,961

*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.

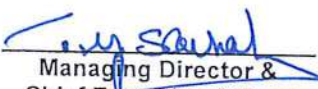
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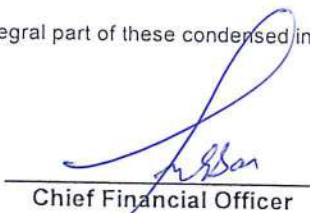
 Managing Director & Chief Executive Officer TWS	 Chief Financial Officer	 Director SNZ	 Director HAA	 Chairman RRB
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EFU LIFE ASSURANCE LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

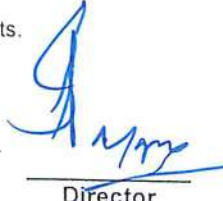
	30 June	
Note	2022	2021
	(Rupees in '000)	
Operating cash flows		
a) Underwriting activities		
Insurance premium / contribution received	18,564,364	17,451,940
Reinsurance premium / retakaful contribution paid	(23,304)	(738,346)
Claims paid	(13,057,839)	(12,010,464)
Reinsurance and other recoveries received	-	502,271
Commission paid	(2,436,601)	(2,624,814)
Marketing and administrative expenses paid	(1,179,826)	(1,008,220)
Other acquisition cost paid	(2,320,520)	(1,564,532)
Net cash flow from underwriting activities	(453,726)	7,835
b) Other operating activities		
Income tax paid	(372,561)	(109,552)
Other operating payments	(529,985)	22,968
Loans advanced	(44,747)	(61,175)
Loans repayments received	106,833	40,629
Net cash flow from other operating activities	(840,460)	(107,130)
Total cash flow from all operating activities	(1,294,186)	(99,295)
Investment activities		
Profit / return received	5,964,026	4,437,206
Dividends received	1,365,351	937,963
Payments for investments	(17,537,478)	(49,786,437)
Proceed from disposal of investments	8,669,565	48,515,627
Fixed capital expenditure	(83,188)	(300,058)
Proceeds from sale of property and equipment	27,814	53,876
Total cash flow from investing activities	(1,593,910)	3,858,177
Financing activities		
Dividends paid	(1,200,000)	(1,200,000)
Payment against lease liability	(86,014)	(74,176)
Total cash flow from financing activities	(1,286,014)	(1,274,176)
Net cash flow from all activities	(4,174,110)	2,484,706
Cash and cash equivalents at beginning of the period	28,984,554	24,397,091
Cash and cash equivalents at end of the period	11.2 24,810,444	26,881,797
Reconciliation to statement of profit and loss account		
Operating cash flows	(1,294,186)	(99,295)
Depreciation expense	(163,097)	(161,232)
Depreciation on right of use assets	(74,598)	(68,897)
Amortization expense	(7,914)	(11,190)
Profit on disposal of property and equipment	12,031	22,589
Other revenue	14,567	10,479
Profit on lease termination	3,154	2,444
Finance cost on lease liabilities	(28,477)	(25,156)
Profit on disposal of investments	(716,503)	2,170,713
Dividend income	1,359,929	930,366
Other investment income	6,962,301	4,659,243
(Depreciation) in market value of investments	(2,418,171)	(875,166)
(Provision) of impairment in the value of available for sale equity investments	(19,792)	7,048
Increase in assets other than cash	150,563	(94,267)
Increase in liabilities	(3,159,515)	(5,709,182)
Profit after tax for the period	620,292	758,497

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


**Managing Director &
 Chief Executive Officer**
 TGS


Chief Financial Officer


Director
 SHZ


Director
 HAA


Chairman
 RRP

EFU LIFE ASSURANCE LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

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 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 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)) 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.

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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 Standard (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, 2021.

2.3 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except for certain 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 thousand.

2.5 Standards, Interpretations and Amendments effective in 2022

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

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2.6 Standards, Interpretations and amendments not effective at year end

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
Classification of liabilities as current or non-current - Amendment to IAS 1	1-Jan-23
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	1-Jan-23
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement	1-Jan-23
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	1-Jan-23

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 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 recognised 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 Organization. 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.

Change in assumptions

Conventional business / Family takaful protection business

Expected Loss Ratio (ELR) assumptions being used for IBNR claim reserve pertaining to conventional group life and family takaful protection business have been revised to provide for possible increase in incidence and delay in reporting of claims. Further, for family takaful protection business, the methodology for second last quarter have been moved from ELR to Chain ladder (CL). In addition, a premium / contribution deficiency reserve is no longer deemed necessary.

5 Properties and Equipments

	30 June 2022 Unaudited	31 December 2021 Audited
	----- (Rupees in '000) -----	
Operating assets	2,398,640	2,494,333
Right of use asset	572,249	569,603
	<u>2,970,889</u>	<u>3,063,936</u>

5.1 Details of additions and disposals during the Six months period ended 30 June 2022 are as follows:

	Six months ended - Unaudited			
	30 June 2022		30 June 2021	
	Additions	Disposals	Additions	Disposals
	Rupees in '000			
Furniture, fixture and fittings	7,344	-	5,957	-
Office equipment	7,261	175	8,329	576
Computer equipment	43,390	90	144,429	3,605
Motor Vehicle	9,778	36,239	118,006	60,858
Lease hold Improvements	15,415	-	22,793	-
	<u>83,188</u>	<u>36,504</u>	<u>299,514</u>	<u>65,039</u>

5.2 The market value of land and building is estimated at Rs. 4,183 million. The valuations have been carried out by independent valuer.

6 INVESTMENTS IN EQUITY SECURITIES

	Note	30 June 2022 (Unaudited)	31 December 2021 (Audited)
		----- (Rupees in '000) -----	
Available for sale	6.1	169,057	199,711
At fair value through profit or loss (Designated - upon initial recognition)	6.2	25,854,368	31,664,387
		<u>26,023,425</u>	<u>31,864,098</u>

	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost	Impairment / (provision)	Carrying value	Cost	Impairment / (provision)	Carrying value
	----- (Rupees in '000) -----					
6.1 Available for sale						
Related parties						
Listed shares	204,222	(172,987)	31,235	204,222	(166,433)	37,789
Others						
Listed shares	140,657	(30,076)	110,581	146,351	(28,110)	118,241
Unlisted shares	508	-	508	16,008	-	508
Surplus on revaluation	-	-	26,733	-	-	43,173
	<u>345,387</u>	<u>(203,063)</u>	<u>169,057</u>	<u>366,581</u>	<u>(194,543)</u>	<u>199,711</u>

	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost	Impairment / (provision)	Carrying value	Cost	Impairment / (provision)	Carrying value
	(Rupees in '000)					
6.2 Fair value through profit or loss (Designated - upon initial recognition)						
Related parties						
Listed shares	476,556	-	603,958	480,640	-	596,852
Unlisted shares	-	-	-	-	-	-
Others						
Listed shares	27,992,602	-	25,250,410	31,623,510	-	31,067,535
	<u>28,469,158</u>	<u>-</u>	<u>25,854,368</u>	<u>32,104,150</u>	<u>-</u>	<u>31,664,387</u>

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
	(Rupees in '000)	
6.3 Reconciliation of provision for impairment		
Balance at the beginning of the period	194,543	219,904
Provision / (reversal) for impairment on available for sale investments	8,520	(25,361)
Balance at the end of the period	<u>203,063</u>	<u>194,543</u>
	30 June 2022 (Unaudited)	31 December 2021 (Audited)
	(Rupees in '000)	
Note		

7 GOVERNMENT SECURITIES

Held to maturity	7.1	8,262,830	7,903,248
Fair value through profit or loss (Designated - upon initial recognition)	7.2	90,375,100	79,419,004
		<u>98,637,930</u>	<u>87,322,252</u>

12

7.1 Held to maturity

02 years Pakistan investment bond
 02 years Pakistan investment bond
 03 years Pakistan investment bond
 03 years Pakistan investment bond
 10 years Pakistan investment bond
 20 years Pakistan investment bond
 03 months treasury bills
 06 months treasury bills
 03 years government ijara
 10 Years Pakistan Energy Sukuk I
 10 Years Pakistan Energy Sukuk II

30 June 2022 (Unaudited)				
Maturity year	Effective yield	Amortised cost	Principal repayment	Carrying value
	%		(Rupees in '000)	
2023	7.64	248,922	250,000	248,922
2022	9.25	49,959	50,000	49,959
2023	7.64	2,563,004	2,575,000	2,563,004
2022	11.42	3,820,429	3,835,000	3,820,429
2028	11.62	12,483	15,000	12,483
2024	12.36	53,927	53,700	53,927
2022	13.94	331,209	335,000	331,209
2022	12.13	248,163	250,000	248,163
2025	11.70	290,287	289,628	290,287
2029	8.05	191,940	197,160	191,940
2030	7.25	452,507	452,700	452,507
		<u>8,262,830</u>	<u>8,303,188</u>	<u>8,262,830</u>

Held to maturity

2 years Pakistan investment bond
 03 years Pakistan investment bond
 03 years Pakistan investment bond
 10 years Pakistan investment bond
 20 years Pakistan investment bond
 06 months treasury bills
 03 years government ijara
 10 Years Pakistan Energy Sukuk I
 10 Years Pakistan Energy Sukuk II

31 December 2021 (Audited)				
Maturity year	Effective yield	Amortised cost	Principal repayment	Carrying value
	%		(Rupees in '000)	
2023	9.25	298,908	300,000	298,908
2022	11.42	3,795,519	3,835,000	3,795,519
2023	7.64	2,559,207	2,575,000	2,559,207
2028	11.62	12,348	15,000	12,348
2024	12.36	53,980	53,700	53,980
2022	11	248,040	250,000	248,040
2025	6.27	290,101	289,628	290,101
2029	8.05	193,004	197,160	193,004
2030	7.25	452,141	452,700	452,141
		<u>7,903,248</u>	<u>7,968,188</u>	<u>7,903,248</u>

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

30 June 2022 (Unaudited)					
Maturity year	Effective yield %	Amortized cost	Principal repayment	Carrying value	
			(Rupees in '000)		
03 years Pakistan investment bond	2022	11.62	27,595,705	27,656,500	27,309,704
03 years Pakistan investment bond	2023	7.64	37,563,422	37,737,000	37,435,104
02 years Pakistan investment bond	2023	11.08	248,278	250,000	247,800
02 years Pakistan investment bond	2023	9.25	4,729,762	4,750,000	4,717,225
05 years Pakistan investment bond	2023	11.46	1,184,482	1,206,000	1,124,346
03 years Pakistan investment bond	2023	7.54	1,126,665	1,125,000	1,127,137
10 years Pakistan investment bond	2024	11.62	2,099,904	2,100,000	2,097,558
03 years Pakistan investment bond	2024	8.64	1,361,076	1,375,000	1,350,250
03 years Pakistan investment bond	2024	7.64	3,145,768	3,400,000	2,990,862
20 years Pakistan investment bond	2024	12.36	390,303	392,000	366,942
10 years Pakistan investment bond	2025	11.62	100,965	100,000	96,860
05 years Pakistan investment bond	2025	11.46	113,792	125,000	106,089
05 years Pakistan investment bond	2026	8.80	492,527	500,000	491,600
10 years Pakistan investment bond	2029	11.62	117,139	125,000	108,247
06 months treasury bills	2022	7.46	597,728	600,000	597,139
03 months treasury bills	2022	11.75	3,110,271	3,764,400	3,111,045
03 years government ijara sukuk	2025	12.14	6,391,440	6,395,241	6,217,192
10 years Pakistan energy sukuk I	2029	8.05	937,448	963,159	830,000
10 years Pakistan energy sukuk II	2030	7.25	50,208	50,300	50,000
			91,356,883	92,614,600	90,375,100

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

31 December 2021 (Audited)					
Maturity year	Effective yield %	Amortized cost	Principal repayment	Carrying value	
			(Rupees in '000)		
02 years Pakistan investment bond	2023	11.08	247,788	250,000	247,800
03 years Pakistan investment bond	2023	9.25	4,722,580	4,750,000	4,718,175
03 years Pakistan investment bond	2022	11.42	25,048,546	25,156,500	24,757,107
03 years Pakistan investment bond	2023	8.64	1,358,559	1,375,000	1,354,650
03 years Pakistan investment bond	2023	7.64	38,637,263	38,862,000	38,525,578
05 years Pakistan investment bond	2023	11.46	1,174,950	1,206,000	1,150,283
05 years Pakistan investment bond	2026	8.8	491,890	500,000	490,200
10 years Pakistan investment bond	2022	11.62	2,105,442	2,100,000	2,107,261
10 years Pakistan investment bond	2024	11.62	101,172	100,000	101,307
10 years Pakistan investment bond	2029	11.62	116,797	125,000	115,302
20 years Pakistan investment bond	2024	12.36	389,782	392,000	381,082
06 months treasury bills	2022	7.46	236,834	250,000	236,804
03 years government ijara sukuk	2025	5.95	4,391,465	4,389,744	4,353,455
10 years Pakistan energy sukuk I	2029	8.05	942,752	963,159	830,000
10 years Pakistan energy sukuk II	2030	7.25	50,238	50,300	50,000
			80,016,058	80,469,703	79,419,004

8 INVESTMENT IN DEBT SECURITIES

Note	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	----- (Rupees in '000) -----					
8.1	3,835,328	-	3,835,328	2,992,793	-	2,992,793
8.2 & 8.5	2,536,239	(37,500)	2,498,739	2,519,532	(37,500)	2,482,032
8.3	-	-	-	-	-	-
8.4	863,258	-	863,258	410,000	-	410,000
	<u>7,234,825</u>	<u>(37,500)</u>	<u>7,197,325</u>	<u>5,922,325</u>	<u>(37,500)</u>	<u>5,884,825</u>
	<u>No. of Certificates</u>			<u>Carrying Amount</u>		
	30 June	31 December	Face	30 June	31 December	
<u>Maturity</u>	<u>2022</u>	<u>2021</u>	<u>value</u>	<u>2022</u>	<u>2021</u>	
	----- (Rupees in '000) -----					

8.1 Term finance certificates

Fair value through profit or loss

Others

Bank Alfalah	2024	100,000	100,000	500	458,636	464,463
TPL Trakker	2026	25	25	838	20,938	23,729
Bank Al Habib Limited	2028	20,000	20,000	5	104,254	103,600
Khushhali Microfinance Bank	2032	1,500	-	100	150,000	-
Bank of Punjab	Perpetual	5,000	-	100	500,000	-
Bank Al Habib	Perpetual	40,000	40,000	5	200,000	200,000
United Bank Limited	Perpetual	250,000	250,000	5	1,250,000	1,250,000
Soneri Bank Limited	Perpetual	10,000	10,000	5	50,000	50,000
Habib Bank Limited	Perpetual	2,000	2,000	100	200,000	200,000
Bank Alfalah	Perpetual	20,000	20,000	5	100,000	100,000
Askari Bank Limited	Perpetual	100	100	1,000	101,500	101,000
Bank Al Habib Limited	Perpetual	200	-	1,000	200,000	-
Askari Bank Limited	Perpetual	450	450	1,000	450,000	450,000
					<u>3,785,328</u>	<u>2,942,792</u>
Held to maturity						
Askari Bank Limited	Perpetual	50	50	1,000	50,000	50,000
					<u>3,835,328</u>	<u>2,992,792</u>

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		No. of Certificates		Face value	Carrying Amount		
		30 June 2022	31 December 2021		30 June 2022	31 December 2021	
		Maturity			(Rupees in '000)		
8.2	Corporate sukuku						
	Fair value through profit or loss						
	Others						
	Hascol Petroleum Limited *	2022	30,000	30,000	3	37,500	37,500
	Byco Petroleum Pakistan Limited	2023	1,000	1,000	100	25,470	8,404
	HUBCO	2023	3,500	3,500	100	276,176	362,651
	Pakistan Services Limited	2024	250	250	1,000	230,562	230,562
	Engro Polymer and Chemicals Limited	2026	2,050	2,050	100	219,350	220,591
	Neelum Jhelum Hydropower Company Limited	2026	12,500	12,500	100	586,866	721,806
	Meezan Bank Limited	Perpetual	500	500	1,000	500,000	500,000
	Dubai Islamic Bank Pakistan Limited	Perpetual	20,000	20,000	5	100,000	100,000
	Related Parties						
	K-Electric Limited	2022	352,233	352,233	5	400,000	177,703
	BankIslami Pakistan Limited	Perpetual	28,063	28,063	5	140,315	140,315
						2,516,239	2,499,532
	Held to maturity						
	Engro Polymer and Chemicals Limited	2026	200	200	100	20,000	20,000
						20,000	20,000
						2,536,239	2,519,532
8.3	Commercial paper		-	-	-	-	-
8.4	Certificates of investment						
	Pak Kuwait Investment Company	2022	1	1	400,000	400,000	150,000
	First Habib Modarba Private Limited	2022	0	1	412,000	412,000	210,000
	Pak Oman Company Limited	2022	0	1	51,258	51,258	50,000
						863,258	410,000
8.5	*Reconciliation of provision						
	Balance at the beginning of the year					-	-
	Provision for impairment in the value of investment					37,500	37,500
	Balance at the end of the year					37,500	37,500

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			30 June 2022 (Unaudited)	31 December 2021 (Audited)	
			----- (Rupees in '000) -----		
9	INVESTMENTS IN TERM DEPOSITS				
	Deposits maturing within 3 months		20,696,429	24,376,429	
		Note	30 June 2022 (Unaudited)	31 December 2021 (Audited)	
			----- (Rupees in '000) -----		
10	INVESTMENT IN OPEN ENDED MUTUAL FUNDS				
	At fair value through profit or loss (Designated - upon initial recognition)	10.1	229,528	1,326,134	
	Available for sale	10.2	142,465	128,442	
			371,993	1,454,576	
			30 June 2022	31 December 2021	
			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		1,247 - 1,037	1,247 - 1,136	
	Others				
	Mutual funds		225,928 - 228,491	1,174,048 - 1,324,998	
			227,175 - 229,528	1,175,295 - 1,326,134	
10.2	Available for sale				
	Related parties				
	Mutual funds		523 - 523	523 - 523	
	Others				
	Mutual funds		160,862 (29,801) 131,061	127,075 (18,544) 108,531	
	Surplus on revaluation		- - 10,881	- - 19,388	
			161,385 (29,801) 142,465	127,598 (18,544) 128,442	
			30 June 2022 (Unaudited)	31 December 2021 (Audited)	
			----- (Rupees in '000) -----		
Reconciliation of provision for impairment					
Balance at the beginning of the period			18,544	10,754	
Provision / (Reversal) for impairment on available for sale investments			11,257	7,790	
Balance at the end of the period			29,801	18,544	

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Note	30 June 2022 (Unaudited)	31 December 2021 (Audited)
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
11 CASH AND BANK		
Cash and cash equivalent		
Cash in hand	1,854	173
Policy & revenue stamps	2,670	2,707
Cash at bank		
Current account	1,283,062	1,161,538
Savings account	2,826,429	3,443,707
	<u>4,114,015</u>	<u>4,608,125</u>
	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
11.2 Cash and cash equivalents for cash flow purpose comprise of the following:		
Cash and others	4,524	3,683
Cash at bank	4,109,491	4,948,685
Term deposits maturing within three months	20,696,429	21,929,429
	<u>24,810,444</u>	<u>26,881,797</u>
	30 June 2022 (Unaudited)	31 December 2021 (Audited)
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
12 RETAINED EARNINGS ARISING FROM BUSINESS OTHER THAN PARTICIPATING BUSINESS ATTRIBUTABLE TO SHAREHOLDERS (LEDGER ACCOUNT D)		
Opening balance	2,845,112	2,647,743
Contribution to / (Withdrawal from) solvency margin	37,304	(47,241)
Change in solvency margin through statement of profit and loss account	30,358	244,610
	<u>2,912,774</u>	<u>2,845,112</u>
Related deferred tax liability on:		
Opening balance	(744,591)	(674,407)
Charge to statement of profit and loss account	(112,721)	(70,184)
Closing balance	(857,312)	(744,591)
Net of tax	<u>2,055,462</u>	<u>2,100,521</u>
13 INSURANCE LIABILITIES		
Reported outstanding claims	13.1 3,576,507	3,378,978
Incurred but not reported claims	13.2 978,170	880,319
Investment component of unit-linked and account value policies	13.3 149,066,527	145,791,909
Liabilities under individual conventional insurance contracts	13.4 978,607	989,072
Liabilities under group insurance contracts (other than investment linked)	13.5 542,284	415,452
Participant takaful fund balance	13.6 418,520	301,895
	<u>155,560,615</u>	<u>151,757,625</u>

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
	----- (Rupees in '000) -----	
13.1 Reported outstanding claims		
Gross of reinsurance		
Payable within one year	3,056,881	2,873,458
Payable over a period of time exceeding one year	893,224	887,283
	<u>3,950,105</u>	<u>3,760,741</u>
Recoverable from reinsurers		
Receivable over a period of time exceeding one year	(373,598)	(381,763)
Net reported outstanding claims	<u>3,576,507</u>	<u>3,378,978</u>
13.2 Incurred but not reported claims		
Gross of reinsurance	1,165,230	1,054,712
Reinsurance recoveries	(187,060)	(174,393)
Net of reinsurance	<u>978,170</u>	<u>880,319</u>
13.3 Investment component of unit linked and account value policies		
Investment component of unit linked policies	149,066,527	145,791,909
Investment component of account value policies	-	-
	<u>149,066,527</u>	<u>145,791,909</u>
13.4 Liabilities under individual conventional insurance contracts		
Gross of reinsurance	1,197,929	1,197,514
Reinsurance credit	(219,322)	(208,442)
Net of reinsurance	<u>978,607</u>	<u>989,072</u>
13.5 Liabilities under group insurance contracts (other than investment linked)		
Gross of reinsurance	790,528	532,869
Reinsurance credit	(248,244)	(117,417)
Net of reinsurance	<u>542,284</u>	<u>415,452</u>
13.6 Participant takaful fund balance	<u>418,520</u>	<u>301,895</u>



14 CONTINGENCIES AND COMMITMENTS

- 14.1 The Income tax assessment of the Company for tax year 2021 has been 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 decided the case in Company's favour. Subsequent to it, the department has filed review application against the order in Honourable Court of Sindh. The decision is still pending. The Company expects a favourable decision.

In 2015 and 2016, The Searle Company Limited (Searle) issued bonus shares (76,031 shares and 342,480 shares respectively) after withholding 5 percent of bonus shares (3,802 shares and 17,124 shares respectively) and the IBL Healthcare Limited issued bonus shares (46,625 shares and 80,311 shares respectively) after withholding 5 percent of bonus shares (2,331 shares and 4,016 shares respectively). In this regard, a constitutional petition had been filed by Searle in Sindh High Court challenging the applicability of withholding tax provision on bonus shares received by the Company. The honorable high court decided the case against Searle. Subsequently, Searle filed an appeal with a larger bench of the Sindh High Court and in response the Sindh High Court has suspended the earlier judgment until the next date of hearing, which has not yet been decided. The 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 SRB through notification no. SRB-3-4/17/2021 dated 30th June 2021 has revoked its previous exemption of life insurance, granted through SRB-3-4/5/2019 dated 8th May 2019, which is now taxable at a rate of 3%. However, exemption for health insurance has been extended till 30 June 2023.

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

- Substantiating the Company's view that insurance is not a service, but in fact, in sum and substance, a contingent contract under which payment is made on the occurrence of an event, specified in the terms of contract or policy;
- A question of constitutionality arose on the levy of provincial sales tax on life insurance, which in their view, was a Federal subject, since the Federation has retained a legislative mandate over all laws relating to insurance under Entry 29 of the said List, therefore, only the Federation is entitled to levy any tax in relation to insurance business; and
- Without prejudice to the main contentions as stated above, even otherwise, the legal advisors had expressed a further illegality that there is a critical flaw in the context of the manner in which the entire premium payment has been charged to the levy of provincial sales tax. Even the component of the premium which is to form part of a policyholder's investment account is subjected to the levy.

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

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

SRB through notification no. SRB-3-4/13/2020 dated 22 June 2020 exempted the life insurance services conditionally from 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

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

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

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

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 to its customers. The amount of sales tax involved is around Rs. 2,045 million (2021: Rs. 1,815.81 million) computed on the basis of risk based premium excluding the investment amount allocated to unit linked policies. The management contends that in case the administrative efforts fail, the amount will be charged to the policyholders.

- 14.3 Bank guarantees amounting to Rs. 56.97 million have been given in respect of Group Life coverage. These bank guarantees will expire on 30 December 2023.
- 14.4 There were no capital commitments at the period end.



	Aggregate (Unaudited)		Aggregate (Audited)	
	Six months ended		Three months ended	
	30 June		30 June	
	2022	2021	2022	2021
	(Rupees in '000)			
15 NET INSURANCE PREMIUM / CONTRIBUTION REVENUE				
Gross premium / contribution				
Regular premium / contribution individual policies				
First year	3,305,071	3,497,528	1,789,418	1,857,467
Second year renewal	2,567,273	1,970,262	1,248,769	739,994
Subsequent year renewal	9,978,934	9,570,561	4,602,049	4,536,582
Single premium / contribution individual policies	336,535	449,982	184,577	253,161
Group policies with cash values	12,824	19,680	7,709	12,444
Group policies without cash values	2,292,112	1,906,304	974,152	873,617
Provision for experience refund	(113,068)	(33,059)	(71,972)	(6,398)
Total gross premium / contribution	18,379,681	17,381,258	8,734,702	8,266,867
Less: Reinsurance premium / retakaful contribution ceded				
On individual life first year business	32,112	44,399	16,157	17,737
On individual life second year business	24,584	27,521	11,974	10,312
On individual life renewal business	133,387	188,798	58,836	85,136
On group policies	495,519	449,798	162,874	197,402
Less: Experience refund from reinsurers	(54,447)	(4,953)	(54,447)	(4,953)
Less: Reinsurance commission on risk premium	(13,419)	(20,604)	(6,689)	(7,894)
Total reinsurance premium / retakaful contribution ceded	617,736	684,959	188,705	297,740
Net premium / contribution	17,761,945	16,696,299	8,545,997	7,969,127
16 INVESTMENT INCOME				
Income from equity securities				
At fair value through profit or loss (Designated upon initial recognition)				
Dividend income	1,355,891	925,841	464,732	484,269
Available for sale				
Dividend income	9,460	12,122	73	4,822
Income from debt securities				
At fair value through profit or loss (Designated upon initial recognition)				
Return on debt securities	471,549	567,110	167,069	309,609
On government securities	4,822,767	3,274,964	2,805,852	1,661,551
Held to maturity				
On government securities	436,607	275,155	279,455	138,013
On debt securities	85,743	35,449	56,726	14,261
Income from term deposits				
Return on term deposits	963,461	568,377	574,993	266,449
	8,145,478	5,659,018	4,348,900	2,878,974

	Aggregate		Aggregate	
	Six months ended		Three months ended	
	30 June		30 June	
	2022	2021	2022	2021
17 NET REALISED FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS				
Available for sale				
Realised gains on:				
- Equity securities	490,976	2,726,486	230,721	1,458,732
- Government securities	-	-	-	-
Realised losses on:				
- Equity securities	(1,207,479)	(555,773)	(1,204,577)	(243,650)
	<u>(716,503)</u>	<u>2,170,713</u>	<u>(973,856)</u>	<u>1,215,082</u>
18 NET FAIR VALUE (LOSSES) / GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS- UNREALISED				
Net unrealised (losses) on investments in financial assets				
- Government securities and debt securities (fair value through profit or loss designated upon initial recognition)	(380,750)	(585,823)	(263,760)	(104,165)
Net unrealised (losses) on investments at fair value through profit or loss (designated upon initial recognition) - Equity securities	(2,322,259)	(685,589)	(1,298,760)	(13,688)
Investment (loss)	<u>(2,703,009)</u>	<u>(1,271,412)</u>	<u>(1,562,520)</u>	<u>(117,853)</u>
Exchange gain / (loss)	29,167	(2,872)	23,287	4,631
(Provision) / reversal of impairment in value of available for sale securities	(19,791)	7,048	(7,583)	44,199
Less: Investment related expenses	(154)	(762)	(101)	(762)
	<u>(2,693,787)</u>	<u>(1,267,998)</u>	<u>(1,546,917)</u>	<u>(69,785)</u>
19 OTHER INCOME				
Gain on sale of fixed assets	12,031	22,589	6,870	7,409
Return on loans to employees	14,567	10,479	7,290	5,396
Fees charged to policyholders	8,981	8,180	4,513	3,898
Gain on sale of early termination of lease contracts'	3,154	2,444	2,235	2,444
Other income	20	-	12	-
	<u>38,753</u>	<u>43,692</u>	<u>20,920</u>	<u>19,147</u>
20 NET INSURANCE BENEFITS				
Gross claims				
Claims under individual policies				
by death	676,366	765,040	361,807	358,485
by insured event other than death	3,404	6,915	(2,396)	3,377
by maturity	2,001,363	1,648,573	1,055,682	955,999
by surrender	9,236,847	8,114,813	4,879,290	3,848,390
Total gross individual policy claims	11,917,980	10,535,341	6,294,383	5,166,251
Claims under group policies				
by death	1,162,903	1,387,015	583,750	645,347
by insured event other than death	34,590	65,419	6,796	46,476
by maturity	1,296	208	1,296	208
by surrender	11,425	18,952	7,780	14,892
Total gross group claims	1,210,214	1,471,594	599,622	706,923
Total gross claims	13,128,194	12,006,935	6,894,005	5,873,174
Less: Reinsurance / retakaful recoveries				
On individual life claims	100,333	136,293	46,823	67,402
On group life claims	257,696	365,979	121,133	178,776
Total reinsurance / retakaful recoveries	358,029	502,272	167,956	246,178
Add: Claims related expenses	4,233	7,498	3,206	5,048
Net insurance benefit	12,774,398	11,512,161	6,729,255	5,632,044

	Aggregate		Aggregate	
	Six months ended		Three months ended	
	30 June		30 June	
	2022	2021	2022	2021
	(Rupees in '000)			
21 ACQUISITION EXPENSES				
Remuneration to insurance intermediaries on individual policies:				
- Commission to agent on first year premiums / contributions	1,252,047	1,426,299	690,017	750,691
- Commission to agent on second year premiums / contributions	162,568	182,570	29,626	71,276
- Commission to agent on subsequent renewal premiums / contributions	213,943	265,593	69,125	126,995
- Commission to agent on single premiums / contributions	9,611	12,507	5,348	7,136
- Override commission to supervisors	306,589	316,729	158,232	163,989
- Other benefits to insurance intermediaries salaries, allowances and other benefits	954,537	838,542	424,826	376,674
Remuneration to insurance intermediaries on group policies:				
- Commission	229,203	171,560	119,589	89,337
- Other benefits to insurance intermediaries	102,280	40,665	75,967	21,243
- Traveling expenses (including cost of contests, conventions etc.)	36,758	23,016	14,560	11,121
- Printing and stationery	11,252	11,365	1,715	4,068
- Depreciation	149,078	152,406	69,653	79,219
- Rent, rates and taxes	4,892	4,746	1,522	2,985
- Electricity, gas and water	29,623	21,691	23,369	15,086
- Entertainment	26,710	21,889	15,313	10,410
- Vehicle running expenses	3,522	3,924	1,388	2,790
- Office repairs & maintenance	12,431	15,021	7,627	8,263
- Postages, telegrams and telephone	21,963	21,622	9,984	11,900
- Medical fees	10,020	8,654	4,707	4,809
- Finance cost	28,483	25,162	15,000	12,434
- Policy stamps	64,036	65,914	34,674	30,138
- Others	81,806	62,764	23,587	32,858
	<u>3,711,352</u>	<u>3,692,639</u>	<u>1,795,829</u>	<u>1,833,422</u>
22 MARKETING AND ADMINISTRATION EXPENSES				
Employee benefit cost	565,417	455,295	310,950	231,947
Traveling expenses	37,509	9,640	31,378	4,031
Advertisements and sales promotion	18,341	26,593	(8,482)	10,678
Printing and stationery	55,157	53,561	25,643	23,762
Depreciation	88,617	77,989	49,454	41,643
Amortisation	7,915	11,190	3,959	4,792
Rent, rates and taxes	2,143	2,387	85	2,122
Legal and professional charges - business related	57,719	38,681	29,858	27,742
Electricity, gas and water	23,217	20,233	13,270	11,872
Entertainment	19,073	16,464	8,777	6,978
Vehicle running expenses	4,676	3,660	3,401	2,258
Office repair and maintenance	121,504	89,358	62,941	43,622
Appointed actuary fees	9,492	8,475	5,256	4,239
Bank charges	6,962	14,768	5,523	11,504
Postage, internet and telephone	42,126	45,154	20,712	18,634
Fees and subscription	22,880	28,619	12,044	15,955
Annual supervision fee SECP	29,587	27,889	14,087	13,264
Miscellaneous	67,491	78,264	41,450	28,127
	<u>1,179,826</u>	<u>1,008,220</u>	<u>630,306</u>	<u>503,170</u>
23 OTHER EXPENSES				
Directors' fee	3,350	2,258	1,575	1,147
Donation	19,020	18,928	16,282	14,718
Others	741	1,281	(78)	513
	<u>23,111</u>	<u>22,467</u>	<u>17,779</u>	<u>16,378</u>
24 TAXATION				
For the period				
Current	406,846	280,000	200,846	105,000
Deferred	122,340	43,285	143,294	55,845
For the prior year				
Current	78,154	(18,900)	78,154	(18,900)
Deferred	-	-	-	-
	<u>607,340</u>	<u>304,385</u>	<u>422,294</u>	<u>141,945</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 year, other than those which have been specifically disclosed elsewhere in the financial statements are as follows:

	30 June 2022	30 June 2021
	----- (Rupees in '000) -----	
Transactions		
<i>Holding Company</i>		
Premium written	14,171	11,660
Premium paid	33,190	29,811
Claims paid	9,187	9,714
Claims received	76	-
Dividend paid	549,607	534,203
Dividend received	32,767	32,767
<i>Associated Companies / Related Parties</i>		
Premium written	106,976	106,987
Premium paid	43,276	33,374
Claims paid	16,312	39,833
Commission paid	67,859	104,480
Travelling expenses	984	2,943
Donation paid	10,040	10,310
Dividend paid	517,786	518,000
Interest received on bank deposit	435,396	538,217
Purchase of Vehicles (Pak Suzuki Motors)	132,783	84,863
Payment to K-Electric	31,139	31,434
Placement of TDR	7,728,429	2,550,000
Investment bought	400,000	335,915
Investment sold of related party	10,880,239	403,196
<i>Key management personnel</i>		
Premium written	2,820	3,554
Loan recovered	3,535	2,503
Compensation paid	110,679	96,499
Dividend Paid	709	1,800
<i>Employees' funds</i>		
Contribution to provident fund	25,781	22,732
Contribution to pension fund	22,291	19,051
Balances		
Bank balances	1,048,460	1,165,967
Bank deposits	7,728,429	10,788,429
Premium payable	441	6,658
Premium receivable	13,631	741
Investment in EFU General Insurance Limited from designated unit fund	521,974	491,501
Investment in related party	751,484	566,153
Claims outstanding - Holding company	-	100
Claims outstanding - Related party	32,995	30,560
Loan receivable from key employees	27,226	30,761

26 SEGMENTAL INFORMATION

26.1 Revenue account by Statutory Fund

SEGMENTAL INFORMATION

	2022						
	Statutory Funds						Aggregate
Revenue account by Statutory Fund	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	Six months ended 30 June
	(Rupees in '000)						
Income							
Premium / contribution less reinsurance / retakaful	12,377,040	1,574,178	78	758	3,630,150	166,158	17,748,362
Policy transfer from other statutory funds	-	-	-	-	13,583	-	13,583
Special reinstatement fee	-	-	-	-	20	-	20
Bonus units transferred to statutory fund	-	-	-	-	28	-	28
Net investment income / wakala income	4,203,779	141,088	726	176	707,848	69,368	5,122,985
Total net income	16,580,819	1,715,266	804	934	4,351,629	235,526	22,884,978
Insurance benefits and expenditures							
Claims net of reinsurance recoveries	11,073,604	852,589	-	-	743,639	86,750	12,756,582
Policy transfer from other statutory funds	13,583	-	-	-	-	-	13,583
Bonus units transfer to statutory fund	-	-	-	-	28	-	28
Management expenses less recoveries	3,073,478	450,675	4	770	1,693,075	101,004	5,319,006
Total insurance benefits and expenditures	14,160,665	1,303,264	4	770	2,436,742	187,754	18,089,199
Excess of income over insurance benefits and expenditures	2,420,154	412,002	800	164	1,914,887	47,772	4,795,779
Net change in insurance liabilities (other than outstanding claims)	(1,454,606)	(226,803)	736	27	(1,824,869)	2,573	(3,502,942)
Surplus before tax	965,548	185,199	1,536	191	90,018	50,345	1,292,837
Movement in policyholders' liabilities	1,454,606	226,803	(736)	(27)	1,824,869	(2,573)	3,502,942
Transfer to and from shareholder's fund							
Transfer of surplus to shareholders' fund	(951,008)	(148,295)	(1,541)	(194)	-	(44,816)	(1,145,854)
Capital contribution from share holders' fund	-	-	-	-	37,304	-	37,304
Net transfer to / from shareholders' fund	(951,008)	(148,295)	(1,541)	(194)	37,304	(44,816)	(1,108,550)
Balance of statutory funds at beginning of the period	137,669,018	1,731,916	16,754	822	12,123,495	185,277	151,727,282
Balance of statutory funds at end of the period	139,138,164	1,995,623	16,013	792	14,075,686	188,233	155,414,511



	2021						Aggregate Six months ended 30 June
	Statutory Funds						
	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 reinsurances / retakaful	12,280,819	1,279,404	56	213	2,981,410	146,727	16,688,629
Policy transfer from other statutory funds	3,114	-	-	-	7,670	-	10,784
Bonus units transferred to statutory funds	-	-	-	-	2	-	2
Net investment income	5,950,172	114,439	1,226	69	723,238	55,455	6,844,599
Total net income	18,234,105	1,393,843	1,282	282	3,712,320	202,182	23,544,014
Insurance benefits and expenditures							
Claims net of reinsurance recoveries	9,870,810	984,677	938	15	539,004	101,313	11,496,757
Policy transfer from other statutory funds	7,906	-	3,114	-	-	-	11,020
Bonus units transferred to statutory funds	-	-	-	-	-	-	-
Management expenses less recoveries	3,115,020	321,971	12	269	1,513,429	79,947	5,030,648
Total insurance benefits and expenditures	12,993,736	1,306,648	4,064	284	2,052,433	181,260	16,538,425
Excess of income over insurance benefits and expenditures	5,240,369	87,195	(2,782)	(2)	1,659,887	20,922	7,005,589
Net change in insurance liabilities (other than outstanding claims)	(4,331,104)	(23,563)	3,241	83	(1,576,933)	(26,460)	(5,954,736)
Surplus / (deficit) before tax	909,265	63,632	459	81	82,954	(5,538)	1,050,853
Movement in policyholders' liabilities	4,331,104	23,563	(3,241)	(83)	1,576,933	26,460	5,954,736
Transfer to and from shareholder's fund							
Transfer of surplus to shareholders' fund	(869,980)	(5,424)	(518)	(97)	-	-	(876,019)
Capital contribution from shareholders' fund	-	-	-	-	8,832	31,393	40,225
Net transfer to / from shareholders' fund	(869,980)	(5,424)	(518)	(97)	8,832	31,393	(835,794)
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	137,108,046	1,697,075	18,916	828	10,262,910	181,241	149,269,016

26.2 Segment statement of financial position

	As at 30 June 2022			As at 31 December 2021		
	Statutory Funds	Shareholders Funds	Total	Statutory Funds	Shareholders Funds	Total
(Rupees in '000)						
Property and equipments	1,152,311	1,246,330	2,398,641	1,178,445	1,315,888	2,494,333
Right of use assets	-	572,249	572,249	-	569,603	569,603
Intangible assets	-	10,462	10,462	-	18,376	18,376
Investments	151,739,883	1,187,220	152,927,103	149,710,893	1,191,287	150,902,180
Insurance / reinsurance receivables	604,692	-	604,692	457,120	-	457,120
Other loans and receivables	3,784,682	253,852	4,038,534	2,396,126	310,052	2,706,178
Taxation - payments less provision	162	1,176,568	1,176,730	2	1,289,169	1,289,171
Prepayments	197,244	-	197,244	134,869	-	134,869
Cash and bank	4,083,337	30,678	4,114,015	4,559,429	48,696	4,608,125
Total assets	161,562,311	4,477,359	166,039,670	158,436,884	4,743,071	163,179,955
Insurance liabilities net of reinsurance recoveries	155,560,615	-	155,560,615	151,757,625	-	151,757,625
Deferred taxation	-	1,004,326	1,004,326	-	884,797	884,797
Premium / contribution received in advance	1,291,804	-	1,291,804	1,148,292	-	1,148,292
Insurance / reinsurance payables	388,297	-	388,297	76,238	-	76,238
Lease liabilities	-	666,134	666,134	-	649,581	649,581
Other creditors and accruals	1,395,105	140,429	1,535,534	2,359,446	125,597	2,485,043
Total liabilities	158,635,821	1,810,889	160,446,710	155,341,601	1,659,975	157,001,576

27 MOVEMENT IN INVESTMENTS

	Held to maturity	Available for Sale	Fair value through profit or loss	Deposits maturing within 12 months	Total
(Rupees in '000)					
At beginning of previous year	5,169,640	3,991,733	114,208,661	19,062,000	142,432,034
Additions	7,466,938	43,159,886	42,242,506	146,330,858	239,200,188
Disposals (sale and redemptions)	(4,444,400)	(43,684,289)	(35,502,084)	(141,016,429)	(224,647,202)
Fair value net (loss) / gains (excluding net realised gains)	-	(8,711)	(6,054,200)	-	(6,062,911)
Provision for impairment	-	(19,929)	-	-	(19,929)
At beginning of current year	8,192,178	3,438,690	114,894,883	24,376,429	150,902,180
Additions	1,662,154	270,955	15,604,365	51,751,987	69,289,461
Disposals (sale and redemptions)	-	-	(9,386,068)	(55,431,987)	(64,818,055)
Fair value net loss (excluding net realised gains)	-	(8,523)	(2,418,171)	-	(2,426,694)
Provision for impairment	-	(19,791)	-	-	(19,791)
At end of current period	9,854,332	3,681,331	118,695,009	20,696,429	152,927,101

28 FAIR VALUE

Investments on the balance sheet are carried at fair value except for investments in unquoted investments which are stated at breakup value. 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

On balance sheet financial instruments								30 June 2022			
	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	Level 1	Fair value Level 2	Level 3	Total
<hr/> <div>(Rupees in '000)</div> <hr/>											
Financial assets measured at fair value											
- Investments											
Government securities (T-bills + PIBs + Sukuks)	90,375,100	-	-	-	-	-	90,375,100	-	90,375,100	-	90,375,100
Sukuk bonds (other than government)	2,498,739	-	-	-	-	-	2,498,739	-	2,498,739	-	2,498,739
Listed equity securities	25,854,368	168,549	-	-	-	-	26,022,917	26,022,917	-	-	26,022,917
Unlisted equity securities	-	508	-	-	-	-	508	-	-	508	508
Units of mutual funds	229,528	142,465	-	-	-	-	371,993	-	371,993	-	371,993
Debt securities (Listed TFCs)	3,835,328	-	-	-	-	-	3,835,328	-	3,233,828	601,500	3,835,328
Financial assets not measured at fair value											
- Government securities (T-bills + PIBs + Sukuks)	-	-	8,262,830	-	-	-	8,262,830	-	-	-	8,262,830
- Balances with banks *	24,805,920	-	-	-	-	-	24,805,920	-	-	-	24,805,920
- Certificate of investment	-	-	863,258	-	-	-	863,258	-	-	-	863,258
- Advances to employees and agents	-	-	-	169,677	-	-	169,677	-	-	-	169,677
- Investment income accrued	-	-	-	-	3,074,370	-	3,074,370	-	-	-	3,074,370
- Other loans and receivables (excluding markup accrued)*	-	-	-	-	794,490	-	794,490	-	-	-	794,490
	147,598,983	311,522	9,126,088	169,677	3,868,860	-	161,075,130	-	-	-	161,075,130
Financial liabilities not measured at fair value											
Deferred taxation	-	-	-	-	-	1,004,326	1,004,326	-	-	-	1,004,326
Premium received in advance	-	-	-	-	-	1,291,804	1,291,804	-	-	-	1,291,804
Insurance / reinsurance payables	-	-	-	-	-	388,297	388,297	-	-	-	388,297
Lease liability	-	-	-	-	-	666,134	666,134	-	-	-	666,134
Other creditors and accruals	-	-	-	-	-	1,535,534	1,535,534	-	-	-	1,535,534
	-	-	-	-	-	4,886,095	4,886,095	-	-	-	4,886,095
	147,598,983	311,522	9,126,088	169,677	3,868,860	(4,886,095)	156,189,035	-	-	-	156,189,035

On balance sheet financial instruments

31 December 2021

	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)											
Financial assets measured at fair value											
- Investments											
Government securities (T-bills + PIBs + Sukuks)	79,419,004	-	-	-	-	-	79,419,004	-	79,419,004	-	79,419,004
Sukuk bonds (other than government)	2,482,032	-	-	-	-	-	2,482,032	-	2,482,032	-	2,482,032
Listed equity securities	31,664,212	199,203	-	-	-	-	31,863,415	31,863,415	-	-	31,863,415
Unlisted equity securities	-	683	-	-	-	-	683	-	-	683	683
Units of mutual funds	1,326,134	128,442	-	-	-	-	1,454,576	-	1,454,576	-	1,454,576
Debt securities (Listed TFCs)	2,992,793	-	-	-	-	-	2,992,793	-	2,328,330	664,463	2,992,793
Financial assets not measured at fair value											
- Government securities (T-bills + PIBs + Sukuks)	-	-	7,903,248	-	-	-	7,903,248				
- Balances with banks *	28,981,674	-	-	-	-	-	28,981,674				
- Certificate of investment	-	-	410,000	-	-	-	410,000				
- Advances to employees and agents	-	-	-	229,430	-	-	229,430				
- Investment income accrued	-	-	-	-	2,066,950	-	2,066,950				
- Other loans and receivables (excluding markup accrued)*	-	-	-	-	409,799	-	409,799				
	146,865,849	328,328	8,313,248	229,430	2,476,749	-	158,213,604				
Financial liabilities not measured at fair value											
Deferred taxation	-	-	-	-	-	884,797	884,797				
Premium received in advance	-	-	-	-	-	1,148,292	1,148,292				
Insurance / reinsurance payables	-	-	-	-	-	76,238	76,238				
Lease liability	-	-	-	-	-	649,581	649,581				
Other creditors and accruals	-	-	-	-	-	2,485,043	2,485,043				
	-	-	-	-	-	5,243,951	5,243,951				
	146,865,849	328,328	8,313,248	229,430	2,476,749	(5,243,951)	152,969,653				

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

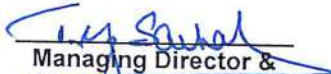
29 GENERAL

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 **16 AUG 2022**


Managing Director &
Chief Executive Officer
TUS


Chief Financial Officer


Director
CHZ


Director
HAM


Chairman
RRB

EFU LIFE ASSURANCE LIMITED-WINDOW TAKAFUL OPERATIONS (Un-audited / Un-reviewed)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

		Operator Sub Fund	Policyholder Fund	30 June 2022 Unaudited	31 December 2021 Audited
	Note	(Rupees in '000)			
Assets					
Investments					
Equity securities	5	-	2,131,720	2,131,720	2,218,911
Government securities	6	353,840	5,864,009	6,217,849	4,899,105
Debt securities	7	10,000	1,257,003	1,267,003	1,001,407
Term deposits	8	-	4,141,000	4,141,000	3,601,000
Takaful / retakaful receivables		-	88,558	88,558	65,076
Other loans and receivables		219,192	762,779	981,971	863,325
Deferred tax asset		17,239	-	17,239	17,586
Prepayments		9,140	-	9,140	8,560
Cash & Bank	9	53,250	1,258,662	1,311,912	1,746,021
Total Assets		662,661	15,503,731	16,166,392	14,420,991
Equity and Liabilities					
Cede Money		50,000	-	50,000	50,000
Capital contributed by shareholder's fund		127,614	18,216	145,830	102,220
Qard-e-Hasna		(23,357)	23,357	-	-
Retained Earning arising from business other than participating business attributable to shareholder's (Ledger account D)		164,320	-	164,320	148,089
Accumulated losses		(42,215)	-	(42,215)	(43,064)
Total Equity		276,362	41,573	317,935	257,245
Liabilities					
Insurance Liabilities	10	-	14,385,469	14,385,469	12,448,511
Takaful contribution received in advance		-	186,456	186,456	150,072
Takaful / retakaful payables		-	112,545	112,545	33,749
Deferred Tax Liability		-	-	-	-
Other creditors and accruals		386,299	777,688	1,163,987	1,531,414
Total Liabilities		386,299	15,462,158	15,848,457	14,163,746
Total Equity and Liabilities		662,661	15,503,731	16,166,392	14,420,991

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
SNZ**







**Director
HAA**


**Chairman
RRB**

EFU LIFE ASSURANCE LIMITED-WINDOW TAKAFUL OPERATIONS (Un-audited / Un-reviewed)
Condensed Interim Profit And Loss Account
For The Six Months Period Ended 30 June 2022

Note	Operator's Sub Fund		Policyholder's Fund		Aggregate		Three months period ended	
	Six Months Ended 30 June		Six Months Ended 30 June		Six Months Ended 30 June		30 June	
	2022	2021	2022	2021	2022	2021	2021	2020
(Rupees in '000)								
Contribution Revenue	876,443	928,687	3,087,354	2,331,196	3,963,797	3,259,883	1,416,540	1,574,084
Contribution ceded to reinsurers	-	-	(153,906)	(124,077)	(153,906)	(124,077)	(39,756)	(60,980)
Net Contribution revenue	876,443	928,687	2,933,448	2,207,119	3,809,891	3,135,806	1,376,784	1,513,104
Wakalat-ul-Istismar - PIF	296,162	223,792	(296,162)	(223,792)	-	-	-	-
Wakala Fee - PTF	136,419	106,677	(136,419)	(106,677)	-	-	-	-
Special reinstatement fee	20	-	-	-	20	-	12	-
Mudarib Fee	14,848	-	(14,848)	-	-	-	-	-
Investment income	40,418	31,875	624,551	280,281	664,969	312,156	371,780	170,482
Net realised fair value gains on financial assets	(331)	1,569	(93,008)	318,134	(93,339)	319,703	(102,541)	197,775
Net fair value (losses) on financial assets at fair value through profit or loss	(805)	(901)	(226,188)	(182,737)	(226,993)	(183,638)	(148,701)	(75,191)
Net income	1,363,174	1,291,699	2,791,374	2,292,328	4,154,548	3,584,027	1,497,334	1,806,170
Takaful benefits	-	-	896,619	707,810	896,619	707,810	483,338	315,730
Recoveries from retakafuls	-	-	(66,709)	(72,444)	(66,709)	(72,444)	(46,917)	(24,906)
Qard-e-Hasna	-	-	22,542	-	22,542	-	22,542	-
Claims related expenses	-	-	-	-	-	-	-	-
Net Takaful Benefits	-	-	852,452	635,366	852,452	635,366	458,963	290,824
Net Change in Takaful Liabilities (other than outstanding claims)	-	-	1,938,922	1,652,008	1,938,922	1,652,008	801,135	848,211
Acquisition expenses	1,188,259	1,116,178	-	-	1,188,259	1,116,178	540,341	546,239
Exgratia-Surrender Expense	480	-	-	-	480	-	182	-
Marketing and administration expenses	173,239	146,723	-	-	173,239	146,723	92,062	72,354
Total Expenses	1,361,978	1,262,901	1,938,922	1,652,008	3,300,900	2,914,909	1,433,720	1,466,804
(Loss)/ Income before tax	1,196	28,798	-	4,954	1,196	33,752	(395,349)	48,542
Income tax	(347)	(8,351)	-	-	(347)	(8,351)	114,651	(12,641)
Income for the period	849	20,447	-	4,954	849	25,401	(280,698)	35,901
Earnings per share - Rupees	0.01	0.20	-	0.05	0.01	0.25	(2.81)	0.36

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

 Managing Director & Chief Executive Officer TGS	 Chief Financial Officer	 Director SAZ	 Director HAA	 Chairman RRB
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EFU LIFE ASSURANCE LIMITED-WINDOW TAKAFUL OPERATIONS (Un-audited / Un-reviewed)
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For The Six Months Period Ended 30 June 2022

	Operator Sub Fund		Policyholder Funds		Aggregate		Three months period ended	
	Six Months Ended 30 June		Six Months Ended 30 June		Six Months Ended 30 June		30 June	
	2022	2021	2022	2021	2022	2021	2021	2020
	(Rupees in '000)							
Loss for the period - as per Profit and Loss Account	849	20,447	-	4,954	849	25,401	(280,698)	35,901
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 income for the period	849	20,447	-	4,954	849	25,401	(280,698)	35,901

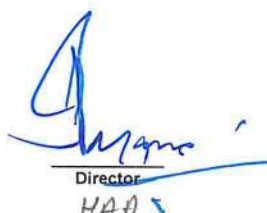
The annexed notes 1 to 23 form an integral part of these financial statements.

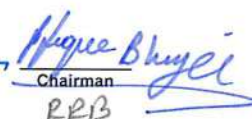

Managing Director &
Chief Executive Officer

TW


Chief Financial Officer


Director
SNZ

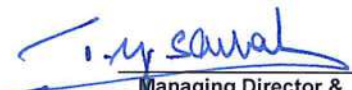

Director
HAA



Chairman
RRB


CONDENSED INTERIM STATEMENT OF CASH FLOWS
Window Takaful Operations (Un-audited / Un-reviewed)
FOR THE THREE MONTHS PERIOD ENDED 30 JUNE 2022


	Six months ended 30 June	
	2022	2021
	(Rupees in '000)	
Operating cash flows		
a) Takaful activities		
Takaful contribution received	3,976,219	3,223,663
Retakaful contribution paid	(75,110)	(100,619)
Claims paid	(899,148)	(674,465)
Retakaful and other recoveries received	66,709	72,444
Commission paid	(773,605)	(760,861)
Marketing and Administrative expenses paid	(173,239)	(146,723)
Other acquisition cost paid	(528,537)	(377,106)
Net cash flow from underwriting activities	1,593,289	1,236,333
b) Other operating activities		
Other operating receipts	(149,778)	156,770
Other (payments) on operating assets	(46,830)	(43,268)
Net cash flow from other operating activities	(196,608)	113,502
Total cash flow from all operating activities	1,396,681	1,349,835
Investment activities		
Profit / Return received	466,292	265,609
Dividends received	79,626	40,156
Payments for investments	(2,155,225)	(1,939,215)
Proceed from disposal of investments	337,744	1,810,228
Total cash flow from investing activities	(1,271,563)	176,778
Financing activities		
Net Capital contributed from shareholder's fund	(19,227)	(21,600)
Surplus appropriated to shareholder's fund		
Total cash flow from financing activities	(19,227)	(21,600)
Net cash flow from all activities	105,891	1,505,013
Cash and cash equivalents at beginning of the period	5,347,021	4,613,868
Cash and cash equivalents at end of the period	5,452,912	6,118,881
Reconciliation to profit and loss account		
Operating cash flows	1,396,681	1,349,835
Depreciation expense	(55,505)	(52,509)
Amortization expense	(1,026)	(1,373)
Loss on disposal of investments	(93,340)	319,703
Dividend Income	79,626	40,156
Other investment income	592,783	264,240
Appreciation in market value of investments	(234,429)	(175,877)
(Decrease)in assets other than cash	23,310	60,852
Increase in liabilities	(1,707,251)	(1,784,580)
Profit after taxation	849	20,447


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


 Managing Director & Chief Executive Officer
 TGS


 Chief Financial Officer


 Director
 SHZ


 Director
 HAA


 Chairman
 RRB

EFU LIFE ASSURANCE LIMITED-WINDOW TAKAFUL OPERATIONS (Un-audited / Un-reviewed)
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

	Attributable to the equity holders' of the Company						
	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	Total
	(Rupees in '000)						
Balance as at 1 January 20201	50,000	216,469	-	89,024	-	(120,218)	235,275
Capital contribution from shareholder's fund	-	40,225	-	-	-	-	40,225
Profit transferred to main shareholder's fund	-	(7,943)	-	-	-	-	(7,943)
Loss for the period ended 30 June 2021	-	-	-	-	-	20,447	20,447
Other Comprehensive income/(loss)	-	-	-	-	-	-	-
Total loss for the period ended 30 June 2021	-	-	-	-	-	20,447	20,447
Contribution to increase solvency margin	-	(18,913)	-	18,913	-	-	-
Capital contribution transferred to policy holder liability	-	(27,398)	-	-	-	-	(27,398)
Balance as at 30 June 2021	50,000	202,440	-	107,937	-	(99,771)	260,606
Balance as at 1 January 2022	50,000	102,220	-	148,089	-	(43,064)	257,245
Capital contribution from shareholder's fund	-	37,304	-	-	-	-	37,304
Loss for the period ended 30 June 2022	-	-	-	-	-	849	849
Other Comprehensive income/(loss)	-	-	-	-	-	-	-
	-	-	-	-	-	849	849
Contribution to increase solvency margin	-	(16,231)	-	16,231	-	-	-
Capital contribution transferred to policy holder liability	-	22,537	-	-	-	-	22,537
Balance as at 30 June 2022	50,000	145,830	-	164,320	-	(42,215)	295,398

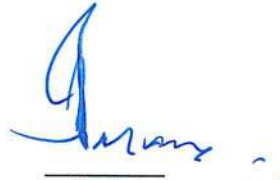
*This include balances maintained in accordance with the requirements of section 35 of the Insurance Ordinance ,2000 read with rule 14 of the Insurance Rules, 2017 to meet solvency margins, which are mandatorily maintained for the carrying on of the life insurance business.

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


**Managing Director &
 Chief Executive Officer**
 TGS


Chief Financial Officer


Director
 KAZ


Director
 HAA


Chairman
 RRB

EFU LIFE ASSURANCE LIMITED- Window Takaful Operations (Un-audited / Un-reviewed)
Notes To and forming part of Condensed Interim Financial Statement
For The Six Months Period Ended 30 June 2022

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 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.

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 2021.

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	30 June 2022 Unaudited	31 December 2021 Audited
		(Rupees in '000)	
Available for Sale	5.1	-	-
At fair value through profit or loss (Designated - upon initial recognition)	5.2	2,131,720	2,218,911
		<u>2,131,720</u>	<u>2,218,911</u>

5.1 Available for Sale

5.2 Fair Value through Profit and Loss (Designated - upon initial recognition)

Related Parties

Listed Shares

Others

Listed Shares

	30 June 2022 (Unaudited)			31 December 2021 (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	2,307,715	-	2,131,720	2,273,819	-	2,218,911
	<u>2,307,715</u>	<u>-</u>	<u>2,131,720</u>	<u>2,273,819</u>	<u>-</u>	<u>2,218,911</u>

6. GOVERNMENT SECURITIES

	Note	30 June 2022 Unaudited	31 December 2021 Audited
		(Rupees in '000)	
Held to Maturity	6.1	892,109	892,977
Fair value through profit and loss (designated - upon initial recognition)	6.2	5,325,740	4,006,128
		<u>6,217,849</u>	<u>4,899,105</u>

	Maturity Year	Effective Yield %	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
			Amortised Cost	Principal Repayment	Carrying Value	Amortised Cost	Principal Repayment	Carrying Value
			(Rupees in '000)					
6.1 Held to Maturity								
Government Ijara	2025-2026	11.7	247,970	247,639	247,970	247,833	247,639	247,833
Pakistan Energy Sukuk I	2029	8.05	191,940	197,160	191,940	193,004	197,160	193,004
10 Years Pakistan Energy Sukuk II	2030	7.25	452,199	452,700	452,199	452,141	452,700	452,140
			<u>892,109</u>	<u>897,499</u>	<u>892,109</u>	<u>892,978</u>	<u>897,499</u>	<u>892,977</u>

	Maturity Year	Effective Yield %	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
			Amortised Cost	Principal Repayment	Carrying Value	Amortised Cost	Principal Repayment	Carrying Value
			(Rupees in '000)					
6.2 Fair Value through profit and loss (Designated - upon initial recognition)								
Government Ijara	2025-2026	12.14	4,882,870	4,886,764	4,745,740	3,450,926	3,449,784	3,426,128
Pakistan Energy Sukuk 1	2029	8.05	603,189	620,840	530,000	606,815	620,840	530,000
Pakistan Energy Sukuk 11	2030	7.25	50,208	50,300	50,000	50,238	50,300	50,000
			<u>5,536,267</u>	<u>5,557,904</u>	<u>5,325,740</u>	<u>4,107,979</u>	<u>4,120,924</u>	<u>4,006,128</u>

7. INVESTMENT IN DEBT SECURITIES

		30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Note	Cost	Impairment/ Provision	Carrying Value	Cost	Impairment / Provision	Carrying Value
Others		(Rupees in '000)					
Corporate Sukuks	7.1	1,267,003	-	1,267,003	1,001,407	-	1,001,407
		<u>1,267,003</u>	<u>-</u>	<u>1,267,003</u>	<u>1,001,407</u>	<u>-</u>	<u>1,001,407</u>
Fair Value through Profit and Loss (Designated upon initial recognition)							
		No. Of Certificates			Face	Carrying Amount	
		Maturity	30 June 2022	31 December 2021	Value	30 June 2022	31 December 2021
7.1 Corporate Sukuks		(Rupees in '000)					
K Electric	2022	25,000	25,000	5	240,000	12,612	
HUBCO Sukuk	2023	2,000	2,000	100	157,815	207,229	
Engro Polymer & Chemicals Ltd.	2026	1,850	1,850	100	197,950	199,070	
Neelum Jehlum Hydropower	2026	1,250	1,250	100	58,923	72,181	
Meezan Bank Ltd	Perpetual	250	250	1,000	250,000	250,000	
Dubai Islamic Bank Limited	Perpetual	20,000	20,000	5	100,000	100,000	
Bank Islami EHAD Sukuk	Perpetual	28,063	28,063	5	140,315	140,315	
					<u>1,145,003</u>	<u>981,407</u>	
Held to Maturity							
Engro Polymer & Chemicals Ltd.	2026	200	200	100	20,000	20,000	
					<u>1,165,003</u>	<u>1,001,407</u>	
Certificate of Investment							
First Habib Modarba	2022	1		102,000	102,000	-	
					<u>102,000</u>	<u>-</u>	
					<u>1,267,003</u>	<u>1,001,407</u>	
8. INVESTMENTS IN TERM DEPOSITS					30 June 2022 (Unaudited)	31 December 2021 (Audited)	
					(Rupees in '000)		
Deposit maturing within 12 months					<u>4,141,000</u>	<u>3,601,000</u>	
9. CASH AND BANK							
Cash and Cash Equivalent							
Cash in hand					397	75	
Cash at bank							
Current account					272,429	475,002	
Saving account					1,039,086	1,270,944	
					<u>1,311,912</u>	<u>1,746,021</u>	
					30 June 2022	30 June 2021	
					(Rupees in '000)		
9.1 Cash and cash equivalents for cash flow purpose comprise of the following:							
- Cash and others					397	402	
- Cash at bank					1,311,515	1,174,479	
- Term deposits maturing within three months					4,141,000	4,944,000	
					<u>5,452,912</u>	<u>6,118,881</u>	

		30 June 2022 (Unaudited)	31 December 2021 (Audited)
	Note	(Rupees in '000)	
10. TAKAFUL LIABILITIES			
Reported outstanding claims	10.1	301,228	301,129
Incurred but not reported claims	10.2	82,331	84,601
Investment component of unit-linked and account value policies	10.3	13,364,220	11,545,043
Liabilities under individual conventional insurance contracts	10.4	122,573	116,304
Liabilities under group insurance contracts (other than investment linked)	10.5	49,451	52,979
Other liabilities		47,146	46,560
Participant takaful fund balance	10.6	418,520	301,895
		<u>14,385,469</u>	<u>12,448,511</u>
10.1 Reported Outstanding Claims			
Gross of Retakaful			
Payable within one year		280,291	282,840
Payable over a period of time exceeding one year		53,268	49,057
		<u>333,559</u>	<u>331,897</u>
Recoverable from Retakaful			
Receivable over a period of time exceeding one year		(32,331)	(30,768)
		<u>(32,331)</u>	<u>(30,768)</u>
Net reported outstanding claims		<u>301,228</u>	<u>301,129</u>
10.2 Incurred But Not Reported Claims			
Gross of retakaful		128,183	126,400
Retakaful recoveries		(45,852)	(41,799)
Net of retakaful		<u>82,331</u>	<u>84,601</u>
10.3 Investment Component of Unit Linked and Account Value Policies			
Investment component of unit linked policies		13,364,220	11,545,043
Investment component of account value policies		-	-
		<u>13,364,220</u>	<u>11,545,043</u>
10.4 Liabilities under Individual Conventional takaful Contracts			
Gross of Retakaful		191,574	179,169
Retakaful Credit		(69,001)	(62,865)
Net of Reinsurance		<u>122,573</u>	<u>116,304</u>
10.5 Liabilities under Group Insurance Contracts (other than investment linked)			
Gross of Reinsurance		99,356	73,538
Reinsurance Credit		(49,905)	(20,559)
Net of Reinsurance		<u>49,451</u>	<u>52,979</u>
10.6 Participant Takaful Fund Balance		418,520	301,895
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, 2021. Out of the reported amount thereon, an amount of Rs.161.388 million pertains to Window Takaful Operations. There were no other material contingencies and commitments as at June 30, 2022.

	Aggregate		Aggregate			
	Six months period ended		Three months period ended		Three months period ended	
	30 June		30 June		31 March	
	2022	2021	2022	2021	2022	2021
	(Rupees in '000)					
12. NET CONTRIBUTION REVENUE						
Gross contribution						
Regular contribution individual policies						
First year	1,240,875	1,194,758	615,015	635,530	625,860	559,228
Second year renewal	868,179	557,894	421,819	210,035	446,360	347,859
Subsequent year renewal	1,472,017	1,125,961	676,884	547,608	795,133	578,353
Single contribution individual policies	104,641	155,781	46,133	73,462	58,508	82,319
Group policies with cash values	595	660	530	565	65	95
Group policies without cash values	277,490	224,829	83,265	106,884	194,225	117,945
Total gross contribution	3,963,797	3,259,883	1,843,646	1,574,084	2,120,151	1,685,799
Less: Retakaful contribution ceded						
On individual life first year business	16,221	21,046	7,951	9,189	8,270	11,857
On individual life second year business	9,980	9,737	5,239	3,644	4,741	6,093
On individual life renewal business	23,563	29,941	10,304	13,625	13,259	16,316
On group policies	111,332	78,102	19,732	42,296	91,600	35,806
Less: Experience refund from reinsurers	(7,190)	(14,749)	(3,470)	(7,774)	(3,720)	(6,975)
Total reinsurance premium / retakaful contribution ceded	153,906	124,077	39,756	60,980	114,150	63,097
Net premium / contribution	3,809,891	3,135,806	1,803,890	1,513,104	2,006,001	1,622,702
13. INVESTMENT INCOME						
Income from equity securities						
At fair value through profit and loss (Designated upon initial recognition)						
Dividend income	79,626	40,156	28,801	25,577	50,825	14,579
Available for Sale						
Dividend income	-	-	-	-	-	-
Income from debt securities						
At fair value through profit and loss (Designated upon initial recognition)						
Return on debt securities	125,742	118,352	48,772	68,382	76,970	49,970
On government securities	150,575	(333,437)	126,441	(211,875)	24,134	(121,562)
Held to maturity						
On government securities	152,476	387,083	65,987	229,923	86,489	157,160
Income from term deposits						
Return on term deposits	156,550	100,002	101,779	58,475	54,771	41,527
	664,969	312,156	371,780	170,482	293,189	141,674

	Aggregate		Aggregate		Aggregate	
	Six months period ended		Three months period ended		Three months period ended	
	30 June		30 June		31 March	
	2022	2021	2022	2021	2022	2021
	(Rupees in '000)					
14. NET REALISED FAIR VALUE GAINS (LOSSES) ON FINANCIAL ASSETS						
Available for sale						
Realised gains on:						
- Equity securities	14,550	367,579	5,348	237,243	9,202	130,336
- Government securities	-	-	-	-	-	-
Realised losses on:						
- Equity securities	(107,889)	(47,876)	(107,889)	(39,468)	-	(8,408)
	<u>(93,339)</u>	<u>319,703</u>	<u>(102,541)</u>	<u>197,775</u>	<u>9,202</u>	<u>121,928</u>
15. NET FAIR VALUE GAINS (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNREALISED						
Net unrealised (losses) / gains on investments at fair value through profit or loss (designated upon initial recognition)- Equity Securities	(226,993)	(183,638)	(148,701)	(75,191)	(78,292)	(108,447)
Total investment income	(226,993)	(183,638)	(148,701)	(75,191)	(78,292)	(108,447)
	<u>(226,993)</u>	<u>(183,638)</u>	<u>(148,701)</u>	<u>(75,191)</u>	<u>(78,292)</u>	<u>(108,447)</u>
16. NET TAKAFUL BENEFITS						
Gross claims						
Claims under individual policies						
by death	53,197	77,167	29,358	24,877	23,839	52,290
by insured event other than death	-	-	-	-	-	-
by maturity	-	-	-	-	-	-
by surrender	696,229	497,794	364,060	229,613	332,169	268,181
Total gross individual policy claims	<u>749,426</u>	<u>574,961</u>	<u>393,418</u>	<u>254,490</u>	<u>356,008</u>	<u>320,471</u>
Claims under group policies						
by death	143,507	119,997	86,246	48,388	57,261	71,609
by insured event other than death	3,686	12,850	3,674	12,850	12	-
by maturity	-	-	-	-	-	-
by surrender	-	-	-	-	-	-
Total gross group claims	<u>147,193</u>	<u>132,847</u>	<u>89,920</u>	<u>61,238</u>	<u>57,273</u>	<u>71,609</u>
Total gross claims	<u>896,619</u>	<u>707,808</u>	<u>483,338</u>	<u>315,728</u>	<u>413,281</u>	<u>392,080</u>
Less: Retakaful recoveries						
On individual life claims	6,266	35,957	(2,772)	6,176	9,038	29,781
On group life claims	60,443	31,534	49,689	13,777	10,754	17,757
Total retakaful recoveries	<u>66,709</u>	<u>67,491</u>	<u>46,917</u>	<u>19,953</u>	<u>19,792</u>	<u>47,538</u>
Net takaful benefit expense	<u>829,910</u>	<u>640,317</u>	<u>436,421</u>	<u>295,775</u>	<u>393,489</u>	<u>344,542</u>

Aggregate		Aggregate		Aggregate	
Six months period ended		Three months period ended		Three months period ended	
30 June		30 June		31 March	
2022	2021	2022	2021	2022	2021
(Rupees in '000)					

17 ACQUISITION EXPENSES

Remuneration to takaful intermediaries on individual policies:

- Commission to agent on first year contributions	483,779	509,364	244,271	268,685	239,508	240,679
- Commission to agent on second year contributions	64,925	52,932	21,505	20,095	43,420	32,837
- Commission to agent on subsequent renewal contributions	35,360	36,382	11,189	18,315	24,171	18,067
- Commission to agent on single contributions	3,035	4,247	1,364	1,991	1,671	2,256
- Override commission to supervisors	100,064	90,347	50,418	47,580	49,646	42,767
- Other benefits to takaful intermediaries	350,135	292,415	140,950	126,029	209,185	166,386
Salaries, allowances and other benefits						

Remuneration to takaful intermediaries on group policies:

- Commission	21,003	16,850	11,937	8,422	9,066	8,428
- Other benefits to takaful intermediaries	13,398	5,654	9,328	3,070	4,070	2,584

Other acquisition costs

- Traveling expenses	4,548	2,937	2,822	1,316	1,726	1621
- Printing and stationery	1,006	2,261	432	914	574	1347
- Depreciation	43,809	42,085	29,871	21,291	13,938	20794
- Rent, rates and taxes	2,477	2,222	(7,691)	1,201	10,168	1021
- Electricity, gas and water	10,715	7,265	8,081	4,324	2,634	2941
- Entertainment	5,027	4,769	2,494	2,449	2,533	2320
- Vehicle running expenses	1,042	687	305	463	737	224
- Office repairs & maintenance	4,216	3,468	2,760	2,411	1,456	1057
- Postages, telegrams and telephone	4,265	4,643	2,022	1,833	2,243	2810
- Finance Cost	8,956	6,821	4,578	3,223	4,378	3598
- Others	7,484	8,282	(8,500)	872	15,984	7410
- Medical fees	2,133	2,081	907	1,041	1,226	1040
- Policy stamps	20,882	20,466	11,298	10,714	9,584	9752
	1,188,259	1,116,178	540,341	546,239	647,918	569,939

18. MARKETING AND ADMINISTRATION EXPENSES

Employee benefit cost	79,359	65,365	42,974	35,523	36,385	29,842
Traveling expenses	6,911	2,122	4,635	994	2,276	1,128
Advertisements and sales promotion	5,047	1,488	(447)	598	5,494	890
Printing and stationery	9,517	10,853	3,911	4,099	5,606	6,754
Depreciation	11,696	10,424	6,643	5,560	5,053	4,864
Amortisation	1,026	1,373	513	544	513	829
Rent, rates and taxes	70	219	(197)	187	267	32
Legal and Professional charges	4,281	3,007	1,755	1,965	2,526	1,042
Electricity, gas and water	3,272	2,886	1,903	1,720	1,369	1,166
Entertainment	3,247	2,557	1,297	1,029	1,950	1,528
Vehicle running expenses	634	438	370	257	264	181
Office repair and maintenance	15,730	11,586	8,142	5,659	7,588	5,927
Appointed actuary fees	1,230	549	681	-	549	549
Bank charges	1,231	2,247	968	1,811	263	436
Postage, internet and telephone	7,651	7,210	3,683	3,169	3,968	4,041
Fees and subscription	3,013	4,230	1,561	2,608	1,452	1,622
Annual supervision fee SECP	6,342	5,216	2,947	2,518	3,395	2,698
Miscellaneous	12,982	14,953	10,723	4,113	2,259	10,840
	173,239	146,723	92,062	72,354	81,177	74,369

19. Tax for the year

	Aggregate		Aggregate	
	Six months period ended 30 June		Three months period ended 30 June	
	2022	2021	2022	2021
Current	(347)	(8,351)	(9,210)	(12,640)
Deferred	-	-	-	-
	<u>(347)</u>	<u>(8,351)</u>	<u>(9,210)</u>	<u>(12,640)</u>

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:

	30 June 2022	30 June 2021
	----- (Rupees in '000) -----	
Transactions		
Associated companies/ Related Party		
Premium written	(34)	8
Premium paid	4,460	3,406
Claims paid	822	1,978
Commission paid	22,107	29,532
Interest /profit received	90,459	97,157
Payment to K-Eelectric	18	
Placement of TDR	1,290,000	1,250,000
Investment bought	240,000	-
TDR matured / Investment sold of Related Party	1,538,427	29,141
Employees' funds		
Contribution to provident fund	1,666	1,615
Contribution to pension fund	817	783
Key Management Personnel Transactions		
Premium written	323	1,229
	30 June 2022 (Unaudited)	31 December 2021 (Audited)
	----- (Rupees in '000) -----	
Balances		
Bank balances	722,218	844,619
Bank deposits	1,290,000	1,450,000
Premium receivable	406	440
Investment in Related Party	380,315	152,928
Claim outstandings -Related Parties	-	822

21.1 Revenue Account by Statutory Fund

Contribution less retakaful
Policy transfer from other statutory funds
Bonus units transfer to statutory fund
Net investment income / wakala income
Total net income

Takaful Benefits and Expenditures

Claims net of retakaful recoveries
Policy transfer from other statutory funds
Management expenses less recoveries

Total takaful Benefits and Expenditures

**Excess of income over takaful
Benefits and Expenditures**

**Net Change in takaful Liabilities
(Other than outstanding Claims)**

Deficit before tax

Movement in takaful liabilities

Transfer to and from Shareholder's Fund

Transfer of (surplus) / deficit to shareholders' fund
Capital contribution to / from share holders' fund
Net Transfer to / from shareholders' fund

Balance of statutory funds at beginning of the period
Balance of statutory funds at end of the period

16

On balance sheet financial instruments

31 December 2021 (Audited)

	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)	4,006,128	-	-	-	-	-	4,006,128	-	4,006,128	-	4,006,128
Sukuk Bonds (other than government)	981,407	-	-	-	-	-	981,407	-	981,407	-	981,407
Listed equity securities	2,218,911	-	-	-	-	-	2,218,911	2,218,911	-	-	2,218,911
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)	-	-	892,977	-	-	-	892,977	-	866,391	-	866,391
- Balances with banks *	5,347,021	-	-	-	-	-	5,347,021	-	-	-	-
- Certificate of Investment	-	-	-	-	-	-	-	-	-	-	-
- Advances	-	-	-	-	-	-	-	-	-	-	-
- Investment income accrued	-	-	-	-	146,436	-	146,436	-	-	-	-
- Other loans and receivables (excluding markup accrued)*	-	-	892,977	-	863,325	-	863,325	-	-	-	-
	12,573,467	-	892,977	-	1,009,761	-	14,476,205	-	-	-	-
Financial liabilities not measured at fair value											
Deferred taxation	-	-	-	-	-	-	-	-	-	-	-
Premium received in advance	-	-	-	-	-	150,072	150,072	-	-	-	-
Insurance / reinsurance payables	-	-	-	-	-	33,749	33,749	-	-	-	-
Other creditors and accruals	-	-	-	-	-	1,531,414	1,531,414	-	-	-	-
	-	-	-	-	-	1,715,235	1,715,235	-	-	-	-
	12,573,467	-	892,977	-	1,009,761	(1,715,235)	12,760,970	-	-	-	-

*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.

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GENERAL

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

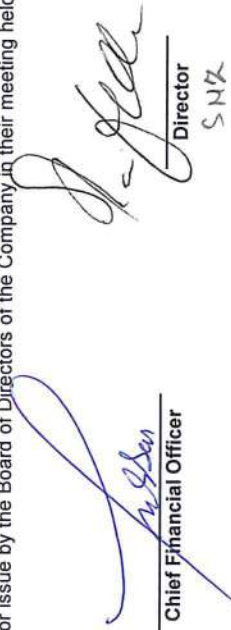
Certain prior year's figures have been rearranged and reclassified, wherever necessary, to facilitate comparisons.

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 16 August 2022.


Managing Director &
Chief Executive Officer

TGS


Chief Financial Officer

Director
SNZ


Director
HAA


Chairman
RFB