

Report (Un-Audited)

2022
Third Quarter
2022



Sustained Momentum
Continuous Growth



EFU GENERAL
INSURANCE LTD



EFU GENERAL INSURANCE LTD
ISO 9001: 2015 Certified



efuinsurance.com

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Company Information

Chairman

Saifuddin N. Zoomkawala

Managing Director & Chief Executive

Hasanali Abdullah

Directors

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

Chief Financial Officer

Altaf Qamruddin Gokal, F.C.A.

Company Secretary

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

Advisors

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

Shari'ah Advisor

Mufti Muhammad Ibrahim Essa

Audit Committee

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

Investment Committee

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

Ethics, Human Resource & Remuneration Committee

Iqbal Mankani
 Saifuddin N. Zoomkawala
 Hasanali Abdullah

Auditors

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

Registrar

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

Website

www.efuinsurance.com

Email

info@efuinsurance.com

Registered Office

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

Main Offices

EFU House
 M. A. Jinnah Road
 Karachi

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

Window Takaful Operations

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

Directors' Review

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

Performance Review

The Written Premium (including Takaful) for the period was Rs. 24,203 million (including a Takaful Contribution of Rs. 2,266 million) as against Rs. 18,662 million (including a Takaful Contribution of Rs. 2,045 million) for the corresponding period of the last year. The Net Premium Revenue was Rs. 7,446 million as against Rs. 7,048 million for the corresponding period of last year. The overall Claims ratio to Net Premium Revenue was 61 % as compared to 47 % for the corresponding period of last year. The total underwriting loss for the period was Rs. 491 million as against profit of Rs. 797 million for the corresponding period of the last year mainly due to recent floods in Pakistan.

Investment income (including rental income, profit on deposits, and other income) for the period was Rs. 2,057 million as compared to Rs. 1,768 million for the corresponding period of last year.

The after-tax profit for the period was Rs. 1,100 million as compared to Rs. 1,882 million in the corresponding period last year.

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

The earnings per share for the period was Rs. 5.50 against Rs. 9.41 in the corresponding period of last year.

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

Outlook

Pakistan's economy is going through challenging times due to external account deficits, substantial financing requirements and high commodity prices. On top, floods have made the situation further challenging. However, resumption of IMF program is likely to pave way for stability going forward.

Acknowledgments

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

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

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2022

ڈائریکٹر زیو

(یہ انگریزی ڈائریکٹر زیو کا ترجمہ ہے)

ہم بمسرت ۳۰ ستمبر ۲۰۲۲ء کو ختم ہونے والی ۹ ماہ کی مدت کے لئے غیر آڈٹ شدہ مالیاتی حسابات پیش کر رہے ہیں۔

کارکردگی کا جائزہ

تحریری پریئم (بشمول تکافل) برائے زیر جائزہ مدت ۲۴،۲۰۳ ملین روپے (بشمول تکافل کنٹری بیوشن ۲،۲۶۶ ملین روپے) رہا جو اس کے مقابلے میں گزشتہ سال کی اس مدت کے لئے ۱۸،۶۶۲ ملین روپے (بشمول تکافل کنٹری بیوشن ۲،۰۴۵ ملین روپے) رہا تھا۔ خالص پریئم ریونیو ۴،۴۶۶ ملین روپے تھا جو اس کے مقابلے میں گزشتہ سال کی اس مدت کیلئے ۴،۰۴۸ ملین روپے رہا تھا۔ خالص پریئم ریونیو کے لئے مجموعی کلیمز کا تناسب ۶۱ فیصد تھا جو اس کے مقابلے میں گزشتہ سال کی اس مدت کیلئے ۴۷ فیصد رہا تھا۔ اس مدت کیلئے مجموعی زیر تحریر خسارہ ۴۹۱ ملین روپے رہا تھا جو اس کے مقابلے میں گزشتہ سال کی اس مدت کیلئے ۹۷ ملین روپے کا منافع حاصل کیا گیا تھا۔ خسارے کی بنیادی وجہ پاکستان میں حالیہ سیلابی صورتحال تھی۔

سرمایہ کاری کی آمدنی (بشمول ریٹیل آمدنی، ڈپازٹس اور دیگر آمدنی پر منافع جات) برائے زیر جائزہ مدت ۲،۰۵۷ ملین روپے رہی جو اس کے مقابلے میں گزشتہ سال کی اس مدت میں ۷۶۸ ملین روپے تھی۔

اس مدت کے لئے منافع بعد از ٹیکس ۱۰۰ ملین روپے تھا جو اس کے مقابلے میں گزشتہ سال کی اس مدت میں ۸۸۲ ملین روپے تھا۔

سال رواں کے لئے ۴۷ فیصد کی شرح سے سپر ٹیکس کے نفاذ کے باعث بلند ترین انکم ٹیکس کی وصولی کا حجم ۱۶۳ ملین روپے رہا۔

اس مدت کے لئے آمدنی فی شیئر ۵۵ روپے رہی جو اس کے مقابلے میں گزشتہ سال کی اس مدت میں ۹۶ روپے تھی۔

آپ کے ڈائریکٹرز بمسرت سال ۲۰۲۲ء کے لئے تیسرے عبوری نقد منافع منقسمہ بصر ۵۰ روپے (۱۵۶۰۰ فیصد) کا اعلان کرتے ہیں۔

مستقبل کا نقطہ نظر

پاکستان کی معیشت بیرونی اکاؤنٹ خساروں، مناسب مالیاتی ضروریات اور بلند تر اشیائے صرف کے نزخوں کی وجہ سے بحرانی صورتحال سے دوچار ہیں۔ سب سے بڑھ کر سیلاب نے صورتحال کو مزید چیلنجنگ بنا دیا ہے۔ تاہم آئی ایم ایف کے پروگرام کی بحالی سے امید ہے کہ مستقبل میں استحکام کا راستہ ہموار ہو جائے گا۔

اظہار تشکر

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

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

سیف الدین این۔ زومکاوالا

چیئر مین

کراچی، ۲۸ اکتوبر ۲۰۲۲ء

حسن علی عبداللہ

منیجنگ ڈائریکٹر و چیف ایگزیکٹو

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

			Rupees '000
		30 September 2022 (Unaudited)	(Restated) 31 December 2021 (Audited)
	Note		
Assets			
Property and equipment	6	2 871 245	2 887 013
Investment property	7	2 600 618	2 599 970
Investment in subsidiary	8	9 623 448	9 644 327
Investments			
Equity securities	9	3 017 442	3 705 178
Debt securities	10	11 720 868	9 405 824
Term deposits		670 845	678 785
Loans and other receivables	11	247 058	387 908
Insurance / reinsurance receivables	12	5 012 434	5 012 826
Reinsurance recoveries against outstanding claims	19	6 442 266	3 974 297
Salvage recoveries accrued		100 630	76 869
Deferred commission expense	20	1 182 571	772 985
Retirement benefit		43 981	–
Taxation - payments less provision		217 589	–
Prepayments	13	7 613 301	5 523 607
Cash and bank	14	1 566 789	1 189 522
		52 931 085	45 859 111
Total assets of window takaful operations - Operator's Fund		1 556 472	1 141 221
Total assets		54 487 557	47 000 332
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		2 000 000	2 000 000
Reserves and unappropriated profit / loss	15	16 096 710	17 273 812
Total equity		18 096 710	19 273 812
Surplus on revaluation of property and equipment		1 014 408	1 076 919
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	19	10 846 777	7 085 599
Unearned premium reserve	18	14 196 550	10 517 726
Unearned reinsurance commission	20	207 990	135 214
Retirement benefit obligations		–	9 038
Deferred taxation		18 055	278 253
Premium received in advance		36 194	26 779
Insurance / reinsurance payables		5 643 791	4 809 795
Other creditors and accruals	16	3 663 380	3 222 312
Taxation - provision less payments		–	50 910
Total liabilities		34 612 737	26 135 626
		53 723 855	46 486 357
Total liabilities of window takaful operations - Operator's Fund		763 702	513 975
Total equity and liabilities		54 487 557	47 000 332
Contingencies and commitments	17		

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

TAHER G. SACHAK
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2022

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

Rupees '000

		Three months period ended		Nine months period ended	
	Note	30 September 2022	30 September 2021 (Restated)	30 September 2022	30 September 2021 (Restated)
Net insurance premium	18	2 256 018	2 294 597	7 446 195	7 047 935
Net insurance claims	19	(1 641 815)	(1 245 560)	(4 505 109)	(3 287 383)
Net commission and other acquisition cost	20	(438 774)	(324 768)	(1 174 583)	(923 606)
Insurance claims and acquisition expenses		(2 080 589)	(1 570 328)	(5 679 692)	(4 210 989)
Management expenses		(805 443)	(675 302)	(2 257 016)	(2 040 042)
Underwriting results		(630 014)	48 967	(490 513)	796 904
Investment income	21	564 919	246 296	1 667 838	1 562 934
Rental income		32 746	31 263	92 717	90 679
Other income	22	123 707	63 213	296 204	114 104
Other expenses		(14 019)	(5 282)	(56 962)	(51 101)
		707 353	335 490	1 999 797	1 716 616
Results of operating activities		77 339	384 457	1 509 284	2 513 520
Profit from window takaful operations - Operator's Fund	23	121 346	65 762	254 847	126 822
Profit before tax		198 685	450 219	1 764 131	2 640 342
Income tax expense	24				
Current period		(70 424)	(123 511)	(501 699)	(758 447)
Prior period		—	—	(162 565)	—
		(70 424)	(123 511)	(664 264)	(758 447)
Profit after tax		128 261	326 708	1 099 867	1 881 895
Earnings (after tax) per share - Rupees	25	0.64	1.63	5.50	9.41

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

TAHER G. SACHAK
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2022

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

Rupees '000

Note	Three months period ended		Nine months period ended	
	30 September 2022	30 September 2021 (Restated)	30 September 2022	30 September 2021 (Restated)
Profit after tax	128 261	326 708	1 099 867	1 881 895
Other comprehensive income				
Total items that may be reclassified subsequently to profit and loss account				
Unrealized loss on available-for-sale investments during the period	(6 328)	(629 673)	(661 822)	(1 130 264)
Reclassification adjustments relating to available-for-sale investments disposed off during the period	—	—	—	40 941
Unrealized (loss) / gain on available-for-sale investments during the period of subsidiary company	124 740	103 749	(124 773)	—
Total unrealized (loss) / gain on available-for-sale investments	118 412	(525 924)	(786 595)	(1 089 323)
Deferred tax on available-for-sale investments	2 088	182 606	179 846	315 905
Deferred tax on available-for-sale investments of subsidiary company	(41 164)	(30 087)	25 391	—
Net unrealized gain / (loss) from window takaful operations - Operator's Fund (net of deferred tax)	1 284	(3)	2 567	1 627
Other comprehensive (loss) / income	80 620	(373 408)	(578 791)	(771 791)
Total comprehensive income / (loss) for the period	208 881	(46 700)	521 076	1 110 104

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

TAHER G. SACHAK
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2022

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

	2022	Rupees '000 (Restated) 2021
Operating cash flows		
a) Underwriting activities		
Insurance premium received	21 864 028	16 532 396
Reinsurance premium paid	(12 031 051)	(9 360 675)
Claims paid	(4 170 048)	(4 678 632)
Reinsurance and other recoveries received	1 017 024	1 573 027
Commission paid	(1 502 244)	(1 168 262)
Commission received	290 314	198 748
Management expenses paid	(2 112 768)	(1 806 356)
Net cash flow from underwriting activities	3 355 255	1 290 246
b) Other operating activities		
Income tax paid	(956 521)	(889 792)
Other operating payments	(97 151)	(100 083)
Other operating receipts	170 235	90 078
Loans advanced	(570)	(780)
Loans repayments received	523	525
Net cash flow used in other operating activities	(883 484)	(900 052)
Total cash flow from all operating activities	2 471 771	390 194
Investment activities		
Profit / return received	1 329 916	1 094 119
Dividend received	766 746	781 260
Rentals received	105 720	127 063
Payment for investments / investment properties	(8 942 814)	(14 655 236)
Proceeds from investments / investment properties	6 515 628	13 937 175
Fixed capital expenditures	(224 237)	(225 942)
Proceeds from sale of property and equipment	43 431	30 115
Total cash flow (used in) / from investing activities	(405 610)	1 088 554
Financing activities		
Payments against lease liabilities	(45 609)	(45 608)
Dividends paid	(1 643 285)	(1 657 065)
Total cash flow used in financing activities	(1 688 894)	(1 702 673)
Net cash flow from / (used in) all activities	377 267	(223 925)
Cash and cash equivalents at the beginning of period	1 189 522	1 328 500
Cash and cash equivalents at the end of period	1 566 789	1 104 575
Reconciliation to profit and loss account		
Operating cash flows	2 471 771	390 194
Depreciation / amortization expense	(198 175)	(264 997)
Finance cost	(9 955)	(7 431)
Profit on disposal of property and equipment	21 769	24 440
Profit on disposal of investments / investment properties	103 778	92 498
Rental income	92 717	90 679
Dividend Income	835 955	775 581
Other investment income	728 105	694 855
Profit on deposits	146 774	69 255
Other income	127 661	20 409
Increase in assets other than cash	5 230 015	554 754
Increase in liabilities other than borrowings	(8 705 395)	(685 164)
Profit after tax from conventional insurance operations	845 020	1 755 073
Profit from window takaful operations - Operator's Fund	254 847	126 822
Profit after tax	1 099 867	1 881 895

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

TAHER G. SACHAK
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2022

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

Rupees '000

	Share capital	Capital Reserve - Reserve for exceptional losses	Revenue reserves	Unrealized gain / (loss) on revaluation of available-for-sale investment-net	Unrealized gain on fair value of investment property	Total reserve	Total equity
Balance as at 01 January 2021	2 000 000	12 902	16 795 315	(852 863)	1 623 511	17 578 865	19 578 865
Effect of adjustment - net of tax as disclosed in note 8			(2 822 351)	2 822 351			
Balance as at 01 January 2021 (restated)	2 000 000	12 902	13 972 964	1 969 488	1 623 511	17 578 865	19 578 865
Total comprehensive income for the period ended 30 September 2021							
Profit after tax			1 881 895			1 881 895	1 881 895
Other comprehensive loss				(771 791)		(771 791)	(771 791)
			1 881 895	(771 791)		1 110 104	1 110 104
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation - net of tax			181			181	181
Transactions with owners recorded directly in equity							
Final dividend for the year 2020 at the rate of Rs. 5.50 (55.00%) per share			(1 100 000)			(1 100 000)	(1 100 000)
1st Interim dividend paid for the year 2021 at the rate of Rs. 1.50 (15.00%) per share			(300 000)			(300 000)	(300 000)
2nd Interim dividend paid for the year 2021 at the rate of Rs. 1.50 (15.00%) per share			(300 000)			(300 000)	(300 000)
Balance as at 30 September 2021 (restated)	2 000 000	12 902	14 155 040	1 197 697	1 623 511	16 989 150	18 989 150
Balance as at 01 January 2022	2 000 000	12 902	17 516 609	(1 934 889)	1 679 190	17 273 812	19 273 812
Effect of adjustment - net of tax as disclosed in note 8			(2 896 013)	2 896 013			
Balance as at 01 January 2022 (restated)	2 000 000	12 902	14 620 596	961 124	1 679 190	17 273 812	19 273 812
Total comprehensive income for the period ended 30 September 2022							
Profit after tax			1 194 469		(94 602)	1 099 867	1 099 867
Other comprehensive loss				(578 791)		(578 791)	(578 791)
			1 194 469	(578 791)	(94 602)	521 076	521 076
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation - net of tax			1 822			1 822	1 822
Transactions with owners recorded directly in equity							
Final dividend for the year 2021 at the rate of Rs. 5.50 (55.00%) per share			(1 100 000)			(1 100 000)	(1 100 000)
1st Interim dividend paid for the year 2022 at the rate of Rs. 1.50 (15.00%) per share			(300 000)			(300 000)	(300 000)
2nd Interim dividend paid for the year 2022 at the rate of Rs. 1.50 (15.00%) per share			(300 000)			(300 000)	(300 000)
Balance as at 30 September 2022	2 000 000	12 902	14 116 887	382 333	1 584 588	16 096 710	18 096 710

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

TAHER G. SACHAK
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2022

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

1. Legal status and nature of business

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

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

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

2. Basis of preparation and statement of compliance

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

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

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

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

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

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

2.1 Basis of measurement

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

2.2 Functional and presentation currency

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

2.3 Standards, interpretations and amendments effective during the current period

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

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

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

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

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

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

3. Summary of significant accounting policies

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

4. Accounting estimates and judgements

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

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

5. Management of insurance and financial risk

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

6. Property and equipment

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

			Rupees '000
	Note	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Opening balance - net book value		2 887 013	2 818 853
Additions	6.1	224 237	340 810
Depreciation during the period		(198 175)	(349 154)
Book value of disposal		(41 830)	(13 349)
Revaluation		—	89 853
		<u>2 871 245</u>	<u>2 887 013</u>

		Rupees '000	
		30 September 2022 (Unaudited)	31 December 2021 (Audited)
6.1	Additions		
	Building	6 537	95 413
	Right of use assets - buildings	40 849	84 803
	leasehold improvements	3 775	2 167
	Furniture and fixtures	16 347	18 632
	Office equipment	23 986	21 662
	Computer equipment	9 997	23 758
	Vehicles	122 746	70 104
	Tracker equipment	–	24 271
		<u>224 237</u>	<u>340 810</u>
7.	Investment property		
	Opening net book value	2 599 970	2 517 970
	Additions and capital improvements	648	3 579
	Unrealized fair value gain*	–	78 421
	Closing net book value	<u>2 600 618</u>	<u>2 599 970</u>

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

8. Investment in subsidiary		Rupees '000					
		30 September 2022 (Unaudited)			31 December 2021 (Audited) (Restated)		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Subsidiary							
	Listed shares	13 432 511	(4 078 891)	9 353 620	13 328 616	(4 078 891)	9 249 725
	Surplus on revaluation	–	–	269 828	–	–	394 602
		<u>13 432 511</u>	<u>(4 078 891)</u>	<u>9 623 448</u>	<u>13 328 616</u>	<u>(4 078 891)</u>	<u>9 644 327</u>

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

As a result, comparative figures of unconsolidated condensed interim profit and loss account decreased by Rs. 73.662 million (net of tax) and unconsolidated condensed interim other comprehensive income increased by Rs. 203.626 million (net of tax).

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

Rupees '000

	30 September 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Related Party *						
Listed shares	330 532	–	330 532	396 298	–	396 298
Others						
Listed shares	2 283 159	(305 133)	1 978 026	2 260 862	(160 216)	2 100 646
Unlisted shares	15 500	(15 500)	–	15 500	(15 500)	–
	2 298 659	(320 633)	1 978 026	2 276 362	(175 716)	2 100 646
Surplus on revaluation	–	–	708 884	–	–	1 208 234
	<u>2 629 191</u>	<u>(320 633)</u>	<u>3 017 442</u>	<u>2 672 660</u>	<u>(175 716)</u>	<u>3 705 178</u>

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

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

	30 September 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Government securities	11 470 789	–	11 470 789	9 455 653	–	9 455 653
Term finance certificates	244 118	(44 118)	200 000	244 118	(44 118)	200 000
Sukuks	642 694	–	642 694	180 000	–	180 000
	12 357 601	(44 118)	12 313 483	9 879 771	(44 118)	9 835 653
Deficit on revaluation	–	–	(592 615)	–	–	(429 829)
	<u>12 357 601</u>	<u>(44 118)</u>	<u>11 720 868</u>	<u>9 879 771</u>	<u>(44 118)</u>	<u>9 405 824</u>

11. Loans and other receivables – considered good

Rupees '000

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Loans to employees	2 040	1 993
Accrued investment income	128 315	246 992
Security deposits	19 154	17 969
Advances to suppliers	46 100	50 026
Advances to employees	10 421	7 200
Other receivables	41 028	63 728
	<u>247 058</u>	<u>387 908</u>
12. Insurance / reinsurance receivables – unsecured and considered good		
Due from insurance contract holders	5 000 399	4 918 382
Provision for impairment of receivables from insurance contract holders	(967)	(1 195)
	<u>4 999 432</u>	<u>4 917 187</u>
Due from other insurer / reinsurers	13 002	95 639
	<u>5 012 434</u>	<u>5 012 826</u>

13. Prepayments

Rupees '000

	Note	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Prepaid reinsurance premium ceded	18	7 522 206	5 468 998
Software and hardware support services		3 277	2 419
Group health insurance premium		7 344	–
Group life insurance premium		3 589	–
Prepaid charges for vehicle tracking devices		52 159	39 347
Annual supervision fee		8 078	–
Others		16 648	12 843
		<u>7 613 301</u>	<u>5 523 607</u>

14. Cash and bank

Cash and cash equivalents			
Cash in hand		911	–
Policy and revenue stamps, bond papers		33 230	19 588
		<u>34 141</u>	<u>19 588</u>
Cash at bank			
Current accounts		153 947	164 974
Saving accounts		1 378 701	1 004 960
		<u>1 532 648</u>	<u>1 169 934</u>
		<u>1 566 789</u>	<u>1 189 522</u>

15. Reserves and unappropriated profit / (loss)

Capital Reserves			Restated (Note 8)
Reserve for exceptional losses		12 902	12 902
Revenue reserves			
General reserve	15.1	13 000 000	15 650 000
Unappropriated profit / (loss)		1 116 887	(1 029 404)
		<u>14 116 887</u>	<u>14 620 596</u>
Revaluation reserve for unrealized gain on available-for-sale investments - net		382 333	961 124
Reserve for change in fair value of investment property - net		1 584 588	1 679 190
		<u>16 096 710</u>	<u>17 273 812</u>

15.1 During the period Rs. 2,650 million have been transferred from general reserve to unappropriated profit, 30 September 2021: Rs. 250 million had been transferred from unappropriated profit to general reserve.

16. Others creditors and accruals

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Federal insurance fee payable	13 879	13 513
Sales tax payable	170 247	307 645
Accrued expenses	258 626	312 001
Agent commission payable	868 981	569 519
Unearned rentals	89 887	69 329
Other deposits	1 622 091	1 378 680
Unclaimed dividends	465 349	408 634
Lease liability	118 614	139 330
Others	55 706	23 661
	<u>3 663 380</u>	<u>3 222 312</u>

17. Contingencies and commitments

17.1 The status of the contingencies remains unchanged as disclosed in the annual audited unconsolidated financial statements as at 31 December 2021, except for the following

- The appeal filed by the Company before the Commissioner of Income Tax (Appeals) against the Commissioner of Inland Revenue (Audit) for addition on account of expenses for the tax year 2020 has been decided in favour of the Company. The total tax liability was Rs. 2 million.
- The appeal filed by the Company before Commissioner Income Tax (Appeals) against the Commissioner Inland Revenue (Audit) for the addition of the fair market value of motor vehicles for tax year 2021 has been decided in favour of the Company the tax liability was Rs. 2 million.

18. Net insurance premium

Rupees '000

	Three months period ended 30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	Nine months period ended 30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Written gross premium	9 218 098	7 089 873	21 936 859	16 617 774
Unearned premium reserve - opening	11 648 905	8 805 984	10 517 726	9 411 142
Unearned premium reserve - closing	(14 196 550)	(10 603 444)	(14 196 550)	(10 603 444)
Premium earned	6 670 453	5 292 413	18 258 035	15 425 472
Less:				
Reinsurance premium ceded	5 001 769	3 251 437	12 865 048	8 438 758
Prepaid reinsurance premium - opening	6 934 872	4 616 270	5 468 998	4 808 670
Prepaid reinsurance premium - closing	(7 522 206)	(4 869 891)	(7 522 206)	(4 869 891)
Reinsurance expense	4 414 435	2 997 816	10 811 840	8 377 537
	<u>2 256 018</u>	<u>2 294 597</u>	<u>7 446 195</u>	<u>7 047 935</u>
19. Net insurance claim expense				
Claims Paid	1 762 232	1 547 514	4 146 286	4 653 073
Outstanding claims including IBNR - closing	10 846 777	7 513 384	10 846 777	7 513 384
Outstanding claims including IBNR - opening	(10 055 888)	(7 532 603)	(7 085 599)	(7 111 989)
Claim expense	2 553 121	1 528 295	7 907 464	5 054 468
Less:				
Reinsurance and other recoveries received	522 847	548 336	934 386	1 621 375
Reinsurance and other recoveries in respect of outstanding claims - opening	(6 053 807)	(4 267 453)	(3 974 297)	(3 856 142)
Reinsurance and other recoveries in respect of outstanding claims - closing	6 442 266	4 001 852	6 442 266	4 001 852
Reinsurance and other recoveries revenue	911 306	282 735	3 402 355	1 767 085
	<u>1 641 815</u>	<u>1 245 560</u>	<u>4 505 109</u>	<u>3 287 383</u>

20. Net commission expense

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Commission paid or payable	929 101	638 570	1 801 706	1 245 410
Deferred commission expense - opening	779 765	541 078	772 985	678 039
Deferred commission expense - closing	(1 182 571)	(788 067)	(1 182 571)	(788 067)
Net commission	526 295	391 581	1 392 120	1 135 382
Less:				
Commission received or recoverable	167 990	103 035	290 313	198 747
Unearned reinsurance commission - opening	127 521	102 893	135 214	152 144
Unearned reinsurance commission - closing	(207 990)	(139 115)	(207 990)	(139 115)
Commission from reinsurers	87 521	66 813	217 537	211 776
	438 774	324 768	1 174 583	923 606
21. Investment income		(Restated)		(Restated)
Income from subsidiary				
- Available-for-sale				
Dividend income	69 185	67 142	618 792	601 345
Income from equity securities				
- Available-for-sale				
Dividend income	99 677	72 863	217 164	174 236
Income from debt securities				
- Available-for-sale				
Return on debt securities	322 268	240 720	863 550	814 922
Income from term deposits				
Return on term deposits	4 073	2 333	10 562	7 478
	495 203	383 058	1 710 068	1 597 981
Net realized gains / (losses) on investments				
Available-for-sale financial assets				
Realized gains on:				
Equity securities	13 206	2 234	110 578	162 264
Realized losses on:				
Equity securities	—	(12 484)	(6 800)	(69 766)
	13 206	(10 250)	103 778	92 498
	508 409	372 808	1 813 846	1 690 479
(Impairment) / reversal in value of available-for-sale equity securities	56 837	(126 322)	(145 232)	(126 575)
Investment related expenses	(327)	(190)	(776)	(970)
	564 919	246 296	1 667 838	1 562 934

22. Other income

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Gain on sale of property and equipment	5 544	12 749	41 647	24 440
Return on loans to employees	57	32	188	93
Exchange gains	47 672	25 182	101 854	20 316
Gain on early termination of lease agreements	56	–	5 741	–
Return on bank balances	70 378	25 250	146 774	69 255
	<u>123 707</u>	<u>63 213</u>	<u>296 204</u>	<u>114 104</u>
23. Profit from window takaful operations – Operator's Fund				
Wakala fee	241 206	198 778	671 338	565 595
Commission expense	(81 150)	(77 932)	(238 989)	(223 971)
General administrative and management expenses	(95 550)	(75 280)	(292 041)	(259 696)
Modarib's share of PTF investment income	23 867	8 388	49 156	23 228
Investment income	31 557	11 529	62 372	20 213
Direct expenses	(340)	(137)	(910)	(597)
Other income	1 756	416	3 921	2 050
	<u>121 346</u>	<u>65 762</u>	<u>254 847</u>	<u>126 822</u>
24. Income tax expense				
For current period				
Current	45 501	168 533	542 254	825 792
Deferred	18 631	(45 022)	(115 706)	(67 345)
Super tax	6 292	–	75 151	–
	<u>70 424</u>	<u>123 511</u>	<u>501 699</u>	<u>758 447</u>
For prior year				
Super tax	–	–	162 565	–
	<u>70 424</u>	<u>123 511</u>	<u>664 264</u>	<u>758 447</u>
25. Earnings per share - basic and diluted				
Profit (after tax) for the period (Rupees '000)	<u>128 261</u>	<u>326 708</u>	<u>1 099 867</u>	<u>1 881 895</u>
Weighted average number of ordinary shares (Numbers '000)	<u>200 000</u>	<u>200 000</u>	<u>200 000</u>	<u>200 000</u>
Earnings per share (Rupees)	<u>0.64</u>	<u>1.63</u>	<u>5.50</u>	<u>9.41</u>

26. Related party transactions

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

	Three months period ended		Nine months period ended	
	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Rupees '000				
Transactions				
Subsidiary company				
Premium written	781	1 435	29 446	26 970
Premium paid	324	—	13 748	10 753
Claims paid - net of salvage	178	193	1 124	1 397
Dividends received	69 185	67 142	618 792	601 345
Dividends paid	7 021	7 021	39 788	39 788
Associated companies				
Premium written	46 549	207 236	195 462	425 506
Premium paid / (refund)	—	(63)	25 960	21 503
Claims paid - net of salvage	10 155	29 510	141 409	73 395
Dividends paid	101 994	101 577	577 046	562 055
Bank deposits withdrawn	(335 000)	(145 000)	(125 000)	(195 000)
Key management personnel				
Premium written	643	946	757	1 045
Claims paid - net of salvage	—	220	168	240
Dividends paid	1 346	1 306	7 629	7 358
Compensation	57 817	60 682	170 160	154 798
Others				
Premium written	21 878	49 281	246 878	306 181
Claims paid - net of salvage	2 760	2 815	46 679	11 383
Dividends paid	87 013	98 920	557 536	563 391
Brokerage paid	315	179	499	1 239
Employees' funds				
Contribution to provident fund	8 550	9 443	25 969	24 077
Contribution to gratuity fund	7 332	5 467	21 692	16 397
Contribution released to pension fund	(1 854)	(972)	(5 564)	(2 917)
Dividends paid	674	674	3 820	4 463
			30 September 2022 (Unaudited)	31 December 2021 (Audited)
Balances				
Others				
Balances receivable			115 735	118 608
Balances payable			(1 123)	(792)
Deposits maturing within 12 months			163 500	288 500
Bank balances			285 865	168 016
Employees' funds receivable / (payable)				
EFU gratuity fund			(21 692)	(69 001)
EFU pension fund			65 673	59 963

27. Segment Information

Rupees '000

For nine months period ended 30 September 2022 (Unaudited)

Current period

	Fire and property damage	Marine, aviation and transport	Motor	Misce-llaneous	Treaty	Total
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	16 511 337	3 463 059	3 452 560	1 667 938	–	25 094 894
Less: Sales tax	1 794 087	368 897	416 685	202 908	–	2 782 577
Stamp duty	430	153 973	924	840	–	156 167
Federal insurance fee	145 640	29 103	30 051	14 497	–	219 291
Gross written premium (inclusive of administrative surcharge)	14 571 180	2 911 086	3 004 900	1 449 693	–	21 936 859
Gross direct premium	14 530 932	2 868 605	2 861 470	1 437 029	–	21 698 036
Facultative inward premium	11 246	718	–	–	–	11 964
Administrative surcharge	29 002	41 763	143 430	12 664	–	226 859
Insurance premium earned	11 743 445	2 502 180	2 695 660	1 316 750	–	18 258 035
Insurance premium ceded to reinsurers	(9 270 742)	(1 121 789)	(18 022)	(401 287)	–	(10 811 840)
Net insurance premium	2 472 703	1 380 391	2 677 638	915 463	–	7 446 195
Commission income	175 248	12 742	4	29 543	–	217 537
Net underwriting income	2 647 951	1 393 133	2 677 642	945 006	–	7 663 732
Insurance claims	(5 329 403)	(501 866)	(1 400 715)	(675 480)	–	(7 907 464)
Insurance claims recovered from reinsurers	3 325 903	4 824	(2 024)	73 652	–	3 402 355
Net insurance claims	(2 003 500)	(497 042)	(1 402 739)	(601 828)	–	(4 505 109)
Commission expense	(810 839)	(233 991)	(244 098)	(103 192)	–	(1 392 120)
Management expenses	(782 517)	(398 159)	(803 838)	(272 502)	–	(2 257 016)
Net insurance claims and expenses	(3 596 856)	(1 129 192)	(2 450 675)	(977 522)	–	(8 154 245)
Underwriting results	(948 905)	263 941	226 967	(32 516)	–	(490 513)
Investment income						1 667 838
Rental income						92 717
Other income						296 204
Other expenses						(56 962)
Profit from window takaful operations - Operator's Fund						254 847
Profit before tax						1 764 131

As at 30
September 2022
(Unaudited)

Corporate segment assets	16 145 845	2 419 507	858 735	888 179	–	20 312 266
Corporate segment assets - Takaful OPF	184 016	18 036	406 933	35 322	–	644 307
Corporate unallocated assets						32 618 819
Corporate unallocated assets - Takaful OPF						912 165
Total assets						54 487 557
Corporate segment liabilities	23 145 562	3 378 307	3 006 528	3 909 952	–	33 440 349
Corporate segment liabilities - Takaful OPF	180 952	15 439	472 274	38 999	–	707 664
Corporate unallocated liabilities						1 172 388
Corporate unallocated liabilities - Takaful OPF						56 038
Total liabilities						35 376 439

External premium
less reinsurance
by geographical
segments 2022
(Unaudited)

Location

Pakistan	7 422 285
* EPZ	23 910
Total	7 446 195

* This represents US Dollar Equivalent in Pak Rupees

Rupees '000

For nine months period ended 30 September 2021 (Unaudited)

	Fire and property damage	Marine, aviation and transport	Motor	Misce- llaneous	Treaty	Total
Prior period						
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	11 592 309	2 891 748	3 133 345	1 564 871	–	19 182 273
Less: Sales tax	1 403 415	312 781	377 583	191 206	–	2 284 985
Stamp duty	408	111 407	889	682	–	113 386
Federal insurance fee	100 835	24 422	27 277	13 594	–	166 128
Gross written premium (inclusive of administrative surcharge)	10 087 651	2 443 138	2 727 596	1 359 389	–	16 617 774
Gross direct premium	10 055 725	2 402 135	2 569 725	1 348 006	–	16 375 591
Facultative inward premium	4 209	827	–	–	–	5 036
Administrative surcharge	27 717	40 176	157 871	11 383	–	237 147
Insurance premium earned	9 699 433	2 075 878	2 484 205	1 165 956	–	15 425 472
Insurance premium ceded to reinsurers	(7 064 007)	(871 384)	(16 457)	(425 689)	–	(8 377 537)
Net insurance premium	2 635 426	1 204 494	2 467 748	740 267	–	7 047 935
Commission income	165 810	11 858	36	34 072	–	211 776
Net underwriting income	2 801 236	1 216 352	2 467 784	774 339	–	7 259 711
Insurance claims	(2 546 048)	(569 653)	(1 157 226)	(781 541)	–	(5 054 468)
Insurance claims recovered from reinsurers	1 567 856	140 514	(90)	58 805	–	1 767 085
Net insurance claims	(978 192)	(429 139)	(1 157 316)	(722 736)	–	(3 287 383)
Commission expense	(623 993)	(202 558)	(227 239)	(81 592)	–	(1 135 382)
Management expenses	(757 135)	(327 028)	(745 782)	(210 097)	–	(2 040 042)
Net insurance claims and expenses	(2 359 320)	(958 725)	(2 130 337)	(1 014 425)	–	(6 462 807)
Underwriting results	441 916	257 627	337 447	(240 086)	–	796 904
Investment income						1 562 934
Rental income						90 679
Other income						114 104
Other expenses						(51 101)
Profit from window takaful operations - Operator's Fund						126 822
Profit before tax						2 640 342
						As at 31 December 2021 (Audited)
Corporate segment assets	11 948 826	1 950 272	668 558	802 029	–	15 369 685
Corporate segment assets - Takaful OPF	91 055	11 820	244 001	11 127	–	358 003
Corporate unallocated assets						30 489 426
Corporate unallocated assets - Takaful OPF						783 218
Total assets						47 000 332
Corporate segment liabilities	15 887 724	2 795 937	2 593 290	3 246 362	–	24 523 313
Corporate segment liabilities - Takaful OPF	95 867	13 030	375 669	12 660	–	497 226
Corporate unallocated liabilities						1 612 313
Corporate unallocated liabilities - Takaful OPF						16 749
Total liabilities						26 649 601
	External premium less reinsurance by geographical segments 2021 (Unaudited)					
Location						
Pakistan	7 026 043					
* EPZ	21 892					
Total	7 047 935					

* This represents US Dollar Equivalent in Pak Rupees

Rupees '000

For three months period ended 30 September 2022 (Unaudited)

Current period

	Fire and property damage	Marine, aviation and transport	Motor	Misce- llaneous	Treaty	Total
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	7 715 716	808 556	1 461 848	540 336	–	10 526 456
Less: Sales tax	828 586	85 567	174 205	69 975	–	1 158 333
Stamp duty	227	56 996	323	298	–	57 844
Federal insurance fee	68 187	6 594	12 746	4 654	–	92 181
Gross written premium (inclusive of administrative surcharge)	6 818 716	659 399	1 274 574	465 409	–	9 218 098
Gross direct premium	6 803 596	645 788	1 226 211	459 652	–	9 135 247
Administrative surcharge	15 120	13 611	48 363	5 757	–	82 851
Insurance premium earned	4 383 552	908 036	923 305	455 560	–	6 670 453
Insurance premium ceded to reinsurers	(3 817 620)	(431 742)	(7 694)	(157 379)	–	(4 414 435)
Net insurance premium	565 932	476 294	915 611	298 181	–	2 256 018
Commission income	72 324	4 672	–	10 525	–	87 521
Net underwriting income	638 256	480 966	915 611	308 706	–	2 343 539
Insurance claims	(1 665 970)	(236 149)	(412 264)	(238 738)	–	(2 553 121)
Insurance claims recovered from reinsurers	876 773	22 921	(7)	11 619	–	911 306
Net insurance claims	(789 197)	(213 228)	(412 271)	(227 119)	–	(1 641 815)
Commission expense	(321 474)	(82 678)	(85 998)	(36 145)	–	(526 295)
Management expenses	(236 355)	(156 288)	(311 762)	(101 038)	–	(805 443)
Net insurance claims and expenses	(1 347 026)	(452 194)	(810 031)	(364 302)	–	(2 973 553)
Underwriting results	(708 770)	28 772	105 580	(55 596)	–	(630 014)
Investment income						564 919
Rental income						32 746
Other income						123 707
Other expenses						(14 019)
Profit from window takaful operations - Operator's Fund						121 346
Profit before tax						198 685

Rupees '000

For three months period ended 30 September 2021 (Unaudited)

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Misce- llaneous	Treaty	Total
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	5 034 628	1 213 283	1 299 710	560 853	–	8 108 474
Less: Sales tax	553 693	131 403	154 514	65 674	–	905 284
Stamp duty	226	41 648	333	254	–	42 461
Federal insurance fee	44 322	10 299	11 335	4 900	–	70 856
Gross written premium (inclusive of administrative surcharge)	4 436 387	1 029 933	1 133 528	490 025	–	7 089 873
Gross direct premium	4 417 580	1 015 965	1 077 460	485 019	–	6 996 024
Facultative inward premium	4 209	–	–	–	–	4 209
Administrative surcharge	14 598	13 968	56 068	5 006	–	89 640
Insurance premium earned	3 275 317	781 722	844 300	391 074	–	5 292 413
Insurance premium ceded to reinsurers	(2 495 223)	(355 929)	(6 572)	(140 092)	–	(2 997 816)
Net insurance premium	780 094	425 793	837 728	250 982	–	2 294 597
Commission income	52 272	5 037	9	9 495	–	66 813
Net underwriting income	832 366	430 830	837 737	260 477	–	2 361 410
Insurance claims	(442 800)	(125 122)	(388 179)	(572 194)	–	(1 528 295)
Insurance claims recovered from reinsurers	211 998	1 669	–	69 068	–	282 735
Net insurance claims	(230 802)	(123 453)	(388 179)	(503 126)	–	(1 245 560)
Commission expense	(216 311)	(70 490)	(77 212)	(27 568)	–	(391 581)
Management expenses	(238 234)	(118 231)	(245 116)	(73 721)	–	(675 302)
Net insurance claims and expenses	(685 347)	(312 174)	(710 507)	(604 415)	–	(2 312 443)
Underwriting results	147 019	118 656	127 230	(343 938)	–	48 967
Investment income						246 296
Rental income						31 263
Other income						63 213
Other expenses						(5 282)
Profit from window takaful operations - Operator's Fund						65 762
Profit before tax						450 219

28. Movement in investments

Rupees '000

Name of investment	Held to maturity - Term deposits	Available-for-sale - Subsidiary	Available-for-sale - Debt securities	Available-for-sale - Equity securities	Total
At beginning of previous year	683 006	9 298 848	10 273 302	4 480 733	24 735 889
Additions	4 963 205	237 673	8 998 559	2 319 664	16 519 101
Disposals (sale and redemptions)	(4 967 426)	–	(9 155 590)	(2 028 695)	(16 151 711)
Fair value net gains / (losses) (excluding net realized gains / (losses))	–	211 555	(710 447)	(919 108)	(1 418 000)
Impairment losses	–	(103 749)	–	(147 416)	(251 165)
At beginning of current year	678 785	9 644 327	9 405 824	3 705 178	23 434 114
Additions	831 880	103 894	7 720 388	286 004	8 942 166
Disposals (sale and redemptions)	(839 820)	–	(5 242 557)	(329 473)	(6 411 850)
Fair value net gains / (losses) (excluding net realized gains / (losses))	–	(124 773)	(162 787)	(499 035)	(786 595)
Impairment losses	–	–	–	(145 232)	(145 232)
At end of current period	<u>670 845</u>	<u>9 623 448</u>	<u>11 720 868</u>	<u>3 017 442</u>	<u>25 032 603</u>

29. Fair value

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

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

Following are the assets where fair value is only disclosed and is different from their carrying value:

Rupees '000

As at 30 September 2022 (Unaudited)							
	Available- for-sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using	
						Level 1	Level 2
						Level 3	
Financial assets measured at fair value							
Investments							
Equity securities - quoted	3 017 442				3 017 442	3 017 442	
Debt securities	11 720 868				11 720 868		11 720 868
Investment in subsidiary	9 623 448				9 623 448	9 623 448	
Financial assets not measured at fair value							
Term deposits *			670 845		670 845		
Loans and other receivables *		247 058			247 058		
Insurance / reinsurance receivables *		5 012 434			5 012 434		
Reinsurance recoveries against outstanding claims *		6 442 266			6 442 266		
Cash and bank *			1 566 789		1 566 789		
Total assets of window takaful operations - Operator's fund *	791 302	547 492	40 221		1 379 015		791 302
	25 153 060	12 249 250	2 277 855		39 680 165	12 640 890	12 512 170
Financial liabilities not measured at fair value							
Outstanding claims including IBNR *				(10 846 777)	(10 846 777)		
Premium received in advance *				(36 194)	(36 194)		
Insurance / reinsurance payables *				(5 643 791)	(5 643 791)		
Other creditors and accruals *				(3 663 380)	(3 663 380)		
Total liabilities of window takaful operations - Operator's Fund *				(120 737)	(120 737)		
	25 153 060	12 249 250	2 277 855	(20 310 879)	19 369 286	12 640 890	12 512 170
							-

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

Rupees '000

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

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

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

The Board of Directors in their meeting held on 28 October 2022 have announced a third interim cash dividend in respect of the year ended 31 December 2022 of Rs. 1.50 per share i.e. 15.00 % (2021: Rs. 1.50 per share i.e. 15.00 %). These unconsolidated condensed interim financial statements for the nine months period ended 30 September 2022 do not include the effect of these appropriations, which will be accounted for subsequent to the period end.

31. Corresponding Figures

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

32. General

Figures have been rounded off to the nearest thousand rupees.

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

These unconsolidated condensed interim financial statements were authorized for issue by the Board of Directors in its meeting held on 28 October 2022.

TAHER G. SACHAK
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2022

Consolidated Condensed Interim Financial Statements (Unaudited)

For the nine months period ended 30 September 2022

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

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

Performance Review

Consolidated gross premium was Rs. 48.9 billion (2021: Rs. 42.2 billion), net premium was Rs. 33.5 billion (2021: Rs. 31.7 billion) and profit before tax was Rs. 2,958 million (2021: Rs. 3,358 million). Consolidated investment income (including rental and other income) was Rs. 11,209 million (2021: Rs. 8,235 million). The consolidated total assets were Rs. 226 billion (31 December 2021: Rs. 211 billion) and total investments rose to Rs. 169 billion (31 December 2021: Rs. 164 billion).

Movement of Reserves

Rupees '000

30 September
2022
(Unaudited)

Unappropriated profit brought forward	136 672
Profit attributable to ordinary shares	869 726
Transferred from surplus on revaluation of property and equipment	13 064
Acquisition of Non-Controlling Interest without a change in control	(63 968)
	818 822
Profit available for appropriations	955 494
Earnings per share (Rupees)	3.88

Outlook

Pakistan's economy is going through challenging times due to external account deficits, substantial financing requirements and high commodity prices. On top, floods have made the situation further challenging. However, resumption of IMF program is likely to pave way for stability going forward.

Acknowledgements

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

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

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2022

مجموعی کنڈینسڈ عبوری مالیاتی حسابات پر ممبران کیلئے ڈائریکٹرز کا جائزہ ۳۰ ستمبر ۲۰۲۲ء کو ختم ہونے والی ۹ ماہ کی مدت کیلئے

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

کارکردگی کا جائزہ

یکجا شدہ مجموعی پرمیئم ۲۸۹۹ بلین روپے (۲۰۲۱ء: ۲۲۶۲ بلین روپے)، خالص پرمیئم ۳۳۵۵ بلین روپے (۲۰۲۱ء: ۳۱۷۷ بلین روپے) اور منافع قبل از ٹیکس ۲،۹۵۸ بلین روپے رہا (۲۰۲۱ء: ۳،۳۵۸ بلین روپے)۔ یکجا شدہ انویسٹمنٹ آمدنی (بشمول ریٹیل اور دیگر آمدنی) ۱۱،۲۰۹ بلین روپے رہی (۲۰۲۱ء: ۸،۲۳۵ بلین روپے)۔ یکجا شدہ مجموعی اثاثہ جات ۲۲۶ بلین روپے (۳۱ دسمبر ۲۰۲۱: ۲۱۱ بلین روپے) اور مجموعی سرمایہ کاری بڑھ کر ۱۶۹ بلین روپے رہی (۳۱ دسمبر ۲۰۲۱: ۱۶۳ بلین روپے)۔

محفوظ اثاثہ جات کی منتقلی

روپے ہزاروں میں

۳۰ ستمبر ۲۰۲۲ء
(غیر آڈٹ شدہ)

۱۳۶ ۶۷۲

۸۶۹ ۷۲۶

۱۳ ۰۶۴

(۶۳ ۹۶۸)

۸۱۸ ۸۲۲

۹۵۵ ۳۹۴

۳۶۸۸

غیر مختص کردہ منافع جو آئندہ شامل کیا جائے گا

عمومی شیئرز کیلئے قابل منسوب منافع

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

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

تناسب کے تحت دستیاب منافع

آمدنی فی شیئر (روپے)

مستقبل کا نقطہ نظر

پاکستان کی معیشت بیرونی اکاؤنٹ خساروں، مناسب مالیاتی ضروریات اور بلند تر اشیائے صرف کے نرخوں کی وجہ سے بحالی صورت حال سے دوچار ہیں۔ سب سے بڑھ کر سیلاب نے صورتحال کو مزید چیلنج بنا دیا ہے۔ تاہم آئی ایم ایف کے پروگرام کی بحالی سے امید ہے کہ مستقبل میں استحکام کا راستہ ہموار ہو جائے گا۔

اظہار تشکر

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

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

سیف الدین این۔ زومکوالا

چیئرمین

کراچی، ۲۸ اکتوبر ۲۰۲۲ء

حسن علی عبداللہ

منیجنگ ڈائریکٹر و چیف ایگزیکٹو

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

			Rupees '000
	Note	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Assets			
Property and equipment	6	8 532 206	8 649 723
Intangible assets		7 987 422	7 999 293
Investment property	7	2 600 618	2 599 970
Investments			
Equity securities	8	25 074 001	36 532 351
Debt securities	9	126 713 520	102 612 901
Term deposits		17 557 274	25 055 214
Loans and other receivables	10	4 333 381	3 094 087
Insurance / reinsurance receivables	11	5 628 658	5 469 946
Reinsurance recoveries against outstanding claims	20	6 442 266	3 974 297
Salvage recoveries accrued		100 630	76 869
Deferred commission expense	21	1 182 571	772 985
Retirement benefit		43 981	—
Taxation - payments less provision		1 466 880	1 238 260
Prepayments	12	7 776 291	5 658 476
Cash and bank	13	8 958 908	5 797 647
		<u>224 398 607</u>	<u>209 532 019</u>
Total assets of window takaful operations - Operator's Fund		<u>1 556 472</u>	<u>1 141 221</u>
Total assets		<u>225 955 079</u>	<u>210 673 240</u>
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	14	2 000 000	2 000 000
Reserves and Unappropriated profit	15	16 430 709	17 899 531
Capital and reserve attributable to Company's equity holders		18 430 709	19 899 531
Non-controlling interest		3 801 666	4 019 263
Total equity		<u>22 232 375</u>	<u>23 918 794</u>
Surplus on revaluation of property and equipment		1 845 578	1 986 146
Liabilities			
Insurance liabilities	16	159 208 651	151 091 103
Underwriting provisions			
Outstanding claims including IBNR	20	10 846 777	7 085 599
Unearned premium reserves	19	14 196 550	10 517 726
Unearned reinsurance commission	21	207 990	135 214
Retirement benefit obligations		—	9 038
Deferred taxation		3 072 368	2 997 603
Premium received in advance		1 215 405	1 175 071
Insurance / reinsurance payables		6 114 136	4 886 033
Other creditors and accruals	17	6 251 547	6 356 938
		<u>41 904 773</u>	<u>33 163 222</u>
Total liabilities		<u>201 113 424</u>	<u>184 254 325</u>
		<u>225 191 377</u>	<u>210 159 265</u>
Total liabilities of window takaful operations - Operator's Fund		<u>763 702</u>	<u>513 975</u>
Total equity and liabilities		<u>225 955 079</u>	<u>210 673 240</u>
Contingencies and commitments	18		

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

TAHER G. SACHAK
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2022

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

Rupees '000

	Note	Three months period ended 30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	Nine months period ended 30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Net insurance premium	19	10 603 613	10 280 154	33 513 646	31 692 595
Net insurance claims	20	(7 602 732)	(7 148 847)	(23 239 478)	(20 702 831)
Net commission and other acquisition costs	21	(2 171 563)	(2 142 839)	(6 618 724)	(6 434 316)
Insurance claims and acquisition expenses		(9 774 295)	(9 291 686)	(29 858 202)	(27 137 147)
Management expenses		(1 509 251)	(1 278 241)	(4 215 088)	(3 705 470)
Net change in insurance liabilities (other than outstanding claims)		(4 239 297)	228 276	(7 858 864)	(5 775 079)
Underwriting result		(4 919 230)	(61 497)	(8 418 508)	(4 925 101)
Investment income	22	5 512 384	3 289 767	14 211 174	9 731 220
Net realized fair value (losses) / gains on financial assets	23	438 252	897 823	(278 251)	3 068 536
Net fair value losses on financial assets at fair value through profit and loss	24	(476 956)	(3 602 160)	(3 201 216)	(4 851 387)
Rental income		32 746	31 263	92 717	90 679
Other income	25	166 238	86 791	384 944	195 754
Other expenses		(21 326)	(9 978)	(87 380)	(78 264)
		5 651 338	693 506	11 121 988	8 156 538
Results of operating activities		732 108	632 009	2 703 480	3 231 437
Profit from window takaful operations - Operator's Fund	26	121 346	65 762	254 847	126 822
Profit before tax		853 454	697 771	2 958 327	3 358 259
Income tax expense	27				
Current period		(298 539)	(200 400)	(1 386 497)	(1 094 296)
Prior period		—	(60)	(240 719)	(18 960)
		(298 539)	(200 460)	(1 627 216)	(1 113 256)
Profit after tax		554 915	497 311	1 331 111	2 245 003
Profit attributable to:					
Equity holders of the parent		287 057	406 215	775 124	1 743 486
Non-controlling interest		267 858	91 096	555 987	501 517
		554 915	497 311	1 331 111	2 245 003
Earnings (after tax) per share - Rupees	28	1.44	2.03	3.88	8.72

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

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Director

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Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2022

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

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Profit after tax	554 915	497 311	1 331 111	2 245 003
Other comprehensive income				
Total items that may be reclassified subsequently to profit and loss account				
Unrealized loss on available-for-sale investments during the period	(39 085)	(647 753)	(703 102)	(1 142 039)
Reclassification adjustments relating to available-for-sale investments disposed of during the period	—	—	—	40 941
Total unrealized loss for the period	(39 085)	(647 753)	(703 102)	(1 101 098)
Deferred tax on available-for-sale investments	11 016	187 849	191 587	319 320
Net unrealized gain / (loss) from window takaful operations - Operator's Fund (net of deferred tax)	1 284	(3)	2 567	1 627
Other comprehensive loss for the period	(26 785)	(459 907)	(508 948)	(780 151)
Total comprehensive income for the period	528 130	37 404	822 163	1 464 852
Total comprehensive income attributable to:				
Equity holders of the parent	273 110	(46 601)	282 082	967 963
Non-controlling interest	255 020	84 005	540 081	496 889
	528 130	37 404	822 163	1 464 852

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

	Note	30 September 2022 (Unaudited)	Rupees '000 30 September 2021 (Unaudited)
Operating cash flows			
a) Underwriting activities			
Insurance premium / contribution received		49 018 587	42 250 550
Reinsurance premium / retakaful contribution paid		(12 054 354)	(10 576 654)
Claims paid		(23 434 756)	(22 871 407)
Reinsurance and other recoveries received		1 017 024	2 253 063
Commission paid		(5 014 957)	(4 955 789)
Commission received		290 314	198 748
Management expenses paid		(6 747 926)	(5 532 366)
Net cash flow from underwriting activities		3 073 932	766 145
b) Other operating activities			
Income tax paid		(1 611 645)	(1 370 928)
Other operating payments		(515 377)	(131 625)
Other operating receipts		170 235	90 078
Loans advanced		(50 317)	(233 445)
Loans repayments received		81 848	204 966
Net cash flow used in other operating activities		(1 925 256)	(1 440 954)
Total cash flow from / (used in) all operating activities		1 148 676	(674 809)
Investment activities			
Profit / return received		12 049 923	8 517 049
Dividend received		1 943 541	1 764 425
Rentals received		105 720	127 063
Payment for investments / investment properties		(39 485 620)	(88 672 875)
Proceeds from investments / investment properties		22 913 169	83 165 591
Fixed capital expenditures		(565 519)	(586 632)
Proceeds from sale of property and equipment		114 148	102 763
Total cash flow (used in) / from investing activities		(2 924 638)	4 417 384
Financing activities			
Payments against lease liabilities		(178 284)	(158 434)
Dividends paid		(2 374 493)	(2 405 720)
Total cash flow used in financing activities		(2 552 777)	(2 564 154)
Net cash flow (used in) / from all activities		(4 328 739)	1 178 421
Cash and cash equivalents at beginning of period		30 174 076	25 725 591
Cash and cash equivalents at end of period		25 845 337	26 904 012
Reconciliation to profit and loss account			
Operating cash flows		1 148 676	(674 809)
Depreciation / amortization expense		(747 363)	(761 587)
Finance cost		(54 693)	(44 227)
Profit on disposal of property and equipment		71 318	69 532
(Loss) / profit on disposal of investments / investment properties		(174 473)	3 161 034
Rental income		92 717	90 679
Dividend income		2 003 970	1 746 928
Other investment income		12 371 918	7 891 548
Profit on lease termination		4 408	7 642
Profit on deposits		146 774	69 255
Other income		149 067	36 733
Depreciation in market value of investments		(2 798 037)	(4 347 236)
Impairment in the value of available-for-sale equity investments		(12 733)	(3 848)
Increase in assets other than cash		5 498 857	1 079 642
Increase in liabilities other than running finance		(16 624 142)	(6 203 105)
Profit after tax from conventional insurance operations		1 076 264	2 118 181
Profit from window takaful operations - Operator's Fund		254 847	126 822
Profit after tax		1 331 111	2 245 003

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

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Karachi 28 October 2022

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

Rupees '000

	Share capital	Capital reserve - reserve for exceptional losses	Revenue reserve	Unrealized gain/(loss) on revaluation of available-for-sale investment-net	Unrealized gain on fair value of investment property	Equity attributable to equity holder of parent	Non-controlling interest	Total
Balance as at 01 January 2021	2 000 000	12 902	15 209 226	1 805 449	1 399 579	20 427 156	4 130 931	24 558 087
Total comprehensive income for the period ended 30 September 2021								
Profit after tax			1 743 486	(775 523)		1 743 486	501 517	2 245 003
Other comprehensive income						(775 523)	(4 628)	(780 151)
			1 743 486	(775 523)		967 963	496 889	1 464 852
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation- net of tax			7 948			7 948	9 626	17 574
Loss on Group Life PTF			(8 820)			(8 820)	(10 993)	(19 813)
Acquisition of NCI without a change in control			(47 653)			(47 653)	(26 848)	(74 501)
Transactions with owners recorded directly in equity								
Final dividend for the year 2020 at the rate of Rs. 5.50 (55.00%) per share			(1 100 000)			(1 100 000)		(1 100 000)
Final dividend for the year 2020 at the rate of Rs. 10.50 (105.00%) per share							(582 878)	(582 878)
1st Interim dividend paid for the year 2021 at the rate of Rs. 1.50 (15.00%) per share			(300 000)			(300 000)		(300 000)
1st Interim dividend paid for the year 2021 at the rate of Rs. 1.50 (15.00%) per share							(82 919)	(82 919)
2nd Interim dividend paid for the year 2021 at the rate of Rs. 1.50 (15.00%) per share			(300 000)			(300 000)		(300 000)
2nd Interim dividend paid for the year 2021 at the rate of Rs. 1.50 (15.00%) per share							(82 858)	(82 858)
Balance as at 30 September 2021	2 000 000	12 902	15 204 187	1 029 926	1 399 579	19 646 594	3 850 950	23 497 544
Balance as at 01 January 2022	2 000 000	12 902	15 786 672	644 699	1 455 258	19 899 531	4 019 263	23 918 794
Total comprehensive income for the period ended 30 September 2022								
Profit after tax			869 726	(493 042)	(94 602)	775 124	555 987	1 331 111
Other comprehensive income						(493 042)	(15 906)	(508 948)
			869 726	(493 042)	(94 602)	282 082	540 081	822 163
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation- net of tax			13 064			13 064	13 456	26 520
Acquisition of NCI without a change in control			(63 968)			(63 968)	(39 926)	(103 894)
Transactions with owners recorded directly in equity								
Final dividend for the year 2021 at the rate of Rs. 5.50 (55.00%) per share			(1 100 000)			(1 100 000)		(1 100 000)
Final dividend for the year 2021 at the rate of Rs. 10.50 (105.00%) per share							(569 302)	(569 302)
1st Interim dividend paid for the year 2022 at the rate of Rs. 1.50 (15.00%) per share			(300 000)			(300 000)		(300 000)
1st Interim dividend paid for the year 2022 at the rate of Rs. 1.50 (15.00%) per share							(81 091)	(81 091)
2nd Interim dividend paid for the year 2022 at the rate of Rs. 1.50 (15.00%) per share			(300 000)			(300 000)		(300 000)
2nd Interim dividend paid for the year 2022 at the rate of Rs. 1.50 (15.00%) per share							(80 815)	(80 815)
Balance as at 30 September 2022	2 000 000	12 902	14 905 494	151 657	1 360 656	18 430 709	3 801 666	22 232 375

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

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Chairman

Karachi 28 October 2022

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

1. Legal status and nature of business

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

1.2 The group comprises of:

1.2.1 EFU General Insurance Limited (Holding Company)

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

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

1.2.2 EFU Life Assurance Limited (Subsidiary Company)

EFU Life Assurance Limited with 46.29 % effective holding was incorporated as public limited company on 09 August 1992 and started its operation from 18 November 1992. The Subsidiary Company is listed on Pakistan Stock Exchange Limited and is engaged in life assurance business comprising of ordinary life business, pension fund business and accident and health business and has established following funds, as required by the Insurance Ordinance, 2000.

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

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

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

2. Basis of preparation and statement of compliance

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

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

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

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Standards, interpretations and amendments effective in the current year

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

2.5 Standards, interpretations and amendments not effective at year end

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

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

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

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

3. Summary of significant accounting policies

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

4. Accounting estimates and judgements

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

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

5. Management of insurance and financial risk

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

6. Property and equipment

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

		Rupees '000	
	Note	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Opening balance - net book value		8 649 723	8 050 240
Additions	6.1	704 698	1 086 882
Depreciation during the period		(759 234)	(1 015 796)
Book value of disposal		(62 981)	(84 121)
Revaluation		—	612 518
		<u>8 532 206</u>	<u>8 649 723</u>

Rupees '000

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
6.1 Additions		
Building	6 537	95 413
Right of use assets - buildings	180 028	390 126
Leasehold improvements	36 316	60 923
Furniture and fixtures	28 483	36 135
Office equipment	41 806	37 194
Computer equipment	86 620	230 153
Vehicles	324 908	212 667
Tracker equipment	–	24 271
	<u>704 698</u>	<u>1 086 882</u>
7. Investment property		
Opening net book value	2 599 970	2 517 970
Additions and capital improvements	648	3 579
Unrealized fair value gain *	–	78 421
Closing net book value	<u>2 600 618</u>	<u>2 599 970</u>

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

8. Investment in equity securities

Rupees '000

	30 September 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
At available-for-sale						
Related Party *						
Listed shares	534 754	(173 082)	361 672	600 520	(166 433)	434 087
Mutual funds	523	–	523	523	–	523
	<u>535 277</u>	<u>(173 082)</u>	<u>362 195</u>	<u>601 043</u>	<u>(166 433)</u>	<u>434 610</u>
Others						
Listed shares	2 380 065	(322 975)	2 057 090	2 407 213	(188 326)	2 218 887
Unlisted shares	31 508	(15 500)	508	31 508	(15 500)	508
Mutual funds	181 153	(34 896)	146 257	127 075	(18 544)	108 531
	<u>2 592 726</u>	<u>(373 371)</u>	<u>2 203 855</u>	<u>2 565 796</u>	<u>(222 370)</u>	<u>2 327 926</u>
Surplus on revaluation	–	–	714 664	–	–	1 270 795
	<u>3 128 003</u>	<u>(546 453)</u>	<u>3 280 714</u>	<u>3 166 839</u>	<u>(388 803)</u>	<u>4 033 331</u>

Rupees '000

	30 September 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
At fair value through profit and loss - designated upon initial recognition						
Related Party *						
Listed shares	8 460	–	81 737	12 544	–	105 351
Mutual funds	950	–	744	1 247	–	1 136
	9 410	–	82 481	13 791	–	106 487
Others						
Listed shares	25 110 302	–	21 492 894	31 623 510	–	31 067 535
Mutual funds	227 081	–	217 912	1 174 048	–	1 324 998
	25 337 383	–	21 710 806	32 797 558	–	32 392 533
	25 346 793	–	21 793 287	32 811 349	–	32 499 020
	28 474 796	(546 453)	25 074 001	35 978 188	(388 803)	36 532 351

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

9. Investment in debt securities

	30 September 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Held to maturity						
Government securities	8 697 950	–	8 697 950	7 903 248	–	7 903 248
Available-for-sale						
Government securities	11 470 789	–	11 470 789	9 455 653	–	9 455 653
Term Finance Certificate	244 118	(44 118)	200 000	244 118	(44 118)	200 000
Corporate Sukuks	642 694	–	642 694	180 000	–	180 000
Deficit on revaluation	–	–	(592 615)	–	–	(429 829)
	12 357 601	(44 118)	11 720 868	9 879 771	(44 118)	9 405 824
Fair value through profit and loss (Designated-upon initial recognition)						
Government securities	99 358 060	–	98 758 320	80 016 058	–	79 419 004
Term Finance Certificates	4 088 102	–	4 088 102	2 992 793	–	2 992 793
Corporate Sukuks	2 415 575	(37 500)	2 378 075	2 519 532	(37 500)	2 482 032
Certificates of investment	1 070 205	–	1 070 205	410 000	–	410 000
	106 931 942	(37 500)	106 294 702	85 938 383	(37 500)	85 303 829
	127 987 493	(81 618)	126 713 520	103 721 402	(81 618)	102 612 901

10. Loans and other receivables – considered good

Rupees '000

	Note	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Loans to employees		90 070	104 381
Accrued investment income		3 131 697	2 313 942
Security deposits		69 320	70 925
Advances to suppliers		540 718	123 569
Advances to employees		130 842	134 243
Other receivables		370 734	347 027
		<u>4 333 381</u>	<u>3 094 087</u>
11. Insurance / reinsurance receivables – unsecured and considered good			
Insurance / Reinsurance Receivable			
Due from insurance contract holders		5 293 375	5 166 605
Provision for impairment of receivables from insurance contract holders		(967)	(1 195)
		<u>5 292 408</u>	<u>5 165 410</u>
Due from other insurer / reinsurers		336 250	304 536
		<u>5 628 658</u>	<u>5 469 946</u>
12. Prepayments			
Prepaid reinsurance premium ceded	19	7 522 206	5 468 998
Software and hardware support services		3 277	2 419
Group health insurance premium		7 344	–
Prepaid tracker expense		52 159	39 347
Annual supervision fee		8 078	–
Others		183 227	147 712
		<u>7 776 291</u>	<u>5 658 476</u>
13. Cash and bank			
Cash and Bank			
Cash and cash equivalents			
Cash in hand		2 776	173
Policy and revenue stamps bond papers		39 085	22 295
		<u>41 861</u>	<u>22 468</u>
Cash at bank			
Current accounts		286 054	1 326 512
Saving accounts		8 630 993	4 448 667
		<u>8 917 047</u>	<u>5 775 179</u>
		<u>8 958 908</u>	<u>5 797 647</u>

14. Share capital

14.1 Authorized capital

Number of shares '000		Rupees '000	
30 September 2022 (Unaudited)	31 December 2021 (Audited)	30 September 2022 (Unaudited)	31 December 2021 (Audited)
200 000	200 000	2 000 000	2 000 000

14.2 Issued, subscribed and paid-up share capital

Number of shares '000			Rupees '000	
30 September 2022 (Unaudited)	31 December 2021 (Audited)		30 September 2022 (Unaudited)	31 December 2021 (Audited)
250	250	Ordinary shares of Rs. 10 each, fully paid in cash	2 500	2 500
199 750	199 750	Ordinary shares of Rs. 10 each, issued as fully paid bonus shares	1 997 500	1 997 500
200 000	200 000		2 000 000	2 000 000

			Rupees '000	
	Note		30 September 2022 (Unaudited)	31 December 2021 (Audited)
15. Reserves and Unappropriated profit				
Capital reserve				
Reserve for exceptional losses			12 902	12 902
Revenue reserves				
General reserve	15.1		13 000 000	15 650 000
Unappropriated profit			1 905 494	136 672
			14 905 494	15 786 672
Revaluation reserve for unrealized gain on available-for-sale investments - net			151 657	644 699
Reserve for change in fair value of investment property - net			1 360 656	1 455 258
			16 430 709	17 899 531

- 15.1 During the period Rs. 2,650 million have been transferred from general reserve to unappropriated profit, 30 September 2021: Rs. 250 million had been transferred from unappropriated profit to general reserve.

16. Insurance liabilities

Rupees '000

	Note	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Reported outstanding claims	16.1	3 647 922	3 378 978
Incurred but not reported claims	16.2	1 052 929	880 319
Investment component of unit-linked and account value policies	16.3	152 501 955	145 125 387
Liabilities under individual conventional insurance contracts	16.4	934 100	989 072
Liabilities under group insurance contracts (other than investment linked)	16.5	657 679	415 452
Participant's Takaful Fund Balance		414 066	301 895
		<u>159 208 651</u>	<u>151 091 103</u>
16.1 Reported outstanding claims			
Gross of reinsurance			
Payable within one year		3 132 141	2 873 458
Payable over a period of time exceeding one year		893 524	887 283
		<u>4 025 665</u>	<u>3 760 741</u>
Recoverable from reinsurers			
Receivable over a period of time exceeding one year		(377 743)	(381 763)
		<u>(377 743)</u>	<u>(381 763)</u>
Net reported outstanding claims		<u>3 647 922</u>	<u>3 378 978</u>
16.2 Incurred but not reported claims			
Gross of reinsurance		1 280 343	1 054 712
Reinsurance recoveries		(227 414)	(174 393)
Net of reinsurance		<u>1 052 929</u>	<u>880 319</u>
16.3 Investment component of unit-linked and account value policies			
Investment component of unit linked policies		152 501 955	145 125 387
		<u>152 501 955</u>	<u>145 125 387</u>
16.4 Liabilities under Individual Conventional Insurance Contracts			
Gross of reinsurance		1 135 792	1 197 514
Reinsurance credit		(201 692)	(208 442)
Net of reinsurance		<u>934 100</u>	<u>989 072</u>
16.5 Liabilities under Group Insurance Contracts (other than investment linked)			
Gross of reinsurance		919 189	532 869
Reinsurance credit		(261 510)	(117 417)
Net of reinsurance		<u>657 679</u>	<u>415 452</u>

17. Others creditors and accruals

Rupees '000

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Federal insurance fee payable	13 879	13 513
Sales tax payable	170 247	307 645
Accrued expenses	1 066 378	1 462 124
Agent commission payable	1 525 926	1 542 426
Unearned rentals	89 887	69 329
Other deposits	1 622 091	1 378 680
Unclaimed / unpaid dividends	559 585	470 506
Lease liability	791 305	788 911
Others	412 249	323 804
	<u>6 251 547</u>	<u>6 356 938</u>

18. Contingencies and commitments

The status of the contingencies remains unchanged as disclosed in the annual audited consolidated financial statements as at 31 December 2021, except for the following

18.1 Holding Company

The appeal filed by the Holding Company before the Commissioner of Income Tax (Appeals) against the Commissioner of Inland Revenue (Audit) for addition on account of expenses for the tax year 2020 has been decided in favour of the Holding Company. The total tax liability was Rs. 2 million.

The appeal filed by the Holding Company before Commissioner Income Tax (Appeals) against the Commissioner Inland Revenue (Audit) for the addition of the fair market value of motor vehicles for the tax year 2021 has been decided in favour of the Holding Company the tax liability was Rs. 2 million.

18.2 Subsidiary Company

In the year 2010, an order under Section 133(5)(A) was passed by the Additional Commissioner (IR) for the Tax Year 2008 whereby, treatment of capital gain was challenged and additional tax was demanded amounting to Rs 183 million. The Subsidiary Company won the case at Commissioner Appeals and later on at Appellate Tribunal Level. Now the Income Tax Department has filed a reference application against the order of Appellate Tribunal Inland Revenue in the Honourable High Court of Sindh. No provision has been made since The Company is confident of favourable outcome.

The amount of sales tax involved is around Rs. 2,426 million (2021: Rs. 1,817 million) computed on the basis of risk-based premium excluding the investment amount allocated to unit linked policies. The management contends that in case the administrative efforts fail, the amount will be charged to the policyholders.

Bank guarantees amounting to Rs. 56.97 million have been given in respect of Group Life coverage by Subsidiary Company. These bank guarantees will expire on 30 December 2023.

19. Net insurance premium

Rupees '000

	Three months period ended 30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	Nine months period ended 30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Written gross premium	17 797 502	15 285 282	48 853 855	42 157 245
Unearned premium reserve - opening	11 648 905	8 805 984	10 517 726	9 411 142
Unearned premium reserve - closing	(14 196 550)	(10 603 444)	(14 196 550)	(10 603 444)
Premium earned	15 249 857	13 487 822	45 175 031	40 964 943
Less:				
Reinsurance premium ceded	5 233 578	3 461 289	13 714 593	9 333 569
Prepaid reinsurance premium - opening	6 934 872	4 616 270	5 468 998	4 808 670
Prepaid reinsurance premium - closing	(7 522 206)	(4 869 891)	(7 522 206)	(4 869 891)
Reinsurance expense	4 646 244	3 207 668	11 661 385	9 272 348
	<u>10 603 613</u>	<u>10 280 154</u>	<u>33 513 646</u>	<u>31 692 595</u>

20. Net insurance claims expense

Claims Paid	7 910 596	7 625 842	23 421 898	22 738 335
Outstanding claims including IBNR - closing	10 846 777	7 513 384	10 846 777	7 513 384
Outstanding claims including IBNR - opening	(10 055 888)	(7 532 603)	(7 085 599)	(7 111 989)
Claims expense	8 701 485	7 606 623	27 183 076	23 139 730
Less:				
Reinsurance and other recoveries received	710 294	723 377	1 475 629	2 291 189
Reinsurance and other recoveries in respect of outstanding claims - opening	(6 053 807)	(4 267 453)	(3 974 297)	(3 856 142)
Reinsurance and other recoveries in respect of outstanding claims - closing	6 442 266	4 001 852	6 442 266	4 001 852
Reinsurance and other recoveries revenue	1 098 753	457 776	3 943 598	2 436 899
	<u>7 602 732</u>	<u>7 148 847</u>	<u>23 239 478</u>	<u>20 702 831</u>

21. Net commission expense

Commission paid or payable	2 399 167	2 211 264	6 502 550	6 072 569
Deferred commission expense - opening	779 765	541 078	772 985	678 039
Deferred commission expense - closing	(1 182 571)	(788 067)	(1 182 571)	(788 067)
Net commission	1 996 361	1 964 275	6 092 964	5 962 541
Less:				
Commission received or recoverable	167 990	103 035	290 313	198 747
Unearned reinsurance commission - opening	127 521	102 893	135 214	152 144
Unearned reinsurance commission - closing	(207 990)	(139 115)	(207 990)	(139 115)
Commission from reinsurers	87 521	66 813	217 537	211 776
Other acquisition cost	262 723	245 377	743 297	683 551
	<u>2 171 563</u>	<u>2 142 839</u>	<u>6 618 724</u>	<u>6 434 316</u>

22. Investment income

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Income from equity securities				
- Available-for-sale				
Dividend income	108 223	80 789	235 170	194 284
- Fair value through profit and loss				
Dividend income	421 690	638 621	1 777 581	1 564 462
Income from debt securities				
- Available-for-sale				
Return on debt securities	322 268	240 720	863 550	814 922
- Held to maturity				
On government securities	11 390	143 084	447 997	418 239
Return on debt securities	49 884	99 014	135 627	134 463
- Fair value through profit and loss				
Return on debt securities	351 479	199 425	823 028	766 535
On government securities	3 467 867	1 640 458	8 290 634	4 915 422
Income from term deposits				
Return on term deposits	709 867	280 669	1 679 817	854 191
	<u>5 442 668</u>	<u>3 322 780</u>	<u>14 253 404</u>	<u>9 662 518</u>
Net realized gains / (losses) on investments				
Available-for-sale financial assets				
Realized gains on:				
Equity securities	13 206	2 234	110 578	162 264
Realized losses on:				
Equity securities	—	(12 484)	(6 800)	(69 766)
Net unrealized gains on investments	13 206	(10 250)	103 778	92 498
(Impairment) / reversal in value of				
available-for-sale equity securities	56 837	(22 573)	(145 232)	(22 826)
Investment related expenses	(327)	(190)	(776)	(970)
Total Investment income	<u>5 512 384</u>	<u>3 289 767</u>	<u>14 211 174</u>	<u>9 731 220</u>
23. Net realized fair value gains / (losses) on financial assets				
Realized gain on:				
Equity securities	686 439	975 115	1 177 415	3 701 601
Realized losses on				
Equity securities	(248 187)	(77 292)	(1 455 666)	(633 065)
	<u>438 252</u>	<u>897 823</u>	<u>(278 251)</u>	<u>3 068 536</u>

24. Net fair value losses on financial assets at fair value through profit or loss

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Net unrealized gains / (losses) on investments in financial assets - government securities and debt securities (designated upon initial recognition)	416 976	(314 432)	112 648	(881 484)
Net unrealized losses on investments at fair value through profit or loss (designated upon initial recognition)- Equity Securities	(926 954)	(3 289 900)	(3 356 108)	(3 975 489)
Total investment loss	(509 978)	(3 604 332)	(3 243 460)	(4 856 973)
Exchange gain	25 964	13 950	55 131	11 078
(Impairment) / reversal in value of available-for-sale securities	7 058	(10 896)	(12 733)	(3 848)
Investment related expenses	–	(882)	(154)	(1 644)
	<u>(476 956)</u>	<u>(3 602 160)</u>	<u>(3 201 216)</u>	<u>(4 851 387)</u>
25. Other income				
Gain on sale of property and equipment	35 606	20 872	91 196	69 532
Return on loans to employees	6 896	5 877	21 594	16 417
Exchange difference	47 672	25 182	101 854	20 316
Return on bank balances	70 378	25 250	146 774	69 255
Fee charged to policyholders	4 366	4 412	13 347	12 592
Gain on early termination of lease contracts	1 310	5 198	10 149	7 642
Others	10	–	30	–
	<u>166 238</u>	<u>86 791</u>	<u>384 944</u>	<u>195 754</u>
26. Window takaful operations - Operator's fund				
Wakala fee	241 206	198 778	671 338	565 595
Commission expense	(81 150)	(77 932)	(238 989)	(223 971)
General administrative and management expense	(95 550)	(75 280)	(292 041)	(259 696)
Modarib's share of PTF investment income	23 867	8 388	49 156	23 228
Investment income	31 557	11 529	62 372	20 213
Direct expenses	(340)	(137)	(910)	(597)
Other income	1 756	416	3 921	2 050
	<u>121 346</u>	<u>65 762</u>	<u>254 847</u>	<u>126 822</u>
27. Taxation				
For current period				
Current	255 501	265 493	1 159 100	1 202 752
Deferred	36 746	(64 973)	152 246	(70 536)
Super tax	6 292	–	75 151	–
	<u>298 539</u>	<u>200 520</u>	<u>1 386 497</u>	<u>1 132 216</u>
For prior period(s)				
Deferred tax	–	(60)	–	(18 960)
Super tax	–	–	240 719	–
	<u>–</u>	<u>60</u>	<u>240 719</u>	<u>18 960</u>
	<u>298 539</u>	<u>200 460</u>	<u>1 627 216</u>	<u>1 151 176</u>
28. Earnings per share - basic and diluted				
Profit (after tax) for the period (Rupees '000)	287 057	406 215	775 124	1 743 486
Weighted average number of ordinary shares (Numbers '000)	200 000	200 000	200 000	200 000
Earnings per share (Rupees)	1.44	2.03	3.88	8.72

29. Related party transactions

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

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Transactions				
Associated companies				
Premium written	55 173	–	310 824	535 940
Premium paid	1 307	(63)	70 543	54 877
Claims paid	22 097	50 594	169 663	134 312
Commission paid	38 247	48 275	106 106	152 755
Travelling expenses	2 395	–	3 379	2 943
Donation paid	1 158	2 446	11 198	12 756
Dividend paid	166 388	166 327	1 159 226	1 144 805
Interest on bank deposits	454 172	191 943	889 568	730 160
Purchase of vehicle	5 633	4 602	138 416	89 465
Investment made	50 000	–	450 000	335 915
Investment sold	–	2 100 000	10 880 239	2 503 196
Bank deposit / (withdrawn)	(35 000)	(95 000)	7 903 429	2 405 000
Payment to K-Electric	42 774	17 821	73 913	49 255
Key management personnel				
Premium written	2 975	7 692	5 909	11 345
Claims paid	–	220	168	240
Dividend paid	1 571	1 531	8 563	9 384
Loan recovered	1 882	1 211	5 417	3 714
Compensation	99 943	100 251	322 965	290 867
Others				
Premium written	21 878	49 281	246 878	306 181
Claims paid	2 760	2 815	46 679	11 383
Dividend paid	87 013	98 920	557 536	563 391
Brokerage paid	315	179	499	1 239
Employees' funds				
Contribution to provident fund	20 595	20 515	63 795	57 881
Contribution to gratuity fund	7 332	5 467	21 692	16 397
Contribution to pension fund	8 587	9 163	27 168	26 269
Dividend paid	674	674	3 820	4 463
			30 September 2022 (Unaudited)	31 December 2021 (Audited)
Balances				
Others				
Balances receivable			142 266	136 428
Balances payable			6 652	7 213
Bank deposits			8 191 929	11 076 929
Bank balances			1 647 627	1 333 983
Employees' funds receivable / (payable)				
EFU gratuity fund			(21 692)	(69 001)
EFU pension fund			65 673	59 963

30. Segment Information

Current period

Premium Receivable (inclusive of sales tax - federal insurance fee and administrative surcharge)

Less: Sales tax

Stamp duty

Federal insurance fee

Gross Insurance Premium (inclusive of administrative surcharge)

Gross direct premium

Facultative inward premium

Administrative surcharge

Insurance premium earned

Insurance premium ceded to reinsurers

Net insurance premium

Commission income

Net underwriting income

Insurance claims

Insurance claims recovered from reinsurers

Net claims

Commission expense

Management expenses

Net insurance claims and expenses

Net change in insurance liabilities

(Other than outstanding Claims)

Underwriting result

Net investment income

Net realized fair value gain on financial assets

Net fair value loss on financial assets at fair

value through profit and loss

Rental income

Other income

Other expense

Profit before tax from takaful operations - OPF

Profit before tax

Corporate segment assets-conventional

Corporate segment assets - Takaful OPF

Corporate unallocated assets-conventional

Corporate unallocated assets - Takaful OPF

Consolidated total assets

Corporate segment liabilities

Corporate segment liabilities - Takaful OPF

Corporate unallocated liabilities

Corporate unallocated liabilities - Takaful OPF

Consolidated total liabilities

Location

Pakistan

* EPZ

Total

* This represents US Dollar Equivalent in Pak Rupees

For the nine months period ended 30 September 2022 (Unaudited)

Rupees '000

	General Insurance			Treaty	Aggregate General Insurance	Life Assurance		Aggregate Life Insurance	Total
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous		Shareholders' Fund	Statutory Funds		
16 493 291	3 463 059	1 663 533	3 445 565	1 663 533	25 065 448	-	26 946 442	26 946 442	52 011 890
1 794 087	368 897	202 908	416 685	202 908	2 782 577	-	-	-	2 782 577
430	153 973	840	924	840	156 167	-	-	-	156 167
145 640	29 103	14 497	30 051	14 497	219 291	-	-	-	219 291
14 553 134	2 911 086	1 445 288	2 997 905	1 445 288	21 907 413	-	26 946 442	26 946 442	48 853 855
14 512 886	2 868 605	1 432 624	2 854 475	1 432 624	21 668 590	-	26 946 442	26 946 442	48 615 032
11 246	718	-	-	-	11 964	-	-	-	11 964
29 002	41 763	12 664	143 430	12 664	226 859	-	-	-	226 859
11 725 399	2 502 180	1 312 345	2 688 665	1 312 345	18 228 589	-	26 946 442	26 946 442	45 175 031
(9 270 742)	(1 121 789)	(401 287)	(18 022)	(401 287)	(10 811 840)	-	(849 545)	(849 545)	(11 661 385)
2 454 657	1 380 391	911 058	2 670 643	911 058	7 416 749	-	26 096 897	26 096 897	33 513 646
175 248	12 742	29 543	4	29 543	217 537	-	-	-	217 537
2 629 905	1 393 133	2 670 647	2 670 647	940 601	7 634 286	-	26 096 897	26 096 897	33 731 183
(5 329 403)	(501 866)	(1 400 639)	(1 400 639)	(675 480)	(7 907 388)	-	(19 275 688)	(19 275 688)	(27 183 076)
3 325 903	4 824	(2 024)	(2 024)	73 652	3 402 355	-	541 243	541 243	3 943 598
(2 003 500)	(497 042)	(1 402 663)	(1 402 663)	(601 828)	(4 505 033)	-	(18 734 445)	(18 734 445)	(23 239 478)
(810 839)	(233 991)	(244 098)	(244 098)	(103 192)	(5 444 141)	-	(5 444 141)	(5 444 141)	(6 836 261)
(777 967)	(395 600)	(798 888)	(798 888)	(270 813)	(2 243 268)	-	(1 971 820)	(1 971 820)	(4 215 088)
(3 592 306)	(1 126 633)	(2 445 649)	(2 445 649)	(975 833)	(8 140 421)	-	(26 150 406)	(26 150 406)	(34 290 827)
-	-	-	-	-	-	-	(7 858 864)	(7 858 864)	(7 858 864)
(962 401)	266 500	224 998	224 998	(35 232)	(506 135)	-	(7 912 373)	(7 912 373)	(8 418 508)
-	-	-	-	-	1 049 046	-	13 162 128	13 162 128	14 211 174
-	-	-	-	-	-	-	(278 251)	(278 251)	(278 251)
-	-	-	-	-	-	-	(3 201 216)	(3 201 216)	(3 201 216)
-	-	-	-	-	92 717	-	-	-	92 717
-	-	-	-	-	296 204	-	88 740	88 740	384 944
-	-	-	-	-	(56 962)	-	(30 418)	(30 418)	(87 380)
-	-	-	-	-	254 847	-	-	-	254 847
-	-	-	-	-	1 129 717	-	1 828 610	1 828 610	2 958 327
16 145 845	2 419 507	888 179	858 735	888 179	20 312 266	-	168 418 438	168 418 438	188 730 704
184 016	18 036	35 322	406 933	35 322	644 307	-	-	-	644 307
-	-	-	-	-	30 976 288	4 691 615	-	4 691 615	35 667 903
-	-	-	-	-	912 165	-	-	-	912 165
-	-	-	-	-	52 845 026	4 691 615	168 418 438	173 110 053	225 955 079
23 145 562	3 378 307	3 909 952	3 006 528	3 909 952	33 440 349	-	163 381 908	163 381 908	196 822 257
180 952	15 439	38 999	472 274	38 999	707 664	-	-	-	707 664
-	-	-	-	-	2 428 034	1 863 133	-	1 863 133	4 291 167
-	-	-	-	-	56 038	-	-	-	56 038
-	-	-	-	-	36 632 085	1 863 133	163 381 908	165 245 041	201 877 126
External premium less reinsurance by geographical segments 2022									
33 489 736	-	-	-	-	-	-	-	-	-
23 910	-	-	-	-	-	-	-	-	-
33 513 646	-	-	-	-	-	-	-	-	-

As at 30 September 2022 (Unaudited)

For the nine months period ended 30 September 2021 (Unaudited)

Rupees '000

	General Insurance				Treaty	Aggregate General Insurance	Life Assurance		Aggregate Life Assurance	Total
	Fire & property damage	Marine, aviation & transport	Motor	Miscellaneous			Shareholders' Fund	Statutory Funds		
Prior period										
Premium Receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	11 577 462	2 891 748	3 125 132	1 561 371	-	19 155 713	-	25 566 031	25 566 031	44 721 744
Less: Sales tax	1 403 415	312 781	377 583	191 206	-	2 284 985	-	-	-	2 284 985
Stamp duty	408	111 407	889	682	-	113 386	-	-	-	113 386
Federal insurance fee	100 835	24 422	27 277	13 594	-	166 128	-	-	-	166 128
Gross Written Premium (inclusive of administrative surcharge)	10 072 804	2 443 138	2 719 383	1 355 889	-	16 591 214	-	25 566 031	25 566 031	42 157 245
Gross direct premium	10 040 878	2 402 135	2 561 512	1 344 506	-	16 349 031	-	25 566 031	25 566 031	41 915 062
Facultative inward premium	4 209	827	-	-	-	5 036	-	-	-	5 036
Administrative surcharge	27 717	40 176	157 871	11 383	-	237 147	-	-	-	237 147
Insurance premium earned	9 684 586	2 075 878	2 475 992	1 162 456	-	15 398 912	-	25 566 031	25 566 031	40 964 943
Insurance premium ceded to reinsurers	(7 064 007)	(871 384)	(16 457)	(425 689)	-	(8 377 537)	-	(894 811)	(894 811)	(9 272 348)
Net insurance premium	2 620 579	1 204 494	2 459 535	736 767	-	7 021 375	-	24 671 220	24 671 220	31 692 595
Commission income	165 810	11 858	36	34 072	-	211 776	-	-	-	211 776
Net underwriting income	2 786 389	1 216 352	2 459 571	770 839	-	7 233 151	-	24 671 220	24 671 220	31 904 371
Insurance claims	(2 546 048)	(569 653)	(1 157 033)	(781 541)	-	(5 054 275)	-	(18 085 455)	(18 085 455)	(23 139 730)
Insurance claims recovered from reinsurers	1 567 856	140 514	(90)	58 805	-	1 767 085	-	669 814	669 814	2 436 899
Net claims	(978 192)	(429 139)	(1 157 123)	(722 736)	-	(3 287 190)	-	(17 415 641)	(17 415 641)	(20 702 831)
Commission expense	(623 993)	(202 558)	(227 239)	(81 592)	-	(1 135 382)	-	(5 510 710)	(5 510 710)	(6 646 092)
Management expenses	(752 596)	(325 108)	(741 780)	(208 898)	-	(2 028 382)	-	(1 677 088)	(1 677 088)	(3 705 470)
Net insurance claims and expenses	(2 354 781)	(956 805)	(2 126 142)	(1 013 226)	-	(6 450 954)	-	(24 603 439)	(24 603 439)	(31 054 393)
Net Change in Insurance Liabilities (Other than outstanding Claims)	-	-	-	-	-	-	-	(5 775 079)	(5 775 079)	(5 775 079)
Underwriting result	431 608	259 547	333 429	(242 387)	-	782 197	-	(5 707 298)	(5 707 298)	(4 925 101)
Net investment income	-	-	-	-	-	1 065 338	-	8 665 882	8 665 882	9 731 220
Net realized fair value gain on financial assets	-	-	-	-	-	-	-	3 068 536	3 068 536	3 068 536
Net fair value gain on financial assets at fair value through profit and loss	-	-	-	-	-	-	-	(4 851 387)	(4 851 387)	(4 851 387)
Rental income	-	-	-	-	-	90 679	-	-	-	90 679
Other income	-	-	-	-	-	114 104	-	81 650	81 650	195 754
Other expense	-	-	-	-	-	(51 101)	-	(27 163)	(27 163)	(78 264)
Profit before tax from takatuf operations - OPF	-	-	-	-	-	126 822	-	-	-	126 822
Profit before tax	-	-	-	-	-	2 128 039	-	1 230 220	1 230 220	3 358 259
As at 31 December 2021 (Audited)										
Corporate segment assets-conventional	11 948 826	1 950 272	668 558	802 029	-	15 369 685	-	160 644 159	160 644 159	176 013 844
Corporate segment assets - Takatuf OPF	91 055	11 820	244 001	11 127	-	358 003	-	-	-	358 003
Corporate unallocated assets-conventional	-	-	-	-	-	28 775 106	4 743 069	-	4 743 069	33 518 175
Corporate unallocated assets - Takatuf OPF	-	-	-	-	-	783 218	-	-	-	783 218
Consolidated total assets	-	-	-	-	-	45 286 012	4 743 069	160 644 159	165 387 228	210 673 240
Corporate segment liabilities	15 887 724	2 795 937	2 593 290	3 246 362	-	24 523 313	-	156 092 115	156 092 115	180 615 428
Corporate segment liabilities - Takatuf OPF	95 867	13 030	375 669	12 660	-	497 226	-	-	-	497 226
Corporate unallocated liabilities	-	-	-	-	-	2 628 502	1 010 395	-	1 010 395	3 638 897
Corporate unallocated liabilities - Takatuf OPF	-	-	-	-	-	16 749	-	-	-	16 749
Consolidated total liabilities	-	-	-	-	-	27 665 790	1 010 395	156 092 115	157 102 510	184 768 300
External premium less reinsurance by geographical segments 2021										
Pakistan	31 670 703	-	-	-	-	-	-	-	-	-
* EPZ	21 892	-	-	-	-	-	-	-	-	-
Total	31 692 595	-	-	-	-	-	-	-	-	-

* This represents US Dollar Equivalent in Pak Rupees

Current period

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

Rupees '000

	General Insurance				Life Insurance		Aggregate General Insurance	Life Insurance		Aggregate Life Insurance	Total
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Shareholders' Fund	Statutory Funds				
Premium Receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	7 715 717	808 556	1 461 556	539 846	-	-	-	8 580 185	8 580 185	19 105 860	
Less: Sales tax	828 586	85 567	174 205	69 975	-	-	-	-	-	1 158 333	
Stamp duty	227	56 996	323	298	-	-	-	-	-	57 844	
Federal insurance fee	68 187	6 594	12 746	4 654	-	-	-	-	-	92 181	
Gross Written Premium (inclusive of administrative surcharge)	6 818 717	659 399	1 274 282	464 919	-	-	-	8 580 185	8 580 185	17 797 502	
Gross direct premium	6 803 597	645 788	1 225 919	459 162	-	-	-	8 580 185	8 580 185	17 714 651	
Facultative inward premium	-	-	-	-	-	-	-	-	-	-	
Administrative surcharge	15 120	13 611	48 363	5 757	-	-	-	-	-	82 851	
Insurance premium earned	4 383 553	908 036	923 013	455 070	-	-	-	8 580 185	8 580 185	15 249 857	
Insurance premium ceded to reinsurers	(3 817 620)	(431 742)	(7 694)	(157 379)	-	-	-	(231 809)	(231 809)	(4 646 244)	
Net insurance premium	565 933	476 294	915 319	297 691	-	-	-	8 348 376	8 348 376	10 603 613	
Commission income	72 324	4 672	-	10 525	-	-	-	-	-	87 521	
Net underwriting income	638 257	480 966	915 319	308 216	-	-	-	8 348 376	8 348 376	10 691 134	
Insurance claims	(1 666 902)	(236 149)	(412 188)	(238 752)	-	-	-	(6 147 494)	(6 147 494)	(8 701 485)	
Insurance claims recovered from reinsurers	876 773	22 921	(7)	11 619	-	-	-	187 447	187 447	1 098 753	
Net claims	(790 129)	(213 228)	(412 195)	(227 133)	-	-	-	(5 960 047)	(5 960 047)	(7 602 732)	
Commission expense	(321 474)	(82 678)	(85 998)	(36 145)	-	-	-	(1 732 789)	(1 732 789)	(2 259 084)	
Management expenses	(236 717)	(156 080)	(311 377)	(100 945)	-	-	-	(704 132)	(704 132)	(1 509 251)	
Net insurance claims and expenses	(1 348 320)	(451 986)	(809 570)	(364 223)	-	-	-	(8 396 968)	(8 396 968)	(11 371 067)	
Net Change in Insurance Liabilities (Other than outstanding Claims)	-	-	-	-	-	-	-	(4 239 297)	(4 239 297)	(4 239 297)	
Underwriting result	(710 063)	28 980	105 749	(56 007)	-	-	-	(4 287 889)	(4 287 889)	(4 919 230)	
Net investment income	-	-	-	-	-	-	-	5 016 650	5 016 650	5 512 384	
Net realized fair value gains on financial assets	-	-	-	-	-	-	-	438 252	438 252	438 252	
Net fair value gain on financial assets at fair value through profit and loss	-	-	-	-	-	-	-	(476 956)	(476 956)	(476 956)	
Rental income	-	-	-	32 746	-	-	-	-	-	32 746	
Other income	-	-	-	123 707	-	-	-	42 531	42 531	166 238	
Other expense	-	-	-	(14 019)	-	-	-	(7 307)	(7 307)	(21 326)	
Profit before tax from takaful operations – OPF	-	-	-	121 346	-	-	-	-	-	121 346	
Profit before tax	-	-	-	128 173	-	-	-	725 281	725 281	853 454	

Premium Receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)

Less: Sales tax

Stamp duty

Federal insurance fee

Gross Written Premium

(inclusive of administrative surcharge)

Gross direct premium

Facultative inward premium

Administrative surcharge

Insurance premium earned

Insurance premium ceded to reinsurers

Net insurance premium

Commission income

Net underwriting income

Insurance claims

Insurance claims recovered from reinsurers

Net claims

Commission expense

Management expenses

Net insurance claims and expenses

Net Change in Insurance Liabilities

(Other than outstanding Claims)

Underwriting result

Net investment income

Net realized fair value gains on financial assets

Net fair value gain on financial assets at fair

value through profit and loss

Rental income

Other income

Other expense

Profit before tax from takaful operations – OPF

Profit before tax

For the three months period ended 30 September 2021 (Unaudited)										Rupees '000
	General Insurance			Treaty	Aggregate General Insurance	Life Assurance		Aggregate Life Assurance	Total	
	Fire and property damage	Marine, aviation and transport	Motor			Miscellaneous	Shareholders' Fund			Statutory Funds
Prior period										
Premium Receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	5 034 628	1 213 283	1 298 686	560 853	-	8 107 450	-	8 196 433	16 303 883	
Less: Sales tax	553 693	131 403	154 514	65 674	-	905 284	-	-	905 284	
Stamp duty	226	41 648	333	254	-	42 461	-	-	42 461	
Federal Insurance fee	44 322	10 299	11 335	4 900	-	70 856	-	-	70 856	
Gross Written Premium (inclusive of administrative surcharge)	4 436 387	1 029 933	1 132 504	490 025	-	7 088 849	-	8 196 433	15 285 282	
Gross direct premium	4 417 580	1 015 965	1 076 436	485 019	-	6 995 000	-	8 196 433	15 191 433	
Facultative inward premium	4 209	-	-	-	-	4 209	-	-	4 209	
Administrative surcharge	14 598	13 968	56 068	5 006	-	89 640	-	-	89 640	
Insurance premium earned	3 275 317	781 722	843 276	391 074	-	5 291 389	-	8 196 433	13 487 822	
Insurance premium ceded to reinsurers	(2 495 223)	(355 929)	(6 572)	(140 092)	-	(2 997 816)	-	(209 852)	(3 207 668)	
Net insurance premium	780 094	425 793	836 704	250 982	-	2 293 573	-	7 986 581	10 280 154	
Commission income	52 272	5 037	9	9 495	-	66 813	-	-	66 813	
Net underwriting income	832 366	430 830	836 713	260 477	-	2 360 386	-	7 986 581	10 346 967	
Insurance claims	(442 800)	(125 122)	(387 986)	(572 194)	-	(1 528 102)	-	(6 078 521)	(7 606 623)	
Insurance claims recovered from reinsurers	211 998	1 669	-	69 068	-	282 735	-	175 041	457 776	
Net claims	(230 802)	(123 453)	(387 986)	(503 126)	-	(1 245 367)	-	(5 903 480)	(7 148 847)	
Commission expense	(216 311)	(70 490)	(77 212)	(27 568)	-	(391 581)	-	(1 818 071)	(2 209 652)	
Management expenses	(238 234)	(118 231)	(245 116)	(73 721)	-	(675 302)	-	(602 939)	(1 278 241)	
Net insurance claims and expenses	(685 347)	(312 174)	(710 314)	(604 415)	-	(2 312 250)	-	(8 324 490)	(10 636 740)	
Net Change in Insurance Liabilities (Other than outstanding Claims)	-	-	-	-	-	-	-	228 276	228 276	
Underwriting result	147 019	118 656	126 399	(343 938)	-	48 136	-	(109 633)	(61 497)	
Net Investment income	-	-	-	-	-	282 903	-	3 006 864	3 289 767	
Net realized fair value losses on financial assets	-	-	-	-	-	-	-	897 823	897 823	
Net fair value loss on financial assets at fair value through profit and loss	-	-	-	-	-	-	-	(3 602 160)	(3 602 160)	
Rental income	-	-	-	-	-	31 263	-	-	31 263	
Other income	-	-	-	-	-	63 213	-	23 578	86 791	
Other expense	-	-	-	-	-	(5 282)	-	(4 696)	(9 978)	
Profit before tax from takaful operations -OPF	-	-	-	-	-	65 762	-	-	65 762	
Profit before tax	-	-	-	-	-	485 995	-	211 776	697 771	

31. Movement in investment

Rupees '000

Name of investment	Held to maturity	Available-for-sale	Fair value through P & L	Total
At beginning of previous year	24 914 646	18 719 068	113 673 646	157 307 360
Additions	158 761 001	54 478 109	42 243 793	255 482 903
Disposals (sale and redemptions)	(150 428 255)	(54 868 574)	(35 502 084)	(240 798 913)
Fair value net gains / (losses) (excluding net realized gains / (losses))	–	(1 638 266)	(5 987 103)	(7 625 369)
Impairment losses	–	(165 515)	–	(165 515)
At beginning of current period	33 247 392	16 524 822	114 428 252	164 200 466
Additions	96 481 345	17 240 726	18 097 551	131 819 622
Disposals (sale and redemptions)	(101 103 364)	(6 389 109)	(15 523 713)	(123 016 186)
Fair value net gains (excluding net realized gains / (losses))	–	(703 102)	(2 842 399)	(3 545 501)
(Impairment losses) / reversal	44 359	(157 965)	–	(113 606)
At end of current period	<u>28 669 732</u>	<u>26 515 372</u>	<u>114 159 691</u>	<u>169 344 795</u>

32. Fair value

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

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

Following are the assets where fair value is only disclosed and is different from their carrying value:

Rupees '000

As at 30 September 2022 (Unaudited)										
	Available- for-sale	Fair value through profit & loss	HTM	Loans & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
								Level 1	Level 2	Level 3
Financial assets measured at fair value										
Investments										
Equity securities - quoted	3 816 762	22 028 684					25 845 446	25 845 446		
Equity securities - unquoted	508						508			508
Government securities		98 758 320					98 758 320		98 758 320	
Mutual funds	151 180	218 656					369 836		369 836	
Sukuk Bonds		2 378 075					2 378 075		2 378 075	
Debt securities	11 720 868	4 088 102					15 808 970		15 808 970	
Financial assets not measured at fair value										
Term deposits *					670 845		670 845			
Government securities			8 697 950				8 697 950			
Loans and other receivables *				247 058			247 058			
Insurance / reinsurance receivables *				5 012 434			5 012 434			
Reinsurance recoveries against outstanding claims *				6 442 266			6 442 266			
Advances *				208 451			208 451			
Other assets *					3 877 872		3 877 872			
Certificate of investment *			1 070 205				1 070 205			
Cash and bank *		24 270 828			1 566 789		25 837 617			
Total assets of window takaful operations - Operator's fund *	791 302			547 492	40 221		1 379 015		791 302	
	16 480 620	151 742 665	9 768 155	12 457 701	6 155 727	-	196 604 868	25 845 446	118 106 503	508
Financial liabilities not measured at fair value										
Outstanding claims including IBNR *						(10 846 777)	(10 846 777)			
Premium received in advance *						(1 215 405)	(1 215 405)			
Insurance / reinsurance payables *						(6 114 136)	(6 114 136)			
Other creditors and accruals *						(6 251 547)	(6 251 547)			
Total liabilities of window takaful operations - Operator's fund *						(120 737)	(120 737)			
	16 480 620	151 742 665	9 768 155	12 457 701	6 155 727	(24 548 602)	172 056 266	25 845 446	118 106 503	508

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

Rupees '000

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

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

33. Non-adjusting event after the financial statement date

The Board of Directors in their meeting held on 28 October 2022 have announced a third interim cash dividend in respect of the year ended 31 December 2022 of Rs. 1.50 per share i.e. 15.00 % (2021: Rs. 1.50 per share i.e. 15.00 %). These consolidated condensed interim financial statements for the nine months period ended 30 September 2022 do not include the effect of these appropriations, which will be accounted for subsequent to the period end.

34. Corresponding Figures

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

35. General

Figures have been rounded off to the nearest thousand rupees.

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

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors in its meeting held on 28 October 2022.

TAHER G. SACHAK
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2022

Window Takaful Operations

Condensed Interim Financial Statements

For the nine months period ended 30 September 2022 (Unaudited)

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

Rupees '000

	Note	Operator's Fund		Participants' Takaful Fund	
		30 September 2022 (Unaudited)	31 December 2021 (Audited)	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Assets					
Property and equipment	6	2 280	2 777	–	–
Investments					
Debt securities	7	791 302	643 122	2 404 788	1 735 650
Term deposits		–	9 000	35 000	120 000
Loans and other receivables	8	3 497	967	10 249	1 283
Takaful / retakaful receivables	9	14 184	7 410	474 492	321 441
Retakaful recoveries against outstanding claims / benefits	17	–	–	765 244	541 251
Salvage recoveries accrued		–	–	59 832	50 080
Deferred commission expense	18	170 767	149 495	–	–
Receivable from PTF	10	499 614	211 809	–	–
Accrued investment income		30 197	11 385	97 664	24 980
Deferred wakala fee		–	–	590 064	410 961
Deferred taxation		3 451	4 373	–	–
Prepayments	11	959	–	449 438	325 790
Cash and bank	12	40 221	100 883	198 721	239 302
Total assets		1 556 472	1 141 221	5 085 492	3 770 738
Funds and liabilities					
Operator's Fund					
Statutory fund		100 000	100 000	–	–
Revaluation reserve - available-for-sale investments		(829)	(3 396)	–	–
Accumulated profit		693 599	530 643	–	–
Total Operator's Fund		792 770	627 247	–	–
Participants' Takaful Fund (PTF)					
Cede money		–	–	500	500
Revaluation reserve - available-for-sale investments		–	–	3 307	(16 099)
Accumulated surplus		–	–	1 086 664	871 978
Balance of Participants' Takaful Fund		–	–	1 090 471	856 379
Liabilities					
PTF Underwriting provisions					
Outstanding claims / benefits including IBNR	17	–	–	1 381 079	1 088 118
Unearned contribution reserves		–	–	1 503 437	1 304 837
Reserve for unearned retakaful rebate	16	–	–	73 156	63 362
Contribution received in advance		–	–	5 507	4 467
Takaful / retakaful payables		1 838	2 039	491 662	212 227
Unearned wakala fee		590 064	410 961	–	–
Payable to OPF	10	–	–	499 614	211 809
Taxation - provision less payments		51 063	6 291	–	–
Other creditors and accruals	13	120 737	94 683	40 566	29 539
Total liabilities		763 702	513 974	3 995 021	2 914 359
Total funds and liabilities		1 556 472	1 141 221	5 085 492	3 770 738
Contingencies and commitments	14				

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

TAHER G. SACHAK
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2022

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

Rupees '000

		Three months period ended		Nine months period ended	
	Note	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Participants' Takaful Fund - (PTF)					
Contributions earned		469 458	446 392	1 396 461	1 334 428
Less: Contributions ceded to retakaful		(184 691)	(144 856)	(513 770)	(417 198)
Net contribution revenue	15	284 767	301 536	882 691	917 230
Retakaful rebate earned	16	34 079	22 592	99 371	65 912
Net underwriting income		318 846	324 128	982 062	983 142
Net claims - reported / settled - IBNR	17	(291 642)	(290 122)	(855 504)	(831 381)
Other direct expenses		(22 277)	(25 992)	(59 323)	(108 707)
Surplus before investment income		4 927	8 014	67 235	43 054
Investment Income	19	90 566	31 662	184 579	76 923
Other income	20	4 880	2 654	12 028	7 768
Less: Modarib's share of investment income		(23 867)	(8 388)	(49 156)	(23 228)
Surplus transferred to accumulated surplus		76 506	33 942	214 686	104 517
Operator's Fund - (OPF)					
Wakala fee		241 206	198 778	671 338	565 595
Commission expense	18	(81 150)	(77 933)	(238 989)	(223 972)
General, administrative and management expense		(95 550)	(75 278)	(292 041)	(259 694)
		64 506	45 567	140 308	81 929
Modarib's share of PTF investment income		23 867	8 388	49 156	23 228
Investment income	19	31 557	11 529	62 372	20 213
Direct expenses		(340)	(139)	(910)	(599)
Other income	20	1 756	417	3 921	2 051
Profit before taxation		121 346	65 762	254 847	126 822
Taxation	21	(39 984)	(19 133)	(91 891)	(36 823)
Profit after taxation		81 362	46 629	162 956	89 999

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

TAHER G. SACHAK
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2022

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

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Participants' Takaful Fund - (PTF)				
Surplus for the period	76 506	33 942	214 686	104 517
Other comprehensive income				
Unrealized gain on available-for-sale investments during the period - net	15 001	1 524	19 406	7 602
Total items that may be reclassified subsequently to profit and loss account	15 001	1 524	19 406	7 602
Total comprehensive income for the period	91 507	35 466	234 092	112 119
Operator's Fund - (OPF)				
Profit after tax for the period	81 362	46 629	162 956	89 999
Other comprehensive income				
Fair value gain / (loss) on available for sale investments during the period	1 739	(3)	3 546	2 293
Deferred tax on available-for-sale investments	(455)	—	(979)	(666)
Total items that may be reclassified subsequently to profit and loss account	1 284	(3)	2 567	1 627
Total comprehensive income for the period	82 646	46 626	165 523	91 626

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

TAHER G. SACHAK
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2022

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

Rupees '000

	Operator's Fund		Participants' Takaful Fund	
	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Operating cash flows				
a) Takaful activities				
Contributions received	–	–	2 117 451	1 912 174
Retakaful contribution paid	–	–	(362 814)	(373 732)
Claims / benefits paid	–	–	(858 882)	(948 644)
Retakaful and other recoveries received	–	–	59 532	216 489
Commission paid	(230 963)	(228 224)	–	–
Retakaful rebate received	–	–	109 165	91 475
Wakala fee received / (paid)	592 183	568 367	(592 183)	(568 367)
Modarib received / (paid)	19 609	21 086	(19 609)	(21 086)
Net cash flow from takaful activities	380 829	361 229	452 660	308 309
b) Other operating activities				
Income tax paid	(47 177)	(42 152)	–	–
General and other expenses paid	(295 602)	(263 035)	(59 323)	(108 709)
Other operating payments	(10 262)	(3 829)	(4 137)	50 466
Other operating receipts	(287)	3 933	11 010	15 566
Net cash flow used in other operating activities	(353 328)	(305 083)	(52 450)	(42 677)
Total cash flow from all operating activities	27 501	56 146	400 210	265 632
Investment activities				
Profit / return received	47 471	31 460	123 941	81 513
Payment for investments	(202 262)	(347 180)	(764 867)	(811 939)
Proceeds from investments	66 628	306 880	200 135	599 621
Fixed capital expenditure	(10)	(2 068)	–	–
Proceeds from disposal of property and equipment	10	–	–	–
Total cash flow used in investing activities	(88 163)	(10 908)	(440 791)	(130 805)
Net cash flow (used in) / from all activities	(60 662)	45 238	(40 581)	134 827
Cash and cash equivalents at the beginning of the period	100 883	57 829	239 302	97 799
Cash and cash equivalents at the end of the period	40 221	103 067	198 721	232 626
Reconciliation to profit and loss account				
Operating cash flow	27 501	56 146	400 210	265 632
Depreciation expense	(507)	(559)	–	–
Other investment income	62 372	20 213	184 579	76 923
Other income	3 921	2 051	12 046	7 036
Increase in assets other than cash	319 397	111 314	698 512	177 694
Increase in liabilities other than borrowings	(249 728)	(99 166)	(1 080 661)	(422 768)
Profit / surplus after tax for the period	162 956	89 999	214 686	104 517
Attributed to				
Operator's Fund	162 956	89 999	–	–
Participants' Takaful Fund	–	–	214 686	104 517
	162 956	89 999	214 686	104 517

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

TAHER G. SACHAK
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2022

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

Rupees '000

	Operator's Fund			
	Statutory fund	Unrealized gain / (loss) on revaluation of available-for-sale investments-net	Accumulated profit	Total
Balance as at 01 January 2021	100 000	(1 812)	398 512	496 700
Total comprehensive income for the period ended 30 September 2021				
Profit for the period			89 999	89 999
Other comprehensive income		1 627		1 627
Balance as at 30 September 2021	100 000	(185)	488 511	588 326
Balance as at 01 January 2022	100 000	(3 396)	530 643	627 247
Total comprehensive income for the period ended 30 September 2022				
Profit for the period			162 956	162 956
Other Comprehensive Income		2 567		2 567
Balance as at 30 September 2022	100 000	(829)	693 599	792 770
	Participants' Takaful Fund			
	Cede money	Unrealized gain / (loss) on revaluation of available-for-sale investments-net	Accumulated surplus	Total
Balance as at 01 January 2021	500	(14 101)	650 714	637 113
Surplus for the period			104 517	104 517
Other comprehensive income		7 602		7 602
Balance as at 30 September 2021	500	(6 499)	755 231	749 232
Balance as at 01 January 2022	500	(16 099)	871 978	856 379
Surplus for the period			214 686	214 686
Other Comprehensive Income		19 406		19 406
Balance as at 30 September 2022	500	3 307	1 086 664	1 090 471

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

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Director

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Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2022

EFU General Insurance Limited - Window Takaful Operations

Notes to the Condensed Interim Financial Statements

For the nine months period ended 30 September 2022 (Unaudited)

1. Legal status and nature of business

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

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

2. Basis of preparation and statement of compliance

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

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

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

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

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

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

2.1 Basis of measurement

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

2.2 Functional and presentation currency

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

3. Summary of significant accounting policies

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

3.1 Standards, interpretations and amendments effective during the current period

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

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

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

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

IFRS 17 - Insurance Contracts effective date 01 January 2023:

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

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

4. Accounting estimates and judgements

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

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

5. Management of takaful and financial risk

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

6. Property and equipment

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

	Additions (at cost)		Disposals (at net book value)	
	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Computers	10	268	—	—
Vehicles	—	1 800	—	—
	<u>10</u>	<u>2 068</u>	<u>—</u>	<u>—</u>

Rupees '000

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

Rupees '000

7.1 Operator's Fund

	30 September 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Fixed Income Securities						
Ijara Sukuks	747 298	–	747 298	570 711	–	570 711
Corporate Sukuks	54 173	(8 931)	45 242	86 126	(8 931)	77 195
	801 471	(8 931)	792 540	656 837	(8 931)	647 906
Deficit on revaluation	–	–	(1 238)	–	–	(4 784)
	801 471	(8 931)	791 302	656 837	(8 931)	643 122
7.2 Participants' Takaful Fund						
Fixed Income Securities						
Ijara Sukuks	2 335 894	–	2 335 894	1 633 658	–	1 633 658
Corporate Sukuks	74 517	(8 931)	65 586	127 021	(8 931)	118 090
	2 410 411	(8 931)	2 401 480	1 760 679	(8 931)	1 751 748
Surplus / (deficit) on revaluation	–	–	3 308	–	–	(16 098)
	2 410 411	(8 931)	2 404 788	1 760 679	(8 931)	1 735 650

8. Loans and other receivables - considered good

Rupees '000

	Operator's Fund		Participants' Takaful Fund	
	30 September 2022 (Unaudited)	31 December 2021 (Audited)	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Security deposits	301	301	–	–
Other receivables	3 196	666	10 249	1 283
	3 497	967	10 249	1 283
9. Takaful / retakaful receivables - unsecured and considered good				
Due from takaful participants holders	–	–	463 388	313 401
Due from other takaful / retakaful operators	14 184	7 410	11 104	8 040
	14 184	7 410	474 492	321 441
10. Receivable (OPF) / Payable (PTF)				
Wakala fee	459 356	201 098	459 356	201 098
Modarib fee	40 258	10 711	40 258	10 711
	499 614	211 809	499 614	211 809

11. Prepayments

Rupees '000

	Operator's Fund		Participants' Takaful Fund	
	30 September 2022 (Unaudited)	31 December 2021 (Audited)	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Annual supervision fees	959	–	–	–
Prepaid retakaful contribution ceded	–	–	412 296	283 818
Prepaid charges for vehicle tracking devices	–	–	37 142	41 972
	<u>959</u>	<u>–</u>	<u>449 438</u>	<u>325 790</u>
12. Cash and bank balances				
Cash and cash equivalents				
Cash in hand	53	–	112	–
Policy stamps	–	–	1 637	1 269
	<u>53</u>	<u>–</u>	<u>1 749</u>	<u>1 269</u>
Cash at bank				
Current accounts	1 445	7 058	688	1 135
Saving accounts	38 723	93 825	196 284	236 898
	<u>40 221</u>	<u>100 883</u>	<u>198 721</u>	<u>239 302</u>
13. Other creditors and accruals				
Federal insurance fee payable	–	–	2 785	2 045
Sales tax payable	1 148	1 245	32 174	18 594
Accrued expenses	3 343	6 500	–	–
Agent commission payable	115 764	86 265	–	–
Retirement benefit obligations	204	167	–	–
Other creditors	278	506	5 607	8 900
	<u>120 737</u>	<u>94 683</u>	<u>40 566</u>	<u>29 539</u>

14. Contingencies and commitments

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

15. Net contribution

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Written gross contribution	964 784	782 039	2 266 399	2 044 526
Wakala fee	(436 483)	(240 659)	(850 441)	(639 489)
Contribution net of wakala fee	<u>528 301</u>	<u>541 380</u>	<u>1 415 958</u>	<u>1 405 037</u>
Unearned contribution reserve - opening	854 530	810 419	893 876	834 798
Unearned contribution reserve - closing	(913 373)	(905 407)	(913 373)	(905 407)
Contribution earned	<u>469 458</u>	<u>446 392</u>	<u>1 396 461</u>	<u>1 334 428</u>
Less:				
Retakaful contribution ceded	388 646	268 295	642 249	506 781
Prepaid retakaful contribution - opening	208 342	186 221	283 818	220 077
Prepaid retakaful contribution - closing	(412 297)	(309 660)	(412 297)	(309 660)
Retakaful expense	<u>184 691</u>	<u>144 856</u>	<u>513 770</u>	<u>417 198</u>
	<u>284 767</u>	<u>301 536</u>	<u>882 691</u>	<u>917 230</u>

16. Retakaful rebate

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Rebate received or recoverable	83 976	52 980	109 165	91 475
Unearned retakaful rebate-opening	23 259	25 027	63 362	29 852
Unearned retakaful rebate-closing	(73 156)	(55 415)	(73 156)	(55 415)
	<u>34 079</u>	<u>22 592</u>	<u>99 371</u>	<u>65 912</u>
17. Takaful benefits / claims expense				
Benefits / claims paid	310 841	370 207	849 131	919 278
Outstanding benefits / claims including IBNR - opening	(1 340 032)	(1 337 096)	(1 088 118)	(1 252 165)
Outstanding benefits / claims including IBNR - closing	1 381 079	1 273 215	1 381 079	1 273 215
Claim expense	351 888	306 326	1 142 092	940 328
Less:				
Retakaful and other recoveries received	26 387	161 577	62 595	215 020
Retakaful and other recoveries in respect of outstanding claims - opening	(731 385)	(769 938)	(541 251)	(730 638)
Retakaful and other recoveries in respect of outstanding claims - closing	765 244	624 565	765 244	624 565
Retakaful and other recoveries revenue	60 246	16 204	286 588	108 947
	<u>291 642</u>	<u>290 122</u>	<u>855 504</u>	<u>831 381</u>
18. Commission expense				
Commission paid or payable	113 729	91 084	260 261	255 498
Deferred commission expense - opening	138 188	143 424	149 495	125 049
Deferred commission expense - closing	(170 767)	(156 575)	(170 767)	(156 575)
	<u>81 150</u>	<u>77 933</u>	<u>238 989</u>	<u>223 972</u>
19. Investment income				
19.1 Operator's Fund				
Income from debt securities - available-for-sale				
- Return on debt securities (Sukuk)	31 557	11 226	62 296	27 987
Income from term deposits				
- Return on term deposits	—	235	76	1 548
	<u>31 557</u>	<u>11 461</u>	<u>62 372</u>	<u>29 535</u>
(Impairment) / reversal in value of available-for-sale debt securities	—	68	—	(9 322)
	<u>31 557</u>	<u>11 529</u>	<u>62 372</u>	<u>20 213</u>
19.2 Participants' Takaful Fund				
Income from debt securities - available-for-sale				
- Return on debt securities (Sukuk)	90 553	28 377	183 691	76 629
Income from term deposits				
- Return on term deposits	13	3 281	888	9 621
	<u>90 566</u>	<u>31 658</u>	<u>184 579</u>	<u>86 250</u>
(Impairment) / reversal in value of available-for-sale debt securities	—	4	—	(9 327)
	<u>90 566</u>	<u>31 662</u>	<u>184 579</u>	<u>76 923</u>

20. Other income

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
20.1 Operator's Fund				
Profit on bank deposits	1 756	417	3 911	2 051
Gain on property and equipment	–	–	10	–
	<u>1 756</u>	<u>417</u>	<u>3 921</u>	<u>2 051</u>
20.2 Participants' Takaful Fund				
Profit on bank deposits	4 901	1 894	12 046	7 037
Exchange (loss) / gain	(21)	760	(18)	731
	<u>4 880</u>	<u>2 654</u>	<u>12 028</u>	<u>7 768</u>
21. Taxation				
For current period				
Current	35 178	19 077	73 931	39 518
Super tax	4 852	–	10 197	–
Deferred	(46)	56	(57)	(2 695)
	<u>39 984</u>	<u>19 133</u>	<u>84 071</u>	<u>36 823</u>
For prior year				
Super tax	–	–	7 820	–
	<u>39 984</u>	<u>19 133</u>	<u>91 891</u>	<u>36 823</u>

22. Related party transactions

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

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Participants' Takaful Fund				
Associated company				
Contributions written	556	1 906	688	3 103
Contributions paid	–	–	103	–
Claims paid	236	353	704	4 537
Key management personnel				
Contribution written	–	–	78	–
Others				
Contributions written	(53)	82	2 417	1 575
Claims paid	–	125	148	375
Employees' funds				
Contributions to gratuity fund	68	42	204	125

Rupees '000

30 September
2022
(Unaudited)31 December
2021
(Audited)

Balances payable	509	374
EFU gratuity fund payable	204	167

23. Segment Reporting**For the nine months period ended 30 September 2022 (Unaudited)****23.1 Operator's Fund****Current period**

Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
--------------------------------	--------------------------------------	-------	---------------	--------	-------

Wakala fee	112 777	39 089	505 735	13 737	–	671 338
Commission expense	(54 447)	(18 466)	(160 483)	(5 593)	–	(238 989)
General, administrative and management expenses	(9 981)	(6 104)	(271 485)	(4 471)	–	(292 041)
Net commission and expenses	(64 428)	(24 570)	(431 968)	(10 064)	–	(531 030)
	<u>48 349</u>	<u>14 519</u>	<u>73 767</u>	<u>3 673</u>	<u>–</u>	<u>140 308</u>
Modarib's share of PTF investment income						49 156
Investment income						62 372
Direct expenses						(910)
Other income						3 921
Profit before taxation						254 847
Taxation						(91 891)
Profit after taxation						<u>162 956</u>
						As at 30 September 2022 (Unaudited)
Corporate segment assets	184 016	18 036	406 933	35 322	–	644 307
Corporate unallocated assets						912 165
Total assets						<u>1 556 472</u>
Corporate segment liabilities	180 952	15 439	472 274	39 001	–	707 666
Corporate unallocated liabilities						56 036
Total liabilities						<u>763 702</u>

Rupees '000

Prior period	For the nine months period ended 30 September 2021 (Unaudited)					
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Wakala fee	66 678	27 491	458 414	13 012	–	565 595
Commission expense	(39 652)	(14 863)	(167 244)	(2 213)	–	(223 972)
General, administrative and management expenses	(8 620)	(4 633)	(242 080)	(4 361)	–	(259 694)
Net commission and expenses	(48 272)	(19 496)	(409 324)	(6 574)	–	(483 666)
	18 406	7 995	49 090	6 438	–	81 929
Modarib's share of PTF investment income						23 228
Investment income						20 213
Direct expenses						(599)
Other income						2 051
Profit before taxation						126 822
Taxation						(36 823)
Profit after taxation						89 999
						As at 31 December 2021 (Audited)
Corporate segment assets	91 055	11 820	244 001	11 127	–	358 003
Corporate unallocated assets						783 218
Total assets						1 141 221
Corporate segment liabilities	95 867	13 030	375 669	12 660	–	497 226
Corporate unallocated liabilities						16 748
Total liabilities						513 974

Rupees '000

For the three months period ended 30 September 2022 (Unaudited)						
Current period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Wakala fee	45 356	13 013	177 073	5 764	–	241 206
Commission expense	(20 120)	(6 100)	(52 803)	(2 127)	–	(81 150)
General, administrative and management expenses	(4 321)	(2 133)	(85 739)	(3 357)	–	(95 550)
Net commission and expenses	(24 441)	(8 233)	(138 542)	(5 484)	–	(176 700)
	<u>20 915</u>	<u>4 780</u>	<u>38 531</u>	<u>280</u>	<u>–</u>	<u>64 506</u>
Modarib's share of PTF investment income						23 867
Investment income						31 557
Direct expenses						(340)
Other income						1 756
Profit before taxation						121 346
Taxation						(39 984)
Profit after taxation						<u>81 362</u>

For the three months period ended 30 September 2021 (Unaudited)						
Prior period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Wakala fee	25 916	10 502	159 040	3 320	–	198 778
Commission expense	(14 484)	(5 108)	(57 612)	(729)	–	(77 933)
General, administrative and management expenses	(3 935)	(1 299)	(69 621)	(423)	–	(75 278)
Net commission and expenses	(18 419)	(6 407)	(127 233)	(1 152)	–	(153 211)
	<u>7 497</u>	<u>4 095</u>	<u>31 807</u>	<u>2 168</u>	<u>–</u>	<u>45 567</u>
Modarib's share of PTF investment income						8 388
Investment income						11 529
Direct expenses						(139)
Other income						417
Profit before taxation						65 762
Taxation						(19 133)
Profit after taxation						<u>46 629</u>

23.2 Participants' Takaful Fund

Rupees '000

For the nine months period ended 30 September 2022 (Unaudited)

Current period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Contribution receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	588 073	135 394	1 762 780	113 915	–	2 600 162
Less: Sales tax	71 006	13 978	204 550	13 062	–	302 596
Stamp duty	57	8 272	163	11	–	8 503
Federal insurance fee	5 119	1 120	15 427	998	–	22 664
Gross written contribution (inclusive of administrative surcharge)	511 891	112 024	1 542 640	99 844	–	2 266 399
Gross direct contribution	508 136	106 858	1 431 665	99 584	–	2 146 243
Administrative surcharge	3 755	5 166	110 975	260	–	120 156
Wakala fee	(174 607)	(39 209)	(601 676)	(34 949)	–	(850 441)
Contributions earned	284 063	72 662	999 151	40 585	–	1 396 461
Contributions ceded to retakaful	(368 310)	(85 343)	(16 947)	(43 170)	–	(513 770)
Net contribution revenue	(84 247)	(12 681)	982 204	(2 585)	–	882 691
Retakaful rebate earned	72 027	19 202	3	8 139	–	99 371
Net underwriting income / (loss)	(12 220)	6 521	982 207	5 554	–	982 062
Takaful claims	(288 106)	(25 430)	(822 325)	(6 231)	–	(1 142 092)
Takaful claims recovered from retakaful	260 424	20 344	(24)	5 844	–	286 588
Net claims	(27 682)	(5 086)	(822 349)	(387)	–	(855 504)
Other direct expenses	(65)	(60)	(59 173)	(25)	–	(59 323)
Surplus / (deficit) before investment income	(39 967)	1 375	100 685	5 142	–	67 235
Investment income						184 579
Other income						12 028
Modarib share of investment income						(49 156)
Surplus transferred to accumulated surplus						214 686
						As at 30 September 2022 (Unaudited)
Corporate segment assets	1 405 302	106 106	692 770	141 754	–	2 345 932
Corporate unallocated assets						2 739 560
Total assets						5 085 492
Corporate segment liabilities	1 644 729	144 051	1 896 983	228 434	–	3 914 197
Corporate unallocated liabilities						80 824
Total liabilities						3 995 021

Rupees '000

For the nine months period ended 30 September 2021 (Unaudited)

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Contribution receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	439 757	108 288	1 706 349	93 056	–	2 347 450
Less: Sales tax	52 902	11 477	198 602	13 146	–	276 127
Stamp duty	39	6 146	159	5	–	6 349
Federal insurance fee	3 831	898	14 928	791	–	20 448
Gross written contribution (inclusive of Administrative surcharge)	382 985	89 767	1 492 660	79 114	–	2 044 526
Gross direct contribution	379 736	85 659	1 366 752	78 856	–	1 911 003
Administrative surcharge	3 249	4 108	125 908	258	–	133 523
Wakala fee	(99 018)	(29 316)	(494 808)	(16 347)	–	(639 489)
Contributions earned	222 085	60 481	982 621	69 241	–	1 334 428
Contributions ceded to retakaful	(265 126)	(67 544)	(17 726)	(66 802)	–	(417 198)
Net contribution revenue	(43 041)	(7 063)	964 895	2 439	–	917 230
Rebate from retakaful operator	39 171	15 159	10	11 572	–	65 912
Net underwriting income / (loss)	(3 870)	8 096	964 905	14 011	–	983 142
Takaful claims	(141 437)	(3 030)	(801 126)	5 265	–	(940 328)
Takaful claims recovered from retakaful	122 071	2 423	(3 821)	(11 726)	–	108 947
Net claims	(19 366)	(607)	(804 947)	(6 461)	–	(831 381)
Other direct expense	(57)	(49)	(108 564)	(37)	–	(108 707)
Surplus / (deficit) before investment income	(23 293)	7 440	51 394	7 513	–	43 054
Investment income						76 923
Other income						7 768
Modarib share of investment income						(23 228)
Surplus transferred to accumulated surplus						104 517
						As at 31 December 2021 (Audited)
Corporate segment assets	911 800	50 971	592 033	94 719	–	1 649 523
Corporate unallocated assets						2 121 215
Total assets						3 770 738
Corporate segment liabilities	933 727	81 385	1 325 617	122 419	–	2 463 148
Corporate unallocated liabilities						451 211
Total liabilities						2 914 359

Rupees '000

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

Current period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Contribution receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	369 537	46 166	593 783	98 321	–	1 107 807
Less: Sales tax	45 763	4 795	68 724	11 264	–	130 546
Stamp duty	31	2 736	58	6	–	2 831
Federal insurance fee	3 205	382	5 198	861	–	9 646
Gross written contribution (inclusive of administrative surcharge)	320 538	38 253	519 803	86 190	–	964 784
Gross direct contribution	318 473	36 605	485 692	86 042	–	926 812
Administrative surcharge	2 065	1 648	34 111	148	–	37 972
Wakala fee	(122 304)	(13 389)	(269 255)	(31 535)	–	(436 483)
Contributions earned	101 764	24 168	329 596	13 930	–	469 458
Contributions ceded to retakaful	(137 577)	(28 444)	(5 732)	(12 938)	–	(184 691)
Net contribution revenue	(35 813)	(4 276)	323 864	992	–	284 767
Rebate from retakaful operator	25 315	6 400	–	2 364	–	34 079
Net underwriting income / (loss)	(10 498)	2 124	323 864	3 356	–	318 846
Takaful claims	(54 256)	(19 409)	(278 404)	181	–	(351 888)
Takaful claims recovered from retakaful	46 095	15 527	(24)	(1 352)	–	60 246
Net claims	(8 161)	(3 882)	(278 428)	(1 171)	–	(291 642)
Other direct expense	(17)	(16)	(22 230)	(14)	–	(22 277)
Surplus / (deficit) before investment income	(18 676)	(1 774)	23 206	2 171	–	4 927
Investment income						90 566
Other income						4 880
Modarib share of investment income						(23 867)
Surplus transferred to accumulated surplus						76 506

Rupees '000

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

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Contribution receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	270 302	36 062	567 291	27 225	–	900 880
Less: Sales tax	33 416	3 685	66 099	5 582	–	108 782
Stamp duty	20	2 157	60	1	–	2 238
Federal insurance fee	2 345	300	4 962	214	–	7 821
Gross written contribution (inclusive of administrative surcharge)	234 521	29 920	496 170	21 428	–	782 039
Gross direct contribution	232 790	28 523	457 045	21 276	–	739 634
Administrative surcharge	1 731	1 397	39 125	152	–	42 405
Wakala fee	(63 574)	(10 472)	(161 255)	(5 358)	–	(240 659)
Contributions earned	79 598	19 861	331 050	15 883	–	446 392
Contributions ceded to retakaful	(96 731)	(23 287)	(6 039)	(18 799)	–	(144 856)
Net contribution revenue	(17 133)	(3 426)	325 011	(2 916)	–	301 536
Rebate from retakaful operator	13 678	5 238	3	3 673	–	22 592
Net underwriting income / (loss)	(3 455)	1 812	325 014	757	–	324 128
Takaful claims	(14 420)	(3 706)	(288 311)	111	–	(306 326)
Takaful claims recovered from retakaful	13 141	2 963	65	35	–	16 204
Net claims	(1 279)	(743)	(288 246)	146	–	(290 122)
Other direct expense	(17)	(13)	(25 965)	3	–	(25 992)
Surplus / (deficit) before investment income	(4 751)	1 056	10 803	906	–	8 014
Investment income						31 662
Other income						2 654
Modarib share of investment income						(8 388)
Surplus transferred to accumulated surplus						33 942

24. Movement in investments

24.1 Operator's Fund

Rupees '000

Name of investment	Available-for-sale debt securities	Held to maturity-term deposit	Total
At beginning of previous year	378 864	195 000	573 864
Additions	390 680	69 000	459 680
Disposals (sale and redemptions)	(115 260)	(255 000)	(370 260)
Impairment losses	(8 931)	–	(8 931)
Fair value net losses (excluding net realized gains / (losses))	(2 231)	–	(2 231)
At beginning of current year	643 122	9 000	652 122
Additions	202 262	–	202 262
Disposals (sale and redemptions)	(57 628)	(9 000)	(66 628)
Fair value net gains (excluding net realized gains / (losses))	3 546	–	3 546
At end of current period	791 302	–	791 302

24.2 Participants' Takaful Fund

Name of investment	Available-for-sale debt securities	Held to maturity-term deposit	Total
At beginning of previous year	1 270 934	360 000	1 630 934
Additions	659 254	315 000	974 254
Disposals (sale and redemptions)	(183 609)	(555 000)	(738 609)
Impairment losses	(8 931)	–	(8 931)
Fair value net losses (excluding net realized gains / (losses))	(1 998)	–	(1 998)
At beginning of current year	1 735 650	120 000	1 855 650
Additions	729 867	35 000	764 867
Disposals (sale and redemptions)	(80 135)	(120 000)	(200 135)
Fair value net gains (excluding net realized gains / (losses))	19 406	–	19 406
At end of current period	2 404 788	35 000	2 439 788

25. Fair value

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

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

Following are the assets where fair value is only disclosed and is different from their carrying value:

25.3 Operator's Fund

Rupees '000

As at 30 September 2022 (Unaudited)							
	Available-for-sale	Loan & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using	
						Level 1	Level 2
						Level 3	
Financial assets measured at fair value							
Investments							
Ijara Sukuks	740 983				740 983		740 983
Corporate Sukuks	50 319				50 319		50 319
Financial assets not measured at fair value							
Loans and other receivables *		3 497			3 497		
Takaful / retakaful receivables *		14 184			14 184		
Receivable from PTF *		499 614			499 614		
Accrued investment income *		30 197			30 197		
Cash and bank balances *			40 221		40 221		
	791 302	547 492	40 221		1 379 015		791 302
Financial liabilities not measured at fair value							
Other creditors and accruals *				(120 737)	(120 737)		
	791 302	547 492	40 221	(120 737)	1 258 278	–	791 302
	791 302	547 492	40 221	(120 737)	1 258 278	–	791 302

As at 31 December 2021 (Audited)

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

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

25.4 Participants' Takaful Fund

Rupees '000

As at 30 September 2022 (Unaudited)

	Available-for-sale	Loan & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Ijara Sukuk	2 311 480				2 311 480		2 311 480	
Corporate Sukuk	93 308				93 308		93 308	
Financial assets not measured at fair value								
Investments								
Term deposits *			35 000		35 000			
Loans and other receivables *		10 249			10 249			
Takaful / retakaful receivables *		474 492			474 492			
Retakaful recoveries against outstanding claims *		765 244			765 244			
Accrued investment income *		97 664			97 664			
Cash and bank balances *			198 721		198 721			
	2 404 788	1 347 649	233 721		3 986 158		2 404 788	
Financial liabilities not measured at fair value								
Outstanding claims including IBNR *				(1 381 079)	(1 381 079)			
Contributions received in advance *				(5 507)	(5 507)			
Takaful / retakaful payable *				(491 662)	(491 662)			
Payable to OPF *				(499 614)	(499 614)			
Other creditors and accruals *				(40 566)	(40 566)			
	2 404 788	1 347 649	233 721	(2 418 428)	1 567 730	–	2 404 788	–

As at 31 December 2021 (Audited)

	Available-for-sale	Loan & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Ijara Sukuks	1 616 156				1 616 156		1 616 156	
Corporate Sukuks	119 494				119 494		119 494	
Financial assets not measured at fair value								
Investments								
Term deposits *			120 000		120 000			
Loans and other receivables *		1 283			1 283			
Takaful / retakaful receivables *		321 441			321 441			
Retakaful recoveries against outstanding claims *		541 251			541 251			
Accrued investment income *		24 980			24 980			
Cash and bank balances *			239 302		239 302			
	1 735 650	888 955	359 302		2 983 907		1 735 650	
Financial liabilities not measured at fair value								
Outstanding claims including IBNR *				(1 088 118)	(1 088 118)			
Contributions received in advance *				(4 467)	(4 467)			
Takaful / retakaful payable *				(212 227)	(212 227)			
Payable to OPF *				(211 809)	(211 809)			
Other creditors and accruals *				(29 539)	(29 539)			
	1 735 650	888 955	359 302	(1 546 160)	1 437 747	–	1 735 650	–

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

26. General

Figures have been rounded off to the nearest thousand rupees.

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

These condensed interim financial statements were authorized for issue by the Board of Directors in its meeting held on 28 October 2022.

TAHER G. SACHAK
Director

MAHMOOD LOTIA
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2022

