

Report (Un-Audited)

2022  
First Quarter  
2022



Sustained Momentum  
Continuous Growth



GENERAL

EFU GENERAL  
INSURANCE LTD



EFU GENERAL INSURANCE LTD

ISO 9001: 2015 Certified



[efuinsurance.com](http://efuinsurance.com)

## Contents

<b>03</b>	Company Information
<b>04</b>	Directors' Review
<b>05</b>	Directors' Review Urdu
<b>06</b>	Unconsolidated Condensed Interim Statement of Financial Position
<b>07</b>	Unconsolidated Condensed Interim Profit and Loss Account
<b>08</b>	Unconsolidated Condensed Interim Statement of Comprehensive Income
<b>09</b>	Unconsolidated Condensed Interim Cash Flow Statement
<b>10</b>	Unconsolidated Condensed Interim Statement of Changes in Equity
<b>11</b>	Notes to the Unconsolidated Condensed Interim Financial Statements

### **Consolidated Condensed Interim Financial Statements**

<b>30</b>	Directors' Review
<b>31</b>	Directors' Review Urdu
<b>32</b>	Consolidated Condensed Interim Statement of Financial Position
<b>33</b>	Consolidated Condensed Interim Profit and Loss Account
<b>34</b>	Consolidated Condensed Interim Statement of Comprehensive Income
<b>35</b>	Consolidated Condensed Interim Cash Flow Statement
<b>36</b>	Consolidated Condensed Interim Statement of Changes in Equity
<b>37</b>	Notes to the Consolidated Condensed Interim Financial Statements

## **Window Takaful Operations**

- 60** Condensed Interim Statement of Financial Position
- 61** Condensed Interim Profit and Loss Account
- 62** Condensed Interim Statement of Comprehensive Income
- 63** Condensed Interim Cash Flow Statement
- 64** Condensed Interim Statement of Changes in Funds
- 65** Notes to the Condensed Interim Financial Statements

## Company Information

### Chairman

Saifuddin N. Zoomkawala

### Managing Director & Chief Executive

Hasanali Abdullah

### Directors

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

### Chief Financial Officer

Altaf Qamruddin Gokal, F.C.A.

### Company Secretary

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

### Legal Advisor

Mohammad Ali Sayeed

### Advisors

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

### Shari'ah Advisor

Mufti Muhammad Ibrahim Essa

### Audit Committee

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

### Investment Committee

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

### Ethics, Human Resource & Remuneration Committee

Iqbal Mankani  
 Saifuddin N. Zoomkawala  
 Hasanali Abdullah

### Auditors

EY Ford Rhodes  
 7th Floor, Progressive Plaza  
 Beaumont Road  
 Karachi - 75530

### Registrar

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

### Website

[www.efuinsurance.com](http://www.efuinsurance.com)

### Email

[info@efuinsurance.com](mailto:info@efuinsurance.com)

### Registered Office

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

### Main Offices

EFU House  
 M. A. Jinnah Road  
 Karachi

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

### Window Takaful Operations

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

## Directors' Review

We are pleased to present the unaudited financial statements for the three months period ended 31 March 2022.

### Performance Review

The Written Premium for the quarter increased by 13% to Rs. 6,804 million (including Takaful Contribution of Rs.689 million) from Rs. 6,022 million (including Takaful Contribution of Rs.712 million) for the corresponding quarter of last year. The Net Premium Revenue was Rs. 2,557 million as against Rs. 2,382 million for the corresponding quarter of last year. The overall Claims ratio to Net Premium Revenue was 47% as compared to 40% for the corresponding quarter of last year.

Investment income (including rental income, profit on deposits, and other income) for the quarter was Rs. 902 million as compared to Rs. 907 million for the corresponding quarter of last year.

The after-tax profit for the quarter was Rs. 909 million as compared to Rs. 999 million in the corresponding quarter last year.

The earnings per share for the quarter was Rs.4.55 against Rs. 4.99 in the corresponding quarter of last year.

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

### Acknowledgements

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

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

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 28 April 2022

## ڈائریکٹرز ریویو

(یہ انگریزی ڈائریکٹرز ریویو کا ترجمہ ہے)

ہم بمسرت ۳۱ مارچ ۲۰۲۲ء کو ختم ہونے والی سہ ماہی کے لئے غیر آڈٹ شدہ مالیاتی حسابات پیش کر رہے ہیں۔

### کارکردگی کا جائزہ

سہ ماہی کے لئے تحریری پریمئیم ۱۳ فیصد بڑھ کر ۶،۸۰۴ ملین روپے (بشمول ہیکافل کنٹری بیوشن ۶۸۹ ملین روپے) رہا جو اس کے مقابلے میں گزشتہ سال کی اس مدت کے لئے ۶،۰۲۲ ملین روپے (بشمول ہیکافل کنٹری بیوشن ۱۲ ملین روپے) رہا تھا۔ خالص پریمئیم ریونیو ۲،۵۵۷ ملین روپے تھا جو اس کے مقابلے میں گزشتہ سال کی اس مدت کے لئے ۲،۳۸۲ ملین روپے رہا تھا۔ خالص پریمئیم ریونیو کے لئے مجموعی کلیمز کا تناسب ۴۷ فیصد تھا جو اس کے مقابلے میں گزشتہ سال کی اسی مدت کے لئے ۴۰ فیصد رہا تھا۔

سرمایہ کاری کی آمدنی (بشمول ریٹیل آمدنی، ڈپازٹس اور دیگر آمدنی پر منافع جات) برائے زیر جائزہ سہ ماہی ۹۰۲ ملین روپے رہی جو اس کے مقابلے میں گزشتہ سال کی اس مدت کے لئے ۹۰۷ ملین روپے تھی۔

اس سہ ماہی کے لئے منافع بعد از ٹیکس ۹۰۹ ملین روپے تھا جو اس کے مقابلے میں گزشتہ سال کی اس مدت میں ۹۹۹ ملین روپے تھا۔

اس سہ ماہی کے لئے آمدنی فی شیئر ۴۷۵ روپے رہی جو اس کے مقابلے میں گزشتہ سال کی اس سہ ماہی میں ۴۹۹ روپے تھی۔

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

### اظہار تشکر

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

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

سیف الدین این۔ زومکا والا  
چیئر مین

کراچی، ۲۸ اپریل ۲۰۲۲ء

حسن علی عبداللہ  
ٹیکنگ ڈائریکٹر و چیف ایگزیکٹو

محمود لوہیا  
ڈائریکٹر

رفیق آر۔ بھیم جی  
ڈائریکٹر

## Unconsolidated Condensed Interim Statement of Financial Position As at 31 March 2022 (Unaudited)

Rupees '000

	Note	31 March 2022 (Unaudited)	31 December 2021 (Audited)
<b>Assets</b>			
Property and equipment	6	2 870 921	2 887 013
Investment property	7	2 599 970	2 599 970
Investment in subsidiary	8	9 408 748	9 644 327
Investments			
Equity securities	9	3 211 809	3 705 178
Debt securities	10	11 999 530	9 405 824
Term deposits		602 768	678 785
Loans and other receivables	11	692 041	387 908
Insurance / reinsurance receivables	12	4 017 426	5 012 826
Reinsurance recoveries against outstanding claims	20	5 108 178	3 974 297
Salvage recoveries accrued		68 446	76 869
Deferred commission expense	21	798 170	772 985
Retirement benefit		54 635	–
Prepayments		5 797 859	5 523 607
Cash and bank	14	1 248 214	1 189 522
		<u>48 478 715</u>	<u>45 859 111</u>
Total assets of window takaful operations - Operator's Fund		1 204 923	1 141 221
<b>Total assets</b>		<u>49 683 638</u>	<u>47 000 332</u>
<b>Equity and Liabilities</b>			
<b>Capital and reserves attributable to Company's equity holders</b>			
Ordinary share capital	15	2 000 000	2 000 000
Reserves	16	15 722 352	15 407 203
Unappropriated profit		926 074	1 866 609
<b>Total equity</b>		18 648 426	19 273 812
<b>Surplus on revaluation of property and equipment</b>		1 076 269	1 076 919
<b>Liabilities</b>			
<b>Underwriting provisions</b>			
Outstanding claims including IBNR	20	8 524 553	7 085 599
Unearned premium reserve	19	10 998 822	10 517 726
Unearned reinsurance commission	21	133 409	135 214
Retirement benefit obligations		–	9 038
Deferred taxation		69 498	278 253
Premium received in advance		47 301	26 779
Insurance / reinsurance payables		5 139 076	4 809 795
Other creditors and accruals	17	4 361 296	3 222 312
Taxation - provision less payments		158 965	50 910
<b>Total liabilities</b>		<u>29 432 920</u>	<u>26 135 626</u>
		<u>49 157 615</u>	<u>46 486 357</u>
Total liabilities of window takaful operations - Operator's Fund		526 023	513 975
<b>Total equity and liabilities</b>		<u>49 683 638</u>	<u>47 000 332</u>
<b>Contingencies and commitments</b>	18		

The annexed notes 1 to 34 form an integral part of these unconsolidated condensed interim financial statements.

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

ALTAF GOKAL  
Chief Financial Officer

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 28 April 2022



## Unconsolidated Condensed Interim Profit and Loss Account For the three months period ended 31 March 2022 (Unaudited)

		Rupees '000	
	Note	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Net insurance premium	19	2 556 933	2 382 062
Net insurance claims	20	( 1 204 577 )	( 948 073 )
Net commission and other acquisition cost	21	( 355 342 )	( 296 502 )
Insurance claims and acquisition expenses		( 1 559 919 )	( 1 244 575 )
Management expenses		( 683 271 )	( 644 278 )
Underwriting results		313 743	493 209
Investment income	22	820 045	868 236
Rental income		31 135	28 821
Other income	23	50 461	10 278
Other expenses		( 21 375 )	( 26 989 )
		880 266	880 346
Results of operating activities		1 194 009	1 373 555
Profit from window takaful operations - Operator's Fund	24	67 375	32 434
Profit before tax		1 261 384	1 405 989
Income tax expense	25	( 352 569 )	( 407 311 )
Profit after tax		908 815	998 678
Earnings (after tax) per share - Rupees	26	4.54	4.99

The annexed notes 1 to 34 form an integral part of these unconsolidated condensed interim financial statements.

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

ALTAF GOKAL  
Chief Financial Officer

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 28 April 2022

## Unconsolidated Condensed Interim Statement of Comprehensive Income For the three months period ended 31 March 2022 (Unaudited)

	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
	Rupees '000	
Profit after tax	908 815	998 678
Other comprehensive income		
Total items that may be reclassified subsequently to profit and loss account		
Unrealized loss on available-for-sale investments during the period	( 349 845 )	( 564 332 )
Reclassification adjustments relating to available-for-sale investments disposed of during the period	-	40 941
Unrealized loss on available-for-sale investments during the period of subsidiary company	( 267 998 )	( 165 591 )
Total unrealized loss on available-for-sale investments	( 617 843 )	( 688 982 )
Deferred tax on available-for-sale investments	101 457	151 783
Deferred tax on available-for-sale investments of subsidiary company	77 719	48 022
Net unrealized gain / (loss) from window takaful operations - Operator's Fund (net of deferred tax)	3 816	( 1 182 )
Other comprehensive loss	( 434 851 )	( 490 359 )
Total comprehensive income for the period	473 964	508 319

The annexed notes 1 to 34 form an integral part of these unconsolidated condensed interim financial statements.

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

ALTAF GOKAL  
Chief Financial Officer

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 28 April 2022

## Unconsolidated Condensed Interim Cash Flow Statement For the three months period ended 31 March 2022 (Unaudited)

	31 March 2022 (Unaudited)	Rupees '000 31 March 2021 (Unaudited)
<b>Operating cash flows</b>		
a) Underwriting activities		
Insurance premium received	7 059 511	5 543 009
Reinsurance premium paid	( 2 934 014 )	( 2 628 957 )
Claims paid	( 1 099 348 )	( 1 371 386 )
Reinsurance and other recoveries received	279 923	488 925
Commission paid	( 458 460 )	( 357 512 )
Commission received	65 540	52 840
Management expenses paid	( 650 733 )	( 609 257 )
Net cash flow from underwriting activities	2 262 419	1 117 662
b) Other operating activities		
Income tax paid	( 254 557 )	( 235 100 )
Other operating payments	( 147 226 )	( 128 903 )
Other operating receipts	114 843	146 445
Loans advanced	( 3 186 )	( 129 )
Loans repayments received	268	161
Net cash flow used in other operating activities	( 289 858 )	( 217 526 )
<b>Total cash flow from all operating activities</b>	<b>1 972 561</b>	<b>900 136</b>
<b>Investment activities</b>		
Profit / return received	523 713	475 679
Dividend received	55 066	42 924
Rentals received	6 592	22 329
Payment for investments / investment properties	( 3 305 013 )	( 3 489 299 )
Proceeds from investments / investment properties	889 620	2 302 468
Fixed capital expenditures	( 73 807 )	( 48 105 )
Proceeds from sale of property and equipment	7 370	2 446
<b>Total cash flow used in investing activities</b>	<b>( 1 896 459 )</b>	<b>( 691 558 )</b>
<b>Financing activities</b>		
Payments against lease liabilities	( 17 091 )	( 17 903 )
Dividends paid / (adjusted)	( 319 )	( 359 )
<b>Total cash flow used in financing activities</b>	<b>( 17 410 )</b>	<b>( 18 262 )</b>
<b>Net cash flow from all activities</b>	<b>58 692</b>	<b>190 316</b>
Cash and cash equivalents at the beginning of period	1 189 522	1 328 500
<b>Cash and cash equivalents at the end of period</b>	<b>1 248 214</b>	<b>1 518 816</b>
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	1 972 561	900 136
Depreciation expense	( 68 697 )	( 76 908 )
Financial charges expense	( 3 418 )	( 2 481 )
Loss / (profit) on disposal of property and equipment	( 13 832 )	1 320
Profit on disposal of investments / investment properties	96 572	54 324
Rental income	31 135	28 821
Dividend Income	563 046	527 042
Other investment income	160 427	286 870
Profit on deposits	32 784	23 306
Other income / (loss)	31 508	( 14 347 )
Increase / (decrease) in assets other than cash	473 896	( 610 074 )
Increase in liabilities other than borrowings	( 2 434 542 )	( 151 765 )
<b>Profit after tax from conventional insurance operations</b>	<b>841 440</b>	<b>966 244</b>
Profit from window takaful operations - Operator's Fund	67 375	32 434
<b>Profit after tax</b>	<b>908 815</b>	<b>998 678</b>

The annexed notes 1 to 34 form an integral part of these unconsolidated condensed interim financial statements.

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

ALTAF GOKAL  
Chief Financial Officer

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 28 April 2022

## Unconsolidated Condensed Interim Statement of Changes in Equity For the three months period ended 31 March 2022 (Unaudited)

Rupees '000

	Attributable to equity holders of the Company						Total
	Share capital	Capital Reserve - Reserve for exceptional losses	General reserve	Revenue reserves		Unappropriated profit	
				Unrealized gain / (loss) on revaluation of available-for-sale investment-net	Unrealized gain on fair value of investment property		
Balance as at 01 January 2021	2 000 000	12 902	15 400 000	(852 863)	1 623 511	1 395 315	19 578 865
<b>Total comprehensive income for the three month period ended 31 March 2021</b>							
Profit after tax				(490 359)		998 678	998 678
Other comprehensive income				(490 359)	-	998 678	(490 359)
Transferred from surplus on revaluation of property, and equipment on account of incremental depreciation - net of tax						60	508 319
						60	60
<b>Transactions with owners recorded directly in equity</b>							
Final dividend for the year 2020 at the rate of Rs. 5.50 (55.00%) per share						(1 100 000)	(1 100 000)
<b>Other transfer within equity</b>							
Transfer to general reserve			250 000			(250 000)	-
Balance as at 31 March 2021	<u>2 000 000</u>	<u>12 902</u>	<u>15 650 000</u>	<u>(1 343 222)</u>	<u>1 623 511</u>	<u>1 044 053</u>	<u>18 987 244</u>
Balance as at 01 January 2022	2 000 000	12 902	15 650 000	(1 934 889)	1 679 190	1 866 609	19 273 812
<b>Total comprehensive income for the three months period ended 31 March 2022</b>							
Profit after tax				(434 851)	-	908 815	908 815
Other comprehensive income				(434 851)	-	-	(434 851)
Transferred from surplus on revaluation of property, and equipment on account of incremental depreciation - net of tax						650	473 964
						650	650
<b>Transactions with owners recorded directly in equity</b>							
Final dividend for the year 2021 at the rate of Rs. 5.50 (55.00%) per share						(1 100 000)	(1 100 000)
<b>Other transfer within equity</b>							
Transfer to general reserve			750 000			(750 000)	-
Balance as at 31 March 2022	<u>2 000 000</u>	<u>12 902</u>	<u>16 400 000</u>	<u>(2 369 740)</u>	<u>1 679 190</u>	<u>926 074</u>	<u>18 648 426</u>

The annexed notes 1 to 34 form an integral part of these unconsolidated condensed interim financial statements.

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

ALTAF GOKAL  
Chief Financial Officer

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 28 April 2022

## Notes to the Unconsolidated Condensed Interim Financial Statements For the three months period ended 31 March 2022 (Unaudited)

### 1. Legal status and nature of business

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

The Registered Office of the Company is situated in Islamabad while the principal place of business is located at EFU House, M.A. Jinnah Road, Karachi. The Company commenced Window Takaful Operations from 16 April 2015 as per Securities and Exchange Commission of Pakistan (SECP) Takaful Rules, 2012. The Company operates through 52 (2021: 57) branches in Pakistan including a branch in Export Processing Zone (EPZ) and a branch in Gwadar Free Zone.

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

### 2. Basis of preparation and statement of compliance

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

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

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

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

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

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

#### 2.1 Basis of measurement

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

## 2.2 Functional and presentation currency

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

## 2.3 Standards, interpretations and amendments effective during the current period

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

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

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments' with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from 01 July 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

The Company has determined that it is eligible for the temporary exemption option since the Company has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the company doesn't engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Company can defer the application of IFRS 9 until the application of IFRS 17.

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI") i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest.

IFRS 9 defines the terms "principal" as being the fair value of the financial asset at initial recognition, and the "interest" as being compensation for (i) the time value of money, and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The tables below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

- a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and
- b) all other financial assets.

Rupees '000

Financial assets	31 March 2022 (Unaudited)				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain or loss during the period	Carrying value	Cost less impairment	Change in unrealized gain or loss during the period
Cash and bank *	215 952	–	1 032 262	–	–
Investment in subsidiary - available-for-sale	9 408 748	( 267 998 )	–	–	–
Investments in equity securities - available-for-sale	3 211 809	( 256 568 )	–	–	–
Investments in debt securities - available-for-sale	–	–	11 999 530	–	( 93 277 )
Term deposits *	–	–	602 768	–	–
Loans to employees *	–	–	4 911	–	–
<b>Total</b>	<b>12 836 509</b>	<b>( 524 566 )</b>	<b>13 639 471</b>	<b>–</b>	<b>( 93 277 )</b>

\* The carrying amount of these financial assets measured applying IAS 39 are a reasonable approximation of their fair values.

Rupees '000

Investments in debt securities - available-for-sale	31 March 2022 (Unaudited)					
	Gross carrying amounts of debt instruments that pass the SPPI test					
	AAA	AA+	AA	A+	A	Unrated
Investments in debt securities - available-for-sale	–	139 540	53 651	100 000	80 000	11 626 339
Term deposits	414 268	–	–	188 500	–	–
<b>Total</b>	<b>414 268</b>	<b>139 540</b>	<b>53 651</b>	<b>288 500</b>	<b>80 000</b>	<b>11 626 339</b>

### 3. Summary of significant accounting policies

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

### 4. Accounting estimates and judgements

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

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

### 5. Management of insurance and financial risk

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

## 6. Property and equipment

The movement of property and equipment during the three months period ended 31 March 2022 are as follows:

Rupees '000

	Note	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Opening balance - net book value		2 887 013	2 818 853
Additions	6.1	73 807	340 810
Depreciation during the period		( 68 697 )	( 349 154 )
Book value of disposal		( 21 202 )	( 13 349 )
Revaluation		-	89 853
		<u>2 870 921</u>	<u>2 887 013</u>
<b>6.1 Additions</b>			
Building		16 348	95 413
Right of use assets - buildings		8 672	84 803
leasehold improvements		539	2 167
Furniture and fixtures		10 437	18 632
Office equipment		21 682	21 662
Computer equipment		2 737	23 758
Vehicles		13 392	70 104
Tracker equipment		-	24 271
		<u>73 807</u>	<u>340 810</u>
<b>7. Investment property</b>			
Opening net book value		2 599 970	2 517 970
Additions and capital improvements		-	3 579
Unrealized fair value gain *		-	78 421
Closing net book value		<u>2 599 970</u>	<u>2 599 970</u>

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

## 8. Investment in subsidiary

Rupees '000

	31 March 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Subsidiary						
Listed shares	13 361 035	-	13 361 035	13 328 616	-	13 328 616
Deficit on revaluation	-	-	( 3 952 287 )	-	-	( 3 684 289 )
	<u>13 361 035</u>	<u>-</u>	<u>9 408 748</u>	<u>13 328 616</u>	<u>-</u>	<u>9 644 327</u>



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

Rupees '000

	31 March 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
<b>Related Party *</b>						
Listed shares	396 298	–	396 298	396 298	–	396 298
<b>Others</b>						
Listed shares	2 129 442	( 265 283 )	1 864 159	2 260 862	( 160 216 )	2 100 646
Unlisted shares	15 500	( 15 500 )	–	15 500	( 15 500 )	–
	2 144 942	( 280 783 )	1 864 159	2 276 362	( 175 716 )	2 100 646
Surplus on revaluation	–	–	951 352	–	–	1 208 234
	<u>2 541 240</u>	<u>( 280 783 )</u>	<u>3 211 809</u>	<u>2 672 660</u>	<u>( 175 716 )</u>	<u>3 705 178</u>

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

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

Rupees '000

	31 March 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Government Securities	12 155 136	–	12 155 136	9 455 653	–	9 455 653
Term Finance Certificate	244 118	( 44 118 )	200 000	244 118	( 44 118 )	200 000
Corporate Sukuks	167 500	–	167 500	180 000	–	180 000
Deficit on revaluation	–	–	( 523 106 )	–	–	( 429 829 )
	<u>12 566 754</u>	<u>( 44 118 )</u>	<u>11 999 530</u>	<u>9 879 771</u>	<u>( 44 118 )</u>	<u>9 405 824</u>

## 11. Loans and other receivables - considered good

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Loans to employees	4 911	1 993
Accrued investment income	561 358	246 992
Security deposits	17 969	17 969
Advances to suppliers	96 196	50 026
Advances to employees	11 543	7 200
Other receivables	64	63 728
	<u>692 041</u>	<u>387 908</u>
<b>12. Insurance / reinsurance receivables - unsecured and considered good</b>		
Due from insurance contract holders	3 994 636	4 918 382
Provision for impairment of receivables from insurance contract holders	( 1 195 )	( 1 195 )
	<u>3 993 441</u>	<u>4 917 187</u>
Due from other insurer / reinsurers	23 985	95 639
	<u>4 017 426</u>	<u>5 012 826</u>

## 13. Prepayments

Rupees '000

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Prepaid reinsurance premium ceded	5 655 081	5 468 998
Software and hardware support services	6 532	2 419
Group health insurance premium	19 396	-
Group life insurance premium	9 311	-
Prepaid charges for vehicle tracking devices	66 869	39 347
Annual supervision fee	24 233	-
Others	16 437	12 843
	<u>5 797 859</u>	<u>5 523 607</u>

## 14. Cash and Bank

Cash and cash equivalents		
Policy and revenue stamps bond papers	30 071	19 588
Cash at bank		
Current accounts	185 881	164 974
Saving accounts	1 032 262	1 004 960
	<u>1 218 143</u>	<u>1 169 934</u>
	<u>1 248 214</u>	<u>1 189 522</u>

## 15. Share capital

## 15.1 Authorized capital

Number of shares '000

Rupees '000

31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2022 (Unaudited)	31 December 2021 (Audited)
<u>200 000</u>	<u>200 000</u>	<u>2 000 000</u>	<u>2 000 000</u>

## 15.2 Issued, subscribed and paid-up share capital

Number of shares '000

Rupees '000

31 March 2022 (Unaudited)	31 December 2021 (Audited)		31 March 2022 (Unaudited)	31 December 2021 (Audited)
<u>250</u>	<u>250</u>	Ordinary shares of Rs. 10 each, fully paid in cash	<u>2 500</u>	<u>2 500</u>
199 750	199 750	Ordinary shares of Rs. 10 each, issued as fully paid bonus shares	1 997 500	1 997 500
<u>200 000</u>	<u>200 000</u>		<u>2 000 000</u>	<u>2 000 000</u>

Rupees '000

	Note	31 March 2022 (Unaudited)	31 December 2021 (Audited)
<b>16. Reserves</b>			
Capital reserve			
Reserve for exceptional losses	16.1	12 902	12 902
Revenue reserves			
General reserve		16 400 000	15 650 000
Revaluation reserve for unrealized loss on available-for-sale investments - net		( 2 369 740 )	( 1 934 889 )
Reserve for change in fair value of investment property - net		1 679 190	1 679 190
		<u>15 722 352</u>	<u>15 407 203</u>

16.1 The reserve for exceptional losses was created prior to 1979 and was charged to income in accordance with the provisions of the repealed Income Tax Act, 1922 and has been so retained to date.

## 17. Others creditors and accruals

Rupees '000

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Federal insurance fee payable	23 249	13 513
Federal excise duty and sales tax payable	198 456	307 645
Accrued expenses	274 136	312 001
Agent commission payable	558 932	569 519
Unearned rentals	46 877	69 329
Other deposits	1 522 181	1 378 680
Unclaimed / Unpaid dividends	1 508 315	408 634
Lease liability	134 325	139 330
Others	94 825	23 661
	<u>4 361 296</u>	<u>3 222 312</u>

## 18. Contingencies and commitments

The income tax assessment of the Company has been finalized up to the tax year 2021

The Income Tax Department has made an assessment order for the assessment years 1999-2000 and 2000-2001 by adding back provision for bonus to staff, provision for gratuity and excess management expenses. The Company had filed appeals before the Commissioner, Inland Revenue (Appeals). The appeals have been decided in the favour of the Income Tax Department. The Company had filed appeals before the Income Tax Appellate Tribunal (ITAT). If the appeals are decided against the Company a tax liability of Rs. 13 million would arise.

The Income Tax Department (Audit) has made an assessment order for the assessment year 2002-2003 by adding certain items. The Company had filed an appeal before Commissioner Income Tax (Appeals). The appeal was decided in the favour of the Company. The Department had filed an appeal before the Income Tax Appellate Tribunal (ITAT)

and the same has been decided in the favour of the Company. The Department has filed an appeal before the Honourable High Court of Sindh against the order of the Income Tax Appellate Tribunal (ITAT) in respect of the estimated liability of claims, excess perquisites and retrocession commission. If the appeal is decided against the Company a tax liability of Rs. 76 million would arise.

The Commissioner Inland Revenue (Audit) has amended the tax assessment of the Company for the tax year 2005 to 2007 by disallowing prorated expense. The Company has filed appeals before Commissioner Income Tax (Appeals). The appeals were decided in the favour of the Company. The Department then filed appeals before the Income Tax Appellate Tribunal (ITAT). The Income Tax Appellate Tribunal (ITAT) had passed an order in favour of the Company. The Department then filed a reference before the Honourable High Court of Sindh. The Honourable High Court of Sindh maintained the decision of the Income Tax Appellate Tribunal (ITAT). The Department has filed appeals for the tax year 2005 to 2007 before the Honourable Supreme Court of Pakistan against the decision of the Honourable High Court of Sindh in respect of proration of expenses and if the appeals are decided against the Company, a tax liability of Rs. 37 million would arise.

The Commissioner Inland Revenue (Audit) has amended the tax assessment of the Company for the tax year 2008 by adding capital gain on investment, depreciation on leased asset, admissible expenses, re-insurance premium ceded, provision for leave encashment, amortization of premium relative to par and provision for outstanding claims (IBNR). The Company filed an appeal before Commission Income Tax (Appeals) against the order of Income Tax Commissioner (Audit). The Appeal decided in favour of the Company except addition made on account of reinsurance premium ceded. The Company has filed an appeal before the Income Tax Appellate Tribunal (ITAT) against the decision of the Income Tax Commissioner (Appeals) for maintaining the decision of Income Tax Commissioner (Audit) with respect to confirming the addition made on account of reinsurance premium ceded. The Income Tax Appellate Tribunal (ITAT) decided the case in favour of the Company. The Department filed an appeal in Income Tax Appellate Tribunal (ITAT) against the decision of the Income Tax Commissioner (Appeals) for deletion of Capital Gain on Investment, Provision for Leave Encashment, and Depreciation on Leased Asset. The Income Tax Appellate Tribunal (ITAT) decided the case in favour of the Company. The Department has filed appeals before the Honourable High Court of Sindh against the decision of the Income Tax Appellate Tribunal (ITAT) in respect of tax on reinsurance premium, deletion of Capital Gain on Investment, Provision for Leave Encashment, and Depreciation on Leased Asset. If the appeals decided against the Company, a tax liability of Rs. 5,099 million would be payable. The Honourable High Court of Sindh has issued orders in favour of the assesses on identical cases.

The Department has filed an appeal for tax years 2014 to 2016 before the Income Tax Appellate Tribunal (ITAT) against the order of Commissioner (Appeal) in respect of Dividend Income taxed at the reduced rate. If the appeal is decided against the Company, a tax liability of Rs. 355 million would arise.

The Commissioner Inland Revenue (Audit) has made an addition to the income of Tax years 2017 and 2019 on account of the fair market value of motor vehicles. The Company has filed appeals before Commissioner Income Tax (Appeals). The Commissioner Income Tax (Appeals) has confirmed the action of the Commissioner, Inland Revenue (Audit). The Company then filed appeals before the Income Tax Appellate Tribunal (ITAT). If the appeal is decided against the Company, a tax liability of Rs. 2 million would arise. The Income-tax Appellate Tribunal (ITAT) has issued orders in favour of the Company on this issue in previous years.

The Commissioner Inland Revenue (Audit) has made an addition to the income of the Tax year 2020 on account of expenses. The Company has filed appeals before Commissioner Income Tax (Appeals). If the appeal is decided against the Company, a tax liability of Rs. 2 million would arise.

The Commissioner Inland Revenue (Audit) has made an addition to the income of Tax years 2021 on account of the fair market value of motor vehicles. The Company has filed appeals before Commissioner Income Tax (Appeals). If the appeal is decided against the Company, a tax liability of Rs. 2 million would arise. The Income-tax Appellate Tribunal (ITAT) has issued orders in favour of the Company on this issue in previous years.

In 2014, 2015, 2016, 2017 and 2018, the Searle Company Limited issued bonus shares (453,612, 312,993, 664,632, 472,284 and 443,697 shares, respectively) after withholding 5 percent of bonus shares (22,680, 15,650, 34,981, 24,857 and 21,360 shares respectively). In this regard, a constitutional petition had been filed by the Company in the Honourable High Court of Sindh challenging the applicability of withholding tax provision on bonus shares received

by the Company. The Honourable High Court of Sindh decided the case against the Company. Subsequently, the Company filed an appeal with a larger bench of the Honourable High Court of Sindh and in response; the Sindh High Court has suspended the earlier judgement until the next date of hearing, which has not yet been decided. Consequently, the Company has not paid/provided an amount of Rs. 37 million being withholding tax on bonus shares.

No provision has been made in these unconsolidated condensed interim financial statements for the above contingencies, as the management, based on the tax advisor's opinion, is confident that the decision in this respect will be decided in favour of the Company.

There are no commitments as at 31 March 2022 (31 December 2021: Nil).

## 19. Net insurance premium

	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
		Rupees '000
Written gross premium	6 115 241	5 309 807
Add: Unearned premium reserve - opening	10 517 726	9 411 142
Less: Unearned premium reserve - closing	( 10 998 822 )	( 9 682 893 )
Premium earned	5 634 145	5 038 056
Less:		
Reinsurance premium ceded	3 263 295	2 574 378
Add: Prepaid reinsurance premium - opening	5 468 998	4 808 670
Less: Prepaid reinsurance premium - closing	( 5 655 081 )	( 4 727 054 )
Reinsurance expense	3 077 212	2 655 994
	<u>2 556 933</u>	<u>2 382 062</u>
<b>20. Net insurance claim expense</b>		
Claim Paid	1 107 772	1 373 183
Add: Outstanding claims including IBNR - closing	8 524 553	6 757 309
Less: Outstanding claims including IBNR - opening	( 7 085 599 )	( 7 111 989 )
Claims expense	2 546 726	1 018 503
Less:		
Reinsurance and other recoveries received	208 268	463 115
Add: Reinsurance and other recoveries in respect of outstanding claims - opening	( 3 974 297 )	( 3 856 142 )
Less: Reinsurance and other recoveries in respect of outstanding claims - closing	5 108 178	3 463 457
Reinsurance and other recoveries revenue	1 342 149	70 430
	<u>1 204 577</u>	<u>948 073</u>

## 21. Net commission expense

Rupees '000

	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Commission paid or payable	447 871	390 501
Add: Deferred commission expense - opening	772 985	678 039
Less: Deferred commission expense - closing	( 798 170 )	( 697 589 )
Net commission	422 686	370 951
Less:		
Commission received or recoverable	65 539	52 839
Add: Unearned reinsurance commission - opening	135 214	152 144
Less: Unearned reinsurance commission - closing	( 133 409 )	( 130 534 )
Commission from reinsurers	67 344	74 449
	<u>355 342</u>	<u>296 502</u>

## 22. Investment income

Income from subsidiary - available-for-sale		
Dividend income	480 698	467 122
Income from equity securities - available-for-sale		
Dividend income	82 348	59 920
Income from debt securities - available-for-sale		
Return on debt securities	261 294	286 626
Income from term deposits		
Return on term deposits	4 640	3 247
	828 980	816 915
Net realized gains / (losses) on investments		
Available-for-sale financial assets		
Realized gains on:		
Equity securities	96 572	104 397
Realized losses on:		
Equity securities	-	( 50 073 )
	96 572	54 324
	<u>925 552</u>	<u>871 239</u>
Impairment in value of		
available-for-sale equity securities	( 105 381 )	( 2 743 )
Investment related expenses	( 126 )	( 260 )
	<u>820 045</u>	<u>868 236</u>

23. Other income		Rupees '000
	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Gain on sale of property and equipment	6 047	1 320
Return on loans to employees	30	30
Exchange gains / (losses)	11 600	( 14 378 )
Return on bank balances	32 784	23 306
	<u>50 461</u>	<u>10 278</u>
<b>24. Window Takaful Operations - Operator's Fund</b>		
Wakala fee	215 495	176 843
Commission expense	( 80 537 )	( 69 718 )
General, administrative and management expenses	( 92 343 )	( 93 067 )
Modarib's share of PTF investment income	9 245	7 643
Investment income	14 843	10 316
Direct expenses	( 295 )	( 212 )
Other income	967	629
	<u>67 375</u>	<u>32 434</u>
<b>25. Taxation</b>		
<b>For current period</b>		
Current	382 157	413 352
Deferred	( 29 588 )	( 6 041 )
	<u>352 569</u>	<u>407 311</u>
<b>26. Earnings per share - basic and diluted</b>		
Profit (after tax) for the period (Rupees '000)	<u>908 815</u>	<u>998 678</u>
Weighted average number of ordinary shares (Numbers '000)	<u>200 000</u>	<u>200 000</u>
Earnings per share (Rupees)	<u>4.54</u>	<u>4.99</u>

## 27. Related party transactions

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

Rupees '000

	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
<b>Transactions</b>		
<b>Subsidiary Company</b>		
Premium written	28 361	25 135
Premium paid	12 624	10 753
Claims paid including salvage recovered	222	( 118 )
<b>Associated companies</b>		
Premium written	51 305	91 741
Premium paid	25 606	21 670
Claims paid including salvage recovered	74 512	21 035
Bank deposit withdrawn	100 000	–
<b>Key management personnel</b>		
Premium written	94	99
Claims paid	168	–
Compensation	48 573	42 954
<b>Others</b>		
Premium written	33 503	18 973
Claims paid including salvage recovered	35 792	2 913
Brokerage paid	64	532
<b>Employees' funds</b>		
Contribution to provident fund	7 821	7 358
Contribution to gratuity fund	7 231	5 465
Contribution released to pension fund	( 1 855 )	( 972 )
	<b>31 March 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
<b>Balances</b>		
<b>Others</b>		
Balances receivable	29 067	104 926
Balances payable	372	555
Bank deposits maturity within 12 months	188 500	288 500
Bank balances	316 037	168 016
Dividend receivables	480 698	–
Dividend payables	767 384	–
<b>Employees' funds receivable / (payable)</b>		
EFU gratuity fund	( 7 231 )	( 69 001 )
EFU pension fund	61 866	59 963



## 28. Segment Information

Rupees '000

For the three months period ended 31 March 2022 (Unaudited)

Current period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	4 462 329	738 193	1 114 030	597 835	–	6 912 387
Less: Sales tax	415 393	74 895	136 017	62 299	–	688 604
Stamp duty	119	46 722	335	257	–	47 433
Federal insurance fee	40 023	6 105	9 681	5 300	–	61 109
Gross written premium (inclusive of administrative surcharge)	4 006 794	610 471	967 997	529 979	–	6 115 241
Gross direct premium	3 993 847	596 281	915 652	526 038	–	6 031 818
Facultative inward premium	4 608	–	–	–	–	4 608
Administrative surcharge	8 339	14 190	52 345	3 941	–	78 815
Insurance premium earned	3 549 014	775 946	877 206	431 979	–	5 634 145
Insurance premium ceded to reinsurers	(2 600 481)	(333 598)	(5 790)	(137 343)	–	(3 077 212)
Net insurance premium	948 533	442 348	871 416	294 636	–	2 556 933
Commission income	54 209	3 973	4	9 158	–	67 344
Net underwriting income	1 002 742	446 321	871 420	303 794	–	2 624 277
Insurance claims	(1 859 578)	(79 317)	(460 632)	(147 199)	–	(2 546 726)
Insurance claims recovered from reinsurers	1 410 365	(60 381)	(2 006)	(5 829)	–	1 342 149
Net claims	(449 213)	(139 698)	(462 638)	(153 028)	–	(1 204 577)
Commission expense	(235 547)	(75 365)	(78 222)	(33 552)	–	(422 686)
Management expenses	(258 355)	(112 465)	(234 296)	(78 155)	–	(683 271)
Net insurance claims and expenses	(943 115)	(327 528)	(775 156)	(264 735)	–	(2 310 534)
Underwriting result	59 627	118 793	96 264	39 059	–	313 743
Net investment income						820 045
Rental income						31 135
Other income						50 461
Other expenses						(21 375)
Profit from window takaful operations - Operator's Fund						67 375
Profit before tax						1 261 384
						As at 31 March 2022 (Unaudited)
Corporate segment assets	12 868 608	1 392 451	579 547	827 591	–	15 668 197
Corporate segment assets - Takaful OPF	90 609	14 588	301 933	8 118	–	415 248
Corporate unallocated assets						32 810 518
Corporate unallocated assets - Takaful OPF						789 675
Total assets						49 683 638
Corporate segment liabilities	18 488 525	2 218 149	2 723 540	3 494 060	–	26 924 274
Corporate segment liabilities - Takaful OPF	99 069	13 791	384 922	9 149	–	506 931
Corporate unallocated liabilities						2 508 646
Corporate unallocated liabilities - Takaful OPF						19 092
Total liabilities						29 958 943

Location	External premium less reinsurance by geographical segments 2022 (Unaudited)
Pakistan	2 549 668
* EPZ	7 265
Total	2 556 933

\* This represents US Dollar equivalent in Pak Rupees

Rupees '000

For the three months period ended 31 March 2021 (Unaudited)

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Misce-llaneous	Treaty	Total
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	3 714 837	771 211	1 104 330	581 157	–	6 171 535
Less: Sales tax	486 499	82 826	133 035	74 641	–	777 001
Stamp duty	109	30 994	318	208	–	31 629
Federal insurance fee	31 963	6 508	9 614	5 013	–	53 098
Gross written premium (inclusive of administrative surcharge)	3 196 266	650 883	961 363	501 295	–	5 309 807
Gross direct premium	3 188 253	638 223	904 638	497 554	–	5 228 668
Administrative surcharge	8 013	12 660	56 725	3 741	–	81 139
Insurance premium earned	3 200 230	640 806	808 641	388 379	–	5 038 056
Insurance premium ceded to reinsurers	(2 237 495)	(246 737)	(6 450)	(165 312)	–	(2 655 994)
Net insurance premium	962 735	394 069	802 191	223 067	–	2 382 062
Commission income	57 211	3 293	18	13 927	–	74 449
Net underwriting income	1 019 946	397 362	802 209	236 994	–	2 456 511
Insurance claims	(366 038)	(235 468)	(402 100)	(14 897)	–	(1 018 503)
Insurance claims recovered from reinsurers	32 471	70 699	(75)	(32 665)	–	70 430
Net claims	(333 567)	(164 769)	(402 175)	(47 562)	–	(948 073)
Commission expense	(203 603)	(66 142)	(74 372)	(26 834)	–	(370 951)
Management expenses	(261 326)	(102 545)	(219 163)	(61 244)	–	(644 278)
Net insurance claims and expenses	(798 496)	(333 456)	(695 710)	(135 640)	–	(1 963 302)
Underwriting result	221 450	63 906	106 499	101 354	–	493 209
Net investment income						868 236
Rental income						28 821
Other income						10 278
Other expenses						(26 989)
Profit from window takaful operations - Operator's Fund						32 434
Profit before tax						1 405 989
						As at 31 December 2021 (Audited)
Corporate segment assets	11 948 826	1 950 272	668 558	802 029	–	15 369 685
Corporate segment assets - Takaful OPF	91 055	11 820	244 001	11 127	–	358 003
Corporate unallocated assets						30 489 426
Corporate unallocated assets - Takaful OPF						783 218
Total assets						47 000 332
Corporate segment liabilities	15 887 724	2 795 937	2 593 290	3 246 362	–	24 523 313
Corporate segment liabilities - Takaful OPF	95 867	13 030	375 669	12 660	–	497 226
Corporate unallocated liabilities						1 612 313
Corporate unallocated liabilities - Takaful OPF						16 749
Total liabilities						26 649 601
Location	External premium less reinsurance by geographical segments 2021 (Unaudited)					
Pakistan	2 356 310					
* EPZ	25 752					
Total	2 382 062					

\* This represents US Dollar equivalent in Pak Rupees

**29. Movement in investments**

Name of investment					Rupees '000
	Held to maturity	Available-for-sale - Subsidiary	Available-for-sale - Debt securities	Available-for-sale - Equity securities	Total
<b>At beginning of previous period</b>	683 006	9 298 848	10 273 302	4 480 733	24 735 889
Additions	4 963 205	237 673	8 998 559	2 319 664	16 519 101
Disposals (sale and redemptions)	(4 967 426)	–	(9 155 590)	(2 028 695)	(16 151 711)
Fair value net gains / (losses) (excluding net realized gain / (losses))	–	107 806	(710 447)	(919 108)	(1 521 749)
Impairment losses	–	–	–	(147 416)	(147 416)
<b>At beginning of current period</b>	678 785	9 644 327	9 405 824	3 705 178	23 434 114
Additions	123 983	32 419	3 148 611	–	3 305 013
Disposals (sale and redemptions)	(200 000)	–	(461 628)	(131 420)	(793 048)
Fair value net gains / (losses) (excluding net realized losses)	–	(267 998)	(93 277)	(256 568)	(617 843)
Impairment losses	–	–	–	(105 381)	(105 381)
<b>At end of current period</b>	<u>602 768</u>	<u>9 408 748</u>	<u>11 999 530</u>	<u>3 211 809</u>	<u>25 222 855</u>

**30. Fair Value**

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

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

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

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

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

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

Rupees '000

As at 31 March 2022 (Unaudited)								
	Available-for-sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>								
Investments								
Equity securities - quoted	3 211 809				3 211 809	3 211 809		
Debt securities	11 999 530				11 999 530		11 999 530	
Investment in subsidiary	9 408 748				9 408 748	9 408 748		
<b>Financial assets not measured at fair value</b>								
Term deposits *			602 768		602 768			
Loans and other receivables *		692 041			692 041			
Insurance / reinsurance receivables *		4 017 426			4 017 426			
Reinsurance recoveries against outstanding claims *		5 108 178			5 108 178			
Cash and bank *			1 248 214		1 248 214			
Total assets of window takaful operations - Operator's fund *	700 844	305 208	43 423		1 049 475		700 844	
	25 320 931	10 122 853	1 894 405	-	37 338 189	12 620 557	12 700 374	-
<b>Financial liabilities not measured at fair value</b>								
Outstanding claims including IBNR *				(8 524 553)	(8 524 553)			
Premium received in advance *				(47 301)	(47 301)			
Insurance / reinsurance payables *				(5 139 076)	(5 139 076)			
Other creditors and accruals *				(4 361 296)	(4 361 296)			
Total liabilities of window takaful operations - Operator's Fund *				(101 261)	(101 261)			
	25 320 931	10 122 853	1 894 405	(18 173 487)	19 164 702	12 620 557	12 700 374	-

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

Rupees '000

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

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

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

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

**32. Corresponding figures**

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

**33. General**

Figures have been rounded off to the nearest thousand rupees.

**34. Date of authorization for issue of unconsolidated condensed interim financial statements**

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

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

ALTAF GOKAL  
Chief Financial Officer

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 28 April 2022

# Consolidated Condensed Interim Financial Statements (Unaudited)

For the three months period ended 31 March 2022

## Directors' Review to the Members on Consolidated Condensed Interim Financial Information For the three months period ended 31 March 2022

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

### Performance Review

A consolidated gross premium was Rs. 15.7 billion (2021: Rs. 14.4 billion), the net premium was Rs. 11.7 billion (2021: Rs. 11.1 billion) and profit after tax was Rs. 860 million (2021: Rs. 960 million). Consolidated investment income (including rental and other income) for the three months period was Rs. 3,363 million (2021: Rs. 3,055 million). The consolidated total assets were Rs. 217 billion (31 December 2021: Rs. 211 billion) and total investments stood at Rs.150 billion (31 December 2021: Rs. 160 billion).

### Movement of Reserves

Rupees '000

	31 March 2022 (Unaudited)
Unappropriated loss brought forward	136 672
Profit attributable to ordinary shares	617 449
Transferred from surplus on revaluation of property and equipment	4 989
Acquisition of Non-Controlling Interest (NCI) without a change in control	( 19 922 )
<b>Profit available for appropriations</b>	<b>739 188</b>
<b>Earnings per share (Rupees)</b>	<b>3.09</b>

### Acknowledgments

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

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

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 28 April 2022



## مجموعی کنڈینسڈ عبوری مالیاتی حسابات پر ممبران کیلئے ڈائریکٹرز کا جائزہ ۳۱ مارچ ۲۰۲۲ء کو ختم ہونے والی پہلی سہ ماہی کیلئے

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

### کارکردگی کا جائزہ

یکجا شدہ مجموعی پریئم ۱۵۷ بلین روپے (۲۰۲۱ء: ۱۳۶۳ بلین روپے)، خالص پریئم ۷۱ بلین روپے (۲۰۲۱ء: ۱۱ بلین روپے) اور منافع بعد از ٹیکس ۸۶۰ بلین روپے رہا (۲۰۲۱ء: ۹۶۰ بلین روپے)۔ یکجا شدہ انوسٹمنٹ آمدنی (بشمول ریٹیل اور دیگر آمدنی) برائے پہلی سہ ماہی مدت ۳۶۳ بلین روپے رہی (۲۰۲۱ء: ۳۰۵۵ بلین روپے)۔ یکجا شدہ مجموعی اثاثہ جات ۲۱۷ بلین روپے (۳۱ دسمبر ۲۰۲۱ء: ۲۱۱ بلین روپے) اور مجموعی سرمایہ کاری ۱۵۰ بلین روپے رہی (۳۱ دسمبر ۲۰۲۱ء: ۱۶۰ بلین روپے)۔

### محفوظ اثاثہ جات کی منتقلی

روپے ہزاروں میں

۳۱ مارچ ۲۰۲۲ء  
(غیر آڈٹ شدہ)

۱۳۶ ۶۷۲

۶۱۷ ۴۳۹

۴ ۹۸۹

(۱۹ ۹۲۲)

۷۳۹ ۱۸۸

۳۶۰۹

غیر مختص کردہ خسارہ جو آئندہ شامل کیا جائے گا

عمومی شیئرز کیلئے قابل منسوب منافع

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

کنٹرول میں کسی تبدیلی کے بغیر نان-کنٹرولنگ انٹرسٹ (این سی آئی) کا حصول

تناسب کے تحت دستیاب منافع

آمدنی فی شیئر (روپے)

### اظہار تشکر

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

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

سیف الدین این۔ زومکاوالا  
چیرمین

حسن علی عبداللہ  
ٹیٹنگ ڈائریکٹر و چیف ایگزیکٹو

محمود لوٹیا  
ڈائریکٹر

رفیق آر۔ بھیم جی  
ڈائریکٹر

کراچی، ۲۸ اپریل ۲۰۲۲ء

## Consolidated Condensed Interim Statement of Financial Position As at 31 March 2022 (Unaudited)

Rupees '000

	Note	31 March 2022 (Unaudited)	31 December 2021 (Audited)
<b>Assets</b>			
Property and equipment	6	8 512 805	8 649 723
Intangible assets		7 995 336	7 999 293
Investment property	7	2 599 970	2 599 970
Investments			
Equity securities	8	34 371 889	36 532 351
Debt securities	9	115 203 095	102 612 901
Term deposits		602 768	25 055 214
Loans and other receivables	10	4 031 396	3 094 087
Insurance / reinsurance receivables	11	4 537 588	5 469 946
Reinsurance recoveries against outstanding claims	20	5 108 178	3 974 297
Salvage recoveries accrued		68 446	76 869
Deferred commission expense	21	798 170	772 985
Retirement benefit		54 635	-
Taxation - payments less provision		1 294 400	1 238 260
Prepayments	12	6 013 094	5 658 476
Cash and bank	13	24 294 553	5 797 647
		<u>215 486 323</u>	<u>209 532 019</u>
Total assets of window takaful operations - Operator's Fund		1 204 923	1 141 221
<b>Total assets</b>		<u>216 691 246</u>	<u>210 673 240</u>
<b>Equity and Liabilities</b>			
<b>Capital and reserves attributable to Company's equity holders</b>			
Ordinary share capital	14	2 000 000	2 000 000
Reserves	15	18 273 653	17 762 859
Unappropriated profit		( 1 110 812 )	136 672
Capital and reserve attributable to Company's equity holders		19 162 841	19 899 531
Non-controlling interest		3 691 578	4 019 263
<b>Total equity</b>		<u>22 854 419</u>	<u>23 918 794</u>
<b>Surplus on revaluation of property and equipment</b>		1 976 018	1 986 146
<b>Liabilities</b>			
Insurance liabilities	16	154 246 038	151 091 103
<b>Underwriting provisions</b>			
Outstanding claims including IBNR	20	8 524 553	7 085 599
Unearned premium reserves	19	10 998 822	10 517 726
Unearned reinsurance commission	21	133 409	135 214
Retirement benefit obligations		-	9 038
Deferred taxation		2 831 761	2 997 603
Premium received in advance		1 154 110	1 175 071
Insurance / reinsurance payables		5 505 811	4 886 033
Other creditors and accruals	17	7 940 282	6 356 938
		<u>37 088 748</u>	<u>33 163 222</u>
<b>Total liabilities</b>		<u>191 334 786</u>	<u>184 254 325</u>
		216 165 223	210 159 265
Total liabilities of window takaful operations - Operator's Fund		526 023	513 975
<b>Total equity and liabilities</b>		<u>216 691 246</u>	<u>210 673 240</u>
<b>Contingencies and commitments</b>	18		

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

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

ALTAF GOKAL  
Chief Financial Officer

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 28 April 2022

## Consolidated Condensed Interim Profit and Loss Account For the three months period ended 31 March 2022 (Unaudited)

Rupees '000

	Note	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Net insurance premium	19	11 731 896	11 073 022
Net insurance claims	20	( 7 249 498 )	( 6 828 190 )
Net commission and other acquisition costs	21	( 2 270 865 )	( 2 155 719 )
Insurance claims and acquisition expenses		( 9 520 363 )	( 8 983 909 )
Management expenses		( 1 252 630 )	( 1 158 673 )
Net change in insurance liabilities (other than outstanding claims)		( 2 984 537 )	( 2 468 312 )
Underwriting result		( 2 025 634 )	( 1 537 872 )
Investment income	22	4 135 925	3 181 158
Net realized fair value gain on financial assets	23	257 353	955 631
Net fair value loss on financial assets at fair value through profit and loss	24	( 1 132 359 )	( 1 151 403 )
Rental income		31 135	28 821
Other income	25	71 056	41 042
Other expenses		( 22 812 )	( 33 078 )
		3 340 298	3 022 171
Results of operating activities		1 314 664	1 484 299
Profit from window takaful operations - Operator's Fund	26	67 375	32 434
Profit before tax		1 382 039	1 516 733
Income tax expense	27	( 521 971 )	( 556 539 )
Profit after tax		860 068	960 194
Profit attributable to:			
Equity holders of the parent		617 449	714 444
Non-controlling interest		242 619	245 750
		860 068	960 194
Earnings (after tax) per share - Rupees	28	3.09	3.57

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

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

ALTAF GOKAL  
Chief Financial Officer

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 28 April 2022

## Consolidated Condensed Interim Statement of Comprehensive Income For the three months period ended 31 March 2022 (Unaudited)

	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
	Rupees '000	
Profit after tax	860 068	960 194
Other comprehensive income		
Total items that may be reclassified subsequently to profit and loss account		
Unrealized loss on available-for-sale investments during the period	( 336 333 )	( 571 545 )
Reclassification adjustments relating to available-for-sale investments disposed of during the period	-	40 941
Total unrealized loss for the period	( 336 333 )	( 530 604 )
Deferred tax on available-for-sale investments	99 667	153 875
Net unrealized gain / (loss) from window takaful operations - Operator's Fund (net of deferred tax)	3 816	( 1 182 )
Other comprehensive loss for the period	( 232 850 )	( 377 911 )
Total comprehensive income for the period	<u>627 218</u>	<u>582 283</u>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the parent	378 243	339 376
Non-controlling interest	248 975	242 907
	<u>627 218</u>	<u>582 283</u>

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

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

ALTAF GOKAL  
Chief Financial Officer

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 28 April 2022

## Consolidated Condensed Interim Cash Flow Statement For the three months period ended 31 March 2022 (Unaudited)

	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
		Rupees '000
<b>Operating cash flows</b>		
a) Underwriting activities		
Insurance premium / contribution received	16 660 934	14 591 252
Reinsurance premium / retakaful contribution paid	( 2 934 014 )	( 2 885 052 )
Claims paid	( 7 204 012 )	( 7 521 326 )
Reinsurance and other recoveries received	279 923	745 019
Commission paid	( 1 929 597 )	( 1 867 534 )
Commission received	65 540	52 840
Management expenses paid	( 2 327 276 )	( 1 887 277 )
Net cash flow from underwriting activities	2 611 498	1 227 922
b) Other operating activities		
Income tax paid	( 624 753 )	( 337 665 )
Other operating payments	( 376 349 )	( 465 130 )
Other operating receipts	114 843	146 445
Loans advanced	( 46 517 )	( 61 304 )
Loans repayments received	53 557	30 061
Net cash flow used in other operating activities	( 879 219 )	( 687 593 )
<b>Total cash flow from all operating activities</b>	<b>1 732 279</b>	<b>540 329</b>
<b>Investment activities</b>		
Profit / return received	3 060 906	3 524 420
Dividend received	955 612	491 796
Rentals received	6 592	22 329
Payment for investments / investment properties	( 14 903 313 )	( 65 046 448 )
Proceeds from investments / investment properties	3 408 403	62 568 120
Fixed capital expenditures	( 101 580 )	( 102 693 )
Proceeds from sale of property and equipment	21 059	39 589
<b>Total cash flow (used in) / from investing activities</b>	<b>( 7 552 321 )</b>	<b>1 497 113</b>
<b>Financing activities</b>		
Payments against lease liabilities	( 59 162 )	( 47 234 )
Dividends paid	( 319 )	( 359 )
<b>Total cash flow used in financing activities</b>	<b>( 59 481 )</b>	<b>( 47 593 )</b>
<b>Net cash flow (used in) / from all activities</b>	<b>( 5 879 523 )</b>	<b>1 989 849</b>
Cash and cash equivalents at beginning of period	30 174 076	25 725 591
<b>Cash and cash equivalents at end of period</b>	<b>24 294 553</b>	<b>27 715 440</b>
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	1 732 279	540 329
Depreciation / amortization expense	( 247 949 )	( 238 166 )
Finance cost	( 16 898 )	( 15 207 )
(Loss) / profit on disposal of property and equipment	( 5 909 )	22 719
Profit on disposal of investments / investment properties	353 925	1 009 955
Rental income	31 135	28 821
Dividend income	977 015	505 165
Other investment income	3 175 137	2 567 272
Profit on lease termination	919	-
Profit on deposits	32 784	23 306
Other income / (loss)	38 785	( 9 264 )
Depreciation in market value of investments	( 1 008 780 )	( 899 535 )
Impairment in the value of available-for-sale equity investments	( 12 208 )	( 37 151 )
Increase / (decrease) in assets other than cash	1 674 652	( 232 152 )
Increase in liabilities other than running finance	( 5 932 194 )	( 2 338 332 )
<b>Profit after tax from conventional insurance operations</b>	<b>792 693</b>	<b>927 760</b>
Profit from window takaful operations - Operator's Fund	67 375	32 434
<b>Profit after tax</b>	<b>860 068</b>	<b>960 194</b>

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

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

ALTAF GOKAL  
Chief Financial Officer

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

## Consolidated Condensed Interim Statement of Changes in Equity For the three months period ended 31 March 2022 (Unaudited)

Rupees '000

	Attributable to equity holders of the Company								
	Share capital	Capital Reserve - Reserve for exceptional losses	General reserve	Revenue reserves		Unappropriated profit	Equity attributable to equity holder of parent	Non-controlling interest	Total
Unrealized gain/(loss) on revaluation of available-for-sale investment-net				Unrealized gain on fair value of investment property					
Balance as at 01 January 2021	2 000 000	12 902	15 400 000	1 805 449	1 399 579	(190 774)	20 427 156	4 130 931	24 558 087
<b>Total comprehensive income for the period ended 31 March 2021</b>									
Profit after tax						714 444	714 444	245 750	960 194
Other comprehensive income				(375 068)		-	(375 068)	(2 843)	(377 911)
				(375 068)	-	714 444	339 376	242 907	582 283
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation- net of tax						2 639	2 639	3 219	5 858
Loss on Group Life PTF						(7 324)	(7 324)	(9 138)	(16 462)
Acquisition of NCI without a change in control						(34 519)	(34 519)	(12 904)	(47 423)
<b>Transactions with owners recorded directly in equity</b>									
Final dividend for the year 2020 at the rate of Rs. 5.50 (55.00%) per share						(1 100 000)	(1 100 000)	-	(1 100 000)
Final dividend for the year 2020 at the rate of Rs. 10.50 (105.00%) per share								(588 738)	(588 738)
<b>Other transfer within equity</b>									
Transfer to general reserve			250 000			(250 000)			
Balance as at 31 March 2021	2 000 000	12 902	15 650 000	1 430 381	1 399 579	(865 534)	19 627 328	3 766 277	23 393 605
Balance as at 01 January 2022	2 000 000	12 902	15 650 000	644 699	1 455 258	136 672	19 899 531	4 019 263	23 918 794
<b>Total comprehensive income for the period ended 31 March 2022</b>									
Profit after tax						617 449	617 449	242 619	860 068
Other comprehensive income				(239 206)		-	(239 206)	6 356	(232 850)
				(239 206)	-	617 449	378 243	248 975	627 218
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation- net of tax						4 989	4 989	5 139	10 128
Acquisition of NCI without a change in control						(19 922)	(19 922)	(12 497)	(32 419)
<b>Transactions with owners recorded directly in equity</b>									
Final dividend for the year 2021 at the rate of Rs. 5.50 (55.00%) per share						(1 100 000)	(1 100 000)		(1 100 000)
Final dividend for the year 2021 at the rate of Rs. 10.50 (105.00%) per share								(569 302)	(569 302)
<b>Other transfer within equity</b>									
Transfer to general reserve			750 000			(750 000)			
Balance as at 31 March 2022	2 000 000	12 902	16 400 000	405 493	1 455 258	(1 110 812)	19 162 841	3 691 578	22 854 419

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

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

ALTAF GOKAL  
Chief Financial Officer

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 28 April 2022

## Notes to the Consolidated Condensed Interim Financial Statements For the three months period ended 31 March 2022 (Unaudited)

### 1. Legal status and nature of business

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

1.2 The group comprises of:

#### 1.2.1 EFU General Insurance Limited (Holding Company)

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

The Registered Office of the Holding Company is situated at Kamran Centre, 1st Floor 85, East, Jinnah Avenue Blue Area Islamabad while the principal place of business is located at EFU House, M.A. Jinnah Road, Karachi. The Holding Company commenced Window Takaful Operations from 16 April 2015 as per Securities and Exchange Commission of Pakistan (SECP) Takaful Rules, 2012. The Holding Company operates through 52 (2021: 57) branches in Pakistan including a branch in Export Processing Zone (EPZ) and a branch in Gwadar Free Zone.

#### 1.2.2 EFU Life Assurance Limited (Subsidiary Company)

EFU Life Assurance Limited with 45.94 % effective holding was incorporated as public limited company on 09 August 1992 and started its operation from 18 November 1992. The Subsidiary Company is listed on Pakistan Stock Exchange Limited and is engaged in life assurance business comprising of ordinary life business, pension fund business and accident and health business and has established following funds, as required by the Insurance Ordinance, 2000.

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

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

The Registered Office of the Subsidiary Company is located at Al-Malik Centre, 70W, F-7/G-7 Jinnah Avenue, Islamabad while principal place of business is located at Plot No.112, 8th East Street, Phase 1, DHA, Karachi. The Subsidiary Company commenced Window Takaful Operations on 06 February 2015 as per Securities and Exchange Commission of Pakistan (SECP) Takaful Rules, 2012.

### 2. Basis of preparation and statement of compliance

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

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

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

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

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

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

## 2.2 Basis of measurement

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

## 2.3 Functional and presentation currency

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

## 2.3 Standards, interpretations and amendments effective in the current period

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

## 2.4 Standards, interpretations and amendments not effective at period end

### 2.4.1 IFRS 9 'Financial Instruments' is effective for reporting period / year ending on or after 30 June 2019. It replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from 01 July 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

The Group has determined that it is eligible for the temporary exemption option since the Group has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the Group doesn't engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Group can defer the application of IFRS 9 until the application IFRS 17.

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI") i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest.



IFRS 9 defines the terms “principal” as being the fair value of the financial asset at initial recognition, and the “interest” as being compensation for (i) the time value of money, and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The tables below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

- a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and
- b) all other financial assets.

Rupees '000

	31 March 2022 (Unaudited)				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized loss during the period	Carrying value	Cost less Impairment	Change in unrealized loss during the period
Financial assets					
Cash and bank *	2 075 377	–	22 219 176	–	–
Investments in equity securities - available-for-sale	34 371 889	( 1 291 497 )	–	–	–
Investments in debt securities - available-for-sale	–	–	115 203 095	–	( 210 267 )
Term deposits *	–	–	602 768	–	–
Loans to employees *	–	–	108 813	–	–
Total	<u>36 447 266</u>	<u>( 1 291 497 )</u>	<u>138 133 852</u>	<u>–</u>	<u>( 210 267 )</u>

	31 March 2022 (Unaudited)						
	Gross carrying amounts of debt instruments that pass the SPPI test						
	AAA	AA+	AA	A+	A	AA-	Unrated
Investments in debt securities -available-for-sale	2 018 796	816 318	2 791 877	372 333	80 000	480 562	108 643 209
Term deposits	414 268	–	–	188 500	–	–	–
Total	<u>2 433 064</u>	<u>816 318</u>	<u>2 791 877</u>	<u>560 833</u>	<u>80 000</u>	<u>480 562</u>	<u>108 643 209</u>

\* The carrying amount of these financial assets measured applying IAS 39 are a reasonable approximation of their fair values.

### 3. Summary of significant accounting policies

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

#### 4. Accounting estimates and judgements

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

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

#### 5. Management of insurance and financial risk

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

#### 6. Property and equipment

The movement of property and equipment during the three months period ended 31 March 2022 are as follows:

		Rupees '000	
	Note	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Opening balance - net book value		8 649 723	8 050 240
Additions	6.1	137 999	1 086 882
Depreciation during the period		( 247 949 )	( 1 015 796 )
Book value of disposal		( 26 968 )	( 84 121 )
Revaluation		-	612 518
		<u>8 512 805</u>	<u>8 649 723</u>
6.1 Additions			
Building		16 348	95 413
Right of use assets - buildings		45 091	390 126
leasehold improvements		7 291	60 923
Furniture and fixtures		14 190	36 135
Office equipment		22 219	37 194
Computer equipment		19 468	230 153
Vehicles		13 392	212 667
Tracker equipment		-	24 271
		<u>137 999</u>	<u>1 086 882</u>
7. Investment property			
Opening net book value		2 599 970	2 517 970
Additions and capital improvements		-	3 579
Unrealized fair value gain *		-	78 421
Closing net book value		<u>2 599 970</u>	<u>2 599 970</u>

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

## 8. Investment in equity securities

Rupees '000

	31 March 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
<b>At available-for-sale</b>						
<b>Related Party *</b>						
Listed shares	600 520	( 172 552 )	427 968	600 520	( 166 419 )	434 101
Mutual funds	523	–	523	523	–	523
	601 043	( 172 552 )	428 491	601 043	( 166 419 )	434 624
<b>Others</b>						
Listed shares	2 291 292	( 310 238 )	1 981 054	2 413 226	( 188 326 )	2 224 900
Unlisted shares	31 508	( 15 500 )	508	31 508	( 15 500 )	508
Mutual funds	133 689	( 23 288 )	110 401	146 405	( 18 544 )	127 861
	2 456 489	( 349 026 )	2 091 963	2 591 139	( 222 370 )	2 353 269
Surplus on revaluation	–	–	1 027 425	–	–	1 221 120
	3 057 532	( 521 578 )	3 547 879	3 192 182	( 388 789 )	4 009 013
<b>At fair value through profit and loss designated upon initial recognition</b>						
<b>Related Party *</b>						
Listed shares	12 544	–	86 865	12 544	–	105 326
Mutual funds	297	–	264	1 247	–	1 136
	12 841	–	87 129	13 791	–	106 462
<b>Others</b>						
Listed shares	31 542 633	–	30 065 993	31 623 510	–	31 113 061
Mutual funds	575 675	–	670 888	1 174 048	–	1 303 815
	32 118 308	–	30 736 881	32 797 558	–	32 416 876
	32 131 149	–	30 824 010	32 811 349	–	32 523 338
	35 188 681	( 521 578 )	34 371 889	36 003 531	( 388 789 )	36 532 351

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

## 9. Investment in debt securities

Rupees '000

	31 March 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
<b>Held to maturity</b>						
Government securities	7 911 891	–	7 911 891	7 903 248	–	7 903 248
<b>Available-for-sale</b>						
Government securities	12 155 136	–	12 155 136	9 455 653	–	9 455 653
Term Finance Certificate	244 118	( 44 118 )	200 000	244 118	( 44 118 )	200 000
Corporate Sukus	167 500	–	167 500	180 000	–	180 000
Deficit on revaluation	–	–	( 523 106 )	–	–	( 429 829 )
	12 566 754	( 44 118 )	11 999 530	9 879 771	( 44 118 )	9 405 824
<b>Fair value through profit and loss (Designated-upon initial recognition)</b>						
Government securities	89 850 425	–	89 104 979	80 016 058	–	79 419 004
Term Finance Certificates	3 441 848	–	3 441 848	2 992 793	–	2 992 793
Corporate Sukus	2 382 347	( 37 500 )	2 344 847	2 519 532	( 37 500 )	2 482 032
Certificates of investment	400 000	–	400 000	410 000	–	410 000
	96 074 620	( 37 500 )	95 291 674	85 938 383	( 37 500 )	85 303 829
	116 553 265	( 81 618 )	115 203 095	103 721 402	( 81 618 )	102 612 901

	Rupees '000	
	31 March 2022 (Unaudited)	31 December 2021 (Audited)
<b>10. Loans and other receivables - considered good</b>		
Loans to employees	108 813	104 381
Accrued investment income	3 107 223	2 313 942
Security deposits	59 320	70 925
Advances to suppliers	347 204	123 569
Advances to employees	128 907	134 243
Other receivables	279 929	347 027
	<u>4 031 396</u>	<u>3 094 087</u>
<b>11. Insurance / reinsurance receivables - unsecured and considered good</b>		
Due from insurance contract holders	4 254 361	5 166 605
Provision for impairment of receivables from insurance contract holders	( 1 195 )	( 1 195 )
	<u>4 253 166</u>	<u>5 165 410</u>
Due from other insurer / reinsurers	284 422	304 536
	<u>4 537 588</u>	<u>5 469 946</u>
<b>12. Prepayments</b>		
Prepaid reinsurance premium ceded	5 655 081	5 468 998
Software support service	6 532	2 419
Group health insurance premium	19 396	-
Prepaid tracker expense	66 869	39 347
Annual supervision fee	24 233	-
Others	240 983	147 712
	<u>6 013 094</u>	<u>5 658 476</u>
<b>13. Cash and Bank</b>		
Cash in hand	1 854	173
Policy and revenue stamps, bond papers	43 416	22 295
	45 270	22 468
Cash at bank		
Current accounts	2 030 107	1 326 512
Saving accounts	22 219 176	4 448 667
	<u>24 249 283</u>	<u>5 775 179</u>
	<u>24 294 553</u>	<u>5 797 647</u>

## 14. Share capital

### 14.1 Authorized capital

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

### 14.2 Issued, subscribed and paid-up share capital

Number of shares '000		Rupees '000	
31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2022 (Unaudited)	31 December 2021 (Audited)
250	250	2 500	2 500
199 750	199 750	1 997 500	1 997 500
200 000	200 000	2 000 000	2 000 000
		2 500	2 500
		1 997 500	1 997 500
		2 000 000	2 000 000

		Rupees '000	
	Note	31 March 2022 (Unaudited)	31 December 2021 (Audited)
<b>15. Reserves</b>			
Capital reserve			
Reserve for exceptional losses	15.1	12 902	12 902
Revenue reserves			
General reserve		16 400 000	15 650 000
Revaluation reserve for unrealized gain on available-for-sale investments - net		405 493	644 699
Reserve for change in fair value of investment property - net		1 455 258	1 455 258
		<u>18 273 653</u>	<u>17 762 859</u>

15.1 The reserve for exceptional losses was created prior to 1979 and was charged to income in accordance with the provisions of the repealed Income Tax Act, 1922 and has been so retained to date.

## 16. Insurance liabilities

Rupees '000

	Note	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Reported outstanding claims	16.1	3 568 533	3 378 978
Incurred but not reported claims	16.2	807 393	880 319
Investment component of unit-linked and account value policies	16.3	147 842 208	145 125 387
Liabilities under individual conventional insurance contracts	16.4	1 021 792	989 072
Liabilities under group insurance contracts (other than investment linked)	16.5	637 448	415 452
Participant's Takaful Fund Balance		368 664	301 895
		<u>154 246 038</u>	<u>151 091 103</u>
16.1 Reported Outstanding Claims			
Gross of reinsurance			
Payable within one year		3 043 857	2 873 458
Payable over a period of time exceeding one year		927 667	887 283
		<u>3 971 524</u>	<u>3 760 741</u>
Recoverable from reinsurers			
Receivable over a period of time exceeding one year		( 402 991 )	( 381 763 )
		<u>( 402 991 )</u>	<u>( 381 763 )</u>
Net reported outstanding claims		<u>3 568 533</u>	<u>3 378 978</u>
16.2 Incurred but not reported claims			
Gross of reinsurance		988 632	1 054 712
Reinsurance recoveries		( 181 239 )	( 174 393 )
Net of reinsurance		<u>807 393</u>	<u>880 319</u>
16.3 Investment component of unit-linked and account			
Investment component of unit linked policies		147 842 208	145 125 387
		<u>147 842 208</u>	<u>145 125 387</u>
16.4 Liabilities under Individual Conventional Insurance Contracts			
Gross of reinsurance		1 251 562	1 197 514
Reinsurance credit		( 229 770 )	( 208 442 )
Net of reinsurance		<u>1 021 792</u>	<u>989 072</u>
16.5 Liabilities under Group Insurance Contracts (other than investment linked)			
Gross of reinsurance		925 810	532 869
Reinsurance credit		( 288 362 )	( 117 417 )
Net of reinsurance		<u>637 448</u>	<u>415 452</u>

**17. Others creditors and accruals**

Rupees '000

	<b>31 March 2022 (Unaudited)</b>	31 December 2021 (Audited)
Federal insurance fee payable	23 249	13 513
Federal excise duty and sales tax payable	198 456	307 645
Accrued expenses	1 160 010	1 462 124
Agent commission payable	1 162 725	1 542 426
Unearned rentals	46 877	69 329
Other deposits	1 522 181	1 378 680
Unclaimed / unpaid dividends	2 620 187	470 506
Lease liability	786 858	788 911
Others	419 739	323 804
	<u>7 940 282</u>	<u>6 356 938</u>

**18. Contingencies and commitments**

The income tax assessment of the Holding Company and its Subsidiary Company has been finalized up to tax year 2021.

**18.1 Holding Company**

The Income Tax Department has made an assessment order for the assessment years 1999-2000 and 2000-2001 by adding back provision for bonus to staff, provision for gratuity and excess management expenses. The Holding Company had filed appeals before the Commissioner, Inland Revenue (Appeals). The appeals have been decided in the favour of the Income Tax Department. The Holding Company had filed appeals before the Income Tax Appellate Tribunal (ITAT). If the appeals are decided against the Holding Company a tax liability of Rs. 13 million would arise.

The Income Tax Department (Audit) has made an assessment order for the assessment year 2002-2003 by adding certain items. The Holding Company had filed an appeal before Commissioner Income Tax (Appeals). The appeal was decided in the favour of the Holding Company. The Department had filed an appeal before the Income Tax Appellate Tribunal (ITAT) and the same has been decided in the favour of the Holding Company. The Department has filed an appeal before the Honourable High Court of Sindh against the order of the Income Tax Appellate Tribunal (ITAT) in respect of the estimated liability of claims, excess perquisites and retrocession commission. If the appeal is decided against the Holding Company a tax liability of Rs. 76 million would arise.

The Commissioner Inland Revenue (Audit) has amended the tax assessment of the Holding Company for the tax year 2005 to 2007 by disallowing prorated expense. The Holding Company has filed appeals before Commissioner Income Tax (Appeals). The appeals were decided in the favour of the Holding Company. The Department then filed appeals before the Income Tax Appellate Tribunal (ITAT). The Income Tax Appellate Tribunal (ITAT) had passed an order in favour of the Holding Company. The Department then filed a reference before the Honourable High Court of Sindh. The Honourable High Court of Sindh maintained the decision of the Income Tax Appellate Tribunal (ITAT). The Department has filed appeals for the tax year 2005 to 2007 before the Honourable Supreme Court of Pakistan against the decision of the Honourable High Court of Sindh in respect of proration of expenses and if the appeals are decided against the Holding Company, a tax liability of Rs. 37 million would arise.

The Commissioner Inland Revenue (Audit) has amended the tax assessment of the Holding Company for the tax year 2008 by adding capital gain on investment, depreciation on leased asset, admissible expenses, re-insurance premium ceded, provision for leave encashment, amortization of premium relative to par and provision for outstanding claims (IBNR). The Holding Company filed an appeal before Commission Income Tax (Appeals) against the order of Income Tax Commissioner (Audit). The Appeal decided in favour of the Holding Company except addition made on account of reinsurance premium ceded. The Holding Company has filed an appeal before the Income Tax Appellate Tribunal (ITAT) against the decision of the Income Tax Commissioner (Appeals) for maintaining the decision of Income Tax Commissioner (Audit) with respect to confirming the addition made on account of reinsurance premium ceded. The Income Tax Appellate Tribunal (ITAT) decided the case in favour of the Holding Company. The Department filed an

appeal in Income Tax Appellate Tribunal (ITAT) against the decision of the Income Tax Commissioner (Appeals) for deletion of Capital Gain on Investment, Provision for Leave Encashment, and Depreciation on Leased Asset. The Income Tax Appellate Tribunal (ITAT) decided the case in favour of the Holding Company. The Department has filed appeals before the Honourable High Court of Sindh against the decision of the Income Tax Appellate Tribunal (ITAT) in respect of tax on reinsurance premium, deletion of Capital Gain on Investment, Provision for Leave Encashment, and Depreciation on Leased Asset. If the appeals decided against the Holding Company, a tax liability of Rs. 5,099 million would be payable. The Honourable High Court of Sindh has issued orders in favour of the assesses on identical cases.

The Department has filed an appeal for tax years 2014 to 2016 before the Income Tax Appellate Tribunal (ITAT) against the order of Commissioner (Appeal) in respect of Dividend Income taxed at the reduced rate. If the appeal is decided against the Holding Company, a tax liability of Rs. 355 million would arise.

The Commissioner Inland Revenue (Audit) has made an addition to the income of Tax years 2017 and 2019 on account of the fair market value of motor vehicles. The Holding Company has filed appeals before Commissioner Income Tax (Appeals). The Commissioner Income Tax (Appeals) has confirmed the action of the Commissioner, Inland Revenue (Audit). The Holding Company then filed appeals before the Income Tax Appellate Tribunal (ITAT). If the appeal is decided against the Holding Company, a tax liability of Rs. 2 million would arise. The Income-tax Appellate Tribunal (ITAT) has issued orders in favour of the Holding Company on this issue in previous years.

The Commissioner Inland Revenue (Audit) has made an addition to the income of the Tax year 2020 on account of expenses. The Company has filed appeals before Commissioner Income Tax (Appeals). If the appeal is decided against the Holding Company, a tax liability of Rs. 2 million would arise.

The Commissioner Inland Revenue (Audit) has made an addition to the income of Tax years 2021 on account of the fair market value of motor vehicles. The Holding Company has filed appeals before Commissioner Income Tax (Appeals). If the appeal is decided against the Holding Company, a tax liability of Rs. 2 million would arise. The Income-tax Appellate Tribunal (ITAT) has issued orders in favour of the Holding Company on this issue in previous years.

In 2014, 2015, 2016, 2017 and 2018, the Searle Company Limited issued bonus shares (453,612, 312,993, 664,632, 472,284 and 443,697 shares, respectively) after withholding 5 percent of bonus shares (22,680, 15,650, 34,981, 24,857 and 21,360 shares respectively). In this regard, a constitutional petition had been filed by the Company in the Honourable High Court of Sindh challenging the applicability of withholding tax provision on bonus shares received by the Holding Company. The Honourable High Court of Sindh decided the case against the Holding Company. Subsequently, the Holding Company filed an appeal with a larger bench of the Honourable High Court of Sindh and in response; the Sindh High Court has suspended the earlier judgement until the next date of hearing, which has not yet been decided. Consequently, the Holding Company has not paid/provided an amount of Rs. 37 million being withholding tax on bonus shares.

## 18.2 Subsidiary Company

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.14 million and Rs.15 million for Tax Years 2012 and 2013 respectively. The Subsidiary Company filed an appeal before Commissioner Inland Revenue (Appeals) and the same was dismissed. The Subsidiary Company filed second appeal before the Appellate Tribunal against the order of CIT. The Learned Appellate Tribunal Inland revenue had decided the case in Subsidiary 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 Subsidiary 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 Subsidiary 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 Subsidiary Company is of the view that the case will be decided in its favour and as such no provision has been made for the aforementioned tax. The amount involved is Rs. 3 million.



18.2.1 During 2019, the Subsidiary 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 Subsidiary 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.

SRB through notification no. SRB-3-4/17/2021 dated 30 June 2021 has revoked its previous exemption of life insurance, granted through SRB-3-4/5/2019 dated 08 May 2019, which is now taxable at a rate of 3%. However, exemption for health insurance has been extended till 30 June 2022.

With effect from 01 November 2018, the Punjab Revenue Authority (PRA) withdrew its exemption on life and health insurance and made the same subject to Punjab Sales Tax (PST). The Subsidiary Company collectively through the forum of Insurance Association of Pakistan ("IAP") had filed a constitutive petition in the Lahore High Court (LHC) and in the High Court of Sindh at Karachi on 28 September 2019 and 28 November 2019 against PRA and SRB respectively.

According to the grounds of the petition and legal opinion obtained by the Subsidiary Company the Insurance premium does not fall under the definition of service rather an insurance policy is a financial arrangement, which is in the nature of a contingent contract, and not a service upon which sales tax can be levied (and that an insurance company is not rendering a service). The legal opinion covered question of constitutionality arose on the levy of provincial sales tax on life insurance, which in their view, is a Federal subject. The opinion also mentions that vast majority of premium received from a policyholder, during the life of the policy, is in fact channeled it to the policyholder's investment account and as such this is critically important in exposing the legal fallacies embodied in the Rules.

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 01 July 2019 to 30 June 2020 subject to e-depositing SST due, on such services for the tax periods from 01 July 2020 onward.

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

The Subsidiary 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 Subsidiary 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 Subsidiary Company has not started billing or withholding sales tax to its customers. The amount of sales tax involved is around Rs. 2,038 million (2021: Rs. 1,816 million) computed on the basis of risk based premium excluding the investment amount allocated to unit linked policies. The management contends that in case the administrative efforts fail, the amount will be charged to the policyholders.

Bank guarantees amounting to Rs. 57 million have been given in respect of Group Life coverage. These bank guarantees will expire on 30 December 2023.

18.3 No provision has been made in these consolidated condensed interim financial statements for the above contingencies, as the management, based on tax advisor's opinion, is confident that the decision in this respect will be received in favour of the Group.

18.4 There are no commitments as at 31 March 2022 (31 December 2021: Nil).

## 19. Net insurance premium

Rupees '000

	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Written gross premium	15 719 235	14 387 986
Unearned premium reserve - opening	10 517 726	9 411 142
Unearned premium reserve - closing	( 10 998 822 )	( 9 682 893 )
Premium earned	15 238 139	14 116 235
Less:		
Reinsurance premium ceded	3 692 326	2 961 597
Prepaid reinsurance premium - opening	5 468 998	4 808 670
Prepaid reinsurance premium - closing	( 5 655 081 )	( 4 727 054 )
Reinsurance expense	3 506 243	3 043 213
	11 731 896	11 073 022
<b>20. Net insurance claim expense</b>		
Claims Paid	7 341 739	7 506 944
Outstanding claims including IBNR - closing	8 524 553	6 757 309
Outstanding claims including IBNR - opening	( 7 085 599 )	( 7 111 989 )
Claims expense	8 780 693	7 152 264
Less:		
Reinsurance and other recoveries received	397 314	716 759
Reinsurance and other recoveries in respect of outstanding claims - opening	( 3 974 297 )	( 3 856 142 )
Reinsurance and other recoveries in respect of outstanding claims - closing	5 108 178	3 463 457
Reinsurance and other recoveries revenue	1 531 195	324 074
	7 249 498	6 828 190

## 21. Net commission expense

Rupees '000

	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Commission paid or payable	2 105 919	2 037 625
Deferred commission expense - opening	772 985	678 039
Deferred commission expense - closing	( 798 170 )	( 697 589 )
Net commission	2 080 734	2 018 075
Less:		
Commission received or recoverable	65 539	52 839
Unearned reinsurance commission - opening	135 214	152 144
Unearned reinsurance commission - closing	( 133 409 )	( 130 534 )
Commission from reinsurers	67 344	74 449
Other acquisition cost	257 475	212 093
	<u>2 270 865</u>	<u>2 155 719</u>

## 22. Investment income

Income from equity securities		
- Available-for-sale		
Dividend income	91 735	67 220
- Fair value through profit and loss		
Dividend income	891 159	441 572
Income from debt securities		
- Available-for-sale		
Return on debt securities	261 294	286 626
- Held to maturity		
On government securities	157 152	137 142
- Fair value through profit and loss		
Return on debt securities	333 497	278 689
On government securities	2 016 915	1 613 413
Income from term deposits		
Return on term deposits	393 108	305 175
	<u>4 144 860</u>	<u>3 129 837</u>
Net realized gains / (losses) on investments		
Available-for-sale financial assets		
Realized gains on:		
Equity securities	96 572	104 397
Realized losses on:		
Equity securities	-	( 50 073 )
Net unrealized gains on investments	96 572	54 324
Impairment in value of available-for-sale equity securities	( 105 381 )	( 2 743 )
Investment related expenses	( 126 )	( 260 )
Total Investment income	<u>4 135 925</u>	<u>3 181 158</u>

Rupees '000

**23. Net realized fair value gains / (losses) on financial assets**

	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Realized gain on Equity securities	260 255	1 267 754
Realized losses on Equity securities	( 2 902 )	( 312 123 )
	<u>257 353</u>	<u>955 631</u>
<b>24. Net fair value losses on financial assets at fair value through profit or loss</b>		
Net unrealized losses on investments in financial assets - government securities and debt securities (designated upon initial recognition)	( 116 990 )	( 481 658 )
Net unrealized losses on investments at fair value through profit or loss (designated upon initial recognition)- Equity Securities	( 1 008 988 )	( 625 091 )
Total investment loss	( 1 125 978 )	( 1 106 749 )
Exchange gain / (loss)	5 880	( 7 503 )
Impairment in value of available-for-sale securities	( 12 208 )	( 37 151 )
Investment related expenses	( 53 )	-
	<u>( 1 132 359 )</u>	<u>( 1 151 403 )</u>
<b>25. Other income</b>		
Gain on sale of property and equipment	13 970	22 719
Return on loans to employees	7 307	5 113
Exchange gain / (loss)	11 600	( 14 378 )
Return on bank balances	32 784	23 306
Gain on early termination of lease contracts	919	-
Fees charged to Policyholders	4 468	4 282
Others	8	-
	<u>71 056</u>	<u>41 042</u>

		Rupees '000	
26. Window Takaful Operations - Operation's Fund		31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
	Wakala fee	215 495	176 843
	Commission expense	( 80 537 )	( 69 718 )
	General administrative and management expense	( 92 343 )	( 93 067 )
	Modarib's share of PTF investment income	9 245	7 643
	Investment income	14 843	10 316
	Direct expenses	( 295 )	( 212 )
	Other income	967	629
		<u>67 375</u>	<u>32 434</u>
<b>27. Taxation</b>			
<b>For current periods</b>			
	Current	588 157	608 352
	Deferred	( 66 186 )	( 51 813 )
		<u>521 971</u>	<u>556 539</u>
<b>28. Earnings per share - basic and diluted</b>			
	Profit (after tax) for the period	(Rupees '000) <u>617 449</u>	<u>714 444</u>
	Weighted average number of ordinary shares	(Numbers '000) <u>200 000</u>	<u>200 000</u>
	Earnings per share	(Rupees) <u>3.09</u>	<u>3.57</u>

## 29. Related party transactions

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

	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Rupees '000		
<b>Transactions</b>		
<b>Associated companies</b>		
Premium written	139 737	187 957
Premium paid	66 859	52 043
Claims paid	82 148	38 105
Commission paid	28 891	56 843
Travelling expenses	553	2 835
Donation paid	9 462	1 174
Interest on bank deposits	217 249	198 284
Purchase of vehicle	87 673	6 266
Investment sold	10 788 429	34 196
Bank (withdrawn) / deposit	( 100 000 )	500 000
Payment to K-Electric	12 822	10 988
<b>Key management personnel</b>		
Premium written	498	1 323
Claims paid	168	-
Loan recovered	1 672	1 299
Compensation	110 384	98 780
<b>Others</b>		
Premium written	33 503	18 973
Claims paid	35 792	2 913
Brokerage paid	64	532
<b>Employees' funds</b>		
Contribution to provident fund	21 283	19 109
Contribution to gratuity fund	7 231	5 465
Contribution to pension fund	9 566	8 461
	31 March 2022 (Unaudited)	31 December 2021 (Audited)
<b>Balances</b>		
<b>Others</b>		
Balances receivable	59 460	119 662
Balances payable	424	1 224
Bank deposits	10 976 929	7 004 500
Bank balances	9 085 300	1 852 642
<b>Employees' funds receivable / (payable)</b>		
EFU gratuity fund	( 7 231 )	( 9 806 )
EFU pension fund	61 866	44 260

30. Segment Information

Rupees '000

For the three months period ended 31 March 2022 (Unaudited)

Current period	General Insurance				Life Assurance			Aggregate Life Assurance	Total
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Aggregate General Insurance	Shareholders' Fund		
Premium Receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	4,444,282	738,193	1,107,651	593,900	-	6,884,026	-	9,632,355	16,516,381
Less: Sales tax	415,393	74,895	1,360,017	62,299	-	688,604	-	-	688,604
Stamp duty	119	46,722	335	257	-	47,433	-	-	47,433
Federal insurance fee	40,023	6,105	9,681	5,300	-	61,109	-	-	61,109
Gross Written Premium (inclusive of administrative surcharge)	3,988,747	610,471	961,618	526,044	-	6,086,880	-	9,632,355	15,719,235
Gross direct premium	3,975,800	596,281	909,273	522,103	-	6,003,457	-	9,632,355	15,635,812
Facultative inward premium	4,608	-	-	4,608	-	4,608	-	-	4,608
Administrative surcharge	8,339	14,190	52,345	3,941	-	78,815	-	-	78,815
Insurance premium earned	3,530,967	775,946	870,827	428,044	-	5,605,784	-	9,632,355	15,238,139
Insurance premium ceded to reinsurers	(2,600,481)	(333,598)	(5,790)	(137,343)	-	(3,077,212)	-	(429,031)	(3,506,243)
Net insurance premium	930,486	442,348	865,037	290,701	-	2,528,572	-	9,203,324	11,731,896
Commission income	54,209	3,973	4	9,158	-	67,344	-	-	67,344
Net underwriting income	984,695	446,321	865,041	299,859	-	2,595,916	-	9,203,324	11,799,240
Insurance claims	(1,859,578)	(79,317)	(460,632)	(147,199)	-	(2,546,726)	-	(6,234,189)	(8,780,915)
Insurance claims recovered from reinsurers	1,410,365	(60,381)	(1,798)	(5,815)	-	1,342,371	-	189,046	1,531,417
Net claims	(449,213)	(139,698)	(462,430)	(153,014)	-	(1,204,355)	-	(6,045,143)	(7,249,498)
Commission expense	(235,547)	(75,365)	(78,222)	(33,552)	-	(422,686)	-	(1,915,523)	(2,338,209)
Management expenses	(253,710)	(110,257)	(229,977)	(76,703)	-	(670,647)	-	(581,983)	(1,252,630)
Net insurance claims and expenses	(938,470)	(325,320)	(770,629)	(263,269)	-	(2,297,688)	-	(8,542,649)	(10,840,337)
Net Change in Insurance liabilities (Other than outstanding Claims)	-	-	-	-	-	-	-	(2,984,537)	(2,984,537)
Underwriting result	46,225	121,001	94,412	36,590	-	298,228	-	(2,323,862)	(2,025,634)
Net investment income	-	-	-	-	-	339,347	-	3,796,578	4,135,925
Net realized fair value gain on financial assets	-	-	-	-	-	-	-	257,353	257,353
Net fair value loss on financial assets at fair value through profit and loss	-	-	-	-	-	-	-	(1,132,359)	(1,132,359)
Rental income	-	-	-	-	-	31,135	-	-	31,135
Other income	-	-	-	-	-	50,461	-	20,595	71,056
Other expense	-	-	-	-	-	(21,375)	-	(1,437)	(22,812)
Profit before tax from takaful operations – OPF	-	-	-	-	-	67,375	-	-	67,375
Profit before tax	-	-	-	-	-	765,171	-	616,868	1,382,039
Corporate segment assets-conventional	12,868,608	1,392,451	579,547	827,591	-	15,668,197	-	163,371,787	179,039,984
Corporate segment assets - Takaful OPF	90,609	14,588	301,933	8,118	-	415,248	-	-	415,248
Corporate unallocated assets-conventional	-	-	-	-	-	31,223,722	5,222,617	-	36,446,339
Corporate unallocated assets - Takaful OPF	-	-	-	-	-	789,675	-	-	789,675
Consolidated total assets	12,959,217	1,407,039	881,480	835,709	-	16,107,742	5,222,617	168,594,404	216,691,246
Corporate segment liabilities	18,488,525	2,218,149	2,723,540	3,494,060	-	26,924,274	-	158,219,049	185,143,323
Corporate segment liabilities - Takaful OPF	99,069	13,791	384,922	9,149	-	506,931	-	-	506,931
Corporate unallocated liabilities	-	-	-	-	-	3,494,499	2,696,964	-	6,191,463
Corporate unallocated liabilities - Takaful OPF	-	-	-	-	-	19,092	-	-	19,092
Consolidated total liabilities	18,587,594	2,231,940	3,108,462	3,503,209	-	30,944,796	2,696,964	160,916,013	191,860,809
External premium less reinsurance by geographical segments 2022	-	-	-	-	-	-	-	-	-
Pakistan	-	-	-	-	-	-	-	-	11,724,631
* EPZ	-	-	-	-	-	-	-	-	7,265
Total	-	-	-	-	-	-	-	-	11,731,896

\* This represents US Dollar Equivalent in Pak Rupees

For the three months period ended 31 March 2021 (Unaudited) Rupees '000

	General Insurance			Life Assurance		Aggregate General Insurance	Shareholders' Fund	Statutory Funds	Aggregate Life Assurance	Total
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty					
Premium Receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	3 699 990	771 211	1 097 542	577 657	-	6 146 400	-	9 103 314	9 103 314	15 249 714
Less: Sales tax	486 499	82 826	133 035	74 641	-	777 001	-	-	-	777 001
Stamp duty	109	30 994	318	208	-	31 629	-	-	-	31 629
Federal insurance fee	31 963	6 508	9 614	5 013	-	53 098	-	-	-	53 098
Gross Written Premium (inclusive of administrative surcharge)	3 181 419	650 883	954 575	497 795	-	5 284 672	-	9 103 314	9 103 314	14 387 986
Gross direct premium	3 173 406	638 223	897 850	494 054	-	5 203 533	-	9 103 314	9 103 314	14 306 847
Administrative surcharge	8 013	12 660	56 725	3 741	-	81 139	-	-	-	81 139
Insurance premium earned	3 185 383	640 806	801 853	384 879	-	5 012 921	-	9 103 314	9 103 314	14 116 235
Insurance premium ceded to reinsurers	(2 237 495)	(246 737)	(6 450)	(165 312)	-	(2 655 994)	-	(387 219)	(387 219)	(3 043 213)
Net insurance premium	947 888	394 069	795 403	219 567	-	2 356 927	-	8 716 095	8 716 095	11 073 022
Commission income	57 211	3 293	18	13 927	-	74 449	-	-	-	74 449
Net underwriting income	1 005 099	397 362	795 421	233 494	-	2 431 376	-	8 716 095	8 716 095	11 147 471
Insurance claims	(366 038)	(235 468)	(402 100)	(14 897)	-	(1 018 503)	-	(6 133 761)	(6 133 761)	(7 152 264)
Insurance claims recovered from reinsurers	32 471	70 699	(75)	(32 665)	-	70 430	-	253 644	253 644	324 074
Net claims	(333 567)	(164 769)	(402 175)	(47 562)	-	(948 073)	-	(5 880 117)	(5 880 117)	(6 828 190)
Commission expense	(203 603)	(66 142)	(74 372)	(26 834)	-	(370 951)	-	(1 859 217)	(1 859 217)	(2 230 168)
Management expenses	(256 871)	(100 693)	(215 425)	(60 212)	-	(633 201)	-	(525 472)	(525 472)	(1 158 673)
Net insurance claims and expenses (Other than outstanding Claims)	(794 041)	(331 604)	(691 972)	(134 608)	-	(1 952 225)	-	(8 264 806)	(8 264 806)	(10 217 031)
Underwriting result	-	-	-	-	-	479 151	-	(2 468 312)	(2 468 312)	(2 468 312)
Net investment income	211 058	65 758	103 449	98 886	-	401 114	-	2 780 044	2 780 044	3 181 158
Net realized fair value gain on financial assets at fair value through profit and loss	-	-	-	-	-	-	-	955 631	955 631	955 631
Rental income	-	-	-	-	-	-	-	(1 151 403)	(1 151 403)	(1 151 403)
Other income	-	-	-	-	-	28 821	-	-	-	28 821
Other expense	-	-	-	-	-	10 278	-	30 764	30 764	41 042
Profit before tax from takaful operations - OPF	15 887 724	2 795 937	2 593 290	3 246 362	-	24 523 313	-	156 092 115	156 092 115	180 615 428
Profit before tax	91 055	13 030	375 669	12 660	-	2 628 502	1 010 395	-	1 010 395	3 638 897
Corporate segment assets-conventional	11 948 826	1 950 272	668 558	802 029	-	15 369 685	-	160 644 159	160 644 159	176 013 844
Corporate segment assets - Takaful OPF	91 055	11 820	244 001	11 127	-	358 003	-	-	-	358 003
Corporate unallocated assets-conventional	-	-	-	-	-	28 775 106	4 743 069	-	4 743 069	33 518 175
Corporate unallocated assets - Takaful OPF	-	-	-	-	-	783 218	-	-	-	783 218
Consolidated total assets	-	-	-	-	-	45 286 012	4 743 069	160 644 159	165 387 228	210 673 240
Corporate segment liabilities	15 887 724	2 795 937	2 593 290	3 246 362	-	24 523 313	-	156 092 115	156 092 115	180 615 428
Corporate segment liabilities - Takaful OPF	95 867	13 030	375 669	12 660	-	497 226	-	-	-	497 226
Corporate unallocated liabilities	-	-	-	-	-	2 628 502	1 010 395	-	1 010 395	3 638 897
Corporate unallocated liabilities - Takaful OPF	-	-	-	-	-	16 749	-	-	-	16 749
Consolidated total liabilities	-	-	-	-	-	27 665 790	1 010 395	156 092 115	157 102 510	184 768 300
External premium less reinsurance by geographical segments 2021	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	11 065 757
	-	-	-	-	-	-	-	-	-	7 265
	-	-	-	-	-	-	-	-	-	11 073 022

\* This represents US Dollar Equivalent in Pak Rupees



### 31. Movement in investments

Name of investment	Rupees '000			
	Held to maturity	Available for sale	Fair value through Profit & Loss	Total
<b>At beginning of previous year</b>	24 914 646	18 719 068	113 673 646	157 307 360
Additions	158 761 001	54 478 109	42 243 793	255 482 903
Disposals (sale and redemptions)	( 150 428 255 )	( 54 868 574 )	( 35 502 084 )	( 240 798 913 )
Fair value net gains / (losses) (excluding net realized gains / (losses))	-	( 1 638 266 )	( 5 987 103 )	( 7 625 369 )
Impairment losses	-	( 165 515 )	-	( 165 515 )
<b>At beginning of current period</b>	33 247 392	16 524 822	114 428 252	164 200 466
Additions	20 073 248	3 273 976	9 811 670	33 158 894
Disposals (sale and redemptions)	( 42 864 429 )	( 593 048 )	( 2 261 430 )	( 45 718 907 )
Fair value net gains (excluding net realized gains / (losses))	-	( 342 676 )	( 1 002 436 )	( 1 345 112 )
Impairment losses	-	( 117 589 )	-	( 117 589 )
At end of current period	10 456 211	18 745 485	120 976 056	150 177 752

### 32. Fair value

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

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

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

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

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

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

Rupees '000

As at 31 March 2022 (Unaudited)										
	Available-for-sale	Fair value through profit & loss	HTM	Loans and receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
								Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>										
Investments										
Equity securities - quoted	3 420 901	30 629 848					34 050 749	34 050 749		
Equity securities - unquoted	508						508			508
Government securities		89 104 979					89 104 979		89 104 979	
Mutual funds	126 470	671 152					797 622		797 622	
Sukuk Bonds		2 344 847					2 344 847		2 344 847	
Debt securities	11 999 530	3 441 848					15 441 378		15 441 378	
<b>Financial assets not measured at fair value</b>										
Term deposits*					602 768		602 768			
Government securities			7 911 891				7 911 891			
Loans and other receivables *				692 041	572 224		1 264 265			
Insurance / reinsurance receivables *				4 017 426			4 017 426			
Reinsurance recoveries against outstanding claims *				5 108 178			5 108 178			
Advances *				221 266			221 266			
Other assets *					2 545 865		2 545 865			
Certificate of investment *			400 000				400 000			
Cash and bank *		23 031 140			1 248 214		24 279 354			
Total assets of window takaful operations - Operator's fund *	700 844			305 208	43 423		1 049 475		700 844	
	16 248 253	149 223 814	8 311 891	10 344 119	5 012 494	-	189 140 571	34 050 749	108 389 670	508
<b>Financial liabilities not measured at fair value</b>										
Outstanding claims including IBNR *						(8 524 553)	(8 524 553)			
Premium received in advance *						(1 154 110)	(1 154 110)			
Insurance / reinsurance payables *						(5 505 811)	(5 505 811)			
Other creditors and accruals *						(7 940 282)	(7 940 282)			
Total liabilities of window takaful operations - Operator's fund *						(101 261)	(101 261)			
	16 248 253	149 223 814	8 311 891	10 344 119	5 012 494	(23 226 017)	165 914 554	34 050 749	108 389 670	508

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

Rupees '000

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

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

**33. Non-adjusting event after the consolidated condensed interim financial statement date**

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

**34. Corresponding figures**

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

**35. General**

Figures have been rounded off to the nearest thousand rupees.

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

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

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

ALTAF GOKAL  
Chief Financial Officer

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 28 April 2022

# Window Takaful Operations

## Condensed Interim Financial Statements

For the three months period ended 31 March 2022 (Unaudited)

EFU General Insurance Limited - Window Takaful Operations  
Condensed Interim Statement of Financial Position  
As at 31 March 2022 (Unaudited)

Rupees '000

	Note	Operator's Fund		Participants' Takaful Fund	
		31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2022 (Unaudited)	31 December 2021 (Audited)
<b>Assets</b>					
Property and equipment	6	2 607	2 777	–	–
Investments					
Debt securities	7	700 844	643 122	1 957 472	1 735 650
Term deposits		–	9 000	–	120 000
Loans and other receivables	8	1 760	967	6 839	1 283
Takaful / retakaful receivables	9	8 675	7 410	377 269	321 441
Retakaful recoveries against outstanding claims / benefits	17	–	–	544 242	541 251
Salvage recoveries accrued		–	–	63 795	50 080
Deferred commission expense	18	147 143	149 495	–	–
Receivable from PTF	10	278 899	211 809	–	–
Accrued investment income		15 874	11 385	43 886	24 980
Deferred wakala fee		–	–	413 756	410 961
Deferred taxation		2 821	4 373	–	–
Prepayments	11	2 877	–	311 801	325 790
Cash and bank	12	43 423	100 883	260 830	239 302
<b>Total assets</b>		<b>1 204 923</b>	<b>1 141 221</b>	<b>3 979 890</b>	<b>3 770 738</b>
<b>Funds and liabilities</b>					
<b>Fund attributable to Operator's Fund of insurer</b>					
Statutory fund		100 000	100 000	–	–
Revaluation reserve - available-for-sale investments		420	( 3 396 )	–	–
Accumulated profit		578 480	530 643	–	–
<b>Total Operator's Fund</b>		<b>678 900</b>	<b>627 247</b>	<b>–</b>	<b>–</b>
<b>Participants' Takaful Fund (PTF)</b>					
Cede money		–	–	500	500
Revaluation reserve - available-for-sale investments		–	–	( 18 974 )	( 16 099 )
Accumulated surplus		–	–	880 681	871 978
<b>Balance of Participants' Takaful Fund</b>		<b>–</b>	<b>–</b>	<b>862 207</b>	<b>856 379</b>
<b>Liabilities</b>					
<b>PTF Underwriting provisions</b>					
Outstanding claims / benefits including IBNR	17	–	–	1 200 383	1 088 118
Unearned contribution reserves		–	–	1 315 476	1 304 837
Reserve for unearned retakaful rebate	16	–	–	51 824	63 362
Contribution received in advance		–	–	7 807	4 467
Takaful / retakaful payables		1 985	2 039	234 385	212 227
Unearned wakala fee		413 756	410 961	–	–
Payable to OPF	10	–	–	278 899	211 809
Taxation - provision less payments		9 020	6 291	–	–
Other creditors and accruals	13	101 262	94 683	28 909	29 539
<b>Total liabilities</b>		<b>526 023</b>	<b>513 974</b>	<b>3 117 683</b>	<b>2 914 359</b>
<b>Total equity and liabilities</b>		<b>1 204 923</b>	<b>1 141 221</b>	<b>3 979 890</b>	<b>3 770 738</b>
<b>Contingencies and commitments</b>	14				

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

ALTAF GOKAL  
Chief Financial Officer

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 28 April 2022

EFU General Insurance Limited - Window Takaful Operations  
Condensed Interim Profit and Loss Account  
For the three months period ended 31 March 2022 (Unaudited)

		Rupees '000	
	Note	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
<b>Participants' Takaful Fund - (PTF)</b>			
Contributions earned		462 445	438 640
Less: Contributions ceded to retakaful		( 164 902 )	( 132 251 )
Net contribution revenue	15	297 543	306 389
Retakaful rebate earned	16	33 170	20 803
Net underwriting income		330 713	327 192
Net claims reported / settled - IBNR	17	( 327 945 )	( 287 477 )
Other direct expenses		( 21 799 )	( 42 327 )
Surplus before investment income		( 19 031 )	( 2 612 )
Investment Income	19	33 963	28 230
Other income	20	3 016	2 341
Less: Modarib's share of investment income		( 9 245 )	( 7 643 )
Surplus transferred to accumulated surplus		8 703	20 316
<b>Operator's Fund - (OPF)</b>			
Wakala fee		215 495	176 843
Commission expense	18	( 80 537 )	( 69 718 )
General administrative and management expense		( 92 343 )	( 93 067 )
		42 615	14 058
Modarib's share of PTF investment income		9 245	7 643
Investment income	19	14 843	10 316
Direct expenses		( 295 )	( 212 )
Other income	20	967	629
Profit before taxation		67 375	32 434
Taxation	21	( 19 538 )	( 9 406 )
Profit after taxation		47 837	23 028

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

ALTAF GOKAL  
Chief Financial Officer

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 28 April 2022

EFU General Insurance Limited - Window Takaful Operations  
Condensed Interim Statement of Comprehensive Income  
For the three months period ended 31 March 2022 (Unaudited)

	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Rupees '000		
<b>Participants' Takaful Fund - (PTF)</b>		
Surplus for the period	8 703	20 316
<b>Other comprehensive income</b>		
Unrealized loss on available-for-sale investments during the period - net	( 2 875 )	( 1 092 )
<b>Total comprehensive income for the period</b>	<u>5 828</u>	<u>19 224</u>
<b>Operator's Fund - (OPF)</b>		
Profit after tax for the period	47 837	23 028
<b>Other comprehensive income</b>		
Fair value gain / (loss) on available-for-sale investments during the period	5 375	( 1 664 )
Deferred tax on available-for-sale investments	( 1 559 )	482
Total items that may be reclassified subsequently to profit and loss account	3 816	( 1 182 )
<b>Total comprehensive income for the period</b>	<u>51 653</u>	<u>21 846</u>

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

ALTAF GOKAL  
Chief Financial Officer

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 28 April 2022



EFU General Insurance Limited – Window Takaful Operations  
Condensed Interim Cash Flow Statement  
For the three months period ended 31 March 2022 (Unaudited)

Rupees '000

	Operator's Fund		Participants' Takaful Fund	
	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
<b>Operating cash flows</b>				
a) Takaful activities				
Contributions received	–	–	634 750	654 358
Retakaful contribution paid	–	–	(130 281)	(118 807)
Claims / benefits paid	–	–	(253 832)	(280 176)
Retakaful and other recoveries received	–	–	22 785	45 451
Commission paid	(71 327)	(91 538)	–	–
Retakaful rebate received	–	–	21 632	34 642
Wakala fee received / (paid)	159 957	165 567	(159 957)	(165 567)
Modarib received / (paid)	487	684	(487)	(684)
Net cash flow from takaful activities	89 117	74 713	134 610	169 217
b) Other operating activities				
Income tax paid	(16 816)	(12 104)	–	–
General and other expenses paid	(93 340)	(96 622)	(21 798)	(42 328)
Other operating payments	(4 936)	(5 015)	(4 030)	28 525
Other operating receipts	541	(7 468)	(630)	13 430
Net cash flow used in other operating activities	(114 551)	(121 209)	(26 458)	(373)
<b>Total cash flow (used in) / from all operating activities</b>	<b>(25 434)</b>	<b>(46 496)</b>	<b>108 152</b>	<b>168 844</b>
<b>Investment activities</b>				
Profit / return received	11 321	9 862	18 073	9 941
Payment for investments	(66 094)	(108 834)	(247 095)	(180 576)
Proceeds from investments	22 747	166 417	142 398	159 048
Fixed capital expenditure	–	(63)	–	–
<b>Total cash flow (used in) / from investing activities</b>	<b>(32 026)</b>	<b>67 382</b>	<b>(86 624)</b>	<b>(11 587)</b>
<b>Net cash flow (used in) / from all activities</b>	<b>(57 460)</b>	<b>20 886</b>	<b>21 528</b>	<b>157 257</b>
Cash and cash equivalents at the beginning of the period	100 883	57 829	239 302	97 799
<b>Cash and cash equivalents at the end of the period</b>	<b>43 423</b>	<b>78 715</b>	<b>260 830</b>	<b>255 056</b>
<b>Reconciliation to profit and loss account</b>				
Operating cash flow	(25 434)	(46 496)	108 152	168 844
Depreciation expense	(171)	(150)	–	–
Other investment income	14 843	10 316	33 963	28 230
Other income	967	629	3 016	2 341
Increase / (decrease) in assets other than cash	69 680	84 947	66 896	(15 651)
Increase in liabilities other than borrowings	(12 048)	(26 218)	(203 324)	(163 448)
<b>Profit / surplus after tax for the period</b>	<b>47 837</b>	<b>23 028</b>	<b>8 703</b>	<b>20 316</b>
<b>Attributed to</b>				
Operator's Fund	47 837	23 028	–	–
Participants' Takaful Fund	–	–	8 703	20 316
	<b>47 837</b>	<b>23 028</b>	<b>8 703</b>	<b>20 316</b>

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

ALTAF GOKAL  
Chief Financial Officer

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 28 April 2022

EFU General Insurance Limited – Window Takaful Operations  
Condensed Interim Statement of Changes in Funds  
For the three months period ended 31 March 2022 (Unaudited)

Rupees '000

	Operator's Fund			Total
	Statutory fund	Unrealized gain / (loss) on revaluation of available-for-sale investments-net	Accumulated profit	
Balance as at 01 January 2021	100 000	( 1 812 )	398 512	496 700
<b>Total comprehensive income for the period ended 31 March 2021</b>				
Profit for the period			23 028	23 028
Other comprehensive income		( 1 182 )		( 1 182 )
Balance as at 31 March 2021	<u>100 000</u>	<u>( 2 994 )</u>	<u>421 540</u>	<u>518 546</u>
Balance as at 01 January 2022	100 000	( 3 396 )	530 643	627 247
<b>Total comprehensive income for the period ended 31 March 2022</b>				
Profit for the period			47 837	47 837
Other comprehensive income		3 816		3 816
Balance as at 31 March 2022	<u>100 000</u>	<u>420</u>	<u>578 480</u>	<u>678 900</u>
	Participants' Takaful Fund			Total
	Cede money	Unrealized gain / (loss) on revaluation of available-for-sale investments-net	Accumulated surplus	
Balance as at 01 January 2021	500	( 14 101 )	650 714	637 113
<b>Total comprehensive income for the period ended 31 March 2021</b>				
Surplus for the period			20 316	20 316
Other comprehensive income		( 1 092 )		( 1 092 )
Balance as at 31 March 2021	<u>500</u>	<u>( 15 193 )</u>	<u>671 030</u>	<u>656 337</u>
Balance as at 01 January 2022	500	( 16 099 )	871 978	856 379
<b>Total comprehensive income for the period ended 31 March 2022</b>				
Surplus for the period			8 703	8 703
Other comprehensive income		( 2 875 )		( 2 875 )
Balance as at 31 March 2022	<u>500</u>	<u>( 18 974 )</u>	<u>880 681</u>	<u>862 207</u>

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

ALTAF GOKAL  
Chief Financial Officer

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 28 April 2022

## EFU General Insurance Limited – Window Takaful Operations Notes to the Condensed Interim Financial Statements For the three months period ended 31 March 2022 (Unaudited)

### 1. Legal status and nature of business

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

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

### 2. Basis of preparation and statement of compliance

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

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

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

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

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

#### 2.1 Basis of measurement

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

#### 2.2 Functional and presentation currency

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

### 3. Summary of significant accounting policies

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

Certain amendments and interpretations to approved accounting standards became effective during the period were not relevant to the Operator's operation and do not have any impact on accounting policies of the Operator.

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

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments' with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from 01 July 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

The Operator has determined that it is eligible for the temporary exemption option since the Operator has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the Operator doesn't engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Operator can defer the application of IFRS 9 until the application IFRS 17.

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding (“SPPI”) i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest.

IFRS 9 defines the terms “principal” as being the fair value of the financial asset at initial recognition, and the “interest” as being compensation for (i) the time value of money, and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The tables below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

- financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and
- all other financial assets.

#### Operator’s Fund

Rupees ‘000

Financial assets	31 March 2022 (Unaudited)				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain / (loss) during the period	Carrying value	Cost less impairment	Change in unrealized gain / (loss) during the period
Cash and bank *	8 306	–	35 117	–	–
Investments in debt securities - available-for-sale	–	–	700 844	–	5 375
Loans and other receivables *	1 760	–	–	–	–
Accrued investment income *	15 874	–	–	–	–
<b>Total</b>	<b>25 940</b>	<b>–</b>	<b>735 961</b>	<b>–</b>	<b>5 375</b>

\*The carrying amount of these financial assets measured applying IAS-39 are a reasonable approximation of their carrying values.

Rupees ‘000

Investments in debt securities - available-for-sale	31 March 2022 (Unaudited)				
	Gross carrying amounts of debt instruments that pass the SPPI test				
	AAA	AA+	AA-	A+	Unrated
	16 875	21 150	25 000	8 028	629 791

## Participants' Takaful Fund

Rupees '000

Financial assets	31 March 2022 (Unaudited)				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain / (loss) during the period	Carrying value	Cost less impairment	Change in unrealized gain / (loss) during the period
Cash and bank *	4 193	–	256 637	–	–
Investments in debt securities - available-for-sale	–	–	1 957 472	–	(2 875)
Loans and other receivables *	6 839	–	–	–	–
Accrued investment income *	43 886	–	–	–	–
<b>Total</b>	<b>54 918</b>	<b>–</b>	<b>2 214 109</b>	<b>–</b>	<b>(2 875)</b>

\*The carrying amount of these financial assets measured applying IAS-39 are a reasonable approximation of their carrying values.

Rupees '000

Investments in debt securities - available-for-sale	31 March 2022 (Unaudited)				
	Gross carrying amounts of debt instruments that pass the SPPI test				
	AAA	AA+	AA-	A+	Unrated
	25 313	54 057	25 000	1 756	1 851 346

#### 4. Accounting estimates and judgements

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

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

#### 5. Management of takaful and financial risk

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

#### 6. Property and equipment

Rupees '000

	Additions (at cost)		Disposals (at net book value)	
	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
	Computer equipment	–	63	–
	–	63	–	–

Rupees '000

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

## 7.1 Operator's Fund

	31 March 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
<b>Fixed Income Securities</b>						
Ijara Sukuks	635 874	–	635 874	570 711	–	570 711
Corporate Sukuks	73 307	(8 931)	64 376	86 126	(8 931)	77 195
	709 181	(8 931)	700 250	656 837	(8 931)	647 906
Surplus / (deficit) on revaluation	–	–	594	–	–	(4 784)
	<u>709 181</u>	<u>(8 931)</u>	<u>700 844</u>	<u>656 837</u>	<u>(8 931)</u>	<u>643 122</u>
<b>7.2 Participants' Takaful Fund</b>						
<b>Fixed Income Securities</b>						
Ijara Sukuks	1 880 285	–	1 880 285	1 633 659	–	1 633 659
Corporate Sukuks	105 092	(8 931)	96 161	127 021	(8 931)	118 090
	1 985 377	(8 931)	1 976 446	1 760 680	(8 931)	1 751 749
Deficit on revaluation	–	–	(18 974)	–	–	(16 099)
	<u>1 985 377</u>	<u>(8 931)</u>	<u>1 957 472</u>	<u>1 760 680</u>	<u>(8 931)</u>	<u>1 735 650</u>

## 8. Loans and other receivables - considered good

	OPF		PTF	
	31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Security deposits	301	301	–	–
Other receivables	1 459	666	6 839	1 283
	<u>1 760</u>	<u>967</u>	<u>6 839</u>	<u>1 283</u>
<b>9. Takaful / retakaful receivables - unsecured and considered good</b>				
Due from takaful participants holders	–	–	370 567	313 401
Due from other takaful / retakaful operators	8 675	7 410	6 702	8 040
	<u>8 675</u>	<u>7 410</u>	<u>377 269</u>	<u>321 441</u>

Rupees '000

## 10. Receivable (OPF) / Payable (PTF)

	Note	OPF		PTF	
		31 March 2022 (Unaudited)	31 December 2021 (Audited)	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Wakala fee		259 430	201 098	259 430	201 098
Modarib fee		19 469	10 711	19 469	10 711
		<u>278 899</u>	<u>211 809</u>	<u>278 899</u>	<u>211 809</u>
<b>11. Prepayments</b>					
Annual supervision fee		2 877	–	–	–
Prepaid retakaful contribution ceded		–	–	271 354	283 818
Prepaid charges for vehicle tracking devices		–	–	40 447	41 972
		<u>2 877</u>	<u>–</u>	<u>311 801</u>	<u>325 790</u>
<b>12. Cash and bank balances</b>					
Cash and cash equivalents					
Cash in hand		32	–	–	–
Policy stamps		–	–	1 252	1 269
		32	–	1 252	1 269
Cash at bank					
Current accounts		8 274	7 058	2 941	1 135
Saving accounts		35 117	93 825	256 637	236 898
		<u>43 423</u>	<u>100 883</u>	<u>260 830</u>	<u>239 302</u>
<b>13. Other creditors and accruals</b>					
Federal insurance fee payable		–	–	2 086	2 045
Sales tax payable		1 364	1 245	20 753	18 594
Accrued expenses		5 626	6 500	–	–
Agent commission payable		93 175	86 265	–	–
Retirement benefit obligations		68	167	–	–
Other creditors		1 029	506	6 070	8 900
		<u>101 262</u>	<u>94 683</u>	<u>28 909</u>	<u>29 539</u>

**14. Contingencies and commitments**

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

**15. Net contribution**

Rupees '000

	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Written gross contribution	688 579	712 402
Wakala fee	( 218 290 )	( 205 980 )
Contribution net of wakala fee	470 289	506 422
Unearned contribution reserve - opening	893 876	834 798
Unearned contribution reserve - closing	( 901 720 )	( 902 580 )
Contribution earned	462 445	438 640
Less:		
Retakaful contribution ceded	152 438	145 059
Prepaid retakaful contribution - opening	283 818	220 077
Prepaid retakaful contribution - closing	( 271 354 )	( 232 885 )
Retakaful expense	164 902	132 251
	297 543	306 389
<b>16. Retakaful Rebate</b>		
Rebate received or recoverable	21 632	34 641
Unearned retakaful rebate - opening	63 362	29 852
Unearned retakaful rebate - closing	( 51 824 )	( 43 690 )
	33 170	20 803
<b>17. Takaful benefits / claims expense</b>		
Benefits / claims paid	240 116	297 311
Outstanding benefits / claims including IBNR - opening	( 1 088 118 )	( 1 252 165 )
Outstanding benefits / claims including IBNR - closing	1 200 383	1 216 304
Claim expense	352 381	261 450
Less:		
Retakaful and other recoveries received	21 445	48 608
Retakaful and other recoveries in respect of outstanding claims - opening	( 541 251 )	( 730 638 )
Retakaful and other recoveries in respect of outstanding claims - closing	544 242	656 003
Retakaful and other recoveries revenue	24 436	( 26 027 )
	327 945	287 477
<b>18. Commission expense</b>		
Commission paid or payable	78 185	102 264
Deferred commission expense - opening	149 495	125 049
Deferred commission expense - closing	( 147 143 )	( 157 595 )
	80 537	69 718



## 19. Investment income

	OPF		PTF	
	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
				Rupees '000
Income from debt securities				
- Return on debt securities (Sukuk)	14 767	7 778	33 088	22 846
Income from term deposits				
- Return on term deposits	76	2 538	875	5 384
	<u>14 843</u>	<u>10 316</u>	<u>33 963</u>	<u>28 230</u>
<b>20. Other income</b>				
Profit on bank deposits	967	629	3 016	2 341
	<u>967</u>	<u>629</u>	<u>3 016</u>	<u>2 341</u>

## 21. Taxation

			Rupees '000	
			31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
For current period				
Current			19 546	9 420
Deferred			( 8 )	( 14 )
			<u>19 538</u>	<u>9 406</u>

## 22. Related party transactions

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

## Participants' Takaful Funds

			Rupees '000	
			31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Transactions				
Associated companies				
Premium written			20	33
Premium paid			103	67
Claims paid including salvage recovered			223	3 500
Key management personnel				
Premium written			78	-
Others				
Premium written			1 132	1 575
Premium paid			32	162

	31 March 2022 (Unaudited)	Rupees '000 31 December 2021 (Audited)
Balances		
Others		
Balances payable	506	374
Employees' funds receivable / (payable)		
EFU gratuity fund	272	167

### 23. Segment reporting

#### 23.1 Operator's Fund

Current period	For the three months period ended 31 March 2022 (Unaudited)					
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Wakala fee	32 510	13 118	165 223	4 644	–	215 495
Commission expense	( 16 740 )	( 6 210 )	( 55 948 )	( 1 639 )	–	( 80 537 )
General, administrative and management expenses	( 2 824 )	( 2 219 )	( 86 701 )	( 599 )	–	( 92 343 )
Net commission and expenses	( 19 564 )	( 8 429 )	( 142 649 )	( 2 238 )	–	( 172 880 )
	<u>12 946</u>	<u>4 689</u>	<u>22 574</u>	<u>2 406</u>	<u>–</u>	<u>42 615</u>
Modarib's share of PTF investment income						9 245
Investment income						14 843
Direct expenses						( 295 )
Other income						967
Profit before taxation						<u>67 375</u>
Taxation						( 19 538 )
Profit after taxation						<u>47 837</u>
						As at 31 March 2022 (Unaudited)
Corporate segment assets	90 609	14 588	301 933	8 118	–	415 248
Corporate unallocated assets						789 675
Total assets						<u>1 204 923</u>
Corporate segment liabilities	99 069	13 791	384 922	9 149	–	506 931
Corporate unallocated liabilities						19 092
Total liabilities						<u>526 023</u>



## 23.2 Participants' Takaful Fund

Rupees '000

## For the three months period ended 31 March 2022 (Unaudited)

Current period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Contribution receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	136 441	44 448	603 829	5 481	–	790 199
Less: Sales tax	16 499	4 644	70 220	588	–	91 951
Stamp duty	14	2 712	56	2	–	2 784
Federal insurance fee	1 187	367	5 283	48	–	6 885
Gross written contribution (inclusive of administrative surcharge)	118 741	36 725	528 270	4 843	–	688 579
Gross direct contribution	117 675	34 966	488 784	4 759	–	646 184
Administrative surcharge	1 066	1 759	39 486	84	–	42 395
Wakala fee	(32 537)	(12 854)	(171 688)	(1 211)	–	(218 290)
Contributions earned	88 939	24 430	332 408	16 668	–	462 445
Contributions ceded to retakaful	(112 226)	(28 625)	(5 821)	(18 230)	–	(164 902)
Net contribution revenue	(23 287)	(4 195)	326 587	(1 562)	–	297 543
Retakaful rebate earned	23 172	6 441	3	3 554	–	33 170
Net underwriting income	(115)	2 246	326 590	1 992	–	330 713
Takaful claims	(25 526)	(2 752)	(327 049)	2 946	–	(352 381)
Takaful claims recovered from retakaful	23 237	2 202	1	(1 004)	–	24 436
Net claims	(2 289)	(550)	(327 048)	1 942	–	(327 945)
Other direct expenses	(35)	(31)	(21 722)	(11)	–	(21 799)
Surplus / (deficit) before investment income	(2 439)	1 665	(22 180)	3 923	–	(19 031)
Investment income						33 963
Other income						3 016
Modarib's share of investment income						(9 245)
Surplus transferred to accumulated surplus						8 703
						As at 31 March 2022 (Unaudited)
Corporate segment assets	914 176	46 610	680 987	69 090	–	1 710 863
Corporate unallocated assets						2 269 027
Total assets						3 979 890
Corporate segment liabilities	966 827	92 631	1 518 413	77 678	–	2 655 549
Corporate unallocated liabilities						462 134
Total liabilities						3 117 683

Rupees '000

For the three months period ended 31 March 2021 (Unaudited)

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Contribution receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	111 989	33 734	632 017	39 103	–	816 843
Less: Sales tax	13 826	3 702	73 565	4 435	–	95 528
Stamp duty	11	1 720	55	2	–	1 788
Federal insurance fee	973	280	5 529	343	–	7 125
Gross written contribution (inclusive of Administrative surcharge)	97 179	28 032	552 868	34 323	–	712 402
Gross direct contribution	96 239	26 759	503 654	34 247	–	660 899
Administrative surcharge	940	1 273	49 214	76	–	51 503
Wakala fee	(21 734)	(7 709)	(171 389)	(5 148)	–	(205 980)
Contributions earned	70 096	19 148	322 746	26 650	–	438 640
Contributions ceded to retakaful	(82 524)	(20 277)	(6 326)	(23 124)	–	(132 251)
Net contribution revenue	(12 428)	(1 129)	316 420	3 526	–	306 389
Rebate from retakaful operator	12 539	4 544	3	3 717	–	20 803
Net underwriting income	111	3 415	316 423	7 243	–	327 192
Takaful claims	24 050	(5 846)	(277 219)	(2 435)	–	(261 450)
Takaful claims recovered from retakaful	(23 129)	4 677	(2 479)	(5 096)	–	(26 027)
Net claims	921	(1 169)	(279 698)	(7 531)	–	(287 477)
Other direct expense	(17)	(14)	(42 277)	(19)	–	(42 327)
Net insurance claims and expenses	904	(1 183)	(321 975)	(7 550)	–	(329 804)
(Deficit) / surplus before investment income	1 015	2 232	(5 552)	(307)	–	(2 612)
Investment income						28 230
Other income						2 341
Modarib's share of investment income						(7 643)
Surplus transferred to accumulated surplus						20 316
						As at 31 December 2021 (Audited)
Corporate segment assets	911 800	50 971	592 033	94 719	–	1 649 523
Corporate unallocated assets						2 121 215
Total assets						3 770 738
Corporate segment liabilities	933 727	81 385	1 325 617	122 419	–	2 463 148
Corporate unallocated liabilities						451 211
Total liabilities						2 914 359

## 24. Movement in investments

### 24.1 Operator's Fund

Rupees '000

Name of investment	Available-for-sale debt securities	Held to maturity-term deposit	Total
<b>At beginning of previous period</b>	378 864	195 000	573 864
Additions	390 680	69 000	459 680
Disposals (sale and redemptions)	( 115 260 )	( 255 000 )	( 370 260 )
Impairment	( 8 931 )		
Fair value net losses (excluding net realized gains / (losses))	<u>( 2 231 )</u>	<u>-</u>	<u>( 2 231 )</u>
<b>At beginning of current period</b>	643 122	9 000	661 053
Additions	66 094	-	66 094
Disposals (sale and redemptions)	( 13 747 )	( 9 000 )	( 22 747 )
Fair value net gains (excluding net realized gains / (losses))	<u>5 375</u>	<u>-</u>	<u>5 375</u>
<b>At end of current period</b>	<u>700 844</u>	<u>-</u>	<u>709 775</u>

### 24.2 Participants' Takaful Fund

Name of investment	Available-for-sale debt securities	Held to maturity-term deposit	Total
<b>At beginning of previous period</b>	1 270 934	360 000	1 630 934
Additions	659 254	315 000	974 254
Disposals (sale and redemptions)	( 183 609 )	(555 000 )	( 738 609 )
Impairment	( 8 931 )		
Fair value net losses (excluding net realized gains / (losses))	<u>( 1 998 )</u>	<u>-</u>	<u>( 1 998 )</u>
<b>At beginning of current period</b>	1 735 650	120 000	1 864 581
Additions	247 095	-	247 095
Disposals (sale and redemptions)	( 22 398 )	( 120 000 )	( 142 398 )
Fair value net losses (excluding net realized gains / (losses))	<u>( 2 875 )</u>	<u>-</u>	<u>( 2 875 )</u>
<b>At end of current period</b>	<u>1 957 472</u>	<u>-</u>	<u>1 966 403</u>

## 25. Fair value

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

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

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

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

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

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

### 25.3 Operator's Fund

Rupees '000

As at 31 March 2022 (Unaudited)								
	Available-for-sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>								
Investments								
Ijara Sukuks	629 792				629 792		629 792	
Corporate Sukuks	71 052				71 052		71 052	
<b>Financial assets not measured at fair value</b>								
<b>Investments</b>								
Term deposits *								
Loans and other receivables *		1 760			1 760			
Takaful / retakaful receivables *		8 675			8 675			
Receivable from PTF *		278 899			278 899			
Accrued investment income *		15 874			15 874			
Cash and bank balances *			43 423		43 423			
	700 844	305 208	43 423	-	1 049 475		700 844	
<b>Financial liabilities not measured at fair value</b>								
<b>Other creditors and accruals *</b>								
	700 844	305 208	43 423	( 101 262 )	( 101 262 )		700 844	-

### As at 31 December 2021 (Audited)

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

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

## 25.4 Participants' Takaful Fund

Rupees '000

As at 31 March 2022 (Unaudited)								
	Available-for-sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>								
Investments								
Ijara Sukuk	1 851 347				1 851 347		1 851 347	
Corporate Sukuk	106 125				106 125		106 125	
<b>Financial assets not measured at fair value</b>								
Investments								
Term deposits *								
Loans and other receivables *		6 839			6 839			
Takaful / retakaful receivables *		377 269			377 269			
Retakaful recoveries against outstanding claims *		544 242			544 242			
Accrued investment income *		43 886			43 886			
Cash and bank balances *			260 830		260 830			
	1 957 472	972 236	260 830		3 190 538		1 957 472	
<b>Financial liabilities not measured at fair value</b>								
Outstanding claims including IBNR *				(1 200 383)	(1 200 383)			
Contributions received in advance *				(7 807)	(7 807)			
Takaful / retakaful payable *				(234 385)	(234 385)			
Payable to OPF *				(278 899)	(278 899)			
Other creditors and accruals *				(28 909)	(28 909)			
	1 957 472	972 236	260 830	(1 750 383)	1 440 155	-	1 957 472	-
<b>As at 31 December 2021 (Audited)</b>								
	Available-for-sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>								
Investments								
Ijara Sukuks	1 616 156				1 616 156		1 616 156	
Corporate Sukuks	119 494				119 494		119 494	
<b>Financial assets not measured at fair value</b>								
Investments								
Term deposits *			120 000		120 000			
Loans and other receivables *		1 283			1 283			
Takaful / retakaful receivables *		321 441			321 441			
Retakaful recoveries against outstanding claims *		541 251			541 251			
Accrued investment income *		24 980			24 980			
Cash and bank balances *			239 302		239 302			
	1 735 650	888 955	359 302		2 983 907		1 735 650	
<b>Financial liabilities not measured at fair value</b>								
Outstanding claims including IBNR *				(1 088 117)	(1 088 117)			
Contributions received in advance *				(4 467)	(4 467)			
Takaful / retakaful payable *				(212 227)	(212 227)			
Payable to OPF *				(211 809)	(211 809)			
Other creditors and accruals *				(29 539)	(29 539)			
	1 735 650	888 955	359 302	(1 546 159)	1 437 748	-	1 735 650	-

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



**26. Corresponding figures**

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

**27. General**

Figures have been rounded off to the nearest thousand rupees.

**28. Date of authorization for issue of condensed interim financial statements**

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

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

ALTAF GOKAL  
Chief Financial Officer

HASANALI ABDULLAH  
Managing Director &  
Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 28 April 2022

