



**Strength &  
Resilience**

Report (Un-Audited)  
Second Quarter 2024

**EFU GENERAL  
INSURANCE LTD**



EFU GENERAL INSURANCE LTD  
ISO 9001: 2015 Certified

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

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## Company Information

### Chairman

Saifuddin N. Zoomkawala

### Vice Chairman

Hasanali Abdullah

### Managing Director & Chief Executive Officer

Kamran Arshad Inam

### Directors

Taher G. Sachak

Ali Raza Siddiqui

Saad Bhimjee

Tanveer Sultan Moledina

Yasmin Hyder

### Chief Financial Officer

Altaf Gokal, F.C.A.

### Company Secretary

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

### Legal Advisor

Khurram Rashid

### Shari'ah Advisor

Mufti Muhammad Ibrahim Essa

### Audit Committee

Tanveer Sultan Moledina

Hasanali Abdullah

Taher G. Sachak

Ali Raza Siddiqui

Yasmin Hyder

### Investment Committee

Hasanali Abdullah

Saifuddin N. Zoomkawala

Taher G. Sachak

Kamran Arshad Inam

Altaf Gokal

### Ethics, Human Resource & Remuneration Committee

Yasmin Hyder

Saifuddin N. Zoomkawala

Hasanali Abdullah

Kamran Arshad Inam

### Auditors

KPMG Taseer Hadi & Co.

Chartered Accountants

Sheikh Sultan Trust Building No. 2

Beaumont Road

Karachi

### 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 six months period ended 30 June 2024.

### Performance Review

The Written Premium for the period was Rs. 17.46 billion (including Takaful Contribution of Rs. 1.31 billion) from Rs. 18.35 billion (including Takaful Contribution of Rs. 1.36 billion) for the corresponding period of last year. The Net Premium Revenue was Rs. 7,146 million as against Rs. 5,894 million for the corresponding period of last year. The overall Claims ratio to Net Premium Revenue was 33 % as compared to 61 % for the corresponding period of last year. The underwriting profit for the period was Rs. 1,714 million.

Investment income (including rental income, profit on deposits, and other income) for the period increased by 67 % to Rs. 2,147 million as compared to Rs. 1,288 million for the corresponding period of last year.

The profit before tax for the period was Rs. 4,067 million as compared to Rs. 1,196 million in the corresponding period last year. The profit after tax for the period was Rs. 2,477 million as compared to Rs. 647 million in the corresponding period last year.

The earnings per share for the period was Rs. 12.39 against Rs. 3.23 in the corresponding period of last year.

Your Directors have pleasure in declaring second interim cash dividend of Rs. 1.50 (15.00 %) per share for the year 2024.

### Outlook

Pakistan is moving towards securing fresh long-term IMF program, which is likely to alleviate some immediate risks and set path towards economic recovery.

### 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.

TANVEER SULTAN MOLEDINA  
Director

HASANALI ABDULLAH  
Director

KAMRAN ARSHAD INAM  
Managing Director &  
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 23 August 2024

## ڈائریکٹرز کا جائزہ

(یہ انگریزی ڈائریکٹرز رپورٹ کا ترجمہ ہے)

ہم بمسرت ۳۰ جون ۲۰۲۴ء کو ختم ہونے والی ششماہی کے لئے غیر آڈٹ شدہ مالیاتی حسابات پیش کر رہے ہیں۔

### کارکردگی کا جائزہ

زیر جائزہ مدت کیلئے تحریری پریسٹیجیم ۴۶۷۱۷۰۰۰ روپے (بشمول نکافل کنٹری بیوشن ۳۱۷۰۰۰ روپے) رہا جو اس کے مقابلے میں گزشتہ سال کی اس مدت میں ۱۸۷۳۵۰۰۰ روپے (بشمول نکافل کنٹری بیوشن ۳۶۷۰۰۰ روپے) تھا۔ خالص پریسٹیجیم ریونیو ۱۴۶۰۰۰ روپے رہا جو اس کے مقابلے میں گزشتہ سال کی اس مدت میں ۵۸۹۴۰۰۰ روپے تھا۔ خالص پریسٹیجیم ریونیو کے لئے مجموعی کلیئر کا تناسب ۳۳ فیصد رہا جو اس کے مقابلے میں گزشتہ سال کی اسی مدت میں ۶۱ فیصد تھا۔ اس مدت کیلئے انڈر رائٹنگ منافع ۱۴۷۰۰۰ روپے تھا۔

سرمایہ کاری کی آمدنی (بشمول ریٹیل آمدنی، ڈپازٹس اور دیگر آمدنی پر منافع جات) برائے زیر جائزہ مدت ۶۷ فیصد بڑھ کر ۲۱۴۷۰۰۰ روپے رہی جو اس کے مقابلے میں گزشتہ سال کی اس مدت میں ۲۸۸۰۰۰ روپے تھی۔

اس مدت کے لئے منافع قبل از ٹیکس ۴۰۶۷۰۰۰ روپے رہا جو اس کے مقابلے میں گزشتہ سال کی اس مدت میں ۱۹۶۰۰۰ روپے تھا۔ اس مدت کے لئے منافع بعد از ٹیکس ۲۷۷۰۰۰ روپے رہا جو اس کے مقابلے میں گزشتہ سال کی اسی مدت میں ۶۴۷۰۰۰ روپے تھا۔

اس مدت کے لئے آمدنی فی شیئر ۳۹۷۰۰ روپے رہی جو اس کے مقابلے میں گزشتہ سال کی اس مدت میں ۳۷۲۳۰ روپے تھی۔

آپ کے ڈائریکٹرز بمسرت سال ۲۰۲۴ء کے لئے دوسرے عبوری نقد منافع منقسمہ بشرح ۵۰ روپے (۱۵ فیصد) فی شیئر کا اعلان کرتے ہیں۔

### نقطہ نظر

پاکستان ایک نئے طویل مدتی آئی ایم ایف پروگرام کی جانب بڑھ رہا ہے جو ممکنہ طور پر چند فوری خطرات کا تدارک کرنے کے ساتھ معیشت کی بحالی کا راستہ ہموار کرے گا۔

### اظہار تشکر

آپ کے ڈائریکٹرز کیلئے یہ گہرے اطمینان کا باعث ہے کہ وہ اپنے افسران، فیلڈ فورس اور اسٹاف کی ان کاوشوں پر انہیں خراج تحسین پیش کرتے ہیں جو انہوں نے کمپنی کی ترقی اور اس کے آپریشنز کو کامیابی کے ساتھ رواں دواں رکھنے کیلئے انجام دیں۔

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 بھی شکریہ ادا کرنا چاہتے ہیں۔

سیف الدین امین۔ زومکا والا

چیئر مین

کراچی، ۲۳ اگست ۲۰۲۴ء

کامران ارشد انعام

ٹیچنگ ڈائریکٹر و چیف ایگزیکٹو آفیسر

حسن علی عبداللہ

ڈائریکٹر

تنویر سلطان مولیدینہ

ڈائریکٹر

# Independent Auditor's Review Report

## To the members of EFU General Insurance Limited

### Report on Review of Unconsolidated Condensed Interim Financial Statements

#### Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of EFU General Insurance Limited ('the Company') as at 30 June 2024 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of other comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

#### Scope of Review

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

#### Conclusion

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

#### Other Matters

The figures for the quarters ended 30 June 2024 and 30 June 2023 in the unconsolidated condensed interim profit and loss account and the unconsolidated condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The interim financial statements of the Company for the six-month period ended 30 June 2023 and the annual financial statements of the Company for the year ended 31 December 2023 were reviewed and audited by another firm of Chartered Accountants whose reports dated 29 August 2023 and 07 March 2024 respectively, expressed an unqualified conclusion and opinion thereon.

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

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KPMG Taseer Hadi & Co.  
Chartered Accountants

Karachi 27 August 2024  
UDIN: RR202410096gAZW2Ve71



# Independent Auditor's Review Report

## To the members of EFU General Insurance Limited - Window Takaful Operations on Review of Condensed Interim Financial Statements

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of EFU General Insurance Limited - Window takaful operations ('the Company') as at 30 June 2024 and the related condensed interim profit and loss account, condensed interim statement of other comprehensive income, condensed interim statement of changes in funds, condensed interim cash flow statement, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

### Scope of Review

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

### Conclusion

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

### Other Matters

The figures for the quarters ended 30 June 2024 and 30 June 2023 in the condensed interim profit and loss account and the condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The interim financial statements of the Company for the six-month period ended 30 June 2023 and the annual financial statements of the Company for the year ended 31 December 2023 were reviewed and audited by another firm of chartered accountants whose reports dated 29 August 2023 and 07 March 2024 respectively, expressed an unqualified conclusion and opinion thereon.

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

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KPMG Taseer Hadi & Co.  
Chartered Accountants

Karachi 27 August 2024  
UDIN: RR202410096jKBOr21Ad

# Unconsolidated Condensed Interim Statement of Financial Position As at 30 June 2024 (Unaudited)

Rupees '000

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<b>Assets</b>			
Property and equipment	6	3 504 987	3 485 818
Investment property	7	3 191 970	3 191 970
Investment in subsidiary Investments	8	9 314 037	9 132 138
Equity securities	9	4 247 347	3 565 490
Debt securities	10	14 127 036	12 982 564
Term deposits	11	722 360	896 684
Loans and other receivables	12	553 798	441 912
Insurance / reinsurance receivables	13	8 123 889	8 629 907
Reinsurance recoveries against outstanding claims	20	6 900 645	7 009 843
Salvage recoveries accrued		77 935	99 276
Deferred commission expense	21	1 135 831	1 491 266
Retirement benefit		68 807	43 955
Prepayments	14	10 436 290	12 525 940
Cash and bank	15	2 138 680	2 286 861
		<u>64 543 612</u>	<u>65 783 624</u>
Total assets of window takaful operations - Operator's Fund		1 792 498	1 721 427
<b>Total assets</b>		<u><u>66 336 110</u></u>	<u><u>67 505 051</u></u>
<b>Equity and Liabilities</b>			
<b>Capital and reserves attributable to Company's equity holders</b>			
Ordinary share capital		2 000 000	2 000 000
Reserves	16	17 485 584	15 674 047
Unappropriated profit		2 815 943	2 733 704
<b>Total equity</b>		22 301 527	20 407 751
<b>Surplus on revaluation of property and equipment</b>		1 134 636	1 139 550
<b>Liabilities</b>			
<b>Underwriting provisions</b>			
Outstanding claims including IBNR	20	10 733 494	10 774 706
Unearned premium reserve	19	16 141 444	19 546 386
Unearned reinsurance commission	21	233 398	302 821
Deferred taxation		871 640	360 812
Premium received in advance		519 888	167 683
Insurance / reinsurance payables		9 164 394	9 472 269
Other creditors and accruals	17	3 700 471	3 804 028
Taxation - provision less payments		954 346	817 640
<b>Total liabilities</b>		<u>42 319 075</u>	<u>45 246 345</u>
		65 755 238	66 793 646
Total liabilities of window takaful operations - Operator's Fund		580 872	711 405
<b>Total equity and liabilities</b>		<u><u>66 336 110</u></u>	<u><u>67 505 051</u></u>
<b>Contingencies and commitments</b>	18		

The annexed notes 1 to 32 form an integral part of these unconsolidated condensed interim financial statements.

TANVEER SULTAN MOLEDINA Director	HASANALI ABDULLAH Director	ALTAZ GOKAL Chief Financial Officer	KAMRAN ARSHAD INAM Managing Director & Chief Executive Officer	SAIFUDDIN N. ZOOMKAWALA Chairman
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Karachi 23 August 2024

## Unconsolidated Condensed Interim Profit and Loss Account For the six months period ended 30 June 2024 (Unaudited)

Rupees '000

	Note	Three months period ended		Six months period ended	
		30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Net insurance premium	19	3 592 287	3 143 582	7 146 242	5 893 985
Net insurance claims	20	(1 081 931)	(2 285 086)	(2 392 988)	(3 573 712)
Net commission and other acquisition cost	21	(616 757)	(503 091)	(1 242 212)	(979 708)
Insurance claims and acquisition expenses		(1 698 688)	(2 788 177)	(3 635 200)	(4 553 420)
Management expenses		(904 394)	(909 426)	(1 797 393)	(1 711 125)
Underwriting results		989 205	(554 021)	1 713 649	(370 560)
Investment income	22	660 918	109 109	1 776 698	1 006 628
Rental income		29 950	29 734	63 043	63 439
Other income	23	156 158	112 122	307 471	218 301
Other expenses		(62 642)	(28 859)	(127 619)	(48 676)
		784 384	222 106	2 019 593	1 239 692
Results of operating activities		1 773 589	(331 915)	3 733 242	869 132
Profit from window takaful operations - Operator's Fund	24	157 857	172 843	333 399	327 160
Profit / ( loss ) before tax		1 931 446	(159 072)	4 066 641	1 196 292
Income tax expense	25				
Current period		(755 564)	79 827	(1 589 316)	(369 721)
Prior period		-	(179 649)	-	(179 649)
		(755 564)	(99 822)	(1 589 316)	(549 370)
Profit / ( loss ) after tax		1 175 882	(258 894)	2 477 325	646 922
<b>Earnings ( after tax ) per share - Rupees</b>	26	<b>5.88</b>	<b>( 1.29 )</b>	<b>12.39</b>	<b>3.23</b>

The annexed notes 1 to 32 form an integral part of these unconsolidated condensed interim financial statements.

TANVEER SULTAN MOLEDINA  
Director

HASANALI ABDULLAH  
Director

ALTAF GOKAL  
Chief Financial Officer

KAMRAN ARSHAD INAM  
Managing Director &  
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 23 August 2024

## Unconsolidated Condensed Interim Statement of Comprehensive Income For the six months period ended 30 June 2024 (Unaudited)

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Profit / (loss) after tax	1 175 882	( 258 894 )	2 477 325	646 922
Other comprehensive income				
Total items that may be reclassified subsequently to profit and loss account				
Change in fair value on available-for-sale investments during the period	761 146	( 110 174 )	1 165 898	( 398 108 )
Change in fair value on available-for-sale investments during the period of subsidiary company	97 978	602 043	174 165	602 043
Change in fair value on available for sale investment from window takaful operations - Operator's Fund (net of deferred tax)	14	1 537	( 1 664 )	( 7 266 )
Deferred tax on available-for-sale investments	( 296 846 )	32 359	( 454 700 )	141 691
Deferred tax on available-for-sale investments of subsidiary company	( 38 212 )	( 243 795 )	( 67 925 )	( 243 795 )
Reclassification adjustments relating to available-for-sale investments disposed off during the period	-	86 752	-	43 376
Total change in fair value on available-for-sale investments	524 080	368 722	815 774	137 941
Effect of translation of foreign branches	485	( 11 123 )	( 4 237 )	58 198
Other comprehensive income	524 565	357 599	811 537	196 139
Total comprehensive income for the period	1 700 447	98 705	3 288 862	843 061

The annexed notes 1 to 32 form an integral part of these unconsolidated condensed interim financial statements.

TANVEER SULTAN MOLEDINA  
Director

HASANALI ABDULLAH  
Director

ALTAF GOKAL  
Chief Financial Officer

KAMRAN ARSHAD INAM  
Managing Director &  
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 23 August 2024

# Unconsolidated Condensed Interim Cash Flow Statement For the six months period ended 30 June 2024 (Unaudited)

Rupees '000

	2024	2023
<b>Operating cash flows</b>		
a) Underwriting activities		
Insurance premium received	17 038 809	13 948 830
Reinsurance premium paid	( 10 526 751 )	( 8 203 019 )
Claims paid	( 3 219 538 )	( 4 242 549 )
Reinsurance and other recoveries received	887 918	1 640 894
Commission paid	( 1 438 829 )	( 1 102 156 )
Commission received	235 364	200 932
Management expenses paid	( 1 731 129 )	( 1 663 230 )
Net cash flow generated from underwriting activities	1 245 844	579 702
b) Other operating activities		
Income tax paid	( 1 331 566 )	( 663 464 )
Other operating payments	( 237 546 )	( 86 014 )
Other operating receipts	133 395	146 741
Loans advanced	( 429 )	( 435 )
Loans repayments received	340	535
Net cash flow used in other operating activities	( 1 435 806 )	( 602 637 )
<b>Total cash flow used in all operating activities</b>	<b>( 189 962 )</b>	<b>( 22 935 )</b>
<b>Investment activities</b>		
Profit / return received	1 163 133	923 807
Dividend received	744 983	698 100
Rentals received	130 360	68 330
Payment for investments / investment properties	( 5 139 184 )	( 3 979 855 )
Proceeds from investments / investment properties	4 679 064	3 902 987
Fixed capital expenditures	( 150 243 )	( 257 570 )
Proceeds from sale of property and equipment	46 976	55 392
<b>Total cash flow generated from investing activities</b>	<b>1 475 089</b>	<b>1 411 191</b>
<b>Financing activities</b>		
Payments against lease liabilities	( 30 953 )	( 24 110 )
Dividends paid	( 1 372 632 )	( 1 381 569 )
<b>Total cash flow used in financing activities</b>	<b>( 1 403 585 )</b>	<b>( 1 405 679 )</b>
<b>Net cash flow used in all activities</b>	<b>( 118 458 )</b>	<b>( 17 423 )</b>
Cash and cash equivalents at the beginning of period	2 581 405	1 837 587
<b>Cash and cash equivalents at the end of period</b>	<b>2 462 947</b>	<b>1 820 164</b>
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	( 189 962 )	( 22 935 )
Depreciation / amortization expense	( 158 374 )	( 140 968 )
Finance cost	( 7 919 )	( 5 631 )
Profit on disposal of property and equipment	42 062	51 280
Profit on disposal of investments / investment properties	12 564	25 995
Rental income	63 043	63 439
Dividend Income	749 271	698 100
Other investment income	1 015 031	282 532
Loss on remeasurement of investments at fair value through profit and loss	( 167 )	-
Profit on deposits	266 728	163 058
Other (loss) / income	( 1 319 )	3 963
(Decrease) / increase in assets other than cash	( 3 074 688 )	8 354 108
Decrease / (Increase) in liabilities other than borrowings	3 427 656	( 9 153 179 )
<b>Profit after tax from conventional insurance operations</b>	<b>2 143 926</b>	<b>319 762</b>
Profit from window takaful operations - Operator's Fund	333 399	327 160
<b>Profit after tax</b>	<b>2 477 325</b>	<b>646 922</b>

The annexed notes 1 to 32 form an integral part of these unconsolidated condensed interim financial statements.

TANVEER SULTAN MOLEDINA Director	HASANALI ABDULLAH Director	ALTAF GOKAL Chief Financial Officer	KAMRAN ARSHAD INAM Managing Director & Chief Executive Officer	SAIFUDDIN N. ZOOMKAWALA Chairman
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Karachi 23 August 2024

# Unconsolidated Condensed Interim Statement of Changes in Equity For the six months period ended 30 June 2024 (Unaudited)

Rupees '000

	Attributable to equity holders of the Company							Total
	Share capital	Capital reserves			Revenue reserves			
		Reserve for exceptional losses	Unrealized gain / (loss) on revaluation of available-for-sale investments-net	Exchange translation reserve	General reserve	Unrealized gain on fair value of investment property	Unappropriated profit	
Balance as at 01 January 2023	2 000 000	12 902	57 775	142 661	13 000 000	1 885 773	1 327 614	18 426 725
<b>Total comprehensive income for the period ended 30 June 2023</b>								
Profit after tax	-	-	-	-	-	(168 875)	815 797	646 922
Other comprehensive income	-	-	137 941	58 198	-	-	-	196 139
	-	-	137 941	58 198	-	(168 875)	815 797	843 061
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation- net of tax	-	-	-	-	-	-	3 360	3 360
<b>Transactions with owners recorded directly in equity</b>								
Final dividend for the year 2022 at the rate of Rs. 5.50 (55.00%) per share	-	-	-	-	-	-	(1 100 000)	(1 100 000)
1st Interim dividend paid for the year 2023 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300 000)	(300 000)
Balance as at 30 June 2023	2 000 000	12 902	195 716	200 859	13 000 000	1 716 898	746 771	17 873 146
Balance as at 01 January 2024	2 000 000	12 902	662 892	195 722	13 000 000	1 802 531	2 733 704	20 407 751
<b>Total comprehensive income for the period ended 30 June 2024</b>								
Profit after tax	-	-	-	-	-	-	2 477 325	2 477 325
Other comprehensive income	-	-	815 774	(4 237)	-	-	-	811 537
	-	-	815 774	(4 237)	-	-	2 477 325	3 288 862
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation- net of tax	-	-	-	-	-	-	4 914	4 914
<b>Transactions with owners recorded directly in equity</b>								
Final dividend for the year 2023 at the rate of Rs. 5.50 (55.00%) per share	-	-	-	-	-	-	(1 100 000)	(1 100 000)
1st Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300 000)	(300 000)
<b>Other transfer within equity</b>								
Transfer to general reserve	-	-	-	-	1 000 000	-	(1 000 000)	-
Balance as at 30 June 2024	2 000 000	12 902	1 478 666	191 485	14 000 000	1 802 531	2 815 943	22 301 527

The annexed notes 1 to 32 form an integral part of these unconsolidated condensed interim financial statements.

TANVEER SULTAN MOLEDINA  
Director

HASANALI ABDULLAH  
Director

ALTAF GOKAL  
Chief Financial Officer

KAMRAN ARSHAD INAM  
Managing Director &  
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 23 August 2024

# Notes to the Unconsolidated Condensed Interim Financial Statements For the six months period ended 30 June 2024 (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 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 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 31 (2023: 47) branches in Pakistan including a branch in Export Processing Zone (EPZ).

- 1.1 In 2018, the Company had assessed its control position in relation to its investments in EFU Life Assurance Limited ("EFU Life") after its agreement with some shareholders of EFU Life 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, therefore EFU Life has become the subsidiary of the Company from 31 March 2018.
- 1.2 On 19 April 2024, the Board of Directors of EFU Life passed a resolution to approve a scheme of amalgamation under Section 284(1) of the Companies Act, 2017, to amalgamate its wholly owned subsidiary, EFU Health Insurance Limited ("EFU Health"), with and into EFU Life. As such, as of the effective date of 01 May 2024, the entirety of EFU Health has been merged with and into EFU life.

## 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 2023.

### 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 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 2024 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

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

<b>Amendments</b>	<b>Effective date (annual periods beginning on or after)</b>
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Lack of Exchangeability - Amendment to IAS 21	01 January 2025

Pursuant to the requirements of Securities and Exchange Commission of Pakistan SRO 1715 (I)/2023 dated 21 November 2023 IFRS 17 "Insurance Contracts", is applicable to the companies engaged in insurance/takaful and re-insurance/re-takaful business from financial years commencing on or after 01 January 2026.

IFRS 17, replaces IFRS 4 Insurance Contracts. The new standard will apply to all entities that issue insurance and reinsurance contracts, and to all entities that hold reinsurance contracts. This standard requires entities to identify contracts and its terms and to assess whether they meet the definition of an insurance contract or includes components of an insurance contract. Insurance contracts are required to account for under the recognition/ derecognition of IFRS-17. Companies subject to the requirement of SRO will also be required to adopt requirements of IFRS-9 from the date of transition. On initial application of IFRS 17, comparative information for insurance contracts is restated in accordance with IFRS 17, whereas comparative information for related financial assets might not be restated in accordance with IFRS 9 if the insurer is initially applying IFRS 9 at the same date as IFRS 17.

SECP through its S.R.O.506(I)/2024 has directed that the applicability period of optional temporary exemption from applying IFRS 9 - Financial Instrument as given in para 20A of IFRS 4 - Insurance Contracts is extended for annual periods beginning before 01 January 2026, subject to fulfilling the same conditions as are prescribed by para 20B of IFRS 4.

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

<b>Standards</b>	<b>Effective date (annual periods beginning on or after)</b>
IFRS 1 First-time Adoption of International Financial Reporting Standards	01 January 2024

### 3. Summary of material accounting policies

The material 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 2023.

### 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 2023.

## 5. Management of insurance and financial risk

Insurance and financial risk management objectives and policies are consistent with those disclosed in the unconsolidated financial statement for the year ended 31 December 2023.

## 6. Property and equipment

The additions and disposals to property and equipment during the six months period ended 30 June 2024 are as follows:

	30 June 2024 (Unaudited)	Rupees '000 31 December 2023 (Audited)
<b>6.1 Additions</b>		
Building	6 365	116 797
Vehicles	106 179	269 778
Right of use assets - buildings	32 619	31 867
Computer equipment	21 580	31 236
Furniture and fixtures	7 391	7 091
leasehold improvements	5 014	8 041
Office equipment	3 714	28 016
	<u>182 862</u>	<u>492 826</u>
<b>6.2 Written down value</b>		
Land	1 643 030	1 643 030
Buildings	1 010 017	1 039 917
Vehicles	478 350	442 287
Furniture and fixtures	109 050	114 080
Right of use assets - buildings	107 862	98 237
Office equipment	94 075	98 705
Computer equipment	49 427	39 174
Leasehold improvement	13 176	10 388
	<u>3 504 987</u>	<u>3 485 818</u>
<b>7. Investment property</b>		
Land	2 151 970	2 151 970
Building	1 040 000	1 040 000
	<u>3 191 970</u>	<u>3 191 970</u>

7.1 Investment property, except a land, are carried at fair value amounting to Rs. 3,190 million. The fair value of investment property was determined in December 2023 by Hamid Mukhtar & Co. (Pvt) Ltd on 20 January 2024. and Iqbal A. Nanjee & Co. (Pvt) Ltd. on 21 February 2024, both external and independent property valuers having appropriate recognized professional qualifications, for the Lahore and Karachi properties respectively. The fair value of the land carried at cost amounting to Rs. 1.47 million cannot be reliably measured due to an ongoing legal dispute between the Company and the KWSB for the possession of the said land.

The fair value of investment properties has been categorized as a level 3 fair value (based on input to the valuation techniques used).

## 8. Investment in subsidiary

Rupees '000

	30 June 2024 (Unaudited)			31 December 2023 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Subsidiary						
Listed shares	13 639 969	( 4 529 148 )	9 110 821	13 632 235	( 4 529 148 )	9 103 087
Surplus on revaluation			203 216			29 051
			<u>9 314 037</u>			<u>9 132 138</u>

8.1 The Company holds 47,346,672 number of shares i.e. 45.09 %, (31 December 2023: 46,933,072 i.e. 46.93 %) number of shares of EFU Life Assurance Company.

## 9. Investment in equity securities

Rupees '000

	30 June 2024 (Unaudited)			31 December 2023 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
<b>Available-for-sale</b>						
<b>Related Party</b>						
Listed shares	461 835	( 177 911 )	283 924	461 835	( 169 520 )	292 315
Surplus on revaluation			201 404			116 687
			<u>485 328</u>			<u>409 002</u>
<b>Others</b>						
Listed shares	2 018 639	( 411 495 )	1 607 144	2 116 722	( 411 487 )	1 705 235
Unlisted shares	15 216	( 15 216 )	–	15 216	( 15 216 )	–
	2 033 855	( 426 711 )	1 607 144	2 131 938	( 426 703 )	1 705 235
Surplus on revaluation			2 108 458			1 451 253
			<u>4 200 930</u>			<u>3 565 490</u>
<b>Fair value through profit and loss</b>						
<b>Others</b>						
Listed shares	46 584	–	46 584	–	–	–
Deficit on revaluation			( 167 )			–
			<u>46 417</u>			<u>–</u>
			<u>4 247 347</u>			<u>3 565 490</u>

## 10. Investment in debt securities

Rupees '000

	30 June 2024 (Unaudited)			31 December 2023 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
<b>Available-for-sale</b>						
<b>Related party</b>						
Term finance certificates	40 637	(40 637)	–	40 637	(40 637)	–
<b>Others</b>						
Government securities						
Pakistan investment bonds	10 868 761	–	10 868 761	9 297 209	–	9 297 209
Ijara sukuk	2 851 163	–	2 851 163	2 699 465	–	2 699 465
Treasury bills	328 644	–	328 644	1 331 398	–	1 331 398
Term finance certificates	200 000	–	200 000	200 000	–	200 000
Corporate sukuk	102 000	–	102 000	102 000	–	102 000
	14 350 568	–	14 350 568	13 630 072	–	13 630 072
Deficit on revaluation			(223 532)			(647 508)
			<u>14 127 036</u>			<u>12 982 564</u>

- 10.1 The amount of Pakistan Investment Bonds includes Rs. 235 million (31 December 2023: Rs. 235 million) deposited with the State Bank of Pakistan as required by Section 29 of the Insurance Ordinance, 2000.
- 10.2 The rate on Government securities ranges from 8.75 % to 21.32 % (31 December 2023: 8.75% to 22.39%) with the maturity tenure upto 2028.
- 10.3 The rate on term finance certificates ranges from 21.84 % to 22.74 % (31 December 2023: 23.69 % to 24.14 %) having perpetual maturity.
- 10.4 The rate of profit on corporate sukuk having perpetual maturity was 23.64% (31 December 2023: 23.88%) and on corporate sukuk having maturity tenure upto 2032 was 22.95% (31 December 2023: 22.84%).

## 11. Term deposit

Rupees '000

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<b>Held to maturity</b>			
Deposits maturing within 12 months			
Term deposits certificates - local currency	11.1 & 11.3	78 000	278 000
Term deposits certificates – foreign currency	11.2	644 360	618 684
		<u>722 360</u>	<u>896 684</u>

- 11.1 The rate of return on term deposit certificates issued by banks are 21.22 % per annum (31 December 2023: 20.50 % to 21.22 % per annum) depending on tenure. These term deposit certificates have maturities upto August 2024. These are placed with related party
- 11.2 The rate of return on foreign currency term deposit certificates issued by various banks range from is 3.25 % to 5.25 % per annum (31 December 2023: 2.75 % per annum) depending on tenure. These term deposit certificates have maturities upto October 2024.
- 11.3 This includes an amount of Rs. 13 million (31 December 2023: Rs. 13 million) placed under lien with commercial banks against bank guarantees and credit facility of corporate credit cards.

## 12. Loans and other receivables - considered good

Rupees '000

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Accrued investment income	12.1	497 480	399 750
Advances to suppliers		17 764	7 878
Security deposits		14 818	14 128
Loans to employees		2 942	2 853
Advances to employees		6 849	3 306
Other receivables		13 945	13 997
		<u>553 798</u>	<u>441 912</u>
12.1 Accrued investment income			
Government securities		467 928	378 215
Term deposits		18 308	10 600
Dividend income		4 840	4 287
Profit on bank savings		2 743	2 654
Debt securities		1 931	2 068
TFCs		1 730	1 926
		<u>497 480</u>	<u>399 750</u>
13. Insurance / reinsurance receivables - unsecured & considered good			
Due from insurance contract holders		8 039 223	8 573 072
Provision for impairment of receivables from insurance contract holders		( 1 186 )	( 1 059 )
		<u>8 038 037</u>	<u>8 572 013</u>
Due from other insurer / reinsurers		85 852	57 894
		<u>8 123 889</u>	<u>8 629 907</u>

13.1 Due from insurance contract holders include Rs. 18.356 million (31 December 2023: Rs. 33.094 million) receivable from related parties.

## 14. Prepayments

Rupees '000

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Prepaid reinsurance premium ceded	19	10 286 777	12 479 228
Prepaid charges for vehicle tracking devices		33 296	33 637
Annual supervision fee		23 171	-
Group health insurance premium		17 253	-
Group life insurance premium		6 917	-
Software and hardware support services		-	1 424
Others		68 876	11 651
		<u>10 436 290</u>	<u>12 525 940</u>

## 15. Cash and Bank

Rupees '000

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Cash and cash equivalents			
Cash in hand		36	–
Policy and revenue stamps, bond papers		36 155	36 666
		36 191	36 666
Cash at bank			
– Foreign currency			
Current accounts		14 671	20 901
– Local currency			
Current accounts		261 935	262 821
Saving accounts	15.1 & 15.2	1 825 883	1 966 473
		2 087 818	2 229 294
		<u>2 138 680</u>	<u>2 286 861</u>

15.1 The rate of return on saving accounts from various banks ranges from 19.50 % to 20.50 % per annum (2023: 14.50 % to 20.85 % per annum) depending on the size of average deposits.

15.2 This includes an amount of Rs. 26 million (31 December 2023: Rs. 26 million) under lien with commercial banks against bank guarantees.

Cash and cash equivalents include the following for the purposes of the cash flow statement:

Rupees '000

	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Term deposit less than three months	324 267	287 420
Cash and cash equivalents	2 138 680	1 532 744
	<u>2 462 947</u>	<u>1 820 164</u>

## 16. Reserves

Rupees '000

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Capital reserve			
Reserve for exceptional losses	16.1	12 902	12 902
Revaluation reserve for unrealized gain on available-for-sale investments - net	16.2	1 478 666	662 892
Exchange translation reserves		191 485	195 722
Revenue reserves			
General reserve		14 000 000	13 000 000
Reserve for change in fair value of investment property - net		1 802 531	1 802 531
		<u>17 485 584</u>	<u>15 674 047</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.
- 16.2 Revaluation reserve for unrealized gain on available-for-sale investment - net

Rupees '000

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Equity securities	2 401 650	1 659 730
Investment in subsidiary	203 217	29 051
Government securities	( 223 533 )	( 683 989 )
Government securities - Window Takaful Operations - OPF	( 9 745 )	( 8 082 )
Related deferred tax		
Equity securities	( 900 846 )	( 611 497 )
Investment in subsidiary	( 79 255 )	( 11 330 )
Government securities	87 178	289 009
	<u>1 478 666</u>	<u>662 892</u>
<b>17. Other creditors and accruals</b>		
Other deposits	1 375 910	1 418 139
Agent commission payable	616 451	863 717
Unclaimed dividends	533 721	506 352
Sales tax payable	409 391	198 961
Workers' welfare fund	229 064	152 875
Provision for leaves	174 377	190 848
Lease liability	111 952	102 981
Unearned rentals	108 909	48 558
Accrued expenses	47 578	124 427
Federal insurance fee payable	32 219	18 323
Others	60 899	178 847
	<u>3 700 471</u>	<u>3 804 028</u>

#### 18. Contingencies and commitments

The status of the contingencies and commitment remains unchanged as disclosed in the annual audited unconsolidated financial statement as 31 December 2023 with following notable exception.

The Company filed an appeal with the Commissioner of Inland Revenue (Appeals) challenging the adjustments made by the Commissioner of Inland Revenue (Audit) for the tax year 2022. These adjustments primarily pertained to disallowed expenses which resulted in increase of taxable income and application of super tax under Section 4C of the Income Tax Ordinance 2001, as amended by the Finance Act 2022. The Company deposited the additional tax demand of Rs. 163 million in protest. While the Commissioner of Inland Revenue (Appeals) ruled in favour of the Company by annulling the additions related to expenses, but they upheld the imposition of the super tax. Subsequently, the Company has appealed to the Honourable High Court of Sindh. Notably, the High Court of Sindh has recently issued favourable orders for other taxpayers facing similar cases.

## 19. Net insurance premium

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Written gross premium	7 775 707	9 534 526	16 152 626	16 996 198
Unearned premium reserve - opening	17 987 943	14 209 843	19 546 386	14 167 219
Unearned premium reserve - closing	(16 141 444)	(15 837 132)	(16 141 444)	(15 837 132)
Premium earned	9 622 206	7 907 237	19 557 568	15 326 285
Less:				
Reinsurance premium ceded	5 544 475	7 029 964	10 218 875	11 206 691
Prepaid reinsurance premium - opening	10 772 221	7 997 766	12 479 228	8 489 684
Prepaid reinsurance premium - closing	(10 286 777)	(10 264 075)	(10 286 777)	(10 264 075)
Reinsurance expense	6 029 919	4 763 655	12 411 326	9 432 300
	<u>3 592 287</u>	<u>3 143 582</u>	<u>7 146 242</u>	<u>5 893 985</u>
<b>20. Net insurance claims expense</b>				
Claims Paid	1 754 680	2 815 377	3 240 879	4 254 344
Outstanding claims including IBNR - closing	10 733 494	14 985 471	10 733 494	14 985 471
Outstanding claims including IBNR - opening	(10 841 023)	(11 136 879)	(10 774 706)	(10 368 176)
Claims expense	1 647 151	6 663 969	3 199 667	8 871 639
Less:				
Reinsurance and other recoveries received	505 300	1 374 855	915 877	1 670 913
Reinsurance and other recoveries in respect of outstanding claims - opening	(6 840 725)	(7 126 779)	(7 009 843)	(6 503 793)
Reinsurance and other recoveries in respect of outstanding claims - closing	6 900 645	10 130 807	6 900 645	10 130 807
Reinsurance and other recoveries revenue	565 220	4 378 883	806 679	5 297 927
	<u>1 081 931</u>	<u>2 285 086</u>	<u>2 392 988</u>	<u>3 573 712</u>
<b>21. Net commission expense</b>				
Commission paid or payable	611 671	560 099	1 191 563	1 068 019
Deferred commission expense - opening	1 291 301	1 038 830	1 491 266	1 111 775
Deferred commission expense - closing	(1 135 831)	(985 268)	(1 135 831)	(985 268)
Net commission	767 141	613 661	1 546 998	1 194 526
Less:				
Commission received or recoverable	104 405	97 712	235 363	200 931
Unearned reinsurance commission - opening	279 377	200 556	302 821	201 585
Unearned reinsurance commission - closing	(233 398)	(187 698)	(233 398)	(187 698)
Commission from reinsurers	150 384	110 570	304 786	214 818
	<u>616 757</u>	<u>503 091</u>	<u>1 242 212</u>	<u>979 708</u>

## 22. Investment income

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Income from subsidiary - available-for-sale				
Dividend income	69 576	69 623	567 812	556 319
Income from equity securities - available-for-sale				
Dividend income - Equity shares	71 894	59 688	180 320	137 512
Dividend income - Mutual funds	875	4 269	875	4 269
Fair value through profit and loss				
Dividend income - Equity shares	263	–	263	–
Income from debt securities - available-for-sale				
Return on debt securities	502 196	392 517	999 281	782 072
Income from term deposits - Held to maturity				
Return on term deposits	14 097	10 180	24 890	19 257
	658 901	536 277	1 773 441	1 499 429
Net realized gains / (losses) on investments				
Available-for-sale financial assets				
Realized gains on:				
Equity securities	6 245	–	12 737	25 995
Realized losses on:				
Equity securities	(2 757)	–	(2 757)	–
	3 488	–	9 980	25 995
Fair value through profit and loss				
Realized gains on:				
Equity securities	2 843	–	2 843	–
Realized losses on:				
Equity securities	(259)	–	(259)	–
	2 584	–	2 584	–
	6 072	–	12 564	25 995
Net unrealized losses on investments				
Fair value through profit and loss	(167)	–	(167)	–
(Impairment) / reversal in value of available-for-sale				
Subsidiary company	–	(450 257)	–	(450 257)
Equity securities	(3 438)	23 219	(8 399)	(68 090)
Investment related expenses	(450)	(130)	(741)	(449)
	660 918	109 109	1 776 698	1 006 628



**23. Other income**

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Return on bank balances	146 315	90 110	266 728	163 058
Gain on sale of property and equipment	10 553	22 870	42 062	51 280
Gain on early termination of lease agreements	208	70	208	70
Return on loans to employees	44	55	87	104
Exchange difference	(962)	(983)	(1 614)	3 789
	<u>156 158</u>	<u>112 122</u>	<u>307 471</u>	<u>218 301</u>
<b>24. Profit from window takaful operations - Operator's Fund</b>				
Wakala fee	276 204	295 923	565 072	578 967
Commission expense	(86 330)	(85 850)	(176 074)	(170 824)
General, administrative and management expenses	(118 512)	(109 579)	(225 673)	(212 967)
Modarib's share of PTF investment income	34 616	23 780	67 761	47 150
Investment income	52 035	46 293	102 593	80 692
Direct expenses	(3 617)	(495)	(7 598)	(604)
Other income	3 461	2 771	7 318	4 746
	<u>157 857</u>	<u>172 843</u>	<u>333 399</u>	<u>327 160</u>
<b>25. Income tax expense</b>				
For current period				
Current	564 506	78 847	1 187 959	500 370
Deferred	(3 779)	(273 663)	(9 093)	(303 876)
Super tax	194 837	114 989	410 450	173 227
	<u>755 564</u>	<u>(79 827)</u>	<u>1 589 316</u>	<u>369 721</u>
For prior year(s)				
Super tax	–	179 649	–	179 649
	<u>755 564</u>	<u>99 822</u>	<u>1 589 316</u>	<u>549 370</u>
<b>26. Earnings per share - basic and diluted</b>				
Profit / (loss) after tax for the period (Rupees '000)	<u>1 175 882</u>	<u>(258 894)</u>	<u>2 477 325</u>	<u>646 922</u>
Weighted average number of ordinary shares (Numbers '000)	<u>200 000</u>	<u>200 000</u>	<u>200 000</u>	<u>200 000</u>
Earnings per share (Rupees)	<u>5.88</u>	<u>(1.29)</u>	<u>12.39</u>	<u>3.23</u>

26.1 No figures for diluted earnings per share have been presented as the Company has not issued any instrument which would have impact on earnings per share when exercised.

## 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:

	Three months period ended		Six months period ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Rupees '000				
<b>Transactions</b>				
<b>Subsidiary company</b>				
Premium written	2 569	202	33 576	28 822
Premium paid	–	–	13 000	13 457
Claims paid including salvage recovered	714	225	920	1 051
Dividends received	641 755	556 319	641 755	556 319
Dividends paid	–	32 767	–	32 767
<b>Associated companies</b>				
Premium written	11 117	7 239	39 807	43 013
Premium paid / (refund)	(41)	(425)	32 288	28 437
Claims paid including salvage recovered	1 397	7 929	24 661	16 277
Dividends received	–	18 431	–	18 431
Dividends paid	508 748	473 226	508 748	473 226
Bank deposits made / (withdrawn)	–	(700 000)	(200 000)	200 000
<b>Key management personnel</b>				
Premium written	6	15	216	152
Claims paid	137	167	137	409
Dividends paid	3 226	6 283	3 226	6 283
Compensation	74 668	73 105	132 944	130 778
<b>Others</b>				
Premium written	2 682	1 108	5 511	7 475
Claims paid including salvage recovered	12 553	38 434	12 643	44 399
Dividends paid	469 619	462 497	469 619	465 724
Brokerage paid	244	177	663	241
<b>Employees' funds</b>				
Contribution to provident fund	11 491	9 191	20 031	18 055
Contribution to gratuity fund	8 013	8 512	16 025	17 306
Contribution released to pension fund	(2 609)	(3 528)	(7 153)	(5 264)
Dividends paid	3 146	3 146	3 146	3 146
			<b>30 June 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
<b>Balances</b>				
<b>Others</b>				
Balances receivable			18 356	33 094
Deposits maturing within 12 months			78 000	278 000
Bank balances			969 953	707 200
<b>Employees' funds receivable / (payable)</b>				
EFU gratuity fund			(25 403)	(44 237)
EFU pension fund			94 210	88 192

## 28. Segment Information

Rupees '000

For six months period ended 30 June 2024 (Unaudited)

	Fire and property damage	Marine aviation and transport	Motor	Misce-llaneous	Treaty	Total
<b>Current period</b>						
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	11 643 180	3 843 732	2 123 128	1 275 614	-	18 885 654
Less: Sales tax	1 587 423	432 778	276 032	171 850	-	2 468 083
Stamp duty	186	101 937	504	961	-	103 588
Federal insurance fee	99 391	32 762	18 284	10 920	-	161 357
Gross written premium (inclusive of administrative surcharge)	9 956 180	3 276 255	1 828 308	1 091 883	-	16 152 626
Gross direct premium	9 926 640	3 248 542	1 755 732	1 081 671	-	16 012 585
Facultative inward premium	17 134	-	-	89	-	17 223
Administrative surcharge	12 406	27 713	72 576	10 123	-	122 818
Insurance premium earned	13 957 576	2 490 449	2 069 296	1 040 247	-	19 557 568
Insurance premium ceded to reinsurers	(10 603 411)	(1 385 900)	(18 053)	(403 962)	-	(12 411 326)
Net insurance premium	3 354 165	1 104 549	2 051 243	636 285	-	7 146 242
Commission income	270 910	11 523	1	22 352	-	304 786
Net underwriting income	3 625 075	1 116 072	2 051 244	658 637	-	7 451 028
Insurance claims	(1 549 177)	(535 393)	(886 153)	(228 944)	-	(3 199 667)
Insurance claims recovered from reinsurers	517 044	298 249	(60)	(8 554)	-	806 679
Net insurance claims	(1 032 133)	(237 144)	(886 213)	(237 498)	-	(2 392 988)
Commission expense	(1 073 449)	(194 991)	(196 734)	(81 824)	-	(1 546 998)
Management expenses	(830 704)	(274 126)	(523 154)	(169 409)	-	(1 797 393)
Net insurance claims and expenses	(2 936 286)	(706 261)	(1 606 101)	(488 731)	-	(5 737 379)
Underwriting results	688 789	409 811	445 143	169 906	-	1 713 649
Investment income						1 776 698
Rental income						63 043
Other income						307 471
Other expenses						(127 619)
Profit from window takaful operations - Operator's Fund						333 399
Profit before tax						4 066 641
	As at 30 June 2024 (Unaudited)					
Corporate segment assets	19 531 927	5 502 634	590 241	933 571	-	26 558 373
Corporate segment assets - Takaful OPF	134 021	31 926	306 254	20 793	-	492 994
Corporate unallocated assets						37 985 239
Corporate unallocated assets - Takaful OPF						1 299 504
Total assets						66 336 110
Corporate segment liabilities	26 253 166	6 102 517	2 714 421	3 714 875	-	38 784 979
Corporate segment liabilities - Takaful OPF	122 294	25 913	363 178	34 190	-	545 575
Corporate unallocated liabilities						3 534 096
Corporate unallocated liabilities - Takaful OPF						35 297
Total liabilities						42 899 947
						External premium less reinsurance by geographical segments 2024 (Unaudited)
Location						
Pakistan						7 136 422
* EPZ						9 820
Total						7 146 242

\* This represents US Dollar Equivalent in Pak Rupees

Rupees '000

## For six months period ended 30 June 2023 (Unaudited)

Prior 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)	12 370 670	3 993 915	2 063 062	1 273 014	-	19 700 661
Less: Sales tax	1 584 527	440 602	255 117	161 497	-	2 441 743
Stamp duty	169	91 611	565	451	-	92 796
Federal insurance fee	106 782	34 266	17 895	10 981	-	169 924
Gross written premium (inclusive of administrative surcharge)	10 679 192	3 427 436	1 789 485	1 100 085	-	16 996 198
Gross direct premium	10 664 867	3 400 869	1 704 930	1 090 784	-	16 861 450
Facultative inward premium	1 012	827	-	2 106	-	3 945
Administrative surcharge	13 313	25 740	84 555	7 195	-	130 803
Insurance premium earned	10 638 641	1 867 061	1 908 929	911 654	-	15 326 285
Insurance premium ceded to reinsurers	(8 133 299)	(952 416)	(16 708)	(329 877)	-	(9 432 300)
Net insurance premium	2 505 342	914 645	1 892 221	581 777	-	5 893 985
Commission income	181 801	10 339	14	22 664	-	214 818
Net underwriting income	2 687 143	924 984	1 892 235	604 441	-	6 108 803
Insurance claims	(6 171 019)	(1 534 734)	(917 278)	(248 608)	-	(8 871 639)
Insurance claims recovered from reinsurers	4 101 531	1 152 217	(1 234)	45 413	-	5 297 927
Net insurance claims	(2 069 488)	(382 517)	(918 512)	(203 195)	-	(3 573 712)
Commission expense	(776 124)	(160 089)	(183 599)	(74 714)	-	(1 194 526)
Management expenses	(733 854)	(255 285)	(550 579)	(171 407)	-	(1 711 125)
Net insurance claims and expenses	(3 579 466)	(797 891)	(1 652 690)	(449 316)	-	(6 479 363)
Underwriting results	(892 323)	127 093	239 545	155 125	-	(370 560)
Investment income						1 006 628
Rental income						63 439
Other income						218 301
Other expenses						(48 676)
Profit from window takaful operations - Operator's Fund						327 160
Profit before tax						1 196 292
	As at 31 December 2023 (Audited)					
Corporate segment assets	25 108 230	2 885 056	673 900	1 075 972	-	29 743 158
Corporate segment assets - Takaful OPF	223 056	24 064	335 880	18 336	-	601 336
Corporate unallocated assets						36 040 466
Corporate unallocated assets - Takaful OPF						1 120 091
Total assets						67 505 051
Corporate segment liabilities	31 538 645	4 289 178	2 900 614	3 817 284	-	42 545 721
Corporate segment liabilities - Takaful OPF	216 735	20 561	381 824	34 395	-	653 515
Corporate unallocated liabilities						2 700 624
Corporate unallocated liabilities - Takaful OPF						57 890
Total liabilities						45 957 750
						External premium less reinsurance by geographical segments 2023
Location						
Pakistan						5 878 846
* EPZ						15 139
Total						5 893 985

\* This represents US Dollar Equivalent in Pak Rupees

## For three months period ended 30 June 2024 (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)	4 879 617	2 907 235	820 260	595 027	-	9 202 139
Less: Sales tax	781 287	327 891	111 560	80 671	-	1 301 409
Stamp duty	83	46 585	219	466	-	47 353
Federal insurance fee	40 489	25 077	7 015	5 089	-	77 670
Gross written premium (inclusive of administrative surcharge)	4 057 758	2 507 682	701 466	508 801	-	7 775 707
Gross direct premium	4 044 105	2 493 674	669 239	503 972	-	7 710 990
Facultative inward premium	8 858	-	-	-	-	8 858
Administrative surcharge	4 795	14 008	32 227	4 829	-	55 859
Insurance premium earned	6 857 568	1 211 284	1 035 880	517 474	-	9 622 206
Insurance premium ceded to reinsurers	(5 162 303)	(658 381)	(7 197)	(202 038)	-	(6 029 919)
Net insurance premium	1 695 265	552 903	1 028 683	315 436	-	3 592 287
Commission income	134 722	5 103	-	10 559	-	150 384
Net underwriting income	1 829 987	558 006	1 028 683	325 995	-	3 742 671
Insurance claims	(571 730)	(550 697)	(401 973)	(122 751)	-	(1 647 151)
Insurance claims recovered from reinsurers	195 979	373 392	-	(4 151)	-	565 220
Net insurance claims	(375 751)	(177 305)	(401 973)	(126 902)	-	(1 081 931)
Commission expense	(535 352)	(92 344)	(98 447)	(40 998)	-	(767 141)
Management expenses	(419 914)	(138 738)	(259 473)	(86 269)	-	(904 394)
Net insurance claims and expenses	(1 331 017)	(408 387)	(759 893)	(254 169)	-	(2 753 466)
Underwriting results	498 970	149 619	268 790	71 826	-	989 205
Investment income						660 918
Rental income						29 950
Other income						156 158
Other expenses						(62 642)
Profit from window takaful operations - Operator's Fund						157 857
Profit before tax						1 931 446

Rupees '000

For three months period ended 30 June 2023 (Unaudited)

Prior 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)	6 547 438	2 974 083	897 541	626 958	-	11 046 020
Less: Sales tax	847 311	333 439	114 528	76 867	-	1 372 145
Stamp duty	68	43 494	248	222	-	44 032
Federal insurance fee	56 436	25 706	7 750	5 425	-	95 317
Gross written premium (inclusive of administrative surcharge)	5 643 623	2 571 444	775 015	544 444	-	9 534 526
Gross direct premium	5 638 484	2 557 060	738 482	539 091	-	9 473 117
Facultative inward premium	45	827	-	2 106	-	2 978
Administrative surcharge	5 094	13 557	36 533	3 247	-	58 431
Insurance premium earned	5 528 999	954 861	957 465	465 912	-	7 907 237
Insurance premium ceded to reinsurers	(4 095 632)	(501 624)	(7 572)	(158 827)	-	(4 763 655)
Net insurance premium	1 433 367	453 237	949 893	307 085	-	3 143 582
Commission income	93 924	5 198	8	11 440	-	110 570
Net underwriting income	1 527 291	458 435	949 901	318 525	-	3 254 152
Insurance claims	(4 770 936)	(1 348 484)	(427 773)	(116 776)	-	(6 663 969)
Insurance claims recovered from reinsurers	3 227 467	1 140 600	(50)	10 866	-	4 378 883
Net insurance claims	(1 543 469)	(207 884)	(427 823)	(105 910)	-	(2 285 086)
Commission expense	(404 936)	(76 925)	(92 948)	(38 852)	-	(613 661)
Management expenses	(412 769)	(127 900)	(278 343)	(90 414)	-	(909 426)
Net insurance claims and expenses	(2 361 174)	(412 709)	(799 114)	(235 176)	-	(3 808 173)
Underwriting results	(833 883)	45 726	150 787	83 349	-	(554 021)
Investment income						109 109
Rental income						29 734
Other income						112 122
Other expenses						(28 859)
Profit from window takaful operations - Operator's Fund						172 843
Loss before tax						(159 072)

## 29. Fair value

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

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

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

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

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

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

Rupees '000

As at 30 June 2024 (Unaudited)									
	Available- for-sale	Fair value through profit & loss	Loans & 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	4 200 930	46 417				4 247 347	4 247 347		
Debt securities	14 127 036					14 127 036	2 850 763	11 276 273	
Investment in subsidiary	9 314 037					9 314 037	9 314 037		
Total assets of window takaful operations - Operator's fund	1 105 390					1 105 390		1 105 390	
<b>Financial assets not measured at fair value</b>									
Term deposits *				722 360		722 360			
Loans and other receivables *			553 798			553 798			
Insurance / reinsurance receivables *			8 123 889			8 123 889			
Reinsurance recoveries against outstanding claims *			6 900 645			6 900 645			
Cash and bank *				2 138 680		2 138 680			
Total assets of window takaful operations - Operator's fund *			422 481	114 727		537 208			
	28 747 393	46 417	16 000 813	2 975 767		47 770 390			
<b>Financial liabilities not measured at fair value</b>									
Outstanding claims including IBNR *					(10 733 494)	(10 733 494)			
Premium received in advance *					(519 888)	(519 888)			
Insurance / reinsurance payables *					(9 164 394)	(9 164 394)			
Other creditors and accruals *					(3 700 471)	(3 700 471)			
Total liabilities of window takaful operations - Operator's Fund *				(131 856)	(131 856)				
	28 747 393	46 417	16 000 813	2 975 767	(24 250 103)	23 520 287			

\* 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 2023 (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								
Equity securities - quoted	3 565 490				3 565 490	3 565 490		
Debt securities	12 982 564				12 982 564		12 982 564	
Investment in subsidiary	9 132 138				9 132 138	9 132 138		
Total assets of window takaful operations - Operator's fund	957 785				957 785		957 785	
<b>Financial assets not measured at fair value</b>								
Term deposits *			896 684		896 684			
Loans and other receivables *		441 912			441 912			
Insurance / reinsurance receivables *		8 629 907			8 629 907			
Reinsurance recoveries against outstanding claims *		7 009 843			7 009 843			
Cash and bank *			2 286 861		2 286 861			
Total assets of window takaful operations - Operator's fund *		495 211	89 736		584 947			
	<u>26 637 977</u>	<u>16 576 873</u>	<u>3 273 281</u>		<u>46 488 131</u>			
<b>Financial liabilities not measured at fair value</b>								
Outstanding claims including IBNR *				(10 774 706)	(10 774 706)			
Premium received in advance *				(167 683)	(167 683)			
Insurance / reinsurance payables *				(9 472 269)	(9 472 269)			
Other creditors and accruals *				(3 804 028)	(3 804 028)			
Total liabilities of window takaful operations - Operator's Fund *				(148 423)	(148 423)			
	<u>26 637 977</u>	<u>16 576 873</u>	<u>3 273 281</u>	<u>(24 367 109)</u>	<u>22 121 022</u>			

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

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

The Board of Directors in their meeting held on 23 August 2024 have announced a second interim cash dividend in respect of the year ended 31 December 2024 of Rs. 1.50 per share i.e. 15.00 % (2023: Rs. 1.50 per share i.e. 15.00 %). These unconsolidated condensed interim financial statements for the six months period ended 30 June 2024 do not include the effect of these appropriations, which will be accounted for subsequent to the period end.

### 31. General

Figures have been rounded off to the nearest thousand rupees.

### 32. 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 23 August 2024.

TANVEER SULTAN MOLEDINA Director	HASANALI ABDULLAH Director	ALTAF GOKAL Chief Financial Officer	KAMRAN ARSHAD INAM Managing Director & Chief Executive Officer	SAIFUDDIN N. ZOOMKAWALA Chairman
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Karachi 23 August 2024



# Consolidated Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2024

# Directors' Review to the Members on Consolidated Condensed Interim Financial Information For the six months period ended 30 June 2024

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

The consolidated gross premium was Rs. 34.3 billion (2023: Rs. 34.5 billion), the net premium was Rs. 24.3 billion (2023: Rs. 22.7 billion) and profit after tax was Rs. 3,286 million (2023: Rs. 694 million). Consolidated investment income (including rental and other income) for the six months period was Rs. 21,976 million (2023: Rs. 15,861 million). The consolidated total assets were Rs. 294 billion (31 December 2023: Rs. 276 billion) and total investments stood at Rs. 236 billion (31 December 2023: Rs. 211 billion).

## Movement of Reserves

Rupees '000

	30 June 2024 (Unaudited)
Unappropriated profit brought forward	1 424 395
Profit attributable to ordinary shares	2 534 700
Transferred from surplus on revaluation of property and equipment	14 357
Acquisition of Non-Controlling Interest without a change in control	(4 008)
Final Dividend for the year 2023	(1 100 000)
1st Interim Dividend 2024	(300 000)
Transfer to General Reserve	(1 000 000)
	145 049
<b>Profit available for appropriations</b>	<b>1 569 444</b>
<b>Earnings per share (Rupees)</b>	<b>12.67</b>

## Outlook

Pakistan is moving towards securing fresh long-term IMF program, which is likely to alleviate some immediate risks and set path towards economic recovery.

## 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.

TANVEER SULTAN MOLEDINA  
Director

HASANALI ABDULLAH  
Director

KAMRAN ARSHAD INAM  
Managing Director &  
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 23 August 2024

## مجموعی کنڈینسڈ عبوری مالیاتی حسابات پر ممبران کیلئے ڈائریکٹرز کا جائزہ ۳۰ جون ۲۰۲۳ء کو ختم ہونے والی ششماہی کیلئے

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

### کارکردگی کا جائزہ

یکجا شدہ مجموعی پربہیم ۳۳۶۳ بلین روپے (۲۰۲۳ء: ۳۳۶۵ بلین روپے)، خالص پربہیم ۲۳۶۳ بلین روپے (۲۰۲۳ء: ۲۳۶۷ بلین روپے) اور منافع بعد از ٹیکس ۳،۲۸۶ بلین روپے رہا (۲۰۲۳ء: ۲۹۳۰ بلین روپے)۔ یکجا شدہ انویسٹمنٹ آمدنی (بشمول ریٹیل اور دیگر آمدنی) برائے ششماہی مدت ۲۱،۹۷۶ بلین روپے رہی (۲۰۲۳ء: ۱۵،۸۶۱ بلین روپے)۔ یکجا شدہ مجموعی اثاثہ جات ۲۹۳ بلین روپے (۳۱ دسمبر ۲۰۲۳ء: ۲۷۶ بلین روپے) اور مجموعی سرمایہ کاری ۲۳۶ بلین روپے رہی (۳۱ دسمبر ۲۰۲۳ء: ۲۱۱ بلین روپے)۔

### محفوظ اثاثہ جات کی منتقلی

روپے ہزاروں میں

۳۰ جون ۲۰۲۳ء  
(غیر آڈٹ شدہ)

۱ ۳۲۳ ۳۹۵

۲ ۵۳۳ ۷۰۰

۱۳ ۳۵۷

(۲ ۰۰۸)

(۱ ۱۰۰ ۰۰۰)

(۳۰۰ ۰۰۰)

(۱ ۰۰۰ ۰۰۰)

۱۳۵ ۰۲۹

۱ ۵۶۹ ۳۳۳

۱ ۲۶۶۷

غیر مختص کردہ منافع جو آئندہ شامل کیا جائے گا

عمومی شیئرز کیلئے قابل منسوب منافع

جائیداد اور ایکویٹی کی ری ویلیویشن پر اضافے سے منتقل

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

حتی منافع منقسمہ برائے سال ۲۰۲۳ء

پہلا عبوری منافع منقسمہ ۲۰۲۳ء

منتقلی برائے عمومی ریزرو

تناسب کے تحت دستیاب منافع

آمدنی فی شیئر (روپے)

### نقطہ نظر

پاکستان ایک نئے طویل مدتی آئی ایم ایف پروگرام کی جانب بڑھ رہا ہے جو ممکنہ طور پر چند فوری خطرات کا تدارک کرنے کے ساتھ معیشت کی بحالی کا راستہ ہموار کرے گا۔

### اظہار تشکر

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

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

سیف الدین این۔ زومکوالا

چیئر مین

کراچی، ۲۳ اگست ۲۰۲۳ء

کامران ارشد انعام

ٹیچنگ ڈائریکٹر و چیف ایگزیکٹو آفیسر

حسن علی عبداللہ

ڈائریکٹر

تنویر سلطان مولیدینہ

ڈائریکٹر

# Consolidated Condensed Interim Statement of Financial Position

## As at 30 June 2024 (Unaudited)

Rupees '000

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited) (Restated)
<b>Assets</b>			
Property and equipment	6	9 852 854	9 666 189
Intangible assets	7	5 364 969	5 568 185
Investment property	8	3 191 970	3 191 970
Investments			
Equity securities	9	38 319 211	28 598 567
Debt securities	10	190 657 129	175 305 523
Term deposits	11	7 324 789	8 405 112
Loans and other receivables	12	4 731 760	4 953 865
Insurance / reinsurance receivables	13	9 867 795	9 691 208
Reinsurance recoveries against outstanding claims	22	6 900 645	7 009 843
Salvage recoveries accrued		77 935	99 276
Deferred commission expense	23	1 135 831	1 491 266
Retirement benefit		68 807	43 955
Taxation - payments less provision		153 346	335 088
Prepayments	14	10 532 803	12 663 930
Cash and bank	15	4 441 024	7 341 653
		<u>292 620 868</u>	<u>274 365 630</u>
Total assets of window general takaful operations - Operator's Fund		<u>1 792 498</u>	<u>1 721 427</u>
<b>Total assets</b>		<u>294 413 366</u>	<u>276 087 057</u>
<b>Equity and Liabilities</b>			
Ordinary share capital	16	2 000 000	2 000 000
Reserves	17	17 337 178	15 625 981
Unappropriated profit		1 569 444	1 424 395
Equity attributable to equity holders of parent		20 906 622	19 050 376
Non-controlling interest		5 139 860	4 327 868
<b>Total equity</b>		<u>26 046 482</u>	<u>23 378 244</u>
<b>Surplus on revaluation of property and equipment</b>		<u>2 240 781</u>	<u>2 266 140</u>
<b>Liabilities</b>			
Insurance liabilities - life insurance business	18	215 225 028	196 524 888
<b>Underwriting provisions - general insurance business</b>			
Outstanding claims including IBNR	22	10 733 494	10 774 706
Unearned premium reserves	21	16 141 444	19 546 386
Unearned reinsurance commission	23	233 398	302 821
Deferred taxation		4 523 623	3 953 122
Premium received in advance		2 176 429	1 940 090
Insurance / reinsurance payables		9 589 436	9 674 489
Other creditors and accruals	19	6 922 379	7 014 766
		<u>50 320 203</u>	<u>53 206 380</u>
<b>Total liabilities</b>		<u>265 545 231</u>	<u>249 731 268</u>
		<u>293 832 494</u>	<u>275 375 652</u>
Total liabilities of window general takaful operations - Operator's Fund		<u>580 872</u>	<u>711 405</u>
<b>Total equity and liabilities</b>		<u>294 413 366</u>	<u>276 087 057</u>
<b>Contingencies and commitments</b>	20		

The annexed notes 1 to 37 form an integral part of these consolidated condensed interim financial statements.

TANVEER SULTAN MOLEDINA  
Director

HASANALI ABDULLAH  
Director

ALTAF GOKAL  
Chief Financial Officer

KAMRAN ARSHAD INAM  
Managing Director &  
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 23 August 2024

## Consolidated Condensed Interim Profit and Loss Account For the six months period ended 30 June 2024 (Unaudited)

Rupees '000

	Note	Three months period ended		Six months period ended	
		30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Net insurance premium	21	11 872 037	11 508 077	24 292 118	22 718 423
Net insurance claims	22	( 10 686 518 )	( 9 871 450 )	( 21 857 836 )	( 18 416 526 )
Net commission and other acquisition costs	23	( 2 150 688 )	( 2 104 459 )	( 4 415 390 )	( 4 303 591 )
Insurance claims and acquisition expenses		( 12 837 206 )	( 11 975 909 )	( 26 273 226 )	( 22 720 117 )
Management expenses		( 2 204 702 )	( 1 922 374 )	( 4 149 222 )	( 3 525 926 )
Underwriting result		( 3 169 871 )	( 2 390 206 )	( 6 130 330 )	( 3 527 620 )
Investment income	24	10 806 515	8 481 008	21 418 857	15 494 527
Net realized fair value gains / (losses) on financial assets	25	187 308	( 651 200 )	266 617	( 2 180 046 )
Net fair value gains on financial assets at fair value through profit and loss	26	4 500 661	1 246 268	5 507 001	1 144 913
Net change in insurance liabilities (other than outstanding claims)		( 9 630 551 )	( 5 730 724 )	( 15 960 809 )	( 8 814 649 )
Gain on bargain purchase of net assets		164 959	–	164 959	–
Revaluation loss		( 166 537 )	–	( 166 537 )	–
Rental income		29 950	29 734	63 043	63 439
Other income	27	244 124	169 547	494 170	304 077
Other expenses		( 100 134 )	( 47 252 )	( 195 594 )	( 76 326 )
		6 036 295	3 497 381	11 591 707	5 935 935
Results of operating activities		2 866 424	1 107 175	5 461 377	2 408 315
Profit from window general takaful operations - Operator's Fund	28	157 857	172 843	333 399	327 160
Profit before tax		3 024 281	1 280 018	5 794 776	2 735 475
Income tax expense	29	( 1 236 335 )	( 1 393 268 )	( 2 508 426 )	( 2 040 794 )
Profit / (loss) after tax		1 787 946	( 113 250 )	3 286 350	694 681
<b>Profit attributable to:</b>					
Equity holders of the parent		1 412 104	( 212 674 )	2 534 700	378 802
Non-controlling interest		375 842	99 424	751 650	315 879
		1 787 946	( 113 250 )	3 286 350	694 681
<b>Earnings (after tax) per share - Rupees</b>	30	7.06	( 1.06 )	12.67	1.89

The annexed notes 1 to 37 form an integral part of these consolidated condensed interim financial statements.

TANVEER SULTAN MOLEDINA  
Director

HASANALI ABDULLAH  
Director

ALTAF GOKAL  
Chief Financial Officer

KAMRAN ARSHAD INAM  
Managing Director &  
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 23 August 2024

## Consolidated Condensed Interim Statement of Comprehensive Income For the six months period ended 30 June 2024 (Unaudited)

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Profit / (loss) after tax	1 787 946	( 113 250 )	3 286 350	694 681
Other comprehensive income				
Total items that may be reclassified subsequently to profit and loss account				
Change in fair value on available-for-sale investments during the period	755 426	( 101 139 )	1 185 215	( 383 273 )
Reclassification adjustments relating to available-for-sale investments disposed of during the period	–	86 752	–	43 376
Total change in fair value for the period	755 426	( 14 387 )	1 185 215	( 339 897 )
Deferred tax on available-for-sale investments	( 294 067 )	21 501	( 461 686 )	128 919
Effect of translation of foreign branches (net of tax)	485	( 11 123 )	( 4 237 )	58 198
Change in fair value from window takaful operations - Operator's Fund (net of deferred tax)	14	1 537	( 1 664 )	( 7 266 )
Other comprehensive income / (loss) for the period	461 858	( 2 472 )	717 628	( 160 046 )
Total comprehensive income / (loss) for the period	2 249 804	( 115 722 )	4 003 978	534 635
Total comprehensive income attributable to:				
Equity holders of the parent	1 875 578	( 214 169 )	3 245 897	217 648
Non-controlling interest	374 226	98 447	758 081	316 987
	2 249 804	( 115 722 )	4 003 978	534 635

The annexed notes 1 to 37 form an integral part of these consolidated condensed interim financial statements.

TANVEER SULTAN MOLEDINA  
Director

HASANALI ABDULLAH  
Director

ALTAF GOKAL  
Chief Financial Officer

KAMRAN ARSHAD INAM  
Managing Director &  
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 23 August 2024

# Consolidated Condensed Interim Cash Flow Statement For the six months period ended 30 June 2024 (Unaudited)

Rupees '000

	2024	2023
<b>Operating cash flows</b>		
a) Underwriting activities		
Insurance premium / contribution received	35 139 196	31 869 460
Reinsurance premium / retakaful contribution paid	( 10 496 558 )	( 8 634 366 )
Claims paid	( 22 974 279 )	( 19 566 382 )
Reinsurance and other recoveries received	887 918	1 962 496
Commission paid	( 3 461 270 )	( 3 310 251 )
Commission received	235 364	200 932
Management expenses paid	( 5 581 669 )	( 5 102 579 )
Net cash flow used in underwriting activities	( 6 251 298 )	( 2 580 690 )
b) Other operating activities		
Income tax paid	( 2 054 258 )	( 1 544 473 )
Other operating payments	( 241 632 )	( 90 858 )
Other operating receipts	133 395	146 741
Loans advanced	( 197 667 )	( 76 557 )
Loans repayments received	222 536	78 988
Net cash flow used in other operating activities	( 2 137 626 )	( 1 486 159 )
<b>Total cash flow used in all operating activities</b>	<b>( 8 388 924 )</b>	<b>( 4 066 849 )</b>
<b>Investment activities</b>		
Profit / return received	20 465 923	13 864 741
Dividend received	2 064 880	1 434 343
Rentals received	130 360	68 330
Payment for investments / investment properties	( 94 370 951 )	( 60 742 130 )
Proceeds from investments / investment properties	77 827 630	47 938 476
Fixed capital expenditures	( 653 698 )	( 471 527 )
Proceeds from sale of property and equipment	239 249	121 843
<b>Total cash flow from investing activities</b>	<b>5 703 393</b>	<b>2 214 076</b>
<b>Financing activities</b>		
Payments against lease liabilities	( 135 084 )	( 118 916 )
Dividends paid	( 2 012 320 )	( 2 025 250 )
<b>Total cash flow used in financing activities</b>	<b>( 2 147 404 )</b>	<b>( 2 144 166 )</b>
<b>Net cash flow used in all activities</b>	<b>( 4 832 935 )</b>	<b>( 3 996 939 )</b>
Cash and cash equivalents at beginning of the period	16 200 655	20 822 883
<b>Cash and cash equivalents at end of the period</b>	<b>11 367 720</b>	<b>16 825 944</b>
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	( 8 388 924 )	( 4 066 849 )
Depreciation / amortization expense	( 884 982 )	( 726 874 )
Finance cost	( 44 704 )	( 38 375 )
Profit on disposal of property and equipment	197 472	95 101
Gain / (loss) on disposal of investments / investment properties	279 181	( 2 154 051 )
Rental income	63 043	63 439
Dividend income	2 068 255	1 431 683
Other investment income	19 723 053	14 401 094
Profit on lease termination	3 088	17 519
Profit on deposits	266 728	163 058
Other income	13 872	18 241
Appreciation in market value of investments	5 820 275	1 267 517
Reversal in the value of available-for-sale equity investments	-	3 479
Gain on bargain purchase of net assets	164 959	-
Loss on disposal of investments	( 166 537 )	-
(Decrease) / increase in assets other than cash	( 3 740 230 )	7 797 677
Increase in liabilities other than running finance	( 12 421 598 )	( 17 905 138 )
<b>Profit after tax from conventional insurance operations</b>	<b>2 952 951</b>	<b>367 521</b>
Profit from window takaful operations - Operator's Fund	333 399	327 160
<b>Profit after tax</b>	<b>3 286 350</b>	<b>694 681</b>

The annexed notes 1 to 37 form an integral part of these consolidated condensed interim financial statements.

TANVEER SULTAN MOLEDINA Director	HASANALI ABDULLAH Director	ALTAF GOKAL Chief Financial Officer	KAMRAN ARSHAD INAM Managing Director & Chief Executive Officer	SAIFUDDIN N. ZOOMKAWALA Chairman
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Karachi 23 August 2024

# Consolidated Condensed Interim Statement of Changes in Equity For the six months period ended 30 June 2024 (Unaudited)

Rupees '000

	Attributable to equity holders of the Company									Total
	Capital reserves				Revenue reserves					
	Share capital	Reserve for exceptional losses	Unrealized gain / (loss) on revaluation of available-for-sale investment - net	Exchange translation reserve	General reserve	Unrealized gain on fair value of investment property	Unappropriated profit	Equity attributable to equity holder of parent	Non-controlling interest	
Balance as at 01 January 2023	2 000 000	12 902	(89 073)	142 661	13 000 000	1 885 773	106 701	17 058 964	4 279 886	21 338 850
<b>Total comprehensive income for the period ended 30 June 2023</b>										
Profit after tax	-	-	-	-	-	(168 875)	547 677	378 802	315 879	694 681
Other comprehensive loss	-	-	(219 352)	58 198	-	-	-	(161 154)	1 108	(160 046)
	-	-	(219 352)	58 198	-	(168 875)	547 677	217 648	316 987	534 635
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation- net of tax	-	-	-	-	-	-	14 942	14 942	13 388	28 330
Acquisition of NCI without a change in control	-	-	-	-	-	-	(24 272)	(24 272)	(16 794)	(41 066)
<b>Transactions with owners recorded directly in equity</b>										
Final dividend for the year 2022 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 2022 at the rate of Rs. 10.50 (105.00%) per share	-	-	-	-	-	-	-	-	(563 304)	(563 304)
1st Interim dividend paid for the year 2023 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300 000)	(300 000)	-	(300 000)
1st Interim dividend paid for the year 2023 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	-	-	(80 377)	(80 377)
Balance as at 30 June 2023	2 000 000	12 902	(308 425)	200 859	13 000 000	1 716 898	(754 952)	15 867 282	3 949 786	19 817 068
Balance as at 01 January 2024	2 000 000	12 902	614 826	195 722	13 000 000	1 802 531	1 424 395	19 050 376	4 327 868	23 378 244
<b>Total comprehensive income for the period ended 30 June 2024</b>										
Profit after tax	-	-	-	-	-	-	2 534 700	2 534 700	751 650	3 286 350
Other comprehensive income	-	-	715 434	(4 237)	-	-	-	711 197	6 431	717 628
	-	-	715 434	(4 237)	-	-	2 534 700	3 245 897	758 081	4 003 978
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation- net of tax	-	-	-	-	-	-	14 357	14 357	11 002	25 359
Acquisition of / (by) NCI without a change in control	-	-	-	-	-	-	(4 008)	(4 008)	682 597	678 589
<b>Transactions with owners recorded directly in equity</b>										
Final dividend for the year 2023 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 2023 at the rate of Rs. 10.50 (105.00%) per share	-	-	-	-	-	-	-	-	(551 764)	(551 764)
1st Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300 000)	(300 000)	-	(300 000)
1st Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	-	-	(87 924)	(87 924)
<b>Other transfer within equity</b>										
Transfer to general reserve	-	-	-	-	1 000 000	-	(1 000 000)	-	-	-
Balance as at 30 June 2024	2 000 000	12 902	1 330 260	191 485	14 000 000	1 802 531	1 569 444	20 906 622	5 139 860	26 046 482

The annexed notes 1 to 37 form an integral part of these consolidated condensed interim financial statements.

TANVEER SULTAN MOLEDINA  
Director

HASANALI ABDULLAH  
Director

ALTAF GOKAL  
Chief Financial Officer

KAMRAN ARSHAD INAM  
Managing Director &  
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 23 August 2024



# Notes to the Consolidated Condensed Interim Financial Statements For the six months period ended 30 June 2024 (Unaudited)

## 1. Legal status and nature of business

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

1.2 The group comprises of:

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

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

The Registered Office of the Holding Company is situated at Kamran Centre, 1st Floor, 85 East, Jinnah Avenue, Blue Area, Islamabad while the principal place of business is located at EFU House, M.A. Jinnah Road, Karachi. The Holding Company commenced Window Takaful Operations from 16 April 2015 as per Securities and Exchange Commission of Pakistan (SECP) Takaful Rules, 2012. The Holding Company operates through 31 (2023: 47) branches in Pakistan including a branch in Export Processing Zone (EPZ).

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

EFU Life Assurance Limited with 45.09 % effective holding was incorporated as public limited company on 09 August 1992 and started its operations from 18 November 1992. The Subsidiary Company is listed on Pakistan Stock Exchange Limited and is engaged in life insurance business including ordinary life business, pension fund business and accident and health business and has established following statutory funds, as required by the Insurance Ordinance, 2000:

- Investment linked business (includes individual life business)
- Conventional business (includes group life and individual life businesses)
- Pension business (unit-linked) \*
- Accident and health business
- Family takaful investment linked business
- Family takaful protection business
- Family Takaful Accidental and Health 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-I, DHA, Karachi. The Subsidiary Company commenced Window Takaful Operations on 06 February 2015 as per Securities and Exchange Commission of Pakistan (SECP) Takaful Rules, 2012.

1.2.3 The Board of directors of Subsidiary Company in their Board Meeting held on 28 September 2023 and subsequently in EOGM held on 23 October 2023 approved the acquisition of 100% shares of EFU Health Insurance Ltd against issuance of 5 million ordinary shares of face value PKR 10/- each without rights of the Subsidiary Company to EFU Services (Pvt) Ltd and sponsors of EFU Health Insurance Ltd under Share Subscription and Purchase Agreement in satisfaction of the consideration equal to PKR 500,000,000 at a SWAP ratio of 1 ordinary share of Subsidiary Company against every 10 ordinary shares of EFU Health Insurance Limited.

On 01 April 2024 pursuant to the approvals of the Board and after obtaining all the requisite corporate and regulatory approvals and compliance with all the applicable laws and regulation, the subsidiary company has acquired:

100 % i.e. on 01 April 2024 50 million ordinary voting shares and control of EFU Health Insurance Limited from sponsors and other shareholders of EFU Health Insurance Limited through Share subscription and Purchase Agreement. Accordingly on 01 April 2024 EFU Health Insurance Limited became a fully owned subsidiary of Subsidiary Company.

On 15 April 2024, the Board of directors of Subsidiary Company approved merger of EFU Health Insurance Limited (a fully owned subsidiary) with EFU Life Assurance Limited through scheme of Amalgamation under Section 284 of Company ordinance. The effective date of merger was set on 01 May 2024 in the said scheme of amalgamation.

#### Purchase Consideration

IFRS 3 requires that the consideration transferred in a business combination shall be measured at fair value on the date of acquisition resultantly a valuation of the EFU Health Assurance Limited was carried out as on 01 April 2024. Accordingly, the value of consideration transferred was calculated as follows:

Fair value per share of Subsidiary Company was calculated at Rs.137.26 per share. The total consideration transferred by Subsidiary Company was Rs. 686,323 thousand.

#### Fair value of already held interest

IFRS 3 requires that in a business combination achieved in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition date fair value and recognise the resulting gain or loss in profit or loss

Resultantly a fair value valuation was conducted of EFU Health as at 30 April 2024 fair value per share of EFU Health was calculated at Rs.10.396 per share. Therefore, Gain / (Loss) on remeasurement of previously held equity interest is summarised below:

	Rupees '000
Carrying value of investment in subsidiary as on 30 April 2024	686 323
Fair value of already held equity interest in subsidiary as on 30 April 2024	519 786
Loss on revaluation recognised in Profit and Loss	<u>( 166 537 )</u>

Subsequent to the period end, the Subsidiary Company has acquired 100% shares in the EFU Health Insurance Limited through share purchase agreement with the sponsors / shareholders of the EFU Health Insurance Limited against consideration of 50 million shares of EFU Life Assurance Limited.

	Rupees '000
Total assets	4 251 610
Total liabilities	<u>( 3 566 865 )</u>
Net asset	<u>684 745</u>
Bargain purchase gain on acquisition	
Consideration transferred	519 786
Less: Fair value of net identifiable assets acquired as at merger date	<u>684 745</u>
Bargain purchase gain	<u>164 959</u>

International Financial Reporting Standard 3, (IFRS 3) "Business Combinations", requires that all identified assets and liabilities acquired in a business combination should be carried at fair values in the acquirer's balance sheet and any intangible assets acquired in the business combination are required to be separately recognized and carried at fair values. Such valuation exercise pertaining to recognition of intangible assets acquired in the business combination is not yet completed and therefore this acquisition is being reported on the basis of provisional valuation.

The acquisition has been accounted for by applying the purchase method in accordance with the requirements of IFRS 3 'Business Combinations'. IFRS 3 allows the acquirer a maximum period of one year from the date of acquisition to finalize the accounting for business combination. Identified assets acquired, liabilities assumed or incurred have been carried at the fair value as at the acquisition date. The fair valuation exercise will be completed within the period of one year as allowed under IFRS 3. Any adjustment arising at the time of finalization of this exercise will be incorporated with retrospective effect from the date of acquisition.

EFU Health Insurance Limited was incorporated in Pakistan on 15 May 2000 as a Public Limited Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and has its Registered Office at 37-K, Block-6, PECH Society, Karachi. The principal activity of the Company is to sell Health Insurance cover in Pakistan.

The EFU Health Insurance Limited was authorized to undertake Window Takaful Operations (WTO) on 14 March 2017 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. The EFU Health Insurance Ltd. Commenced Window Takaful Operations on 01 April 2017.

#### 1.2.4 Acquisition of Business Segment

The Subsidiary Company had acquired call center operations and telemedicine setup (the business segment) of Hello Doctor Pvt Limited via "Business Purchase Agreement" in the year 2023.

International Financial Reporting Standard 3 (IFRS 3) "Business Combinations", requires that all identified assets and liabilities acquired in a business combination should be carried at fair values in the acquirer's balance sheet and any intangible assets acquired in the business combination are required to be separately recognized and carried at fair values. However, IFRS 3 also allows the acquirer a maximum of one year from the date of acquisition to finalize the accounting of business combination.

In 2023, since valuation exercise was not completed, the subsidiary company recognized the assets acquired at their fair value and the difference between the consideration transferred and the fair value of identifiable assets was recognized as goodwill amount to Rs. 78.205 million on the basis of provisional valuation.

Subsequently, The Subsidiary Company completed its valuation of the business segment purchased and considers that the customer relationships (Client Base) of this business segment is eligible for recognition as a separate asset at the date of acquisition. Hence, The Subsidiary Company has retrospectively adjusted these financial statements for recognizing intangible assets separately from goodwill, from the date of acquisition. As the measurement period has not ended, the Subsidiary Company has not applied the requirements of IAS-8.

The impact of the above correction in the consolidated condensed interim financial statement has been disclosed below:

	Rupees '000		
<u>Head of Account</u>	<u>Balance previously reported</u>	<u>Adjustment</u>	<u>Balance Restated</u>
Intangible	5 570 969	( 2 784 )	5 568 185
Unappropriated profit	1 425 192	( 797 )	1 424 395
Non-controlling interest	4 328 769	( 901 )	4 327 868
Deferred taxation	3 954 208	( 1 086 )	3 953 122

On the basis of valuation out of Rs. 78.205 million recognized goodwill, Rs. 77.950 million is reclassified as customer relationship.

## 2. Basis of preparation and statement of compliance

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;

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; and

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 Company's audited annual consolidated financial statements for the year ended 31 December 2023.

### 2.1 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.

### 2.2 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 2024 but are considered not to be relevant or do not have any significant effect on the Group's operations and therefore not detailed in these consolidated condensed interim financial statements.

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

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

<b>Amendments</b>	<b>Effective date (annual periods beginning on or after)</b>
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Lack of Exchangeability - Amendment to IAS 21	01 January 2025

Pursuant to the requirements of Securities and Exchange Commission of Pakistan SRO 1715 (I)/2023 dated 21 November 2023 IFRS 17 "Insurance Contracts", is applicable to the companies engaged in insurance/takaful and re-insurance/ re-takaful business from financial years commencing on or after 01 January 2026.

IFRS 17, replaces IFRS 4 Insurance Contracts. The new standard will apply to all entities that issue insurance and reinsurance contracts, and to all entities that hold reinsurance contracts. This standard requires entities to identify contracts and its terms and to assess whether they meet the definition of an insurance contract or includes components of an insurance contract. Insurance contracts are required to account for under the recognition / derecognition of IFRS-17. Companies subject to the requirement of SRO will also be required to adopt requirements of IFRS-9 from the date of transition. On initial application of IFRS 17, comparative information for insurance contracts is restated in accordance with IFRS 17, whereas comparative information for related financial assets might not be restated in accordance with IFRS 9 if the insurer is initially applying IFRS 9 at the same date as IFRS 17.

SECP through its SRO 506(I)/2024 has directed that the applicability period of optional temporary exemption from applying IFRS 9 - Financial Instrument as given in para 20A of IFRS 4 - Insurance Contracts is extended for annual periods beginning before 01 January 2026, subject to fulfilling the same conditions as are prescribed by para 20B of IFRS 4.

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

<b>Standards</b>	<b>Effective date (annual periods beginning on or after)</b>
IFRS 1 First-time Adoption of International Financial Reporting Standards	01 January 2024

### 3. Summary of material accounting policies

The material accounting policies and method of computation adopted in preparation of consolidated condensed interim financial statements are consistent to all years presented in these consolidated condensed interim financial statements.

### 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 2023.

### 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 2023.

## 6. Property and equipment

The additions and deletions of property and equipment during the six months period ended 30 June 2024 are as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
		Rupees '000
6.1		
Written down value		
Land	3 281 930	3 281 930
Buildings	3 750 696	3 873 174
Vehicles	916 426	773 667
Furniture and fixtures	251 454	241 105
Right of use assets - buildings	626 227	666 831
Office equipment	236 219	256 687
Computer equipment	716 200	495 689
Leasehold improvement	73 702	77 106
	<u>9 852 854</u>	<u>9 666 189</u>
6.2		
Additions		
Building	6 365	116 797
Computer equipment	423 101	481 686
Vehicles	322 350	394 325
Right of use assets - buildings	82 969	248 629
Furniture and fixtures	36 309	9 909
Office equipment	7 315	58 912
Leasehold improvements	18 911	16 432
	<u>897 320</u>	<u>1 326 690</u>

## 7. Intangible assets

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
		Rupees '000 (Restated)
7.1		
Written down value		
Computer softwares	182 210	190 125
Goodwill	4 825 321	4 825 572
Customer relationships	357 438	552 488
	<u>5 364 969</u>	<u>5 568 185</u>
7.2		
Additions		
Computer softwares	32 455	207 358
Goodwill	-	251
Customer relationships	-	77 954
	<u>32 455</u>	<u>285 563</u>

## 8. Investment property

Rupees '000

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Land	2 151 970	2 151 970
Building	1 040 000	1 040 000
	<u>3 191 970</u>	<u>3 191 970</u>

- 8.1 Investment property, except a land, are carried at fair value amounting to Rs. 3,190 million. The fair value of investment property was determined in December 2023 by Hamid Mukhtar & Co. (Pvt) Ltd on 20 January 2024 and Iqbal A. Nanjee & Co. (Pvt) Ltd. on 21 February 2024, both external and independent property valuers having appropriate recognized professional qualifications, for the Lahore and Karachi properties respectively. The fair value of the land carried at cost amounting to Rs. 1.47 million cannot be reliably measured due to an ongoing legal dispute between the Holding Company and the KWSB for the possession of the said land.

The fair value of investment properties has been categorized as a level 3 fair value (based on input to the valuation techniques used).

## 9. Investment in equity securities

Rupees '000

	30 June 2024 (Unaudited)			31 December 2023 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
<b>At available-for-sale</b>						
<b>Related Party</b>						
Listed shares	667 754	( 357 963 )	309 791	607 000	( 319 416 )	287 584
Mutual funds	937 466	–	937 466	841 552	–	841 552
	1 605 220	( 357 963 )	1 247 257	1 448 552	( 319 416 )	1 129 136
<b>Others</b>						
Listed shares	2 079 398	( 411 495 )	1 667 903	2 220 530	( 431 531 )	1 788 999
Unlisted shares	192 319	( 191 811 )	508	192 319	( 191 811 )	508
Mutual funds	4 894	–	4 894	4 894	–	4 894
	2 276 611	( 603 306 )	1 673 305	2 417 743	( 623 342 )	1 794 401
Surplus on revaluation			2 409 539			1 633 256
			<u>5 330 101</u>			<u>4 556 793</u>
<b>At fair value through profit and loss (Designated-upon initial recognition)</b>						
<b>Related Party</b>						
Listed shares	36 609	–	117 085	36 609	–	89 984
Mutual funds	1 975 454	–	2 045 505	1 783 199	–	1 848 311
	2 012 063	–	2 162 590	1 819 808	–	1 938 295
<b>Others</b>						
Listed shares	21 386 704	–	30 332 196	18 815 772	–	22 101 372
Mutual funds	448 345	–	494 324	989	–	2 107
	21 835 049	–	30 826 520	18 816 761	–	22 103 479
			<u>32 989 110</u>			<u>24 041 774</u>
			<u>38 319 211</u>			<u>28 598 567</u>

## 10. Investment in debt securities

Rupees '000

	30 June 2024 (Unaudited)			31 December 2023 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
<b>Held to maturity</b>						
Government securities	12 050 480	–	12 050 480	10 770 744	–	10 770 744
<b>Available-for-sale</b>						
<b>Related party</b>						
Term Finance Certificates	40 637	(40 637)	–	40 637	(40 637)	–
<b>Others</b>						
Government securities	14 048 568	–	14 048 568	13 328 072	–	13 328 072
Term Finance Certificates	200 000	–	200 000	200 000	–	200 000
Corporate Sukuks	102 000	–	102 000	102 000	–	102 000
			14 350 568			13 630 072
Deficit on revaluation			(223 532)			(647 508)
			14 127 036			12 982 564
<b>Fair value through profit and loss</b> (Designated-upon initial recognition)						
Government securities	157 185 559	–	156 774 018	143 144 957	–	143 144 957
Term Finance Certificates	5 021 667	–	4 989 842	5 592 836	–	5 592 836
Corporate Sukuks	1 752 544	(37 500)	1 734 753	1 870 922	(37 500)	1 833 422
Certificates of investment	981 000	–	981 000	981 000	–	981 000
			164 479 613			151 552 215
			190 657 129			175 305 523

- 10.1 The amount of Pakistan Investment Bonds includes Rs. 235 million (31 December 2023: Rs. 235 million) deposited with the State Bank of Pakistan as required by Section 29 of the Insurance Ordinance, 2000 by Holding Company.
- 10.2 The rate on Government securities ranges from 7.50 % to 22.98 % (31 December 2023: 7.00 % to 23.72 %) with the maturity tenure upto 2029.
- 10.3 The rate on term finance certificates ranges from 21.39 % to 23.74 % (31 December 2023: 22.64 % to 24.48 %) having perpetual maturity.
- 10.4 The rate of profit on corporate sukuk having perpetual maturity ranges from 23.64 % to 23.79 % (31 December 2023: 23.88 % to 25.68 %) and on corporate sukuk having maturity tenure upto 2032 ranges from 22.95 % to 23.08 % (31 December 2023: 22.84 % to 25.00 %).

## 11. Term deposit

Rupees '000

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<b>Deposits maturing within 12 months</b>			
Term deposits certificates - local currency	11.1 & 11.3	6 680 429	7 786 428
Term deposits certificates - foreign currency	11.2	644 360	618 684
		<u>7 324 789</u>	<u>8 405 112</u>

- 11.1 The rate of return on term deposit certificates issued by banks ranges from 19.50 % to 23.20 % per annum (31 December 2023: 20.50 % to 23.20 % per annum) depending on tenure. These term deposit certificates have maturities upto September 2024.
- 11.2 The rate of return on foreign currency term deposit certificates issued by various banks range from is 3.25 % to 5.25 % per annum (31 December 2023: 2.75 % per annum) depending on tenure. These term deposit certificates have maturities upto October 2024.
- 11.3 This includes an amount of Rs. 13 million (31 December 2023: Rs. 13 million) placed under lien with commercial banks against bank guarantees and credit facility of corporate credit cards.



12. Loans and other receivables - considered good

Rupees '000

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Accrued investment income		3 212 210	3 411 308
Advances to employees		498 167	476 524
Advances to suppliers		183 922	477 566
Security deposits		108 355	103 530
Loans to employees		65 663	65 061
Other receivables		663 443	419 876
		<u>4 731 760</u>	<u>4 953 865</u>
<b>13. Insurance / Reinsurance Receivables - Unsecured &amp; considered good</b>			
Due from insurance contract holders		9 325 253	9 008 280
Provision for impairment of receivables from insurance contract holders		( 1 186 )	( 1 059 )
		<u>9 324 067</u>	<u>9 007 221</u>
Due from other insurers / reinsurers		543 728	683 987
		<u>9 867 795</u>	<u>9 691 208</u>
<b>14. Prepayments</b>			
Prepaid reinsurance premium ceded	21	10 286 777	12 479 228
Software and hardware support services		–	1 424
Prepaid tracker expense		33 296	33 637
Annual supervision fee		23 171	–
Others		189 559	149 641
		<u>10 532 803</u>	<u>12 663 930</u>
<b>15. Cash and Bank</b>			
Cash and cash equivalents			
Cash in hand		2 111	34
Policy, revenue stamps and bond papers		42 253	40 321
		44 364	40 355
Cash at bank			
Current accounts		690 484	1 716 984
Saving accounts	15.1 & 15.2	3 706 176	5 584 314
		<u>4 396 660</u>	<u>7 301 298</u>
		<u>4 441 024</u>	<u>7 341 653</u>

15.1 The rate of return on saving accounts from various banks ranges from 19.50 % to 20.50 % per annum (2023: 14.50 % to 20.85 % per annum) depending on the size of average deposits.

15.2 This includes an amount of Rs. 26 million (31 December 2023: Rs. 26 million) under lien with commercial banks against bank guarantees.

Cash and cash equivalents include the following for the purposes of the cash flow statement:

	30 June 2024 (Unaudited)	30 June 2023 (Audited)
Cash and cash equivalents	2 626 611	6 431 095
Term deposit maturing within three months	8 741 109	10 394 849
	<u>11 367 720</u>	<u>16 825 944</u>

Rupees '000

## 16. Share capital

### 16.1 Authorized capital

Number of shares '000		Rupees '000	
30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<u>200 000</u>	<u>200 000</u>	<u>2 000 000</u>	<u>2 000 000</u>

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

Number of shares '000		Rupees '000	
30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
250	250	2 500	2 500
199 750	199 750	1 997 500	1 997 500
<u>200 000</u>	<u>200 000</u>	<u>2 000 000</u>	<u>2 000 000</u>

Ordinary shares of Rs. 10 each, fully paid in cash

Ordinary shares of Rs. 10 each, issued as fully paid bonus shares

## 17. Reserves

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Capital reserve			
Reserve for exceptional losses	17.1	12 902	12 902
Revaluation reserve for unrealized gains on available-for-sale investments - net		1 330 260	614 826
Exchange translation reserves		191 485	195 722
Revenue reserves			
General reserves		14 000 000	13 000 000
Reserve for change in fair value of investment property - net		1 802 531	1 802 531
		<u>17 337 178</u>	<u>15 625 981</u>

Rupees '000

17.1 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.

## 18. Insurance liabilities – life insurance business

Rupees '000

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Reported outstanding claims	18.1	7 230 767	6 138 861
Incurred but not reported claims	18.2	1 520 647	1 421 457
Investment component of unit-linked and account value policies	18.3	201 926 634	185 930 975
Liabilities under individual conventional insurance contracts	18.4	770 160	856 133
Liabilities under group insurance contracts (other than investment linked)	18.5	2 913 555	1 530 264
Participant's Takaful Fund Balance		863 265	647 198
		<u>215 225 028</u>	<u>196 524 888</u>
18.1 Reported outstanding claims			
Gross of reinsurance			
Payable within one year		6 569 529	5 626 042
Payable over a period of time exceeding one year		1 218 314	896 688
		<u>7 787 843</u>	<u>6 522 730</u>
Recoverable from reinsurers			
Receivable over a period of time exceeding one year		( 557 076 )	( 383 869 )
Net reported outstanding claims		<u>7 230 767</u>	<u>6 138 861</u>
18.2 Incurred but not reported claims			
Gross of reinsurance		2 016 771	1 800 124
Reinsurance recoveries		( 496 124 )	( 378 667 )
Net of reinsurance		<u>1 520 647</u>	<u>1 421 457</u>
18.3 Investment component of unit-linked and account			
Investment component of unit linked policies		201 926 634	185 930 975
		<u>201 926 634</u>	<u>185 930 975</u>
18.4 Liabilities under Individual conventional insurance contracts			
Gross of reinsurance		969 816	1 066 897
Reinsurance credit		( 199 656 )	( 210 764 )
Net of reinsurance		<u>770 160</u>	<u>856 133</u>
18.5 Liabilities under group insurance contracts (other than investment linked)			
Gross of reinsurance		3 882 957	1 713 199
Reinsurance credit		( 969 402 )	( 182 935 )
Net of reinsurance		<u>2 913 555</u>	<u>1 530 264</u>

## 19. Other creditors and accruals

Rupees '000

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Other deposits	1 375 910	1 418 139
Agent commission payable	1 340 432	1 771 018
Accrued expenses	1 012 622	1 269 694
Lease liability	763 356	790 177
Unclaimed / unpaid dividends	614 906	581 607
Sales tax payable	409 391	198 961
Workers' welfare fund	396 301	274 995
Provision for leaves	174 377	190 848
Unearned rentals	108 909	48 558
Federal insurance fee payable	32 219	18 323
Others	693 956	452 446
	<u>6 922 379</u>	<u>7 014 766</u>

## 20. Contingencies and commitments

20.1 The status of the contingencies and commitment remains unchanged as disclosed in the annual audited consolidated financial statement as 31 December 2023 with following notable exception.

### 20.2 Holding Company

The Holding Company filed an appeal with the Commissioner of Inland Revenue (Appeals) challenging the adjustments made by the Commissioner of Inland Revenue (Audit) for the tax year 2022. These adjustments primarily pertained to disallowed expenses which resulted in increase of taxable income and application of super tax under Section 4C of the Income Tax Ordinance 2001, as amended by the Finance Act 2022. The Holding Company deposited the additional tax demand of Rs. 163 million in protest. While the Commissioner of Inland Revenue (Appeals) ruled in favour of the Holding Company by annulling the additions related to expenses, but they upheld the imposition of the super tax. Subsequently, the Holding Company has appealed to the Honourable High Court of Sindh. Notably, the High Court of Sindh has recently issued favourable orders for other taxpayers facing similar cases.

### 20.3 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.13.833 million and Rs.15.014 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. The amount involved is Rs. 3.279 million.

#### 20.3.1 Income Tax Assessments - Health

20.3.1.1 The income tax assessments of the Health Insurance have been finalized up to tax year 2007. Subsequent returns up to tax year 2023 have been filed under self-assessment scheme.

20.3.1.2 The Subsidiary Company has filed an appeal with Income Tax Appellate Tribunal in respect of tax year 2008 against the order of CIR-Appeals for disallowed adjustment of a minimum tax of Rs. 3.78 million. Another order of ACIR received on same ground, the Subsidiary Company filed appeal against the ACIR order on ground, that since the appeal against order of CIR(A) is still pending before the ITAT, the remand back proceedings may not be finalized.

20.3.1.3 The Tax department has filed Civil appeals for the tax years 2009 and 2010 before the Honorable Supreme Court of Pakistan, against the decision of the Honorable High Court of Sindh in respect of disallowed proration of expenses, if these appeals are decided against the Subsidiary Company, the additional tax liability is estimated to be Rs. 2.99 million.

20.3.1.4 The Tax department has filed appeal before the Income Appellate Tribunal against the decision of the Commission I.R.- Appeals allowing the taxation of Dividend Income on reduce rate and charging of WWF for the tax year 2014 in favour of the Subsidiary Company. The tax impact of the said appeal is estimated to be Rs. 6.19 million.

20.3.1.5 The Tax department has filed appeals before the Income Appellate Tribunal against the decision of the Commission I.R.- Appeals, allowing the taxation of Dividend Income on reduce rate for tax year 2015 in favour of the Subsidiary Company. The tax impact of the said appeal is estimated to be Rs. 2.75 million.

20.3.1.6 The Subsidiary Company has filed an appeal before the Income Tax Appellate Tribunal against the decision of the Commissioner I.R - Appeals, disallowing the levy of SWWF and the tax department has filed an appeal before the ITAT against the decision of CIR-Appeals allowing taxation of Dividend Income on normal tax rate for tax year 2016. The additional tax impact of the said appeals is estimated to be Rs. 4.37 million.

20.3.1.7 The Subsidiary Company has filed an appeal with Income Tax Appellate Tribunal (ITAT) related to Tax year 2017 in respect of fair market value confirmed by the CIR (A) for disposal of fixed assets by the Subsidiary Company. Furthermore, the tax department also has filed appeal with ITAT against the decision of the Commissioner-Appeals related to commission expense and provision for compensated absence allowed in favour of the Subsidiary Company. The additional tax impact of the said appeals is estimated to Rs. 0.52 million.

20.4 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%.

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.

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 05 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 July 1, 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. 4,056 million (2023: Rs. 3,537 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.

#### 20.4.1 Provincial Sales Tax on Health Insurance

Under the Sindh Sales Tax Act, 2011, Sindh sales tax (SST) is payable on premium on corporate health insurance policies written in the province of Sindh. However, the Sindh Revenue Board (SRB) vide its first notification SRB-3-4/5/2019 dated 08 May 2019 has exempted SST for the period from 01 July 2016 to 30 June 2019. SRB maintained this exemption via various notifications till June 2023.

With effect from 01 July 2023, the Sindh Revenue Board (SRB), not extended the exemption on health insurance.

This being a collective issue of the industry, the Insurance Association of Pakistan (IAP) had taken up the matter with the Sindh Revenue Board (SRB) for restoration of the exemptions that were not extended. The management of the Subsidiary Company sought a legal opinion from their legal advisors, who confirmed the Subsidiary Company's contention that health insurance is not a service, but infact, an underwriter's promise to pay to its policyholders in the future, as is also clearly defined in the definition of the term "insurance" under the Insurance Ordinance, 2000. Such contention of the Subsidiary Company and the insurance industry has also been upheld in the superior courts of foreign jurisdiction, where, in a majority of jurisdictions it has been widely held that insurance is not a service. The insurance industry at the IAP forum has decided to challenge the matter and a constitutional petition has been filed at the Honorable Sindh High Court.

In view of the above, the Subsidiary Company is not charging sales tax on the policies written in the province of Sindh, nor recognized the liability for SST in the financial statement. The amount involved as of 30 June 2024, Rs. 354.31 million (31 December 2023: Rs. 128.08).

With effect from 01 November 2018, the Punjab Revenue Authority (PRA), withdrew the exemption on health insurance.

This being a collective issue of the industry, the Insurance Association of Pakistan (IAP) had taken up the matter with the Punjab Revenue Authority (PRA) for restoration of the exemptions that were withdrawn. The management of the Company sought a legal opinion from their legal advisors, who confirmed the Subsidiary Company's contention that health insurance is not a service, but infact, an underwriter's promise to pay to its policyholders in the future, as is also clearly defined in the definition of the term "insurance" under the Insurance Ordinance, 2000. Such contention of the Subsidiary Company and the insurance industry has also been upheld in the superior courts of foreign jurisdiction, where, in a majority of jurisdictions it has been widely held that insurance is not a service.

Based on the above contentions, the Subsidiary Company and other insurance companies have challenged the levy of Punjab Sales Tax (PST) on health insurance in the Hon'ble Lahore High Court (LHC) in the month of September 2019. The Hon'ble LHC, in their order dated 03 October 2019, has granted a stay to the Subsidiary Company and all petitioners against any coercive measures for recovery by the PRA. The hearing of the petition is currently in progress. In view of the pending adjudication, the Subsidiary Company, has not charged PST to its clients, nor recognized the contingent amount of PST liability in these financial statements as the management is confident that the final outcome will be in favor of the Subsidiary Company.

Furthermore, PRA vide its notification SO (Tax) 1-110/2020 (COVID-19) dated 02 April 2020 exempted PST on health insurance for the period from 02 April 2020 till 30 June 2020.

In view of the above, the Subsidiary Company is not charging sales tax on the policies written in the province of Punjab, nor recognized the liability for PST in the financial statement. The amount involved as of 30 June 2024, except for the exempt period, amounts to Rs. 825.76 million (31 December 2023: 743.77 million).

- 20.5 Bank guarantees amounting to Rs. 47.96 million have been given in respect of Group Life coverage. These bank guarantees will expire on 31 December 2024.
- 20.6 There are no commitments as at 30 June 2024 (31 December 2023: Nil).

## 21. Net insurance premium

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Written gross premium	16 550 424	18 240 841	34 327 862	34 537 205
Unearned premium reserve - opening	17 987 943	14 209 843	19 546 386	14 167 219
Unearned premium reserve - closing	( 16 141 444 )	( 15 837 132 )	( 16 141 444 )	( 15 837 132 )
Premium earned	18 396 923	16 613 552	37 732 804	32 867 292
Less:				
Reinsurance premium ceded	6 039 442	7 371 784	11 248 235	11 923 260
Prepaid reinsurance premium - opening	10 772 221	7 997 766	12 479 228	8 489 684
Prepaid reinsurance premium - closing	( 10 286 777 )	( 10 264 075 )	( 10 286 777 )	( 10 264 075 )
Reinsurance expense	6 524 886	5 105 475	13 440 686	10 148 869
	<u>11 872 037</u>	<u>11 508 077</u>	<u>24 292 118</u>	<u>22 718 423</u>
<b>22. Net insurance claims expense</b>				
Claims Paid	11 909 220	10 543 257	23 537 174	19 415 067
Outstanding claims including IBNR - closing	10 733 494	14 985 471	10 733 494	14 985 471
Outstanding claims including IBNR - opening	( 10 841 023 )	( 11 136 879 )	( 10 774 706 )	( 10 368 176 )
Claims expense	11 801 691	14 391 849	23 495 962	24 032 362
Less:				
Reinsurance and other recoveries received	1 055 253	1 516 371	1 747 324	1 988 822
Reinsurance and other recoveries in respect of outstanding claims - opening	( 6 840 725 )	( 7 126 779 )	( 7 009 843 )	( 6 503 793 )
Reinsurance and other recoveries in respect of outstanding claims - closing	6 900 645	10 130 807	6 900 645	10 130 807
Reinsurance and other recoveries revenue	1 115 173	4 520 399	1 638 126	5 615 836
	<u>10 686 518</u>	<u>9 871 450</u>	<u>21 857 836</u>	<u>18 416 526</u>
<b>23. Net commission and acquisition costs</b>				
Commission paid or payable	1 858 023	1 928 814	3 735 084	3 791 373
Deferred commission expense - opening	1 291 301	1 038 830	1 491 266	1 111 775
Deferred commission expense - closing	( 1 135 831 )	( 985 268 )	( 1 135 831 )	( 985 268 )
Net commission	2 013 493	1 982 376	4 090 519	3 917 880
Less:				
Commission received or recoverable	104 405	97 712	235 363	200 931
Unearned reinsurance commission - opening	279 377	200 556	302 821	201 585
Unearned reinsurance commission - closing	( 233 398 )	( 187 698 )	( 233 398 )	( 187 698 )
Commission from reinsurers	150 384	110 570	304 786	214 818
Other acquisition cost	287 579	232 653	629 657	600 529
	<u>2 150 688</u>	<u>2 104 459</u>	<u>4 415 390</u>	<u>4 303 591</u>



## 24. Investment income

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Income from equity securities				
Available-for-sale				
Dividend income - Equity shares	157 799	93 696	283 509	175 879
Dividend income - Mutual funds	875	4 269	875	4 269
Fair value through profit and loss				
Dividend income	887 568	615 862	1 784 783	1 254 195
Income from debt securities				
- Available-for-sale				
Return on debt securities	502 196	392 517	999 281	782 072
- Held to maturity				
On government securities	311 697	391 949	635 990	655 519
Return on debt securities	138 405	114 901	246 521	160 288
- Fair value through profit and loss				
Return on debt securities	552 301	444 998	1 212 880	886 328
On government securities	7 913 757	5 904 087	15 571 736	10 719 211
Income from term deposits				
Return on term deposits	339 900	495 640	680 025	899 310
	10 804 498	8 457 919	21 415 600	15 537 071
Net realized gains / (losses) on investments				
Available-for-sale financial assets				
Realized gains on: Equity securities	6 245	–	12 737	25 995
Realized losses on:				
Equity securities	(2 757)	–	(2 757)	–
Net unrealized gains on investments	3 488	–	9 980	25 995
Fair value through profit and loss				
Realized gains on: Equity securities	2 843	–	2 843	–
Realized losses on: Equity securities	(259)	–	(259)	–
	2 584	–	2 584	–
Net unrealized losses on investments				
Fair value through profit and loss	(167)	–	(167)	–
(Impairment) / reversal in value of available-for-sale equity securities	(3 438)	23 219	(8 399)	(68 090)
Investment related expenses	(450)	(130)	(741)	(449)
	10 806 515	8 481 008	21 418 857	15 494 527
<b>25. Net realized fair value (losses) / gains on financial assets at fair value through profit and loss</b>				
Realized gain on:				
Equity securities	358 007	10 353	489 861	101 269
Government securities	14 004	–	14 004	–
Realized losses on				
Equity securities	–	(600 149)	–	(2 280 205)
Government securities	(184 703)	(61 404)	(237 248)	(1 110)
	187 308	(651 200)	266 617	(2 180 046)

26. Net fair value gains on financial assets at fair value through profit and loss - unrealized		Three months period ended		Six months period ended	
		30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
		Rupees '000			
Net unrealized (losses) / gains on investments in financial assets - government securities and debt securities (fair value through profit or loss designated upon initial recognition)		513 194	933 659	( 234 904 )	( 582 277 )
Net unrealized gains on investments at fair value through profit or loss (designated upon initial recognition) - Equity securities		3 983 077	295 396	5 736 959	1 656 991
Investment income		4 496 271	1 229 055	5 502 055	1 074 714
Exchange gain		5 535	2 461	5 535	66 877
Provision of (impairment) / reversal in value of available-for-sale securities		( 732 )	14 752	-	3 479
Less: Investment related expenses		( 413 )	-	( 589 )	( 157 )
		<u>4 500 661</u>	<u>1 246 268</u>	<u>5 507 001</u>	<u>1 144 913</u>
<b>27. Other income</b>					
Return on bank balances		146 315	90 110	266 728	163 058
Gain on sale of property and equipment		83 326	49 855	197 476	95 101
Return on loans to employees		7 709	7 729	15 277	14 381
Fee charged to policyholders		5 384	5 239	11 144	10 146
Gain on early termination of lease contracts		501	17 589	3 296	17 589
Exchange difference		( 962 )	( 983 )	( 1 614 )	3 789
Others		1 851	8	1 863	13
		<u>244 124</u>	<u>169 547</u>	<u>494 170</u>	<u>304 077</u>
<b>28. Profit from Window takaful operations - General takaful operator's fund</b>					
Wakala fee		276 204	295 923	565 072	578 967
Commission expense		( 86 330 )	( 85 850 )	( 176 074 )	( 170 824 )
General administrative and management expense		( 118 512 )	( 109 579 )	( 225 673 )	( 212 967 )
Modarib's share of PTF investment income		34 616	23 780	67 761	47 150
Investment income		52 035	46 293	102 593	80 692
Direct expenses		( 3 617 )	( 495 )	( 7 598 )	( 604 )
Other income		3 461	2 771	7 318	4 746
		<u>157 857</u>	<u>172 843</u>	<u>333 399</u>	<u>327 160</u>
<b>29. Taxation</b>					
For current period					
Current		597 280	303 058	1 776 430	1 038 854
Deferred		25 676	390 318	118 617	302 048
Super tax		613 379	358 893	613 379	358 893
		<u>1 236 335</u>	<u>1 052 269</u>	<u>2 508 426</u>	<u>1 699 795</u>
For prior period					
Super tax		-	340 999	-	340 999
		<u>1 236 335</u>	<u>1 393 268</u>	<u>2 508 426</u>	<u>2 040 794</u>
<b>30. Earnings per share - basic and diluted</b>					
Profit / (loss) after tax for the period (Rupees '000)		<u>1 412 104</u>	<u>( 212 674 )</u>	<u>2 534 700</u>	<u>378 802</u>
Weighted average number of ordinary shares (Numbers '000)		<u>200 000</u>	<u>200 000</u>	<u>200 000</u>	<u>200 000</u>
Earnings per share (Rupees)		<u>7.06</u>	<u>( 1.06 )</u>	<u>12.67</u>	<u>1.89</u>

### 31. 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:

	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
<b>Transactions</b>		
<b>Associated companies</b>		
Premium written	191 441	200 206
Premium paid	42 650	66 871
Claims paid	121 030	47 405
Commission paid	72 101	72 637
Travelling expenses	17 979	8 692
Donation paid	3 470	6 200
Dividend received	–	18 431
Dividend paid	1 021 194	991 013
Interest on bank deposits	398 815	566 705
Purchase of vehicle	13 362	48 095
Investment made	289 135	2 293 300
Investment sold	6 364 000	5 340 000
Bank deposit / (withdrawn)	6 480 000	8 511 000
Loan recovered	1 428	–
<b>Key management personnel</b>		
Premium written	1 563	1 056
Claims paid	137	409
Dividend paid	4 818	8 083
Loan to key employees	2 400	4 200
Loan recovered	9 828	3 562
Compensation	242 407	248 066
<b>Others</b>		
Premium written	5 511	7 475
Claims paid	12 643	44 399
Dividend paid	469 619	465 724
Brokerage paid	663	241
<b>Employees' funds</b>		
Contribution to provident fund	53 437	46 330
Contribution to gratuity fund	16 025	17 306
Contribution to pension fund	16 258	17 255
Dividend paid	3 146	3 146
	<b>30 June 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
<b>Balances</b>		
<b>Others</b>		
Balances receivable	63 562	47 390
Balances payable	2 886	3 973
Bank deposits	2 929 429	7 816 929
Bank balances	1 798 230	1 972 396
<b>Employees' funds receivable / (payable)</b>		
EFU gratuity fund	( 25 403 )	( 83 233 )
EFU pension fund	94 210	69 224



Rupees '000

For the six months period ended 30 June 2023 (Unaudited)

	General Insurance				Treaty	Aggregate General Insurance	Life Assurance		Aggregate Life Assurance	Total
	Fire and property damage		Marine, aviation and transport				Shareholders' Fund	Statutory Funds		
	Motor	Miscellaneous	Motor	Miscellaneous						
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	12 352 830	3 993 915	2 055 828	1 269 266	-	19 671 839	-	17 569 829	37 241 668	
Less: Sales tax	1 584 527	440 602	255 117	161 497	-	2 441 743	-	-	2 441 743	
Stamp duty	169	91 611	565	451	-	92 796	-	-	92 796	
Federal insurance fee	106 782	34 266	17 895	10 981	-	169 924	-	-	169 924	
Gross written premium (inclusive of administrative surcharge)	10 661 352	3 427 436	1 782 251	1 096 337	-	16 967 376	-	17 569 829	34 537 205	
Gross direct premium	10 647 027	3 400 869	1 697 696	1 087 036	-	16 832 628	-	17 569 829	34 402 457	
Facultative inward premium	1 012	827	-	2 106	-	3 945	-	-	3 945	
Administrative surcharge	13 313	25 740	84 555	7 195	-	130 803	-	-	130 803	
Insurance premium earned	10 620 801	1 867 061	1 901 695	907 906	-	15 297 463	-	17 569 829	32 867 292	
Insurance premium ceded to reinsurers	(8 133 299)	(952 416)	(16 708)	(329 877)	-	(9 432 300)	-	(7 16 569)	(10 148 869)	
Net insurance premium	2 487 502	914 645	1 884 987	578 029	-	5 865 163	-	16 853 260	22 718 423	
Commission income	181 801	10 339	14	22 664	-	214 818	-	-	214 818	
Net underwriting income	2 669 303	924 984	1 885 001	600 693	-	6 079 981	-	16 853 260	22 933 241	
Insurance claims	(6 171 019)	(1 534 734)	(916 778)	(248 608)	-	(8 871 139)	-	(15 161 223)	(24 032 362)	
Insurance claims recovered from reinsurers	4 101 531	1 152 217	(1 234)	45 413	-	5 297 927	-	317 909	5 615 836	
Net claims	(2 069 488)	(382 517)	(918 012)	(203 195)	-	(3 573 212)	-	(14 843 314)	(18 416 526)	
Commission expense	(776 124)	(160 089)	(183 599)	(74 714)	-	(1 194 526)	-	(3 323 883)	(4 518 409)	
Management expenses	(728 147)	(253 186)	(546 254)	(170 081)	-	(1 697 668)	-	(1 828 258)	(3 525 926)	
Net insurance claims and expenses	(3 573 759)	(795 792)	(1 647 865)	(447 990)	-	(6 465 406)	-	(19 995 455)	(26 460 861)	
Underwriting result	(904 456)	129 192	237 136	152 703	-	(385 425)	-	(3 142 195)	(3 527 620)	
Net investment income						900 566	-	14 593 961	15 494 527	
Net realized fair value losses on financial assets						-	-	(2 180 046)	(2 180 046)	
Net fair value gains on financial assets at fair value through profit and loss						-	-	1 144 913	1 144 913	
Net-change in insurance liabilities (other than outstanding claims)						-	-	(8 814 649)	(8 814 649)	
Rental income						63 439	-	-	63 439	
Other income						218 301	-	85 776	304 077	
Other expense						(48 676)	-	(27 650)	(76 326)	
Profit before tax from general takaful operations - OPF						327 160	-	-	327 160	
Profit before tax						1 075 365	-	1 660 110	2 735 475	

As at 31 December 2023 (Audited)

Corporate segment assets-conventional	25 108 230	2 885 056	673 900	1 075 972	-	29 743 158	-	208 426 343	238 169 501
Corporate segment assets - Takaful OPF	223 056	24 064	335 880	18 336	-	601 336	-	-	601 336
Corporate unallocated assets-conventional						30 900 134	5 295 995	5 295 995	36 196 129
Corporate unallocated assets - Takaful OPF						1 120 091	-	-	1 120 091
Consolidated total assets						62 364 719	5 295 995	213 722 338	276 087 057
Corporate segment liabilities	31 538 645	4 289 178	2 900 614	3 817 284	-	42 545 721	-	201 795 213	244 340 934
Corporate segment liabilities - Takaful OPF	216 735	20 561	381 824	34 395	-	653 515	-	-	653 515
Corporate unallocated liabilities						2 728 500	2 661 834	-	5 390 334
Corporate unallocated liabilities - Takaful OPF						57 890	-	-	57 890
Consolidated total liabilities						45 985 626	2 661 834	204 457 047	250 442 673

External premium less reinsurance by geographical segments 2023

Location

Pakistan

\* EPZ

Total

\* This represents US Dollar Equivalent in Pak Rupees

## Current period

For the three months period ended 30 June 2024 (Unaudited)

Rupees '000

	General Insurance						Life Assurance		Aggregate Life Assurance	Total
	Fire and property damage			Treaty			Shareholders' Fund	Statutory Funds		
	Marine, aviation and transport	Motor	Miscellaneous	Motor	Miscellaneous	Treaty				
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	4 879 616	2 907 235	817 746	594 973	-	-	-	8 777 286	8 777 286	17 976 856
Less: Sales tax	781 287	327 891	111 560	80 671	-	-	-	1 301 409	1 301 409	-
Stamp duty	83	46 585	219	466	-	-	-	47 353	47 353	47 353
Federal insurance fee	40 489	25 077	7 015	5 089	-	-	-	77 670	77 670	77 670
Gross written premium (inclusive of administrative surcharge)	4 057 757	2 507 682	698 952	508 747	-	-	-	8 777 286	8 777 286	16 550 424
Gross direct premium	4 044 104	2 493 674	666 725	503 918	-	-	-	8 777 286	8 777 286	16 485 707
Facultative inward premium	8 858	-	-	-	-	-	-	-	-	8 858
Administrative surcharge	4 795	14 008	32 227	4 829	-	-	-	-	-	55 859
Insurance premium earned	6 857 567	1 211 284	1 033 366	517 420	-	-	-	8 777 286	8 777 286	18 396 923
Insurance premium ceded to reinsurers	(5 162 303)	(658 381)	(7 197)	(202 038)	-	-	-	(494 967)	(494 967)	(6 524 886)
Net insurance premium	1 695 264	552 903	1 026 169	315 382	-	-	-	8 282 319	8 282 319	11 872 037
Commission income	134 722	5 103	-	10 559	-	-	-	-	-	150 384
Net underwriting income	1 829 986	558 006	1 026 169	325 941	-	-	-	8 282 319	8 282 319	12 022 421
Insurance claims	(571 730)	(550 697)	(401 973)	(122 751)	-	-	-	(10 154 540)	(10 154 540)	(11 801 691)
Insurance claims recovered from reinsurers	195 979	373 392	-	(4 151)	-	-	-	549 953	549 953	1 115 173
Net claims	(375 751)	(177 305)	(401 973)	(126 902)	-	-	-	(9 604 587)	(9 604 587)	(10 686 518)
Commission expense	(535 352)	(92 344)	(98 447)	(40 998)	-	-	-	(1 533 931)	(1 533 931)	(2 301 072)
Management expenses	(419 865)	(138 755)	(259 492)	(86 282)	-	-	-	(1 300 308)	(1 300 308)	(2 204 702)
Net insurance claims and expenses	(1 330 968)	(408 404)	(759 912)	(254 182)	-	-	-	(12 438 826)	(12 438 826)	(15 192 292)
Underwriting result	499 018	149 602	266 257	71 759	-	-	-	(4 156 507)	(4 156 507)	(3 169 871)
Net investment income	-	-	-	-	-	-	-	10 215 173	10 215 173	10 806 515
Net realized fair value gains on financial assets	-	-	-	-	-	-	-	187 308	187 308	187 308
Net fair value gain on financial assets at fair value through profit and loss	-	-	-	-	-	-	-	4 500 661	4 500 661	4 500 661
Net-change in insurance liabilities (other than outstanding claims)	-	-	-	-	-	-	-	(9 630 551)	(9 630 551)	(9 630 551)
Rental income	-	-	-	-	-	-	-	-	-	29 950
Other income	-	-	-	-	-	-	-	-	-	244 124
Other expense	-	-	-	-	-	-	-	87 966	87 966	(100 134)
Gain on bargain purchase of net assets	-	-	-	-	-	-	-	(37 492)	(37 492)	(100 134)
Revaluation Loss	-	-	-	-	-	-	-	-	-	164 959
Profit before tax from takaful operations - OPF	-	-	-	-	-	-	-	-	-	(166 537)
Profit before tax	-	-	-	-	-	-	-	-	-	157 857
	-	-	-	-	-	-	-	1 166 558	1 166 558	3 024 281

Prior period

For the three months period ended 30 June 2023 (Unaudited)

Rupees '000

	General Insurance						Life Assurance		Aggregate Life Assurance	Total
	Fire and property damage			Treaty			Shareholders' Fund	Statutory Funds		
	Marine, aviation and transport	Motor	Miscellaneous	Motor	Miscellaneous	Treaty				
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	6 547 563	2 974 083	897 214	676 958	-	-	-	8 706 517	8 706 517	19 752 335
Less: Sales tax	847 311	333 439	114 528	76 867	-	-	-	-	-	1 372 145
Stamp duty	68	43 494	248	222	-	-	-	-	-	44 032
Federal insurance fee	56 436	25 706	7 750	5 425	-	-	-	-	-	95 317
Gross written premium (inclusive of administrative surcharge)	5 643 748	2 571 444	774 688	544 444	-	-	-	8 706 517	8 706 517	18 240 841
Gross direct premium	5 638 609	2 557 060	738 155	539 091	-	-	-	8 706 517	8 706 517	18 179 432
Facultative inward premium	45	827	-	2 106	-	-	-	-	-	2 978
Administrative surcharge	5 094	13 557	36 533	3 247	-	-	-	-	-	58 431
Insurance premium earned	5 529 124	954 861	957 138	465 912	-	-	-	8 706 517	8 706 517	16 613 552
Insurance premium ceded to reinsurers	(4 095 632)	(501 624)	(7 572)	(158 827)	-	-	-	(341 820)	(341 820)	(5 105 475)
Net insurance premium	1 433 492	453 237	949 566	307 085	-	-	-	8 364 697	8 364 697	11 508 077
Commission income	93 924	5 198	8	11 440	-	-	-	-	-	110 570
Net underwriting income	1 527 416	458 435	949 574	318 525	-	-	-	8 364 697	8 364 697	11 618 647
Insurance claims	(4 770 936)	(1 348 484)	(427 773)	(116 776)	-	-	-	(7 727 880)	(7 727 880)	(14 391 849)
Insurance claims recovered from reinsurers	3 227 467	1 140 600	(50)	10 866	-	-	-	141 516	141 516	4 520 399
Net claims	(1 543 469)	(207 884)	(427 823)	(105 910)	-	-	-	(7 586 364)	(7 586 364)	(9 871 450)
Commission expense	(404 936)	(76 925)	(92 948)	(38 852)	-	-	-	(1 601 368)	(1 601 368)	(2 215 029)
Management expenses	(412 693)	(128 106)	(278 303)	(90 324)	-	-	-	(1 012 948)	(1 012 948)	(1 922 374)
Net insurance claims and expenses (other than outstanding claims)	(2 361 098)	(412 915)	(799 074)	(235 086)	-	-	-	(10 200 680)	(10 200 680)	(14 008 853)
Underwriting result	-	-	-	-	-	-	-	(5 730 724)	(5 730 724)	(5 730 724)
Net investment income	(833 682)	45 520	150 500	83 439	-	-	-	(7 566 707)	(7 566 707)	(8 120 930)
Net realized fair value losses on financial assets	-	-	-	-	-	-	-	7 991 265	7 991 265	8 481 008
Net fair value gain on financial assets at fair value through profit and loss	-	-	-	-	-	-	-	(651 200)	(651 200)	(651 200)
Rental income	-	-	-	-	-	-	-	1 246 268	1 246 268	1 246 268
Other income	-	-	-	-	-	-	-	-	-	29 734
Other expense	-	-	-	-	-	-	-	57 425	57 425	169 547
Profit before tax from takaful operations - OPF	-	-	-	-	-	-	-	(18 393)	(18 393)	(47 252)
Profit before tax	-	-	-	-	-	-	-	-	-	172 843
	-	-	-	-	-	-	-	1 058 658	1 058 658	1 280 018

### 33. Fair value

33.1 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.

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

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

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

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

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

Rupees '000

As at 30 June 2024 (Unaudited)										
	Available-for-sale	Fair value through profit & loss	HTM	Loans & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
								Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>										
Investments										
Equity securities - quoted	4 376 274	30 449 281					34 825 555	34 825 555		
Equity securities - unquoted	508						508			508
Government securities		155 033 734					155 033 734		155 033 734	
Term deposits										
Mutual funds	953 319	2 539 829					3 493 148		3 493 148	
Sukuk bonds		1 734 753					1 734 753		1 734 753	
Debt securities	14 127 036	4 989 842					19 116 878	2 850 763	16 266 115	
Total assets of window takaful operations - Operator's fund	1 105 390						1 105 390			
<b>Financial assets not measured at fair value</b>										
Term deposits *					722 360		722 360			
Government securities *			13 790 764				13 790 764			
Loans and other receivables *				553 798			553 798			
Insurance / reinsurance receivables *				8 123 889			8 123 889			
Reinsurance recoveries against outstanding claims *				6 900 645			6 900 645			
Advances *							-			
Other assets *				144 246	4 033 716		4 177 962			
Certificate of investment *			981 000				981 000			
Cash and bank *		8 896 599			2 138 680		11 035 279			
Total assets of window takaful operations - Operator's fund *				422 481	114 727		537 208			
	20 562 527	203 644 038	14 771 764	16 145 059	7 009 483	-	262 132 871			
<b>Financial liabilities not measured at fair value</b>										
Outstanding claims including IBNR *						(10 733 494)	(10 733 494)			
Premium received in advance *						(2 176 429)	(2 176 429)			
Insurance / reinsurance payables *						(9 589 436)	(9 589 436)			
Other creditors and accruals *						(6 922 379)	(6 922 379)			
Total liabilities of window takaful operations - Operator's fund *						(131 856)	(131 856)			
	20 562 527	203 644 038	14 771 764	16 145 059	7 009 483	(131 856)	232 579 277			

\* 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 2023 (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	2 840 819	22 191 356					25 032 175	25 032 175		
Equity securities - unquoted	508						508			508
Government securities		143 144 957					143 144 957	143 144 957		
Mutual funds	867 998	1 850 418					2 718 416	2 718 416		
Sukuk bonds		1 833 422					1 833 422	1 833 422		
Debt securities	12 982 564	5 592 836					18 575 400	18 575 400		
Total assets of window takaful operations - Operator's fund	957 785						957 785	957 785		
<b>Financial assets not measured at fair value</b>										
Term deposits *							-			
Government securities			10 770 744				10 770 744			
Loans and other receivables *				441 912			441 912			
Insurance / reinsurance receivables *				8 629 907			8 629 907			
Reinsurance recoveries against outstanding claims *				7 009 843			7 009 843			
Advances *				167 496			167 496			
Other assets *					4 344 457		4 344 457			
Certificate of investment *			981 000				981 000			
Cash and bank *		12 559 531			2 286 861		14 846 392			
Total assets of window takaful operations - Operator's fund *				495 211	89 736		584 947			
	17 649 674	187 172 520	11 751 744	16 744 369	6 721 054	-	240 039 361			
<b>Financial liabilities not measured at fair value</b>										
Outstanding claims including IBNR *						(10 774 706)	(10 774 706)			
Premium received in advance *						(1 940 090)	(1 940 090)			
Insurance / reinsurance payables *						(9 674 489)	(9 674 489)			
Other creditors and accruals*						(7 014 766)	(7 014 766)			
Total liabilities of window takaful operations - Operator's fund *						(148 423)	(148 423)			
	17 649 674	187 172 520	11 751 744	16 744 369	6 721 054	(29 552 474)	210 486 887			

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

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

The Board of Directors in their meeting held on 23 August 2024 have announced a second interim cash dividend in respect of the year ended 31 December 2024 of Rs. 1.50 per share i.e. 15.00 % (2023: Rs. 1.50 per share i.e. 15.00 %). These consolidated condensed interim financial statements for the six months period ended 30 June 2024 do not include the effect of these appropriations, which will be accounted for subsequent to the period end.

**35. Corresponding Figures**

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

**36. General**

Figures have been rounded off to the nearest thousand rupees.

**37. 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 23 August 2024.

TANVEER SULTAN MOLEDINA  
Director

HASANALI ABDULLAH  
Director

ALTAF GOKAL  
Chief Financial Officer

KAMRAN ARSHAD INAM  
Managing Director &  
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 23 August 2024

# Window Takaful Operations Condensed Interim Financial Statements

For the six months period ended 30 June 2024 (Unaudited)

EFU General Insurance Limited - Window Takaful Operations  
Condensed Interim Statement of Financial Position  
As at 30 June 2024 (Unaudited)

Rupees '000

	Note	Operator's Fund		Participants' Takaful Fund	
		30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<b>Assets</b>					
Property and equipment	6	5 612	6 487	–	–
Investments					
Debt securities	7	1 105 390	957 785	2 460 599	2 267 359
Term deposits	8	30 000	–	147 500	–
Loans and other receivables	9	301	5 072	–	7 016
Takaful / retakaful receivables	10	16 436	13 783	320 029	474 879
Retakaful recoveries against outstanding claims / benefits	20	–	–	942 071	826 919
Salvage recoveries accrued		–	–	32 245	46 615
Deferred commission expense	21	130 976	163 567	–	–
Receivable from PTF	11	369 584	444 797	–	–
Accrued investment income	12	36 160	31 559	80 974	73 583
Deferred wakala fee		–	–	448 493	533 446
Deferred taxation		9 709	8 641	–	–
Taxation - payments less provision		1 258	–	–	–
Prepayments	13	2 345	–	385 949	559 941
Cash and bank	14	84 727	89 736	305 090	274 503
<b>Total assets</b>		<b>1 792 498</b>	<b>1 721 427</b>	<b>5 122 950</b>	<b>5 064 261</b>
<b>Funds and liabilities</b>					
<b>Operator's Fund</b>					
Statutory fund		100 000	100 000	–	–
Revaluation reserve - available-for-sale investments	15	(9 745)	(8 082)	–	–
Accumulated profit		1 121 371	918 104	–	–
<b>Total Operator's Fund</b>		<b>1 211 626</b>	<b>1 010 022</b>	<b>–</b>	<b>–</b>
<b>Participants' Takaful Fund (PTF)</b>					
Cede money		–	–	500	500
Revaluation reserve - available-for-sale investments	15	–	–	(13 732)	(4 027)
Accumulated surplus		–	–	1 616 860	1 369 618
<b>Balance of Participants' Takaful Fund</b>		<b>–</b>	<b>–</b>	<b>1 603 628</b>	<b>1 366 091</b>
<b>Liabilities</b>					
<b>PTF Underwriting provisions</b>					
Outstanding claims / benefits including IBNR	20	–	–	1 450 145	1 328 717
Unearned contribution reserves		–	–	1 220 754	1 464 614
Reserve for unearned retakaful rebate	19	–	–	111 928	104 374
Contribution received in advance		–	–	23 885	10 964
Takaful / retakaful payables		523	1 828	295 158	315 229
Unearned wakala fee		448 493	533 446	–	–
Payable to OPF	11	–	–	369 584	444 797
Taxation - provision less payments		–	27 708	–	–
Other creditors and accruals	16	131 856	148 423	47 868	29 475
<b>Total liabilities</b>		<b>580 872</b>	<b>711 405</b>	<b>3 519 322</b>	<b>3 698 170</b>
<b>Total funds and liabilities</b>		<b>1 792 498</b>	<b>1 721 427</b>	<b>5 122 950</b>	<b>5 064 261</b>
<b>Contingencies and commitments</b>	17				

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

TANVEER SULTAN MOLEDINA  
Director

HASANALI ABDULLAH  
Director

ALTAZ GOKAL  
Chief Financial Officer

KAMRAN ARSHAD INAM  
Managing Director &  
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 23 August 2024

EFU General Insurance Limited - Window Takaful Operations  
Condensed Interim Profit and Loss Account  
For the six months period ended 30 June 2024 (Unaudited)

Rupees '000

	Note	Three months period ended		Six months period ended	
		30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
<b>Participants' Takaful Fund - (PTF)</b>					
Contributions earned		484 298	453 570	987 259	909 869
Less: Contributions ceded to retakaful		( 314 614 )	( 210 205 )	( 624 836 )	( 412 995 )
Net contribution revenue	18	169 684	243 365	362 423	496 874
Retakaful rebate earned	19	73 694	27 548	129 348	57 734
Net underwriting income		243 378	270 913	491 771	554 608
Net claims - reported / settled - IBNR	20	( 198 450 )	( 277 380 )	( 431 003 )	( 645 822 )
Other direct expenses		( 6 773 )	( 20 146 )	( 16 809 )	( 41 951 )
Surplus / (deficit) before investment income		38 155	( 26 613 )	43 959	( 133 165 )
Investment Income	22	127 237	87 177	252 213	175 191
Other income	23	11 226	7 942	18 831	13 408
Less: Modarib's share of investment income		( 34 616 )	( 23 780 )	( 67 761 )	( 47 150 )
Surplus transferred to accumulated surplus		142 002	44 726	247 242	8 284
<b>Operator's Fund - (OPF)</b>					
Wakala fee		276 204	295 923	565 072	578 967
Commission expense	21	( 86 330 )	( 85 850 )	( 176 074 )	( 170 824 )
General, administrative and management expense		( 118 512 )	( 109 579 )	( 225 673 )	( 212 967 )
		71 362	100 494	163 325	195 176
Modarib's share of PTF investment income		34 616	23 780	67 761	47 150
Investment income	22	52 035	46 293	102 593	80 692
Direct expenses		( 3 617 )	( 495 )	( 7 598 )	( 604 )
Other income	23	3 461	2 771	7 318	4 746
Profit before taxation		157 857	172 843	333 399	327 160
Taxation	24	( 61 596 )	( 99 101 )	( 130 132 )	( 150 048 )
Profit after taxation		96 261	73 742	203 267	177 112

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

TANVEER SULTAN MOLEDINA  
Director

HASANALI ABDULLAH  
Director

ALTAF GOKAL  
Chief Financial Officer

KAMRAN ARSHAD INAM  
Managing Director &  
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 23 August 2024

EFU General Insurance Limited - Window Takaful Operations  
Condensed Interim Statement of Comprehensive Income  
For the six months period ended 30 June 2024 (Unaudited)

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
<b>Participants' Takaful Fund - (PTF)</b>				
Surplus for the period	142 002	44 726	247 242	8 284
<b>Other comprehensive income</b>				
Fair value change in available-for-sale investments during the period - net	14 952	10 868	( 9 705 )	( 13 789 )
Total items that may be reclassified subsequently to profit and loss account	14 952	10 868	( 9 705 )	( 13 789 )
<b>Total comprehensive income / (loss) for the period</b>	<u>156 954</u>	<u>55 594</u>	<u>237 537</u>	<u>( 5 505 )</u>
<b>Operator's Fund - (OPF)</b>				
Profit after tax for the period	96 261	73 742	203 267	177 112
<b>Other comprehensive income</b>				
Fair value change in available-for-sale investments during the period	10 412	475	( 2 727 )	( 12 664 )
Deferred tax on available-for-sale investments	( 3 272 )	1 062	1 064	5 398
Total items that may be reclassified subsequently to profit and loss account	7 140	1 537	( 1 663 )	( 7 266 )
<b>Total comprehensive income for the period</b>	<u>103 401</u>	<u>75 279</u>	<u>201 604</u>	<u>169 846</u>

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

TANVEER SULTAN MOLEDINA  
Director

HASANALI ABDULLAH  
Director

ALTAF GOKAL  
Chief Financial Officer

KAMRAN ARSHAD INAM  
Managing Director &  
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 23 August 2024

EFU General Insurance Limited - Window Takaful Operations  
Condensed Interim Cash Flow Statement  
For the six months period ended 30 June 2024 (Unaudited)

Rupees '000

	Operator's Fund		Participants' Takaful Fund	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
<b>Operating cash flows</b>				
a) Takaful activities				
Contributions received	–	–	1 474 243	1 375 605
Retakaful contribution paid	–	–	( 468 085 )	( 549 813 )
Claims / benefits paid	–	–	( 551 992 )	( 897 168 )
Retakaful and other recoveries received	–	–	143 636	246 407
Commission paid	( 168 298 )	( 146 285 )	–	–
Retakaful rebate received	–	–	136 902	14 303
Wakala fee received / (paid)	558 523	522 916	( 558 523 )	( 522 916 )
Modarib received / (paid)	64 570	5 668	( 64 570 )	( 5 668 )
Net cash flow generated from / (used in) takaful activities	454 795	382 299	111 611	(339 250)
b) Other operating activities				
Income tax paid	( 159 102 )	( 79 150 )	–	–
General and other expenses paid	( 233 466 )	( 214 334 )	( 16 808 )	( 41 950 )
Other operating payments	( 228 )	926	4 185	3 128
Other operating receipts	8 092	( 722 )	18 391	( 2 161 )
Net cash flow generated from / (used in) other operating activities	( 384 704 )	( 293 280 )	5 768	( 40 983 )
<b>Total cash flow generated from / (used in) all operating activities</b>	<b>70 091</b>	<b>89 019</b>	<b>117 379</b>	<b>( 380 233 )</b>
<b>Investment activities</b>				
Profit / return received	103 506	72 678	263 653	178 611
Payment for investments	( 203 948 )	( 203 395 )	( 379 755 )	( 335 265 )
Proceeds from investments	53 616	59 774	176 810	565 082
Fixed capital expenditure	( 79 )	( 77 )	–	–
Proceeds from disposal of property and equipment	1 805	–	–	–
<b>Total cash flow (used in) / generated from investing activities</b>	<b>( 45 100 )</b>	<b>( 71 020 )</b>	<b>60 708</b>	<b>408 428</b>
<b>Net cash flow from all activities</b>	<b>24 991</b>	<b>17 999</b>	<b>178 087</b>	<b>28 195</b>
Cash and cash equivalents at the beginning of the period	89 736	48 929	274 503	195 563
Cash and cash equivalents at the end of the period	114 727	66 928	452 590	223 758
<b>Reconciliation to profit and loss account</b>				
Operating cash flow	70 091	89 019	117 379	( 380 233 )
Depreciation expense	( 954 )	( 340 )	–	–
Investment income	102 593	80 692	252 213	175 191
Other income	7 318	4 746	18 831	13 408
(Decrease) / increase in assets other than cash	( 106 314 )	5 916	( 320 030 )	101 327
Decrease / (increase) in liabilities other than borrowings	130 533	( 2 921 )	178 849	98 591
<b>Profit / surplus after tax for the period</b>	<b>203 267</b>	<b>177 112</b>	<b>247 242</b>	<b>8 284</b>
<b>Attributed to</b>				
Operator's Fund	203 267	177 112	–	–
Participants' Takaful Fund	–	–	247 242	8 284
	203 267	177 112	247 242	8 284

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

TANVEER SULTAN MOLEDINA  
Director

HASANALI ABDULLAH  
Director

ALTAF GOKAL  
Chief Financial Officer

KAMRAN ARSHAD INAM  
Managing Director &  
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 23 August 2024

EFU General Insurance Limited - Window Takaful Operations  
Condensed Interim Statement of Changes in Funds  
For the six months period ended 30 June 2024 (Unaudited)

Rupees '000

	Operator's Fund			
	Statutory fund	Unrealized loss on revaluation of available-for-sale investments-net	Accumulated profit	Total
Balance as at 01 January 2023	100 000	( 5 123 )	782 515	877 392
<b>Total comprehensive income for the period ended 30 June 2023</b>				
Profit for the period			177 112	177 112
Other comprehensive loss		( 7 266 )		( 7 266 )
Balance as at 30 June 2023	<u>100 000</u>	<u>( 12 389 )</u>	<u>959 627</u>	<u>1 047 238</u>
Balance as at 01 January 2024	100 000	( 8 082 )	918 104	1 010 022
<b>Total comprehensive income for the period ended 30 June 2024</b>				
Profit for the period			203 267	203 267
Other comprehensive loss		( 1 663 )		( 1 663 )
Balance as at 30 June 2024	<u>100 000</u>	<u>( 9 745 )</u>	<u>1 121 371</u>	<u>1 211 626</u>
	Participants' Takaful Fund			
	Cede money	Unrealized loss on revaluation of available-for-sale investments-net	Accumulated surplus	Total
Balance as at 01 January 2023	500	( 20 909 )	1 159 390	1 138 981
Surplus for the period			8 284	8 284
Other comprehensive loss		( 13 789 )		( 13 789 )
Balance as at 30 June 2023	<u>500</u>	<u>( 34 698 )</u>	<u>1 167 674</u>	<u>1 133 476</u>
Balance as at 01 January 2024	500	( 4 027 )	1 369 618	1 366 091
Surplus for the period			247 242	247 242
Other comprehensive loss		( 9 705 )		( 9 705 )
Balance as at 30 June 2024	<u>500</u>	<u>( 13 732 )</u>	<u>1 616 860</u>	<u>1 603 628</u>

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

TANVEER SULTAN MOLEDINA  
Director

HASANALI ABDULLAH  
Director

ALTAF GOKAL  
Chief Financial Officer

KAMRAN ARSHAD INAM  
Managing Director &  
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 23 August 2024



# EFU General Insurance Limited - Window Takaful Operations

## Notes to the Condensed Interim Financial Statements

### For the six months period ended 30 June 2024 (Unaudited)

#### 1. Legal status and nature of business

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

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

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

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

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

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

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

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

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Operators' annual financial statements for the year ended 31 December 2023.

##### 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 material 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 2023.

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

There are certain new and amended standards, interpretations and amendments that are mandatory for the Operator's accounting periods beginning on or after 01 January 2024 but are considered not to be relevant or do not have any significant effect on the Operator's operation and therefore not detailed in these condensed interim financial statements.

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

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

Amendments	Effective date (annual periods beginning on or after)
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Lack of Exchangeability - Amendment to IAS 21	01 January 2025

Pursuant to the requirements of Securities and Exchange Commission of Pakistan SRO 1715 (I)/2023 dated 21 November 2023 IFRS 17 "Insurance Contracts", is applicable to the companies engaged in insurance/takaful and re-insurance / re-takaful business from financial years commencing on or after 01 January 2026.

IFRS 17, replaces IFRS 4 Insurance Contracts. The new standard will apply to all entities that issue insurance and reinsurance contracts, and to all entities that hold reinsurance contracts. This standard requires entities to identify contracts and its terms and to assess whether they meet the definition of an insurance contract or includes components of an insurance contract. Insurance contracts are required to account for under the recognition/ derecognition of IFRS-17. Companies subject to the requirement of SRO will also be required to adopt requirements of IFRS 9 from the date of transition. On initial application of IFRS 17, comparative information for insurance contracts is restated in accordance with IFRS 17, whereas comparative information for related financial assets might not be restated in accordance with IFRS 9 if the insurer is initially applying IFRS 9 at the same date as IFRS 17.

SECP through its S.R.O.506(I)/2024 has directed that the applicability period of optional temporary exemption from applying IFRS 9 - Financial Instrument as given in para 20A of IFRS 4 - Insurance Contracts is extended for annual periods beginning before 01 January 2026, subject to fulfilling the same conditions as are prescribed by para 20B of IFRS 4.

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

Standards	Effective date (annual periods beginning on or after)
IFRS 1 First-time Adoption of International Financial Reporting Standards	01 January 2024

#### 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 2023.

#### 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 2023.

#### 6. Property and equipment

The addition and disposals of property and equipment during the six months period ended 30 June 2024 are as follows:

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Rupees '000			
6.1 Additions			
Computer equipment		79	–
Vehicles		–	4 942
Office equipment		–	192
		<u>79</u>	<u>5 134</u>

6.2 The cost of vehicles disposed off during the period is Rs. 3.5 million (31 December 2023: Rs 1.7 million).

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

### 7.1 Operator's Fund

Rupees '000

	30 June 2024 (Unaudited)			31 December 2023 (Audited)		
	Cost	(Impairment) / provision	Carrying value	Cost	(Impairment) / provision	Carrying value
<b>Fixed Income Securities</b>						
Ijara Sukuks	1 096 367	–	1 096 367	943 774	–	943 774
Corporate Sukuks	33 931	( 8 931 )	25 000	36 192	( 8 931 )	27 261
	<u>1 130 298</u>	<u>( 8 931 )</u>	<u>1 121 367</u>	<u>979 966</u>	<u>( 8 931 )</u>	<u>971 035</u>
Deficit on revaluation			( 15 977 )			( 13 250 )
			<u>1 105 390</u>			<u>957 785</u>

7.1.1 The rate of profit on Government debt securities ranges from 8.37 % to 23.35 % (31 December 2023: 8.37 % to 23.35 %) with the maturity tenure upto 2027

7.1.2 The rate of profit on corporate debt securities ranges from 23.64 % (31 December 2023: 23.09 %) having perpetual maturity.

### 7.2 Participants' Takaful Fund

Rupees '000

	30 June 2024 (Unaudited)			31 December 2023 (Audited)		
	Cost	(Impairment) / provision	Carrying value	Cost	(Impairment) / provision	Carrying value
<b>Fixed Income Securities</b>						
Ijara Sukuks	2 427 227	–	2 427 227	2 220 368	–	2 220 368
Corporate Sukuks	56 035	( 8 931 )	47 104	59 948	( 8 931 )	51 017
	<u>2 483 262</u>	<u>( 8 931 )</u>	<u>2 474 331</u>	<u>2 280 316</u>	<u>( 8 931 )</u>	<u>2 271 385</u>
Deficit on revaluation			( 13 732 )			( 4 026 )
			<u>2 460 599</u>			<u>2 267 359</u>

7.2.1 The rate of profit on Government debt securities ranges from 8.75 % to 22.39 % (31 December 2023: 8.75 % to 21.71 %) with the maturity tenure upto 2027.

7.2.2 The rate of profit on corporate debt securities having perpetual maturity was 23.64 % (31 December 2023: 23.09 %) and on corporate debt securities having maturity tenure upto 2032 were 21.96 % (31 December 2023: 22.15 %).

## 8. Term deposits

	OPF		PTF	
	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Maturing within 12 months	<u>30 000</u>	<u>–</u>	<u>147 500</u>	<u>–</u>

8.1 The rate of return on term deposit certificates issued by banks were 17.75 % (31 December 2023: Nil) per annum for OPF and 17.75 % to 19.00 % (31 December 2023: Nil) per annum for PTF depending on tenure. These term deposit certificates have maturities upto July 2024.

9. Loans and other receivables - considered good

Rupees '000

	OPF		PTF	
	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Security deposits	301	301	–	–
Other receivables	–	4 771	–	7 016
	<u>301</u>	<u>5 072</u>	<u>–</u>	<u>7 016</u>
<b>10. Takaful / retakaful receivables - unsecured and considered good</b>				
Due from takaful participants holders	–	–	304 090	456 941
Due from other takaful / retakaful operators	16 436	13 783	15 939	17 938
	<u>16 436</u>	<u>13 783</u>	<u>320 029</u>	<u>474 879</u>
<b>11. Receivable (OPF) / Payable (PTF)</b>				
Wakala fee	345 582	423 986	345 582	423 986
Modarib fee	24 002	20 811	24 002	20 811
	<u>369 584</u>	<u>444 797</u>	<u>369 584</u>	<u>444 797</u>
<b>12. Accrued investment income</b>				
Government securities	35 646	30 910	79 924	72 432
Debt securities	470	649	836	1 151
Term deposits	44	–	214	–
	<u>36 160</u>	<u>31 559</u>	<u>80 974</u>	<u>73 583</u>
<b>13. Prepayments</b>				
Annual supervision fees	2 345	–	–	–
Prepaid retakaful contribution ceded	–	–	353 949	530 772
Prepaid charges for vehicle tracking devices	–	–	32 000	29 169
	<u>2 345</u>	<u>–</u>	<u>385 949</u>	<u>559 941</u>
<b>14. Cash and bank balances</b>				
Cash and cash equivalents				
Policy stamps	–	–	2 196	2 496
Cash at bank				
Current accounts	6 552	4 156	1 348	1 517
Saving accounts	78 175	85 580	301 546	270 490
	<u>84 727</u>	<u>89 736</u>	<u>305 090</u>	<u>274 503</u>

- 14.1 The rate of profit on profit and loss sharing accounts from various banks were 7.00 to 16.50 % per annum (31 December 2023: 8.00 % to 16.50 %) depending on the size of average deposits.

Cash and cash equivalents include the following for the purposes of the cash flow statement:

Rupees '000

	OPF		PTF	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Term deposit less than three months	30 000	–	147 500	–
Cash and Bank	84 727	66 928	305 090	223 758
	<u>114 727</u>	<u>66 928</u>	<u>452 590</u>	<u>223 758</u>

15. Revaluation reserve - available-for-sale investments

	OPF		PTF	
	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Government securities	15 976	13 249	13 732	4 027
Related deferred tax	(6 231)	(5 167)	–	–
	<u>9 745</u>	<u>8 082</u>	<u>13 732</u>	<u>4 027</u>

16. Other creditors and accruals

Agent commission payable	96 559	120 069	–	–
Workers' welfare fund	28 922	22 118	–	–
Accrued expenses	3 313	4 461	–	–
Sales tax payable	1 430	1 107	45 254	26 920
Federal insurance fee payable	–	–	2 415	2 395
Retirement benefit obligations	244	405	–	–
Other creditors	1 388	263	199	160
	<u>131 856</u>	<u>148 423</u>	<u>47 868</u>	<u>29 475</u>

17. Contingencies and commitments

There are no contingencies and commitments as at 30 June 2024 (31 December 2023: Nil).

Rupees '000

18. Net contribution

	Three months period ended		Six months period ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Written gross contribution	534 788	625 319	1 308 470	1 360 567
Wakala fee	(198 396)	(233 468)	(480 119)	(509 665)
Contribution net of wakala fee	336 392	391 851	828 351	850 902
Unearned contribution reserve - opening	920 167	869 317	931 169	866 565
Unearned contribution reserve - closing	(772 261)	(807 598)	(772 261)	(807 598)
Contribution earned	484 298	453 570	987 259	909 869
Less:				
Retakaful contribution ceded	111 751	118 261	448 013	316 103
Prepaid retakaful contribution - opening	556 812	347 938	530 772	352 886
Prepaid retakaful contribution - closing	(353 949)	(255 994)	(353 949)	(255 994)
Retakaful expense	314 614	210 205	624 836	412 995
	<u>169 684</u>	<u>243 365</u>	<u>362 423</u>	<u>496 874</u>

## 19. Retakaful rebate

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Rebate received or recoverable	77 486	21 575	136 902	14 302
Unearned retakaful rebate-opening	108 136	28 388	104 374	65 847
Unearned retakaful rebate-closing	( 111 928 )	( 22 415 )	( 111 928 )	( 22 415 )
	<u>73 694</u>	<u>27 548</u>	<u>129 348</u>	<u>57 734</u>
<b>20. Takaful benefits / claims expense</b>				
Benefits / claims paid	328 640	606 098	566 362	897 708
Outstanding benefits / claims including IBNR - opening	( 1 438 592 )	( 1 921 493 )	( 1 328 717 )	( 1 282 538 )
Outstanding benefits / claims including IBNR - closing	1 450 145	1 558 063	1 450 145	1 558 063
Claim expense	340 193	242 668	687 790	1 173 233
Less:				
Retakaful and other recoveries received	132 124	302 847	141 635	316 562
Retakaful and other recoveries in respect of outstanding claims - opening	( 932 452 )	( 1 295 274 )	( 826 919 )	( 746 866 )
Retakaful and other recoveries in respect of outstanding claims - closing	942 071	957 715	942 071	957 715
Retakaful and other recoveries revenue	141 743	( 34 712 )	256 787	527 411
	<u>198 450</u>	<u>277 380</u>	<u>431 003</u>	<u>645 822</u>
<b>21. Commission expense</b>				
Commission paid or payable	57 998	65 490	143 483	148 588
Deferred commission expense - opening	159 308	161 564	163 567	163 440
Deferred commission expense - closing	( 130 976 )	( 141 204 )	( 130 976 )	( 141 204 )
	<u>86 330</u>	<u>85 850</u>	<u>176 074</u>	<u>170 824</u>
<b>22. Investment income</b>				
<b>22.1 Operator's Fund</b>				
Income from debt securities - available-for-sale				
– Return on debt securities (Sukuk)	52 152	46 293	102 710	81 022
Income from term deposits				
– Return on term deposits	44	–	44	–
	<u>52 196</u>	<u>46 293</u>	<u>102 754</u>	<u>81 022</u>
Net realized losses on investment available for sale financial assets				
Realized losses on:				
– Debt securities	( 161 )	–	( 161 )	( 330 )
	<u>52 035</u>	<u>46 293</u>	<u>102 593</u>	<u>80 692</u>
<b>22.2 Participants' Takaful Fund</b>				
Income from debt securities - available-for-sale				
– Return on debt securities (Sukuk)	127 023	98 613	251 999	189 288
Income from term deposits				
– Return on term deposits	214	–	214	–
	<u>127 237</u>	<u>98 613</u>	<u>252 213</u>	<u>189 288</u>
Net realized losses on investment available for sale financial assets				
Realized losses on:				
– Debt securities	–	( 11 436 )	–	( 14 097 )
	<u>127 237</u>	<u>87 177</u>	<u>252 213</u>	<u>175 191</u>

## 23. Other income

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
<b>23.1 Operator's Fund</b>				
Profit on bank deposits	3 461	2 771	5 513	4 746
Gain on property and equipment	–	–	1 805	–
	<u>3 461</u>	<u>2 771</u>	<u>7 318</u>	<u>4 746</u>
<b>23.2 Participants' Takaful Fund</b>				
Profit on bank deposits	<u>11 226</u>	<u>7 942</u>	<u>18 831</u>	<u>13 408</u>
<b>24. Taxation</b>				
For current period				
Current	45 889	50 114	96 768	94 900
Super tax	33 256	32 740	33 368	32 724
Deferred	( 17 549 )	( 7 026 )	( 4 )	( 849 )
	61 596	75 828	130 132	126 775
For prior year(s)				
Super tax	–	23 273	–	23 273
	<u>61 596</u>	<u>99 101</u>	<u>130 132</u>	<u>150 048</u>

## 25. Related party transactions

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

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
<b>Transactions</b>				
<b>Associated companies</b>				
Contributions written / (refund)	10 677	( 23 )	11 739	19
Contributions paid	144	3	144	121
Claims paid including salvage recovered	30	547	30	547
<b>Key management personnel</b>				
Contributions written	72	–	72	83
<b>Others</b>				
Contributions written	–	285	290	285
<b>Employees' funds</b>				
Contribution to gratuity fund	244	136	244	136

Rupees '000

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<b>Balances</b>		
<b>Others</b>		
Balances receivable	7 017	–
Bank balances	6 278	4 931
<b>Employees' funds receivable / (payable)</b>		
EFU gratuity fund	244	136

## 26. Segment reporting

### 26.1 Operator's Fund

Current period	For the three months period ended 30 June 2024 (Unaudited)					
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Wakala fee	160 083	38 802	328 031	38 156	–	565 072
Commission expense	(61 898)	(17 727)	(87 788)	(8 661)	–	(176 074)
General administrative and management expenses	(7 778)	(6 673)	(201 030)	(10 192)	–	(225 673)
Net commission and expenses	(69 676)	(24 400)	(288 818)	(18 853)	–	(401 747)
	<u>90 407</u>	<u>14 402</u>	<u>39 213</u>	<u>19 303</u>	<u>–</u>	<u>163 325</u>
Modarib's share of PTF investment income						67 761
Investment income						102 593
Direct expenses						(7 598)
Other income						7 318
Profit before taxation						333 399
Taxation						(130 132)
Profit after taxation						<u>203 267</u>
	As at 30 June 2024 (Unaudited)					
Corporate segment assets	134 021	31 926	309 558	20 793	–	496 298
Corporate unallocated assets						1 296 200
Total assets						<u>1 792 498</u>
Corporate segment liabilities	122 294	25 913	363 178	34 190	–	545 575
Corporate unallocated liabilities						35 297
Total liabilities						<u>580 872</u>



Rupees '000

## For the six months period ended 30 June 2023 (Unaudited)

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Wakala fee	112 514	29 725	417 254	19 474	–	578 967
Commission expense	(43 902)	(14 214)	(107 783)	(4 925)	–	(170 824)
General administrative and management expenses	(6 756)	(4 190)	(198 746)	(3 275)	–	(212 967)
Net commission and expenses	(50 658)	(18 404)	(306 529)	(8 200)	–	(383 791)
	<u>61 856</u>	<u>11 321</u>	<u>110 725</u>	<u>11 274</u>	<u>–</u>	<u>195 176</u>
Modarib's share of PTF investment income						47 150
Investment income						80 692
Direct expenses						(604)
Other income						4 746
Profit before taxation						327 160
Taxation						(150 048)
Profit after taxation						<u>177 112</u>

## As at 31 December 2023 (Audited)

Corporate segment assets	223 056	24 064	335 880	18 336	–	601 336
Corporate unallocated assets						1 120 091
Total assets						<u>1 721 427</u>
Corporate segment liabilities	216 735	20 561	381 824	34 395	–	653 515
Corporate unallocated liabilities						57 890
Total liabilities						<u>711 405</u>

Rupees '000

For the three months period ended 30 June 2024 (Unaudited)

Current period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Wakala fee	80 181	19 488	156 548	19 987	-	276 204
Commission expense	(30 792)	(8 910)	(42 121)	(4 507)	-	(86 330)
General administrative and management expenses	(3 640)	(3 263)	(106 386)	(5 223)	-	(118 512)
Net commission and expenses	(34 432)	(12 173)	(148 507)	(9 730)	-	(204 842)
	<u>45 749</u>	<u>7 315</u>	<u>8 041</u>	<u>10 257</u>	<u>-</u>	<u>71 362</u>
Modarib's share of PTF investment income						34 616
Investment income						52 035
Direct expenses						(3 617)
Other income						3 461
Profit before taxation						157 857
Taxation						(61 596)
Profit after taxation						<u>96 261</u>

For the three months period ended 30 June 2023 (Unaudited)

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Wakala fee	57 941	15 248	212 825	9 909	-	295 923
Commission expense	(22 298)	(7 304)	(53 861)	(2 387)	-	(85 850)
General administrative and management expenses	(2 935)	(1 898)	(102 990)	(1 756)	-	(109 579)
Net commission and expenses	(25 233)	(9 202)	(156 851)	(4 143)	-	(195 429)
	<u>32 708</u>	<u>6 046</u>	<u>55 974</u>	<u>5 766</u>	<u>-</u>	<u>100 494</u>
Modarib's share of PTF investment income						23 780
Investment income						46 293
Direct expenses						(495)
Other income						2 771
Profit before taxation						172 843
Taxation						(99 101)
Profit after taxation						<u>73 742</u>

## 26.2 Participants' Takaful Fund

Rupees '000

## For the six months period ended 30 June 2024 (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)	330 356	142 731	931 877	123 671	–	1 528 635
Less: Sales tax	48 777	14 926	120 203	14 481	–	198 387
Stamp duty	19	8 556	113	4	–	8 692
Federal insurance fee	2 788	1 181	8 036	1 081	–	13 086
Gross written contribution (inclusive of administrative surcharge)	278 772	118 068	803 525	108 105	–	1 308 470
Gross direct contribution	277 343	113 210	761 304	107 973	–	1 259 830
Administrative surcharge	1 429	4 858	42 221	132	–	48 640
Wakala fee	(95 691)	(41 324)	(305 267)	(37 837)	–	(480 119)
Contributions earned	314 435	72 062	529 903	70 859	–	987 259
Contributions ceded to retakaful	(450 982)	(85 160)	(13 304)	(75 390)	–	(624 836)
Net contribution revenue	(136 547)	(13 098)	516 599	(4 531)	–	362 423
Retakaful rebate earned	96 662	19 589	–	13 097	–	129 348
Net underwriting income	(39 885)	6 491	516 599	8 566	–	491 771
Takaful claims	(174 168)	(37 836)	(426 155)	(49 631)	–	(687 790)
Takaful claims recovered from retakaful	169 077	30 269	–	57 441	–	256 787
Net claims	(5 091)	(7 567)	(426 155)	7 810	–	(431 003)
Other direct expenses	(34)	(37)	(16 690)	(48)	–	(16 809)
Surplus / (deficit) before investment income	(45 010)	(1 113)	73 754	16 328	–	43 959
Investment income						252 213
Other income						18 831
Modarib share of investment income						(67 761)
Surplus transferred to accumulated surplus						247 242
	As at 30 June 2024 (Unaudited)					
Corporate segment assets	1 248 028	144 480	517 038	231 244	–	2 140 790
Corporate unallocated assets						2 982 160
Total assets						5 122 950
Corporate segment liabilities	1 455 265	173 871	1 480 328	341 292	–	3 450 75
Corporate unallocated liabilities						68 566
Total liabilities						3 519 322

Rupees '000

## For the six months period ended 30 June 2023 (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)	263 355	100 178	1 177 454	21 882	–	1 562 869
Less: Sales tax	28 832	10 153	140 554	2 524	–	182 063
Stamp duty	25	6 509	93	5	–	6 632
Federal insurance fee	2 322	827	10 266	192	–	13 607
Gross written contribution (inclusive of Administrative surcharge)	232 176	82 689	1 026 541	19 161	–	1 360 567
Gross direct contribution	230 447	78 987	964 684	19 047	–	1 293 165
Administrative surcharge	1 729	3 702	61 857	114	–	67 402
Wakala fee	(78 111)	(28 941)	(395 907)	(6 706)	–	(509 665)
Contributions earned	206 420	55 206	613 102	35 141	–	909 869
Contributions ceded to retakaful	(294 841)	(65 068)	(14 470)	(38 616)	–	(412 995)
Net contribution revenue	(88 421)	(9 862)	598 632	(3 475)	–	496 874
Rebate from retakaful operator	36 131	14 640	–	6 963	–	57 734
Net underwriting income	(52 290)	4 778	598 632	3 488	–	554 608
Takaful claims	(560 831)	(7 084)	(598 126)	(7 192)	–	(1 173 233)
Takaful claims recovered from retakaful	518 793	5 667	–	2 951	–	527 411
Net claims	(42 038)	(1 417)	(598 126)	(4 241)	–	(645 822)
Other direct expense	(84)	(69)	(41 742)	(56)	–	(41 951)
(Deficit) / surplus before investment income	(94 412)	3 292	(41 236)	(809)	–	(133 165)
Investment income						175 191
Other income						13 408
Modarib share of investment income						(47 150)
Surplus transferred to accumulated surplus						8 284
As at 31 December 2023 (Audited)						
Corporate segment assets	1 598 785	74 248	585 539	189 297	–	2 447 869
Corporate unallocated assets						2 616 392
Total assets						5 064 261
Corporate segment liabilities	1 540 197	124 631	1 206 486	243 125	–	3 114 439
Corporate unallocated liabilities						583 731
Total liabilities						3 698 170

## For the three months period ended 30 June 2024 (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)	60 612	82 185	466 180	22 793	–	631 770
Less: Sales tax	15 072	8 979	60 142	2 840	–	87 033
Stamp duty	7	4 543	49	2	–	4 601
Federal insurance fee	451	680	4 020	197	–	5 348
Gross written contribution (inclusive of administrative surcharge)	45 082	67 983	401 969	19 754	–	534 788
Gross direct contribution	44 576	65 350	381 342	19 698	–	510 966
Administrative surcharge	506	2 633	20 627	56	–	23 822
Wakala fee	( 15 085 )	( 23 794 )	( 152 603 )	( 6 914 )	–	( 198 396 )
Contributions earned	157 477	36 193	253 509	37 119	–	484 298
Contributions ceded to retakaful	( 226 007 )	( 42 757 )	( 6 652 )	( 39 198 )	–	( 314 614 )
Net contribution revenue	( 68 530 )	( 6 564 )	246 857	( 2 079 )	–	169 684
Rebate from retakaful operator	56 938	9 941	–	6 815	–	73 694
Net underwriting income	( 11 592 )	3 377	246 857	4 736	–	243 378
Takaful claims	( 105 062 )	( 24 866 )	( 185 249 )	( 25 016 )	–	( 340 193 )
Takaful claims recovered from retakaful	102 624	19 893	–	19 226	–	141 743
Net claims	( 2 438 )	( 4 973 )	( 185 249 )	( 5 790 )	–	( 198 450 )
Other direct expense	( 21 )	( 23 )	( 6 698 )	( 31 )	–	( 6 773 )
Surplus / (deficit) before investment income	( 14 051 )	( 1 619 )	54 910	( 1 085 )	–	38 155
Investment income						127 237
Other income						11 226
Modarib share of investment income						( 34 616 )
Surplus transferred to accumulated surplus						142 002

## For the three months period ended 30 June 2023 (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)	80 798	51 033	572 752	14 148	-	718 731
Less: Sales tax	7 132	5 160	69 854	1 697	-	83 843
Stamp duty	9	3 260	42	2	-	3 313
Federal insurance fee	730	422	4 980	124	-	6 256
Gross written contribution (inclusive of administrative surcharge)	72 927	42 191	497 876	12 325	-	625 319
Gross direct contribution	72 336	40 310	469 588	12 291	-	594 525
Administrative surcharge	591	1 881	28 288	34	-	30 794
Wakala fee	(23 333)	(14 767)	(191 055)	(4 313)	-	(233 468)
Contributions earned	104 292	28 318	303 240	17 720	-	453 570
Contributions ceded to retakaful	(150 073)	(33 426)	(7 044)	(19 662)	-	(210 205)
Net contribution revenue	(45 781)	(5 108)	296 196	(1 942)	-	243 365
Rebate from retakaful operator	16 406	7 521	-	3 621	-	27 548
Net underwriting income	(29 375)	2 413	296 196	1 679	-	270 913
Takaful claims	32 194	631	(276 430)	937	-	(242 668)
Takaful claims recovered from retakaful	(31 043)	(505)	-	(3 164)	-	(34 712)
Net claims	1 151	126	(276 430)	(2 227)	-	(277 380)
Other direct expense	(42)	(37)	(20 038)	(29)	-	(20 146)
(Deficit) / surplus before investment income	(28 266)	2 502	(272)	(577)	-	(26 613)
Investment income						87 177
Other income						7 942
Modarib share of investment income						(23 780)
Surplus transferred to accumulated surplus						44 726

**27. Fair value**

27.1 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.

27.2 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:

27.3 Operator's Fund

Rupees '000

As at 30 June 2024 (Unaudited)								
	Available-for-sale	Loan & 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	1 080 390				1 080 390		1 080 390	
Corporate Sukuks	25 000				25 000		25 000	
<b>Financial assets not measured at fair value</b>								
Investments								
Term deposits *			30 000		30 000			
Loans and other receivables *		301			301			
Takaful / retakaful receivables *		16 436			16 436			
Receivable from PTF *		369 584			369 584			
Accrued investment income *		36 160			36 160			
Cash and bank balances *			84 727		84 727			
	1 105 390	422 481	114 727		1 642 598		1 105 390	
<b>Financial liabilities not measured at fair value</b>								
Other creditors and accruals *				(131 856)	(131 856)			
	1 105 390	422 481	114 727	(131 856)	1 510 742		1 105 390	

As at 31 December 2023 (Audited)

	Available-for-sale	Loan & 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	930 532				930 532		930 532	
Corporate Sukuks	27 253				27 253		27 253	
<b>Financial assets not measured at fair value</b>								
Loans and other receivables *		5 072			5 072			
Takaful / retakaful receivables *		13 783			13 783			
Receivable from PTF *		444 797			444 797			
Accrued investment income *		31 559			31 559			
Cash and bank balances *			89 736		89 736			
	957 785	495 211	89 736		1 542 732		957 785	
<b>Financial liabilities not measured at fair value</b>								
Other creditors and accruals *				(148 423)	(148 423)			
	957 785	495 211	89 736	(148 423)	1 394 309		957 785	

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

## 27.4 Participants' Takaful Fund

Rupees '000

As at 30 June 2024 (Unaudited)								
	Available-for-sale	Loan & 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	2 413 599				2 413 599		2 413 599	
Corporate Sukuk	47 000				47 000		47 000	
<b>Financial assets not measured at fair value</b>								
Term deposits *			147 500		147 500			
Loans and other receivables *								
Takaful / retakaful receivables *		320 029			320 029			
Retakaful recoveries against outstanding claims *		942 071			942 071			
Accrued investment income *		80 974			80 974			
Cash and bank balances *			305 090		305 090			
	2 460 599	1 343 074	452 590		4 256 263		2 460 599	
<b>Financial liabilities not measured at fair value</b>								
Outstanding claims including IBNR *				(1 450 145)	(1 450 145)			
Contributions received in advance *				(23 885)	(23 885)			
Takaful / retakaful payable *				(295 158)	(295 158)			
Payable to OPF *				(369 584)	(369 584)			
Other creditors and accruals *				(47 868)	(47 868)			
	2 460 599	1 343 074	452 590	(2 186 640)	2 069 623		2 460 599	

## As at 31 December 2023 (Audited)

	Available-for-sale	Loan & 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	2 216 353				2 216 353		2 216 353	
Corporate Sukuks	51 006				51 006		51 006	
<b>Financial assets not measured at fair value</b>								
Loans and other receivables *		7 016			7 016			
Takaful / retakaful receivables *		474 879			474 879			
Retakaful recoveries against outstanding claims *		826 919			826 919			
Accrued investment income *		73 583			73 583			
Cash and bank balances *			274 503		274 503			
	2 267 359	1 382 397	274 503		3 924 259		2 267 359	
<b>Financial liabilities not measured at fair value</b>								
Outstanding claims including IBNR *				(1 328 717)	(1 328 717)			
Contributions received in advance *				(10 964)	(10 964)			
Takaful / retakaful payable *				(315 229)	(315 229)			
Payable to OPF *				(444 797)	(444 797)			
Other creditors and accruals *				(29 475)	(29 475)			
	2 267 359	1 382 397	274 503	(2 129 182)	1 795 077		2 267 359	

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



**28. General**

Figures have been rounded off to the nearest thousand rupees.

**29. 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 23 August 2024.

TANVEER SULTAN MOLEDINA  
Director

HASANALI ABDULLAH  
Director

ALTAF GOKAL  
Chief Financial Officer

KAMRAN ARSHAD INAM  
Managing Director &  
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 23 August 2024

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