



## Directors' Review, 31 March 2023

The Directors of your Company are pleased to present the Condensed Interim Financial Statements (Un-audited) for the first quarter ended 31 March 2023.

Your Company's gross premium income was Rs. 8.88 billion during the first quarter of 2023 (2022: Rs 9.64 billion). New individual life regular premium income was Rs. 872 million (2022: Rs.1.52 billion). The renewal premium was Rs. 6.49 billion (2022: Rs.6.70 billion). Inclusive of renewal premium, the total individual life regular premium was Rs. 7.36 billion (2022: 8.21 billion). Single premium business was Rs.130 million (2022: Rs. 152 million). Group Benefits business increased by 8.4% and was Rs.1.43 billion (2022: Rs. 1.32 billion).

Your Company's total family takaful contribution was Rs. 1.82 billion (2022: 2.12 billion). Out of this, Rs. 1.70 billion (2022: Rs. 1.93 billion) was from Individual family takaful business while Rs. 128 million (2022: Rs. 194 million) was from the Group Family Takaful. The Company expects the Takaful line of business to continue its contribution to the overall topline during 2023.

Your Company made a Profit before Tax of Rs. 750.12 million (2022: Rs. 640.79 million), an increase of 17.1%. The imposition of the indefinite 4% annual super tax for tax years 2022 and 2023 has impacted the profit after tax. Your Company made a Profit after Tax of Rs. 498.24 million (2022: Rs. 455.74 million), a growth of 9.3%. The Earning per Share is Rs. 4.98 (2022: Rs. 4.56).

### Interim Dividend:

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

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

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Director

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Director

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Managing Director  
& Chief Executive

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Chairman

**EFU LIFE ASSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023 (Unaudited)**

<b>Assets</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
		----- (Rupees in '000) -----	
Properties and equipments	5	2,375,186	2,450,476
Right of use assets	5	529,331	567,419
Intangible assets	5.3	1,808	3,416
Investments			
Equity securities	6	16,270,188	20,182,751
Government securities	7	133,857,243	121,329,577
Debt securities	8	8,793,137	8,303,339
Term deposits	9	7,758,429	14,426,429
Open-ended mutual funds	10	463,795	391,083
Insurance / reinsurance receivables		511,884	719,040
Other loans and receivables		5,962,810	4,325,031
Taxation - payments less provision		1,167,402	1,106,954
Prepayments		228,488	149,186
Cash and bank	11	3,587,922	4,558,867
<b>Total Assets</b>		<b>181,507,623</b>	<b>178,513,568</b>
<b>Equity and Liabilities</b>			
Authorised share capital [150,000,000 ordinary shares (20221: 150,000,000) of Rs.10 each]		<b>1,500,000</b>	1,500,000
Ordinary share capital [100,000,000 ordinary shares (2021:100,000,000) of Rs.10 each]		<b>1,000,000</b>	1,000,000
Retained earnings arising from business other than participating business attributable to shareholders (Ledger account D)	12	<b>2,263,097</b>	2,161,554
General reserves		<b>2,120,000</b>	1,980,000
Surplus on revaluation of available for sale investments - net of tax		<b>15,343</b>	11,457
Unappropriated profit		<b>402,238</b>	1,195,539
<b>Total Equity</b>		<b>5,800,678</b>	6,348,550
<b>Liabilities</b>			
Insurance liabilities	13	<b>169,444,273</b>	166,382,685
Deferred taxation		<b>1,066,224</b>	1,068,468
Premium received in advance		<b>1,574,410</b>	1,202,333
Insurance / reinsurance payables		<b>237,381</b>	363,890
Lease liabilities		<b>644,196</b>	671,657
Other creditors and accruals		<b>2,740,461</b>	2,475,985
		<b>6,262,672</b>	5,782,333
<b>Total Liabilities</b>		<b>175,706,945</b>	172,165,018
<b>Total Equity and Liabilities</b>		<b>181,507,623</b>	<b>178,513,568</b>
Contingency(ies) and commitment(s)	14		

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

\_\_\_\_\_  
**Managing Director &  
Chief Executive**

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**Chief Financial Officer**

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**Director**

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**Director**

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**Chairman**

**EFU LIFE ASSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT**  
**PERIOD ENDED 31 MARCH 2023 (Unaudited)**

	Note	2023	2022
		----- (Rupees in '000) -----	
Premium / contribution revenue		8,876,769	9,644,979
Premium / retakaful ceded to reinsurers		(374,749)	(429,031)
<b>Net premium / contribution revenue</b>	15	<b>8,502,020</b>	9,215,948
Investment income	16	<b>6,602,696</b>	3,796,578
Net realised fair value (losses) / gains on financial assets	17	<b>(1,528,846)</b>	257,353
Net fair value losses on financial assets at fair value through profit or loss - unrealised	18	<b>(101,355)</b>	(1,146,870)
Other income	19	<b>23,959</b>	17,833
		<b>4,996,454</b>	2,924,894
<b>Net income</b>		<b>13,498,474</b>	12,140,842
Insurance benefits		<b>7,433,343</b>	6,234,189
Recoveries from reinsurers		<b>(177,588)</b>	(190,073)
Claims related expenses		<b>1,195</b>	1,027
<b>Net insurance benefits</b>	20	<b>7,256,950</b>	6,045,143
Net change in insurance liabilities (other than outstanding claims)		<b>3,083,925</b>	2,984,537
Acquisition expenses	21	<b>1,722,515</b>	1,915,523
Marketing and administration expenses	22	<b>675,708</b>	549,520
Other expenses	23	<b>9,257</b>	5,332
<b>Total expenses</b>		<b>5,491,405</b>	5,454,912
<b>Profit before tax (Refer note below)</b>		<b>750,119</b>	640,787
Income tax expense	24	<b>(251,877)</b>	(185,046)
<b>Profit after tax for the period</b>		<b>498,242</b>	455,741
		----- (Rupees) -----	
<b>Earnings per share - Rupees</b>		<b>4.98</b>	4.56

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

Note:

Profit before tax is inclusive of the amount of the profit before tax of the shareholders' fund, the surplus transfer from the revenue account of the statutory funds to the shareholders' fund based on the advice of the appointed actuary, and the undistributed surplus in the revenue account of the statutory funds which also includes the solvency margins maintained in accordance with the Insurance Rules, 2017. For details of the surplus transfer from the revenue account of the statutory funds to the shareholders' fund aggregating to Rs. 671 million (2022: Rs.656 million), please refer to note 26, relating to segmental information - revenue account by statutory fund.

\_\_\_\_\_  
**Managing Director &  
Chief Executive Officer**

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**Chief Financial Officer**

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**Director**

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**Director**

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**Chairman**

**EFU LIFE ASSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**PERIOD ENDED 31 MARCH 2023 (Unaudited)**

	2023	2022
	----- (Rupees in '000) -----	-----
Profit after tax for the period- as per statement of profit and loss account	498,242	455,741
<b>Other comprehensive income:</b>		
<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>		
Change in unrealised gains on available-for-sale financial assets	5,800	13,512
Reclassification adjustment relating to available-for-sale investments sold during the year	5,800	-
	13,512	
Related deferred tax	(1,914)	(1,790)
Other comprehensive loss for the year - net of tax	3,886	11,722
<b>Total comprehensive income for the period</b>	<b>502,128</b>	<b>467,463</b>

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

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&  
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**EFU LIFE ASSURANCE LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT**  
**PERIOD ENDED 31 MARCH 2023 (Unaudited)**

	Three Months Period Ended	
	31 March	
	2023	2022
	----- (Rupees in '000) -----	
<b>Operating cash flows</b>		
<b>a) Underwriting activities</b>		
Insurance premium / contribution received	9,318,848	9,642,408
Reinsurance premium / retakaful contribution paid	(315,121)	(190,073)
Claims paid	(7,504,659)	(6,104,886)
Reinsurance and other recoveries received	177,588	190,073
Commission paid	(1,275,848)	(1,471,137)
Marketing and administrative expenses paid	(675,708)	(549,520)
Other acquisition cost paid	(1,175,444)	(1,167,786)
<b>Net cash flow from underwriting activities</b>	<b>(1,450,344)</b>	<b>349,079</b>
<b>b) Other operating activities</b>		
Income tax paid	(316,484)	(370,196)
Other operating payments	(176,703)	(229,123)
Loans advanced	(4,833)	(43,331)
Loans repayments received	18,266	53,289
<b>Net cash flow from other operating activities</b>	<b>(479,754)</b>	<b>(589,361)</b>
<b>Total cash flow from all operating activities</b>	<b>(1,930,098)</b>	<b>(240,282)</b>
<b>Investment activities</b>		
Profit / return received	4,419,850	2,537,193
Dividends received	642,692	900,546
Payments for investments	(18,093,330)	(11,598,300)
Proceed from disposal of investments	7,358,429	2,518,783
Fixed capital expenditure	(12,991)	(27,773)
Proceeds from sale of property and equipment	19,543	13,689
<b>Total cash flow from investing activities</b>	<b>(5,665,807)</b>	<b>(5,655,862)</b>
<b>Financing activities</b>		
Dividends paid	-	-
Payment against lease liability	(43,040)	(42,071)
<b>Total cash flow from financing activities</b>	<b>(43,040)</b>	<b>(42,071)</b>
<b>Net cash flow from all activities</b>	<b>(7,638,945)</b>	<b>(5,938,215)</b>
Cash and cash equivalents at beginning of the period	18,985,296	28,984,554
<b>Cash and cash equivalents at end of the period</b>	<b>11,346,351</b>	<b>23,046,339</b>
<b>Reconciliation to statement of profit and loss account</b>		
Operating cash flows	(1,930,098)	(240,282)
Depreciation expense	(81,182)	(81,168)
Depreciation on right of use assets	(38,088)	(37,420)
Amortization expense	(1,608)	(3,957)
Profit on disposal of property and equipment	12,444	5,161
Other revenue	6,603	7,277
Profit on lease termination	-	919
Finance cost on lease liabilities	(15,579)	(13,480)
(Loss) / profit on disposal of investments	(1,528,846)	257,353
Dividend income	641,403	894,667
Other investment income	6,131,420	3,014,710
Depreciation in market value of investments	(22,967)	(1,023,291)
Provision of impairment in the value of available for sale equity investments	(11,274)	(12,208)
(Decrease) / Increase in assets other than cash	(15,787)	1,185,112
Increase in liabilities	(2,648,199)	(3,497,652)
<b>Profit after tax for the period</b>	<b>498,242</b>	<b>455,741</b>

11.2

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

Managing Director &  
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

**EFU LIFE ASSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**PERIOD ENDED 31 MARCH 2023 (Unaudited)**

	Attributable to the equity holders' of the Company					Total
	Share capital	General reserves	Retained earnings arising from business other than participating business attributable to shareholders (ledger account D) - net of tax *	Surplus / deficit on revaluation of available for sale investments - net of tax	Unappropriated profit	
	(Rupees in '000)					
<b>Balance as at 1 January 2022</b>	1,000,000	2,100,000	2,100,521	33,404	944,454	6,178,379
<b>Comprehensive income for the period ended 31 March 2022</b>						
Income / (loss) for the period ended 31 March 2022	-	-	(22,825)	-	478,566	455,741
Other comprehensive income	-	-	-	11,722	-	11,722
Total income / (loss) for the period ended 31 March 2022	-	-	(22,825)	11,722	478,566	467,463
Contribution to increase solvency margin	-	-	61,808	-	(61,808)	-
Transfer from general reserve	-	(120,000)	-	-	120,000	-
<b>Transactions with shareholders</b>						
Dividend for the year ended 31 December 2021	-	-	-	-	(1,050,000)	(1,050,000)
	-	-	-	-	(1,050,000)	(1,050,000)
<b>Balance as at 31 March 2022</b>	<b>1,000,000</b>	<b>1,980,000</b>	<b>2,139,504</b>	<b>45,126</b>	<b>431,212</b>	<b>5,595,842</b>
<b>Balance as at 1 January 2023</b>	<b>1,000,000</b>	<b>1,980,000</b>	<b>2,161,554</b>	<b>11,457</b>	<b>1,195,539</b>	<b>6,348,550</b>
<b>Comprehensive income for the period ended 31 March 2023</b>						
Income for the period ended 31 March 2023	-	-	2,631	-	495,611	498,242
Other comprehensive income	-	-	-	3,886	-	3,886
Total income for the period ended 31 March 2023	-	-	2,631	3,886	495,611	502,128
Contribution to increase solvency margin	-	-	98,912	-	(98,912)	-
Transfer to general reserve	-	140,000	-	-	(140,000)	-
<b>Transactions with shareholders</b>						
Dividend for the year ended 31 December 2022	-	-	-	-	(1,050,000)	(1,050,000)
	-	-	-	-	(1,050,000)	(1,050,000)
<b>Balance as at 31 March 2023</b>	<b>1,000,000</b>	<b>2,120,000</b>	<b>2,263,097</b>	<b>15,343</b>	<b>402,238</b>	<b>5,800,678</b>

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

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

\_\_\_\_\_  
**Managing Director &  
Chief Executive Officer**

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**Chief Financial Officer**

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**Director**

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**EFU LIFE ASSURANCE LIMITED**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023 (Unaudited)**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** EFU Life Assurance Limited (the Company) was incorporated in Pakistan on 09 August 1992 as a public limited company under the Repealed Companies Ordinance, 1984 (now Companies Act, 2017) and started its operation from 18 November 1992. The shares of the Company are quoted on Pakistan Stock Exchange. The registered office of the Company is located at Al-Malik Centre, 70W, F-7/ G-7 Jinnah Avenue, Islamabad while principal place of business is located at EFU Life House, Plot No.112, 8th East street, Phase 1, DHA, Karachi.
- 1.2** The Company is a subsidiary of EFU General Insurance Limited on the basis of its ability to control the composition of the Board of Directors of EFU Life Assurance Limited effective 31 March 2018.
- 1.3** The Company is engaged in life insurance business including ordinary life business, pension fund business and accident and health business and has established following statutory funds, as required by the Insurance Ordinance, 2000:
- Investment Linked Business (includes individual life business)
  - Conventional Business (includes group life and individual life businesses)
  - Pension Business (unit linked)\*
  - Accident and Health Business
  - Family Takaful Investment Linked Business (Refer note 1.4)
  - Family Takaful Protection Business (Refer note 1.4)

\* The Company had discontinued pension business and accordingly no new business has been written under this

- 1.4** The Company was granted authorisation on 19 January 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Takaful Window Operation in respect of family takaful products by Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations on 6 February 2015 under the brand name "Hemayah". For the purpose of carrying on takaful business, the Company has formed a Waqf namely EFU Life - Window Family Takaful Limited Waqf (here-in-after referred to as the Participant Takaful Fund (PTF)) on 6 February 2015 under a Waqf deed executed by the Company with a cede amount of Rs. 2 million. The cede money is required to be invested in shariah compliant investments and any profit thereon can be utilized only to pay benefits to participants or defray PTF expenses. Waqf deed also governs the relationship of the Company and policyholders for the management of Takaful operations, investment of policyholders' funds and shareholders' funds as approved by the shariah advisor appointed by the Company.

**2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE**

- 2.1** These condensed interim financial statements have been prepared on the format of financial statements issued by the Securities and Exchange Commission of Pakistan (SECP) through the Insurance Rules, 2017 vide its S.R.O. 89(1) / 2017 dated 09 February 2017.
- 2.2** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:
- International Financial Reporting Standard (IFRS), issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
  - Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012; and
  - Islamic Financial Accounting Standards (IFAS) (as a lease) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017.

In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules 2012 shall prevail. The condensed interim financial information does not include all the information required in the annual financial statements. Accordingly the condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2022.

**2.3 Basis of measurement**

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

## 2.4 Functional and presentation currency

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

## 2.5 Standards, interpretations and amendments effective during the current year

The Company has adopted the accounting standards, interpretations and amendments of IFRSs and the improvements to accounting standards which became effective for the current year, however they do not have an impact on the Company's financial statements

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

Following IFRS as notified under the Companies Act, 2017 and the amendments thereto will be effective for future accounting periods and not early adopted:

Amendments	Effective date (annual periods beginning on or after)
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	1 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	1 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	1 January 2024

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards	Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	1 January 2024
IFRS 17 - Insurance Contracts	1 January 2023

The company has taken a benefit of temporary exemption of applying IFRS 9 "Financial Instrument" with IFRS 17 "Insurance Contracts" as allowed under IFRS.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of unconsolidated 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.

The judgments, estimates and assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if



the revision affects only that period or in the revision and future periods if the revision affects both current and future periods.

### Change in assumptions

#### Conventional business / Family takaful protection business

Expected Loss Ratio (ELR) assumptions being used for IBNR claim reserve pertaining to conventional group life business have been revised to provide for possible decrease in incidence of reporting of claims. Furthermore, the methodology for third quarter have been moved from Chain Ladder (CL) to ELR.

In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

<b>5 PROPERTY AND EQUIPMENT</b>	<b>31 March 2023 (Unaudited)</b>	<b>31 December 2022 (Audited)</b>
	----- (Rupees in '000) -----	
Operating assets	<b>2,375,186</b>	2,450,476
Right of use asset	<b>529,331</b>	567,419
	<b><u>2,904,517</u></b>	<u>3,017,895</u>

5.1 Details of additions and disposals during the three months period ended 31 March 2023 are as follows:

	<b>Three months ended - Unaudited</b>			
	<b>31 March 2023</b>		<b>31 March 2022</b>	
	<b>Additions</b>	<b>Disposals</b>	Additions	Disposals
Furniture, fixture and fittings	<b>1,544</b>	-	3,753	-
Office equipment	<b>2,897</b>	-	537	-
Computer equipment	<b>1,165</b>	-	16,731	-
Motor Vehicle	-	<b>20,810</b>	-	16,501
Lease hold Improvements	<b>7,385</b>	-	6,752	-
	<b><u>12,991</u></b>	<b><u>20,810</u></b>	<b><u>27,773</u></b>	<b><u>16,501</u></b>

5.2 The market value of leasehold land and building is estimated at Rs. 4,542 million as at 31 December 2022. The valuations have been carried out by independent valuer.

5.3 During the period, there was no additions in intangible assets. (31 March 2022:NII).

## 6 INVESTMENTS IN EQUITY SECURITIES

	<i>Note</i>	<b>31 March 2023 (Unaudited)</b>	31 December 2022 (Audited)
----- (Rupees in '000) -----			
Available for sale	6.1	<b>102,274</b>	107,134
At fair value through profit or loss (Designated - upon initial recognition)	6.2	<b>16,167,914</b>	20,075,617
		<b>16,270,188</b>	20,182,751

	<i>Note</i>	<b>31 March 2023 (Unaudited)</b>			31 December 2022 (Audited)		
		Cost	Impairment / (provision)	Carrying value	Cost	Impairment / (provision)	Carrying value
<b>6.1 Available for sale</b>							
<b>Related parties</b>							
Listed shares	6.3	<b>204,221</b>	<b>(180,241)</b>	<b>23,980</b>	204,222	(180,052)	24,170
<b>Others</b>							
Listed shares	6.3	<b>81,703</b>	<b>(25,047)</b>	<b>56,656</b>	81,703	(20,619)	61,084
Unlisted shares	6.3	<b>15,711</b>	<b>(15,203)</b>	<b>508</b>	15,711	(15,203)	508
Surplus on revaluation		-	-	<b>21,130</b>	-	-	21,372
		<b>301,635</b>	<b>(220,491)</b>	<b>102,274</b>	301,636	(215,874)	107,134

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

<b>Related parties</b>							
Listed shares		<b>476,556</b>	-	<b>512,833</b>	476,556	-	496,431
<b>Others</b>							
Listed shares		<b>18,722,622</b>	-	<b>15,655,081</b>	23,979,659	-	19,579,186
		<b>19,199,178</b>	-	<b>16,167,914</b>	24,456,215	-	20,075,617

## 6.3 Reconciliation of provision for impairment

	<b>2023</b>	2022
----- (Rupees in '000) -----		
Balance at the beginning of the period	<b>215,874</b>	210,043
Provision / (reversal) for impairment on available for sale investments	<b>4,617</b>	5,831
Balance at the end of the period	<b>220,491</b>	215,874

## 7 GOVERNMENT SECURITIES

	<i>Note</i>	<b>31 March 2023 (Unaudited)</b>	31 December 2022 (Audited)
----- (Rupees in '000) -----			
Held to maturity	7.1	<b>11,157,813</b>	9,189,216
Fair value through profit or loss (Designated - upon initial recognition)	7.2	<b>122,699,430</b>	112,140,361
		<b>133,857,243</b>	121,329,577

31 March 2023 (Unaudited)

7.1 Held to maturity	Maturity	Effective	Amortised	Principal	Carrying
	year	yield	cost	repayment	value
		%	(Rupees in '000)		
2 YearsPakistan Investment Bonds	2023	19.28	249,539	250,000	249,539
2 YearsPakistan Investment Bonds	2024	17.00	123,885	125,000	123,885
3 YearsPakistan Investment Bonds	2023	14.00	2,569,189	2,575,000	2,569,189
5 YearsPakistan Investment Bonds	2027	10.50	353,155	400,000	353,155
10 YearPakistan Investment Bonds	2028	8.75	12,699	15,000	12,699
10 YearPakistan Investment Bonds	2029	10.00	231,260	273,400	231,260
10 YearPakistan Investment Bonds	2030	8.00	304,641	414,100	304,641
20 YearsPakistan Investment Bonds	2024	10.00	53,833	53,700	53,833
3 Months Treasury Bills	2023	16.9-20.97	3,914,931	3,926,090	3,914,931
12 Months Treasury Bills	2023	15.60	2,187,494	2,369,100	2,187,494
Government Ijara	2025-2027	10.45-18.58	515,472	514,326	515,472
10 Years Pakistan Energy Sukuk 1	2029	20.86	190,260	197,160	190,260
Pakistan Energy Sukuk II	2030	15.76	451,455	452,700	451,455
			<b>11,157,813</b>	<b>11,565,576</b>	<b>11,157,813</b>

31 December 2022 (Audited)

Held to maturity	Maturity	Effective	Amortised	Principal	Carrying
	year	yield	cost	repayment	value
		%	(Rupees in '000)		
2 Years Pakistan Investment Bonds	2023	15.68	249,341	250,000	249,341
3 Years Pakistan Investment Bonds	2023	15.68	2,566,977	2,575,000	2,566,977
2 Years Pakistan Investment Bonds	2024	16.88	123,725	125,000	123,725
20 Years Pakistan Investment Bonds	2024	10.00	53,871	53,700	53,871
10 Years Pakistan Investment Bonds	2028	8.76	12,628	15,000	12,628
03 Months Treasury Bills	2023	15.5-17.00	2,773,377	2,862,000	2,773,377
06 Months Treasury Bills	2023	15.10-15.20	338,704	340,125	338,704
12 Months Treasury Bills	2023	15.60-16.77	2,108,093	2,369,100	2,108,093
05 years government ijara	2025	8.37-15.48	290,585	289,628	290,585
05 years government ijara	2027	15.69	29,497	29,498	29,497
10 Years Pakistan Energy Sukuk I	2029	16.8	190,820	197,160	190,820
10 Years Pakistan Energy Sukuk II	2030	15.76	451,598	452,700	451,598
			<b>9,189,216</b>	<b>9,558,911</b>	<b>9,189,216</b>

31 March 2023 (Unaudited)					
Maturity year	Effective yield	Amortized cost	Principal repayment	Carrying value	
	%			(Rupees in '000)	
2 YearsPakistan Investment Bonds	2023	20.96	4,990,369	5,000,000	4,993,675
3 YearsPakistan Investment Bonds	2023	17.30	38,776,048	38,862,000	38,312,635
5 YearsPakistan Investment Bonds	2023	17.30	1,199,213	1,206,000	1,160,881
10 YearPakistan Investment Bonds	2024	12.00	100,606	100,000	90,366
20 YearsPakistan Investment Bonds	2024	10	391,074	392,000	350,919
3 YearsPakistan Investment Bonds	2024	17.00	4,594,510	4,775,000	4,221,199
2 YearsPakistan Investment Bonds	2024	17.92	49,554	50,000	49,415
5 YearPakistan Investment Bonds	2025	7.50	116,034	125,000	97,478
5 Years Pakistan Investment Bonds	2026	15.72	493,634	500,000	479,800
10 YearPakistan Investment Bonds	2029	10.00	117,728	125,000	98,502
3 Months Treasury Bills	2023	16.99-20.9719	15,788,488	15,935,910	15,760,238
12 Months Treasury Bills	2023	15.60	43,800,075	47,287,900	42,336,350
Government Ijara	2025-2030	10.45-18.58	14,188,456	14,199,829	13,867,972
10 Years Pakistan Energy Sukuk I	2029	20.86	929,288	963,159	830,000
Pakistan Energy Sukuk II	2030	15.76	50,162	50,300	50,000
			<b>125,585,239</b>	<b>129,572,098</b>	<b>122,699,430</b>

31 December 2022 (Audited)					
Maturity year	Effective yield	Amortized cost	Principal repayment	Carrying value	
	%			(Rupees in '000)	
2 Years Pakistan Investment Bonds	2023	15.72	4,737,606	4,750,000	4,725,775
2 Years Pakistan Investment Bonds	2023	16.96	248,799	250,000	248,525
3 Years Pakistan Investment Bonds	2023	12.8	8,973	9,000	8,935
3 Years Pakistan Investment Bonds	2023	15.68	37,538,202	37,653,000	37,381,898
3 Years Pakistan Investment Bonds	2023	17	74,754	75,000	74,460
3 Years Pakistan Investment Bonds	2023	8.65	1,125,513	1,125,000	1,124,550
5 Years Pakistan Investment Bonds	2023	8	1,194,572	1,206,000	1,152,575
3 Years Pakistan Investment Bonds	2024	7	3,201,272	3,400,000	2,959,986
3 Years Pakistan Investment Bonds	2024	15.08	1,363,651	1,375,000	1,352,313
2 Years Pakistan Investment Bonds	2024	16.8	49,490	50,000	49,485
10 Years Pakistan Investment Bonds	2024	10	230,207	398,400	333,634
20 Years Pakistan Investment Bonds	2024	10	390,855	392,000	361,241
5 Years Pakistan Investment Bonds	2025	7.5	115,262	125,000	102,412
5 Years Pakistan Investment Bonds	2026	7.86	493,183	500,000	483,250
5 Years Pakistan Investment Bonds	2027	10.5	351,378	400,000	351,378
10 Years Pakistan Investment Bonds	2029	12	100,746	100,000	93,972
10 Years Pakistan Investment Bonds	2030	8	302,874	414,100	302,874
03 months treasury bills	2023	15.66-16.90	7,057,822	7,193,000	7,059,117
06 months treasury bills	2023	15.20-15.95	1,269,160	1,289,175	1,267,549
12 months treasury bills	2023	15.60-16.77	42,223,945	47,287,900	41,675,783
05 years government ijara sukuk	2025	14.44-15.63	1,828,036	1,830,211	1,822,868
05 years government ijara sukuk	2026	11.40-15.59	4,712,275	4,718,540	4,549,231
05 years government ijara sukuk	2027	15.69-15.89	3,802,315	3,802,779	3,778,550
10 years Pakistan energy sukuk I	2029	16.8	932,038	963,159	830,000
10 years Pakistan energy sukuk II	2030	15.76	50,178	50,300	50,000
			<b>113,403,106</b>	<b>119,357,564</b>	<b>112,140,361</b>

## 8 INVESTMENT IN DEBT SECURITIES

	31 March 2023 (Unaudited)			31 December 2022 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
(Rupees in '000)						
Term finance certificates	5,938,929	-	5,938,929	5,586,539	-	5,586,539
Corporate sukuks	1,457,406	(37,500)	1,419,906	1,682,051	(37,500)	1,644,551
Certificates of investment	1,434,302	-	1,434,302	1,072,249	-	1,072,249
	<b>8,830,637</b>	<b>(37,500)</b>	<b>8,793,137</b>	<b>8,340,839</b>	<b>(37,500)</b>	<b>8,303,339</b>

Maturity	No. of Certificates		Face value	Carrying Amount		
	31 March	31 December		31 March	31 December	
	2023	2022		2023	2022	
<b>8.1 Term finance certificates</b>						
(Rupees in '000)						
<b>Fair value through profit or loss</b>						
<b>Others</b>						
Bank Alfalah	2024	100,000	100,000	5	500,000	462,573
Bank Alfalah Limited	2024	100,000	-	5	463,558	-
TPL Trakker	2026	25	-	1,000	16,980	18,146
TPL Corporation	2027	-	200	100	-	20,000
Bank Alfalah Limited	2027	200	-	100	20,474	-
Bank Al Habib Limited	2028	20,000	20,000	5	100,836	99,840
K-Electric Limited	2029	120,000	120,000	5	600,000	600,000
Khushhali Microfinance Bank	2032	1,400	1,400	100	150,000	150,000
Bank Al Habib	2032	77,000	77,000	5	385,000	385,000
Bank of Punjab	2032	10,000	-	5	500,000	-
Askari Bank Limited	Perpetual	100	100	1,000	102,081	100,980
United Bank Limited	Perpetual	250,000	250,000	5	1,250,000	1,250,000
Habib Bank Limited	Perpetual	2,000	2,000	100	200,000	200,000
Bank of Punjab	Perpetual	5,000	5,000	100	500,000	500,000
Bank Al Habib Limited	Perpetual	40,000	40,000	5	200,000	200,000
Dubai Islamic Bank Ltd	Perpetual	20,000	-	5	100,000	-
Soneri Bank Limited	Perpetual	10,000	10,000	5	50,000	50,000
Bank Alfalah Limited	Perpetual	20,000	20,000	5	100,000	100,000
Bank Al Habib Limited	Perpetual	40,000	40,000	5	200,000	200,000
Bank Alfalah	Perpetual	-	100,000	5	-	500,000
Askari Bank Limited	Perpetual	450	450	1,000	450,000	450,000
					<b>5,888,929</b>	<b>5,286,539</b>
<b>Related Parties</b>						
Lucky Electric Power Company	2023	-	1	-	-	250,000
					<b>-</b>	<b>250,000</b>
<b>Held to maturity</b>						
Askari Bank Limited	Perpetual	50	50	1,000	50,000	50,000
					<b>5,938,929</b>	<b>5,586,539</b>
Maturity	No. of Certificates		Face value	Carrying Amount		
	31 March	31 December		31 March	31 December	
	2023	2022		2023	2022	
<b>8.2 Corporate sukuk</b>						
<b>Fair value through profit or loss</b>						
<b>Others</b>						
Hascol Petroleum Limited *	2023	30,000	30,000	3	37,500	37,500
Byco Petroleum Pakistan Limited	2023	-	583	100	-	8,353
HUBCO	2023	50,000	50,000	100	88,166	177,048
Neelum Jehlum Hydro Power Company Limited	2026	15,000	12,500	100	475,448	491,329
Pakistan Services Limited	2027	250	250	1,000	195,977	207,506
TPL Corporation	2027	200	200	100	20,000	20,000
Dubai Islamic Bank Pakistan Limited	2028	-	20,000	5	-	100,000
Meezan Bank Limited	Perpetual	100,000	100,000	5	500,000	500,000
<b>Related Parties</b>						
Bank Islami Pakistan Limited	Perpetual	28,063	28,063	5	140,315	140,315
					<b>1,457,406</b>	<b>1,682,051</b>
<b>8.3 Certificates of investment</b>						
Pak Kuwait Investment Company	2023	1	2	400,000	400,000	400,000
First Habib Modarba Limited	2023	1	4	981,000	981,000	618,947
Pak Oman Company Limited	2023	1	1	53,302	53,302	53,302
					<b>1,434,302</b>	<b>1,072,249</b>
<b>8.4 *Reconciliation of provision</b>						
Balance at the beginning of the year					37,500	37,500
Provision for impairment in the value of investment					-	-
Balance at the end of the year					<b>37,500</b>	<b>37,500</b>

		31 March 2023 (Unaudited)	31 December 2022 (Audited)
----- (Rupees in '000) -----			
<b>9 INVESTMENTS IN TERM DEPOSITS</b>			
Deposits maturing within 3 months		<b>7,758,429</b>	14,426,429
<b>10 INVESTMENT IN OPEN ENDED MUTUAL FUNDS</b>			
At fair value through profit or loss (Designated - upon initial recognition)	10.1	<b>257,278</b>	228,958
Available for sale	10.2	<b>206,517</b>	162,125
		<b>463,795</b>	391,083
		<b>31 March 2023 (Unaudited)</b>	31 December 2022 (Audited)
		<b>Cost</b>	<b>Cost</b>
		<b>Impairment / provision</b>	<b>Impairment / provision</b>
		<b>Carrying Value</b>	<b>Carrying Value</b>
----- (Rupees in '000) -----			
<b>10.1 At fair value through profit or loss (Designated - upon initial recognition)</b>			
<b>Related parties</b>			
Mutual funds		<b>160,993</b>	158,817
		-	-
		<b>147,287</b>	143,459
<b>Others</b>			
Mutual funds		<b>92,573</b>	74,062
		-	-
		<b>109,991</b>	85,499
		<b>253,566</b>	232,879
		-	-
		<b>257,278</b>	228,958
<b>10.2 Available for sale</b>			
<b>Related parties</b>			
Mutual funds		<b>523</b>	523
		-	-
		<b>523</b>	523
<b>Others</b>			
Mutual funds		<b>228,161</b>	183,034
		<b>(39,018)</b>	(32,361)
		<b>189,143</b>	150,673
Surplus on revaluation		-	-
		<b>16,851</b>	10,929
		<b>228,684</b>	183,557
		<b>(39,018)</b>	(32,361)
		<b>206,517</b>	162,125
		<b>31 March 2023 (Unaudited)</b>	31 December 2022 (Audited)
----- (Rupees in '000) -----			
<b>Reconciliation of provision for impairment</b>			
Balance at the beginning of the period		<b>32,361</b>	18,544
Provision / (Reversal) for impairment on available for sale investments		<b>6,657</b>	13,817
Balance at the end of the period		<b>39,018</b>	32,361

11 CASH AND BANK	31 March 2023 (Unaudited)	31 December 2022 (Audited)
	----- (Rupees in '000) -----	
Cash and cash equivalent		
Cash in hand	2,066	101
Policy & revenue stamps	301	267
Cash at bank		
Current account	373,158	1,234,604
Savings account	3,212,397	3,323,895
	<b>11.1</b>	
	<u>3,587,922</u>	<u>4,558,867</u>
<b>11.2 Cash and cash equivalents for cash flow purpose comprise of the following:</b>		
	31 March 2023 (Unaudited)	31 March 2022 (Audited)
	----- (Rupees in '000) -----	
Cash and others	2,367	15,199
Cash at bank	3,585,555	23,031,140
Term deposits maturing within three months	7,758,429	-
	<u>11,346,351</u>	<u>23,046,339</u>
	31 March 2023 (Unaudited)	31 December 2022 (Audited)
	----- (Rupees in '000) -----	
<b>12 RETAINED EARNINGS ARISING FROM BUSINESS OTHER THAN PARTICIPATING BUSINESS ATTRIBUTABLE TO SHAREHOLDERS (LEDGER ACCOUNT D)</b>		
Opening balance	3,088,626	2,845,112
Contribution to solvency margin	98,912	1,761
Change in solvency margin through statement of profit and loss account	3,927	241,753
	<u>3,191,465</u>	<u>3,088,626</u>
Related deferred tax liability on:		
Opening balance	(927,072)	(744,591)
Charge to statement of profit and loss account	(1,296)	(182,481)
Closing balance	(928,368)	(927,072)
Net of tax	<u>2,263,097</u>	<u>2,161,554</u>
<b>13 INSURANCE LIABILITIES</b>		
Reported outstanding claims	13.1	3,810,988
Incurred but not reported claims	13.2	1,260,949
Investment component of unit-linked and account value policies	13.3	161,298,276
Liabilities under individual conventional insurance contracts	13.4	945,451
Liabilities under group insurance contracts (other than investment linked)	13.5	1,580,544
Participant takaful fund balance	13.6	548,065
		<u>169,444,273</u>
<b>13.1 Reported outstanding claims</b>		
<b>Gross of reinsurance</b>		
Payable within one year		3,309,146
Payable over a period of time exceeding one year		891,051
		<u>4,200,197</u>
<b>Recoverable from reinsurers</b>		
Receivable over a period of time exceeding one year		(389,209)
Net reported outstanding claims		<u>3,810,988</u>
		<u>3,835,327</u>

<b>13.2 Incurred but not reported claims</b>		
Gross of reinsurance	1,560,979	1,485,969
Reinsurance recoveries	(300,030)	(300,758)
Net of reinsurance	<u>1,260,949</u>	<u>1,185,211</u>
<b>13.3 Investment component of unit linked and account value policies</b>		
Investment component of unit linked policies	161,298,276	158,534,057
Investment component of account value policies	-	-
	<u>161,298,276</u>	<u>158,534,057</u>
<b>13.4 Liabilities under individual conventional insurance contracts</b>		
Gross of reinsurance	1,179,158	1,187,321
Reinsurance credit	(233,707)	(224,551)
Net of reinsurance	<u>945,451</u>	<u>962,770</u>
<b>13.5 Liabilities under group insurance contracts (other than investment linked)</b>		
Gross of reinsurance	1,859,713	1,550,978
Reinsurance credit	(279,169)	(152,650)
Net of reinsurance	<u>1,580,544</u>	<u>1,398,328</u>
<b>13.6 Participant takaful fund balance</b>	<u>548,065</u>	<u>560,883</u>

#### 14 CONTINGENCIES AND COMMITMENTS

- 14.1** The status of the contingencies remains unchanged as disclosed in the annual audited financial statements as at 31 December 2022.
- 14.2** Bank guarantees amounting to Rs. 55.94 million have been given in respect of Group Life coverage. These bank guarantees will expire on 31 December 2023.
- 14.3** There were no commitments at the period end.



Note	Aggregate (Unaudited)	
	Three months period ended 31 March	
	2023	2022
	----- (Rupees in '000) -----	
<b>15 NET INSURANCE PREMIUM / CONTRIBUTION REVENUE</b>		
<b>Gross premium / contribution</b>		
Regular premium / contribution individual policies		
First year	871,825	1,515,653
Second year renewal	1,149,352	1,318,504
Subsequent year renewal	5,340,151	5,376,885
Single premium / contribution individual policies	129,794	151,958
Group policies with cash values	7,698	5,115
Group policies without cash values	1,426,926	1,317,960
Provision for experience refund	(48,977)	(41,096)
<b>Total gross premium / contribution</b>	<b>8,876,769</b>	<b>9,644,979</b>
<b>Less: Reinsurance premium / retakaful contribution ceded</b>		
On individual life first year business	10,576	15,955
On individual life second year business	13,200	12,610
On individual life renewal business	76,777	74,551
On group policies	315,996	332,645
Less: Experience refund from reinsurers	(37,203)	-
Less: Reinsurance commission on risk premium	(4,597)	(6,730)
<b>Total reinsurance premium / retakaful contribution ceded</b>	<b>374,749</b>	<b>429,031</b>
<b>Net premium / contribution</b>	<b>8,502,020</b>	<b>9,215,948</b>
<b>16 INVESTMENT INCOME</b>		
<b>Income from equity securities</b>		
<b>At fair value through profit or loss</b> <b>(Designated upon initial recognition)</b>		
Dividend income	638,333	891,159
<b>Available for sale</b>		
Dividend income	4,359	9,387
<b>Income from debt securities</b>		
<b>At fair value through profit or loss</b> <b>(Designated upon initial recognition)</b>		
Return on debt securities	441,330	301,808
On government securities	4,815,124	2,066,076
<b>Held to maturity</b>		
On government securities	263,570	107,991
On debt securities	45,387	31,689
<b>Income from term deposits</b>		
Return on term deposits	394,593	388,468
	<b>6,602,696</b>	<b>3,796,578</b>

		<b>Aggregate (Unaudited)</b>	
		<b>Three months period ended</b>	
		<b>31 March</b>	
		<b>2023</b>	<b>2022</b>
		----- (Rupees in '000) -----	
<b>17</b>	<b>NET REALISED FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS</b>		
	Available for sale		
	Realised gains on:		
	- Equity securities	90,916	260,255
	- Government securities		
	Realised losses on:		
	- Equity securities	(1,680,056)	-
	- Government securities	60,294	(2,902)
		<u>(1,528,846)</u>	<u>257,353</u>
<b>18</b>	<b>NET FAIR VALUE LOSSES ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS- UNREALISED</b>		
	Net unrealised (losses) on investments in financial assets		
	- Government securities and debt securities (fair value through profit or loss designated upon initial recognition)	(1,515,936)	(116,990)
	Net unrealised gains / (losses) on investments at fair value through profit or loss (designated upon initial recognition) - Equity securities	1,361,595	(1,023,499)
	Investment (loss)	<u>(154,341)</u>	<u>(1,140,489)</u>
	Exchange gain	64,416	5,880
	Provision of impairment in value of available for sale securities	(11,273)	(12,208)
	Less: Investment related expenses	(157)	(53)
		<u>(101,355)</u>	<u>(1,146,870)</u>
<b>19</b>	<b>OTHER INCOME</b>		
	Gain on sale of fixed assets	12,444	5,161
	Return on loans to employees	6,603	7,277
	Fees charged to policyholders	4,907	4,468
	Gain on sale of early termination of lease contracts'	-	919
	Other income	5	8
		<u>23,959</u>	<u>17,833</u>
<b>20</b>	<b>NET INSURANCE BENEFITS</b>		
	<b>Gross claims</b>		
	Claims under individual policies		
	by death	278,302	314,559
	by insured event other than death	4,307	5,800
	by maturity	1,032,238	945,681
	by surrender	5,456,403	4,357,557
	<b>Total gross individual policy claims</b>	<u>6,771,250</u>	<u>5,623,597</u>
	Claims under group policies		
	by death	627,080	579,153
	by insured event other than death	26,835	27,794
	by maturity	212	-
	by surrender	7,966	3,645
	<b>Total gross group claims</b>	<u>662,093</u>	<u>610,592</u>
	<b>Total gross claims</b>	<u>7,433,343</u>	<u>6,234,189</u>
	<b>Less: Reinsurance / retakaful recoveries</b>		
	On individual life claims	20,374	53,510
	On group life claims	157,214	136,563
	<b>Total reinsurance / retakaful recoveries</b>	<u>177,588</u>	<u>190,073</u>
	Add: Claims related expenses	1,195	1,027
	<b>Net insurance benefit</b>	<u>7,256,950</u>	<u>6,045,143</u>

	<b>Aggregate (Unaudited)</b>	
	<b>Three months period ended</b>	
	<b>31 March</b>	
<i>Note</i>	<b>2023</b>	<b>2022</b>
	<b>(Rupees in '000)</b>	
<b>21 ACQUISITION EXPENSES</b>		
Remuneration to insurance intermediaries on individual policies:		
- Commission to agent on first year premiums / contributions	<b>344,537</b>	562,030
- Commission to agent on second year premiums / contributions	<b>117,148</b>	132,942
- Commission to agent on subsequent renewal premiums / contributions	<b>143,240</b>	144,818
- Commission to agent on single premiums / contributions	<b>3,750</b>	4,263
- Override commission to supervisors	<b>88,212</b>	148,357
- Other benefits to insurance intermediaries salaries, allowances and other benefits	<b>492,654</b>	529,711
Remuneration to insurance intermediaries on group policies:		
- Commission	<b>137,161</b>	109,614
- Other benefits to insurance intermediaries	<b>27,938</b>	26,313
- Traveling expenses	<b>158,511</b>	22,198
- Printing and stationery	<b>5,032</b>	9,537
- Depreciation	<b>72,506</b>	79,425
- Rent, rates and taxes	<b>2,663</b>	3,370
- Electricity, gas and water	<b>10,971</b>	6,254
- Entertainment	<b>10,007</b>	11,397
- Vehicle running expenses	<b>1,052</b>	2,134
- Office repairs & maintenance	<b>5,479</b>	4,804
- Postages, telegrams and telephone	<b>8,142</b>	11,979
- Medical fees	<b>5,094</b>	5,313
- Finance cost	<b>15,579</b>	13,483
- Policy stamps	<b>17,966</b>	29,362
- Others	<b>54,873</b>	58,219
	<b>1,722,515</b>	1,915,523
<b>22 MARKETING AND ADMINISTRATION EXPENSES</b>		
Employee benefit cost	<b>316,512</b>	254,467
Traveling expenses	<b>10,975</b>	6,131
Advertisements and sales promotion	<b>22,868</b>	26,823
Printing and stationery	<b>36,546</b>	29,514
Depreciation	<b>46,769</b>	39,163
Amortisation	<b>1,608</b>	3,956
Rent, rates and taxes	<b>245</b>	2,058
Legal and professional charges	<b>18,659</b>	27,861
Electricity, gas and water	<b>13,505</b>	9,947
Entertainment	<b>12,905</b>	10,296
Vehicle running expenses	<b>3,852</b>	1,275
Office repair and maintenance	<b>80,175</b>	58,563
Appointed actuary fees	<b>4,746</b>	4,236
Bank charges	<b>1,946</b>	1,439
Postage, internet and telephone	<b>31,478</b>	21,414
Fees and subscription	<b>22,096</b>	10,836
Annual supervision fee SECP	<b>14,500</b>	15,500
Miscellaneous	<b>36,323</b>	26,041
	<b>675,708</b>	549,520
<b>23 OTHER EXPENSES</b>		
Advertisements and publicity	<b>93</b>	-
Directors' fee	<b>1,725</b>	1,775
Donation	<b>7,319</b>	2,738
Others	<b>120</b>	819
	<b>9,257</b>	5,332
<b>24 TAXATION</b>		
<b>For the period</b>		
Current tax	<b>256,035</b>	206,000
Deferred tax	<b>(4,158)</b>	(20,954)
	<b>251,877</b>	185,046

## 25 RELATED PARTY TRANSACTIONS

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

	<b>31 March 2023</b>	31 March 2022
	----- (Rupees in '000) -----	
<b>Transactions</b>		
<b><i>Holding Company</i></b>		
Premium written	13,462	12,824
Premium paid	33,321	32,114
Claims paid	2,208	-
Claims received	500	6
<b><i>Associated Companies / Related Parties</i></b>		
Premium written	106,316	88,432
Premium paid	33,634	41,253
Claims paid	15,680	7,636
Commission paid	34,840	28,891
Travelling expenses	8,473	553
Donation paid	3,973	9,462
Interest received on bank deposit	388,848	217,249
Purchase of Vehicles (Pak Suzuki Motors)	22,745	87,673
Payment to K-Electric	-	12,822
Placement of TDR	5,340,000	-
Investment sold of related party	8,311,000	10,788,429
<b><i>Key management personnel</i></b>		
Premium written	450	404
Loan recovered	1,705	1,672
Compensation paid	62,801	61,811
<b><i>Employees' funds</i></b>		
Contribution to provident fund	13,811	13,462
Contribution to pension fund	11,046	11,421
	<b>31 March 2023</b>	31 December 2022
	<b>Unaudited</b>	<b>Audited</b>
	----- (Rupees in '000) -----	
<b>Balances</b>		
Bank balances	785,357	1,555,255
Bank deposits	5,357,429	7,728,429
Premium payable	146	3,567
Premium receivable	8,768	2,289
Dividend Payable	941,336	-
Dividend Receivable	25,745	-
Investment in EFU General Insurance Limited from designated unit fund	449,887	432,989
Investment in related party	376,499	1,023,326
Claims outstanding - Related party	32,697	33,615
Loan receivable from key employees	21,947	23,651

## 26 SEGMENTAL INFORMATION

## 26.1 Revenue account by Statutory Fund

	2023						Aggregate 31 March 2023
	Statutory Funds						
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	
(Rupees in '000)							
<b>Income</b>							
Premium / contribution less reinsurance / retakaful	5,731,994	1,010,501	52	89	1,665,806	89,117	8,497,559
Policy transfer from other statutory funds	-	-	-	-	4,461	-	4,461
Special reinstatement fee	-	-	-	-	5	-	5
Bonus units transferred to statutory fund	-	-	-	-	-	-	-
Net investment income / wakala income	4,233,506	158,861	674	113	720,319	31,284	5,144,757
Total net income	9,965,500	1,169,362	726	202	2,390,591	120,401	13,646,782
<b>Insurance benefits and expenditures</b>							
Claims net of reinsurance recoveries	6,194,642	448,483	-	-	561,772	47,153	7,252,050
Policy transfer from other statutory funds	3,705	-	-	-	-	-	3,705
Bonus units transfer to statutory fund	-	-	-	-	-	-	-
Management expenses less recoveries	1,567,740	233,418	2	177	793,003	37,413	2,631,753
Total insurance benefits and expenditures	7,766,087	681,901	2	177	1,354,775	84,566	9,887,508
<b>Excess of income over insurance benefits and expenditures</b>	2,199,413	487,461	724	25	1,035,816	35,835	3,759,274
<b>Net change in insurance liabilities (other than outstanding claims)</b>	(1,655,713)	(278,526)	(651)	66	(1,065,987)	(2,042)	(3,002,853)
<b>Surplus before tax</b>	543,700	208,935	73	91	(30,171)	33,793	756,421
<b>Movement in policyholders' liabilities</b>	1,655,713	278,526	651	(66)	1,065,987	2,042	3,002,853
<b>Transfer to and from shareholder's fund</b>							
Transfer of surplus to shareholders' fund	(524,202)	(117,615)	(61)	(82)	-	(29,462)	(671,422)
Capital contribution from share holders' fund	-	-	-	-	98,912	-	98,912
Net transfer to / from shareholders' fund	(524,202)	(117,615)	(61)	(82)	98,912	(29,462)	(572,510)
<b>Balance of statutory funds at beginning of the period</b>	145,825,021	3,149,543	17,492	631	16,915,660	229,482	166,137,829
<b>Balance of statutory funds at end of the period</b>	147,500,232	3,519,389	18,155	574	18,050,388	235,855	169,324,593

	2022						Aggregate 31 March 2022
	Statutory Funds				Family Takaful Investment Linked Business	Family Takaful Protection Business	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business			
----- (Rupees in '000) -----							
<b>Income</b>							
Premium / contribution less reinsurances / retakaful	6,367,147	842,127	52	620	1,901,687	102,626	9,214,259
Policy transfer from other statutory funds	-	-	-	-	1,689	-	1,689
Special reinstatement fee	-	-	-	-	8	-	8
Bonus units transferred to statutory funds	-	-	-	-	28	-	28
Net investment income	2,599,815	61,209	178	53	407,112	41,154	3,109,521
Total net income	8,966,962	903,336	230	673	2,310,524	143,780	12,325,505
<b>Insurance benefits and expenditures</b>							
Claims net of reinsurance recoveries	5,224,637	424,004	-	-	347,267	46,519	6,042,427
Policy transfer from other statutory funds	1,689	-	-	-	-	-	1,689
Bonus units transferred to statutory funds	-	-	-	-	28	-	28
Management expenses less recoveries	1,535,062	196,748	3	691	899,181	54,088	2,685,773
<b>Total insurance benefits and expenditures</b>	6,761,388	620,752	3	691	1,246,476	100,607	8,729,917
<b>Excess of income over insurance benefits and expenditures</b>	2,205,574	282,584	227	(18)	1,064,048	43,173	3,595,588
<b>Net change in insurance liabilities (other than outstanding claims)</b>	(1,685,663)	(160,975)	(72)	(41)	(1,057,098)	(13,919)	(2,917,768)
<b>Surplus / (deficit) before tax</b>	519,911	121,609	155	(59)	6,950	29,254	677,820
<b>Movement in policyholders' liabilities</b>	1,685,663	160,975	72	41	1,057,098	13,919	2,917,768
<b>Transfer to and from shareholder's fund</b>							
Transfer of surplus to shareholders' fund	(500,991)	(113,744)	(154)	68	-	(41,487)	(656,308)
Capital contribution from shareholders' fund	-	-	-	-	61,808	-	61,808
Net transfer to / from shareholders' fund	(500,991)	(113,744)	(154)	68	61,808	(41,487)	(594,500)
<b>Balance of statutory funds at beginning of the period</b>	137,669,018	1,731,917	16,754	822	12,123,496	185,277	151,727,284
<b>Balance of statutory funds at end of the period</b>	139,373,601	1,900,757	16,827	872	13,249,352	186,963	154,728,372

## 26.2 Segment statement of financial position

	As at 31 March 2023			As at 31 December 2022		
	Statutory Funds	Shareholders Funds	Total	Statutory Funds	Shareholders Funds	Total
	----- (Rupees in '000) -----					
Property and equipments	1,113,356	1,261,830	2,375,186	1,125,848	1,324,628	2,450,476
Right of use assets	-	529,331	529,331	-	567,419	567,419
Intangible assets	-	1,808	1,808	-	3,416	3,416
Investments	165,380,522	1,762,269	167,142,791	163,069,893	1,563,284	164,633,177
Insurance / reinsurance receivables	511,884	-	511,884	719,040	-	719,040
Other loans and receivables	5,696,158	266,655	5,962,813	4,047,487	277,546	4,325,033
Taxation - payments less provision	4,618	1,162,784	1,167,402	3,080	1,103,874	1,106,954
Prepayments	228,488	-	228,488	149,186	-	149,186
Cash and bank	3,363,105	224,815	3,587,920	4,528,527	30,340	4,558,867
<b>Total assets</b>	<b>176,298,131</b>	<b>5,209,492</b>	<b>181,507,623</b>	<b>173,643,061</b>	<b>4,870,507</b>	<b>178,513,568</b>
Insurance liabilities net of reinsurance recoveries	169,444,273	-	169,444,273	166,382,685	-	166,382,685
Deferred taxation	-	1,066,224	1,066,224	-	1,068,468	1,068,468
Premium / contribution received in advance	1,574,409	-	1,574,409	1,202,332	-	1,202,332
Insurance / reinsurance payables	237,381	-	237,381	363,890	-	363,890
Lease liabilities	-	644,196	644,196	-	671,657	671,657
Other creditors and accruals	1,556,440	1,184,022	2,740,462	2,344,651	131,335	2,475,986
<b>Total liabilities</b>	<b>172,812,503</b>	<b>2,894,442</b>	<b>175,706,945</b>	<b>170,293,558</b>	<b>1,871,460</b>	<b>172,165,018</b>

## 27 MOVEMENT IN INVESTMENTS

	Held to maturity	Available for Sale	Fair value through profit or loss	Deposits maturing within 12 months	Total
		----- (Rupees in '000) -----			
<b>At beginning of previous year</b>	8,192,178	3,438,690	114,894,883	24,376,429	150,902,180
Additions	1,195,478	563,231	92,959,274	117,685,178	212,403,161
Disposals (sale and redemptions)	(5,901,762)	(65,079)	(60,604,116)	(127,635,178)	(194,206,135)
Fair value net (loss) / gains (excluding net realised gains)	-	16,326	(4,462,393)	-	(4,446,067)
Provision for impairment	-	(19,960)	-	-	(19,960)
<b>At beginning of current year</b>	<b>3,485,894</b>	<b>3,933,208</b>	<b>142,787,648</b>	<b>14,426,429</b>	<b>164,633,179</b>
Additions	1,258,172	326,288	16,508,870	7,741,000	25,834,330
Disposals (sale and redemptions)	-	-	(8,887,275)	(14,409,000)	(23,296,275)
Fair value net loss (excluding net realised gains)	-	12,454	(29,623)	-	(17,169)
Provision for impairment	-	(11,273)	-	-	(11,273)
<b>At end of current year</b>	<b>4,744,066</b>	<b>4,260,677</b>	<b>150,379,620</b>	<b>7,758,429</b>	<b>167,142,792</b>

## 28 FAIR VALUE

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

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

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

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

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

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

**On balance sheet financial instruments**

31 March 2023 (Unaudited)

	Fair value through profit or loss (designated upon initial recognition)	Available for sale	Held to maturity	Loans and receivables	Other financial assets	Other financial liabilities	Total	Fair value			Total
								Level 1	Level 2	Level 3	
----- (Rupees in '000) -----											
<b>Financial assets measured at fair value</b>											
<b>- Investments</b>											
Government securities (T-bills + PIBs + Sukuks)	122,699,430	-	-	-	-	-	122,699,430	-	122,699,430	-	122,699,430
Sukuk bonds (other than government)	1,419,906	-	-	-	-	-	1,419,906	-	1,419,906	-	1,419,906
Listed equity securities	16,167,914	101,766	-	-	-	-	16,269,680	16,269,680	-	-	16,269,680
Unlisted equity securities	-	508	-	-	-	-	508	-	-	508	508
Units of mutual funds	257,278	206,517	-	-	-	-	463,795	-	463,795	-	463,795
Debt securities (Listed TFCs)	5,938,929	-	-	-	-	-	5,938,929	-	5,868,455	70,474	5,938,929
<b>Financial assets not measured at fair value</b>											
- Government securities (T-bills + PIBs + Sukuks)	-	-	11,157,813	-	-	-	11,157,813	-	-	-	11,157,813
- Balances with banks *	11,343,984	-	-	-	-	-	11,343,984	-	-	-	11,343,984
- Certificate of investment	-	-	1,434,302	-	-	-	1,434,302	-	-	-	1,434,302
- Advances to employees and agents	-	-	-	183,776	-	-	183,776	-	-	-	183,776
- Investment income accrued	-	-	-	-	4,823,143	-	4,823,143	-	-	-	4,823,143
- Other loans and receivables (excluding markup accrued)*	-	-	-	-	955,891	-	955,891	-	-	-	955,891
	157,827,441	308,791	12,592,115	183,776	5,779,034	-	176,691,157	-	-	-	176,691,157
<b>Financial liabilities not measured at fair value</b>											
Deferred taxation	-	-	-	-	-	1,066,224	1,066,224	-	-	-	1,066,224
Premium received in advance	-	-	-	-	-	1,574,410	1,574,410	-	-	-	1,574,410
Insurance / reinsurance payables	-	-	-	-	-	237,381	237,381	-	-	-	237,381
Lease liability	-	-	-	-	-	644,196	644,196	-	-	-	644,196
Other creditors and accruals	-	-	-	-	-	2,740,461	2,740,461	-	-	-	2,740,461
	-	-	-	-	-	6,262,672	6,262,672	-	-	-	6,262,672
	157,827,441	308,791	12,592,115	183,776	5,779,034	(6,262,672)	170,428,485	-	-	-	170,428,485



## On balance sheet financial instruments

December 2022 (Audited)

	Fair value through profit or loss (designated upon initial recognition)	Available for sale	Held to maturity	Loans and receivables	Other financial assets	Other financial liabilities	Total	Fair value			Total
								Level 1	Level 2	Level 3	
----- (Rupees in '000) -----											
<b>Financial assets measured at fair value</b>											
- Investments											
Government securities (T-bills + PIBs + Sukuks)	112,140,361	-	-	-	-	-	112,140,361	-	79,419,004	-	79,419,004
Sukuk bonds (other than government)	1,644,551	-	-	-	-	-	1,644,551	-	2,482,032	-	2,482,032
Listed equity securities	20,075,617	106,626	-	-	-	-	20,182,243	31,863,415	-	-	31,863,415
Unlisted equity securities	-	508	-	-	-	-	508	-	-	683	683
Units of mutual funds	228,958	162,125	-	-	-	-	391,083	-	1,454,576	-	1,454,576
Debt securities (Listed TFCs)	5,586,539	-	-	-	-	-	5,586,539	-	2,328,330	664,463	2,992,793
<b>Financial assets not measured at fair value</b>											
- Government securities (T-bills + PIBs + Sukuks)	-	-	9,189,216	-	-	-	9,189,216				
- Balances with banks *	18,984,928	-	-	-	-	-	18,984,928				
- Certificate of investment	-	-	1,072,249	-	-	-	1,072,249				
- Advances to employees and agents	-	-	-	193,849	-	-	193,849				
- Investment income accrued	-	-	-	-	3,106,259	-	3,106,259				
- Other loans and receivables (excluding markup accrued)*	-	-	-	-	1,024,923	-	1,024,923				
	158,660,954	269,259	10,261,465	193,849	4,131,182	-	173,516,709				
<b>Financial liabilities not measured at fair value</b>											
Deferred taxation	-	-	-	-	-	1,068,468	1,068,468				
Premium received in advance	-	-	-	-	-	1,202,333	1,202,333				
Insurance / reinsurance payables	-	-	-	-	-	363,890	363,890				
Lease liability	-	-	-	-	-	671,657	671,657				
Other creditors and accruals	-	-	-	-	-	2,475,985	2,475,985				
	-	-	-	-	-	5,782,333	5,782,333				
	158,660,954	269,259	10,261,465	193,849	4,131,182	(5,782,333)	167,734,376				

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

**29 GENERAL**

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

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

**30 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 28 April 2023.

\_\_\_\_\_  
**Managing Director &  
Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Chairman**

**EFU LIFE ASSURANCE LIMITED-WINDOW TAKAFUL OPERATIONS (Un-audited / Un-reviewed)**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023**

	<i>Note</i>	Operator Sub Fund	Policyholder Fund	31 March 2023	31 December 2022
----- (Rupees in '000) -----					
<b>Assets</b>					
Investments					
Equity securities	5	-	1,325,956	1,325,956	1,589,023
Government securities	6	353,470	11,937,942	12,291,412	9,380,315
Debt securities	7	-	1,840,240	1,840,240	1,542,618
Term deposits	8	-	2,041,000	2,041,000	3,771,000
Takaful / retakaful receivables		-	72,729	72,729	98,934
Other loans and receivables		237,282	1,819,515	2,056,797	1,698,058
Deferred tax asset		14,499	-	14,499	-
Prepayments		9,672	-	9,672	7,991
Cash & Bank	9	160,407	773,173	933,580	1,671,466
<b>Total Assets</b>		<b>775,330</b>	<b>19,810,555</b>	<b>20,585,885</b>	<b>19,759,405</b>
<b>Equity and Liabilities</b>					
Cede Money		50,000	-	50,000	50,000
Capital contributed by shareholder's fund		168,236	-	168,236	61,326
Qard-e-Hasna		-	-	-	-
Retained Earning arising from business other than participating business attributable to shareholder's (Ledger account D)		185,927	-	185,927	193,925
Accumulated losses		(124,267)	-	(124,267)	19,481
<b>Total Equity</b>		<b>279,896</b>	<b>-</b>	<b>279,896</b>	<b>324,732</b>
<b>Liabilities</b>					
Insurance Liabilities	10	-	18,516,264	18,516,264	17,325,462
Takaful contribution received in advance		-	297,104	297,104	164,771
Takaful / retakaful payables		-	111,418	111,418	108,675
Deferred Tax Liability		-	-	-	7,961
Other creditors and accruals		495,434	885,769	1,381,203	1,827,804
<b>Total Liabilities</b>		<b>495,434</b>	<b>19,810,555</b>	<b>20,305,989</b>	<b>19,434,673</b>
<b>Total Equity and Liabilities</b>		<b>775,330</b>	<b>19,810,555</b>	<b>20,585,885</b>	<b>19,759,405</b>

Contingency(ies) and commitment(s)

11

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

\_\_\_\_\_  
**Managing Director &  
Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Chairman**

**EFU LIFE ASSURANCE LIMITED-WINDOW TAKAFUL OPERATIONS (Un-audited / Un-reviewed)**  
**Condensed Interim Statement Of Profit And Loss Account**  
**For The Period Ended 31 MARCH 2023**

	Note	Operator's Sub Fund		Policyholder's Fund		Aggregate	
		Period Ended		Period Ended		Period Ended	
		31 March		31 March		31 March	
		2023	2022	2023	2022	2023	2022
----- (Rupees in '000) -----							
Contribution Revenue		235,778	449,337	1,587,678	1,670,814	1,823,456	2,120,151
Contribution ceded to reinsurers		-	-	(64,070)	(114,150)	(64,070)	(114,150)
<b>Net Contribution revenue</b>	12	<b>235,778</b>	<b>449,337</b>	<b>1,523,608</b>	<b>1,556,664</b>	<b>1,759,386</b>	<b>2,006,001</b>
Wakalat-ul-Istismar - PIF		174,413	147,213	(174,418)	(147,213)	(5)	-
Wakala Fee - PTF		62,829	76,955	(62,829)	(76,955)	-	-
Special reinstatement fee		5	8	-	-	5	8
Mudarib Fee		12,870	6,553	(12,870)	(6,553)	-	-
Investment income	13	30,424	19,025	619,110	274,164	649,534	293,189
Net realised fair value (losses) / gains on financial assets	14	(211)	35	(71,156)	9,167	(71,367)	9,202
Net fair value (losses) on financial assets at fair value through profit or loss	15	(189)	(294)	(63,614)	(77,998)	(63,803)	(78,292)
		<b>280,141</b>	<b>249,495</b>	<b>234,223</b>	<b>(25,388)</b>	<b>514,364</b>	<b>224,107</b>
<b>Net income</b>		<b>515,919</b>	<b>698,832</b>	<b>1,757,831</b>	<b>1,531,276</b>	<b>2,273,750</b>	<b>2,230,108</b>
Takaful benefits		-	-	679,611	413,281	679,611	413,281
Recoveries from retakafuls		-	-	(70,881)	(19,792)	(70,881)	(19,792)
Qard-e-Hasna		-	-	-	-	-	-
Claims related expenses		-	-	-	-	-	-
<b>Net Takaful Benefits</b>	16	<b>-</b>	<b>-</b>	<b>608,730</b>	<b>393,489</b>	<b>608,730</b>	<b>393,489</b>
Net Change in Takaful Liabilities (other than outstanding claims)		-	-	1,149,101	1,137,787	1,149,101	1,137,787
Acquisition expenses	17	466,782	647,918	-	-	466,782	647,918
Exgratia-Surrender Expense		196	298	-	-	196	298
Marketing and administration expenses	18	126,389	81,177	-	-	126,389	81,177
<b>Total Expenses</b>		<b>593,367</b>	<b>729,393</b>	<b>1,149,101</b>	<b>1,137,787</b>	<b>1,742,468</b>	<b>1,867,180</b>
<b>(Loss) / Income before tax</b>		<b>(77,448)</b>	<b>(30,561)</b>	<b>-</b>	<b>-</b>	<b>(77,448)</b>	<b>(30,561)</b>
Income tax	19	22,460	8,863	-	-	22,460	8,863
<b>(Loss)/ Income for the period</b>		<b>(54,988)</b>	<b>(21,698)</b>	<b>-</b>	<b>-</b>	<b>(54,988)</b>	<b>(21,698)</b>

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

\_\_\_\_\_  
**Managing Director & Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Chairman**

**EFU LIFE ASSURANCE LIMITED-WINDOW TAKAFUL OPERATIONS (Un-audited / Un-reviewed)**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**For The Period Ended 31 MARCH 2023**

	Operator Sub Fund		Policyholder Funds		Aggregate	
	Period Ended 31 March		Period Ended 31 March		Period Ended 31 March	
	2023	2022	2023	2022	2023	2022
	----- (Rupees in '000) -----					
(Loss) / Income for the period - as per Profit and Loss Account	<b>(54,988)</b>	(21,698)	-	-	<b>(54,988)</b>	(21,698)

**Other Comprehensive Income:**

**Items that may be reclassified to profit and loss in subsequent periods:**

Change in unrealised gains / (losses) on available-for-sale financial assets

-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

Reclassification adjustment relating to available-for-sale investments sold during the period

Related deferred tax

Other comprehensive income for the period- net of tax

**Total comprehensive (loss)/ income for the period**

-	-	-	-	-	-
<b>(54,988)</b>	<b>(21,698)</b>	<b>-</b>	<b>-</b>	<b>(54,988)</b>	<b>(21,698)</b>

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

\_\_\_\_\_  
**Managing Director &  
Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Chairman**

**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**Window Takaful Operations (Un-audited / Un-reviewed)**  
**For the period ended 31 March 2023**

	Three months ended 31 March	
	2023	2022
	----- (Rupees in '000) -----	
<b>Operating cash flows</b>		
<b>a) Takaful activities</b>		
Takaful contribution received	1,981,798	2,098,863
Retakaful contribution paid	(61,327)	-
Claims paid	(640,325)	(390,594)
Retakaful and other recoveries received	70,881	-
Commission paid	(364,308)	(444,591)
Marketing and Administrative expenses paid	(126,389)	(81,177)
Other acquisition cost paid	(264,430)	(318,121)
Net cash flow from underwriting activities	595,900	864,380
<b>b) Other operating activities</b>		
Other operating (payments) / receipts	(255,715)	1,385,543
Other receipts / (payments) on operating assets	39,831	(790,923)
Net cash flow from other operating activities	(215,884)	594,620
<b>Total cash flow from all operating activities</b>	<b>380,016</b>	<b>1,459,000</b>
<b>Investment activities</b>		
Profit / Return received	214,237	142,261
Dividends received	37,468	50,825
Payments for investments	(3,351,250)	(1,655,313)
Proceed from disposal of investments	270,428	89,876
<b>Total cash flow from investing activities</b>	<b>(2,829,117)</b>	<b>(1,372,351)</b>
<b>Financing activities</b>		
Net Capital contributed from shareholder's fund	(18,786)	42,304
<b>Total cash flow from financing activities</b>	<b>(18,786)</b>	<b>42,304</b>
<b>Net cash flow from all activities</b>	<b>(2,467,887)</b>	<b>128,953</b>
Cash and cash equivalents at beginning of the period	5,442,467	5,347,021
<b>Cash and cash equivalents at end of the period</b>	<b>2,974,580</b>	<b>5,475,974</b>
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	380,016	1,459,000
Depreciation expense	(28,640)	(18,991)
Amortization expense	(298)	(513)
(Loss) / gain on disposal of investments	(71,367)	9,201
Dividend Income	37,468	50,825
Other investment income	617,740	248,705
Depreciation in market value of investments	(69,480)	(84,635)
(Decrease) / Increase in assets other than cash	(49,115)	753,211
Increase in liabilities	(871,312)	(2,438,501)
<b>Profit after taxation</b>	<b>(54,988)</b>	<b>(21,698)</b>

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

\_\_\_\_\_  
**Managing Director &  
Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Chairman**

**EFU LIFE ASSURANCE LIMITED-WINDOW TAKAFUL OPERATIONS (Un-audited / Un-reviewed)**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 March 2023**

	Attributable to the equity holders' of the Company						Total
	Cede Money	Capital Contribution from main Shareholder Fund	General Reserve	Retained earnings arising from business other than participating business attributable to shareholders (ledger account D)- net of tax *	Surplus/Deficit on revaluation of available for sale investment	Unappropriated Profit	
	----- (Rupees in '000) -----						
Balance as at 1 January 2022	50,000	102,220	-	148,089	-	(43,064)	257,245
Capital contribution from shareholder's fund	-	61,808	-	-	-	-	61,808
Income / (loss) for the period ended 31 March 2022	-	-	-	-	-	(21,698)	(21,698)
Other Comprehensive income/( loss)	-	-	-	-	-	-	-
Total income / (loss) for the period ended 31 March 2022	-	-	-	-	-	(21,698)	(21,698)
Contribution to increase solvency margin	-	10,240	-	(10,240)	-	-	-
Balance as at 31 March 2022	<u>50,000</u>	<u>174,268</u>	<u>-</u>	<u>137,849</u>	<u>-</u>	<u>(64,762)</u>	<u>297,355</u>
Balance as at 1 January 2023	50,000	61,326	-	193,925	-	(69,279)	235,972
Capital contribution from shareholder's fund	-	98,912	-	-	-	-	98,912
Income / (loss) for the period ended 31 March 2023	-	-	-	-	-	(54,988)	(54,988)
Other Comprehensive income/( loss)	-	-	-	-	-	-	-
Total income / (loss) for the period ended 31 March 2023	-	-	-	-	-	(54,988)	(54,988)
Contribution to increase solvency margin	-	7,998	-	(7,998)	-	-	-
<b>Balance as at 31 March 2023</b>	<u><b>50,000</b></u>	<u><b>168,236</b></u>	<u><b>-</b></u>	<u><b>185,927</b></u>	<u><b>-</b></u>	<u><b>(124,267)</b></u>	<u><b>279,896</b></u>

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

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

\_\_\_\_\_  
**Managing Director &  
Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Chairman**

**EFU LIFE ASSURANCE LIMITED- Window Takaful Operations (Un-audited / Un-reviewed)**  
**Notes To and forming part of Financial Statement**  
**For The Period Ended 31 March 2023**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

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

**2 Basis of preparation and statement of compliance**

- 2.1** These condensed interim financial statements have been prepared on the format of financial statements issued by the Securities and Exchange Commission of Pakistan (SECP) through the Insurance Rules, 2017 vide its S.R.O. 89(1) / 2017 dated 09 February 2017.
- 2.2** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:
- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
  - Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Takaful Rules, 2012 and Insurance Accounting Regulations, 2017; and
  - Islamic Financial Accounting Standards (IFAS) (as a lease) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017.

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



### **2.3 Basis of measurement**

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

### **2.4 Functional and presentation currency**

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

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and method of computation adopted in the preparation of the condensed interim financial information are consistent with those followed in the preparation of the annual financial statements of the Company for the year ended 31 December 2022.

## **4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

5 INVESTMENTS IN EQUITY SECURITIES	Note	31 March 2023	31 December 2022
		Unaudited	Audited
----- (Rupees in '000) -----			
At fair value through profit or loss (Designated - upon initial recognition)	5.1	1,325,956	1,589,023
		<b>1,325,956</b>	<b>1,589,023</b>

31 March 2023 (Unaudited)			31 December 2022 (Audited)		
Cost	Impairment/ provision	Carrying Value	Cost	Impairment/ provision	Carrying Value
----- (Rupees in '000) -----					

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

Related Parties

Listed Shares

-	-	-	-	-	-
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Others

Listed Shares

1,533,913		1,325,956	1,825,307	-	1,589,023
-----------	--	-----------	-----------	---	-----------

<b>1,533,913</b>	<b>-</b>	<b>1,325,956</b>	<b>1,825,307</b>	<b>-</b>	<b>1,589,023</b>
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6. GOVERNMENT SECURITIES

Note	31 March 2023	31 December 2022
	Unaudited	Audited
----- (Rupees in '000) -----		

Held to Maturity

6.1	1,114,665	920,030
-----	-----------	---------

Fair value through profit and loss (designated - upon initial recognition)

6.2	11,176,747	8,460,285
-----	------------	-----------

<b>12,291,412</b>	<b>9,380,315</b>
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6.1 Held to Maturity	Maturity Year	Effective Yield %	31 March 2023 (Unaudited)			31 December 2022 (Audited)		
			Amortised Cost	Principal Repayment	Carrying Value	Amortised Cost	Principal Repayment	Carrying Value
----- (Rupees in '000) -----								
Government Ijara	2025-2027	10.45-18.58	472,950	472,949	472,950	277,612	277,136	277,612
Pakistan Energy Sukuk I	2029	20.86	190,260	197,160	190,260	190,820	197,160	190,820
Pakistan Energy Sukuk II	2030	15.76	451,455	452,700	451,455	451,598	452,700	451,598
			<b>1,114,665</b>	<b>1,122,809</b>	<b>1,114,665</b>	<b>920,030</b>	<b>926,996</b>	<b>920,030</b>

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

Maturity Year	Effective Yield %	31 March 2023 (Unaudited)			31 December 2022 (Audited)			
		Amortised Cost	Principal Repayment	Carrying Value	Amortised Cost	Principal Repayment	Carrying Value	
----- (Rupees in '000) -----								
Government Ijara	2025-2027	10.45-18.58	10,439,713	10,843,458	10,210,747	8,023,681	8,032,133	7,880,285
Pakistan Energy Sukuk I	2029	20.86	990,457	620,840	916,000	190,820	620,840	530,000
Pakistan Energy Sukuk II	2030	15.76	50,162	50,300	50,000	50,178	50,300	50,000
			<b>11,480,332</b>	<b>11,514,598</b>	<b>11,176,747</b>	<b>8,264,679</b>	<b>8,703,273</b>	<b>8,460,285</b>

## 7. INVESTMENT IN DEBT SECURITIES

	Note	31 March 2023 (Unaudited)			31 December 2022 (Audited)		
		Cost	Impairment/ Provision	Carrying Value	Cost	Impairment / Provision	Carrying Value
----- (Rupees in '000) -----							
<b>Others</b>							
Corporate Sukuks	7.1	1,840,240	-	1,840,240	1,542,618	-	1,542,618
		<u>1,840,240</u>	<u>-</u>	<u>1,840,240</u>	<u>1,542,618</u>	<u>-</u>	<u>1,542,618</u>
----- (Rupees in '000) -----							
<b>Fair Value through Profit and Loss (Designated upon initial recognition)</b>	Maturity	No. Of Certificates		Face Value	Carrying Amount		
		31 March 2023	31 December 2022		31 March 2023	31 December 2022	
<b>7.1 Corporate Sukuks</b>		----- (Rupees in '000) -----					
HUBCO Sukuk	2023	28,571	28,571	100	50,380	101,170	
Neelum Jehlum Hydropower	2026	15,000	1,250	100	47,547	49,133	
Meezan Bank Ltd	Perpetual	100,000	50,000	5	250,000	250,000	
Dubai Islamic Bank Limited	2028	20,000	20,000	5	-	100,000	
Bank Islami EHAD Sukuk	Perpetual	28,063	28,063	5	140,313	140,315	
					<u>488,240</u>	<u>640,618</u>	
<b>Held to Maturity</b>							
Engro Polymer & Chemicals Ltd.	2026	-	200	-	-	-	
					<u>488,240</u>	<u>640,618</u>	
<b>Term Finance Certificate</b>							
K-Electric Limited	2029	120,000	-	5	600,000	600,000	
Bank Al Habib	2032	77,000	-	5	100,000	-	
					<u>700,000</u>	<u>600,000</u>	
<b>Certificate Of Investment</b>							
First Habib Modarba	2023	1	1	652,000	652,000	302,000	
					<u>652,000</u>	<u>302,000</u>	
					<u>1,840,240</u>	<u>1,542,618</u>	
----- (Rupees in '000) -----							
<b>8. INVESTMENTS IN TERM DEPOSITS</b>					31 March 2023 (Unaudited)	31 December 2022 (Audited)	
Deposit maturing within three months					<u>2,041,000</u>	<u>3,771,000</u>	
----- (Rupees in '000) -----							
<b>9. CASH AND BANK</b>							
Cash and Cash Equivalent							
Cash in hand					317	75	
Cash at bank							
Current account					122,862	359,643	
Saving account					810,401	1,311,748	
					<u>933,580</u>	<u>1,671,466</u>	
					31 March 2023	31 March 2022	
----- (Rupees in '000) -----							
<b>9.1 Cash and cash equivalents for cash flow purpose comprise of the following:</b>							
- Cash and others					317	407	
- Cash at bank					933,263	5,475,567	
- Term deposits maturing within three months					2,041,000	-	
					<u>2,974,580</u>	<u>5,475,974</u>	

		<b>31 March 2023 (Unaudited)</b>	31 December 2022 (Audited)
	<i>Note</i>	----- (Rupees in '000) -----	
<b>10. TAKAFUL LIABILITIES</b>			
Reported outstanding claims	10.1	<b>389,886</b>	350,270
Incurred but not reported claims	10.2	<b>94,938</b>	99,537
Investment component of unit-linked and account value policies	10.3	<b>17,235,280</b>	16,174,063
Liabilities under individual conventional insurance contracts	10.4	<b>134,642</b>	131,123
Liabilities under group insurance contracts (other than investment linked)	10.5	<b>62,806</b>	55,252
Other liabilities		<b>50,647</b>	48,225
Participant takaful fund balance	10.6	<b>548,065</b>	466,992
		<b>18,516,264</b>	17,325,462
<b>10.1 Reported Outstanding Claims</b>			
<b>Gross of Retakaful</b>			
Payable within one year		<b>365,302</b>	326,021
Payable over a period of time exceeding one year		<b>58,895</b>	59,566
		<b>424,197</b>	385,587
<b>Recoverable from Retakaful</b>			
Receivable over a period of time exceeding one year		<b>(34,311)</b>	(35,317)
		<b>(34,311)</b>	(35,317)
Net reported outstanding claims		<b>389,886</b>	350,270
<b>10.2 Incurred But Not Reported Claims</b>			
Gross of retakaful		<b>174,841</b>	172,145
Retakaful recoveries		<b>(79,903)</b>	(72,608)
Net of retakaful		<b>94,938</b>	99,537
<b>10.3 Investment Component of Unit Linked and Account Value Policies</b>			
Investment component of unit linked policies		<b>17,235,280</b>	16,174,063
Investment component of account value policies		-	-
		<b>17,235,280</b>	16,174,063
<b>10.4 Liabilities under Individual Conventional takaful Contracts</b>			
Gross of Retakaful		<b>209,165</b>	206,467
Retakaful Credit		<b>(74,523)</b>	(75,344)
Net of Reinsurance		<b>134,642</b>	131,123
<b>10.5 Liabilities under Group Insurance Contracts (other than investment linked)</b>			
Gross of Reinsurance		<b>91,962</b>	77,603
Reinsurance Credit		<b>(29,156)</b>	(22,351)
Net of Reinsurance		<b>62,806</b>	55,252
<b>10.6 Participant Takaful Fund Balance</b>	10.6.1	<b>548,065</b>	466,992
<b>10.6.1</b>			
This comprises of surplus of Individual Family Takaful - Participant Takaful Fund, which relates exclusively to participants of the Individual Family Takaful Fund and is not available for distribution to shareholders. Under the Waqf Deed of Individual Family Takaful Fund read with Rule 21 of Takaful Rules, 2012, the surplus arising in the Participants Sub Fund can only be distributed to the Participants of that Fund based on approval of the Appointed Actuary. The surplus has been classified under insurance liabilities as clarified by SECP.			
<b>11. CONTINGENCIES AND COMMITMENTS</b>			

The contingencies and commitments reported in the main financials of the Company also includes impacts of Window Takaful Operations as at December 31, 2022. Out of the reported amount thereon, an amount of Rs.216.378 million pertains to Window Takaful Operations. There were no other material contingencies and commitments as at March 31, 2023.

	<b>Aggregate</b>	
	<b>Three months period ended</b>	
	<b>31 March</b>	
	<b>2023</b>	<b>2022</b>
	----- (Rupees in '000) -----	
<b>12. NET CONTRIBUTION REVENUE</b>		
<b>Gross contribution</b>		
Regular contribution individual policies		
First year	<b>282,355</b>	625,860
Second year renewal	<b>407,618</b>	446,360
Subsequent year renewal	<b>985,351</b>	795,133
Single contribution individual policies	<b>19,753</b>	58,508
Group policies with cash values	<b>45</b>	65
Group policies without cash values	<b>128,334</b>	194,225
<b>Total gross contribution</b>	<b><u>1,823,456</u></b>	<u>2,120,151</u>
<b>Less: Retakaful contribution ceded</b>		
On individual life first year business	<b>5,405</b>	8,270
On individual life second year business	<b>5,151</b>	4,741
On individual life renewal business	<b>16,767</b>	13,259
On group policies	<b>39,217</b>	91,600
Less: Experience refund from reinsurers	<b>(2,470)</b>	(3,720)
<b>Total reinsurance premium / retakaful contribution ceded</b>	<b>64,070</b>	114,150
<b>Net premium / contribution</b>	<b><u>1,759,386</u></b>	<u>2,006,001</u>
<b>13. INVESTMENT INCOME</b>		
<b>Income from equity securities</b>		
<b>At fair value through profit and loss (Designated upon initial recognition)</b>		
Dividend income	<b>37,468</b>	50,825
<b>Available for Sale</b>		
Dividend income	-	-
<b>Income from debt securities</b>		
<b>At fair value through profit and loss (Designated upon initial recognition)</b>		
Return on debt securities	<b>111,145</b>	76,970
On government securities	<b>221,764</b>	24,134
<b>Held to maturity</b>		
On government securities	<b>184,865</b>	86,489
<b>Income from term deposits</b>		
Return on term deposits	<b>94,292</b>	54,771
	<b><u>649,534</u></b>	<u>293,189</u>

	<b>Aggregate</b>	
	<b>Three months period ended</b>	
	<b>31 March</b>	
	<b>2023</b>	<b>2022</b>
	----- (Rupees in '000) -----	
<b>14. NET REALISED FAIR VALUE GAINS (LOSSES) ON FINANCIAL ASSETS</b>		
Available for sale		
Realised gains on:		
- Equity securities	2,995	9,202
- Government securities	-	-
Realised losses on:		
- Equity securities	(74,362)	-
	<u>(71,367)</u>	<u>9,202</u>
<b>15. NET FAIR VALUE GAINS (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNREALISED</b>		
Net unrealised (losses) / gains on investments at fair value through profit or loss (designated upon initial recognition)- Equity Securities	(63,803)	(78,292)
	<u>(63,803)</u>	<u>(78,292)</u>
<b>16. NET TAKAFUL BENEFITS</b>		
<b>Gross claims</b>		
Claims under individual policies		
by death	26,435	23,839
by insured event other than death	-	-
by maturity	-	-
by surrender	544,193	332,169
<b>Total gross individual policy claims</b>	<u>570,628</u>	<u>356,008</u>
Claims under group policies		
by death	104,650	57,261
by insured event other than death	4,333	12
by maturity	-	-
by surrender	-	-
<b>Total gross group claims</b>	<u>108,983</u>	<u>57,273</u>
<b>Total gross claims</b>	<b>679,611</b>	<b>413,281</b>
<b>Less: Retakaful recoveries</b>		
On individual life claims	9,052	9,038
On group life claims	61,829	10,754
<b>Total retakaful recoveries</b>	<u>70,881</u>	<u>19,792</u>
<b>Net takaful benefit expense</b>	<u><b>608,730</b></u>	<u><b>393,489</b></u>

		<b>Aggregate</b>	
		<b>Three months period ended</b>	
		<b>31 March</b>	
		<b>2023</b>	<b>2022</b>
		<b>----- (Rupees in '000) -----</b>	
<b>17</b>	<b>ACQUISITION EXPENSES</b>		
	Remuneration to takaful intermediaries on individual policies:		
	- Commission to agent on first year contributions	<b>111,257</b>	239,508
	- Commission to agent on second year contributions	<b>48,668</b>	43,420
	- Commission to agent on subsequent renewal contributions	<b>29,248</b>	24,171
	- Commission to agent on single contributions	<b>570</b>	1,671
	- Override commission to supervisors	<b>22,811</b>	49,646
	- Other benefits to takaful intermediaries Salaries, allowances and other benefits	<b>193,685</b>	209,185
	Remuneration to takaful intermediaries on group policies:		
	- Commission	<b>6,639</b>	9,066
	- Other benefits to takaful intermediaries	<b>3,315</b>	4,070
	Other acquisition costs		
	- Traveling expenses	<b>3,127</b>	1,726
	- Printing and stationery	<b>151</b>	574
	- Depreciation	<b>19,985</b>	13,938
	- Rent, rates and taxes	<b>940</b>	10,168
	- Electricity, gas and water	<b>4,332</b>	2,634
	- Entertainment	<b>2,115</b>	2,533
	- Vehicle running expenses	<b>435</b>	737
	- Office repairs & maintenance	<b>2,047</b>	1,456
	- Postages, telegrams and telephone	<b>1,353</b>	2,243
	- Finance Cost	<b>4,875</b>	4,378
	- Others	<b>3,588</b>	15,984
	- Medical fees	<b>1,228</b>	1,226
	- Policy stamps	<b>6,413</b>	9,584
		<b>466,782</b>	647,918
<b>18.</b>	<b>MARKETING AND ADMINISTRATION EXPENSES</b>		
	Employee benefit cost	<b>56,398</b>	36,385
	Traveling expenses	<b>2,433</b>	2,276
	Advertisements and sales promotion	<b>5,716</b>	5,494
	Printing and stationery	<b>6,768</b>	5,606
	Depreciation	<b>8,655</b>	5,053
	Amortisation	<b>298</b>	513
	Rent, rates and taxes	<b>14</b>	267
	Legal and Professional charges	<b>2,618</b>	2,526
	Electricity, gas and water	<b>2,685</b>	1,369
	Entertainment	<b>2,385</b>	1,950
	Vehicle running expenses	<b>619</b>	264
	Office repair and maintenance	<b>14,956</b>	7,588
	Appointed actuary fees	<b>880</b>	549
	Bank charges	<b>392</b>	263
	Postage, internet and telephone	<b>7,174</b>	3,968
	Fees and subscription	<b>4,059</b>	1,452
	Annual supervision fee SECP	<b>2,962</b>	3,395
	Miscellaneous	<b>7,377</b>	2,259
		<b>126,389</b>	81,177

19. Tax for the period

	<b>Aggregate</b>	
	<b>Three months period ended</b>	
	<b>31 March</b>	
	<b>2023</b>	<b>2022</b>
	----- (Rupees in '000) -----	
Current	22,460	8,863
Deferred	-	-
	<b>22,460</b>	<b>8,863</b>

20. RELATED PARTY TRANSACTIONS

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

	<b>31 March</b>	<b>31 March</b>
	<b>2023</b>	<b>2022</b>
	----- (Rupees in '000) -----	
<b>Transactions</b>		
<b>Associated companies/ Related Party</b>		
Premium written	175	(38)
Premium paid	3,081	4,460
Claims paid	582	53
Commission Paid	3,311	5,092
Donation paid	3,973	-
Interest / Profit received	101,571	35,154
Payment to K-Electric	-	6
Placement of TDR	1,290,000	-
TDR matured	3,250,000	1,450,000
<b>Employees' funds</b>		
Contribution to provident fund	20	933
Contribution to pension fund	9	444
<b>Key Management Personnel Transactions</b>		
Premium written	168	160
	<b>31 March</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	----- (Rupees in '000) -----	
<b>Balances</b>		
Bank balances	410,271	898,058
Bank deposits	1,290,000	1,290,000
Premium payable	-	23
Premium receivable	401	363
Investment in Related Party	140,315	140,315
Claim outstanding -Related Parties	65	129



## 21. SEGMENTAL INFORMATION

### 21.1 Revenue Account by Statutory Fund

	Family Takaful		Aggregate
	Investment Linked Business	Protection Business	Period ended 31 March 2023
(Rupees in '000)			
<b>Income</b>			
Contribution less retakaful	1,665,806	89,117	1,754,923
Policy transfer from other statutory funds	4,461	-	4,461
Bonus units transfer to statutory fund	5	-	5
Net investment income / wakala income	720,319	31,284	751,603
<b>Total net income</b>	<b>2,390,591</b>	<b>120,401</b>	<b>2,510,992</b>
<b>Takaful Benefits and Expenditures</b>			
Claims net of retakaful recoveries	561,772	47,153	608,925
Policy transfer from other statutory funds	-	-	-
Management expenses less recoveries	793,003	37,413	830,416
<b>Total takaful Benefits and Expenditures</b>	<b>1,354,775</b>	<b>84,566</b>	<b>1,439,341</b>
<b>Excess of income over takaful Benefits and Expenditures</b>	<b>1,035,816</b>	<b>35,835</b>	<b>1,071,651</b>
<b>Net Change in takaful Liabilities (Other than outstanding Claims)</b>	<b>(1,065,987)</b>	<b>(2,042)</b>	<b>(1,068,029)</b>
<b>Surplus before tax</b>	<b>(30,171)</b>	<b>33,793</b>	<b>3,622</b>
<b>Movement in takaful liabilities</b>	<b>1,065,987</b>	<b>2,042</b>	<b>1,068,029</b>
<b>Transfer to and from Shareholder's Fund</b>			
Transfer of (surplus) / deficit to shareholders' fund	-	(29,462)	(29,462)
Capital contribution to / from share holders' fund	98,912	-	98,912
Net Transfer to / from shareholders' fund	98,912	(29,462)	69,450
<b>Balance of statutory funds at beginning of the period</b>	<b>16,915,660</b>	<b>229,482</b>	<b>17,145,142</b>
<b>Balance of statutory funds at end of the period</b>	<b>18,050,388</b>	<b>235,855</b>	<b>18,286,243</b>
			Aggregate
	Family Takaful Investment Linked Business	Family Takaful Protection Business	Period ended 31 March 2022
(Rupees in '000)			
<b>Income</b>			
Contribution less retakaful	1,901,687	102,626	2,004,313
Policy transfer from other statutory funds	1,689	-	1,689
Special reinstatement fee	8	-	8
Net investment income	407,112	41,154	448,266
<b>Total net income</b>	<b>2,310,496</b>	<b>143,780</b>	<b>2,454,276</b>
<b>Takaful Benefits and Expenditures</b>			
Claims net of retakaful recoveries	347,267	46,519	393,786
Policy transfer from other statutory funds	-	-	-
Management expenses less recoveries	899,181	54,088	953,269
<b>Total Insurance Benefits and Expenditures</b>	<b>1,246,448</b>	<b>100,607</b>	<b>1,347,055</b>
<b>Excess of income over Takaful Benefits and Expenditures</b>	<b>1,064,048</b>	<b>43,173</b>	<b>1,107,221</b>
<b>Net Change in Takaful Liabilities (Other than outstanding Claims)</b>	<b>(1,057,098)</b>	<b>(13,919)</b>	<b>(1,071,017)</b>
<b>Deficit / Surplus before tax</b>	<b>6,950</b>	<b>29,254</b>	<b>36,204</b>
<b>Movement in takaful liabilities</b>	<b>1,057,098</b>	<b>13,919</b>	<b>1,071,017</b>
<b>Transfer to and from Shareholder's Fund</b>			
Transfer of (surplus) / deficit to shareholders' fund	-	(41,487)	(41,487)
Capital contribution from share holders' fund	61,808	-	61,808
Net Transfer to/from shareholders' fund	61,808	(41,487)	20,321
<b>Balance of statutory funds at beginning of the period</b>	<b>12,123,496</b>	<b>185,277</b>	<b>12,308,773</b>
<b>Balance of statutory funds at end of the period</b>	<b>13,249,352</b>	<b>186,963</b>	<b>13,436,315</b>

22 FAIR VALUE

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

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

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

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

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

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

**On balance sheet financial instruments**

31 March 2023 (Unaudited)

	Fair Value through profit and loss designated upon initial recognition	Available for Sale	Held To Maturity	Loans and Receivables	Other financial assets	Other financial liabilities	Total	Fair value			Total
								Level 1	Level 2	Level 3	
(Rupees in '000)											
<b>Financial assets measured at fair value</b>											
<b>- Investments</b>											
Government Securities (T-bills + PIBs + Sukuks)	11,176,747	-	-	-	-	-	11,176,747	-	11,176,747	-	11,176,747
Sukuk Bonds (other than government)	488,240	-	-	-	-	-	488,240	-	488,240	-	488,240
Listed equity securities	1,325,956	-	-	-	-	-	1,325,956	1,325,956	-	-	1,325,956
Unlisted equity securities	-	-	-	-	-	-	-	-	-	-	-
Units of mutual funds	-	-	-	-	-	-	-	-	-	-	-
Debt securities (Listed TFCs)	1,352,000	-	-	-	-	-	1,352,000	1,352,000	-	-	1,352,000
<b>Financial assets not measured at fair value</b>											
- Government Securities (T-bills + PIBs + Sukuks)	-	-	1,114,665	-	-	-	1,114,665	-	866,391	-	866,391
- Balances with banks *	2,974,580	-	-	-	-	-	2,974,580	-	-	-	-
- Certificate of Investment	-	-	-	-	-	-	-	-	-	-	-
- Advances	-	-	-	-	-	-	-	-	-	-	-
- Investment income accrued	-	-	-	-	878,396	-	878,396	-	-	-	-
- Other loans and receivables (excluding markup accrued)*	-	-	-	-	2,056,797	-	2,056,797	-	-	-	-
	17,317,523	-	1,114,665	-	2,935,193	-	21,367,381	-	-	-	-
<b>Financial liabilities not measured at fair value</b>											
Deferred taxation	-	-	-	-	-	-	-	-	-	-	-
Premium received in advance	-	-	-	-	-	297,104	297,104	-	-	-	-
Insurance / reinsurance payables	-	-	-	-	-	111,418	111,418	-	-	-	-
Other creditors and accruals	-	-	-	-	-	1,381,203	1,381,203	-	-	-	-
	-	-	-	-	-	1,789,725	1,789,725	-	-	-	-
	17,317,523	-	1,114,665	-	2,935,193	(1,789,725)	19,577,656	-	-	-	-

**On balance sheet financial instruments**

31 December 2022

	Fair Value through profit and loss (designated upon initial recognition)	Available for Sale	Held to Maturity	Loans and Receivables	Other financial Assets	Other financial liabilities	Total	Fair value			Total
								Level 1	Level 2	Level 3	
----- (Rupees in '000) -----											
<b>Financial assets measured at fair value</b>											
<b>- Investments</b>											
Government Securities (T-bills + PIBs + Sukuks)	8,460,285	-	-	-	-	-	8,460,285	-	8,460,285	-	8,460,285
Sukuk Bonds (other than government)	640,618	-	-	-	-	-	640,618	-	640,618	-	640,618
Listed equity securities	1,589,023	-	-	-	-	-	1,589,023	1,589,023	-	-	1,589,023
Unlisted equity securities	-	-	-	-	-	-	-	-	-	-	-
Units of mutual funds	-	-	-	-	-	-	-	-	-	-	-
Debt securities (Listed TFCs)	902,000	-	-	-	-	-	902,000	902,000	-	-	902,000
<b>Financial assets not measured at fair value</b>											
- Government Securities (T-bills + PIBs + Sukuks)	-	-	920,030	-	-	-	920,030	-	866,391	-	866,391
- Balances with banks *	5,442,466	-	-	-	-	-	5,442,466	-	-	-	-
- Certificate of Investment	-	-	-	-	-	-	-	-	-	-	-
- Advances	-	-	-	-	-	-	-	-	-	-	-
- Investment income accrued	-	-	-	-	480,566	-	480,566	-	-	-	-
- Other loans and receivables (excluding markup accrued)*	-	-	-	-	1,698,058	-	1,698,058	-	-	-	-
	17,034,392	-	920,030	-	2,178,624	-	20,133,046	-	-	-	-
<b>Financial liabilities not measured at fair value</b>											
Deferred taxation	-	-	-	-	-	-	-	-	-	-	-
Premium received in advance	-	-	-	-	-	164,771	164,771	-	-	-	-
Insurance / reinsurance payables	-	-	-	-	-	108,675	108,675	-	-	-	-
Other creditors and accruals	-	-	-	-	-	1,827,804	1,827,804	-	-	-	-
	-	-	-	-	-	2,101,250	2,101,250	-	-	-	-
	17,034,392	-	920,030	-	2,178,624	(2,101,250)	18,031,796	-	-	-	-

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

**23 GENERAL**

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

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

**23.1 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statement were authorized for issue by the Board of Directors of the Company in their meeting held on 28 April 2023.

\_\_\_\_\_  
Managing Director &  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chairman