



### Director's Review, 30 June 2023

The Directors of your Company are pleased to present the Condensed Interim Financial Statements for the half year ended 30 June 2023.

Your Company's gross premium income was Rs. 17.58 billion during the first half of 2023 (2022: Rs 18.38 billion). New individual life regular premium income was Rs. 2.33 billion (2022: Rs.3.31 billion). The renewal premium was Rs. 12.25 billion (2022: Rs.12.55 billion). High inflation rate and its impact on the disposable income of the target market has impacted the new business and renewal premiums. Inclusive of renewal premium, the total individual life regular premium was Rs. 14.57 billion (2022: 15.85 billion). Single premium business was Rs.311 million (2022: Rs. 337 million). Group Benefits business increased by 22.9% and was Rs.2.83 billion (2022: Rs. 2.30 billion).

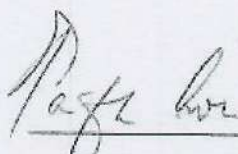
Your Company's total family takaful contribution was Rs. 3.97 billion (2022: 3.96 billion). Out of this, Rs. 3.49 billion (2022: Rs. 3.69 billion) was from Individual family takaful business. Group Family Takaful was Rs. 477 million (2022: Rs. 277 million), a growth of 71.8%.

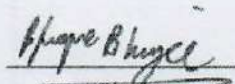
Your Company had a Profit before Tax of Rs. 1.97 billion (2022: Rs. 1.23 billion), an increase of 60.6%. The increase is primarily driven by higher investment income. Profit after Tax increased by 36.0% and stands at Rs. 843 million (2022: Rs. 620 million). The Earnings per Share is Rs. 8.44 (2022: Rs. 6.20).

#### 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, Munich Re and Swiss Re, for their support. Your Directors would also like to place on record their deep appreciation for the efforts made by the officers, all distribution channels and staff who have contributed to the development, growth, and continued success of the Company.

  
Director

  
Chairman

  
Managing Director  
& Chief Executive

  
Director





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EY Ford Rhodes  
Chartered Accountants  
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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of EFU Life Assurance Limited

Report on review of Condensed Interim Financial Statements

### *Introduction*

We have reviewed the accompanying condensed interim statement of financial position of EFU Life Assurance Limited ("the Company") as at 30 June 2023 and the related condensed interim statement of profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures for the quarters ended 30 June 2023 and 30 June 2022 in the condensed interim statement of profit and loss and condensed interim statement of comprehensive income have not been subject to the review and therefore, we do not express a conclusion thereon.

### *Scope of review*

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

### *Conclusion*

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



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-: 2 :-

***Emphasis of matter***

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

Our conclusion is not modified in respect of above matter

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

**Chartered Accountants**

**Date: 29 August 2023**

**Karachi**

**UDIN: RR2023101916yftqrpR7**

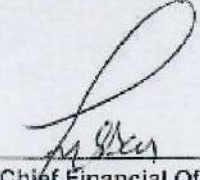


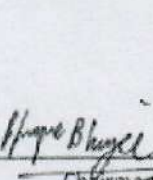
**EFU LIFE ASSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023 (Un-Audited)**


|  | Note | 30 June<br>2023<br>(Un-Audited) | 31 December<br>2022<br>(Audited) |
|--|------|---------------------------------|----------------------------------|
|  |      | ----- (Rupees in '000) -----    |                                  |
| <b>Assets</b>  |      |                                 |                                  |
| Properties and equipments  | 5    | 2,460,418                       | 2,450,476                        |
| Right of use assets  | 5    | 523,912                         | 567,419                          |
| Intangible assets  |      | 687                             | 3,416                            |
| <b>Investments</b>   |      |                                 |                                  |
| Equity securities  | 6    | 14,755,369                      | 20,182,751                       |
| Government securities  | 7    | 135,565,871                     | 121,329,577                      |
| Debt securities  | 8    | 8,926,371                       | 8,303,339                        |
| Term deposits  | 9    | 10,107,429                      | 14,426,429                       |
| Open-ended mutual funds  | 10   | 2,791,709                       | 391,083                          |
| Insurance / reinsurance receivables  |      | 659,379                         | 719,040                          |
| Other loans and receivables  |      | 4,993,468                       | 4,325,031                        |
| Taxation - payments less provision   |      | 1,102,463                       | 1,106,954                        |
| Prepayments  |      | 218,289                         | 149,186                          |
| Cash and bank  | 11   | 4,898,351                       | 4,558,867                        |
| <b>Total Assets</b>  |      | <b>187,003,716</b>              | <b>178,513,568</b>               |
| <b>Equity and Liabilities</b>  |      |                                 |                                  |
| Authorised share capital<br>[150,000,000 ordinary shares (2022: 150,000,000) of Rs.10 each]                                  |      | <b>1,500,000</b>                | <b>1,500,000</b>                 |
| Ordinary share capital<br>[100,000,000 ordinary shares (2022:100,000,000) of Rs.10 each]                                     |      | <b>1,000,000</b>                | <b>1,000,000</b>                 |
| Retained earnings arising from business other than participating business<br>attributable to shareholders (Ledger account D) | 12   | 2,181,182                       | 2,161,554                        |
| General reserves   |      | 2,120,000                       | 1,980,000                        |
| Surplus on revaluation of available for sale investments - net of tax  |      | 13,521                          | 11,457                           |
| Unappropriated profit  |      | 679,561                         | 1,195,539                        |
| <b>Total Equity</b>  |      | <b>5,994,264</b>                | <b>6,348,550</b>                 |
| <b>Liabilities</b>   |      |                                 |                                  |
| Insurance liabilities  | 13   | 175,166,478                     | 166,382,685                      |
| Deferred taxation  |      | 1,323,893                       | 1,068,468                        |
| Premium received in advance  |      | 1,546,606                       | 1,202,333                        |
| Insurance / reinsurance payables   |      | 492,537                         | 363,890                          |
| Lease liabilities  |      | 623,805                         | 671,657                          |
| Other creditors and accruals   |      | 1,856,133                       | 2,475,985                        |
|  |      | <b>5,842,974</b>                | <b>5,782,333</b>                 |
| <b>Total Liabilities</b>   |      | <b>181,009,452</b>              | <b>172,165,018</b>               |
| <b>Total Equity and Liabilities</b>  |      | <b>187,003,716</b>              | <b>178,513,568</b>               |
| Contingency(ies) and commitment(s)   | 14   |                                 |                                  |

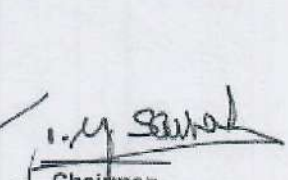
The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

  
 Managing Director &  
 Chief Executive

  
 Chief Financial Officer

  
 Chairman

  
 Director

  
 Chairman



**EFU LIFE ASSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023 (UN-AUDITED)**

| Note  | Aggregate                    |                   | Aggregate                 |                   |
|---|------------------------------|-------------------|---------------------------|-------------------|
|   | Six months period ended      |                   | Three months period ended |                   |
|   | 2023                         | 2022              | 2023                      | 2022              |
|   | ----- (Rupees in '000) ----- |                   |                           |                   |
| Premium / contribution revenue  | 17,583,286                   | 18,379,681        | 8,706,517                 | 8,734,702         |
| Premium / retakaful ceded to reinsurers   | (716,569)                    | (817,736)         | (341,820)                 | (188,705)         |
| <b>Net premium / contribution revenue</b>   | <b>16,866,717</b>            | <b>17,561,945</b> | <b>8,364,697</b>          | <b>8,545,997</b>  |
| Investment income   | 14,593,961                   | 8,145,478         | 7,991,265                 | 4,348,900         |
| Net realised fair value losses on financial assets  | (2,180,046)                  | (716,503)         | (651,200)                 | (973,856)         |
| Net fair value gain/(losses) on financial assets<br>at fair value through profit or loss - unrealised | 1,144,913                    | (2,693,787)       | 1,246,268                 | (1,546,917)       |
| Other income  | 76,836                       | 38,753            | 52,876                    | 20,920            |
|   | <b>13,635,663</b>            | <b>4,773,941</b>  | <b>8,639,209</b>          | <b>1,849,047</b>  |
| <b>Net Income</b>   | <b>30,502,380</b>            | <b>22,535,886</b> | <b>17,003,906</b>         | <b>10,395,044</b> |
| Insurance benefits  | 15,161,225                   | 13,128,194        | 7,727,882                 | 6,894,005         |
| Recoveries from reinsurers  | (321,601)                    | (358,029)         | (144,013)                 | (167,956)         |
| Claims related expenses   | 3,690                        | 4,233             | 2,495                     | 3,206             |
| <b>Net insurance benefits</b>   | <b>14,843,314</b>            | <b>12,774,398</b> | <b>7,586,364</b>          | <b>6,729,255</b>  |
| Net change in insurance liabilities (other than outstanding claims)                                   | 8,814,549                    | 3,619,567         | 5,730,724                 | 635,030           |
| Acquisition expenses  | 3,323,883                    | 3,711,352         | 1,601,368                 | 1,795,829         |
| Marketing and administration expenses   | 1,521,081                    | 1,179,826         | 845,374                   | 630,308           |
| Other expenses  | 27,650                       | 23,111            | 18,393                    | 17,779            |
| <b>Total expenses</b>   | <b>13,687,253</b>            | <b>8,533,856</b>  | <b>8,195,859</b>          | <b>3,078,944</b>  |
| <b>Profit before tax (Refer note below)</b>   | <b>1,971,803</b>             | <b>1,227,632</b>  | <b>1,221,663</b>          | <b>586,845</b>    |
| Income tax expense  | (1,128,153)                  | (807,340)         | (876,276)                 | (422,294)         |
| <b>Profit after tax for the period</b>  | <b>843,650</b>               | <b>620,292</b>    | <b>345,407</b>            | <b>164,551</b>    |
|   | ----- (Rupees) -----         |                   |                           |                   |
| Earnings per share - Rupees   | 8.44                         | 6.20              | 3.45                      | 1.65              |

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

Note:

Profit before tax is inclusive of the amount of the profit before tax of the shareholders' fund, the surplus transfer from the revenue account of the statutory funds to the shareholders' fund based on the advice of the appointed actuary, and the undistributed surplus in the revenue account of the statutory funds which also includes the solvency margins maintained in accordance with the Insurance Rules, 2017. For details of the surplus transfer from the revenue account of the statutory funds to the shareholders' fund aggregating to Rs.1,682 million (2022: Rs. 1,146 million), please refer to note 26, relating to segmental information - revenue account by statutory fund.

Managing Director &  
Chief Executive

Chief Financial Officer

Chairman

Director

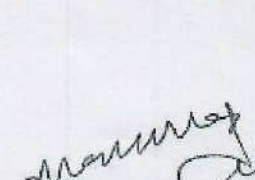
Chairman



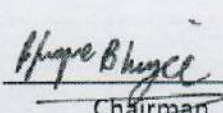
**EFU LIFE ASSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023 (Un-Audited)**

|  | Aggregate                          |                | Aggregate                            |                |
|--|------------------------------------|----------------|--------------------------------------|----------------|
|  | Six months period ended<br>30 June |                | Three months period<br>ended 30 June |                |
|  | 2023                               | 2022           | 2023                                 | 2022           |
|  | ----- (Rupees in '000) -----       |                |                                      |                |
| Profit after tax for the period  | 843,850                            | 620,292        | 345,407                              | 164,551        |
| Other comprehensive income:  |                                    |                |                                      |                |
| <i>Items that may be reclassified to profit and loss account<br/>in subsequent periods:</i>      |                                    |                |                                      |                |
| Unrealised gain / (losses) on available-for-sale financial assets                                | 14,835                             | (8,523)        | 9,035                                | (22,035)       |
| Reclassification adjustment relating to available-for-sale investments<br>sold during the period | -                                  | -              | -                                    | -              |
|  | 14,835                             | (8,523)        | 9,035                                | (22,035)       |
| Related deferred tax   | (12,772)                           | 2,813          | (10,858)                             | 4,603          |
| Other comprehensive profit / (loss) for the period - net of tax                                  | 2,063                              | (5,710)        | (1,823)                              | (17,432)       |
| <b>Total comprehensive income for the period</b>   | <b>845,713</b>                     | <b>614,582</b> | <b>343,584</b>                       | <b>147,119</b> |

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

  
 Managing Director &  
 Chief Executive  
 Officer

  
 Chief Financial Officer

  
 Chairman

  
 Director

  
 Chairman



**EFU LIFE ASSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023 (Un-Audited)**

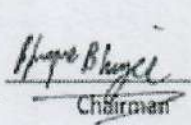
|   | Attributable to the equity holders* of the Company |                 |   |   |                       | Total       |
|---|--|-----------------|---|---|-----------------------|-------------|
|   | Share capital                                      | General reserve | Retained earnings arising from business other than participating business attributable to shareholders (ledger account D) - net of tax* | Surplus / deficit on revaluation of available for sale investments - net of tax | Unappropriated profit |             |
|   | (Rupees in '000)                                   |                 |   |   |                       |             |
| Balance as at 1 January 2022                            | 1,000,000  | 2,100,000       | 2,100,621   | 33,404  | 944,454               | 6,178,379   |
| Comprehensive Income for the period ended 30 June 2022  |  |                 |   |   |                       |             |
| Income / (loss) for the period ended 30 June 2022       | -  | -               | (82,363)  | -   | 702,655               | 620,292     |
| Other comprehensive loss                                | -  | -               | -   | (5,710)   | -                     | (5,710)     |
| Total income / (loss) for the period ended 30 June 2022 | -  | -               | (82,363)  | (5,710)   | 702,655               | 614,582     |
| Contribution to increase solvency margin                | -  | -               | 37,304  | -   | (37,304)              | -           |
| Transfer to General Reserve                             | -  | (120,000)       | -   | -   | 120,000               | -           |
| Transactions with shareholders                          |  |                 |   |   |                       |             |
| Dividend for the year ended 31 December 2021            | -  | -               | -   | -   | (1,050,000)           | (1,050,000) |
| Interim Dividend - 1st Quarter 2022                     | -  | -               | -   | -   | (150,000)             | (150,000)   |
|   | -  | -               | -   | -   | (1,200,000)           | (1,200,000) |
| Balance as at 30 June 2022                              | 1,000,000  | 1,980,000       | 2,055,482   | 27,694  | 529,805               | 5,592,981   |
| Balance as at 1 January 2023                            | 1,000,000  | 1,980,000       | 2,161,554   | 11,457  | 1,195,539             | 6,348,550   |
| Comprehensive Income for the period ended 30 June 2023  |  |                 |   |   |                       |             |
| Income for the period ended 30 June 2023                | -  | -               | (97,650)  | -   | 941,300               | 843,650     |
| Other comprehensive income                              | -  | -               | -   | 2,064   | -                     | 2,064       |
| Total Income for the period ended 30 June 2023          | -  | -               | (97,650)  | 2,064   | 941,300               | 845,714     |
| Contribution to increase solvency margin                | -  | -               | 117,278   | -   | (117,278)             | -           |
| Transfer from general reserve                           | -  | 140,000         | -   | -   | (140,000)             | -           |
| Transactions with shareholders                          |  |                 |   |   |                       |             |
| Dividend for the year ended 31 December 2022            | -  | -               | -   | -   | (1,050,000)           | (1,050,000) |
| Interim Dividend - 1st Quarter 2023                     | -  | -               | -   | -   | (150,000)             | (150,000)   |
|   | -  | -               | -   | -   | (1,200,000)           | (1,200,000) |
| Balance as at 30 June 2023                              | 1,000,000  | 2,120,000       | 2,181,182   | 13,521  | 679,661               | 5,994,264   |

\*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

  
 Chief Financial Officer

  
 Chairman

  
 Director

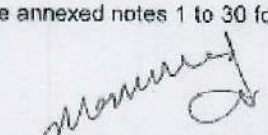
  
 Chairman

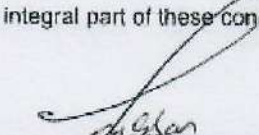


**EFU LIFE ASSURANCE LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023 (Un-Audited)**

|  | Six Months Period Ended      |                    |
|--|------------------------------|--------------------|
|  | 30 June                      |                    |
| Note   | 2023                         | 2022               |
|  | ----- (Rupees in '000) ----- |                    |
| <b>Operating cash flows</b>  |                              |                    |
| <b>a) Underwriting activities</b>  |                              |                    |
| Insurance premium / contribution received  | 17,962,909                   | 18,564,364         |
| Reinsurance premium / retakaful contribution paid  | (431,347)                    | (23,304)           |
| Claims paid  | (15,324,333)                 | (13,057,839)       |
| Reinsurance and other recoveries received  | 321,602                      | -                  |
| Commission paid  | (2,208,095)                  | (2,436,601)        |
| Marketing and administrative expenses paid   | (1,524,681)                  | (1,179,826)        |
| Other acquisition cost paid  | (1,956,447)                  | (2,320,520)        |
| <b>Net cash flow from underwriting activities</b>  | <b>(3,160,392)</b>           | <b>(453,726)</b>   |
| <b>b) Other operating activities</b>   |                              |                    |
| Income tax paid  | (881,009)                    | (372,561)          |
| Other operating payments   | (4,844)                      | (529,985)          |
| Loans advanced   | (76,122)                     | (44,747)           |
| Loans repayments received  | 78,453                       | 106,833            |
| <b>Net cash flow from other operating activities</b>                                     | <b>(883,522)</b>             | <b>(840,460)</b>   |
| <b>Total cash flow from all operating activities</b>                                     | <b>(4,043,914)</b>           | <b>(1,294,188)</b> |
| <b>Investment activities</b>   |                              |                    |
| Profit / return received   | 12,940,934                   | 5,964,026          |
| Dividends received   | 1,292,562                    | 1,365,351          |
| Payments for investments   | (56,762,275)                 | (17,537,478)       |
| Proceed from disposal of investments   | 44,035,489                   | 8,669,566          |
| Fixed capital expenditure  | (213,957)                    | (83,188)           |
| Proceeds from sale of property and equipment   | 66,451                       | 27,814             |
| <b>Total cash flow from investing activities</b>   | <b>1,359,204</b>             | <b>(1,593,910)</b> |
| <b>Financing activities</b>  |                              |                    |
| Dividends paid   | (1,200,000)                  | (1,200,000)        |
| Payment against lease liability  | (94,806)                     | (86,014)           |
| <b>Total cash flow from financing activities</b>   | <b>(1,294,806)</b>           | <b>(1,286,014)</b> |
| <b>Net cash flow from all activities</b>   | <b>(3,979,516)</b>           | <b>(4,174,110)</b> |
| Cash and cash equivalents at beginning of the period                                     | 18,985,296                   | 28,984,554         |
| Cash and cash equivalents at end of the period   | 11.1 15,005,780              | 24,810,444         |
| <b>Reconciliation to statement of profit and loss account</b>                            |                              |                    |
| Operating cash flows   | (4,043,914)                  | (1,294,188)        |
| Depreciation expense   | (172,443)                    | (163,097)          |
| Depreciation on right of use assets  | (75,235)                     | (74,598)           |
| Amortization expense   | (2,729)                      | (7,914)            |
| Profit on disposal of property and equipment   | 34,880                       | 12,031             |
| Other revenue  | 14,278                       | 14,567             |
| Profit on lease termination  | 17,519                       | 3,164              |
| Finance cost on lease liabilities  | (32,744)                     | (28,477)           |
| Loss on disposal of investments  | (2,180,046)                  | (716,503)          |
| Dividend income  | 1,289,902                    | 1,359,929          |
| Other investment income  | 13,668,305                   | 6,962,301          |
| Depreciation/(Appreciation) in market value of investments                               | 1,267,517                    | (2,418,171)        |
| Reversal/(Provision) of impairment in the value of available for sale equity investments | 3,479                        | (19,792)           |
| (Decrease)/Increase in assets other than cash  | (193,160)                    | 150,563            |
| Decrease in liabilities  | (8,761,959)                  | (3,159,515)        |
| <b>Profit after tax for the period</b>   | <b>843,650</b>               | <b>620,292</b>     |

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

  
**Managing Director &  
Chief Executive Officer**

  
**Chief Financial Officer**

  
**Chairman**

  
**Director**

  
**Chairman**



**EFU LIFE ASSURANCE LIMITED**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 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:
- 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.
- 1.5 The Company is contemplating the acquisition of 100% of the shares in EFU Health Insurance Limited. In this regard, the Company is currently engaged in initial activities including due diligence to determine the terms and conditions and transaction structure of potential acquisition which remain subject to approval of Board, shareholders and regulators as may be required.

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

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

## 2.5 Standards, interpretations and amendments effective 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

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

| Amendments   | Effective date (annual periods beginning on or after) |
|--|---|
| Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1 | 1 January 2024  |
| Lease Liability in a Sale and Leaseback - Amendments to IFRS 16  | 1 January 2024  |
| Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7  | 1 January 2024  |
| Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28  | Not yet finalized                                     |

The Company expects that such improvements to the standards will not have any material impact on the Company's condensed interim financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 01, 2024. The Company expects that such improvements to the standards will not have any material impact on the Company's condensed interim financial statements in the period of initial application.

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 financial statements are consistent with those of the previous financial year.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of unconsolidated interim financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

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.



## 5 PROPERTIES AND EQUIPMENTS

|                    | 30 June<br>2023 (Un-audited) | 31 December<br>2022 (Audited) |
|--------------------|------------------------------|-------------------------------|
|                    | ----- (Rupees in '000) ----- |                               |
| Operating assets   | 2,460,418                    | 2,450,476                     |
| Right of use asset | 523,912                      | 587,419                       |
|                    | <u>2,984,330</u>             | <u>3,037,895</u>              |

5.1 Details of additions and disposals during the Six months period ended 30 June 2023 are as follows:

|                                 | Six months ended - Unaudited |               |               |               |
|---------------------------------|------------------------------|---------------|---------------|---------------|
|                                 | 30 June 2023                 |               | 30 June 2022  |               |
|                                 | Additions                    | Disposals     | Additions     | Disposals     |
|                                 | -----Rupees in '000-----     |               |               |               |
| Furniture, fixture and fittings | 2,303                        | -             | 7,344         | -             |
| Office equipment                | 11,642                       | -             | 7,261         | 175           |
| Computer equipment              | 67,075                       | -             | 43,390        | 90            |
| Motor Vehicle                   | 124,545                      | 77,623        | 9,778         | 36,239        |
| Lease hold Improvements         | 8,391                        | -             | 15,415        | -             |
| Total                           | <u>213,956</u>               | <u>77,623</u> | <u>83,188</u> | <u>36,504</u> |

5.2 The market value of land and building is estimated at Rs. 4,472 million as at 30 June 2023. The valuations have been carried out by independent valuer.

## 6 INVESTMENTS IN EQUITY SECURITIES

|  | Note | 30 June 2023<br>(Un-audited) | 31 December<br>2022 (Audited) |
|--|------|------------------------------|-------------------------------|
|  |      | ----- (Rupees in '000) ----- |                               |
| Available for sale   | 6.1  | 88,762                       | 107,134                       |
| At fair value through profit or loss (Designated - upon initial recognition) | 6.2  | 14,866,607                   | 20,075,617                    |
|  |      | <u>14,755,369</u>            | <u>20,182,751</u>             |

|                        | 30 June 2023<br>(Un-audited) |                             |                   | 31 December<br>2022 (Audited) |                             |                   |
|------------------------|------------------------------|-----------------------------|-------------------|-------------------------------|-----------------------------|-------------------|
|                        | Cost                         | Impairment /<br>(provision) | Carrying<br>value | Cost                          | Impairment /<br>(provision) | Carrying<br>value |
| 6.1 Available for sale |                              |                             |                   |                               |                             |                   |
| <b>Related parties</b> |                              |                             |                   |                               |                             |                   |
| Listed shares          | 204,222                      | (181,777)                   | 22,445            | 204,222                       | (180,052)                   | 24,170            |
| <b>Others</b>          |                              |                             |                   |                               |                             |                   |
| Listed shares          | 45,068                       | -                           | 45,068            | 70,319                        | (9,548)                     | 60,771            |
| Unlisted shares        | 27,095                       | (26,587)                    | 608               | 27,095                        | (26,587)                    | 508               |
| Surplus on revaluation | -                            | -                           | 20,741            | -                             | -                           | 21,685            |
|                        | <u>276,385</u>               | <u>(208,364)</u>            | <u>68,024</u>     | <u>301,636</u>                | <u>(216,187)</u>            | <u>107,134</u>    |

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

|  | 30 June 2023<br>(Un-audited) |                             |                   | 31 December<br>2022 (Audited) |                             |                   |
|--|------------------------------|-----------------------------|-------------------|-------------------------------|-----------------------------|-------------------|
|  | Cost                         | Impairment /<br>(provision) | Carrying<br>value | Cost                          | Impairment /<br>(provision) | Carrying<br>value |
| 6.2 Fair value through profit or loss<br>(Designated - upon initial recognition) |                              |                             |                   |                               |                             |                   |
| <b>Related parties</b>   |                              |                             |                   |                               |                             |                   |
| Listed shares  | 36,609                       | -                           | 58,916            | 476,556                       | -                           | 496,431           |
| <b>Others</b>  |                              |                             |                   |                               |                             |                   |
| Listed shares  | 17,373,829                   | -                           | 14,607,892        | 23,978,659                    | -                           | 19,579,166        |
|  | <u>17,410,438</u>            | <u>-</u>                    | <u>14,666,808</u> | <u>24,455,215</u>             | <u>-</u>                    | <u>20,075,617</u> |

6.3 Reconciliation of provision for impairment

|   | 30 June 2023<br>(Un-Audited) | 30 June 2022<br>(Un-Audited) |
|---|------------------------------|------------------------------|
|   | ----- (Rupees in '000) ----- |                              |
| Balance at the beginning of the period                                  | 216,187                      | 210,043                      |
| Provision / (reversal) for impairment on available for sale investments | (7,823)                      | 6,144                        |
| Balance at the end of the period  | <u>208,364</u>               | <u>216,187</u>               |



## 7 GOVERNMENT SECURITIES

|   | Note | 30 June 2023<br>(Un-audited) | 31 December<br>2022 (Audited) |
|---|------|------------------------------|-------------------------------|
|   |      | ----- (Rupees in '000) ----- |                               |
| Held to maturity  | 7.1  | 9,771,883                    | 9,189,216                     |
| Fair value through profit or loss (Designated - upon initial recognition) | 7.2  | 125,793,988                  | 112,140,361                   |
|   |      | <u>135,565,871</u>           | <u>121,329,577</u>            |

| 7.1 Held to maturity               | Maturity<br>year | 30 June 2023 (Un-audited) |                              |                        | Carrying<br>value |
|------------------------------------|------------------|---------------------------|------------------------------|------------------------|-------------------|
|                                    |                  | Effective<br>yield<br>%   | Amortised<br>cost            | Principal<br>repayment |                   |
|                                    |                  |                           | ----- (Rupees in '000) ----- |                        |                   |
| 5 years Pakistan Investment Bonds  | 2027             | 10.50%                    | 355,232                      | 400,000                | 355,232           |
| 10 years Pakistan Investment Bonds | 2029             | 10%                       | 232,343                      | 273,400                | 232,343           |
| 10 years Pakistan Investment Bonds | 2030             | 8%                        | 307,113                      | 414,100                | 307,113           |
| 10 years Pakistan Investment Bonds | 2028             | 8.75%                     | 12,781                       | 15,000                 | 12,781            |
| 20 years Pakistan Investment Bonds | 2024             | 10%                       | 53,813                       | 53,760                 | 53,813            |
| 3 years Pakistan Investment Bonds  | 2023             | 21.98%                    | 249,609                      | 250,000                | 249,609           |
| 3 years Pakistan Investment Bonds  | 2023             | 21.98%                    | 74,879                       | 75,000                 | 74,879            |
| 3 years Pakistan Investment Bonds  | 2023             | 21.98%                    | 823,724                      | 825,000                | 823,724           |
| 3 years Pakistan Investment Bonds  | 2023             | 18.99%                    | 124,828                      | 125,000                | 124,828           |
| 3 years Pakistan Investment Bonds  | 2023             | 21.98%                    | 1,250,700                    | 1,252,500              | 1,250,700         |
| 3 years Pakistan Investment Bonds  | 2023             | 21.98%                    | 47,446                       | 47,500                 | 47,446            |
| 2 years Pakistan Investment Bonds  | 2024             | 21.99%                    | 124,037                      | 125,000                | 124,037           |
| 2 years Pakistan Investment Bonds  | 2023             | 21.99%                    | 248,670                      | 250,000                | 249,670           |
| 3 Months Treasury Bills            | 2023             | 20.97% - 21.98%           | 2,286,901                    | 2,386,190              | 2,286,901         |
| 12 Months Treasury Bills           | 2023             | 15.67%                    | 2,267,777                    | 2,369,100              | 2,267,777         |
| 1 year Government Ijara            | 2024             | 23%                       | 154,184                      | 154,211                | 154,184           |
| 5 year Government Ijara            | 2025             | 8.37% - 20.68%            | 290,837                      | 289,828                | 290,837           |
| 3 year Government Ijara            | 2026             | 17%                       | 96,061                       | 95,700                 | 96,061            |
| 5 year Government Ijara            | 2027             | 22%                       | 129,028                      | 393,824                | 129,028           |
| 10 Years Pakistan Energy Sukuk I   | 2028             | 20.86%                    | 189,610                      | 197,160                | 189,610           |
| 10 Years Pakistan Energy Sukuk II  | 2030             | 21.96%                    | 451,310                      | 452,700                | 451,310           |
|                                    |                  |                           | <u>9,771,883</u>             | <u>10,444,713</u>      | <u>9,771,883</u>  |

| Held to maturity                   | Maturity<br>year | 31 December 2022 (Audited) |                              |                        | Carrying<br>value |
|------------------------------------|------------------|----------------------------|------------------------------|------------------------|-------------------|
|                                    |                  | Effective<br>yield<br>%    | Amortised<br>cost            | Principal<br>repayment |                   |
|                                    |                  |                            | ----- (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                    | 2,882,000              | 2,773,377         |
| 06 Months Treasury Bills           | 2023             | 15.10-15.20                | 338,704                      | 340,125                | 338,704           |
| 12 Months Treasury Bills           | 2023             | 15.80-16.77                | 2,108,093                    | 2,369,100              | 2,108,093         |
| 05 years government ijara          | 2025             | 8.37-15.48                 | 290,585                      | 289,828                | 290,585           |
| 05 years government ijara          | 2027             | 15.89                      | 29,497                       | 29,488                 | 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           |
|                                    |                  |                            | <u>9,189,216</u>             | <u>9,558,911</u>       | <u>9,189,216</u>  |



| 7.2 Fair value through profit or loss<br>(Designated - upon initial recognition) | Maturity year | 30 June 2023 (Un-audited) |                    |   | Carrying value     |
|--|---------------|---------------------------|--------------------|---|--------------------|
|  |               | Effective yield %         | Amortized cost     | Principal repayment<br>(Rupees in '000) |                    |
| 5 years Pakistan Investment Bonds  | 2026          | 21.96%                    | 493,648            | 600,000                                 | 483,200            |
| 2 years Pakistan Investment Bonds  | 2023          | 21.99%                    | 4,743,715          | 4,750,000                               | 4,738,600          |
| 3 years Pakistan Investment Bonds  | 2023          | 21.94%                    | 124,250            | 125,000                                 | 123,213            |
| 3 years Pakistan Investment Bonds  | 2024          | 21.94%                    | 124,210            | 125,000                                 | 123,213            |
| 3 years Pakistan Investment Bonds  | 2024          | 21.94%                    | 1,117,664          | 1,125,000                               | 1,108,913          |
| 2 years Pakistan Investment Bonds  | 2024          | 21.99%                    | 49,615             | 50,000                                  | 49,450             |
| 3 years Pakistan Investment Bonds  | 2023          | 21.98%                    | 37,680,961         | 37,737,000                              | 37,638,884         |
| 2 years Pakistan Investment Bonds  | 2023          | 20.97%                    | 249,367            | 250,000                                 | 248,925            |
| 3 years Pakistan Investment Bonds  | 2024          | 7.00%                     | 3,259,464          | 3,400,000                               | 2,806,408          |
| 20 years Pakistan Investment Bonds   | 2024          | 10.00%                    | 391,446            | 392,000                                 | 354,535            |
| 5 years Pakistan Investment Bonds  | 2023          | 8.00%                     | 1,205,108          | 1,206,000                               | 1,199,970          |
| 5 years Pakistan Investment Bonds  | 2025          | 7.50%                     | 116,768            | 125,000                                 | 97,998             |
| 10 years Pakistan Investment Bonds   | 2029          | 10.00%                    | 117,889            | 125,000                                 | 97,688             |
| 10 years Pakistan Investment Bonds   | 2024          | 12.00%                    | 100,514            | 100,000                                 | 90,405             |
| 3 Months Treasury Bills  | 2023          | 15.67%-21.89%             | 15,546,896         | 15,763,810                              | 16,535,460         |
| 12 Months Treasury Bills   | 2023          | 15.67%-16.77%             | 45,393,729         | 47,267,906                              | 44,292,356         |
| 1 year Government Ijara  | 2024          | 22.67%-22.68%             | 1,800,390          | 1,901,074                               | 1,897,125          |
| 5 year Government Ijara  | 2025          | 17.65%-21.82%             | 1,825,288          | 1,830,210                               | 1,816,941          |
| 3 year Government Ijara  | 2026          | 11.40%-21.86%             | 6,274,569          | 6,281,099                               | 6,033,972          |
| 5 year Government Ijara  | 2027          | 22%                       | 6,088,637          | 6,088,520                               | 6,076,752          |
| 10 Years Pakistan Energy Sukuk 1   | 2029          | 20.86%                    | 926,100            | 983,159                                 | 830,000            |
| Pakistan Energy Sukuk II   | 2030          | 21.96%                    | 60,148             | 50,300                                  | 60,000             |
|  |               |                           | <b>127,779,051</b> | <b>130,176,072</b>                      | <b>125,793,988</b> |

| Fair value through profit or loss<br>(Designated - upon initial recognition) | Maturity year | 31 December 2022 (Audited) |                    |   | Carrying value     |
|--|---------------|----------------------------|--------------------|---|--------------------|
|  |               | Effective yield %          | Amortized cost     | Principal repayment<br>(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          | 12.6                       | 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                               | 1,124,560          |
| 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            | 388,400                                 | 333,634            |
| 20 Years Pakistan Investment Bonds   | 2024          | 10                         | 380,855            | 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          | 15.86-16.90                | 7,057,822          | 7,193,000                               | 7,058,117          |
| 06 months treasury bills   | 2023          | 15.20-15.95                | 1,269,180          | 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            | 983,159                                 | 830,000            |
| 10 years Pakistan energy sukuk II  | 2030          | 15.76                      | 50,178             | 50,300                                  | 50,000             |
|  |               |                            | <b>113,403,106</b> | <b>119,367,564</b>                      | <b>112,140,361</b> |

## 8 INVESTMENT IN DEBT SECURITIES

|                            |           | 30 June 2023 (Un-Audited) |                        |                  | 31 December 2022 (Audited) |                        |                  |
|----------------------------|-----------|---------------------------|------------------------|------------------|----------------------------|------------------------|------------------|
|                            |           | Cost                      | Impairment / provision | Carrying value   | Cost                       | Impairment / provision | Carrying value   |
|                            |           | (Rupees in '000)          |                        |                  |                            |                        |                  |
| Term finance certificates  | 8.1       | 5,634,743                 | -                      | 5,614,581        | 4,984,840                  | -                      | 4,948,393        |
| Corporate sukus            | 8.2 & 8.4 | 2,166,296                 | (37,500)               | 2,080,790        | 2,360,910                  | (37,500)               | 2,282,697        |
| Certificates of investment | 8.3       | 1,231,000                 | -                      | 1,231,000        | 1,072,248                  | -                      | 1,072,249        |
|                            |           | <b>9,022,039</b>          | <b>(37,500)</b>        | <b>8,926,371</b> | <b>8,417,999</b>           | <b>(37,500)</b>        | <b>8,303,339</b> |



|   | Maturity  | No. of Certificates          |                               | Face value | Carrying Amount              |                               |
|---|-----------|------------------------------|-------------------------------|------------|------------------------------|-------------------------------|
|   |           | 30 June 2023<br>(Un-Audited) | 31 December<br>2022 (Audited) |            | 30 June 2023<br>(Un-Audited) | 31 December<br>2022 (Audited) |
| (Rupees In '000)                                    |           |                              |                               |            |                              |                               |
| <b>8.1 Term finance certificates</b>                |           |                              |                               |            |                              |                               |
| Fair value through profit or loss                   |           |                              |                               |            |                              |                               |
| Others  |           |                              |                               |            |                              |                               |
| Bank Alfalah  | 2024      | 100,000                      | 100,000                       | 5          | 472,513                      | 462,573                       |
| Bank of Punjab                                      | 2024      | 80,000                       | -                             | 5          | 400,000                      | -                             |
| Bank Al Habib Limited                               | 2028      | 20,000                       | 20,000                        | 5          | 100,269                      | 99,840                        |
| United Bank Limited                                 | 2029      | 250,000                      | 250,000                       | 5          | 1,250,000                    | 1,250,000                     |
| Habib Bank Limited                                  | 2029      | 2,000                        | 2,000                         | 100        | 200,000                      | 200,000                       |
| Askari Bank Limited                                 | 2030      | 100                          | 100                           | 1,000      | 100,110                      | 100,880                       |
| Khushhali Microfinance Bank                         | 2032      | 1,500                        | 1,500                         | 100        | 150,000                      | 150,000                       |
| Bank Al Habib                                       | 2032      | 77,000                       | 77,000                        | 5          | 391,689                      | 385,000                       |
| Bank of Punjab                                      | 2033      | 5,000                        | -                             | 100        | 500,000                      | -                             |
| Bank of Punjab                                      | 2032      | 5,000                        | 5,000                         | 100        | 500,000                      | 500,000                       |
| Bank Al Habib Limited                               | 2032      | 40,000                       | 40,000                        | 5          | 200,000                      | 200,000                       |
| 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                      | 100,000                       | 5          | 500,000                      | 500,000                       |
| Askari Bank Limited                                 | Perpetual | 450                          | 450                           | 1,000      | 450,000                      | 450,000                       |
|   |           |                              |                               |            | <b>5,564,581</b>             | <b>4,648,393</b>              |
| Related Parties                                     |           |                              |                               |            |                              |                               |
| Lucky Electric Power Company                        | 2023      | -                            | 1                             | -          | -                            | 250,000                       |
|   |           |                              |                               |            |                              | <b>250,000</b>                |
| Held to maturity                                    |           |                              |                               |            |                              |                               |
| Askari Bank Limited                                 | Perpetual | 50                           | 50                            | 1,000      | 50,000                       | 50,000                        |
|   |           |                              |                               |            | <b>5,614,581</b>             | <b>4,948,393</b>              |
| <b>8.2 Corporate sukuka</b>                         |           |                              |                               |            |                              |                               |
| Fair value through profit or loss                   |           |                              |                               |            |                              |                               |
| Others  |           |                              |                               |            |                              |                               |
| Hascal Petroleum Limited *                          | 2022      | 30,000                       | 30,000                        | 3          | -                            | -                             |
| Byco Petroleum Pakistan Limited                     | 2023      | -                            | 583                           | 100        | -                            | 6,353                         |
| HUBCO   | 2023      | 60,000                       | 50,000                        | 7          | 87,760                       | 177,048                       |
| Pakistan Services Limited                           | 2027      | 250                          | 250                           | 1,000      | 184,450                      | 207,508                       |
| Neelum Jehlum Hydropower Compar                     | 2026      | 12,500                       | 12,500                        | 100        | 398,672                      | 491,329                       |
| TPL Trakker   | 2026      | 25                           | 25                            | 1,000      | 16,567                       | 16,140                        |
| TPL Corporation                                     | 2027      | 400                          | 400                           | 100        | 40,669                       | 40,000                        |
| Dubai Islamic Bank Pakistan Limited                 | 2028      | 20,000                       | 20,000                        | 5          | 100,000                      | 100,000                       |
| Meezan Bank Limited                                 | Perpetual | 100,000                      | 100,000                       | 5          | 500,000                      | 500,000                       |
|   |           |                              |                               |            | <b>2,080,790</b>             | <b>2,282,697</b>              |
| Related Parties                                     |           |                              |                               |            |                              |                               |
| K-Electric Limited                                  | 2029      | 120,000                      | 120,000                       | 5          | 613,467                      | 600,000                       |
| Bank Islami Pakistan Limited                        | 2030      | 28,063                       | 28,063                        | 5          | 140,315                      | 140,315                       |
|   |           |                              |                               |            | <b>2,080,790</b>             | <b>2,282,697</b>              |
| <b>8.3 Certificates of Investment</b>               |           |                              |                               |            |                              |                               |
| Pak Kuwait Investment Company                       | 2023      | 1                            | 1                             | 250,000    | 260,000                      | 400,000                       |
| First Habib Modarba Limited                         | 2023      | 6                            | 1                             | 163,600    | 981,000                      | 618,947                       |
| Pak Oman Company Limited                            | 2023      | -                            | 1                             | 53,302     | -                            | 53,302                        |
|   |           |                              |                               |            | <b>1,231,000</b>             | <b>1,072,249</b>              |
| <b>8.4 *Reconciliation of provision</b>             |           |                              |                               |            |                              |                               |
| Balance at the beginning of the period              |           |                              |                               |            | 37,500                       | 37,500                        |
| Provision for impairment in the value of investment |           |                              |                               |            | -                            | -                             |
| Balance at the end of the period                    |           |                              |                               |            | <b>37,500</b>                | <b>37,500</b>                 |



| 9 INVESTMENTS IN TERM DEPOSITS   | 30 June 2023 (Un-Audited) |                           | 31 December 2022 |                  |  |
|--|---------------------------|---------------------------|------------------|------------------|--|
|  | (Rupees in '000)          |                           |                  |                  |  |
| Deposits maturing within 3 months  | 10,107,429                |                           | 14,426,429       |                  |  |
| 10 INVESTMENT IN OPEN ENDED MUTUAL FUNDS                                     | Note                      | 30 June 2023 (Un-Audited) |                  | 31 December 2022 |  |
|  |                           | (Rupees in '000)          |                  |                  |  |
| At fair value through profit or loss (Designated - upon initial recognition) | 10.1                      | 1,797,628                 |                  | 228,958          |  |
| Available for sale   | 10.2                      | 994,081                   |                  | 162,125          |  |
|  |                           | 2,791,709                 |                  | 391,083          |  |

|   | 30 June 2023 (Un-audited) |                        |                | '31 December 2022 (Audited) |                        |                |
|---|---------------------------|------------------------|----------------|-----------------------------|------------------------|----------------|
|   | Cost                      | Impairment / provision | Carrying Value | Cost                        | Impairment / provision | Carrying Value |
| (Rupees in '000)  |                           |                        |                |                             |                        |                |
| 10.1 At fair value through profit or loss (Designated - upon initial recognition) |                           |                        |                |                             |                        |                |
| Related parties   |                           |                        |                |                             |                        |                |
| Mutual funds  | 1,691,944                 | -                      | 1,689,915      | 158,817                     | -                      | 143,459        |
| Others  |                           |                        |                |                             |                        |                |
| Mutual funds  | 85,763                    | -                      | 107,713        | 74,062                      | -                      | 85,499         |
|   | 1,777,707                 | -                      | 1,797,628      | 232,879                     | -                      | 228,958        |
| 10.2 Available for sale   |                           |                        |                |                             |                        |                |
| Related parties   |                           |                        |                |                             |                        |                |
| Mutual funds  | 766,079                   | -                      | 766,079        | 523                         | -                      | 523            |
| Others  |                           |                        |                |                             |                        |                |
| Mutual funds  | 238,310                   | (36,705)               | 201,605        | 183,034                     | (32,361)               | 150,673        |
| Surplus on revaluation  | -                         | -                      | 26,397         | -                           | -                      | 10,929         |
|   | 1,004,389                 | (36,705)               | 994,081        | 183,557                     | (32,361)               | 162,125        |

|  | 30 June 2023 (Un-Audited) | 30 June 2022 (Un-Audited) |
|--|---------------------------|---------------------------|
| (Rupees in '000)   |                           |                           |
| Reconciliation of provision for impairment                 |                           |                           |
| Balance at the beginning of the period                     | 32,361                    | 18,544                    |
| Provision for impairment on available for sale investments | 4,344                     | 13,817                    |
| Balance at the end of the period                           | 36,705                    | 32,361                    |



| Note  | 30 June 2023<br>(Un-Audited) | 31 December<br>2022 (Audited) |                    |
|---|------------------------------|-------------------------------|--------------------|
|   | (Rupees in '000)             |                               |                    |
| <b>11 CASH AND BANK</b>   |                              |                               |                    |
| Cash and cash equivalent  |                              |                               |                    |
| Cash in hand  | 2,077                        | 101                           |                    |
| Policy & revenue stamps   | 10,254                       | 267                           |                    |
| Cash at bank  |                              |                               |                    |
| Current account   | 782,518                      | 1,234,604                     |                    |
| Savings account   | 4,103,502                    | 3,323,895                     |                    |
|   | <u>4,898,351</u>             | <u>4,558,867</u>              |                    |
| <b>11.1 Cash and cash equivalents for cash flow purpose comprise of the following:</b>  |                              |                               |                    |
|   | 30 June 2023<br>(Un-Audited) | 31 December<br>2022 (Audited) |                    |
|   | (Rupees in '000)             |                               |                    |
| Cash and others   | 12,331                       | 368                           |                    |
| Cash at bank  | 4,886,020                    | 4,558,499                     |                    |
| Term deposits maturing within three months  | 10,107,429                   | 14,426,429                    |                    |
|   | <u>15,005,780</u>            | <u>18,985,296</u>             |                    |
| <b>12 RETAINED EARNINGS ARISING FROM BUSINESS OTHER THAN PARTICIPATING BUSINESS ATTRIBUTABLE TO SHAREHOLDERS (LEDGER ACCOUNT D)</b> |                              |                               |                    |
|   | 30 June 2023<br>(Un-Audited) | 31 December<br>2022 (Audited) |                    |
|   | (Rupees in '000)             |                               |                    |
| Opening balance   | 3,088,626                    | 2,845,112                     |                    |
| Contribution to / (Withdrawal from) solvency margin   | 117,278                      | 1,761                         |                    |
| Change in solvency margin through statement of profit and loss account  | 116,244                      | 241,753                       |                    |
|   | <u>3,322,148</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  | (213,894)                    | (182,481)                     |                    |
| Closing balance   | (1,140,966)                  | (927,072)                     |                    |
| Net of tax  | <u>2,181,182</u>             | <u>2,161,554</u>              |                    |
| <b>13 INSURANCE LIABILITIES</b>   |                              |                               |                    |
| Reported outstanding claims   | 13.1                         | 3,795,176                     | 3,835,327          |
| Incurring but not reported claims   | 13.2                         | 1,361,756                     | 1,185,211          |
| Investment component of unit-linked and account value policies  | 13.3                         | 166,929,648                   | 158,534,057        |
| Liabilities under individual conventional insurance contracts   | 13.4                         | 883,647                       | 962,770            |
| Liabilities under group insurance contracts<br>(other than investment linked)   | 13.5                         | 1,548,476                     | 1,398,328          |
| Participant takaful fund balance  | 13.6                         | 647,775                       | 466,992            |
|   |                              | <u>175,166,478</u>            | <u>166,382,685</u> |





|  | Note | 30 June 2023<br>(Un-Audited) | 31 December<br>2022 (Audited) |
|--|------|------------------------------|-------------------------------|
|  |      | ----- (Rupees in '000) ----- |                               |
| <b>13.1 Reported outstanding claims</b>  |      |                              |                               |
| <b>Gross of reinsurance</b>  |      |                              |                               |
| Payable within one year  |      | 3,300,627                    | 3,331,484                     |
| Payable over a period of time exceeding one year                                       |      | 872,589                      | 894,303                       |
|  |      | <u>4,173,216</u>             | <u>4,225,787</u>              |
| <b>Recoverable from reinsurers</b>   |      |                              |                               |
| Receivable over a period of time exceeding one year                                    |      | (378,040)                    | (390,460)                     |
| Net reported outstanding claims  |      | <u>3,795,176</u>             | <u>3,835,327</u>              |
| <b>13.2 Incurred but not reported claims</b>   |      |                              |                               |
| <b>Gross of reinsurance</b>  |      | 1,708,472                    | 1,485,969                     |
| Reinsurance recoveries   |      | (346,716)                    | (300,758)                     |
| Net of reinsurance   |      | <u>1,361,756</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   |      | 166,929,648                  | 158,534,057                   |
| Investment component of account value policies   |      | -                            | -                             |
|  |      | <u>166,929,648</u>           | <u>158,534,057</u>            |
|  | Note | 30 June 2023<br>(Un-Audited) | 31 December<br>2022 (Audited) |
|  |      | ----- (Rupees in '000) ----- |                               |
| <b>13.4 Liabilities under individual conventional insurance contracts</b>              |      |                              |                               |
| Gross of reinsurance   |      | 1,100,378                    | 1,187,321                     |
| Reinsurance credit   |      | (216,731)                    | (224,551)                     |
| Net of reinsurance   |      | <u>883,647</u>               | <u>962,770</u>                |
| <b>13.5 Liabilities under group insurance contracts (other than investment linked)</b> |      |                              |                               |
| Gross of reinsurance   |      | 1,853,182                    | 1,550,978                     |
| Reinsurance credit   |      | (304,706)                    | (162,650)                     |
| Net of reinsurance   |      | <u>1,548,476</u>             | <u>1,398,328</u>              |
| <b>13.6 Participant takaful fund balance</b>   |      | <u>647,775</u>               | <u>466,992</u>                |





#### 14 CONTINGENCIES AND COMMITMENTS

- 14.1 The income tax assessment of the Company for tax year 2022 has been finalized. In 2013, Income Tax Department imposed an additional tax demand under section 151(1)(d) on account of non-deduction of withholding tax on surrender and maturity amounting to Rs.13.833 million and Rs.15.014 million for Tax Years 2012 and 2013 respectively. The Company filed an appeal before Commissioner Inland Revenue (Appeals) and the same was dismissed. The Company filed second appeal before the Appellate Tribunal against the order of CIT. The Learned Appellate Tribunal Inland revenue had decided the case in Company's favour. Subsequent to it, the department has filed review application against the order in Honourable Court of Sindh. The decision is still pending. The Company expects a favourable decision.

In 2015 and 2016, The Searle Company Limited (Searle) issued bonus shares (76,031 shares and 342,480 shares respectively) after withholding 5 percent of bonus shares (3,802 shares and 17,124 shares respectively) and the IBL Healthcare Limited issued bonus shares (46,625 shares and 80,311 shares respectively) after withholding 5 percent of bonus shares (2,331 shares and 4,016 shares respectively). In this regard, a constitutional petition had been filed by Searle in Sindh High Court challenging the applicability of withholding tax provision on bonus shares received by the Company. The honorable high court decided the case against Searle. Subsequently, Searle filed an appeal with a larger bench of the Sindh High Court and in response the Sindh High Court has suspended the earlier judgment until the next date of hearing, which has not yet been decided. The Company is of the view that the case will be decided in its favour. The amount involved is Rs. 3.279 million.

- 14.2 SRB through notification no. SRB-3-4/17/2021 dated 30th June 2021 has revoked its previous exemption of life insurance, granted through SRB-3-4/5/2019 dated 8th May 2019, which is now taxable at a rate of 3%. However, exemption for health insurance has been extended till 30 June 2023.

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

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

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

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

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

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

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

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



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

Based on the legal opinion obtained the Company considers that it has a reasonably strong case on the merits in the Constitutional petition and the writ petition filed in the High Courts. In view of the above the Company has not started billing or withholding sales tax to its customers. The amount of sales tax involved is around Rs. 3087.35 million (2022: Rs. 2,626 million) computed on the basis of risk based premium excluding the investment amount allocated to unit linked policies. The management contends that in case the administrative efforts fail, the amount will be charged to the policyholders.

- 14.3 Bank guarantees amounting to Rs. 55.94 million have been given in respect of Group Life coverage. These bank guarantees will expire on 30 December 2023.
- 14.4 There were no commitments at the year end.

|   | Aggregate (Unaudited) |                   | Aggregate (Unaudited) |                  |
|---|-----------------------|-------------------|-----------------------|------------------|
|   | Six months ended      |                   | Three months ended    |                  |
|   | 30 June               |                   | 30 June               |                  |
|   | 2023                  | 2022              | 2023                  | 2022             |
|   | (Rupees in '000)      |                   | (Rupees in '000)      |                  |
| <b>15 NET INSURANCE PREMIUM / CONTRIBUTION REVENUE</b>                        |                       |                   |                       |                  |
| <b>Gross premium / contribution</b>   |                       |                   |                       |                  |
| Regular premium / contribution individual policies                            |                       |                   |                       |                  |
| First year  | 2,326,412             | 3,305,071         | 1,454,587             | 1,789,418        |
| Second year renewal   | 2,297,985             | 2,567,273         | 1,148,633             | 1,248,769        |
| Subsequent year renewal   | 9,947,188             | 9,978,934         | 4,607,037             | 4,602,049        |
| Single premium / contribution individual policies                             | 310,676               | 336,535           | 180,782               | 184,577          |
| Group policies with cash values   | 13,585                | 12,824            | 5,887                 | 7,709            |
| Group policies without cash values  | 2,819,789             | 2,292,112         | 1,392,863             | 974,152          |
| Provision for experience refund   | (132,249)             | (113,068)         | (83,272)              | (71,972)         |
| <b>Total gross premium / contribution</b>                                     | <b>17,583,286</b>     | <b>18,379,681</b> | <b>8,706,517</b>      | <b>8,734,702</b> |
| <b>Less: Reinsurance premium / retakaful contribution ceded</b>               |                       |                   |                       |                  |
| On individual life first year business  | 24,090                | 32,112            | 13,514                | 16,157           |
| On individual life second year business                                       | 24,559                | 24,584            | 11,359                | 11,974           |
| On individual life renewal business   | 136,828               | 133,387           | 60,051                | 58,836           |
| On group policies   | 662,600               | 495,519           | 346,604               | 162,874          |
| Less: Experience refund from reinsurers                                       | (121,141)             | (54,447)          | (83,938)              | (54,447)         |
| Less: Reinsurance commission on risk premium                                  | (10,367)              | (13,419)          | (5,770)               | (6,689)          |
| <b>Total reinsurance premium / retakaful contribution ceded</b>               | <b>716,569</b>        | <b>617,736</b>    | <b>341,820</b>        | <b>188,705</b>   |
| <b>Net premium / contribution</b>   | <b>16,866,717</b>     | <b>17,761,945</b> | <b>8,364,697</b>      | <b>8,545,997</b> |
| <b>16 INVESTMENT INCOME</b>   |                       |                   |                       |                  |
| <b>Income from equity securities</b>  |                       |                   |                       |                  |
| At fair value through profit or loss<br>(Designated upon initial recognition) |                       |                   |                       |                  |
| Dividend income   | 1,254,195             | 1,355,891         | 615,862               | 464,732          |
| Available for sale  |                       |                   |                       |                  |
| Dividend income   | 38,367                | 9,460             | 34,008                | 73               |
| <b>Income from debt securities</b>  |                       |                   |                       |                  |
| At fair value through profit or loss<br>(Designated upon initial recognition) |                       |                   |                       |                  |
| Return on debt securities   | 886,328               | 471,549           | 444,998               | 169,741          |
| On government securities  | 10,719,211            | 4,822,767         | 5,904,087             | 2,756,691        |
| Held to maturity  |                       |                   |                       |                  |
| On government securities  | 655,519               | 436,607           | 391,949               | 328,616          |
| On debt securities  | 160,288               | 85,743            | 114,901               | 54,054           |
| <b>Income from term deposits</b>  |                       |                   |                       |                  |
| Return on term deposits   | 880,053               | 983,461           | 485,460               | 574,993          |
|   | <b>14,593,961</b>     | <b>8,145,478</b>  | <b>7,991,265</b>      | <b>4,348,900</b> |



|   | Aggregate (Unaudited) |                    | Aggregate (Unaudited) |                    |
|---|-----------------------|--------------------|-----------------------|--------------------|
|   | Six months ended      |                    | Three months ended    |                    |
|   | 2023                  | 2022               | 2023                  | 2022               |
|   | 30 June               |                    | 30 June               |                    |
|   | (Rupees in '000)      |                    |                       |                    |
| <b>17 NET REALISED FAIR VALUE LOSSES ON FINANCIAL ASSETS</b>  |                       |                    |                       |                    |
| Available for sale  |                       |                    |                       |                    |
| Realised gains on:  |                       |                    |                       |                    |
| - Equity securities   | 17.1                  | 101,269            | 490,976               | 10,353             |
| - Government securities   |                       | -                  | -                     | 230,721            |
| Realised losses on:   |                       |                    |                       |                    |
| - Equity securities   | 17.1                  | (2,280,205)        | (1,207,479)           | (600,149)          |
| - Government securities   |                       | (1,110)            | -                     | (61,404)           |
|   |                       | <u>(2,180,046)</u> | <u>(716,503)</u>      | <u>(651,200)</u>   |
|   |                       |                    |                       | <u>(973,856)</u>   |
| 17.1 This represents the realized gain/loss on the securities calculated as a difference between cost of investment and proceeds from sale in   |                       |                    |                       |                    |
| <b>18 NET FAIR VALUE GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS- UNREALISED</b>   |                       |                    |                       |                    |
| Net unrealised (losses)/gain on investments in financial assets   |                       |                    |                       |                    |
| - Government securities and debt securities (fair value through profit or loss designated upon initial recognition)   |                       | (585,895)          | (273,855)             | 930,041            |
| Net unrealised gain / (losses) on investments at fair value through profit or loss (designated upon initial recognition) - Equity securities  | 18.1                  | 1,660,609          | (2,429,154)           | 299,014            |
|   |                       |                    |                       | (1,405,655)        |
| Total investment income / (loss)  |                       | <u>1,074,714</u>   | <u>(2,703,009)</u>    | <u>1,229,055</u>   |
| Exchange gain   |                       | 66,877             | 29,167                | 2,461              |
| (Provision) / reversal of impairment in value of available for sale securities  |                       | 3,479              | (19,791)              | 14,752             |
| Less: Investment related expenses   |                       | (157)              | (154)                 | (101)              |
|   |                       | <u>1,144,913</u>   | <u>(2,693,787)</u>    | <u>1,246,268</u>   |
|   |                       |                    |                       | <u>(1,546,917)</u> |
| 18.1 This includes the reversal of provision for unrealized loss amounting to Rs. 1,969 million (2022: 578 million) and Rs. 328.5 million (2022: 3,007 million) unrealized loss on mark to market of investments during the year. |                       |                    |                       |                    |
| <b>19 OTHER INCOME</b>  |                       |                    |                       |                    |
| Gain on sale of fixed assets  |                       | 34,880             | 12,031                | 22,436             |
| Return on loans to employees  |                       | 14,277             | 14,567                | 7,674              |
| Fees charged to policyholders   |                       | 10,146             | 8,981                 | 5,239              |
| Gain on sale of early termination of lease contracts  |                       | 17,519             | 3,154                 | 17,519             |
| Other income  |                       | 13                 | 20                    | 8                  |
|   |                       | <u>76,835</u>      | <u>38,753</u>         | <u>52,876</u>      |
|   |                       |                    |                       | <u>20,920</u>      |
| <b>20 NET INSURANCE BENEFITS</b>  |                       |                    |                       |                    |
| Gross claims  |                       |                    |                       |                    |
| Claims under individual policies  |                       |                    |                       |                    |
| by death  |                       | 559,818            | 676,366               | 281,518            |
| by insured event other than death   |                       | 13,294             | 3,404                 | 8,987              |
| by maturity   |                       | 1,975,758          | 2,001,363             | 943,520            |
| by surrender  |                       | 11,355,712         | 9,236,847             | 5,899,310          |
| Total gross individual policy claims  |                       | <u>13,904,582</u>  | <u>11,917,980</u>     | <u>7,133,335</u>   |
| Claims under group policies   |                       |                    |                       |                    |
| by death  |                       | 1,140,605          | 1,162,903             | 513,524            |
| by insured event other than death   |                       | 80,588             | 34,590                | 53,753             |
| by maturity   |                       | 966                | 1,296                 | 754                |
| by surrender  |                       | 34,486             | 11,425                | 26,516             |
| Total gross group claims  |                       | <u>1,256,644</u>   | <u>1,210,214</u>      | <u>594,547</u>     |
| Total gross claims  |                       | <u>15,161,226</u>  | <u>13,128,194</u>     | <u>7,727,882</u>   |
|   |                       |                    |                       | <u>6,894,006</u>   |
| Less: Reinsurance / retakaful recoveries  |                       |                    |                       |                    |
| On individual life claims   |                       | 52,403             | 100,333               | 32,029             |
| On group life claims  |                       | 269,199            | 257,696               | 111,984            |
| Total reinsurance / retakaful recoveries  |                       | <u>321,602</u>     | <u>358,029</u>        | <u>144,013</u>     |
| Add: Claims related expenses  |                       | 3,690              | 4,233                 | 2,495              |
| Net insurance benefit   |                       | <u>14,843,314</u>  | <u>12,774,398</u>     | <u>7,586,364</u>   |
|   |                       |                    |                       | <u>6,729,255</u>   |



## 21 ACQUISITION EXPENSES

Remuneration to insurance intermediaries on individual policies:

|  | Aggregate (Unaudited)<br>Six months ended |           | Aggregate (Unaudited)<br>Three months ended |         |
|--|---|-----------|---|---------|
|  | 30 June                                   |           | 30 June                                     |         |
|  | 2023                                      | 2022      | 2023  | 2022    |
|  | (Rupees in '000)                          |           | (Rupees in '000)                            |         |
| - Commission to agent on first year premiums / contributions                         | 893,810                                   | 1,252,047 | 549,273                                     | 690,017 |
| - Commission to agent on second year premiums / contributions                        | 210,861                                   | 162,568   | 93,713                                      | 29,626  |
| - Commission to agent on subsequent renewal premiums / contributions                 | 269,710                                   | 213,943   | 126,470                                     | 69,125  |
| - Commission to agent on single premiums / contributions                             | 9,034                                     | 9,611     | 5,284                                       | 5,346   |
| - Override commission to supervisors   | 211,956                                   | 306,689   | 123,744                                     | 158,232 |
| - Other benefits to insurance intermediaries salaries, allowances and other benefits | 787,474                                   | 854,101   | 294,820                                     | 324,369 |

Remuneration to insurance intermediaries on group policies:

|   |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|
| - Commission  | 285,496          | 229,203          | 148,334          | 119,589          |
| - Other benefits to insurance intermediaries                        | 55,013           | 49,650           | 27,076           | 23,337           |
| - Traveling expenses (including cost of contests, conventions etc.) | 175,886          | 163,453          | 17,375           | 161,255          |
| - Printing and stationery   | 12,994           | 17,624           | 7,962            | 8,087            |
| - Depreciation  | 147,373          | 149,076          | 74,867           | 69,653           |
| - Rent, rates and taxes   | 3,426            | 4,892            | 763              | 1,522            |
| - Electricity, gas and water  | 40,197           | 29,623           | 29,226           | 23,369           |
| - Entertainment   | 20,927           | 26,710           | 10,920           | 15,313           |
| - Vehicle running expenses  | 2,086            | 3,522            | 1,034            | 1,386            |
| - Office repairs & maintenance                                      | 17,730           | 12,431           | 12,251           | 7,627            |
| - Postages, telegrams and telephone                                 | 17,080           | 21,963           | 8,938            | 9,984            |
| - Medical fees  | 10,050           | 10,020           | 4,956            | 4,707            |
| - Finance cost  | 32,744           | 28,483           | 17,165           | 15,000           |
| - Policy stamps   | 26,013           | 64,036           | 8,047            | 34,674           |
| - Others  | 94,023           | 81,806           | 39,150           | 23,587           |
|   | <b>3,323,883</b> | <b>3,711,352</b> | <b>1,601,368</b> | <b>1,795,829</b> |

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| Aggregate (Unaudited)        |      | Aggregate (Unaudited)        |      |
|------------------------------|------|------------------------------|------|
| Six months ended             |      | Three months ended           |      |
| 30 June                      |      | 30 June                      |      |
| 2023                         | 2022 | 2023                         | 2022 |
| ----- (Rupees in '000) ----- |      | ----- (Rupees in '000) ----- |      |

## 22 MARKETING AND ADMINISTRATION EXPENSES

|   |                  |                  |                |                |
|---|------------------|------------------|----------------|----------------|
| Employee benefit cost                             | 683,136          | 565,417          | 366,625        | 310,951        |
| Travelling expenses                               | 95,636           | 37,509           | 84,861         | 31,379         |
| Advertisements and sales promotion                | 61,404           | 18,340           | 38,534         | (8,482)        |
| Printing and stationery                           | 83,421           | 55,157           | 46,875         | 25,643         |
| Depreciation                                      | 100,306          | 88,617           | 53,537         | 49,453         |
| Amortisation                                      | 2,729            | 7,915            | 1,120          | 3,958          |
| Rent, rates and taxes                             | 2,605            | 2,143            | 2,361          | 85             |
| Legal and professional charges - business related | 28,734           | 57,719           | 10,075         | 29,859         |
| Electricity, gas and water                        | 37,250           | 23,217           | 23,745         | 13,270         |
| Entertainment                                     | 25,344           | 19,073           | 12,440         | 8,775          |
| Vehicle running expenses                          | 7,182            | 4,676            | 3,330          | 3,401          |
| Office repair and maintenance                     | 167,016          | 121,505          | 86,842         | 62,940         |
| Appointed actuary fees                            | 10,550           | 9,492            | 5,804          | 5,254          |
| Bank charges                                      | 6,658            | 6,962            | 4,711          | 5,525          |
| Postage, internet and telephone                   | 55,539           | 42,126           | 24,082         | 20,712         |
| Fees and subscription                             | 41,039           | 22,880           | 18,943         | 12,044         |
| Annual supervision fee SECP                       | 29,000           | 29,587           | 14,500         | 14,087         |
| Miscellaneous                                     | 83,533           | 67,491           | 47,209         | 41,452         |
|   | <u>1,521,081</u> | <u>1,179,826</u> | <u>845,374</u> | <u>630,306</u> |

| Aggregate (Unaudited)        |      | Aggregate (Unaudited)        |      |
|------------------------------|------|------------------------------|------|
| Six months ended             |      | Three months ended           |      |
| 30 June                      |      | 30 June                      |      |
| 2023                         | 2022 | 2023                         | 2022 |
| ----- (Rupees in '000) ----- |      | ----- (Rupees in '000) ----- |      |

## 23 OTHER EXPENSES

|                              |               |               |               |               |
|------------------------------|---------------|---------------|---------------|---------------|
| Printing and stationery      | 1,811         | -             | 1,811         | -             |
| Advertisements and publicity | 1,637         | -             | 1,544         | -             |
| Auditor's remuneration       | 3,600         | -             | 3,600         | -             |
| Directors' fee               | 5,175         | 3,350         | 3,450         | 1,575         |
| Donation                     | 15,284        | 19,020        | 7,965         | 16,282        |
| Others                       | 143           | 741           | 23            | (78)          |
|                              | <u>27,650</u> | <u>23,111</u> | <u>18,393</u> | <u>17,779</u> |



**23.1 Donations**

Donations include the following in whom the directors are interested:

| <u>Name of Directors</u> | <u>Interest in donee</u> | <u>Name of donee</u>   | <u>30 June 2023</u><br><u>(Un-Audited)</u> | <u>30 June 2023</u><br><u>(Un-Audited)</u> |
|--------------------------|--------------------------|--|--|--|
|                          |                          |  | ----- (Rupees in '000) -----               |  |
| Saifuddin N. Zomkawala   | Board Member             | Sindh Institute of Urology and Transplantation, Civil Hospital Karachi | 5,200                                      | 1,540                                      |
|                          |                          | Shaukat Khanum Memorial Trust  | -  | 8,500                                      |
| Syed Salman Rashid       | Spouse (Trustee)         | Anjuman Kashana-E-Alfal-O-Naunihal                                     | -  | 100  |
| Hasanali Abdullah        | Board Member             | Agha Khan Hospital And Medical College Foundation                      | -  | 1,250                                      |
| Ruhail Muhammad          | Board Member             | NOWPDP   | 1,000                                      | -  |

**Donations to a single party exceeding Rs. 500,000**

|   |       |       |
|---|-------|-------|
| Kiran Foundation                        | -     | 720   |
| Family Educational Services Foundation  | 1,418 |       |
| The Citizen Foundation                  | -     | 1,200 |
| Afzaal Memorial Thalassaemia Foundation | 1,500 | 1,500 |
| Layton Rahmatullah Benevolent Trust     | 2,018 | 701   |
| Shahid Afridi Foundation                | -     | 1,072 |
| NOWPDP                                  | -     | 1,000 |
| AKHUWAT                                 | 2,150 | -     |

| <u>Aggregate (Unaudited)</u><br><u>Six months ended</u><br><u>30 June</u> |             | <u>Aggregate (Unaudited)</u><br><u>Three months ended</u><br><u>30 June</u> |             |
|---|-------------|---|-------------|
| <u>2023</u>   | <u>2022</u> | <u>2023</u>   | <u>2022</u> |
| ----- (Rupees in '000) -----  |             | ----- (Rupees in '000) -----  |             |

**24 TAXATION****For the year**

|              |         |         |         |         |
|--------------|---------|---------|---------|---------|
| Current tax  | 538,484 | 357,517 | 282,449 | 151,517 |
| Super tax    | 185,666 | 49,329  | 185,666 | 49,329  |
| Deferred tax | 242,853 | 122,340 | 246,811 | 143,294 |

**For the prior year**

|           |                  |                |                |                |
|-----------|------------------|----------------|----------------|----------------|
| Super tax | 161,350          | 78,154         | 161,350        | 78,154         |
|           | <u>1,128,153</u> | <u>607,340</u> | <u>876,276</u> | <u>422,294</u> |



## 25 RELATED PARTY TRANSACTIONS

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

| Transactions                                  | 30 June                      | 30 June           |
|---|------------------------------|-------------------|
|   | 2023 (Un-Audited)            | 2022 (Un-Audited) |
|   | ----- (Rupees in '000) ----- |                   |
| <b>Transactions</b>                           |                              |                   |
| <b>Holding Company</b>                        |                              |                   |
| Premium written                               | 13,442                       | 14,171            |
| Premium paid                                  | 33,960                       | 33,190            |
| Claims paid                                   | 2,208                        | 9,187             |
| Claims received                               | 500                          | 76                |
| Dividend paid                                 | 556,319                      | 549,607           |
| Dividend received                             | 32,767                       | 32,767            |
| <b>Associated Companies / Related Parties</b> |                              |                   |
| Premium written                               | 157,193                      | 106,976           |
| Premium paid                                  | 38,434                       | 43,276            |
| Claims paid                                   | 31,128                       | 16,312            |
| Commission paid                               | 72,637                       | 67,859            |
| Travelling expenses                           | 8,692                        | 984               |
| Donation paid                                 | 6,200                        | 10,040            |
| Dividend paid                                 | 517,787                      | 517,786           |
| Interest received on bank deposit             | 566,705                      | 435,396           |
| Purchase of Vehicles (Pak Suzuki Motors)      | 48,095                       | 132,783           |
| Payment to K-Electric                         | -                            | 31,139            |
| Placement of TDR                              | 5,340,000                    | 7,728,429         |
| Investment bought                             | 2,293,300                    | 400,000           |
| Investment matured/sold of related party      | 8,311,000                    | 10,880,239        |
| <b>Key management personnel</b>               |                              |                   |
| Premium written                               | 904                          | 2,820             |
| Loan to key employees                         | 4,200                        |                   |
| Loan recovered                                | 3,562                        | 3,535             |
| Compensation Paid                             | 117,288                      | 110,679           |
| Dividend Paid                                 | 1,800                        | 709               |
| <b>Employees' funds</b>                       |                              |                   |
| Contribution to provident fund                | 28,275                       | 25,781            |
| Contribution to pension fund                  | 22,519                       | 22,291            |
| <b>Balances</b>                               |                              |                   |
|   | 30 June                      | 31 December       |
|   | 2023 (Un-Audited)            | 2022 (Audited)    |
|   | ----- (Rupees in '000) ----- |                   |
| Bank balances                                 | 2,112,476                    | 1,555,255         |
| Bank deposits                                 | 5,357,429                    | 7,728,429         |
| Premium payable                               | 426                          | 3,567             |
| Premium receivable                            | 28,344                       | 2,289             |
| Claims outstanding - Holding company          | -                            | -                 |
| Claims outstanding - Related party            | 38,549                       | 33,815            |
| Loan receivable from key employees            | 24,289                       | 23,851            |



## 26 SEGMENTAL INFORMATION

## 26.1 Revenue account by Statutory Fund

|  | 30 June 2023 (Un-audited)  |                       |                                |                            |                                    |                                    | Aggregate   |
|--|----------------------------|-----------------------|--------------------------------|----------------------------|------------------------------------|------------------------------------|-------------|
|  | Statutory Funds            |                       |                                |                            |                                    |                                    |             |
|  | Investment Linked Business | Conventional Business | Pension Business (Unit Linked) | Accident & Health Business | Family Takaful Investment Business | Family Takaful Protection Business |             |
|  | (Rupees in '000)           |                       |                                |                            |                                    |                                    |             |
| <b>Income</b>  |                            |                       |                                |                            |                                    |                                    |             |
| Premium / contribution less reinsurance / retakaful                        | 11,279,787                 | 1,882,566             | 78                             | 173                        | 3,433,078                          | 262,442                            | 16,858,124  |
| Policy transfer from other statutory funds                                 | -                          | -                     | -                              | -                          | 8,593                              | -                                  | 8,593       |
| Special reinstatement fee  | -                          | -                     | -                              | -                          | 13                                 | -                                  | 13          |
| Bonus units transferred to statutory fund                                  | -                          | -                     | -                              | -                          | -                                  | -                                  | -           |
| Net investment income / wakala income                                      | 11,673,720                 | 338,833               | 1,716                          | 266                        | 1,809,357                          | 94,387                             | 13,918,279  |
| Total net income   | 22,953,507                 | 2,221,399             | 1,794                          | 439                        | 5,251,041                          | 356,829                            | 30,785,009  |
| <b>Insurance benefits and expenditures</b>                                 |                            |                       |                                |                            |                                    |                                    |             |
| Claims net of reinsurance recoveries                                       | 12,755,072                 | 858,280               | -                              | 51                         | 1,126,348                          | 92,035                             | 14,831,786  |
| Policy transfer from other statutory funds                                 | 7,838                      | -                     | -                              | -                          | -                                  | -                                  | 7,838       |
| Bonus units transfer to statutory fund                                     | -                          | -                     | -                              | -                          | -                                  | -                                  | -           |
| Management expenses less recoveries  | 3,104,790                  | 512,073               | 4                              | 301                        | 1,598,983                          | 116,288                            | 5,332,439   |
| Total insurance benefits and expenditures                                  | 15,867,700                 | 1,370,353             | 4                              | 352                        | 2,725,331                          | 208,323                            | 20,172,063  |
| <b>Excess of income over insurance benefits and expenditures</b>           | 7,085,807                  | 851,046               | 1,790                          | 87                         | 2,525,710                          | 148,506                            | 10,612,946  |
| <b>Net change in insurance liabilities (other than outstanding claims)</b> | (5,777,592)                | (300,998)             | (1,641)                        | 132                        | (2,486,751)                        | (67,017)                           | (8,633,867) |
| Surplus before tax   | 1,308,215                  | 550,048               | 149                            | 219                        | 38,959                             | 81,489                             | 1,979,079   |
| <b>Movement in policyholders' liabilities</b>                              |                            |                       |                                |                            |                                    |                                    |             |
| Transfer to and from shareholder's fund                                    | 5,777,592                  | 300,998               | 1,641                          | (132)                      | 2,486,751                          | 67,017                             | 8,633,867   |
| Transfer of surplus to shareholders' fund                                  | (1,252,355)                | (375,257)             | (120)                          | (249)                      | -                                  | (54,072)                           | (1,682,053) |
| Capital contribution from share holders' fund                              | -                          | -                     | -                              | -                          | 117,278                            | -                                  | 117,278     |
| Net transfer to / from shareholders' fund                                  | (1,252,355)                | (375,257)             | (120)                          | (249)                      | 117,278                            | (54,072)                           | (1,564,775) |
| Balance of statutory funds at beginning of the Period                      | 145,825,021                | 3,149,544             | 17,492                         | 630                        | 16,915,660                         | 229,482                            | 166,137,829 |
| Balance of statutory funds at end of the Period                            | 151,658,473                | 3,625,333             | 19,162                         | 468                        | 19,558,648                         | 323,916                            | 175,186,000 |



30 June 2023 (Un-Audited)

|  | Statutory Funds            |                       |                                |                            |   | Aggregate   |
|--|----------------------------|-----------------------|--------------------------------|----------------------------|---|-------------|
|  | Investment Linked Business | Conventional Business | Pension Business (Unit Linked) | Accident & Health Business | Family Takaful Investment Linked Business |             |
| <b>Income</b>  |                            |                       |                                |                            |   |             |
| Premium / contribution less reinsurance / retakaful                        | 12,377,040                 | 1,574,178             | 78                             | 758                        | 3,630,150                                 | 17,748,362  |
| Policy transfer from other statutory funds                                 | -                          | -                     | -                              | -                          | 13,583                                    | 13,583      |
| Special reinstatement fee  | -                          | -                     | -                              | -                          | 20  | 20          |
| Bonus units transferred to statutory funds                                 | -                          | -                     | -                              | -                          | 28  | 28          |
| Net investment income  | 4,203,779                  | 141,088               | 726                            | 176                        | 707,848                                   | 5,122,985   |
| Total net income   | 16,580,819                 | 1,715,266             | 804                            | 934                        | 4,351,829                                 | 22,884,978  |
| <b>Insurance benefits and expenditures</b>                                 |                            |                       |                                |                            |   |             |
| Claims net of reinsurance recoveries                                       | 11,073,604                 | 852,589               | -                              | -                          | 743,639                                   | 12,756,582  |
| Policy transfer from other statutory funds                                 | 13,583                     | -                     | -                              | -                          | -   | 13,583      |
| Bonus units transferred to statutory funds                                 | -                          | -                     | -                              | -                          | 28  | 28          |
| Management expenses less recoveries  | 3,073,478                  | 450,675               | 4                              | 770                        | 1,693,075                                 | 5,319,006   |
| Total insurance benefits and expenditures                                  | 14,160,665                 | 1,303,264             | 4                              | 770                        | 2,436,742                                 | 18,789,199  |
| <b>Excess of income over insurance benefits and expenditures</b>           | 2,420,154                  | 412,002               | 800                            | 164                        | 1,914,887                                 | 4,795,779   |
| <b>Net change in insurance liabilities (other than outstanding claims)</b> | (1,454,806)                | (226,803)             | 736                            | 27                         | (1,824,869)                               | (3,502,942) |
| Surplus before tax   | 965,548                    | 185,199               | 1,536                          | 191                        | 90,018                                    | 1,292,837   |
| <b>Movement in policyholders' liabilities</b>                              | 1,454,806                  | 226,803               | (736)                          | (27)                       | 1,824,869                                 | 3,502,942   |
| Transfer to and from shareholder's fund                                    | (951,008)                  | (148,295)             | (1,541)                        | (194)                      | -   | (1,145,854) |
| Transfer of surplus to shareholders' fund                                  | -                          | -                     | -                              | -                          | 37,304                                    | 37,304      |
| Capital contribution from shareholders' fund                               | (951,008)                  | (148,295)             | (1,541)                        | (194)                      | 37,304                                    | (1,108,550) |
| Net transfer to / from shareholders' fund                                  |                            |                       |                                |                            |   |             |
| Balance of statutory funds at beginning of the period                      | 137,669,018                | 1,731,916             | 16,754                         | 822                        | 12,123,496                                | 151,727,282 |
| Balance of statutory funds at end of the period                            | 139,138,164                | 1,995,823             | 16,013                         | 792                        | 14,075,666                                | 155,414,511 |



## 26.2 Segment statement of financial position

|   | As at 30 June 2023 (Un-Audited) |                    | As at 31 December 2022 (Audited) |                    |
|---|---------------------------------|--------------------|----------------------------------|--------------------|
|   | Statutory Funds                 | Shareholders Funds | Statutory Funds                  | Shareholders Funds |
|   | (Rupees in '000)                |                    |                                  |                    |
|   |                                 | Total              |                                  | Total              |
| Property and equipments                             | 1,100,865                       | 1,359,554          | 1,125,848                        | 1,324,628          |
| Right of use assets                                 | -                               | 523,912            | -                                | 567,419            |
| Intangible assets                                   | -                               | 687                | -                                | 3,416              |
| Investments   | 170,819,877                     | 1,326,871          | 163,069,893                      | 1,563,284          |
| Insurance / reinsurance receivables                 | 659,379                         | -                  | 719,040                          | -                  |
| Other loans and receivables                         | 4,704,344                       | 289,126            | 4,047,467                        | 277,546            |
| Taxation - payments less provision                  | 470                             | 1,101,992          | 3,080                            | 1,106,954          |
| Prepayments   | 218,288                         | -                  | 149,186                          | 149,186            |
| Cash and bank                                       | 4,872,118                       | 26,233             | 4,528,527                        | 30,340             |
| <b>Total assets</b>                                 | <b>182,375,341</b>              | <b>4,628,375</b>   | <b>173,643,061</b>               | <b>4,870,507</b>   |
| Insurance liabilities net of reinsurance recoveries | 175,166,478                     | -                  | 166,382,685                      | -                  |
| Deferred taxation                                   | -                               | 1,323,893          | -                                | 1,068,468          |
| Premium / contribution received in advance          | 1,546,606                       | -                  | 1,202,332                        | -                  |
| Insurance / reinsurance payables                    | 492,537                         | -                  | 363,890                          | -                  |
| Lease liabilities                                   | -                               | 623,805            | -                                | 671,657            |
| Other creditors and accruals                        | 1,717,782                       | 138,351            | 2,344,661                        | 131,335            |
| <b>Total liabilities</b>                            | <b>178,923,403</b>              | <b>2,086,049</b>   | <b>170,293,558</b>               | <b>1,871,460</b>   |

## 27

## MOVEMENT IN INVESTMENTS

|  | (Rupees in '000) |                    |                                    |                    |
|--|------------------|--------------------|------------------------------------|--------------------|
|  | Held to maturity | Available for Sale | Fair value through profit or loss  |                    |
|  |                  |                    | Deposits maturing within 12 months |                    |
|  |                  |                    | Total                              |                    |
| At beginning of previous Period                              | 8,192,178        | 3,438,690          | 114,894,883                        | 150,902,180        |
| Additions  | 1,195,478        | 563,231            | 92,959,274                         | 212,403,161        |
| Disposals (sale and redemptions)                             | (5,901,762)      | (65,079)           | (80,604,116)                       | (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 period</b>                        | <b>3,485,894</b> | <b>3,933,208</b>   | <b>142,787,648</b>                 | <b>164,633,179</b> |
| Additions  | 131,095          | 1,312,576          | 55,318,604                         | 86,973,275         |
| Disposals (sale and redemptions)                             | (2,266,410)      | (1,060)            | (43,948,065)                       | (80,745,535)       |
| Fair value net loss (excluding net realised gains)           | -                | 26,483             | 1,255,867                          | 1,282,350          |
| Provision for impairment                                     | -                | 3,479              | -                                  | 3,479              |
| <b>At end of current period</b>                              | <b>1,350,579</b> | <b>5,274,686</b>   | <b>155,414,054</b>                 | <b>172,146,748</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:

|   | 30 June 2023 (Un-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       |
|   | Level 1   | Level 2            | Level 3          | Total                 |                        |                             | Total       |
| On balance sheet financial instruments                    |   |                    |                  |                       |                        |                             |             |
| Financial assets measured at fair value                   |   |                    |                  |                       |                        |                             |             |
| - Investments   |   |                    |                  |                       |                        |                             |             |
| Government securities (T-bills + PIBs + Sukuk)            | 129,450,493   | -                  | -                | -                     | -                      | -                           | 129,450,493 |
| Sukuk bonds (other than government)                       | 2,080,790   | -                  | -                | -                     | -                      | -                           | 2,080,790   |
| Listed equity securities                                  | 14,666,607  | 88,254             | -                | -                     | -                      | -                           | 14,754,861  |
| Unlisted equity securities                                | -   | 508                | -                | -                     | -                      | -                           | 508         |
| Units of mutual funds                                     | 1,797,628   | 994,081            | -                | -                     | -                      | -                           | 2,791,709   |
| Debt securities (Listed TFCS)                             | 5,614,581   | -                  | -                | -                     | -                      | -                           | 5,614,581   |
|   |   |                    |                  |                       |                        |                             |             |
| Financial assets not measured at fair value               |   |                    |                  |                       |                        |                             |             |
| - Government securities (T-bills + PIBs + Sukuk)          |   |                    |                  |                       |                        |                             |             |
| - Balances with banks *                                   | 14,993,449  | -                  | 6,115,378        | -                     | -                      | -                           | 21,108,827  |
| - Certificate of investment                               | -   | -                  | 1,231,000        | -                     | -                      | -                           | 1,231,000   |
| - Advances to employees and agents                        | -   | -                  | -                | 194,582               | -                      | -                           | 194,582     |
| - Investment income accrued                               | -   | -                  | -                | -                     | 3,845,247              | -                           | 3,845,247   |
| - Other loans and receivables (excluding markup accrued)* | -   | -                  | -                | -                     | 953,639                | -                           | 953,639     |
|   | 188,801,548   | 1,062,843          | 7,346,378        | 194,582               | 4,798,886              | -                           | 182,026,237 |
|   |   |                    |                  |                       |                        |                             |             |
| Financial liabilities not measured at fair value          |   |                    |                  |                       |                        |                             |             |
| Deferred taxation   |   |                    |                  |                       |                        | 1,323,893                   | 1,323,893   |
| Premium received in advance                               |   |                    |                  |                       |                        | 1,546,606                   | 1,546,606   |
| Insurance / reinsurance payables                          |   |                    |                  |                       |                        | 492,537                     | 492,537     |
| Lease liability   |   |                    |                  |                       |                        | 623,805                     | 623,805     |
| Other creditors and accruals                              |   |                    |                  |                       |                        | 1,858,133                   | 1,858,133   |
|   |   |                    |                  |                       |                        | 5,842,974                   | 5,842,974   |
|   | 168,603,548   | 1,063,843          | 7,346,378        | 194,582               | 4,798,886              | (5,842,974)                 | 175,163,263 |

for



## On balance sheet financial instruments

31 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 | -          | 112,140,361 | -         | 112,140,361 |
| Sukuk bonds (other than government)                       | 2,282,697   | -                  | -                | -                     | -                      | -                           | 2,282,697   | -          | 2,282,697   | -         | 2,282,697   |
| Listed equity securities                                  | 20,075,617  | 108,826            | -                | -                     | -                      | -                           | 20,182,243  | 20,182,243 | -           | -         | 20,182,243  |
| Unlisted equity securities                                | -   | 508                | -                | -                     | -                      | -                           | 508         | -          | -           | 508       | 508         |
| Units of mutual funds                                     | 228,958   | 162,125            | -                | -                     | -                      | -                           | 391,083     | -          | 391,083     | -         | 391,083     |
| Debt securities (Listed TFCs)                             | 4,948,353   | -                  | -                | -                     | -                      | -                           | 4,948,353   | -          | 3,900,000   | 1,048,353 | 4,948,353   |
| <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   | -         | 1,024,923   |
|   | 158,660,954   | 269,259            | 10,261,465       | 193,849               | 4,131,182              | -                           | 173,516,709 | -          | -           | -         | 173,516,709 |
| <b>Financial liabilities not measured at fair value</b>   |   |                    |                  |                       |                        |                             |             |            |             |           |             |
| Deferred taxation   | -   | -                  | -                | -                     | -                      | 1,068,468                   | -           | -          | -           | 1,068,468 | 1,068,468   |
| Premium received in advance                               | -   | -                  | -                | -                     | -                      | 1,202,333                   | -           | -          | -           | 1,202,333 | 1,202,333   |
| Insurance / reinsurance payables                          | -   | -                  | -                | -                     | -                      | 363,890                     | -           | -          | -           | 363,890   | 363,890     |
| Lease liability   | -   | -                  | -                | -                     | -                      | 671,657                     | -           | -          | -           | 671,657   | 671,657     |
| Other creditors and accruals                              | -   | -                  | -                | -                     | -                      | 2,475,985                   | -           | -          | -           | 2,475,985 | 2,475,985   |
|   | -   | -                  | -                | -                     | -                      | 5,782,333                   | -           | -          | -           | 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 | -          | -           | -         | 167,734,376 |

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



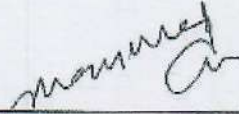
**29 GENERAL**


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

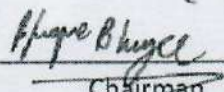
Certain prior year's figures have been rearranged and reclassified, wherever necessary, to facilitate comparisons.

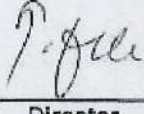
**30 DATE OF AUTHORIZATION FOR ISSUE**

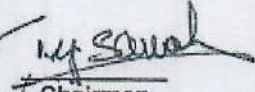
These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 29 August 2023.

  
Managing Director &  
Chief Executive Officer

  
Chief Financial Officer

  
Chairman

  
Director

  
Chairman

*an*



**EFU LIFE ASSURANCE LIMITED-WINDOW TAKAFUL OPERATIONS (Un-audited / Un-reviewed)**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 June 2023**

|   | Note | Operator<br>Sub Fund | Policyholder<br>Fund | 30 June<br>2023   | 31 December<br>2022 |
|---|------|----------------------|----------------------|-------------------|---------------------|
| (Rupees in '000)  |      |                      |                      |                   |                     |
| <b>Assets</b>   |      |                      |                      |                   |                     |
| <b>Investments</b>  |      |                      |                      |                   |                     |
| Equity securities   | 5    | -                    | 1,244,741            | 1,244,741         | 1,589,023           |
| Government securities   | 6    | 353,374              | 13,562,955           | 13,916,329        | 9,380,315           |
| Debt securities   | 7    | -                    | 1,845,788            | 1,845,788         | 1,542,618           |
| Term deposits   | 8    | -                    | 1,140,000            | 1,140,000         | 3,771,000           |
| Takaful / retakaful receivables   |      | -                    | 126,224              | 126,224           | 98,934              |
| Other loans and receivables   |      | 237,140              | 931,085              | 1,168,225         | 1,698,058           |
| Deferred tax asset  |      | 15,571               | -                    | 15,571            | -                   |
| Prepayments   |      | 6,079                | -                    | 6,079             | 7,991               |
| Cash & Bank   | 9    | 8,339                | 2,118,677            | 2,127,016         | 1,671,466           |
| <b>Total Assets</b>   |      | <b>620,503</b>       | <b>20,969,470</b>    | <b>21,589,973</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   |      | 175,729              | -                    | 175,729           | 61,326              |
| Qard-e-Hasna  |      | -                    | -                    | -                 | -                   |
| Retained Earning arising from business other than participating business attributable to shareholder's (Ledger account D) |      | 196,800              | -                    | 196,800           | 193,925             |
| Accumulated losses  |      | (106,084)            | -                    | (106,084)         | 19,481              |
| <b>Total Equity</b>   |      | <b>316,445</b>       | <b>-</b>             | <b>316,445</b>    | <b>324,732</b>      |
| <b>Liabilities</b>  |      |                      |                      |                   |                     |
| Insurance Liabilities   | 10   | -                    | 20,075,122           | 20,075,122        | 17,325,462          |
| Takaful contribution received in advance  |      | -                    | 277,432              | 277,432           | 164,771             |
| Takaful / retakaful payables  |      | -                    | 291,973              | 291,973           | 108,675             |
| Deferred Tax Liability  |      | -                    | -                    | -                 | 7,961               |
| Other creditors and accruals  |      | 304,058              | 324,943              | 629,001           | 1,827,804           |
| <b>Total Liabilities</b>  |      | <b>304,058</b>       | <b>20,969,470</b>    | <b>21,273,528</b> | <b>19,434,673</b>   |
| <b>Total Equity and Liabilities</b>   |      | <b>620,503</b>       | <b>20,969,470</b>    | <b>21,589,973</b> | <b>19,759,405</b>   |

Contingency(ies) and commitment(s)

11

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

|   |   |  |   |   |
|---|---|--|---|---|
|  |  |  |  |  |
| Managing Director &<br>Chief Executive Officer                                      | Chief Financial Officer   | Director   | Chairman  | Director  |



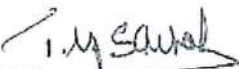
**EFU LIFE ASSURANCE LIMITED-WINDOW TAKAFUL OPERATIONS (Un-audited / Un-reviewed)**  
**Condensed Interim Statement Of Profit And Loss Account**  
**For The Six Months Period Ended 30 June 2023**

| Note   | Operator's Sub Fund |                  | Policyholder's Fund |                  | Aggregate        |                  | Three Months Ended 30 |                  |
|--|---------------------|------------------|---------------------|------------------|------------------|------------------|-----------------------|------------------|
|  | Period Ended        |                  | Period Ended        |                  | Period Ended     |                  | June                  |                  |
|  | 2023                | 2022             | 2023                | 2022             | 2023             | 2022             | 2023                  | 2022             |
|  | (Rupees in '000)    |                  |                     |                  |                  |                  |                       |                  |
| Contribution Revenue   | 574,291             | 576,443          | 3,390,859           | 3,067,354        | 3,965,150        | 3,963,797        | 2,141,694             | 1,843,646        |
| Contribution ceded to reinsurers   | -                   | -                | (281,036)           | (153,909)        | (261,035)        | (153,906)        | (198,955)             | (39,756)         |
| <b>Net Contribution revenue</b>  | <b>574,291</b>      | <b>576,443</b>   | <b>3,120,824</b>    | <b>2,933,446</b> | <b>3,704,115</b> | <b>3,809,891</b> | <b>1,944,729</b>      | <b>1,803,890</b> |
| Wakalat-ul-Istismar - PIF  | 337,007             | 296,162          | (339,519)           | (296,162)        | (2,512)          | -                | (2,507)               | -                |
| Wakala Fee - PTF   | 153,321             | 135,419          | (153,321)           | (136,419)        | -                | -                | -                     | -                |
| Special reinstatement fee  | 13                  | 20               | -                   | -                | 13               | 20               | 8                     | 12               |
| Mudharib Fee   | 29,637              | 14,848           | (29,637)            | (14,848)         | -                | -                | -                     | -                |
| Investment income  | 69,111              | 40,418           | 1,456,643           | 624,550          | 1,525,754        | 664,968          | 876,220               | 371,779          |
| Net realised fair value gains on financial assets                                | (349)               | (331)            | (122,547)           | (93,009)         | (122,896)        | (93,339)         | (51,529)              | (102,541)        |
| Net fair value (losses) on financial assets at fair value through profit or loss | 30                  | (805)            | 10,523              | (226,189)        | 10,553           | (226,993)        | 74,356                | (148,701)        |
|  | <b>588,770</b>      | <b>465,731</b>   | <b>822,142</b>      | <b>(142,075)</b> | <b>1,410,912</b> | <b>344,656</b>   | <b>895,548</b>        | <b>120,549</b>   |
| <b>Net income</b>  | <b>1,183,061</b>    | <b>1,363,174</b> | <b>3,951,966</b>    | <b>2,791,373</b> | <b>5,115,027</b> | <b>4,154,547</b> | <b>2,841,277</b>      | <b>1,924,439</b> |
| Takaful benefits   | -                   | -                | 1,308,721           | 896,619          | 1,308,721        | 896,619          | 629,110               | 483,338          |
| Recoveries from retakafuls   | -                   | -                | (91,307)            | (66,709)         | (91,307)         | (66,709)         | (20,426)              | (46,917)         |
| Qard-e-Hasna   | -                   | -                | -                   | 22,542           | -                | 22,542           | -                     | 22,542           |
| Claims related expenses  | -                   | -                | -                   | -                | -                | -                | -                     | -                |
| <b>Net Takaful Benefits</b>  | <b>-</b>            | <b>-</b>         | <b>1,217,414</b>    | <b>852,452</b>   | <b>1,217,414</b> | <b>852,452</b>   | <b>608,684</b>        | <b>458,963</b>   |
| Net Change in Takaful Liabilities (other than outstanding claims)                | -                   | -                | 2,734,552           | 1,938,921        | 2,734,552        | 1,938,921        | 1,585,451             | 601,134          |
| Acquisition expenses   | 933,800             | 1,188,259        | -                   | -                | 933,800          | 1,188,259        | 468,818               | 540,341          |
| Exgratia-Surrender Expense   | 989                 | 480              | -                   | -                | 969              | 480              | 773                   | 162              |
| Marketing and administration expenses  | 288,829             | 173,239          | -                   | -                | 288,829          | 173,239          | 162,440               | 92,052           |
| <b>Total Expenses</b>  | <b>1,223,388</b>    | <b>1,361,978</b> | <b>2,734,552</b>    | <b>1,938,921</b> | <b>3,957,950</b> | <b>3,300,899</b> | <b>2,215,462</b>      | <b>1,433,719</b> |
| <b>Income before tax</b>   | <b>(60,337)</b>     | <b>1,196</b>     | <b>-</b>            | <b>-</b>         | <b>(60,337)</b>  | <b>1,196</b>     | <b>17,111</b>         | <b>31,757</b>    |
| Income tax   | 23,532              | (347)            | -                   | -                | 23,532           | (347)            | 1,072                 | (9,210)          |
| <b>Income for the year</b>   | <b>(36,805)</b>     | <b>849</b>       | <b>-</b>            | <b>-</b>         | <b>(36,805)</b>  | <b>849</b>       | <b>18,183</b>         | <b>22,547</b>    |
| <b>Earnings per share - Rupees</b>   | <b>(0.37)</b>       | <b>0.01</b>      | <b>-</b>            | <b>-</b>         | <b>(0.37)</b>    | <b>0.01</b>      | <b>0.18</b>           | <b>0.23</b>      |

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

  
 Managing Director &  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director

  
 Chairman

  
 Director



**EFU LIFE ASSURANCE LIMITED-WINDOW TAKAFUL OPERATIONS (Un-audited / Un-reviewed)**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**For The Six Months Period Ended 30 June 2023**

|   | Operator Sub Fund       |            | Policyholder Funds      |          | Aggregate               |            |                               |               |
|---|-------------------------|------------|-------------------------|----------|-------------------------|------------|-------------------------------|---------------|
|   | Period Ended<br>30 June |            | Period Ended<br>30 June |          | Period Ended<br>30 June |            | Three Months<br>Ended 30 June |               |
|   | 2023                    | 2022       | 2023                    | 2022     | 2023                    | 2022       | 2023                          | 2022          |
|   | (Rupees in '000)        |            |                         |          |                         |            |                               |               |
| Income for the year - as per Profit and Loss Account  | (36,805)                | 849        | -                       | -        | (36,805)                | 849        | 18,183                        | 22,547        |
| <b>Other Comprehensive Income:</b>  |                         |            |                         |          |                         |            |                               |               |
| <b>Items that may be reclassified to profit and loss in subsequent periods:</b>               |                         |            |                         |          |                         |            |                               |               |
| 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 year- net of tax   | -                       | -          | -                       | -        | -                       | -          | -                             | -             |
| <b>Total comprehensive income for the year</b>  | <b>(36,805)</b>         | <b>849</b> | <b>-</b>                | <b>-</b> | <b>(36,805)</b>         | <b>849</b> | <b>18,183</b>                 | <b>22,547</b> |

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

|   |  |   |  |   |
|---|--|---|--|---|
| <br>Managing Director &<br>Chief Executive Officer | <br>Chief Financial Officer | <br>Director | <br>Chairman | <br>Director |
|---|--|---|--|---|

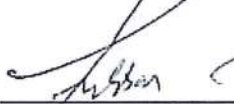
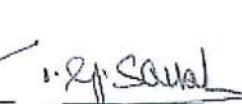


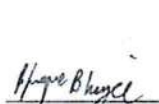
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**Window Takaful Operations (Un-audited / Un-reviewed)**  
**For the period ended 30 June 2023**

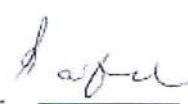
|   | Year ended                   |                    |
|---|------------------------------|--------------------|
|   | 30 June                      |                    |
|   | 2023                         | 2022               |
|   | ----- (Rupees in '000) ----- |                    |
| <b>Operating cash flows</b>                           |                              |                    |
| <b>a) Takaful activities</b>                          |                              |                    |
| Takaful contribution received                         | 4,049,552                    | 3,976,219          |
| Retakaful contribution paid                           | (77,737)                     | (75,110)           |
| Claims paid   | (1,298,162)                  | (899,148)          |
| Retakaful and other recoveries received               | 91,307                       | 66,709             |
| Commission paid                                       | (634,032)                    | (773,605)          |
| Marketing and Administrative expenses paid            | (288,829)                    | (173,239)          |
| Other acquisition cost paid                           | (436,999)                    | (528,537)          |
| <b>Net cash flow from underwriting activities</b>     | <b>1,405,100</b>             | <b>1,593,289</b>   |
| <b>b) Other operating activities</b>                  |                              |                    |
| Other operating payments                              | (1,002,970)                  | (149,778)          |
| Other receipts/(payments) on operating assets         | 743,342                      | (46,830)           |
| <b>Net cash flow from other operating activities</b>  | <b>(259,628)</b>             | <b>(196,608)</b>   |
| <b>Total cash flow from all operating activities</b>  | <b>1,145,472</b>             | <b>1,396,681</b>   |
| <b>Investment activities</b>                          |                              |                    |
| Profit / Return received                              | 1,247,776                    | 466,292            |
| Dividends received                                    | 70,945                       | 79,626             |
| Payments for investments                              | (4,929,049)                  | (2,155,225)        |
| Proceed from disposal of investments                  | 321,804                      | 337,744            |
| <b>Total cash flow from investing activities</b>      | <b>(3,288,524)</b>           | <b>(1,271,563)</b> |
| <b>Financing activities</b>                           |                              |                    |
| Net Capital contributed from shareholder's fund       | (32,399)                     | (19,227)           |
| Surplus appropriated to shareholder's fund            |                              |                    |
| <b>Total cash flow from financing activities</b>      | <b>(32,399)</b>              | <b>(19,227)</b>    |
| <b>Net cash flow from all activities</b>              | <b>(2,175,451)</b>           | <b>105,891</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>3,267,016</b>             | <b>5,452,912</b>   |
| <b>Reconciliation to profit and loss account</b>      |                              |                    |
| Operating cash flows                                  | 1,145,472                    | 1,396,681          |
| Depreciation expense                                  | (60,411)                     | (55,505)           |
| Amortization expense                                  | (506)                        | (1,026)            |
| Loss on disposal of investments                       | (122,897)                    | (93,340)           |
| Dividend Income                                       | 70,945                       | 79,626             |
| Other investment income                               | 1,466,199                    | 592,783            |
| Depreciation in market value of investments           | (832)                        | (234,429)          |
| (Decrease)/Increase in assets other than cash         | (695,920)                    | 23,310             |
| Increase in liabilities                               | (1,838,855)                  | (1,707,251)        |
| <b>Profit after taxation</b>                          | <b>(36,805)</b>              | <b>849</b>         |

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

  
**Managing Director &  
Chief Executive Officer**

   
**Chief Financial Officer**      **Director**

  
**Chairman**

  
**Director**



**EFU LIFE ASSURANCE LIMITED-WINDOW TAKAFUL OPERATIONS (Un-audited / Un-reviewed)**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 JUNE 2023**

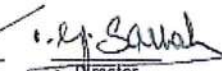
|   | Attributable to the equity holders' of the Company |   |                    |  |  |                          | Total          |
|---|--|---|--------------------|--|--|--------------------------|----------------|
|   | Cede<br>Money                                      | Capital<br>Contribution<br>from main<br>Shareholder<br>Fund | General<br>Reserve | Retained<br>earnings arising<br>from business<br>other than<br>participating<br>business<br>attributable to<br>shareholders<br>(ledger account<br>D)- net of tax * | Surplus/Deficit<br>on revaluation<br>of available for<br>sale investment | Unappropriated<br>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                | -  | 37,304  | -                  | -  | -  | -                        | 37,304         |
| Profit transferred to main shareholder's fund               | -  | -   | -                  | -  | -  | -                        | -              |
| Income for the year ended 31 December 2022                  | -  | -   | -                  | -  | -  | 849                      | 849            |
| Other Comprehensive income/( loss)                          | -  | -   | -                  | -  | -  | -                        | -              |
| Total income for the year ended 31 December 2022            | -  | -   | -                  | -  | -  | 849                      | 849            |
| Contribution to increase solvency margin                    | -  | (16,231)  | -                  | 16,231   | -  | -                        | -              |
| Capital contribution transferred to policy holder liability | -  | 22,537  | -                  | -  | -  | -                        | 22,537         |
| Balance as at 31 December 2022                              | <u>50,000</u>                                      | <u>145,830</u>  | <u>-</u>           | <u>164,320</u>   | <u>-</u>   | <u>(42,215)</u>          | <u>317,935</u> |
| Balance as at 1 January 2023                                | 50,000   | 61,326  | -                  | 193,925  | -  | (69,279)                 | 235,972        |
| Capital contribution from shareholder's fund                | -  | 117,278   | -                  | -  | -  | -                        | 117,278        |
| Income for the y period ended 30 June 2023                  | -  | -   | -                  | -  | -  | (36,805)                 | (36,805)       |
| Other Comprehensive income/( loss)                          | -  | -   | -                  | -  | -  | (36,805)                 | (36,805)       |
| Contribution to increase solvency margin                    | -  | (2,875)   | -                  | 2,875  | -  | -                        | -              |
| Capital contribution transferred to policy holder liability | -  | -   | -                  | -  | -  | -                        | -              |
| Balance as at 30 June 2023                                  | <u>50,000</u>                                      | <u>175,729</u>  | <u>-</u>           | <u>196,800</u>   | <u>-</u>   | <u>(106,084)</u>         | <u>316,445</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 financial statements.

  
 Managing Director &  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director

  
 Chairman

  
 Director



**EFU LIFE ASSURANCE LIMITED- Window Takaful Operations (Un-audited / Un-reviewed)**  
**Notes To and forming part of Financial Statement**  
**For The Year Period ended 30 June 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 2021.

### **3.1 Significant Accounting Policies - Window Family Takaful Operations**

#### **3.1.1 Takaful Contracts**

The takaful contracts are based on the principles of Wakala Waqf Model. Takaful is a program based on Shariah compliant, approved concept founded on the principles of mutual cooperation, solidarity and brotherhood.

The obligation of Waqf for Waqf participants' liabilities is limited to the amount available in the Waqf fund. In the event where there is insufficient funds in Waqf to meet their current payments less receipts, the deficit is funded by way of an interest free loan (Qard-e-Hasna) from the Operator sub fund to participant takaful fund and group family takaful. The amount of Qard-e-Hasna is refundable to the Operator sub fund.

Technical reserves are stated at a value determined by the appointed actuary through an actuarial valuation carried out as at each balance sheet date, in accordance with section 50 of the Insurance Ordinance, 2000.

#### **3.1.2 Group Takaful**

The group family takaful contracts are issued typically on yearly renewable term basis. The Company offers group term life and group credit plans to its participants.

#### **3.1.3 Individual Takaful Contracts Unit - Linked**

The Company offers unit-linked Takaful plans which provide Shariah compliant financial protection and investment vehicle to individual participants contribution received from policyholders, after deducting specific charges and takaful donations, are invested in internal unit funds of the Company.

The basic plan contains family takaful cover over and above the unit value with additional protection.

#### **3.1.4 Retakaful**

These contracts are entered into by the Company with retakaful operator under which the retakaful operator cedes the takaful risk assumed during normal course of its business and according to which the Waqf is compensated for losses on contract issued by it are classified as retakaful contracts held.

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#### **Retakaful Contribution**

Retakaful contribution is recorded at the time the retakaful is ceded. Surplus from retakaful operator is recognized in the revenue account.



### **Retakaful Expenses**

Retakaful expenses are recognized as a liability in accordance with the pattern of recognition of related contribution.

### **Retakaful assets and liabilities**

Retakaful assets represent balances due from retakaful operators. Recoverable amounts are estimated in a manner consistent with the associated retakaful treaties.

Retakaful liabilities represent balances due to retakaful operators. Amounts payable are calculated in a manner consistent with the associated retakaful treaties.

Retakaful assets are not offset against related retakaful liabilities. Income or expenses from retakaful contract are not offset against expenses or income from related retakaful contracts as required by Insurance

Retakaful assets and liabilities are derecognized when the contractual rights are extinguished or expired.

#### **3.1.5 Business Segment - Window Family Takaful Operation**

The Company has two primary business segment for reporting purposes; Family Takaful Investment Linked Business and Family Takaful Protection Business.

- a) The Family Takaful Investment Linked Business segments provides family takaful coverage to individuals under unit -linked policies issued by the PTF.
- b) The Family Takaful Protection Business segment provides family takaful coverage to member of business enterprises, corporate entities and common interest groups under group family takaful

#### **3.1.6 Takaful operator's fee**

The shareholders of the Company manage the family takaful operations for the participants and act as Wakeel of the Waqf fund. The Company is entitled for the wakala fee for the management of takaful operation under Waqf fund to meet its general and administrative expenses.

The window takaful operator is also entitled for Wakalt-ul-Istismar fee as it manages Participant Investment Fund.

#### **3.1.7 Revenue recognition**

Individual first year contribution are recognized once the related policies have been issued and the contribution received. Renewal contribution are recognized upon receipt of contribution provided the policy is still in force. Individual single contribution are recognized once the related policies are issued against the receipts of contribution.

Group contribution are recognized when due. A provision for unearned contribution is included in the policyholders' liabilities.

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

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



| 5 INVESTMENTS IN EQUITY SECURITIES   | Note | 30 June          | 31 December      |
|--|------|------------------|------------------|
|  |      | 2023             | 2022             |
| ----- (Rupees in '000) -----   |      |                  |                  |
| Available for Sale   | 5.1  | -                | -                |
| At fair value through profit or loss (Designated - upon initial recognition) | 5.2  | 1,244,741        | 1,589,023        |
|  |      | <u>1,244,741</u> | <u>1,589,023</u> |

|  | 30 June 2023                 |                          |                   | 31 December 2022 (Audited) |                          |                   |
|--|------------------------------|--------------------------|-------------------|----------------------------|--------------------------|-------------------|
|  | Cost                         | Impairment/<br>provision | Carrying<br>Value | Cost                       | Impairment/<br>provision | Carrying<br>Value |
|  | ----- (Rupees in '000) ----- |                          |                   |                            |                          |                   |
| 5.1 Available for Sale   | -                            | -                        | -                 | -                          | -                        | -                 |
| 5.2 Fair Value through Profit and Loss<br>(Designated - upon initial<br>recognition) |                              |                          |                   |                            |                          |                   |
| Related Parties  |                              |                          |                   |                            |                          |                   |
| Listed Shares  | -                            | -                        | -                 | -                          | -                        | -                 |
| Others   |                              |                          |                   |                            |                          |                   |
| Listed Shares  | 1,437,654                    | -                        | 1,244,741         | 1,825,307                  | -                        | 1,589,023         |
|  | <u>1,437,654</u>             | <u>-</u>                 | <u>1,244,741</u>  | <u>1,825,307</u>           | <u>-</u>                 | <u>1,589,023</u>  |

| 6. GOVERNMENT SECURITIES   | Note | 30 June           | 31 December      |
|--|------|-------------------|------------------|
|  |      | 2023              | 2022             |
| ----- (Rupees in '000) -----   |      |                   |                  |
| Held to Maturity   | 6.1  | 1,122,300         | 920,030          |
| Fair value through profit and loss (designated - upon initial recognition) | 6.2  | 12,794,029        | 8,460,285        |
|  |      | <u>13,916,329</u> | <u>9,380,315</u> |

| 6.1 Held to Maturity     | Maturity<br>Year | Effective<br>Yield<br>% | 30 June 2023                 |                        |                   | 31 December 2022  |                        |                   |
|--------------------------|------------------|-------------------------|------------------------------|------------------------|-------------------|-------------------|------------------------|-------------------|
|                          |                  |                         | Amortised<br>Cost            | Principal<br>Repayment | Carrying<br>Value | Amortised<br>Cost | Principal<br>Repayment | Carrying<br>Value |
|                          |                  |                         | ----- (Rupees in '000) ----- |                        |                   |                   |                        |                   |
| Government Ijara         | 2024-2027        | 6.40-22.68%             | 481,380                      | 668,537                | 481,380           | 277,612           | 277,136                | 277,612           |
| Pakistan Energy Sukuk I  | 2029             | 0.1488                  | 169,610                      | 197,160                | 189,610           | 190,820           | 197,160                | 190,820           |
| Pakistan Energy Sukuk II | 2030             | 0.0725                  | 451,310                      | 452,700                | 451,310           | 451,598           | 452,700                | 451,598           |
|                          |                  |                         | <u>1,122,300</u>             | <u>1,318,397</u>       | <u>1,122,300</u>  | <u>920,030</u>    | <u>926,996</u>         | <u>920,030</u>    |

| 6.2 Fair Value through profit and loss<br>(Designated - upon initial recognition) | Maturity<br>Year | Effective<br>Yield<br>% | 30 June 2023                 |                        |                   | 31 December 2022  |                        |                   |
|---|------------------|-------------------------|------------------------------|------------------------|-------------------|-------------------|------------------------|-------------------|
|   |                  |                         | Amortised<br>Cost            | Principal<br>Repayment | Carrying<br>Value | Amortised<br>Cost | Principal<br>Repayment | Carrying<br>Value |
|   |                  |                         | ----- (Rupees in '000) ----- |                        |                   |                   |                        |                   |
| Government Ijara  | 2024-2027        | 6.40-22.68              | 12,405,861                   | 12,418,660             | 12,214,029        | 8,023,681         | 8,032,133              | 7,880,285         |
| Pakistan Energy Sukuk I   | 2029             | 0.1488                  | 595,422                      | 620,840                | 530,000           | 190,820           | 620,840                | 530,000           |
| Pakistan Energy Sukuk II  | 2030             | 0.0725                  | 51,146                       | 50,300                 | 50,000            | 50,178            | 50,300                 | 50,000            |
|   |                  |                         | <u>13,053,449</u>            | <u>13,089,800</u>      | <u>12,794,029</u> | <u>8,264,679</u>  | <u>8,703,273</u>       | <u>8,460,285</u>  |

6.3 Market value of government securities carried at amortized cost amounted to Rs. 1099 million (2022: Rs. 894 million).



7. INVESTMENT IN DEBT SECURITIES

|  | Note | 30 June 2023        |                          |                   | 31 December 2022 |                           |                   |
|--|------|---------------------|--------------------------|-------------------|------------------|---------------------------|-------------------|
|  |      | Cost                | Impairment/<br>Provision | Carrying<br>Value | Cost             | Impairment /<br>Provision | Carrying<br>Value |
| (Rupees in '000)   |      |                     |                          |                   |                  |                           |                   |
| Others   |      |                     |                          |                   |                  |                           |                   |
| Corporate Sukuks   | 7.1  | 1,845,788           | -                        | 1,845,788         | 1,542,618        | -                         | 1,542,618         |
|  |      | <u>1,845,788</u>    | <u>-</u>                 | <u>1,845,788</u>  | <u>1,542,618</u> | <u>-</u>                  | <u>1,542,618</u>  |
| Fair Value through Profit and Loss<br>(Designated upon initial recognition)    |      | No. Of Certificates |                          | Face<br>Value     | Carrying Amount  |                           |                   |
|  |      | 30 June<br>2023     | 31 December<br>2022      |                   | 30 June<br>2023  | 31 December<br>2022       |                   |
| 7.1 Corporate Sukuks   |      | (Rupees in '000)    |                          |                   |                  |                           |                   |
|  |      | Maturity            |                          |                   |                  |                           |                   |
| K Electric   | 2022 | 100,000             | -                        | -                 | 613,457          | -                         |                   |
| HUBCO Sukuk  | 2023 | 50,000              | 28,571                   | 7                 | 50,149           | 101,170                   |                   |
| Neelum Jehlum Hydropower   | 2026 | 1,250               | 1,250                    | 100               | 39,867           | 49,133                    |                   |
| Mezzan Bank Ltd  | 2028 | 50,000              | 50,000                   | 5                 | 250,000          | 250,000                   |                   |
| Dubai Islamic Bank Limited   | 2028 | 20,000              | 20,000                   | 5                 | 100,000          | 100,000                   |                   |
| Bank Islami EHAD Sukuk   | 2030 | 28,063              | 28,063                   | 5                 | 140,315          | 140,315                   |                   |
|  |      |                     |                          |                   | <u>1,193,788</u> | <u>640,618</u>            |                   |
| Term Finance Certificate   |      |                     |                          |                   |                  |                           |                   |
| K-Electric Limited   | 2029 |                     | 120,000                  | 5                 | -                | 600,000                   |                   |
|  |      |                     |                          |                   | <u>-</u>         | <u>600,000</u>            |                   |
| Certificate Of Investment  |      |                     |                          |                   |                  |                           |                   |
| First Habib Modarba  | 2023 |                     | 2                        | 151,000           | 652,000          | 302,000                   |                   |
|  |      |                     |                          |                   | <u>652,000</u>   | <u>302,000</u>            |                   |
|  |      |                     |                          |                   | <u>1,845,788</u> | <u>1,542,618</u>          |                   |
| 8. INVESTMENTS IN TERM DEPOSITS  |      |                     |                          |                   |                  |                           |                   |
|  |      |                     |                          |                   | 30 June<br>2023  | 31 December<br>2022       |                   |
| (Rupees in '000)   |      |                     |                          |                   |                  |                           |                   |
| Deposit maturing within 12 months  |      |                     |                          |                   | <u>1,140,000</u> | <u>3,771,000</u>          |                   |
| 9. CASH AND BANK   |      |                     |                          |                   |                  |                           |                   |
| Cash and Cash Equivalent   |      |                     |                          |                   |                  |                           |                   |
| Cash in hand   |      |                     |                          |                   | 307              | 75                        |                   |
| Cash at bank   |      |                     |                          |                   |                  |                           |                   |
| Current account  |      |                     |                          |                   | 595,197          | 359,643                   |                   |
| Saving account   |      |                     |                          |                   | 1,531,512        | 1,311,748                 |                   |
|  |      |                     |                          |                   | <u>2,127,016</u> | <u>1,671,466</u>          |                   |
| (Rupees in '000)   |      |                     |                          |                   |                  |                           |                   |
| 9.1 Cash and cash equivalents for cash flow purpose comprise of the following: |      |                     |                          |                   |                  |                           |                   |
| - Cash and others  |      |                     |                          |                   | 307              | 397                       |                   |
| - Cash at bank   |      |                     |                          |                   | 2,126,709        | 1,311,515                 |                   |
| - Term deposits maturing within three months                                   |      |                     |                          |                   | 1,140,000        | 4,141,000                 |                   |
|  |      |                     |                          |                   | <u>3,267,016</u> | <u>5,452,912</u>          |                   |



|   | Note   | 30 June<br>2023   | 31 December<br>2022 |
|---|--------|-------------------|---------------------|
| ----- (Rupees in '000) -----  |        |                   |                     |
| <b>10. TAKAFUL LIABILITIES</b>  |        |                   |                     |
| Reported outstanding claims   | 10.1   | 360,161           | 350,270             |
| Incurred but not reported claims  | 10.2   | 149,420           | 99,537              |
| Investment component of unit-linked and account value policies  | 10.3   | 18,662,847        | 16,174,063          |
| Liabilities under individual conventional insurance contracts   | 10.4   | 127,558           | 131,123             |
| Liabilities under group insurance contracts<br>(other than investment linked)   | 10.5   | 74,572            | 55,252              |
| Other liabilities   |        | 52,789            | 48,225              |
| Participant takaful fund balance  | 10.6.1 | 647,775           | 466,992             |
|   |        | <u>20,075,122</u> | <u>17,325,462</u>   |
| <b>10.1 Reported Outstanding Claims</b>   |        |                   |                     |
| <b>Gross of Retakaful</b>   |        |                   |                     |
| Payable within one year   |        | 336,567           | 326,021             |
| Payable over a period of time exceeding one year  |        | 54,267            | 59,566              |
|   |        | <u>390,834</u>    | <u>385,587</u>      |
| <b>Recoverable from Retakaful</b>   |        |                   |                     |
| Receivable over a period of time exceeding one year   |        | (30,673)          | (35,317)            |
|   |        | <u>(30,673)</u>   | <u>(35,317)</u>     |
| Net reported outstanding claims   |        | <u>360,161</u>    | <u>350,270</u>      |
| <b>10.2 Incurred But Not Reported Claims</b>  |        |                   |                     |
| Gross of retakaful  |        | 261,193           | 172,145             |
| Retakaful recoveries  |        | (111,773)         | (72,608)            |
| Net of retakaful  |        | <u>149,420</u>    | <u>99,537</u>       |
| <b>10.3 Investment Component of Unit Linked and Account Value Policies</b>  |        |                   |                     |
| Investment component of unit linked policies  |        | 18,662,847        | 16,174,063          |
| Investment component of account value policies  |        | -                 | -                   |
|   |        | <u>18,662,847</u> | <u>16,174,063</u>   |
| <b>10.4 Liabilities under Individual Conventional takaful Contracts</b>   |        |                   |                     |
| Gross of Retakaful  |        | 198,643           | 206,467             |
| Retakaful Credit  |        | (71,085)          | (75,344)            |
| Net of Reinsurance  |        | <u>127,558</u>    | <u>131,123</u>      |
| <b>10.5 Liabilities under Group Insurance Contracts<br/>(other than investment linked)</b>  |        |                   |                     |
| Gross of Reinsurance  |        | 170,000           | 77,603              |
| Reinsurance Credit  |        | (95,428)          | (22,351)            |
| Net of Reinsurance  |        | <u>74,572</u>     | <u>55,252</u>       |
| <b>10.6 Participant Takaful Fund Balance</b>  | 10.6.1 | 647,775           | 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. |        |                   |                     |

## 11. CONTINGENCIES AND COMMITMENTS

The contingencies and commitments reported in the main financials of the Company also includes impacts of Window Takaful Operations as at June 30, 2023. Out of the reported amount thereon, an amount of Rs.238.11 million pertains to Window Takaful Operations. There were no other material contingencies and commitments as at June 30, 2023.

|  | Aggregate                          |                  |                              |                  |
|--|------------------------------------|------------------|------------------------------|------------------|
|  | Six months period ended<br>30 June |                  | Three months period<br>ended |                  |
|  | 2023                               | 2022             | 2023                         | 2022             |
| ----- (Rupees in '000) -----   |                                    |                  |                              |                  |
| <b>12. NET CONTRIBUTION REVENUE</b>  |                                    |                  |                              |                  |
| <b>Gross contribution</b>  |                                    |                  |                              |                  |
| Regular contribution individual policies   |                                    |                  |                              |                  |
| First year   | 781,727                            | 1,240,875        | 499,372                      | 615,015          |
| Second year renewal  | 801,661                            | 868,179          | 394,043                      | 421,819          |
| Subsequent year renewal  | 1,857,543                          | 1,472,017        | 872,192                      | 676,884          |
| Single contribution individual policies  | 46,951                             | 104,641          | 27,198                       | 46,133           |
| Group policies with cash values  | 555                                | 595              | 510                          | 530              |
| Group policies without cash values   | 476,713                            | 277,490          | 348,379                      | 83,265           |
| <b>Total gross contribution</b>  | <b>3,965,150</b>                   | <b>3,963,797</b> | <b>2,141,694</b>             | <b>1,843,646</b> |
| <b>Less: Retakaful contribution ceded</b>  |                                    |                  |                              |                  |
| On individual life first year business   | 11,820                             | 16,221           | 6,415                        | 7,951            |
| On individual life second year business  | 10,644                             | 9,980            | 5,493                        | 5,239            |
| On individual life renewal business  | 29,640                             | 23,563           | 12,873                       | 10,304           |
| On group policies  | 214,271                            | 111,332          | 175,054                      | 19,732           |
| Less: Experience refund from reinsurers  | (5,340)                            | (7,190)          | (2,870)                      | (3,470)          |
| <b>Total reinsurance premium / retakaful contribution ceded</b>                    | <b>261,035</b>                     | <b>153,906</b>   | <b>196,965</b>               | <b>39,756</b>    |
| <b>Net premium / contribution</b>  | <b>3,704,115</b>                   | <b>3,809,891</b> | <b>1,944,729</b>             | <b>1,803,890</b> |
| <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  | 70,945                             | 79,626           | 33,477                       | 28,801           |
| <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  | 196,270                            | 125,742          | 85,125                       | 48,772           |
| On government securities   | 338,894                            | 150,575          | 117,130                      | 126,441          |
| <b>Held to maturity</b>  |                                    |                  |                              |                  |
| On government securities   | 736,424                            | 152,476          | 551,559                      | 65,987           |
| <b>Income from term deposits</b>   |                                    |                  |                              |                  |
| Return on term deposits  | 183,222                            | 156,550          | 88,930                       | 101,779          |
|  | <b>1,525,755</b>                   | <b>664,969</b>   | <b>876,221</b>               | <b>371,780</b>   |



|  | Aggregate                          |                  |                              |                  |
|--|------------------------------------|------------------|------------------------------|------------------|
|  | Six months period ended<br>30 June |                  | Three months period<br>ended |                  |
|  | 2023                               | 2022             | 2023                         | 2022             |
| (Rupees in '000)   |                                    |                  |                              |                  |
| <b>14. NET REALISED FAIR VALUE GAINS (LOSSES) ON FINANCIAL ASSETS</b>  |                                    |                  |                              |                  |
| Available for sale   |                                    |                  |                              |                  |
| Realised gains on:   |                                    |                  |                              |                  |
| - Equity securities  | 3,508                              | 14,550           | 513                          | 5,348            |
| Realised losses on:  |                                    |                  |                              |                  |
| - Equity securities  | (126,404)                          | (107,889)        | (52,042)                     | (107,889)        |
|  | <u>(122,896)</u>                   | <u>(93,339)</u>  | <u>(51,529)</u>              | <u>(102,541)</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 | 10,553                             | (226,993)        | 74,356                       | (148,701)        |
|  | <u>10,553</u>                      | <u>(226,993)</u> | <u>74,356</u>                | <u>(148,701)</u> |
| <b>16. NET TAKAFUL BENEFITS</b>  |                                    |                  |                              |                  |
| Gross claims   |                                    |                  |                              |                  |
| Claims under individual policies   |                                    |                  |                              |                  |
| by death   | 56,699                             | 53,197           | 30,264                       | 29,358           |
| by insured event other than death  | -                                  | -                | -                            | -                |
| by maturity  | -                                  | -                | -                            | -                |
| by surrender   | 1,084,857                          | 696,229          | 540,664                      | 364,060          |
| <b>Total gross individual policy claims</b>  | <u>1,141,556</u>                   | <u>749,426</u>   | <u>570,928</u>               | <u>393,418</u>   |
| Claims under group policies  |                                    |                  |                              |                  |
| by death   | 162,453                            | 143,507          | 57,803                       | 86,245           |
| by insured event other than death  | 4,712                              | 3,686            | 379                          | 3,674            |
| by maturity  | -                                  | -                | -                            | -                |
| by surrender   | -                                  | -                | -                            | -                |
| <b>Total gross group claims</b>  | <u>167,165</u>                     | <u>147,193</u>   | <u>58,182</u>                | <u>89,919</u>    |
| <b>Total gross claims</b>  | <u>1,308,721</u>                   | <u>896,619</u>   | <u>629,110</u>               | <u>483,337</u>   |
| Less: Retakaful recoveries   |                                    |                  |                              |                  |
| On individual life claims  | 16,177                             | 6,266            | 7,125                        | (2,774)          |
| On group life claims   | 75,130                             | 60,443           | 13,301                       | 49,689           |
| <b>Total retakaful recoveries</b>  | <u>91,307</u>                      | <u>66,709</u>    | <u>20,426</u>                | <u>46,915</u>    |
| <b>Net takaful benefit expense</b>   | <u>1,217,414</u>                   | <u>829,910</u>   | <u>608,684</u>               | <u>436,422</u>   |

| Aggregate                          |      |                                      |      |
|------------------------------------|------|--------------------------------------|------|
| Six months period ended<br>30 June |      | Three months period<br>ended 30 June |      |
| 2023                               | 2022 | 2023                                 | 2022 |
| ----- (Rupees in '000) -----       |      |                                      |      |

## 17 ACQUISITION EXPENSES

Remuneration to takaful intermediaries on individual policies:

|   |         |         |         |         |
|---|---------|---------|---------|---------|
| - Commission to agent on first year contributions                                     | 302,450 | 483,779 | 191,193 | 244,271 |
| - Commission to agent on second year contributions                                    | 74,868  | 64,925  | 26,200  | 21,505  |
| - Commission to agent on subsequent renewal contributions                             | 56,263  | 35,360  | 27,015  | 11,189  |
| - Commission to agent on single contributions   | 1,364   | 3,035   | 794     | 1,364   |
| - Override commission to supervisors  | 59,618  | 100,064 | 36,807  | 50,418  |
| <br>  |         |         |         |         |
| - Other benefits to takaful intermediaries<br>Salaries, allowances and other benefits | 273,588 | 350,135 | 79,903  | 140,950 |

Remuneration to takaful intermediaries on group policies:

|  |        |        |        |        |
|--|--------|--------|--------|--------|
| - Commission                               | 20,086 | 21,003 | 13,447 | 11,937 |
| - Other benefits to takaful intermediaries | 10,854 | 13,398 | 7,539  | 9,328  |

Other acquisition costs

|                                     |                |                  |                |                |
|-------------------------------------|----------------|------------------|----------------|----------------|
| - Traveling expenses                | 39,578         | 4,548            | 36,451         | 2,822          |
| - Printing and stationery           | 341            | 1,006            | 190            | 432            |
| - Depreciation                      | 41,797         | 43,809           | 21,812         | 29,871         |
| - Rent, rates and taxes             | 1,666          | 2,477            | 726            | (7,691)        |
| - Electricity, gas and water        | 11,812         | 10,715           | 7,480          | 8,081          |
| - Entertainment                     | 4,603          | 5,027            | 2,488          | 2,494          |
| - Vehicle running expenses          | 774            | 1,042            | 339            | 305            |
| - Office repairs & maintenance      | 4,012          | 4,216            | 1,965          | 2,760          |
| - Postages, telegrams and telephone | 2,796          | 4,265            | 1,443          | 2,022          |
| - Finance Cost                      | 9,530          | 8,956            | 4,655          | 4,578          |
| - Others                            | 6,095          | 7,484            | 2,507          | (8,500)        |
| - Medical fees                      | 2,220          | 2,133            | 992            | 907            |
| - Policy stamps                     | 9,285          | 20,882           | 2,872          | 11,298         |
|                                     | <u>933,600</u> | <u>1,188,259</u> | <u>466,818</u> | <u>540,341</u> |

## 18. MARKETING AND ADMINISTRATION EXPENSES

|                                    |                |                |                |               |
|------------------------------------|----------------|----------------|----------------|---------------|
| Employee benefit cost              | 130,194        | 79,359         | 73,796         | 42,975        |
| Traveling expenses                 | 10,873         | 6,911          | 8,440          | 4,635         |
| Advertisements and sales promotion | 15,714         | 5,047          | 9,998          | (447)         |
| Printing and stationery            | 15,451         | 9,517          | 8,682          | 3,911         |
| Depreciation                       | 18,614         | 11,696         | 9,959          | 6,643         |
| Amortisation                       | 506            | 1,026          | 208            | 513           |
| Rent, rates and taxes              | 451            | 70             | 437            | (197)         |
| Legal and Professional charges     | 4,898          | 4,281          | 2,279          | 1,755         |
| Electricity, gas and water         | 7,479          | 3,272          | 4,794          | 1,904         |
| Entertainment                      | 4,620          | 3,247          | 2,236          | 1,296         |
| Vehicle running expenses           | 1,137          | 634            | 518            | 370           |
| Office repair and maintenance      | 31,121         | 15,730         | 16,165         | 8,141         |
| Appointed actuary fees             | 1,955          | 1,230          | 1,075          | 681           |
| Bank charges                       | 1,471          | 1,231          | 1,079          | 968           |
| Postage, internet and telephone    | 12,555         | 7,651          | 5,381          | 3,683         |
| Fees and subscription              | 7,570          | 3,013          | 3,511          | 1,561         |
| Annual supervision fee SECP        | 6,491          | 6,342          | 3,529          | 2,948         |
| Miscellaneous                      | 17,729         | 12,982         | 10,354         | 10,722        |
|                                    | <u>288,829</u> | <u>173,239</u> | <u>162,441</u> | <u>92,062</u> |



| 19. Tax for the year | Aggregate     |              | Three months period ended |                |
|----------------------|---------------|--------------|---------------------------|----------------|
|                      | 30 June       | 30 June      |                           |                |
|                      | 2023          | 2022         | 2023                      | 2022           |
| Current              | 23,532        | (347)        | 1,072                     | (9,210)        |
| Deferred             | -             | -            | -                         | -              |
|                      | <u>23,532</u> | <u>(347)</u> | <u>1,072</u>              | <u>(9,210)</u> |

## 20. RELATED PARTY TRANSACTIONS

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

|  | 30 June<br>2023 | 30 June<br>2022 |
|--|-----------------|-----------------|
| ----- (Rupees in '000) -----                   |                 |                 |
| <b>Transactions</b>                            |                 |                 |
| <b>Associated companies/ Related Party</b>     |                 |                 |
| Premium written                                | 735             | (34)            |
| Premium paid                                   | 5,340           | 4,460           |
| Claims paid                                    | 3,186           | 822             |
| Commission paid                                | 2,014           | 22,107          |
| Travelling Expense                             | -               | -               |
| Interest /profit received                      | 161,128         | 90,459          |
| Payment to K-Electric                          | -               | 18              |
| Placement of TDR                               | 1,290,000       | 1,290,000       |
| Investment bought                              | -               | 240,000         |
| TDR matured / Investment sold of Related Party | 1,140,000       | 1,538,427       |
| <b>Employees' funds</b>                        |                 |                 |
| Contribution to provident fund                 | 1,524           | 1,666           |
| Contribution to pension fund                   | 708             | 817             |
| <b>Key Management Personnel Transactions</b>   |                 |                 |
| Premium written                                | 339             | 323             |
| ----- (Rupees in '000) -----                   |                 |                 |
| <b>Balances</b>                                |                 |                 |
| Bank balances                                  | 1,251,892       | 898,058         |
| Bank deposits                                  | 1,290,000       | 1,290,000       |
| Premium payable                                | -               | 23              |
| Premium receivable                             | 1,004           | 363             |
| Investment in Related Party                    | -               | 140,315         |
| Claim outstandings -Related Parties            | 6,803           | 129             |

## 21. SEGMENTAL INFORMATION

### 21.1 Revenue Account by Statutory Fund

|   | Family Takaful                            |                                    | Aggregate    |
|---|---|------------------------------------|--------------|
|   | Investment Linked Business                | Protection Business                | 30 June 2023 |
| (Rupees in '000)  |   |                                    |              |
| <b>Income</b>   |   |                                    |              |
| Contribution less retakaful                                       | 3,433,078                                 | 262,442                            | 3,695,520    |
| Policy transfer from other statutory funds                        | 8,593                                     | -                                  | 8,593        |
| Bonus units transfer to statutory fund                            | 13  | -                                  | 13           |
| Net investment income / wakala income                             | 1,809,357                                 | 94,387                             | 1,903,744    |
| Total net income  | 5,251,041                                 | 356,829                            | 5,607,870    |
| <b>Takaful Benefits and Expenditures</b>                          |   |                                    |              |
| Claims net of retakaful recoveries                                | 1,126,348                                 | 92,035                             | 1,218,383    |
| Policy transfer from other statutory funds                        | -   | -                                  | -            |
| Management expenses less recoveries                               | 1,598,983                                 | 116,288                            | 1,715,271    |
| Total takaful Benefits and Expenditures                           | 2,725,331                                 | 208,323                            | 2,933,654    |
| Excess of income over takaful Benefits and Expenditures           | 2,525,710                                 | 148,506                            | 2,674,216    |
| Net Change in takaful Liabilities (Other than outstanding Claims) | (2,486,751)                               | (67,017)                           | (2,553,768)  |
| Surplus before tax  | 38,959                                    | 81,489                             | 120,448      |
| Movement in takaful liabilities                                   | 2,486,751                                 | 67,017                             | 2,553,768    |
| <b>Transfer to and from Shareholder's Fund</b>                    |   |                                    |              |
| Transfer of (surplus) to shareholders' fund                       | -   | (54,072)                           | (54,072)     |
| Capital contribution to / from share holders' fund                | 117,278                                   | -                                  | 117,278      |
| Net Transfer to / from shareholders' fund                         | 117,278                                   | (54,072)                           | 63,206       |
| Balance of statutory funds at beginning of the period             | 16,915,660                                | 229,482                            | 17,145,142   |
| Balance of statutory funds at end of the period                   | 19,558,648                                | 323,916                            | 19,882,564   |
| Aggregate   |   |                                    |              |
|   | Family Takaful Investment Linked Business | Family Takaful Protection Business | 30 June 2022 |
| (Rupees in '000)  |   |                                    |              |
| <b>Income</b>   |   |                                    |              |
| Contribution less retakaful                                       | 3,630,150                                 | 166,158                            | 3,796,308    |
| Policy transfer from other statutory funds                        | 13,583                                    | -                                  | 13,583       |
| Special reinstatement fee   | 20  | -                                  | 20           |
| Bonus units transferred to statutory funds                        | 28  | -                                  | 28           |
| Net investment income   | 707,848                                   | 69,368                             | 777,216      |
| Total net income  | 4,351,629                                 | 235,526                            | 4,587,155    |
| <b>Takaful Benefits and Expenditures</b>                          |   |                                    |              |
| Claims net of retakaful recoveries                                | 743,639                                   | 86,750                             | 830,389      |
| Policy transfer from other statutory funds                        | -   | -                                  | -            |
| Bonus units transferred to statutory funds                        | 28  | -                                  | 28           |
| Management expenses less recoveries                               | 1,693,075                                 | 101,004                            | 1,794,079    |
| Total Insurance Benefits and Expenditures                         | 2,436,742                                 | 187,754                            | 2,624,496    |
| Excess of income over Takaful Benefits and Expenditures           | 1,914,887                                 | 47,772                             | 1,962,659    |
| Net Change in Takaful Liabilities (Other than outstanding Claims) | (1,824,869)                               | 2,573                              | (1,822,296)  |
| Surplus before tax  | 90,018                                    | 50,345                             | 140,363      |
| Movement in takaful liabilities                                   | 1,824,869                                 | (2,573)                            | 1,822,296    |
| <b>Transfer to and from Shareholder's Fund</b>                    |   |                                    |              |
| Transfer of (surplus) to shareholders' fund                       | -   | (44,816)                           | (44,816)     |
| Capital contribution from share holders' fund                     | 37,304                                    | -                                  | 37,304       |
| Net Transfer to/from shareholders' fund                           | 37,304                                    | (44,816)                           | (7,512)      |
| Balance of statutory funds at beginning of the period             | 12,123,495                                | 185,277                            | 12,308,772   |
| Balance of statutory funds at end of the period                   | 14,075,686                                | 188,233                            | 14,263,919   |



## 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:

|   | 30 June 2023   |                    |                  |                       |                        |                             |       |            |         |         |            |
|---|--|--------------------|------------------|-----------------------|------------------------|-----------------------------|-------|------------|---------|---------|------------|
|   | 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 | Level 1    | Level 2 | Level 3 | Total      |
| <b>On balance sheet financial instruments</b>             |  |                    |                  |                       |                        |                             |       |            |         |         |            |
| <b>Financial assets measured at fair value</b>            |  |                    |                  |                       |                        |                             |       |            |         |         |            |
| - Investments   |  |                    |                  |                       |                        |                             |       |            |         |         |            |
| - Government Securities (T-bills + PIBs + Sukuks)         | 12,794,029   | -                  | -                | -                     | -                      | -                           | -     | 12,794,029 | -       | -       | 12,794,029 |
| - Sukuk Bonds (other than government)                     | 1,193,788  | -                  | -                | -                     | -                      | -                           | -     | 1,193,788  | -       | -       | 1,193,788  |
| - Listed equity securities                                | 1,244,741  | -                  | -                | -                     | -                      | -                           | -     | 1,244,741  | -       | -       | 1,244,741  |
| - Unlisted equity securities                              | -  | -                  | -                | -                     | -                      | -                           | -     | -          | -       | -       | -          |
| - Units of mutual funds                                   | -  | -                  | -                | -                     | -                      | -                           | -     | -          | -       | -       | -          |
| - Debt securities (Listed TFCs)                           | 652,000  | -                  | -                | -                     | -                      | -                           | -     | 652,000    | -       | -       | 652,000    |
| <b>Financial assets not measured at fair value</b>        |  |                    |                  |                       |                        |                             |       |            |         |         |            |
| - Government Securities (T-bills + PIBs + Sukuks)         | -  | -                  | 1,122,300        | -                     | -                      | -                           | -     | -          | -       | -       | 1,122,300  |
| - Balances with banks *                                   | 3,267,016  | -                  | -                | -                     | -                      | -                           | -     | -          | -       | -       | 3,267,016  |
| - Certificate of Investment                               | -  | -                  | -                | -                     | -                      | -                           | -     | -          | -       | -       | -          |
| - Advances  | -  | -                  | -                | -                     | -                      | -                           | -     | -          | -       | -       | -          |
| - Investment income accrued                               | -  | -                  | -                | -                     | 687,599                | -                           | -     | 687,599    | -       | -       | 687,599    |
| - Other loans and receivables (excluding markup accrued)* | -  | -                  | -                | -                     | 1,168,225              | -                           | -     | 1,168,225  | -       | -       | 1,168,225  |
|   | 19,151,574   | -                  | 1,122,300        | -                     | 1,855,824              | -                           | -     | 22,129,698 | -       | -       | 22,129,698 |
| <b>Financial liabilities not measured at fair value</b>   |  |                    |                  |                       |                        |                             |       |            |         |         |            |
| Deferred taxation   | -  | -                  | -                | -                     | -                      | -                           | -     | -          | -       | -       | -          |
| Premium received in advance                               | -  | -                  | -                | -                     | -                      | 277,432                     | -     | 277,432    | -       | -       | 277,432    |
| Insurance / re-insurance payables                         | -  | -                  | -                | -                     | -                      | 291,973                     | -     | 291,973    | -       | -       | 291,973    |
| Other creditors and accruals                              | -  | -                  | -                | -                     | -                      | 629,001                     | -     | 629,001    | -       | -       | 629,001    |
|   | -  | -                  | -                | -                     | -                      | 1,198,406                   | -     | 1,198,406  | -       | -       | 1,198,406  |
|   | 19,151,574   | -                  | 1,122,300        | -                     | 1,855,824              | (1,198,406)                 | -     | 20,931,292 | -       | -       | 20,931,292 |

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 |           |            |
|---|--|--------------------|------------------|-----------------------|------------------------|-----------------------------|-----------|------------|-----------|------------|
|   |  |                    |                  |                       |                        |                             |           | Level 1    | Level 2   | Level 3    |
| (Rupees in '000)  |  |                    |                  |                       |                        |                             |           |            |           |            |
| <b>Financial assets measured at fair value</b>            |  |                    |                  |                       |                        |                             |           |            |           |            |
| - Investments   |  |                    |                  |                       |                        |                             |           |            |           |            |
| Government Securities (T-bills + PIBs + Sukuks)           | 8,460,285  | -                  | -                | -                     | -                      | -                           | 8,460,285 | -          | 8,460,285 | -          |
| Sukuk Bonds (other than government)                       | 640,618  | -                  | -                | -                     | -                      | -                           | 640,618   | -          | 640,618   | -          |
| Listed equity securities                                  | 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    | -         | -          |
| <b>Financial assets not measured at fair value</b>        |  |                    |                  |                       |                        |                             |           |            |           |            |
| - Government Securities (T-bills + PIBs + Sukuks)         | -  | -                  | 920,030          | -                     | -                      | -                           | 920,030   | -          | -         | -          |
| - Balances with banks *                                   | 5,442,466  | -                  | -                | -                     | -                      | -                           | 5,442,466 | -          | -         | -          |
| - Certificate of Investment                               | -  | -                  | -                | -                     | -                      | -                           | -         | -          | -         | -          |
| - Advances  | -  | -                  | -                | -                     | -                      | -                           | -         | -          | -         | -          |
| - Investment income accrued                               | -  | -                  | -                | -                     | 480,566                | -                           | 480,566   | -          | 480,566   | -          |
| - Other loans and receivables (excluding markup accrued)* | 17,034,392   | -                  | 920,030          | -                     | 1,698,058              | -                           | 1,698,058 | -          | 1,698,058 | -          |
|   |  |                    |                  |                       | 2,178,624              | -                           | 2,178,624 | -          | 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   | -          | 164,771   | -          |
| Insurance / reinsurance payables                          | -  | -                  | -                | -                     | -                      | 108,675                     | 108,675   | -          | 108,675   | -          |
| Other creditors and accruals                              | -  | -                  | -                | -                     | -                      | 1,827,804                   | 1,827,804 | -          | 1,827,804 | -          |
|   |  |                    |                  |                       |                        | 2,101,250                   | 2,101,250 | -          | 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 years' figures have been rearranged and reclassified, wherever necessary, to facilitate comparisons.

23.1 DATE OF AUTHORIZATION FOR ISSUE

These financial statement were authorized for issue by the Board of Directors of the Company in their meeting held on 29 August 2023.

  
 Managing Director &  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director

  
 Director