



### Director's Review, 30 September 2023

The Directors of your Company are pleased to present the Condensed Interim Financial Statements (Un-audited) for the third quarter ended 30 September 2023.

Your Company's gross premium income was Rs. 26.46 billion during the nine months of 2023 (2022: Rs 26.96 billion). New individual life regular premium income was Rs. 3.57 billion (2022: Rs.4.81 billion). Renewal premium was Rs. 18.19 billion (2022: Rs.18.31 billion). The high inflationary environment and its effect 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. 21.77 billion (2022: 23.13 billion). Single premium business was Rs.657 million (2022: Rs. 506 million). Group Benefits business increased by 19.9% and was Rs.4.29 billion (2022: Rs. 3.57 billion).

Your Company's total family takaful contribution was Rs. 5.98 billion (2022: 5.89 billion), a growth of 1.6%. Out of this, Rs. 5.33 billion (2022: Rs. 5.42 billion) was from Individual family takaful business. Group Family Takaful was Rs. 653 million (2022: Rs. 462 million), a growth of 41.3%.

Your Company had a Profit before Tax of Rs 2.82 billion (2022: 1.92 billion), an increase of 46.9%. The increase is primarily driven by higher investment income. Profit after Tax increased by 27.5% and stands at Rs. 1.37 billion (2022: Rs. 1.07 billion). The Earnings per Share is Rs. 13.69 (2022: Rs. 10.74).

Interim Dividend:

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

We would like to thank our valued customers for their continued patronage and to the Securities and Exchange Commission of Pakistan for their guidance, and our main reinsurers, 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.

Chairman

Vice-Chairman

Managing Director  
& Chief Executive

Director




# **FINANCIAL STATEMENT**

**FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

**EFU LIFE ASSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2023**

	Note	30 September 2023	31 December 2022
		----- (Rupees in '000) -----	
<b>Assets</b>			
Properties and equipments	5	2,413,502	2,450,476
Right of use assets	5	492,128	567,419
Intangible assets	5.3	47	3,416
Investments			
Equity securities	6	14,603,782	20,182,751
Government securities	7	141,615,033	121,329,577
Debt securities	8	8,571,957	8,303,339
Term deposits	9	10,626,862	14,426,429
Open-ended mutual funds	10	2,929,612	391,083
Insurance / reinsurance receivables		621,714	719,040
Other loans and receivables		6,161,450	4,325,031
Taxation - payments less provision		974,722	1,106,954
Prepayments		489,782	149,186
Cash and bank	11	5,897,299	4,558,867
<b>Total Assets</b>		<u>195,397,890</u>	<u>178,513,568</u>
<b>Equity and Liabilities</b>			
Authorised share capital [150,000,000 ordinary shares (2022: 150,000,000) of Rs.10 each]		<u>1,500,000</u>	<u>1,500,000</u>
Ordinary share capital [100,000,000 ordinary shares (2022:100,000,000) of Rs.10 each]		1,000,000	1,000,000
Retained earnings arising from business other than participating business attributable to shareholders (Ledger account D)	12	2,307,676	2,161,554
General reserves		2,120,000	1,980,000
Surplus on revaluation of available for sale investments - net of tax		59,535	11,457
Unappropriated profit		928,610	1,195,539
<b>Total Equity</b>		<u>6,415,821</u>	<u>6,348,550</u>
<b>Liabilities</b>			
Insurance liabilities	13	183,314,487	166,382,685
Deferred taxation		1,361,936	1,068,468
Premium received in advance		1,374,190	1,202,333
Insurance / reinsurance payables		586,298	363,890
Lease liabilities		593,388	671,657
Other creditors and accruals		1,751,770	2,475,985
		<u>5,667,582</u>	<u>5,782,333</u>
<b>Total Liabilities</b>		<u>188,982,069</u>	<u>172,165,018</u>
<b>Total Equity and Liabilities</b>		<u>195,397,890</u>	<u>178,513,568</u>
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**

  
**Director Vice-Chairman**

  
**Chairman**

**EFU LIFE ASSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**


Note	Aggregate		Aggregate	
	Nine months period ended 30 September		Three months period ended 30 September	
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
Premium / contribution revenue	26,461,297	26,960,190	8,878,011	8,580,509
Premium / retakaful ceded to reinsurers	(1,031,637)	(849,545)	(315,068)	(231,809)
<b>Net premium / contribution revenue</b>	<b>25,429,660</b>	<b>26,110,645</b>	<b>8,562,943</b>	<b>8,348,700</b>
Investment income	23,040,182	13,162,128	8,446,221	5,016,650
Net realised fair value (losses) / gains on financial assets	(2,381,999)	(278,251)	(201,953)	438,252
Net fair value losses on financial assets at fair value through profit or loss - unrealised	4,035,330	(3,238,664)	2,890,417	(544,877)
Other income	132,103	70,953	55,268	32,200
<b>Net income</b>	<b>24,825,616</b>	<b>9,716,166</b>	<b>11,189,953</b>	<b>4,942,225</b>
Insurance benefits	23,848,635	19,275,687	8,687,410	6,147,493
Recoveries from reinsurers	(526,120)	(546,485)	(204,519)	(188,456)
Claims related expenses	6,729	5,243	3,039	1,010
<b>Net insurance benefits</b>	<b>23,329,244</b>	<b>18,734,445</b>	<b>8,485,930</b>	<b>5,960,047</b>
Net change in insurance liabilities (other than outstanding claims)	16,801,030	7,858,864	7,986,381	4,239,297
Acquisition expenses	5,013,368	5,444,141	1,689,485	1,732,789
Marketing and administration expenses	2,256,267	1,837,420	735,186	657,594
Other expenses	32,046	30,418	4,396	7,307
<b>Total expenses</b>	<b>24,102,711</b>	<b>15,170,843</b>	<b>10,415,448</b>	<b>6,636,987</b>
<b>Profit before tax (Refer note below)</b>	<b>2,823,321</b>	<b>1,921,523</b>	<b>851,518</b>	<b>693,891</b>
Income tax expense	(1,454,128)	(847,838)	(325,975)	(240,498)
<b>Profit after tax for the period</b>	<b>1,369,193</b>	<b>1,073,685</b>	<b>525,543</b>	<b>453,393</b>
	----- (Rupees) -----			
<b>Earnings per share - Rupees</b>	<b>13.69</b>	<b>10.74</b>	<b>5.26</b>	<b>4.53</b>

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. 2,274,021 million (2022: Rs.1,693,072 million), please refer to note 26, relating to segmental information - revenue account by statutory fund.

  
**Managing Director &  
 Chief Executive Officer**

  
**Chief Financial Officer**

  
**Director**

  
**Vice-Chairman**

  
**Chairman**


**EFU LIFE ASSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

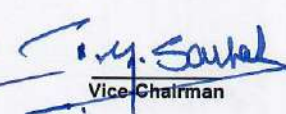
	Aggregate		Aggregate	
	Nine months period ended 30 September		Three months period ended 30 September	
	2023	2022	2023	2022
Profit after tax for the period- as per statement of profit and loss account	1,369,193	1,073,685	525,543	453,393
<b>Other comprehensive income:</b>				
<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>				
Change in unrealised gains on available-for-sale financial assets	76,891	(41,280)	62,056	(32,757)
Reclassification adjustment relating to available-for-sale investments sold during the year	76,891	(41,280)	62,056	(32,757)
Related deferred tax	(28,813)	11,741	(16,041)	8,928
Other comprehensive loss for the year - net of tax	48,078	(29,539)	46,015	(23,829)
<b>Total comprehensive income for the period</b>	<b>1,417,271</b>	<b>1,044,146</b>	<b>571,558</b>	<b>429,564</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

  
 Director

  
 Vice Chairman

  
 Chairman

**EFU LIFE ASSURANCE LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

	Nine Months Period Ended 30 September	
	2023	2022
Note	----- (Rupees in '000) -----	
<b>Operating cash flows</b>		
<b>a) Underwriting activities</b>		
Insurance premium / contribution received	26,805,837	27,197,753
Reinsurance premium / retakaful contribution paid	(635,866)	(23,303)
Claims paid	(23,966,567)	(19,264,784)
Reinsurance and other recoveries received	526,121	-
Commission paid	(3,152,802)	(3,512,713)
Marketing and administrative expenses paid	(2,256,267)	(1,837,420)
Other acquisition cost paid	(2,985,439)	(2,840,853)
<b>Net cash flow from underwriting activities</b>	<b>(5,664,983)</b>	<b>(281,320)</b>
<b>b) Other operating activities</b>		
Income tax paid	(1,057,244)	(655,124)
Other operating payments	(600,900)	(491,474)
Loans advanced	(4,833)	(49,747)
Loans repayments received	5,344	154,570
<b>Net cash flow from other operating activities</b>	<b>(1,657,633)</b>	<b>(1,041,775)</b>
<b>Total cash flow from all operating activities</b>	<b>(7,322,616)</b>	<b>(1,323,095)</b>
<b>Investment activities</b>		
Profit / return received	20,298,768	10,720,007
Dividends received	1,801,333	1,795,587
Payments for investments	(89,397,759)	(30,542,806)
Proceed from disposal of investments	73,808,679	16,397,541
Fixed capital expenditure	(285,205)	(341,282)
Proceeds from sale of property and equipment	132,320	70,717
<b>Total cash flow from investing activities</b>	<b>6,358,136</b>	<b>(1,900,236)</b>
<b>Financing activities</b>		
Dividends paid	(1,350,000)	(1,350,000)
Payment against lease liability	(146,655)	(132,675)
<b>Total cash flow from financing activities</b>	<b>(1,496,655)</b>	<b>(1,482,675)</b>
<b>Net cash flow from all activities</b>	<b>(2,461,135)</b>	<b>(4,706,006)</b>
Cash and cash equivalents at beginning of the period	18,985,296	28,984,554
<b>Cash and cash equivalents at end of the period</b>	<b>11.2 16,524,161</b>	<b>24,278,548</b>
<b>Reconciliation to statement of profit and loss account</b>		
Operating cash flows	(7,322,616)	(1,323,095)
Depreciation expense	(266,592)	(260,836)
Depreciation on right of use assets	(113,106)	(112,711)
Amortization expense	(3,369)	(11,871)
Profit on disposal of property and equipment	76,734	31,762
Other revenue	21,527	21,406
Profit on lease termination	18,246	4,408
Finance cost on lease liabilities	(48,815)	(44,738)
(Loss) / profit on disposal of investments	(2,381,999)	(278,251)
Dividend income	1,797,073	1,786,807
Other investment income	21,805,418	11,643,813
Depreciation in market value of investments	4,239,311	(2,835,485)
Provision of impairment in the value of available for sale equity investments	(9,651)	(12,733)
(Decrease) / Increase in assets other than cash	570,057	457,203
Increase in liabilities	(17,013,025)	(7,991,994)
<b>Profit after tax for the period</b>	<b>1,369,193</b>	<b>1,073,685</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**

  
**Director**

  
**Vice-Chairman**

  
**Chairman**


**EFU LIFE ASSURANCE LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

	Attributable to the equity holders' of the Company					Total
	Share capital	General reserves	Retained earnings arising from business other than participating business attributable to shareholders (ledger account D) - net of tax *	Surplus / deficit on revaluation of available for sale investments - net of tax	Unappropriated profit	
	----- (Rupees in '000) -----					
<b>Balance as at 1 January 2022</b>	1,000,000	2,100,000	2,100,521	33,404	944,454	6,178,379
<b>Comprehensive income for the period ended 30 September 2022</b>						
Income / (loss) for the period ended 30 September 2022	-	-	(33,416)	-	1,107,101	1,073,685
Other comprehensive loss	-	-	-	(29,540)	-	(29,540)
<b>Total income / (loss) for the period ended 30 September 2022</b>	-	-	(33,416)	(29,540)	1,107,101	1,044,145
Contribution to increase solvency margin	-	-	2,853	-	(2,853)	-
Transfer from general reserve	-	(120,000)	-	-	120,000	-
<b>Transactions with shareholders</b>						
Dividend for the year ended 31 December 2021	-	-	-	-	(1,050,000)	(1,050,000)
Interim Dividend - 1st Quarter 2022	-	-	-	-	(150,000)	(150,000)
Interim Dividend - 2nd Quarter 2022	-	-	-	-	(150,000)	(150,000)
	-	-	-	-	(1,650,000)	(1,350,000)
<b>Balance as at 30 September 2022</b>	1,000,000	1,980,000	2,069,958	3,864	518,702	5,872,524
<b>Balance as at 1 January 2023</b>	1,000,000	1,980,000	2,161,554	11,457	1,195,539	6,348,550
<b>Comprehensive income for the period ended 30 September 2023</b>						
Income for the period ended 30 September 2023	-	-	5,367	-	1,363,826	1,369,193
Other comprehensive income	-	-	-	48,078	-	48,078
<b>Total income for the period ended 30 September 2023</b>	-	-	5,367	48,078	1,363,826	1,417,271
Contribution to increase solvency margin	-	-	140,755	-	(140,755)	-
Transfer to general reserve	-	140,000	-	-	(140,000)	-
<b>Transactions with shareholders</b>						
Dividend for the year ended 31 December 2022	-	-	-	-	(1,050,000)	(1,050,000)
Interim Dividend - 1st Quarter 2023	-	-	-	-	(150,000)	(150,000)
Interim Dividend - 2nd Quarter 2023	-	-	-	-	(150,000)	(150,000)
	-	-	-	-	(1,350,000)	(1,350,000)
<b>Balance as at 30 September 2023</b>	1,000,000	2,120,000	2,307,676	59,535	928,610	6,415,821


\*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

  
 Director

  
 Vice-Chairman

  
 Chairman

## **EFU LIFE ASSURANCE LIMITED**

### **NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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.

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

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

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

#### **2.3 Basis of measurement**

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



## 2.4 Functional and presentation currency

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

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

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

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

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

Amendments	Effective date (annual periods beginning on or after)
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	1 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	1 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	1 January 2024

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

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

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

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the revision and future periods if the revision affects both current and future periods.

**Change in assumptions****Conventional business / Family takaful protection business**

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

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

**5 PROPERTY AND EQUIPMENT**

	<b>30 September 2023 Unaudited ----- (Rupees in '000) -----</b>	<b>31 December 2022 Audited</b>
Operating assets	<b>2,413,502</b>	2,450,476
Right of use asset	<b>492,128</b>	567,419
	<b><u>2,905,630</u></b>	<b><u>3,017,895</u></b>

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

	<b>Nine months ended - Unaudited</b>			
	<b>30 September 2023</b>		<b>30 September 2022</b>	
	<b>Additions</b>	<b>Disposals</b>	<b>Additions</b>	<b>Disposals</b>
Furniture, fixture and fittings	<b>2,636</b>	-	12,136	-
Office equipment	<b>13,745</b>	-	17,820	720
Computer equipment	<b>135,888</b>	-	76,623	90
Motor Vehicle	<b>124,545</b>	<b>154,266</b>	202,162	90,857
Lease hold Improvements	<b>8,391</b>	-	32,541	-
	<b><u>285,205</u></b>	<b><u>154,266</u></b>	<b><u>341,282</u></b>	<b><u>91,667</u></b>

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

5.3 During the period, there was no additions in intangible assets.

## 6 INVESTMENTS IN EQUITY SECURITIES

		30 September 2023			31 December 2022			
		30 September 2023 (Unaudited)			31 December 2022 (Audited)			
		(Rupees in '000)						
		Note	Cost	Impairment / (provision)	Carrying value	Cost	Impairment / (provision)	Carrying value
Available for sale		6.1	100,247					107,134
At fair value through profit or loss (Designated - upon initial recognition)		6.2	14,503,535					20,075,617
			<u>14,603,782</u>					<u>20,182,751</u>
		30 September 2023 (Unaudited)			31 December 2022 (Audited)			
6.1	Available for sale	Note	Cost	Impairment / (provision)	Carrying value	Cost	Impairment / (provision)	Carrying value
<b>Related parties</b>								
	Listed shares	6.3	204,221	(175,090)	29,131	204,222	(180,052)	24,170
<b>Others</b>								
	Listed shares	6.3	44,749	-	44,749	81,703	(20,619)	61,084
	Unlisted shares	6.3	27,103	(26,595)	508	15,711	-	508
	Surplus on revaluation		-	-	25,859	-	-	21,372
			<u>276,073</u>	<u>(201,685)</u>	<u>100,247</u>	<u>301,636</u>	<u>(200,671)</u>	<u>107,134</u>
6.2	Fair value through profit or loss (Designated - upon initial recognition)							
<b>Related parties</b>								
	Listed shares		36,609	-	76,465	476,556	-	496,431
<b>Others</b>								
	Listed shares		<u>15,443,129</u>	-	<u>14,427,070</u>	<u>23,979,659</u>	-	<u>19,579,186</u>
			<u>15,479,738</u>	-	<u>14,503,535</u>	<u>24,456,215</u>	-	<u>20,075,617</u>
6.3	Reconciliation of provision for impairment					2023	2022	
		(Rupees in '000)						
	Balance at the beginning of the period					200,671	194,840	
	Provision / (reversal) for impairment on available for sale investments					1,014	5,831	
	Balance at the end of the period					<u>201,685</u>	<u>200,671</u>	

		30 September 2023	31 December 2022
	Note	(Unaudited)	(Audited)
----- (Rupees in '000) -----			
----- (Rupees in '000) -----			
Held to maturity	7.1	10,127,291	9,189,216
Fair value through profit or loss (Designated - upon initial recognition)	7.2	131,487,742	112,140,361
		<u>141,615,033</u>	<u>121,329,577</u>

## 7 GOVERNMENT SECURITIES

## 7.1 Held to maturity

30 September 2023 (Unaudited)					
Maturity year	Effective yield	Amortised cost	Principal repayment	Carrying value	
	%				(Rupees in '000)
3 Years Pakistan Investment Bonds	2023	21.98	2,447,379	2,450,000	2,447,379
3 Years Pakistan Investment Bonds	2023	16.99	124,869	125,000	124,869
20 years Pakistan Investment Bonds	2024	10.00	53,796	53,700	53,796
2 Years Pakistan Investment Bonds	2024	21.99	124,184	125,000	124,184
5 Years Pakistan Investment Bonds	2027	10.50	357,319	400,000	357,319
10 Year Pakistan Investment Bonds	2028	8.75	12,808	15,000	12,808
10 Year Pakistan Investment Bonds	2029	10.00	233,509	273,400	233,509
10 Years Pakistan Investment Bonds	2030	8.00	309,195	414,100	309,195
3 Months Treasury Bills	2023	20.97 - 21.99	2,684,827	2,796,090	2,684,827
12 Months Treasury Bills	2023	15.67	2,468,706	2,509,200	2,468,706
Government Ijara	2024-2027	8.37-15.69	670,538	668,537	670,538
Pakistan Energy Sukuk II	2030	21.96	451,169	452,700	451,169
10 Years Pakistan Energy Sukuk 1	2029	20.86	188,992	197,160	188,992
			<u>10,127,291</u>	<u>10,479,887</u>	<u>10,127,291</u>

31 December 2022 (Audited)					
Maturity year	Effective yield	Amortised cost	Principal repayment	Carrying value	
	%				(Rupees in '000)
2 Years Pakistan Investment Bonds	2023	15.68	249,341	250,000	249,341
3 Years Pakistan Investment Bonds	2023	15.68	2,566,977	2,575,000	2,566,977
2 Years Pakistan Investment Bonds	2024	16.88	123,725	125,000	123,725
20 Years Pakistan Investment Bonds	2024	10.00	53,871	53,700	53,871
10 Years Pakistan Investment Bonds	2028	8.76	12,628	15,000	12,628
03 Months Treasury Bills	2023	15.5-17.00	2,773,377	2,862,000	2,773,377
06 Months Treasury Bills	2023	15.10-15.20	338,704	340,125	338,704
12 Months Treasury Bills	2023	15.60-16.77	2,108,093	2,369,100	2,108,093
05 years government ijara	2025	8.37-15.48	290,585	289,628	290,585
05 years government ijara	2027	15.69	29,497	29,498	29,497
10 Years Pakistan Energy Sukuk I	2029	16.8	190,820	197,160	190,820
10 Years Pakistan Energy Sukuk II	2030	15.76	451,598	452,700	451,598
			<u>9,189,216</u>	<u>9,558,911</u>	<u>9,189,216</u>

30 September 2023 (Unaudited)					
Maturity year	Effective yield %	Amortized cost	Principal repayment	Carrying value	
			(Rupees in '000)		
7.2 Fair value through profit or loss (Designated - upon initial recognition)					
3 Years Pakistan investment bond	2023	21.94	37,829,799	37,862,000	37,823,251
2 Years Pakistan Investment Bond	2023	20.97	249,667	250,000	249,500
3 Years Pakistan investment bond	2024	21.94	1,243,269	1,250,000	1,246,850
2 Years Pakistan investment bond	2024	21.99	49,683	50,000	49,780
3 Year Pakistan investment bond	2024	7.00	3,289,896	3,400,000	3,002,917
20 years Pakistan investment bond	2024	10.00	303,250	303,000	279,064
10 Year Pakistan investment bond	2024	12.00	100,367	100,000	92,401
20 Years Pakistan investment bond	2024	10.00	88,399	89,000	85,694
5 Year Pakistan investment bond	2025	7.5	117,813	125,000	99,735
5 Years Pakistan Investment Bond	2026	21.96	494,156	500,000	483,300
3 Years Pakistan Investment Bond	2026	22.90	1,706,247	1,750,000	1,713,950
3 Year Pakistan investment bond	2026	8.00	254,273	300,000	254,390
5 Years Pakistan investment bond	2028	22.87	1,656,580	1,750,000	1,664,775
10 Year Pakistan investment bond	2029	10.00	118,123	125,000	94,191
3 Months Treasury Bills	2023	15.67-21.99	15,079,901	15,403,910	15,080,170
12 Months Treasury Bills	2023	15.67-16.77	52,187,365	53,567,800	51,952,002
Government Ijara	2024-2027	11.40-15.89	16,689,208	16,702,943	16,435,772
10 Years Pakistan Energy Sukuk 1	2029	20.86	922,939	963,159	830,000
Pakistan Energy Sukuk II	2030	21.96	50,129	50,300	50,000
			<b>132,430,864</b>	<b>134,542,112</b>	<b>131,487,742</b>

31 December 2022 (Audited)					
Maturity year	Effective yield %	Amortized cost	Principal repayment	Carrying value	
			(Rupees in '000)		
Fair value through profit or loss (Designated - upon initial recognition)					
2 Years Pakistan Investment Bonds	2023	15.72	4,737,606	4,750,000	4,725,775
2 Years Pakistan Investment Bonds	2023	16.96	248,799	250,000	248,525
3 Years Pakistan Investment Bonds	2023	12.8	8,973	9,000	8,935
3 Years Pakistan Investment Bonds	2023	15.68	37,538,202	37,653,000	37,381,898
3 Years Pakistan Investment Bonds	2023	17	74,754	75,000	74,460
3 Years Pakistan Investment Bonds	2023	8.65	1,125,513	1,125,000	1,124,550
5 Years Pakistan Investment Bonds	2023	8	1,194,572	1,206,000	1,152,575
3 Years Pakistan Investment Bonds	2024	7	3,201,272	3,400,000	2,959,986
3 Years Pakistan Investment Bonds	2024	15.08	1,363,651	1,375,000	1,352,313
2 Years Pakistan Investment Bonds	2024	16.8	49,490	50,000	49,485
10 Years Pakistan Investment Bonds	2024	10	230,207	398,400	333,634
20 Years Pakistan Investment Bonds	2024	10	390,855	392,000	381,241
5 Years Pakistan Investment Bonds	2025	7.5	115,282	125,000	102,412
5 Years Pakistan Investment Bonds	2026	7.86	493,183	500,000	483,250
5 Years Pakistan Investment Bonds	2027	10.5	351,378	400,000	351,378
10 Years Pakistan Investment Bonds	2029	12	100,746	100,000	93,972
10 Years Pakistan Investment Bonds	2030	8	302,874	414,100	302,874
03 months treasury bills	2023	15.66-16.90	7,057,822	7,193,000	7,059,117
06 months treasury bills	2023	15.20-15.95	1,269,160	1,289,175	1,267,549
12 months treasury bills	2023	15.60-16.77	42,223,945	47,287,900	41,675,783
05 years government ijara sukuk	2025	14.44-15.63	1,828,036	1,830,211	1,822,868
05 years government ijara sukuk	2026	11.40-15.59	4,712,275	4,718,540	4,549,231
05 years government ijara sukuk	2027	15.69-15.89	3,802,315	3,802,779	3,778,550
10 years Pakistan energy sukuk I	2029	16.8	932,038	963,159	830,000
10 years Pakistan energy sukuk II	2030	15.76	50,178	50,300	50,000
			<b>113,403,106</b>	<b>119,357,564</b>	<b>112,140,361</b>

## 8 INVESTMENT IN DEBT SECURITIES

	30 September 2023 (Unaudited)			31 December 2022 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
(Rupees in '000)						
Term finance certificates	5,622,752	-	5,622,752	4,948,393	-	4,948,393
Corporate sukuk	2,005,705	(37,500)	1,968,205	2,320,197	(37,500)	2,282,697
Certificates of investment	981,000	-	981,000	1,072,249	-	1,072,249
	<b>8,609,457</b>	<b>(37,500)</b>	<b>8,571,957</b>	<b>8,340,839</b>	<b>(37,500)</b>	<b>8,303,339</b>

	Maturity	No. of Certificates		Face value	Carrying Amount	
		30 September 2023	31 December 2022		30 September 2023	31 December 2022
(Rupees in '000)						
<b>8.1 Term finance certificates</b>						
<b>Fair value through profit or loss</b>						
<b>Others</b>						
Bank Alfalah Limited	2024	100,000	100,000	5	500,000	462,573
Bank Alfalah Limited	2024	100,000	-	5	483,150	-
Bank Al Habib Limited	2028	20,000	20,000	5	100,413	99,840
Khushhali Microfinance Bank	2032	1,400	1,400	100	150,000	150,000
Bank Al Habib	2032	77,000	77,000	5	391,689	385,000
Bank of Punjab	2032	5,000	-	100	500,000	-
Bank of Punjab	2024	80,000	-	5	400,000	-
Askari Bank Limited	Perpetual	100	100	1,000	97,500	100,980
United Bank Limited	Perpetual	250,000	250,000	5	1,250,000	1,250,000
Habib Bank Limited	2029	2,000	2,000	100	200,000	200,000
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	5	-	500,000
Askari Bank Limited	Perpetual	450	450	1,000	450,000	450,000
					<b>5,572,752</b>	<b>4,648,393</b>
<b>Related Parties</b>						
Lucky Electric Power Company	2023	-	1	-	-	250,000
					-	250,000
<b>Held to maturity</b>						
Askari Bank Limited	Perpetual	50	50	1,000	50,000	50,000
					<b>5,622,752</b>	<b>4,948,393</b>
(Rupees in '000)						
	Maturity	No. of Certificates		Face value	Carrying Amount	
		30 September 2023	31 December 2022		30 September 2023	31 December 2022
<b>8.2 Corporate sukus</b>						
<b>Fair value through profit or loss</b>						
<b>Others</b>						
Hascol Petroleum Limited *	2022	30,000	30,000	3	37,500	37,500
Byco Petroleum Pakistan Limited	2023	-	583	100	-	8,353
HUBCO	2023	-	50,000	-	-	177,048
Neelum Jehlum Hydro Power Company Limited	2026	12,500	12,500	100	392,948	491,329
Pakistan Services Limited	2027	250	250	1,000	172,922	207,506
TPL Corporation	2027	200	200	100	41,513	20,000
Dubai Islamic Bank Pakistan Limited	2028	-	20,000	5	-	100,000
TPL Trakker	2026	25	25	1,000	14,095	18,146
TPL Corporation	2027	-	200	100	-	20,000
K-Electric Limited	2029	100,000	120,000	5	606,412	600,000
Dubai Islamic Bank Ltd	Perpetual	20,000	-	5	100,000	-
Meezan Bank Limited	Perpetual	50,000	50,000	5	500,000	500,000
<b>Related Parties</b>						
Bank Islami Pakistan Limited	Perpetual	28,063	28,063	5	140,315	140,315
					<b>2,005,705</b>	<b>2,320,197</b>
<b>8.3 Certificates of investment</b>						
Pak Kuwait Investment Company	2023	-	2	400,000	-	400,000
First Habib Modarba Limited	2023	6	4	163,500	981,000	618,947
Pak Oman Company Limited	2023	-	1	53,302	-	53,302
					<b>981,000</b>	<b>1,072,249</b>
<b>8.4 *Reconciliation of provision</b>						
Balance at the beginning of the year					37,500	37,500
Provision for impairment in the value of investment					-	-
Balance at the end of the year					<b>37,500</b>	<b>37,500</b>

		30 September 2023 (Unaudited)		31 December 2022 (Audited)		
----- (Rupees in '000) -----						
<b>9</b>	<b>INVESTMENTS IN TERM DEPOSITS</b>					
	Deposits maturing within 3 months	<u>10,626,862</u>		<u>14,426,429</u>		
<b>10</b>	<b>INVESTMENT IN OPEN ENDED MUTUAL FUNDS</b>					
	At fair value through profit or loss (Designated - upon initial recognition)	10.1	1,895,714	228,958		
	Available for sale	10.2	<u>1,033,898</u>	<u>162,125</u>		
			<u>2,929,612</u>	<u>391,083</u>		
		30 September 2023 (Unaudited)			31 December 2022 (Audited)	
		Cost	Impairment / provision	Carrying Value	Cost	Impairment / provision
		Value	Value	Value	Value	Value
----- (Rupees in '000) -----						
<b>10.1</b>	<b>At fair value through profit or loss (Designated - upon initial recognition)</b>					
	<b>Related parties</b>					
	Mutual funds	1,695,345	-	1,788,048	158,817	-
	<b>Others</b>					
	Mutual funds	86,281	-	107,666	74,062	-
		<u>1,781,626</u>	<u>-</u>	<u>1,895,714</u>	<u>232,879</u>	<u>-</u>
<b>10.2</b>	<b>Available for sale</b>					
	<b>Related parties</b>					
	Mutual funds	766,079	-	766,079	523	-
	<b>Others</b>					
	Mutual funds	240,686	(40,999)	199,687	183,034	(32,361)
	Surplus on revaluation	-	-	68,132	-	10,929
		<u>1,006,765</u>	<u>(40,999)</u>	<u>1,033,898</u>	<u>183,557</u>	<u>(32,361)</u>
				30 September 2023 (Unaudited)	31 December 2022 (Audited)	
----- (Rupees in '000) -----						
<b>Reconciliation of provision for impairment</b>						
	Balance at the beginning of the period			32,361	18,544	
	Provision / (Reversal) for impairment on available for sale investments			8,638	13,817	
	Balance at the end of the period			<u>40,999</u>	<u>32,361</u>	

11 CASH AND BANK	30 September 2023 (Unaudited)	31 December 2022 (Audited)
	----- (Rupees in '000) -----	
Cash and cash equivalent		
Cash in hand	2,109	101
Policy & revenue stamps	(1,361)	267
Cash at bank		
Current account	216,827	1,234,604
Savings account	5,679,724	3,323,895
	<u>5,897,299</u>	<u>4,558,867</u>

11.2 Cash and cash equivalents for cash flow purpose comprise of the following:

	30 September 2023 (Unaudited)	30 September 2022
	----- (Rupees in '000) -----	
Cash and others	748	7,720
Cash at bank	5,896,551	7,384,399
Term deposits maturing within three months	10,626,862	16,886,429
	<u>16,524,161</u>	<u>24,278,548</u>



		30 September 2023 (Unaudited)	31 December 2022 (Audited)
		----- (Rupees in '000) -----	
<b>12</b>	<b>RETAINED EARNINGS ARISING FROM BUSINESS OTHER THAN PARTICIPATING BUSINESS ATTRIBUTABLE TO SHAREHOLDERS (LEDGER ACCOUNT D)</b>		
	Opening balance	3,088,626	2,845,112
	Contribution to solvency margin	140,755	1,761
	Change in solvency margin through statement of profit and loss account	<u>285,124</u>	<u>241,753</u>
		<b>3,514,505</b>	<b>3,088,626</b>
	Related deferred tax liability on:		
	Opening balance	<u>(927,072)</u>	<u>(744,591)</u>
	Charge to statement of profit and loss account	<u>(279,757)</u>	<u>(182,481)</u>
	Closing balance	<u>(1,206,829)</u>	<u>(927,072)</u>
	Net of tax	<u><b>2,307,676</b></u>	<u><b>2,161,554</b></u>
<b>13</b>	<b>INSURANCE LIABILITIES</b>		
	Reported outstanding claims	13.1 3,965,444	3,835,327
	Incurred but not reported claims	13.2 1,362,078	1,185,211
	Investment component of unit-linked and account value policies	13.3 174,828,078	158,534,057
	Liabilities under individual conventional insurance contracts	13.4 817,574	962,770
	Liabilities under group insurance contracts (other than investment linked)	13.5 1,729,862	1,398,328
	Participant takaful fund balance	13.6 611,451	466,992
		<u><b>183,314,487</b></u>	<u><b>166,382,685</b></u>
<b>13.1</b>	<b>Reported outstanding claims</b>		
	<b>Gross of reinsurance</b>		
	Payable within one year	3,462,254	3,331,484
	Payable over a period of time exceeding one year	<u>895,909</u>	<u>894,303</u>
		<b>4,358,163</b>	<b>4,225,787</b>
	<b>Recoverable from reinsurers</b>		
	Receivable over a period of time exceeding one year	<u>(392,719)</u>	<u>(390,460)</u>
	Net reported outstanding claims	<u><b>3,965,444</b></u>	<u><b>3,835,327</b></u>
<b>13.2</b>	<b>Incurred but not reported claims</b>		
	Gross of reinsurance	1,677,677	1,485,969
	Reinsurance recoveries	<u>(315,599)</u>	<u>(300,758)</u>
	Net of reinsurance	<u><b>1,362,078</b></u>	<u><b>1,185,211</b></u>
<b>13.3</b>	<b>Investment component of unit linked and account value policies</b>		
	Investment component of unit linked policies	174,828,078	158,534,057
	Investment component of account value policies	-	-
		<u><b>174,828,078</b></u>	<u><b>158,534,057</b></u>
<b>13.4</b>	<b>Liabilities under individual conventional insurance contracts</b>		
	Gross of reinsurance	1,013,429	1,187,321
	Reinsurance credit	<u>(195,855)</u>	<u>(224,551)</u>
	Net of reinsurance	<u><b>817,574</b></u>	<u><b>962,770</b></u>
<b>13.5</b>	<b>Liabilities under group insurance contracts (other than investment linked)</b>		
	Gross of reinsurance	2,072,568	1,550,978
	Reinsurance credit	<u>(342,706)</u>	<u>(152,650)</u>
	Net of reinsurance	<u><b>1,729,862</b></u>	<u><b>1,398,328</b></u>
<b>13.6</b>	<b>Participant takaful fund balance</b>	<u><b>611,451</b></u>	<u><b>560,883</b></u>

#### 14 CONTINGENCIES AND COMMITMENTS

- 14.1 The Income tax return of the Company for tax year 2023 has been filed. 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. 3322.5 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			
	Nine months ended		Three months ended	
	30 September		30 September	
	2023	2022	2023	2022
----- (Rupees in '000) -----				
<b>15 NET INSURANCE PREMIUM / CONTRIBUTION REVENUE</b>				
<b>Gross premium / contribution</b>				
Regular premium / contribution individual policies				
First year	3,573,734	4,813,730	1,247,322	1,508,659
Second year renewal	3,431,650	3,715,275	1,133,665	1,148,002
Subsequent year renewal	14,762,345	14,598,108	4,815,157	4,619,174
Single premium / contribution individual policies	656,696	506,082	346,120	169,547
Group policies with cash values	17,705	20,419	4,120	7,595
Group policies without cash values	4,267,867	3,554,355	1,448,078	1,262,243
Provision for experience refund	(248,700)	(247,779)	(116,451)	(134,711)
<b>Total gross premium / contribution</b>	<b>26,461,297</b>	<b>26,960,190</b>	<b>8,878,011</b>	<b>8,580,509</b>
<b>Less: Reinsurance premium / retakaful contribution ceded</b>				
On individual life first year business	34,466	34,612	10,376	2,500
On individual life second year business	35,334	29,406	10,775	4,822
On individual life renewal business	196,295	180,038	59,467	46,651
On group policies	963,839	731,874	301,239	236,355
Less: Experience refund from reinsurers	(183,496)	(112,346)	(62,355)	(57,899)
Less: Reinsurance commission on risk premium	(14,801)	(14,039)	(4,434)	(620)
<b>Total reinsurance premium / retakaful contribution ceded</b>	<b>1,031,637</b>	<b>849,545</b>	<b>315,068</b>	<b>231,809</b>
<b>Net premium / contribution</b>	<b>25,429,660</b>	<b>26,110,645</b>	<b>8,562,943</b>	<b>8,348,700</b>
<b>16 INVESTMENT INCOME</b>				
<b>Income from equity securities</b>				
<b>At fair value through profit or loss</b>				
<b>(Designated upon initial recognition)</b>				
Dividend income	1,754,843	1,777,581	500,648	421,690
<b>Available for sale</b>				
Dividend income	46,490	18,006	8,123	8,546
<b>Income from debt securities</b>				
<b>At fair value through profit or loss</b>				
<b>(Designated upon initial recognition)</b>				
Return on debt securities	2,814,605	823,028	1,928,277	351,479
On government securities	16,004,371	8,290,634	5,285,160	3,467,867
<b>Held to maturity</b>				
On government securities	764,326	447,997	108,807	11,390
On debt securities	167,302	135,627	7,014	49,884
<b>Income from term deposits</b>				
Return on term deposits	1,488,245	1,669,255	608,192	705,794
	<b>23,040,182</b>	<b>13,162,128</b>	<b>8,446,221</b>	<b>5,016,650</b>

	Aggregate			
	Nine months ended		Three months ended	
	30 September		30 September	
	2023	2022	2023	2022
----- (Rupees in '000) -----				
<b>17 NET REALISED FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS</b>				
Available for sale				
Realised gains on:				
- Equity securities	213,968	1,177,415	112,699	686,439
- Government securities		-	-	-
Realised losses on:				
- Equity securities	(2,594,857)	(1,455,666)	(314,652)	(248,187)
- Government securities	(1,110)	-	-	-
	<u>(2,381,999)</u>	<u>(278,251)</u>	<u>(201,953)</u>	<u>438,252</u>
<b>18 NET FAIR VALUE LOSSES ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS- UNREALISED</b>				
Net unrealised (losses) on investments in financial assets				
- Government securities and debt securities (fair value through profit or loss designated upon initial recognition)	451,029	75,200	1,036,924	349,055
Net unrealised gains / (losses) on investments at fair value through profit or loss (designated upon initial recognition) - Equity securities	3,525,256	(3,356,108)	1,864,647	(926,954)
Investment (loss)	<u>3,976,285</u>	<u>(3,280,908)</u>	<u>2,901,571</u>	<u>(577,899)</u>
Exchange gain	68,852	55,131	1,975	25,964
Provision of impairment in value of available for sale securities	(9,650)	(12,733)	(13,129)	7,058
Less: Investment related expenses	(157)	(154)	-	-
	<u>4,035,330</u>	<u>(3,238,664)</u>	<u>2,890,417</u>	<u>(544,877)</u>
<b>19 OTHER INCOME</b>				
Gain on sale of fixed assets	76,734	31,762	41,854	19,731
Return on loans to employees	21,527	21,406	7,250	6,839
Fees charged to policyholders	15,578	13,347	5,432	4,366
Gain on sale of early termination of lease contracts'	18,246	4,408	727	1,254
Other income	18	30	5	10
	<u>132,103</u>	<u>70,953</u>	<u>55,268</u>	<u>32,200</u>
<b>20 NET INSURANCE BENEFITS</b>				
<b>Gross claims</b>				
Claims under individual policies				
by death	844,642	958,154	284,824	281,788
by insured event other than death	12,053	8,341	(1,241)	4,937
by maturity	3,060,494	2,921,313	1,084,736	919,950
by surrender	17,911,110	13,579,135	6,555,398	4,342,288
<b>Total gross individual policy claims</b>	<u>21,828,299</u>	<u>17,466,943</u>	<u>7,923,717</u>	<u>5,548,963</u>
Claims under group policies				
by death	1,815,329	1,702,982	674,724	540,079
by insured event other than death	137,139	83,306	56,551	48,716
by maturity	1,509	1,390	543	94
by surrender	66,360	21,067	31,875	9,642
<b>Total gross group claims</b>	<u>2,020,337</u>	<u>1,808,745</u>	<u>763,693</u>	<u>598,531</u>
<b>Total gross claims</b>	<u>23,848,636</u>	<u>19,275,688</u>	<u>8,687,410</u>	<u>6,147,494</u>
<b>Less: Reinsurance / retakaful recoveries</b>				
On individual life claims	74,149	126,073	21,746	25,740
On group life claims	451,972	420,413	182,773	162,717
<b>Total reinsurance / retakaful recoveries</b>	<u>526,121</u>	<u>546,486</u>	<u>204,519</u>	<u>188,457</u>
Add: Claims related expenses	6,729	5,243	3,039	1,010
<b>Net insurance benefit</b>	<u>23,329,244</u>	<u>18,734,445</u>	<u>8,485,930</u>	<u>5,960,047</u>

Note	Aggregate			
	Nine months ended		Three months ended	
	30 September 2023	2022	30 September 2023	2022
	(Rupees in '000)			
<b>21 ACQUISITION EXPENSES</b>				
Remuneration to insurance intermediaries on individual policies:				
- Commission to agent on first year premiums / contributions	1,344,906	1,806,823	451,096	554,776
- Commission to agent on second year premiums / contributions	321,132	245,266	110,271	82,698
- Commission to agent on subsequent renewal premiums / contributions	393,281	322,547	123,571	108,604
- Commission to agent on single premiums / contributions	19,370	14,480	10,336	4,849
- Override commission to supervisors	317,779	450,356	105,823	143,767
- Other benefits to insurance intermediaries salaries, allowances and other benefits	1,126,738	1,241,547	339,264	387,447
Remuneration to insurance intermediaries on group policies:				
- Commission	439,840	357,299	154,344	128,096
- Other benefits to insurance intermediaries	82,684	82,748	27,671	33,098
- Traveling expenses	245,599	241,989	69,713	58,536
- Printing and stationery	47,171	17,291	34,177	(333)
- Depreciation	208,601	213,774	61,228	64,696
- Rent, rates and taxes	5,436	7,126	2,010	2,234
- Electricity, gas and water	80,289	66,817	40,092	37,194
- Entertainment	33,646	42,427	12,719	15,717
- Vehicle running expenses	3,737	4,718	1,651	1,196
- Office repairs & maintenance	30,891	22,142	13,161	9,711
- Postages, telegrams and telephone	30,881	32,750	13,801	10,787
- Medical fees	14,486	13,151	4,436	3,131
- Finance cost	48,815	44,738	16,071	16,255
- Policy stamps	56,628	88,851	30,615	24,815
- Others	161,458	127,321	67,435	45,515
	<b>5,013,368</b>	<b>5,444,141</b>	<b>1,689,485</b>	<b>1,732,789</b>
<b>22 MARKETING AND ADMINISTRATION EXPENSES</b>				
Employee benefit cost	1,009,068	821,505	325,932	256,088
Traveling expenses	59,603	49,058	(36,033)	11,549
Advertisements and sales promotion	90,279	50,852	28,875	32,511
Printing and stationery	86,063	83,250	2,642	28,093
Depreciation	171,736	159,774	71,431	71,157
Amortisation	2,729	11,871	-	3,956
Rent, rates and taxes	10,913	10,042	8,308	7,899
Legal and professional charges	44,024	91,686	15,290	33,967
Electricity, gas and water	63,347	50,452	26,097	27,235
Entertainment	41,326	29,896	15,982	10,813
Vehicle running expenses	9,814	6,040	2,632	1,364
Office repair and maintenance	305,761	203,211	138,745	81,707
Appointed actuary fees	15,805	14,237	5,255	4,745
Bank charges	21,096	8,083	14,438	1,121
Postage, internet and telephone	78,571	60,276	23,032	18,150
Fees and subscription	82,302	37,596	41,263	14,716
Annual supervision fee SECP	42,737	43,532	13,737	13,945
Miscellaneous	121,093	108,069	37,560	38,578
	<b>2,256,267</b>	<b>1,837,420</b>	<b>735,186</b>	<b>657,594</b>
<b>23 OTHER EXPENSES</b>				
Printing and stationery	1,811	-	-	-
Advertisements and publicity	1,637	-	-	-
Auditor's remuneration	3,288	-	(312)	-
Directors' fee	9,450	4,925	4,275	1,575
Donation	15,348	24,493	84	5,473
Others	512	1,000	369	259
	<b>32,046</b>	<b>30,418</b>	<b>4,396</b>	<b>7,307</b>
<b>24 TAXATION</b>				
<b>For the period</b>				
Current tax	730,454	616,846	191,970	259,329
Super Tax	251,881	-	66,215	(49,329)
Deferred tax	310,443	152,838	67,790	30,498
<b>For the prior year</b>				
Current	-	78,154	-	-
Super Tax	161,350	-	-	-
	<b>1,454,128</b>	<b>847,838</b>	<b>325,975</b>	<b>240,498</b>

## 25 RELATED PARTY TRANSACTIONS

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

	30 September 2023	30 September 2022
	----- (Rupees in '000) -----	
<b>Transactions</b>		
<b>Holding Company</b>		
Premium written	13,444	13,748
Premium paid	33,960	33,709
Claims paid	2,208	9,379
Claims received	500	76
Dividend paid	626,154	618,792
Dividend received	32,767	39,788
Investment Sold	388,505	-
<b>Associated Companies / Related Parties</b>		
Premium written	174,464	115,362
Premium paid	39,975	44,583
Claims paid	41,270	28,254
Commission paid	110,645	106,106
Travelling expenses	9,730	3,379
Donation paid	6,200	11,198
Dividend paid	581,693	582,180
Interest received on bank deposit	878,924	860,891
Purchase of Vehicles (Pak Suzuki Motors)	48,095	138,416
Payment to K-Electric	-	31,139
Placement of TDR	5,357,429	8,028,429
Investment bought	2,293,300	50,000
Investment sold of related party	16,511,000	10,880,239
<b>Key management personnel</b>		
Premium written	1,313	5,152
Loan to Key employees	8,000	-
Loan recovered	6,158	5,417
Compensation paid	173,492	152,805
Dividend Paid	2,026	934
<b>Employees' funds</b>		
Contribution to provident fund	41,047	37,826
Contribution to pension fund	32,464	32,732
	<b>30 September 2023</b>	<b>31 December 2022</b>
	<b>Unaudited</b>	<b>Audited</b>
	----- (Rupees in '000) -----	
<b>Balances</b>		
Bank balances	1,170,303	1,555,255
Bank deposits	5,357,429	7,728,429
Premium payable	548	3,567
Premium receivable	9,208	2,289
Investment in EFU General Insurance Limited from designated unit fund	-	432,989
Investment in related party	2,849,225	1,023,326
Claims outstanding - Related party	42,389	33,615
Loan receivable from key employees	25,693	23,651

## 26 SEGMENTAL INFORMATION

## 26.1 Revenue account by Statutory Fund

	2023						Aggregate 30 September 2023
	Statutory Funds						
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business		
----- (Rupees in '000) -----							
<b>Income</b>							
Premium / contribution less reinsurance / retakaful	16,928,719	2,845,418	355	230	5,252,638	392,604	25,419,964
Policy transfer from other statutory funds	-	-	-	-	9,696	-	9,696
Special reinstatement fee	-	-	-	-	18	-	18
Bonus units transferred to statutory fund	-	-	-	-	170,424	-	170,424
Net investment income / wakala income	21,470,584	516,490	3,121	421	3,135,346	144,476	25,270,438
Total net income	38,399,303	3,361,908	3,476	651	8,568,122	537,080	50,870,540
<b>Insurance benefits and expenditures</b>							
Claims net of reinsurance recoveries	19,994,763	1,336,705	524	141	1,819,050	162,392	23,313,575
Policy transfer from other statutory funds	8,940	-	-	-	-	-	8,940
Bonus units transfer to statutory fund	-	-	-	-	170,424	-	170,424
Management expenses less recoveries	4,655,058	757,133	15	472	2,419,888	184,859	8,017,425
Total insurance benefits and expenditures	24,658,761	2,093,838	539	613	4,409,362	347,251	31,510,364
<b>Excess of income over insurance benefits and expenditures</b>	13,740,542	1,268,070	2,937	38	4,158,760	189,829	19,360,176
<b>Net change in insurance liabilities (other than outstanding claims)</b>	(11,891,276)	(503,807)	(2,711)	174	(4,223,627)	(35,323)	(16,656,570)
<b>Surplus before tax</b>	1,849,266	764,263	226	212	(64,867)	154,506	2,703,606
<b>Movement in policyholders' liabilities</b>	11,891,276	503,807	2,711	(174)	4,223,627	35,323	16,656,570
<b>Transfer to and from shareholder's fund</b>							
Transfer of surplus to shareholders' fund	(1,726,813)	(504,190)	(180)	(257)	-	(42,581)	(2,274,021)
Capital contribution from share holders' fund	-	-	-	-	140,755	-	140,755
Net transfer to / from shareholders' fund	(1,726,813)	(504,190)	(180)	(257)	140,755	(42,581)	(2,133,266)
<b>Balance of statutory funds at beginning of the period</b>	145,825,021	3,149,544	17,492	632	16,915,660	229,482	166,137,831
<b>Balance of statutory funds at end of the period</b>	157,838,750	3,913,424	20,249	413	21,215,175	376,730	183,364,741

	2022						Aggregate 30 September 2022
	Statutory Funds						
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business		
(Rupees in '000)							
<b>Income</b>							
Premium / contribution less reinsurances / retakaful	18,034,256	2,385,703	355	844	5,365,350	302,846	26,089,354
Policy transfer from other statutory funds	-	-	-	-	21,291	-	21,291
Special reinstatement fee	-	-	-	-	30	-	30
Bonus units transferred to statutory funds	-	-	-	-	125,581	-	125,581
Net investment income	8,473,172	228,422	1,096	274	1,379,613	123,691	10,206,268
Total net income	26,507,428	2,614,125	1,451	1,118	6,891,865	426,537	36,442,524
<b>Insurance benefits and expenditures</b>							
Claims net of reinsurance recoveries	16,203,296	1,232,551	-	-	1,140,677	131,386	18,707,910
Policy transfer from other statutory funds	21,291	-	-	-	-	-	21,291
Bonus units transferred to statutory funds	-	-	-	-	125,581	-	125,581
Management expenses less recoveries	4,691,791	667,442	15	923	2,405,168	167,056	7,932,395
Total insurance benefits and expenditures	20,916,378	1,899,993	15	923	3,671,426	298,442	26,787,177
<b>Excess of income over insurance benefits and expenditures</b>	5,591,050	714,132	1,436	195	3,220,439	128,095	9,655,347
<b>Net change in insurance liabilities (other than outstanding claims)</b>	(4,197,453)	(393,620)	127	89	(3,131,298)	(24,537)	(7,746,692)
<b>Surplus / (deficit) before tax</b>	1,393,597	320,512	1,563	284	89,141	103,558	1,908,655
<b>Movement in policyholders' liabilities</b>	4,197,453	393,620	(127)	(89)	3,131,298	24,537	7,746,692
<b>Transfer to and from shareholder's fund</b>							
Transfer of surplus to shareholders' fund	(1,363,561)	(233,839)	(1,557)	(299)	-	(93,816)	(1,693,072)
Capital contribution from shareholders' fund	-	-	-	-	2,853	-	2,853
Net transfer to / from shareholders' fund	(1,363,561)	(233,839)	(1,557)	(299)	2,853	(93,816)	(1,690,219)
<b>Balance of statutory funds at beginning of the period</b>	137,669,018	1,731,916	16,754	824	12,123,497	185,275	151,727,284
<b>Balance of statutory funds at end of the period</b>	141,896,507	2,212,209	16,633	720	15,346,789	219,554	159,692,412



## 26.2 Segment statement of financial position

	As at 30 September 2023			As at 31 December 2022		
	Statutory Funds	Shareholders Funds	Total	Statutory Funds	Shareholders Funds	Total
	(Rupees in '000)					
Property and equipments	1,088,373	1,325,130	2,413,503	1,125,848	1,324,628	2,450,476
Right of use assets	-	492,128	492,128	-	567,419	567,419
Intangible assets	-	47	47	-	3,416	3,416
Investments	176,919,722	1,427,521	178,347,243	163,069,893	1,563,284	164,633,177
Insurance / reinsurance receivables	621,714	-	621,714	719,040	-	719,040
Other loans and receivables	5,861,046	300,405	6,161,451	4,047,487	277,546	4,325,033
Taxation - payments less provision	476	974,246	974,722	3,080	1,103,874	1,106,954
Prepayments	489,783	-	489,783	149,186	-	149,186
Cash and bank	5,846,394	50,905	5,897,299	4,528,527	30,340	4,558,867
<b>Total assets</b>	<b>190,827,508</b>	<b>4,570,382</b>	<b>195,397,890</b>	<b>173,643,061</b>	<b>4,870,507</b>	<b>178,513,568</b>
Insurance liabilities net of reinsurance recoveries	183,314,487	-	183,314,487	166,382,685	-	166,382,685
Deferred taxation	-	1,361,936	1,361,936	-	1,068,468	1,068,468
Premium / contribution received in advance	1,374,191	-	1,374,191	1,202,332	-	1,202,332
Insurance / reinsurance payables	586,298	-	586,298	363,890	-	363,890
Lease liabilities	-	593,388	593,388	-	671,657	671,657
Other creditors and accruals	1,630,077	121,692	1,751,769	2,344,651	131,335	2,475,986
<b>Total liabilities</b>	<b>186,905,053</b>	<b>2,077,016</b>	<b>188,982,069</b>	<b>170,293,558</b>	<b>1,871,460</b>	<b>172,165,018</b>

## 27 MOVEMENT IN INVESTMENTS

	Held to maturity	Available for Sale	Fair value through profit or loss	Deposits maturing within 12 months	Total
	(Rupees in '000)				
At beginning of previous year	8,192,178	3,438,690	114,894,883	24,376,429	150,902,180
Additions	1,195,478	563,231	92,959,274	117,685,178	212,403,161
Disposals (sale and redemptions)	(5,901,762)	(65,079)	(60,604,116)	(127,635,178)	(194,206,135)
Fair value net (loss) / gains (excluding net realised gains)	-	16,326	(4,462,393)	-	(4,446,067)
Provision for impairment	-	(19,960)	-	-	(19,960)
<b>At beginning of current year</b>	<b>3,485,894</b>	<b>3,933,208</b>	<b>142,787,648</b>	<b>14,426,429</b>	<b>164,633,179</b>
Additions	12,535,714	2,768,302	74,093,743	57,716,161	147,113,920
Disposals (sale and redemptions)	(10,861,352)	(950,510)	(64,378,816)	(61,515,728)	(137,706,406)
Fair value net loss (excluding net realised gains)	-	94,466	4,221,737	-	4,316,203
Provision for impairment	-	(9,650)	-	-	(9,650)
<b>At end of current year</b>	<b>5,160,256</b>	<b>5,835,816</b>	<b>156,724,312</b>	<b>10,626,862</b>	<b>178,347,246</b>

## 28 FAIR VALUE

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

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

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

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

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

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

## On balance sheet financial instruments

30 September 2023 (Unaudited)

	Fair value through profit or loss (designated upon initial recognition)	Available for sale	Held to maturity	Loans and receivables	Other financial assets	Other financial liabilities	Total	Fair value			Total
								Level 1	Level 2	Level 3	
(Rupees in '000)											
<b>Financial assets measured at fair value</b>											
<b>- Investments</b>											
Government securities (T-bills + PIBs + Sukuks)	131,487,742	-	-	-	-	-	131,487,742	-	131,487,742	-	131,487,742
Sukuk bonds (other than government)	1,968,205	-	-	-	-	-	1,968,205	-	1,968,205	-	1,968,205
Listed equity securities	14,503,535	99,739	-	-	-	-	14,603,274	14,603,274	-	-	14,603,274
Unlisted equity securities	-	508	-	-	-	-	508	-	-	508	508
Units of mutual funds	1,895,714	1,033,898	-	-	-	-	2,929,612	-	2,929,612	-	2,929,612
Debt securities (Listed TFCs)	5,622,752	-	-	-	-	-	5,622,752	-	5,622,752	-	5,622,752
<b>Financial assets not measured at fair value</b>											
- Government securities (T-bills + PIBs + Sukuks)	-	-	10,127,291	-	-	-	10,127,291	-	-	-	10,127,291
- Balances with banks *	16,523,413	-	-	-	-	-	16,523,413	-	-	-	16,523,413
- Certificate of investment	-	-	981,000	-	-	-	981,000	-	-	-	981,000
- Advances to employees and agents	-	-	-	197,740	-	-	197,740	-	-	-	197,740
- Investment income accrued	-	-	-	-	4,630,176	-	4,630,176	-	-	-	4,630,176
- Other loans and receivables (excluding markup accrued)*	-	-	-	-	1,333,534	-	1,333,534	-	-	-	1,333,534
	172,001,361	1,134,145	11,108,291	197,740	5,963,710	-	190,405,247	-	-	-	190,405,247
<b>Financial liabilities not measured at fair value</b>											
Deferred taxation	-	-	-	-	-	1,361,936	1,361,936	-	-	-	1,361,936
Premium received in advance	-	-	-	-	-	1,374,190	1,374,190	-	-	-	1,374,190
Insurance / reinsurance payables	-	-	-	-	-	586,298	586,298	-	-	-	586,298
Lease liability	-	-	-	-	-	593,388	593,388	-	-	-	593,388
Other creditors and accruals	-	-	-	-	-	1,751,770	1,751,770	-	-	-	1,751,770
	-	-	-	-	-	5,667,582	5,667,582	-	-	-	5,667,582
	172,001,361	1,134,145	11,108,291	197,740	5,963,710	(5,667,582)	184,737,665	-	-	-	184,737,665

## On balance sheet financial instruments

December 2022 (Audited)

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

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

**29 GENERAL**

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

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

**30 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 27 October 2023.

  
\_\_\_\_\_  
**Managing Director &  
Chief Executive Officer**  
\_\_\_\_\_  
**Chief Financial Officer**  
\_\_\_\_\_  
**Director**  
\_\_\_\_\_  
**Vice-Chairman**  
\_\_\_\_\_  
**Chairman**



# **TAKAFUL ACCOUNTS**

**FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

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

	Note	Operator Sub Fund	Policyholder Fund	30 September 2023	31 December 2022
(Rupees in '000)					
<b>Assets</b>					
Investments					
Equity securities	5	-	1,251,348	1,251,348	1,589,023
Government securities	6	353,279	14,173,391	14,526,670	9,380,315
Debt securities	7	-	1,788,022	1,788,022	1,542,618
Term deposits	8	-	1,991,000	1,991,000	3,771,000
Takaful / retakaful receivables		-	108,793	108,793	98,934
Other loans and receivables		282,021	2,024,103	2,306,124	1,698,058
Deferred tax asset		7,937	-	7,937	-
Prepayments		10,692	-	10,692	7,991
Cash & Bank	9	9,565	1,745,327	1,754,892	1,671,466
<b>Total Assets</b>		<b>663,494</b>	<b>23,081,984</b>	<b>23,745,478</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		158,726	-	158,726	61,326
Qard-e-Hasna		-	-	-	-
Retained Earning arising from business other than participating business attributable to shareholder's (Ledger account D)		237,280	-	237,280	193,925
Accumulated losses		(108,200)	-	(108,200)	19,481
<b>Total Equity</b>		<b>337,806</b>	<b>-</b>	<b>337,806</b>	<b>324,732</b>
<b>Liabilities</b>					
Insurance Liabilities	10				
Takaful contribution received in advance		-	21,840,870	21,840,870	17,325,462
Takaful / retakaful payables		-	200,962	200,962	164,771
Deferred Tax Liability		-	246,379	246,379	108,675
Other creditors and accruals		325,688	793,773	1,119,461	7,961
<b>Total Liabilities</b>		<b>325,688</b>	<b>23,081,984</b>	<b>23,407,672</b>	<b>19,434,673</b>
<b>Total Equity and Liabilities</b>		<b>663,494</b>	<b>23,081,984</b>	<b>23,745,478</b>	<b>19,759,405</b>
Contingency(ies) and commitment(s)	11				

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

  
**Managing Director &  
Chief Executive Officer**

  
**Chief Financial Officer**

  
**Director**

  
**Vice-Chairman**

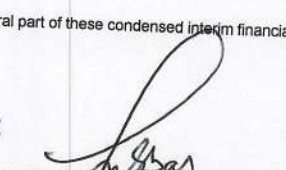
  
**Chairman**


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

Note	Operator's Sub Fund		Policyholder's Fund		Aggregate			
	Nine Months Ended 30 September		Nine Months Ended 30 September		Nine Months Ended 30 September		Three months period ended 30 September	
	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in '000)							
	896,288	1,243,617	5,087,222	4,643,336	5,983,510	5,886,953	2,018,360	1,923,156
	-	-	(328,573)	(197,465)	(328,573)	(197,465)	(67,538)	(43,559)
12	896,288	1,243,617	4,758,649	4,445,871	5,654,937	5,689,488	1,950,822	1,879,597
	523,679	449,697	(526,209)	(449,697)	(2,530)	-	(18)	-
	232,961	209,257	(232,961)	(209,257)	-	-	-	-
	18	30	-	-	18	30	5	10
	47,581	24,568	(47,581)	(24,568)	-	-	-	-
13	91,910	64,691	2,444,633	1,078,261	2,536,543	1,142,952	1,010,789	477,983
14	(415)	(353)	(151,898)	(105,870)	(152,313)	(106,223)	(29,417)	(12,884)
15	379	(638)	138,574	(191,730)	138,953	(192,368)	-	-
	896,113	747,252	1,624,558	97,139	2,520,671	844,391	1,109,759	499,734
	1,792,401	1,990,869	6,383,207	4,543,010	8,175,608	6,533,879	3,060,581	2,379,331
	-	-	2,183,381	1,400,384	2,183,381	1,400,384	874,660	503,765
	-	-	(203,584)	(129,705)	(203,584)	(129,705)	(112,277)	(62,996)
	-	-	-	45,891	-	45,891	-	23,349
16	-	-	1,979,797	1,316,570	1,979,797	1,316,570	762,383	464,118
	-	-	4,403,410	3,226,440	4,403,410	3,226,440	1,668,858	1,287,518
17	1,413,772	1,644,795	-	-	1,413,772	1,644,795	480,172	456,536
	1,644	1,383	-	-	1,644	1,383	675	903
18	431,804	268,478	-	-	431,804	268,478	142,975	95,239
	1,847,220	1,914,656	4,403,410	3,226,440	6,250,630	5,141,086	2,292,680	1,840,196
	(54,819)	76,213	-	-	(54,819)	76,213	5,518	75,017
19	15,898	(22,102)	-	-	15,898	(22,102)	(1,600)	(21,755)
	(38,921)	54,111	-	-	(38,921)	54,111	3,918	53,262

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

  
 Managing Director &  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director

  
 Vice-Chairman

  
 Chairman


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


	Operator Sub Fund		Policyholder Funds		Aggregate			
	Nine Months Ended 30 September		Nine Months Ended 30 September		Nine Months Ended 30 September		Three months period ended 30 September	
	2023	2022	2023	2022	2023	2022	2023	2022
(Loss) / Income for the period - as per Profit and Loss Account	(38,921)	54,111	-	-	(38,921)	54,111	3,918	53,262
<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 period- net of tax	-	-	-	-	-	-	-	-
<b>Total comprehensive (loss)/ income for the period</b>	<b>(38,921)</b>	<b>54,111</b>	<b>-</b>	<b>-</b>	<b>(38,921)</b>	<b>54,111</b>	<b>3,918</b>	<b>53,262</b>


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

  
 Managing Director &  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director

  
 Vice-Chairman

  
 Chairman

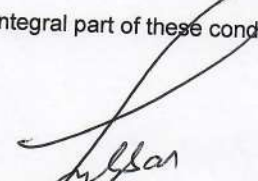


**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**Window Takaful Operations (Un-audited / Un-reviewed)**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

	Nine months ended 30 September	
	2023	2022
	----- (Rupees in '000) -----	
<b>Operating cash flows</b>		
<b>a) Takaful activities</b>		
Takaful contribution received	6,008,198	5,903,515
Retakaful contribution paid	(190,869)	(138,105)
Claims paid	(2,078,511)	(1,394,538)
Retakaful and other recoveries received	203,584	129,705
Commission paid	(918,410)	(1,077,021)
Marketing and Administrative expenses paid	(431,804)	(268,478)
Other acquisition cost paid	(652,896)	(637,366)
Net cash flow from underwriting activities	1,939,292	2,517,712
<b>b) Other operating activities</b>		
Other operating (payments) / receipts	(461,798)	228,600
Other receipts / (payments) on operating assets	213,519	(359,448)
Net cash flow from other operating activities		
<b>Total cash flow from all operating activities</b>	(248,279)	(130,848)
	1,691,013	2,386,864
<b>Investment activities</b>		
Profit / Return received		
Dividends received	1,612,792	688,371
Payments for investments	106,614	110,465
Proceed from disposal of investments	(5,526,325)	(3,172,724)
<b>Total cash flow from investing activities</b>	458,881	651,077
	(3,348,038)	(1,722,811)
<b>Financing activities</b>		
Net Capital contributed from shareholder's fund		
<b>Total cash flow from financing activities</b>	(39,550)	(84,090)
	(39,550)	(84,090)
<b>Net cash flow from all activities</b>	(1,696,575)	579,963
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>	3,745,892	5,926,984
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	1,691,013	2,386,864
Depreciation expense	(91,039)	(85,404)
Amortization expense	(506)	(1,539)
(Loss) / gain on disposal of investments	(152,313)	(106,223)
Dividend Income	106,614	110,465
Other investment income	2,446,244	1,046,126
Depreciation in market value of investments	122,637	(206,002)
(Decrease) / Increase in assets other than cash	(188,574)	296,699
Increase in liabilities	(3,972,997)	(3,386,875)
<b>Profit after taxation</b>	(38,921)	54,111

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

  
**Managing Director &  
 Chief Executive Officer**

  
**Chief Financial Officer**

  
**Director**

  
**Vice-Chairman**

  
**Chairman**

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


	Attributable to the equity holders' of the Company						Total
	Cede Money	Capital Contribution from main Shareholder Fund	General Reserve	Retained earnings arising from business other than participating business attributable to shareholders (ledger account D)- net of tax *	Surplus/Deficit on revaluation of available for sale investment	Unappropriated Profit	
	(Rupees in '000)						
Balance as at 1 January 2022	50,000	102,220	-	148,089	-	(43,064)	257,245
Capital contribution from shareholder's fund	-	2,853	-	-	-	-	2,853
Income / (loss) for the period ended 30 September 2022	-	-	-	-	-	54,111	54,111
Other Comprehensive income/( loss)	-	-	-	-	-	-	-
Total income / (loss) for the period ended 30 September 2022	-	-	-	-	-	54,111	54,111
Contribution to increase solvency margin	-	(31,150)	-	31,150	-	-	-
Capital contribution transferred to policy holder liability	-	4,326	-	-	-	-	4,326
<b>Balance as at 30 September 2022</b>	<b>50,000</b>	<b>78,249</b>	<b>-</b>	<b>179,239</b>	<b>-</b>	<b>11,047</b>	<b>318,535</b>
Balance as at 1 January 2023	50,000	61,326	-	193,925	-	(69,279)	235,972
Capital contribution from shareholder's fund	-	140,755	-	-	-	-	140,755
Income / (loss) for the period ended 30 September 2023	-	-	-	-	-	(38,921)	(38,921)
Other Comprehensive income/( loss)	-	-	-	-	-	-	-
Total income / (loss) for the period ended 30 September 2023	-	-	-	-	-	(38,921)	(38,921)
Contribution to increase solvency margin	-	(43,355)	-	43,355	-	-	-
<b>Balance as at 30 September 2023</b>	<b>50,000</b>	<b>158,726</b>	<b>-</b>	<b>237,280</b>	<b>-</b>	<b>(108,200)</b>	<b>337,806</b>


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

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

  
**Managing Director &  
 Chief Executive Officer**

  
**Chief Financial Officer**

  
**Director**

  
**Vice-Chairman**

  
**Chairman**

**EFU LIFE ASSURANCE LIMITED- Window Takaful Operations (Un-audited / Un-reviewed)**  
**Notes To and forming part of Financial Statement**  
**For The Nine Months Period Ended 30 September 2023**

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

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

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

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

**2.3 Basis of measurement**

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

**2.4 Functional and presentation currency**

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

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

5 INVESTMENTS IN EQUITY SECURITIES

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

	30 September 2023 Unaudited	31 December 2022 Audited
Note	(Rupees in '000)	
5.1	1,251,348	1,589,023
	<u>1,251,348</u>	<u>1,589,023</u>

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

Related Parties  
Listed Shares

Others  
Listed Shares

30 September 2023 (Unaudited)			31 December 2022 (Audited)		
Cost	Impairment/ provision	Carrying Value	Cost	Impairment/ provision	Carrying Value
(Rupees in '000)					
-	-	-	-	-	-
1,321,328	-	1,251,348	1,825,307	-	1,589,023
<u>1,321,328</u>	<u>-</u>	<u>1,251,348</u>	<u>1,825,307</u>	<u>-</u>	<u>1,589,023</u>

6. GOVERNMENT SECURITIES

Held to Maturity

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

	30 September 2023 Unaudited	31 December 2022 Audited
Note	(Rupees in '000)	
6.1	1,121,937	920,030
6.2	13,404,733	8,460,285
	<u>14,526,670</u>	<u>9,380,315</u>

6.1 Held to Maturity

Government Ijara  
Pakistan Energy Sukuk I  
Pakistan Energy Sukuk II

Maturity Year	Effective Yield %	30 September 2023 (Unaudited)			31 December 2022 (Audited)		
		Amortised Cost	Principal Repayment	Carrying Value	Amortised Cost	Principal Repayment	Carrying Value
(Rupees in '000)							
2024-2027	8.37-15.69	481,776	480,372	481,776	277,612	277,136	277,612
2029	20.86	188,992	197,160	188,992	190,820	197,160	190,820
2030	21.96	451,169	452,700	451,169	451,598	452,700	451,598
		<u>1,121,937</u>	<u>1,130,232</u>	<u>1,121,937</u>	<u>920,030</u>	<u>926,996</u>	<u>920,030</u>

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

Government Ijara  
Pakistan Energy Sukuk I  
Pakistan Energy Sukuk II

Maturity Year	Effective Yield %	30 September 2023 (Unaudited)			31 December 2022 (Audited)		
		Amortised Cost	Principal Repayment	Carrying Value	Amortised Cost	Principal Repayment	Carrying Value
(Rupees in '000)							
2024-2027	11.40-15.89	13,007,304	13,020,700	12,824,733	8,023,681	8,032,133	7,880,285
2029	20.86	593,266	620,840	530,000	190,820	620,840	530,000
2030	21.96	50,129	50,300	50,000	50,178	50,300	50,000
		<u>13,650,699</u>	<u>13,691,840</u>	<u>13,404,733</u>	<u>8,264,679</u>	<u>8,703,273</u>	<u>8,460,285</u>

**7. INVESTMENT IN DEBT SECURITIES**

Others	Note	30 September 2023 (Unaudited)			31 December 2022 (Audited)		
		Cost	Impairment/ Provision	Carrying Value	Cost	Impairment / Provision	Carrying Value
Corporate Sukuks	7.1	1,788,022	-	1,788,022	1,542,618	-	1,542,618
		<b>1,788,022</b>	<b>-</b>	<b>1,788,022</b>	<b>1,542,618</b>	<b>-</b>	<b>1,542,618</b>

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

**7.1 Corporate Sukuks**

	Maturity	No. Of Certificates		Face Value	Carrying Amount	
		30 September 2023	31 December 2022		30 September 2023	31 December 2022
(Rupees in '000)						
HUBCO Sukuk	2023	50,000	28,571	100	-	101,170
Neelum Jehlum Hydropower	2026	12,500	1,250	100	39,295	49,133
Meezan Bank Ltd	Perpetual	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	Perpetual	28,063	28,063	5	140,315	140,315
					<b>529,610</b>	<b>640,618</b>
<b>Held to Maturity</b>						
Engro Polymer & Chemicals Ltd.	2026	-	200	-	-	-
					<b>529,610</b>	<b>640,618</b>
<b>Term Finance Certificate</b>						
K-Electric Limited	2029	100,000	-	5	606,412	600,000
					<b>606,412</b>	<b>600,000</b>
<b>Certificate Of Investment</b>						
First Habib Modarba	2023	3	1	217,333	652,000	302,000
					<b>652,000</b>	<b>302,000</b>
					<b>1,788,022</b>	<b>1,542,618</b>

**8. INVESTMENTS IN TERM DEPOSITS**

Deposit maturing within 3 months

30 September 2023 (Unaudited)	31 December 2022 (Audited)
1,991,000	3,771,000

**9. CASH AND BANK**

Cash and Cash Equivalent  
Cash in hand

Cash at bank

Current account  
Saving account

30 September 2023 (Unaudited)	30 September 2022 (Audited)
304	75
115,778	359,643
1,638,810	1,311,748
<b>1,754,892</b>	<b>1,671,466</b>
304	407
1,754,588	1,585,577
1,991,000	4,341,000
<b>3,745,892</b>	<b>5,926,984</b>

**9.1 Cash and cash equivalents for cash flow purpose comprise of the following:**

- Cash and others
- Cash at bank
- Term deposits maturing within three months

		30 September 2023 (Unaudited)	31 December 2022 (Audited)
	Note	----- (Rupees in '000) -----	
<b>10. TAKAFUL LIABILITIES</b>			
Reported outstanding claims			
Incurred but not reported claims	10.1	455,860	350,270
Investment component of unit-linked and account value policies	10.2	123,266	99,537
Liabilities under individual conventional insurance contracts	10.3	20,403,710	16,174,063
Liabilities under group insurance contracts (other than investment linked)	10.4	122,900	131,123
Other liabilities	10.5	68,309	55,252
Participant takaful fund balance	10.6	55,374	48,225
		<b>611,451</b>	<b>466,992</b>
<b>10.1 Reported Outstanding Claims</b>		<b>21,840,870</b>	<b>17,325,462</b>
<b>Gross of Retakaful</b>			
Payable within one year		430,873	326,021
Payable over a period of time exceeding one year		55,721	59,566
		<b>486,594</b>	<b>385,587</b>
<b>Recoverable from Retakaful</b>			
Receivable over a period of time exceeding one year		(30,734)	(35,317)
		<b>(30,734)</b>	<b>(35,317)</b>
Net reported outstanding claims		<b>455,860</b>	<b>350,270</b>
<b>10.2 Incurred But Not Reported Claims</b>			
Gross of retakaful		225,389	172,145
Retakaful recoveries		(102,123)	(72,608)
Net of retakaful		<b>123,266</b>	<b>99,537</b>
<b>10.3 Investment Component of Unit Linked and Account Value Policies</b>			
Investment component of unit linked policies		20,403,710	16,174,063
Investment component of account value policies		-	-
		<b>20,403,710</b>	<b>16,174,063</b>
<b>10.4 Liabilities under Individual Conventional takaful Contracts</b>			
Gross of Retakaful		188,287	206,467
Retakaful Credit		(65,387)	(75,344)
Net of Reinsurance		<b>122,900</b>	<b>131,123</b>
<b>10.5 Liabilities under Group Insurance Contracts (other than investment linked)</b>			
Gross of Reinsurance		152,906	77,603
Reinsurance Credit		(84,597)	(22,351)
Net of Reinsurance		<b>68,309</b>	<b>55,252</b>
<b>10.6 Participant Takaful Fund Balance</b>			
	10.6.1	611,451	466,992
<b>10.6.1</b>			
This comprises of surplus of Individual Family Takaful - Participant Takaful Fund, which relates exclusively to participants of the Individual Family Takaful Fund and is not available for distribution to shareholders. Under the Waqf Deed of Individual Family Takaful Fund read with Rule 21 of Takaful Rules, 2012, the surplus arising in the Participants Sub Fund can only be distributed to the Participants of that Fund based on approval of the Appointed Actuary. The surplus has been classified under insurance liabilities as clarified by SECP.			
<b>11. CONTINGENCIES AND COMMITMENTS</b>			
The contingencies and commitments reported in the main financials of the Company also includes impacts of Window Takaful Operations as at December 31, 2022. Out of the reported amount thereon, an amount of Rs.257.4 million pertains to Window Takaful Operations. There were no other material contingencies and commitments as at September 30, 2023.			

	Aggregate			
	Nine months period ended 30 September		Three months period ended 30 September	
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
<b>12. NET CONTRIBUTION REVENUE</b>				
<b>Gross contribution</b>				
Regular contribution individual policies				
First year	1,228,233	1,790,748	446,506	549,873
Second year renewal	1,183,142	1,253,778	381,481	385,599
Subsequent year renewal	2,833,140	2,241,040	975,597	769,023
Single contribution individual policies	85,102	138,448	38,151	33,807
Group policies with cash values	590	610	35	15
Group policies without cash values	653,303	462,329	176,590	184,839
<b>Total gross contribution</b>	<b>5,983,510</b>	<b>5,886,953</b>	<b>2,018,360</b>	<b>1,923,156</b>
<b>Less: Retakaful contribution ceded</b>				
On individual life first year business	16,866	11,709	5,046	(4,512)
On individual life second year business	15,768	8,936	5,124	(1,044)
On individual life renewal business	42,847	22,374	13,207	(1,189)
On group policies	260,699	159,484	46,428	48,152
Less: Experience refund from reinsurers	(7,607)	(5,038)	(2,267)	2,152
<b>Total reinsurance premium / retakaful contribution ceded</b>	<b>328,573</b>	<b>197,465</b>	<b>67,538</b>	<b>43,559</b>
<b>Net premium / contribution</b>	<b>5,654,937</b>	<b>5,689,488</b>	<b>1,950,822</b>	<b>1,879,597</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	106,612	110,465	35,667	30,839
<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	1,092,326	193,255	896,056	67,513
On government securities	366,923	152,353	28,029	1,778
<b>Held to maturity</b>				
On government securities	684,580	379,585	(51,844)	227,109
<b>Income from term deposits</b>				
Return on term deposits	286,102	307,294	102,880	150,744
	<b>2,536,543</b>	<b>1,142,952</b>	<b>1,010,788</b>	<b>477,983</b>

	Aggregate			
	Nine months period ended 30 September		Three months period ended 30 September	
	2023	2022	2023	2022
<b>14. NET REALISED FAIR VALUE GAINS (LOSSES) ON FINANCIAL ASSETS</b>				
Available for sale				
Realised gains on:				
- Equity securities	13,115	43,283	9,607	28,733
- Government securities	-	-	-	-
Realised losses on:				
- Equity securities	(165,428)	(149,506)	(39,024)	(41,617)
	<b>(152,313)</b>	<b>(106,223)</b>	<b>(29,417)</b>	<b>(12,884)</b>
<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	138,953	(192,368)	128,400	34,625
	<b>138,953</b>	<b>(192,368)</b>	<b>128,400</b>	<b>34,625</b>
<b>16. NET TAKAFUL BENEFITS</b>				
<b>Gross claims</b>				
Claims under individual policies				
by death				
by insured event other than death	83,161	88,713	26,462	35,516
by maturity	-	-	-	-
by surrender	-	-	-	-
<b>Total gross individual policy claims</b>	<b>1,755,291</b>	<b>1,057,922</b>	<b>670,434</b>	<b>361,693</b>
Claims under group policies				
by death				
by insured event other than death	319,195	247,197	156,742	103,690
by maturity	25,734	6,552	21,022	2,866
by surrender	-	-	-	-
<b>Total gross group claims</b>	<b>344,929</b>	<b>253,749</b>	<b>177,764</b>	<b>106,556</b>
<b>Total gross claims</b>	<b>2,183,381</b>	<b>1,400,384</b>	<b>874,660</b>	<b>503,765</b>
<b>Less: Retakaful recoveries</b>				
On individual life claims	21,047	7,342	4,870	1,076
On group life claims	182,537	122,363	107,407	61,920
<b>Total retakaful recoveries</b>	<b>203,584</b>	<b>129,705</b>	<b>112,277</b>	<b>62,996</b>
<b>Net takaful benefit expense</b>	<b>1,979,797</b>	<b>1,270,679</b>	<b>762,383</b>	<b>440,769</b>



17	ACQUISITION EXPENSES	Aggregate			
		Nine months period ended 30 September		Three months period ended 30 September	
		2023	2022	2023	2022
		----- (Rupees in '000) -----			
	Remuneration to takaful intermediaries on individual policies:				
	- Commission to agent on first year contributions	462,701	683,279	160,251	199,500
	- Commission to agent on second year contributions	110,773	75,357	35,905	10,432
	- Commission to agent on subsequent renewal contributions	85,142	45,542	28,879	10,182
	- Commission to agent on single contributions	2,517	4,045	1,153	1,010
	- Override commission to supervisors	90,570	146,249	30,952	46,185
	- Other benefits to takaful intermediaries				
	Salaries, allowances and other benefits	388,625	454,342	115,037	104,207
	Remuneration to takaful intermediaries on group policies:				
	- Commission	34,415	36,020	14,329	15,017
	- Other benefits to takaful intermediaries	14,692	19,640	3,838	6,242
	Other acquisition costs				
	- Traveling expenses	65,496	6,659	25,918	2,111
	- Printing and stationery	5,928	1,318	5,587	312
	- Depreciation	59,186	64,423	17,389	20,614
	- Rent, rates and taxes	2,214	3,347	548	870
	- Electricity, gas and water	24,007	23,830	12,195	13,115
	- Entertainment	7,527	8,282	2,924	3,255
	- Vehicle running expenses	1,174	1,281	400	239
	- Office repairs & maintenance	6,669	5,980	2,657	1,764
	- Postages, telegrams and telephone	4,995	6,391	2,199	2,126
	- Finance Cost	13,904	14,334	4,374	5,378
	- Others	9,888	12,852	3,793	5,368
	- Medical fees	3,136	2,652	916	519
	- Policy stamps	20,213	28,972	10,928	8,090
		<b>1,413,772</b>	<b>1,644,795</b>	<b>480,172</b>	<b>456,536</b>
18.	MARKETING AND ADMINISTRATION EXPENSES				
	Employee benefit cost	184,037	116,894	53,843	37,535
	Traveling expenses	11,526	9,021	653	2,110
	Advertisements and sales promotion	23,206	6,867	7,492	1,820
	Printing and stationery	16,685	13,646	1,234	4,129
	Depreciation	31,853	20,981	13,239	9,285
	Amortisation	506	1,539	-	513
	Rent, rates and taxes	1,991	1,094	1,540	1,024
	Legal and Professional charges	7,891	11,476	2,993	7,195
	Electricity, gas and water	12,363	7,424	4,884	4,152
	Entertainment	7,503	4,728	2,883	1,481
	Vehicle running expenses	1,504	810	367	176
	Office repair and maintenance	56,845	26,337	25,724	10,607
	Appointed actuary fees	2,929	1,845	974	615
	Bank charges	4,160	1,532	2,689	301
	Postage, internet and telephone	17,561	10,597	5,006	2,946
	Fees and subscription	14,885	4,913	7,315	1,900
	Annual supervision fee SECP	9,573	9,419	3,082	3,077
	Miscellaneous	26,786	19,355	9,057	6,373
		<b>431,804</b>	<b>268,478</b>	<b>142,975</b>	<b>95,239</b>

19. TAX FOR THE PERIOD

Aggregate			
Nine months period ended 30 September		Three months period ended 30 September	
2023	2022	2023	2022
----- (Rupees in '000) -----			
Current			
Deferred			
15,898	(22,102)	(1,600)	(21,755)
-	-	-	-
<u>15,898</u>	<u>(22,102)</u>	<u>(1,600)</u>	<u>(21,755)</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:

Transactions	30 September 2023	30 September 2022
	----- (Rupees in '000) -----	
<b>Associated companies/ Related Party</b>		
Premium written		
Premium paid	4,897	3,310
Claims paid	5,340	4,526
Commission Paid	6,690	822
Interest / Profit received	2,533	28,410
Payment to K-Electric	249,266	242,961
Placement of TDR	-	18
TDR matured	1,290,000	2,290,000
	<b>1,940,000</b>	<b>1,538,427</b>
<b>Employees' funds</b>		
Contribution to provident fund		
Contribution to pension fund	1,833	2,297
	<b>872</b>	<b>1,137</b>
<b>Key Management Personnel Transactions</b>		
Premium written		
	339	501
	<b>30 September 2023</b>	<b>31 December 2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	----- (Rupees in '000) -----	
<b>Balances</b>		
Bank balances		
Bank deposits	1,087,204	898,058
Premium payable	1,290,000	1,290,000
Premium receivable	353	23
Investment in Related Party	497	363
Claim outstandings -Related Parties	-	140,315
	<b>4,093</b>	<b>129</b>

## 21. SEGMENTAL INFORMATION

### 21.1 Revenue Account by Statutory Fund

<b>Income</b>
Contribution less retakaful
Policy transfer from other statutory funds
Bonus units transfer to statutory fund
Net investment income / wakala income
Total net income
<b>Takaful Benefits and Expenditures</b>
Claims net of retakaful recoveries
Policy transfer from other statutory funds
Management expenses less recoveries
<b>Total takaful Benefits and Expenditures</b>
<b>Excess of income over takaful Benefits and Expenditures</b>
<b>Net Change in takaful Liabilities (Other than outstanding Claims)</b>
<b>Surplus before tax</b>
<b>Movement in takaful liabilities</b>
<b>Transfer to and from Shareholder's Fund</b>
Transfer of (surplus) / deficit to shareholders' fund
Capital contribution to / from share holders' fund
Net Transfer to / from shareholders' fund
<b>Balance of statutory funds at beginning of the period</b>
<b>Balance of statutory funds at end of the period</b>

Family Takaful Investment Linked Business	Family Takaful Protection Business	Aggregate Period ended 30 September 2023
(Rupees in '000)		
5,252,638	392,604	5,645,242
9,696	-	9,696
18	-	18
3,135,346	144,476	3,279,822
8,397,698	537,080	8,934,778
1,819,050	162,392	1,981,442
-	-	-
2,419,888	184,859	2,604,747
4,238,938	347,251	4,586,189
4,158,760	189,829	4,348,589
(4,223,627)	(35,323)	(4,258,950)
(64,867)	154,506	89,639
4,223,627	35,323	4,258,950
-	(42,581)	(42,581)
140,755	-	140,755
140,755	(42,581)	98,174
16,915,660	229,482	17,145,142
21,215,175	376,730	21,591,905

<b>Income</b>
Contribution less retakaful
Policy transfer from other statutory funds
Special reinstatement fee
Net investment income
Total net income
<b>Takaful Benefits and Expenditures</b>
Claims net of retakaful recoveries
Policy transfer from other statutory funds
Management expenses less recoveries
<b>Total Insurance Benefits and Expenditures</b>
<b>Excess of income over Takaful Benefits and Expenditures</b>
<b>Net Change in Takaful Liabilities (Other than outstanding Claims)</b>
<b>Surplus before tax</b>
<b>Movement in takaful liabilities</b>
<b>Transfer to and from Shareholder's Fund</b>
Transfer of (surplus) / deficit to shareholders' fund
Capital contribution from share holders' fund
Net Transfer to/from shareholders' fund
<b>Balance of statutory funds at beginning of the period</b>
<b>Balance of statutory funds at end of the period</b>

Family Takaful Investment Linked Business	Family Takaful Protection Business	Aggregate Period ended 30 September 2022
(Rupees in '000)		
5,365,350	302,846	5,668,196
21,291	-	21,291
30	-	30
1,379,613	123,691	1,503,304
6,766,284	426,537	7,192,821
1,140,677	131,386	1,272,063
-	-	-
2,405,168	167,056	2,572,224
3,545,845	298,442	3,844,287
3,220,439	128,095	3,348,534
(3,131,298)	(24,537)	(3,155,835)
89,141	103,558	192,699
3,131,298	24,537	3,155,835
-	(93,816)	(93,816)
2,853	-	2,853
2,853	(93,816)	(90,963)
12,123,497	185,275	12,308,772
15,346,789	219,554	15,566,343

22 FAIR VALUE

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

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

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

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

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

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

On balance sheet financial instruments

Fair Value through profit and loss designated upon initial recognition	30 September 2023 (Unaudited)						Fair value			Total
	Available for Sale	Held To Maturity	Loans and Receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	
							Level 1	Level 2	Level 3	
(Rupees in '000)										
<b>Financial assets measured at fair value</b>										
<b>- Investments</b>										
Government Securities (T-bills + PIBs + Sukuks)	13,404,733	-	-	-	-	13,404,733	-	13,404,733	-	13,404,733
Sukuk Bonds (other than government)	529,610	-	-	-	-	529,610	-	529,610	-	529,610
Listed equity securities	1,251,348	-	-	-	-	1,251,348	1,251,348	-	-	1,251,348
Unlisted equity securities	-	-	-	-	-	-	-	-	-	-
Units of mutual funds	-	-	-	-	-	-	-	-	-	-
Debt securities (Listed TFCs)	1,258,412	-	-	-	-	1,258,412	1,258,412	-	-	1,258,412
<b>Financial assets not measured at fair value</b>										
- Government Securities (T-bills + PIBs + Sukuks)	-	1,121,937	-	-	-	1,121,937	-	620,000	-	620,000
- Balances with banks *	3,745,892	-	-	-	-	3,745,892	-	-	-	3,745,892
- Certificate of Investment	-	-	-	-	-	-	-	-	-	-
- Advances	-	-	-	-	-	-	-	-	-	-
- Investment income accrued	-	-	-	-	-	-	-	-	-	-
- Other loans and receivables (excluding markup accrued)*	-	-	-	1,297,701	-	1,297,701	-	-	-	1,297,701
	20,189,995	1,121,937	-	2,306,124	-	2,306,124	-	-	-	2,306,124
				3,603,825	-	24,915,757				
<b>Financial liabilities not measured at fair value</b>										
Deferred taxation	-	-	-	-	-	-	-	-	-	-
Premium received in advance	-	-	-	-	-	200,962	-	-	-	200,962
Insurance / reinsurance payables	-	-	-	-	-	246,379	-	-	-	246,379
Other creditors and accruals	-	-	-	-	-	1,119,461	-	-	-	1,119,461
	-	-	-	-	-	1,566,802	-	-	-	1,566,802
	20,189,995	1,121,937	-	3,603,825	(1,566,802)	23,348,955				

On balance sheet financial instruments

	31 December 2022										
	Fair Value through profit and loss (designated upon initial recognition)	Available for Sale	Held to Maturity	Loans and Receivables	Other financial Assets	Other financial liabilities	Total	Fair value			Total
								Level 1	Level 2	Level 3	
(Rupees in '000)											
<b>Financial assets measured at fair value</b>											
<b>- Investments</b>											
Government Securities (T-bills + PIBs + Sukuks)	8,460,285	-	-	-	-	-	8,460,285	-	8,460,285	-	8,460,285
Sukuk Bonds (other than government)	640,618	-	-	-	-	-	640,618	-	640,618	-	640,618
Listed equity securities	1,589,023	-	-	-	-	-	1,589,023	1,589,023	-	-	1,589,023
Unlisted equity securities	-	-	-	-	-	-	-	-	-	-	-
Units of mutual funds	-	-	-	-	-	-	-	-	-	-	-
Debt securities (Listed TFCs)	902,000	-	-	-	-	-	902,000	902,000	-	-	902,000
<b>Financial assets not measured at fair value</b>											
- Government Securities (T-bills + PIBs + Sukuks)	-	-	920,030	-	-	-	-	-	-	-	-
- Balances with banks *	-	-	-	-	-	-	-	-	-	-	-
- Certificate of Investment	5,442,466	-	-	-	-	-	920,030	-	866,391	-	866,391
- Advances	-	-	-	-	-	-	5,442,466	-	-	-	-
- Investment income accrued	-	-	-	-	-	-	-	-	-	-	-
- Other loans and receivables (excluding markup accrued)*	-	-	-	-	480,566	-	480,566	-	-	-	-
	17,034,392	-	920,030	-	1,698,058	-	1,698,058	-	-	-	-
					2,178,624	-	20,133,046				
<b>Financial liabilities not measured at fair value</b>											
Deferred taxation	-	-	-	-	-	-	-	-	-	-	-
Premium received in advance	-	-	-	-	-	-	-	-	-	-	-
Insurance / reinsurance payables	-	-	-	-	-	164,771	164,771	-	-	-	-
Other creditors and accruals	-	-	-	-	-	108,675	108,675	-	-	-	-
	-	-	-	-	-	1,827,804	1,827,804	-	-	-	-
	-	-	-	-	-	2,101,250	2,101,250	-	-	-	-
	17,034,392	-	920,030	-	2,178,624	(2,101,250)	18,031,796				

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

23 GENERAL

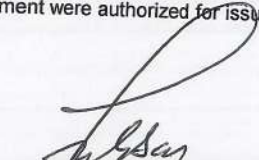
Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

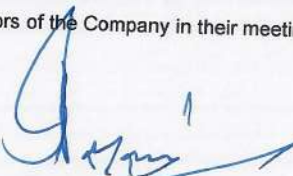
Certain prior year's figures have been rearranged and reclassified, wherever necessary, to facilitate comparisons.

23.1 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statement were authorized for issue by the Board of Directors of the Company in their meeting held on 27 October 2023.

  
 Managing Director &  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director

  
 Vice-Chairman

  
 Chairman