



Harnessing Strengths

Report (Un-Audited)
Third Quarter 2023

EFU GENERAL
INSURANCE LTD



EFU GENERAL INSURANCE LTD

ISO 9001: 2015 Certified



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

EY Ford Rhodes, Chartered Accountants

Progressive Plaza, Beaumont Road

Karachi - 75530

Registrar

CDC Share Registrar Services Limited

CDC House, 99-B, Block-B

S.M.C.H.S., Shahrah-e-Faisal

Karachi - 74400

Website

www.efuinsurance.com

Email

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 nine months period ended 30 September 2023.

Performance Review

The Written Premium increased by 24 % to Rs. 29,989 million (including a Takaful Contribution of Rs. 2,434 million) as against Rs. 24,203 million (including a Takaful Contribution of Rs. 2,266 million) for the corresponding period of the last year. The Net Premium Revenue was Rs. 8,638 million as against Rs. 7,446 million for the corresponding period of last year. The overall Claims ratio to Net Premium Revenue was 50 % as compared to 60 % for the corresponding period of last year. The total underwriting profit for the nine months period was Rs. 227 million as against underwriting loss of Rs. 491 million for the corresponding period of the last year.

Investment income (including rental income, profit on deposits, and other income) for the period was Rs. 2,116 million as compared to Rs. 1,971 million for the corresponding period of last year. The incidence of tax is higher in current period as compared to corresponding period of last year due to the introduction of an additional 6 % super tax in the June 2023 Budget retrospectively from 2022.

The profit after tax for the period increased by 55 % to Rs. 1,617 million as compared to Rs. 1,043 million in the corresponding period last year.

The earnings per share for the period was Rs. 8.09 against Rs. 5.21 in the corresponding period of last year.

Your Directors have pleasure in declaring the third interim cash dividend of Rs. 1.50 (15.00 %) per share for the year 2023.

Outlook

Economic Outlook

The economic outlook for Pakistan remains challenging due to multiple factors and further facing challenges of higher global oil prices and decline in remittances. However, there are positive developments on the horizon, as initiatives aimed at increasing foreign direct investments, privatizing state-owned enterprises, and implementing energy sector reforms are likely to bring much-needed stability to the country's economic landscape.

Acknowledgments

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

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

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 27 October 2023

ڈائریکٹرز رپورٹ

(یہ انگریزی ڈائریکٹرز رپورٹ کا ترجمہ ہے)

ہم بمسرت ۳۰ ستمبر ۲۰۲۳ء کو ختم ہونے والی نو ماہ کی مدت کے لئے غیر آڈٹ شدہ مالیاتی حسابات پیش کر رہے ہیں۔

کارکردگی کا جائزہ

تحریری پری بیئم ۲۴ فیصد بڑھ کر ۲۹،۹۸۹ ملین روپے (بشمول نکافل کنٹری بیوٹن ۴،۴۳۴ ملین روپے) رہا جو اس کے مقابلے میں گزشتہ سال کی اس مدت کے لئے ۲۴،۲۰۳ ملین روپے (بشمول نکافل کنٹری بیوٹن ۲،۲۶۱ ملین روپے) رہا تھا۔ خالص پری بیئم ریونیو ۸،۶۳۸ ملین روپے تھا جو اس کے مقابلے میں گزشتہ سال کی اس مدت کے لئے ۴،۴۳۶ ملین روپے رہا تھا۔ خالص پری بیئم ریونیو کے لئے مجموعی کلیمز کا تناسب ۵۰ فیصد رہا جو اس کے مقابلے میں گزشتہ سال کی اسی مدت کے لئے ۶۰ فیصد تھا۔ نو ماہ کی مدت کیلئے مجموعی زیر تحریر منافع ۲۲۷ ملین روپے رہا جو اس کے مقابلے میں گزشتہ سال کی اس مدت کے لئے ۴۹۱ ملین روپے کا زیر تحریر خسارہ ہوا تھا۔

سرمایہ کاری کی آمدنی (بشمول ریٹیل آمدنی، ڈپازٹس اور دیگر آمدنی پر منافع جات) برائے زیر جائزہ مدت ۲،۱۱۶ ملین روپے رہی جو اس کے مقابلے میں گزشتہ سال کی اس مدت میں ۱،۹۷۱ ملین روپے تھی۔ جون ۲۰۲۳ء کے بجٹ میں ۶ فیصد سپر ٹیکس کے باعث رواں مدت کے دوران گزشتہ سال کی اس مدت کے مقابلے میں ٹیکس کا بلند تر سطح پر جانا ۲۰۲۲ء سے موثر رہا تھا۔

اس مدت کے لئے منافع بعد از ٹیکس ۵۵ فیصد بڑھ کر ۶۱،۶۱۷ ملین روپے ہو گیا جو گزشتہ سال کی اس مدت میں ۴۳،۰۴۳ ملین روپے تھا۔

اس مدت کے لئے آمدنی فی شیئر ۸۰۹ روپے رہی جو اس کے مقابلے میں گزشتہ سال کی اس مدت میں ۵۲۱ روپے تھی۔

آپ کے ڈائریکٹرز بمسرت سال ۲۰۲۳ء کے لئے تیسرے عبوری نقد منافع منقسمہ بشرح ۵۰ء ۵۰ء روپے (۱۵ فیصد) کا اعلان کرتے ہیں۔

مستقبل کا نقطہ نظر

اقتصادی آؤٹ لک

پاکستان کیلئے اقتصادی منظر نامہ کثیر نوعیتی عناصر کے سبب بدستور چیلنج رہے گا اور بڑھتے ہوئے عالمی آئل کے نرخوں اور زر ترسیلات میں کمی کی وجہ سے مزید چیلنجوں کا بھی سامنا کرنا پڑھ سکتا ہے۔ تاہم مثبت پیش رفت کے بھی آثار موجود ہیں جیسا کہ براہ راست بیرونی سرمایہ کاری کا بڑھنا، سرکاری ملکیتی اداروں کی نجکاری اور توانائی کے شعبے میں اصلاحات کے نفاذ سے ممکنہ طور پر ملک کے معاشی منظر نامے میں یقینی طور پر استحکام کی امید ہے۔

اظہار تشکر

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

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

سیف الدین این۔ زومکوالا

چیئرمین

کراچی: ۲۷ اکتوبر ۲۰۲۳ء

کامران ارشد انعام

ٹیچنگ ڈائریکٹر و چیف ایگزیکٹو آفیسر

طاہر جی۔ ساچک

ڈائریکٹر

حسن علی عبداللہ

ڈائریکٹر

Unconsolidated Condensed Interim Statement of Financial Position As at 30 September 2023 (Unaudited)

	Note	30 September 2023 (Unaudited)	Rupees '000 31 December 2022 (Audited)
Assets			
Property and equipment	6	3 227 606	3 101 685
Investment property	7	3 018 970	3 050 470
Investment in subsidiary	8	9 171 192	9 516 994
Investments			
Equity securities	9	2 631 223	2 718 022
Debt securities	10	12 474 750	11 923 983
Term deposits		709 586	551 692
Loans and other receivables	11	391 182	431 327
Insurance / reinsurance receivables	12	7 028 902	5 876 086
Reinsurance recoveries against outstanding claims	19	8 370 799	6 503 793
Salvage recoveries accrued		36 260	45 757
Deferred commission expense	20	1 406 645	1 111 775
Retirement benefit		3 865	–
Deferred taxation		182 099	–
Prepayments	13	9 743 949	8 551 868
Cash and bank	14	1 860 092	1 634 869
		<u>60 257 120</u>	<u>55 018 321</u>
Total assets of window takaful operations - Operator's Fund		2 077 220	1 601 167
Total assets		<u><u>62 334 340</u></u>	<u><u>56 619 488</u></u>
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		2 000 000	2 000 000
Reserves	15	14 855 695	15 099 111
Unappropriated profit		1 436 632	1 327 614
Total equity		18 292 327	18 426 725
Surplus on revaluation of property and equipment		1 026 456	1 133 089
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	19	12 626 025	10 368 176
Unearned premium reserve	18	17 851 136	14 167 219
Unearned reinsurance commission	20	280 691	201 585
Retirement benefit obligations		–	14 009
Deferred taxation		–	20 483
Premium received in advance		70 645	79 385
Insurance / reinsurance payables		7 191 108	7 683 702
Other creditors and accruals	16	3 745 970	3 766 305
Taxation - provision less payments		362 846	35 035
Total liabilities		<u>42 128 421</u>	<u>36 335 899</u>
		61 447 204	55 895 713
Total liabilities of window takaful operations - Operator's Fund		887 136	723 775
Total equity and liabilities		<u><u>62 334 340</u></u>	<u><u>56 619 488</u></u>
Contingencies and commitments	17		

The annexed notes 1 to 33 form an integral part of these unconsolidated condensed interim financial statements.

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

ALTAZ GOKAL
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 27 October 2023

Unconsolidated Condensed Interim Profit and Loss Account For the nine months period ended 30 September 2023 (Unaudited)

Rupees '000

	Note	Three months period ended		Nine months period ended	
		30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Net insurance premium	18	2 744 144	2 256 018	8 638 129	7 446 195
Net insurance claims	19	(721 794)	(1 641 815)	(4 295 506)	(4 505 109)
Net commission and other acquisition cost	20	(574 850)	(438 774)	(1 554 558)	(1 174 583)
Insurance claims and acquisition expenses		(1 296 644)	(2 080 589)	(5 850 064)	(5 679 692)
Management expenses		(849 874)	(805 443)	(2 560 999)	(2 257 016)
Underwriting results		597 626	(630 014)	227 066	(490 513)
Investment income	21	662 366	564 919	1 668 994	1 667 838
Rental income		35 391	32 746	98 830	92 717
Other income	22	129 454	82 747	347 755	210 670
Other expenses		(23 315)	(14 019)	(71 991)	(56 962)
		803 896	666 393	2 043 588	1 914 263
Results of operating activities		1 401 522	36 379	2 270 654	1 423 750
Profit from window takaful operations - Operator's Fund	23	193 666	121 346	520 826	254 847
Profit before tax		1 595 188	157 725	2 791 480	1 678 597
Income tax expense	24				
Current period		(625 061)	(56 907)	(994 782)	(473 473)
Prior period		–	–	(179 649)	(162 565)
		(625 061)	(56 907)	(1 174 431)	(636 038)
Profit after tax		970 127	100 818	1 617 049	1 042 559
Earnings (after tax) per share - Rupees	25	4.85	0.50	8.09	5.21

The annexed notes 1 to 33 form an integral part of these unconsolidated condensed interim financial statements.

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

ALTAJ GOKAL
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 27 October 2023

Unconsolidated Condensed Interim Statement of Comprehensive Income For the nine months period ended 30 September 2023 (Unaudited)

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Profit after tax	970 127	100 818	1 617 049	1 042 559
Other comprehensive income				
Total items that may be reclassified subsequently to profit and loss account				
Unrealized (loss) / gain on available-for-sale investments during the period	126 117	(305 649)	(271 991)	(661 822)
Reclassification adjustments relating to available-for-sale investments disposed off during the period	65 189	–	108 565	–
Unrealized (loss) / gain on available-for-sale investments during the period of subsidiary company	(610 518)	18 485	(8 475)	(124 773)
Total unrealized loss on available-for-sale investments	(419 212)	(287 164)	(171 901)	(786 595)
Deferred tax on available-for-sale investments	(74 610)	76 301	67 081	179 846
Deferred tax on available-for-sale investments of subsidiary company	238 103	(11 164)	(5 692)	25 391
Effect of translation of foreign branches	1 779	27 443	59 977	57 308
Net unrealized (loss) / gain from window takaful operations - Operator's Fund (net of deferred tax)	1 436	(2 533)	(5 830)	2 567
Other comprehensive loss	(252 504)	(197 117)	(56 365)	(521 483)
Total comprehensive income / (loss) for the period	717 623	(96 299)	1 560 684	521 076

The annexed notes 1 to 33 form an integral part of these unconsolidated condensed interim financial statements.

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 27 October 2023

Unconsolidated Condensed Interim Cash Flow Statement For the nine months period ended 30 September 2023 (Unaudited)

Rupees '000

	30 September 2023	30 September 2022
Operating cash flows		
a) Underwriting activities		
Insurance premium received	26 418 035	21 864 028
Reinsurance premium paid	(16 875 289)	(12 031 051)
Claims paid	(5 852 568)	(4 170 048)
Reinsurance and other recoveries received	1 932 985	1 017 024
Commission paid	(1 826 065)	(1 502 244)
Commission received	422 923	290 314
Management expenses paid	(2 391 006)	(2 112 768)
Net cash flow from underwriting activities	1 829 015	3 355 255
b) Other operating activities		
Income tax paid	(937 717)	(956 521)
Other operating payments	(74 714)	(97 151)
Other operating receipts	(233 615)	170 235
Loans advanced	(1 195)	(570)
Loans repayments received	818	523
Net cash flow used in other operating activities	(1 246 423)	(883 484)
Total cash flow from all operating activities	582 592	2 471 771
Investment activities		
Profit / return received	1 544 503	1 329 916
Dividend received	805 707	766 746
Rentals received	98 326	105 720
Payment for investments / investment properties	(6 464 583)	(8 942 814)
Proceeds from investments / investment properties	5 660 030	6 515 628
Fixed capital expenditures	(347 800)	(224 237)
Proceeds from sale of property and equipment	63 036	43 431
Total cash flow from / (used in) investing activities	1 359 219	(405 610)
Financing activities		
Payments against lease liabilities	(42 484)	(45 609)
Dividends paid	(1 674 104)	(1 643 285)
Total cash flow used in financing activities	(1 716 588)	(1 688 894)
Net cash flow from all activities	225 223	377 267
Cash and cash equivalents at the beginning of period	1 634 869	1 189 522
Cash and cash equivalents at the end of period	1 860 092	1 566 789
Reconciliation to profit and loss account		
Operating cash flows	582 592	2 471 771
Depreciation / amortization expense	(216 094)	(198 175)
Finance cost	(8 851)	(9 955)
Profit on disposal of property and equipment	58 535	21 769
Profit on disposal of investments / investment properties	79 515	103 778
Rental income	98 830	92 717
Dividend Income	820 101	835 955
Other investment income	769 378	728 105
Profit on deposits	275 755	146 774
Other income	13 465	42 127
Increase in assets other than cash	4 647 220	5 230 015
Increase in liabilities other than borrowings	(6 024 223)	(8 677 169)
Profit after tax from conventional insurance operations	1 096 223	787 712
Profit from window takaful operations - Operator's Fund	520 826	254 847
Profit after tax	1 617 049	1 042 559

The annexed notes 1 to 33 form an integral part of these unconsolidated condensed interim financial statements.

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

ALTAZ GOKAL
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 27 October 2023

Unconsolidated Condensed Interim Statement of Changes in Equity For the nine months period ended 30 September 2023 (Unaudited)

Rupees '000

	Attributable to equity holders of the Company							Total
	Share capital	Capital reserve - reserve for exceptional losses	Revenue reserves			Unappropriated profit		
			General reserve	Exchange translation reserve	Unrealized gain / (loss) on revaluation of available-for-sale investments-net			
Balance as at 01 January 2022	2 000 000	12 902	15 650 000	81 195	961 124	1 679 190	(1 110 599)	19 273 812
Total comprehensive income for the period ended 30 September 2022								
Profit after tax				57 308	(578 791)	(94 602)	1 137 161	1 042 559
Other comprehensive loss				57 308	(578 791)	(94 602)	1 137 161	521 076
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation - net of tax							1 822	1 822
Transactions with owners recorded directly in equity								
Final dividend for the year 2021 at the rate of Rs. 5.50 (55.00%) per share							(1 100 000)	(1 100 000)
1st Interim dividend paid for the year 2022 at the rate of Rs. 1.50 (15.00%) per share							(300 000)	(300 000)
2nd Interim dividend paid for the year 2022 at the rate of Rs. 1.50 (15.00%) per share							(300 000)	(300 000)
Other transfer within equity								
Transfer from general reserve			(2 650 000)				2 650 000	-
Balance as at 30 September 2022	<u>2 000 000</u>	<u>12 902</u>	<u>13 000 000</u>	<u>138 503</u>	<u>382 333</u>	<u>1 584 588</u>	<u>978 384</u>	<u>18 096 710</u>
Balance as at 01 January 2023	2 000 000	12 902	13 000 000	142 661	57 775	1 885 773	1 327 614	18 426 725
Total comprehensive income for the period ended 30 September 2023								
Profit after tax				59 977	(116 342)	(187 051)	1 804 100	1 617 049
Other comprehensive loss				59 977	(116 342)	(187 051)	1 804 100	1 560 684
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation - net of tax							4 918	4 918
Transactions with owners recorded directly in equity								
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)
2nd 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 September 2023	<u>2 000 000</u>	<u>12 902</u>	<u>13 000 000</u>	<u>202 638</u>	<u>(58 567)</u>	<u>1 698 722</u>	<u>1 436 632</u>	<u>18 292 327</u>

The annexed notes 1 to 33 form an integral part of these unconsolidated condensed interim financial statements.

HASANALI ABDULLAH
Director

TAHER G. SACHAK
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Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 27 October 2023

Notes to the Unconsolidated Condensed Interim Financial Statements For the nine months period ended 30 September 2023 (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 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 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 49 (2022: 53) branches in Pakistan including a branch in Export Processing Zone (EPZ) and a branch in Gwadar Free Zone.

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

2. Basis of preparation and statement of compliance

These unconsolidated condensed interim financial information 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 2022.

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, property and equipment and investment property that have been measured at fair value and the Company's liability under defined benefit plan that is determined based on present value of defined benefit obligation less fair value of plan assets.

2.2 Functional and presentation currency

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

2.3 Standards, interpretations and amendments effective during the current period

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after 01 January 2023 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:

Amendments	Effective date (annual periods beginning on or after)
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	01 January 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	01 January 2024
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	01 January 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalized

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

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

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 1 First-time Adoption of International Financial Reporting Standards	01 January 2024
IFRS 17 Insurance Contracts	01 January 2023

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

3. Summary of significant accounting policies

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

4. Accounting estimates and judgements

The preparation of these unconsolidated 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 unconsolidated condensed interim financial statements, the significant judgments 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 audited unconsolidated financial statements as at and for the year ended 31 December 2022.

5. Management of insurance and financial risk

Insurance and financial risk management objectives and policies are consistent with those disclosed in the audited unconsolidated financial statements for the year ended 31 December 2022.

6. Property and equipment

The movement of property and equipment during the nine months period ended 30 September 2023 are as follows:

		Rupees '000	
		30 September 2023 (Unaudited)	31 December 2022 (Audited)
		Note	
	Opening balance - net book value		2 887 013
	Additions	6.1	346 944
	Depreciation during the period		(259 082)
	Book value of disposal		(51 240)
	Revaluation		178 050
			<u>3 101 685</u>
6.1	Additions		
	Building		33 192
	Right of use assets - buildings		43 222
	leasehold improvements		3 775
	Furniture and fixtures		20 110
	Office equipment		25 758
	Computer equipment		13 141
	Vehicles		207 746
			<u>346 944</u>
7.	Investment property		
	Opening net book value		2 599 970
	Additions and capital improvements		970
	Unrealized fair value gain *		449 530
	Disposal		-
			<u>3 050 470</u>
	Closing net book value		<u>3 018 970</u>

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

8. Investment in subsidiary

Rupees '000

		30 September 2023 (Unaudited)			31 December 2022 (Audited)		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	Subsidiary						
	Listed shares	13 558 857	(4 529 148)	9 029 709	13 445 926	(4 078 891)	9 367 035
	Surplus on revaluation	-	-	141 483	-	-	149 959
		<u>13 558 857</u>	<u>(4 529 148)</u>	<u>9 171 192</u>	<u>13 445 926</u>	<u>(4 078 891)</u>	<u>9 516 994</u>

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

Rupees '000

	30 September 2023 (Unaudited)			31 December 2022 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Related Party*						
Mutual funds	103 630	–	103 630	–	–	–
Listed shares	352 479	(132 239)	220 240	396 299	(117 849)	278 450
	456 109	(132 239)	323 870	396 299	(117 849)	278 450
Others						
Listed shares	2 127 314	(599 628)	1 527 686	2 158 262	(411 192)	1 747 070
Unlisted shares	15 216	(15 216)	–	15 216	(15 216)	–
	2 142 530	(614 844)	1 527 686	2 173 478	(426 408)	1 747 070
Surplus on revaluation	–	–	779 667	–	–	692 502
	<u>2 598 639</u>	<u>(747 083)</u>	<u>2 631 223</u>	<u>2 569 777</u>	<u>(544 257)</u>	<u>2 718 022</u>

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

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

	30 September 2023 (Unaudited)			31 December 2022 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Government securities	13 171 921	–	13 171 921	12 531 040	–	12 531 040
Term finance certificates	240 637	(40 637)	200 000	244 118	(44 118)	200 000
Corporate sukus	102 000	–	102 000	127 000	–	127 000
	13 514 558	(40 637)	13 473 921	12 902 158	(44 118)	12 858 040
Deficit on revaluation	–	–	(999 171)	–	–	(934 057)
	<u>13 514 558</u>	<u>(40 637)</u>	<u>12 474 750</u>	<u>12 902 158</u>	<u>(44 118)</u>	<u>11 923 983</u>

11. Loans and other receivables – considered good

Rupees '000

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
	Loans to employees	3 077
Accrued investment income	311 858	315 983
Security deposits	18 000	19 154
Advances to suppliers	33 466	71 725
Advances to employees	6 175	6 027
Other receivables	18 606	15 738
	<u>391 182</u>	<u>431 327</u>
12. Insurance / reinsurance receivables – unsecured and considered good		
Due from insurance contract holders	6 997 578	5 869 227
Provision for impairment of receivables from insurance contract holders	(476)	(524)
	<u>6 997 102</u>	<u>5 868 703</u>
Due from other insurer / reinsurers	31 800	7 383
	<u>7 028 902</u>	<u>5 876 086</u>

13. Prepayments

Rupees '000

	Note	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Prepaid reinsurance premium ceded	18	9 639 252	8 489 684
Software and hardware support services		–	1 201
Group health insurance premium		9 141	–
Group life insurance premium		3 939	–
Prepaid charges for vehicle tracking devices		35 499	51 499
Annual supervision fee		8 762	–
Others		47 356	9 484
		<u>9 743 949</u>	<u>8 551 868</u>
14. Cash and bank			
Cash and cash equivalents			
Cash in hand		859	–
Policy, revenue stamps and bond papers		41 849	36 587
		42 708	36 587
Cash at bank			
Current accounts		166 840	136 857
Saving accounts		1 650 544	1 461 425
		1 817 384	1 598 282
		<u>1 860 092</u>	<u>1 634 869</u>
15. Reserves and unappropriated profit / (loss)			
Capital reserve			
Reserve for exceptional losses		12 902	12 902
Revenue reserves			
General reserve		13 000 000	13 000 000
Revaluation reserve for unrealized (loss) / gain on available-for-sale investments - net		(58 567)	57 775
Reserve for change in fair value of investment property - net		1 698 722	1 885 773
Exchange translation reserves		202 638	142 661
		<u>14 855 695</u>	<u>15 099 111</u>
16. Others creditors and accruals			
Federal insurance fee payable		15 449	18 789
Sales tax payable		242 546	504 791
Accrued expenses		255 572	301 981
Agent commission payable		935 534	568 352
Unearned rentals		72 554	74 344
Other deposits		1 614 321	1 699 486
Unclaimed dividends		500 981	475 085
Lease liability		96 433	113 201
Others		12 580	10 276
		<u>3 745 970</u>	<u>3 766 305</u>

17. Contingencies and commitments

The status of the contingencies and commitments remains unchanged as disclosed in the annual audited unconsolidated financial statements as at 31 December 2022 with the following notable exceptions.

- The income tax assessment of the Company has been finalized up to the tax year 2023.
- The department filed an appeal before the Income Tax Appellate Tribunal (ITAT) against the order of the Commissioner Appeals for the tax year 2014 on account of dividend taxed at the reduced rate. The Income Tax Appellate Tribunal (ITAT) has decided the case in favour of the Company. The amount involved is Rs. 115 million.

18. Net insurance premium

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Written gross premium	10 558 975	9 218 098	27 555 173	21 936 859
Unearned premium reserve - opening	15 837 132	11 648 905	14 167 219	10 517 726
Unearned premium reserve - closing	(17 851 136)	(14 196 550)	(17 851 136)	(14 196 550)
Premium earned	8 544 971	6 670 453	23 871 256	18 258 035
Less:				
Reinsurance premium ceded	5 176 004	5 001 769	16 382 695	12 865 048
Prepaid reinsurance premium - opening	10 264 075	6 934 872	8 489 684	5 468 998
Prepaid reinsurance premium - closing	(9 639 252)	(7 522 206)	(9 639 252)	(7 522 206)
Reinsurance expense	5 800 827	4 414 435	15 233 127	10 811 840
	<u>2 744 144</u>	<u>2 256 018</u>	<u>8 638 129</u>	<u>7 446 195</u>
19. Net insurance claim expense				
Claims Paid	1 607 722	1 762 232	5 862 066	4 146 286
Outstanding claims including IBNR - closing	12 626 025	10 846 777	12 626 025	10 846 777
Outstanding claims including IBNR - opening	(14 985 471)	(10 055 888)	(10 368 176)	(7 085 599)
Claim expense	(751 724)	2 553 121	8 119 915	7 907 464
Less:				
Reinsurance and other recoveries received	286 490	522 847	1 957 403	934 386
Reinsurance and other recoveries in respect of outstanding claims - opening	(10 130 807)	(6 053 807)	(6 503 793)	(3 974 297)
Reinsurance and other recoveries in respect of outstanding claims - closing	8 370 799	6 442 266	8 370 799	6 442 266
Reinsurance and other recoveries revenue	(1 473 518)	911 306	3 824 409	3 402 355
	<u>721 794</u>	<u>1 641 815</u>	<u>4 295 506</u>	<u>4 505 109</u>

20. Net commission expense

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Commission paid or payable	1 125 227	929 101	2 193 246	1 801 706
Deferred commission expense - opening	985 268	779 765	1 111 775	772 985
Deferred commission expense - closing	(1 406 645)	(1 182 571)	(1 406 645)	(1 182 571)
Net commission	703 850	526 295	1 898 376	1 392 120
Less:				
Commission received or recoverable	221 993	167 990	422 924	290 313
Unearned reinsurance commission - opening	187 698	127 521	201 585	135 214
Unearned reinsurance commission - closing	(280 691)	(207 990)	(280 691)	(207 990)
Commission from reinsurers	129 000	87 521	343 818	217 537
	574 850	438 774	1 554 558	1 174 583
21. Investment income				
Income from subsidiary				
- Available-for-sale				
Dividend income	69 835	69 185	626 154	618 792
Income from equity securities				
- Available-for-sale				
Dividend income - Equity shares	52 165	99 677	189 677	217 164
Dividend income - Mutual funds	-	-	4 269	-
Income from debt securities				
- Available-for-sale				
Return on debt securities	433 233	322 268	1 215 305	863 550
Income from term deposits				
Return on term deposits	10 110	4 073	29 367	10 562
	565 343	495 203	2 064 772	1 710 068
Net realized gains / (losses) on investments				
Available-for-sale financial assets				
Realized gains on:				
Equity securities	46 575	13 206	72 570	110 578
Realized losses on:				
Equity securities	-	-	-	(6 800)
	46 575	13 206	72 570	103 778
	611 918	508 409	2 137 342	1 813 846
Impairment in value of available-for-sale				
Subsidiary company	-	-	(450 257)	-
Equity securities	50 740	56 837	(17 350)	(145 232)
Investment related expenses	(292)	(327)	(741)	(776)
	662 366	564 919	1 668 994	1 667 838

22. Other income

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Gain on sale of property and equipment	7 255	5 544	58 535	41 647
Return on loans to employees	45	57	149	188
Exchange gains	2 362	6 712	6 151	16 320
Gain on early termination of lease agreements	150	56	220	5 741
Gain on sale of investment property	6 945	–	6 945	–
Return on bank balances	112 697	70 378	275 755	146 774
	<u>129 454</u>	<u>82 747</u>	<u>347 755</u>	<u>210 670</u>
23. Profit from window takaful operations – Operator's Fund				
Wakala fee	298 332	241 206	877 299	671 338
Commission expense	(88 392)	(81 150)	(259 216)	(238 989)
General administrative and management expenses	(104 254)	(95 550)	(317 221)	(292 041)
Modarib's share of PTF investment income	28 369	23 867	75 519	49 156
Investment income	57 581	31 557	138 273	62 372
Direct expenses	(187)	(340)	(791)	(910)
Other income	2 217	1 756	6 963	3 921
	<u>193 666</u>	<u>121 346</u>	<u>520 826</u>	<u>254 847</u>
24. Income tax expense				
For current period				
Current	457 471	17 275	957 841	514 028
Deferred	9 611	33 340	(294 265)	(115 706)
Super tax	157 979	6 292	331 206	75 151
	<u>625 061</u>	<u>56 907</u>	<u>994 782</u>	<u>473 473</u>
For prior year(s)				
Super tax	–	–	179 649	162 565
	<u>625 061</u>	<u>56 907</u>	<u>1 174 431</u>	<u>636 038</u>
25. Earnings per share - basic and diluted				
Profit (after tax) for the period (Rupees '000)	<u>970 127</u>	<u>100 818</u>	<u>1 617 049</u>	<u>1 042 559</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>4.85</u>	<u>0.50</u>	<u>8.09</u>	<u>5.21</u>

26. Related party transactions

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

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Transactions				
Subsidiary company				
Premium written	430	781	29 252	29 446
Premium paid	–	324	13 457	13 748
Claims paid including salvage recovered	165	178	1 216	1 124
Dividends received	71 040	69 185	627 359	618 792
Dividends paid	–	7 021	32 767	39 788
Associated companies				
Premium written	10 343	44 747	53 356	188 406
Premium paid / (refund)	–	–	28 437	25 960
Claims paid including salvage recovered	3 149	10 680	19 426	141 409
Dividends received	–	–	18 431	–
Dividends paid	108 326	101 996	581 552	577 046
Bank deposits withdrawn	(210 500)	(335 000)	(10 500)	(125 000)
Key management personnel				
Premium written	1 182	643	1 334	757
Claims paid including salvage recovered	–	–	409	168
Dividends paid	821	1 346	7 104	7 629
Compensation	49 097	57 817	179 875	170 160
Others				
Premium written	78 989	14 762	86 464	23 247
Claims paid including salvage recovered	112 625	39 654	157 024	46 679
Dividends paid	100 791	88 392	566 515	558 915
Brokerage paid	122	315	363	499
Employees' funds				
Contribution to provident fund	8 665	8 550	26 720	25 969
Contribution to gratuity fund	8 653	7 332	25 959	21 692
Contribution released to pension fund	(2 632)	(1 854)	(7 896)	(5 564)
Dividends paid	674	674	3 820	3 820
			30 September 2023 (Unaudited)	31 December 2022 (Audited)
Balances				
Others				
Balances receivable			40 618	21 450
Balances payable			1 867	406
Deposits maturing within 12 months			78 000	88 500
Bank balances			552 778	417 141
Employees' funds receivable / (payable)				
EFU gratuity fund			(73 383)	(83 233)
EFU pension fund			77 248	69 224

27. Segment Information

Rupees '000

For nine months period ended 30 September 2023 (Unaudited)

Current period	Fire and property damage	Marine, aviation and transport	Motor	Misce-llaneous	Treaty	Total
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	21 320 847	4 966 577	3 812 267	1 841 140	–	31 940 831
Less: Sales tax	2 712 084	545 198	469 994	233 838	–	3 961 114
Stamp duty	364	147 169	886	714	–	149 133
Federal insurance fee	184 233	42 310	33 084	15 784	–	275 411
Gross written premium (inclusive of administrative surcharge)	18 424 166	4 231 900	3 308 303	1 590 804	–	27 555 173
Gross direct premium	18 396 262	4 189 462	3 182 149	1 565 603	–	27 333 476
Facultative inward premium	1 012	827	–	12 597	–	14 436
Administrative surcharge	26 892	41 611	126 154	12 604	–	207 261
Insurance premium earned	16 497 656	3 089 679	2 897 439	1 386 482	–	23 871 256
Insurance premium ceded to reinsurers	(13 034 903)	(1 664 178)	(31 207)	(502 839)	–	(15 233 127)
Net insurance premium	3 462 753	1 425 501	2 866 232	883 643	–	8 638 129
Commission income	291 647	16 590	22	35 559	–	343 818
Net underwriting income	3 754 400	1 442 091	2 866 254	919 202	–	8 981 947
Insurance claims	(4 909 008)	(1 403 533)	(1 404 321)	(403 053)	–	(8 119 915)
Insurance claims recovered from reinsurers	2 954 745	818 890	(1 234)	52 008	–	3 824 409
Net insurance claims	(1 954 263)	(584 643)	(1 405 555)	(351 045)	–	(4 295 506)
Commission expense	(1 257 288)	(247 404)	(278 301)	(115 383)	–	(1 898 376)
Management expenses	(1 041 227)	(405 391)	(850 857)	(263 524)	–	(2 560 999)
Net insurance claims and expenses	(4 252 778)	(1 237 438)	(2 534 713)	(729 952)	–	(8 754 881)
Underwriting results	(498 378)	204 653	331 541	189 250	–	227 066
Investment income						1 668 994
Rental income						98 830
Other income						347 755
Other expenses						(71 991)
Profit from window takaful operations - Operator's Fund						520 826
Profit before tax						2 791 480
	As at 30 September 2023 (Unaudited)					
Corporate segment assets	20 151 738	4 584 293	859 902	921 422	–	26 517 355
Corporate segment assets - Takaful OPF	249 867	22 179	346 453	30 460	–	648 959
Corporate unallocated assets						33 739 765
Corporate unallocated assets - Takaful OPF						1 428 261
Total assets						62 334 340
Corporate segment liabilities	27 821 634	5 574 292	3 247 530	3 926 004	–	40 569 460
Corporate segment liabilities - Takaful OPF	246 763	19 333	412 077	43 928	–	722 101
Corporate unallocated liabilities						1 558 961
Corporate unallocated liabilities - Takaful OPF						165 035
Total liabilities						43 015 557
						External premium less reinsurance by geographical segments 2023
Location						
Pakistan						8 616 138
* EPZ						21 991
Total						8 638 129

* This represents US Dollar Equivalent in Pak Rupees

Rupees '000

For nine months period ended 30 September 2022 (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)	16 511 337	3 463 059	3 452 560	1 667 938	-	25 094 894
Less: Sales tax	1 794 087	368 897	416 685	202 908	-	2 782 577
Stamp duty	430	153 973	924	840	-	156 167
Federal insurance fee	145 640	29 103	30 051	14 497	-	219 291
Gross written premium (inclusive of administrative surcharge)	14 571 180	2 911 086	3 004 900	1 449 693	-	21 936 859
Gross direct premium	14 530 932	2 868 605	2 861 470	1 437 029	-	21 698 036
Facultative inward premium	11 246	718	-	-	-	11 964
Administrative surcharge	29 002	41 763	143 430	12 664	-	226 859
Insurance premium earned	11 743 445	2 502 180	2 695 660	1 316 750	-	18 258 035
Insurance premium ceded to reinsurers	(9 270 742)	(1 121 789)	(18 022)	(401 287)	-	(10 811 840)
Net insurance premium	2 472 703	1 380 391	2 677 638	915 463	-	7 446 195
Commission income	175 248	12 742	4	29 543	-	217 537
Net underwriting income	2 647 951	1 393 133	2 677 642	945 006	-	7 663 732
Insurance claims	(5 329 403)	(501 866)	(1 400 715)	(675 480)	-	(7 907 464)
Insurance claims recovered from reinsurers	3 325 903	4 824	(2 024)	73 652	-	3 402 355
Net insurance claims	(2 003 500)	(497 042)	(1 402 739)	(601 828)	-	(4 505 109)
Commission expense	(810 839)	(233 991)	(244 098)	(103 192)	-	(1 392 120)
Management expenses	(782 517)	(398 159)	(803 838)	(272 502)	-	(2 257 016)
Net insurance claims and expenses	(3 596 856)	(1 129 192)	(2 450 675)	(977 522)	-	(8 154 245)
Underwriting results	(948 905)	263 941	226 967	(32 516)	-	(490 513)
Investment income						1 667 838
Rental income						92 717
Other income						210 670
Other expenses						(56 962)
Profit from window takaful operations - Operator's Fund						254 847
Profit before tax						1 678 597
	As at 31 December 2022 (Audited)					
Corporate segment assets	18 675 990	1 963 179	595 833	843 592	-	22 078 594
Corporate segment assets - Takaful OPF	157 225	17 208	365 513	17 761	-	557 707
Corporate unallocated assets						32 939 727
Corporate unallocated assets - Takaful OPF						1 043 460
Total assets						56 619 488
Corporate segment liabilities	24 933 928	3 300 167	2 746 514	3 787 296	-	34 767 905
Corporate segment liabilities - Takaful OPF	152 456	16 489	479 499	27 619	-	676 063
Corporate unallocated liabilities						1 567 994
Corporate unallocated liabilities - Takaful OPF						47 712
Total liabilities						37 059 674
						External premium less reinsurance by geographical segments 2022
Location						
Pakistan						7 422 285
* EPZ						23 910
Total						7 446 195

* This represents US Dollar Equivalent in Pak Rupees

Rupees '000

For three months period ended 30 September 2023 (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)	8 950 177	972 662	1 749 205	568 126	–	12 240 170
Less: Sales tax	1 127 557	104 596	214 877	72 341	–	1 519 371
Stamp duty	195	55 558	321	263	–	56 337
Federal insurance fee	77 451	8 044	15 189	4 803	–	105 487
Gross written premium (inclusive of administrative surcharge)	7 744 974	804 464	1 518 818	490 719	–	10 558 975
Gross direct premium	7 731 395	788 593	1 477 219	474 819	–	10 472 026
Facultative inward premium	–	–	–	10 491	–	10 491
Administrative surcharge	13 579	15 871	41 599	5 409	–	76 458
Insurance premium earned	5 859 015	1 222 618	988 510	474 828	–	8 544 971
Insurance premium ceded to reinsurers	(4 901 604)	(711 762)	(14 499)	(172 962)	–	(5 800 827)
Net insurance premium	957 411	510 856	974 011	301 866	–	2 744 144
Commission income	109 846	6 251	8	12 895	–	129 000
Net underwriting income	1 067 257	517 107	974 019	314 761	–	2 873 144
Insurance claims	1 262 011	131 201	(487 043)	(154 445)	–	751 724
Insurance claims recovered from reinsurers	(1 146 786)	(333 327)	–	6 595	–	(1 473 518)
Net insurance claims	115 225	(202 126)	(487 043)	(147 850)	–	(721 794)
Commission expense	(481 164)	(87 315)	(94 702)	(40 669)	–	(703 850)
Management expenses	(307 373)	(150 106)	(300 278)	(92 117)	–	(849 874)
Net insurance claims and expenses	(673 312)	(439 547)	(882 023)	(280 636)	–	(2 275 518)
Underwriting results	393 945	77 560	91 996	34 125	–	597 626
Investment income						662 366
Rental income						35 391
Other income						129 454
Other expenses						(23 315)
Profit from window takaful operations - Operator's Fund						193 666
Profit before tax						1 595 188

Rupees '000

For three months period ended 30 September 2022 (Unaudited)

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Misce-llaneous	Treaty	Total
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	7 715 716	808 556	1 461 848	540 336	-	10 526 456
Less: Sales tax	828 586	85 567	174 205	69 975	-	1 158 333
Stamp duty	227	56 996	323	298	-	57 844
Federal insurance fee	68 187	6 594	12 746	4 654	-	92 181
Gross written premium (inclusive of administrative surcharge)	6 818 716	659 399	1 274 574	465 409	-	9 218 098
Gross direct premium	6 803 596	645 788	1 226 211	459 652	-	9 135 247
Administrative surcharge	15 120	13 611	48 363	5 757	-	82 851
Insurance premium earned	4 383 552	908 036	923 305	455 560	-	6 670 453
Insurance premium ceded to reinsurers	(3 817 620)	(431 742)	(7 694)	(157 379)	-	(4 414 435)
Net insurance premium	565 932	476 294	915 611	298 181	-	2 256 018
Commission income	72 324	4 672	-	10 525	-	87 521
Net underwriting income	638 256	480 966	915 611	308 706	-	2 343 539
Insurance claims	(1 665 970)	(236 149)	(412 264)	(238 738)	-	(2 553 121)
Insurance claims recovered from reinsurers	876 773	22 921	(7)	11 619	-	911 306
Net insurance claims	(789 197)	(213 228)	(412 271)	(227 119)	-	(1 641 815)
Commission expense	(321 474)	(82 678)	(85 998)	(36 145)	-	(526 295)
Management expenses	(236 355)	(156 288)	(311 762)	(101 038)	-	(805 443)
Net insurance claims and expenses	(1 347 026)	(452 194)	(810 031)	(364 302)	-	(2 973 553)
Underwriting results	(708 770)	28 772	105 580	(55 596)	-	(630 014)
Investment income						564 919
Rental income						32 746
Other income						82 747
Other expenses						(14 019)
Profit from window takaful operations - Operator's Fund						121 346
Profit before tax						157 725

28. Movement in investments

Rupees '000

Name of investment	Held to maturity - Term deposits	Available-for-sale - Subsidiary	Available-for-sale - Debt securities	Available-for-sale - Equity securities	Total
At beginning of previous year	678 785	9 644 327	9 405 824	3 705 178	23 434 114
Additions	1 026 288	117 309	10 692 090	231 110	12 066 797
Disposals (sale and redemptions)	(1 153 381)	-	(7 669 702)	(333 993)	(9 157 076)
Fair value losses (excluding net realized gains / (losses))	-	(244 642)	(504 229)	(516 045)	(1 264 916)
Impairment losses	-	-	-	(368 228)	(368 228)
At beginning of current year	551 692	9 516 994	11 923 983	2 718 022	24 710 691
Additions	1 355 453	112 930	4 870 539	125 661	6 464 583
Disposals (sale and redemptions)	(1 197 559)	-	(4 254 658)	(96 798)	(5 549 015)
Fair value losses (excluding net realized gains / (losses))	-	(8 475)	(65 114)	(98 312)	(171 901)
Impairment losses	-	(450 257)	-	(17 350)	(467 607)
At end of current period	709 586	9 171 192	12 474 750	2 631 223	24 986 751

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 September 2023 (Unaudited)								
	Available- for-sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Equity securities - quoted	2 631 223				2 631 223	2 631 223		
Debt securities	12 474 750				12 474 750		12 474 750	
Investment in subsidiary	9 171 192				9 171 192	9 171 192		
Financial assets not measured at fair value								
Term deposits *			709 586		709 586			
Loans and other receivables *		391 182			391 182			
Insurance / reinsurance receivables *		7 028 902			7 028 902			
Reinsurance recoveries against outstanding claims *		8 370 799			8 370 799			
Cash and bank *			1 860 092		1 860 092			
Total assets of window takaful operations - Operator's fund *	1 197 929	602 689	82 829		1 883 447		1 197 929	
	25 475 094	16 393 572	2 652 507		44 521 173	11 802 415	13 672 679	
Financial liabilities not measured at fair value								
Outstanding claims including IBNR *				(12 626 025)	(12 626 025)			
Premium received in advance *				(70 645)	(70 645)			
Insurance / reinsurance payables *				(7 191 108)	(7 191 108)			
Other creditors and accruals *				(3 745 970)	(3 745 970)			
Total liabilities of window takaful operations - Operator's Fund *				(140 997)	(140 997)			
	25 475 094	16 393 572	2 652 507	(23 774 745)	20 746 428	11 802 415	13 672 679	-

* 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 2022 (Audited)								
	Available- for-sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Equity securities - quoted	2 718 022				2 718 022	2 718 022		
Debt securities	11 923 983				11 923 983		11 923 983	
Investment in subsidiary	9 516 994				9 516 994	9 516 994		
Financial assets not measured at fair value								
Term deposits *			551 692		551 692			
Loans and other receivables *		431 327			431 327			
Insurance / reinsurance receivables *		5 876 086			5 876 086			
Reinsurance recoveries against outstanding claims *		6 503 793			6 503 793			
Cash and bank *			1 634 869		1 634 869			
Total assets of window takaful operations - Operator's fund *	948 921	432 194	48 929		1 430 044		948 921	
	25 107 920	13 243 400	2 235 490		40 586 810	12 235 016	12 872 904	
Financial liabilities not measured at fair value								
Outstanding claims including IBNR *				(10 368 176)	(10 368 176)			
Premium received in advance *				(79 385)	(79 385)			
Insurance / reinsurance payables *				(7 683 702)	(7 683 702)			
Other creditors and accruals *				(3 766 305)	(3 766 305)			
Total liabilities of window takaful operations - Operator's Fund *				(109 733)	(109 733)			
	25 107 920	13 243 400	2 235 490	(22 007 301)	18 579 509	12 235 016	12 872 904	-

* 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 27 October 2023 have announced a third interim cash dividend in respect of the year ended 31 December 2023 of Rs. 1.5 per share i.e., 15.00 % (2022: Rs. 1.50 per share i.e., 15.00 %). These unconsolidated condensed interim financial statements for the nine months period ended 30 September 2023 do not include the effect of these appropriations, which will be accounted for subsequent to the period end.

31. Corresponding Figures

31.1 Corresponding figures have been rearranged and reclassified wherever necessary.

32. General

Figures have been rounded off to the nearest thousand rupees.

33. 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 27 October 2023.

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

ALTAZ GOKAL
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 27 October 2023

Consolidated Condensed Interim Financial Statements (Unaudited)

For the nine months period ended 30 September 2023

Directors' Review to the Members on Consolidated Condensed Interim Financial Information for the nine months period ended 30 September 2023

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. 54 billion (2022: Rs. 48.9 billion), the net premium was Rs. 34 billion (2022: Rs. 33.5 billion) and profit before tax was Rs. 4,973 million (2022: Rs. 2,549 million). Consolidated investment income (including rental and other income) for the nine months period was Rs. 26,794 million (2022: Rs. 11,086 million). The consolidated total assets were Rs. 257 billion (31 December 2022: Rs. 235 billion) and total investments stood at Rs. 194 billion (31 December 2022: Rs. 180 billion).

Movement of Reserves

	Rupees '000
	30 September 2023 (Unaudited)
Unappropriated profit brought forward	106 701
Profit attributable to ordinary shares	1 484 189
Transferred from surplus on revaluation of property and equipment	16 500
Acquisition of Non-Controlling Interest without a change in control	(64 062)
	1 436 627
Profit available for appropriations	1 543 328
Earnings per share (Rupees)	7.42

Outlook

The economic outlook for Pakistan remains challenging due to multiple factors and further facing challenges of higher global oil prices and decline in remittances. However, there are positive developments on the horizon, as initiatives aimed at increasing foreign direct investments, privatizing state-owned enterprises, and implementing energy sector reforms are likely to bring much-needed stability to the country's economic landscape.

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.

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 27 October 2023

مجموعی کنڈینسڈ عبوری مالیاتی حسابات پر ممبران کیلئے ڈائریکٹرز کا جائزہ ۳۰ ستمبر ۲۰۲۳ء کو ختم ہونے والی نو ماہ کی مدت کیلئے

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

کارکردگی کا جائزہ

یکجا شدہ مجموعی پرمیئم ۵۴ بلین روپے (۲۰۲۳ء: ۴۸ بلین روپے)، خالص پرمیئم ۳۳ بلین روپے (۲۰۲۳ء: ۳۳ بلین روپے) اور منافع قبل از ٹیکس ۳۷ بلین روپے رہا (۲۰۲۳ء: ۲۵ بلین روپے)۔ یکجا شدہ انویسٹمنٹ آمدنی (بشمول رینٹل اور دیگر آمدنی) برائے ۹ ماہ کی مدت ۹۴،۷۲۶ بلین روپے رہی (۲۰۲۳ء: ۱۱،۰۸۶ بلین روپے)۔ یکجا شدہ مجموعی اثاثہ جات ۲۵ بلین روپے (۳۱ دسمبر ۲۰۲۳ء: ۲۳۵ بلین روپے) اور مجموعی سرمایہ کاری ۱۹۴ بلین روپے رہی (۳۱ دسمبر ۲۰۲۳ء: ۱۸۰ بلین روپے)۔

محفوظ اثاثہ جات کی منتقلی

روپے ہزاروں میں

۳۰ ستمبر ۲۰۲۳ء
(غیر آڈٹ شدہ)

۱۰۶ ۷۰۱

۱ ۴۸۴ ۱۸۹

۱۶ ۵۰۰

(۶۲ ۰۶۲)

۱ ۴۳۶ ۶۲۷

۱ ۵۴۳ ۳۲۸

۷ ۴۲

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

تناسب کے تحت دستیاب منافع

آمدنی فی شیئر (روپے)

مستقبل کا نقطہ نظر

پاکستان کیلئے اقتصادی منظر نامہ کثیر نوعیتی عناصر کے سبب بدستور چیلنج رہے گا اور بڑھتے ہوئے عالمی آئل کے نرخوں اور زرتسیلات میں کمی کی وجہ سے مزید چیلنجوں کا بھی سامنا کرنا پڑھ سکتا ہے۔ تاہم مثبت پیش رفت کے بھی آثار موجود ہیں جیسا کہ براہ راست بیرونی سرمایہ کاری کا بڑھنا، سرکاری ملکیتی اداروں کی نجکاری اور توانائی کے شعبے میں اصلاحات کے نفاذ سے ممکنہ طور پر ملک کے معاشی منظر نامے میں یقینی طور پر استحکام کی امید ہے۔

اظہار تشکر

آپ کے ڈائریکٹرز تہمد 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 سیکورٹی ریٹریبونڈ ایگزیکیوٹو کمیٹی آف پاکستان، پاکستان ری انشورنس کمپنی لمیٹڈ اور اپنے تمام ری انشوررز کا ان کی مسلسل رہنمائی اور تعاون کیلئے شکریہ بھی ادا کرنا چاہتے ہیں۔

سیف الدین این۔ زومکوالا

چیئر مین

کراچی: ۲۷ اکتوبر ۲۰۲۳ء

کامران ارشد انعام

ٹیچنگ ڈائریکٹر چیف ایگزیکٹو آفیسر

طاہر جی۔ ساچک

ڈائریکٹر

حسن علی عبداللہ

ڈائریکٹر

Consolidated Condensed Interim Statement of Financial Position As at 30 September 2023 (Unaudited)

		Rupees '000
	Note	31 December 2022 (Audited)
		30 September 2023 (Unaudited)
Assets		
Property and equipment	6	9 041 298
Intangible assets	7	5 761 338
Investment property	8	3 018 970
Investments		
Equity securities	9	20 164 617
Debt securities	10	162 661 740
Term deposits		11 336 448
Loans and other receivables	11	6 552 632
Insurance / reinsurance receivables	12	7 650 616
Reinsurance recoveries against outstanding claims	21	8 370 799
Salvage recoveries accrued		36 260
Deferred commission expense	22	1 406 645
Retirement benefit		3 865
Taxation - payments less provision		611 876
Prepayments	13	10 226 569
Cash and bank	14	7 757 391
		<u>254 601 064</u>
Total assets of window general takaful operations - Operator's Fund		<u>2 077 220</u>
Total assets		<u><u>256 678 284</u></u>
		<u><u>233 114 331</u></u>
		<u><u>1 601 167</u></u>
Equity and Liabilities		
Capital and reserves attributable to Company's equity holders		
Ordinary share capital	15	2 000 000
Reserves	16	14 745 392
Unappropriated profit		30 379
Capital and reserve attributable to Company's equity holders		16 775 771
Non-controlling interest		4 098 066
Total equity		<u>20 873 837</u>
Surplus on revaluation of property and equipment		2 096 796
Liabilities		21 338 850
Insurance liabilities - life insurance business	17	183 314 487
Underwriting provisions - general insurance business		166 382 685
Outstanding claims including IBNR	21	12 626 025
Unearned premium reserves	20	17 851 136
Unearned reinsurance commission	22	280 691
Retirement benefit obligations		-
Deferred taxation		3 441 966
Premium received in advance		1 437 673
Insurance / reinsurance payables		7 777 406
Other creditors and accruals	18	6 091 131
		<u>49 506 028</u>
Total liabilities		<u>232 820 515</u>
		<u>255 791 148</u>
Total liabilities of window general takaful operations - Operator's Fund		<u>887 136</u>
Total equity and liabilities		<u><u>256 678 284</u></u>
		<u><u>234 715 498</u></u>
Contingencies and commitments	19	

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

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

ALTAZ GOKAL
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Consolidated Condensed Interim Profit and Loss Account For the nine months period ended 30 September 2023 (Unaudited)

Rupees '000

	Note	Three months period ended		Nine months period ended	
		30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Net insurance premium	20	11 306 657	10 603 613	34 025 080	33 513 646
Net insurance claims	21	(9 207 724)	(7 602 732)	(27 624 250)	(23 239 478)
Net commission and other acquisition costs	22	(2 264 335)	(2 171 563)	(6 567 926)	(6 618 724)
Insurance claims and acquisition expenses		(11 472 059)	(9 774 295)	(34 192 176)	(29 858 202)
Management expenses		(1 742 923)	(1 604 712)	(5 268 849)	(4 501 471)
Net change in insurance liabilities (other than outstanding claims)		(7 986 381)	(4 239 297)	(16 801 030)	(7 858 864)
Underwriting result		(9 894 706)	(5 014 691)	(22 236 975)	(8 704 891)
Investment income	23	9 038 752	5 512 384	24 533 279	14 211 174
Net realized fair value (losses) / gains on financial assets	24	(201 953)	438 252	(2 381 999)	(278 251)
Net fair value gains / (losses) on financial assets at fair value through profit and loss	25	2 890 417	(544 877)	4 035 330	(3 238 664)
Rental income		35 391	32 746	98 830	92 717
Other income	26	204 455	125 278	508 532	299 410
Other expenses		(27 711)	(21 326)	(104 037)	(87 380)
		11 939 351	5 542 457	26 689 935	10 999 006
Results of operating activities		2 044 645	527 766	4 452 960	2 294 115
Profit from window general takaful operations - Operator's Fund	27	193 666	121 346	520 826	254 847
Profit before tax		2 238 311	649 112	4 973 786	2 548 962
Income tax expense	28				
Current period		(896 997)	(257 338)	(2 596 742)	(1 275 219)
Prior period		-	-	(341 049)	(240 719)
		(896 997)	(257 338)	(2 937 791)	(1 515 938)
Profit after tax		1 341 314	391 774	2 035 995	1 033 024
Profit attributable to:					
Equity holders of the parent		1 105 387	197 049	1 484 189	607 086
Non-controlling interest		235 927	194 725	551 806	425 938
		1 341 314	391 774	2 035 995	1 033 024
Earnings (after tax) per share - Rupees	29	5.53	0.99	7.42	3.04

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

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

ALTAJ GOKAL
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 27 October 2023

Consolidated Condensed Interim Statement of Comprehensive Income For the nine months period ended 30 September 2023 (Unaudited)

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Profit after tax	1 341 314	391 774	2 035 995	1 033 024
Other comprehensive income				
Total items that may be reclassified subsequently to profit and loss account				
Unrealized (loss) / gain on available-for-sale investments during the period	188 173	(39 085)	(195 100)	(703 102)
Reclassification adjustments relating to available-for-sale investments disposed of during the period	65 189	–	108 565	–
Total unrealized (loss) / gain for the period	253 362	(39 085)	(86 535)	(703 102)
Deferred tax on available-for-sale investments	(90 651)	11 016	38 268	191 587
Effect of translation of foreign branches (net of tax)	1 779	27 443	59 977	57 308
Net unrealized (loss) / gain from window takaful operations - Operator's Fund (net of deferred tax)	1 436	1 284	(5 830)	2 567
Other comprehensive gain / (loss) for the period	165 926	658	5 880	(451 640)
Total comprehensive income for the period	1 507 240	392 432	2 041 875	581 384
Total comprehensive income attributable to:				
Equity holders of the parent	1 246 721	210 545	1 464 369	171 352
Non-controlling interest	260 519	181 887	577 506	410 032
	1 507 240	392 432	2 041 875	581 384

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

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Chief Executive Officer

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Chairman

Karachi 27 October 2023

Consolidated Condensed Interim Cash Flow Statement For the nine months period ended 30 September 2023 (Unaudited)

	30 September 2023 (Unaudited)	Rupees '000 30 September 2022 (Unaudited)
Operating cash flows		
a) Underwriting activities		
Insurance premium / contribution received	53 181 163	49 018 587
Reinsurance premium / retakaful contribution paid	(17 511 155)	(12 054 354)
Claims paid	(29 818 635)	(23 434 756)
Reinsurance and other recoveries received	2 459 106	1 017 024
Commission paid	(4 978 867)	(5 014 957)
Commission received	422 923	290 314
Management expenses paid	(7 590 503)	(6 747 926)
Net cash flow (used in) / from underwriting activities	(3 835 968)	3 073 932
b) Other operating activities		
Income tax paid	(1 994 961)	(1 611 645)
Other operating payments	(675 614)	(515 377)
Other operating receipts	(233 615)	170 235
Loans advanced	(6 028)	(50 317)
Loans repayments received	6 162	81 848
Net cash flow used in other operating activities	(2 904 056)	(1 925 256)
Total cash flow (used in) / from all operating activities	(6 740 024)	1 148 676
Investment activities		
Profit / return received	21 843 271	12 049 923
Dividend received	1 980 886	1 943 541
Rentals received	98 326	105 720
Payment for investments / investment properties	(95 862 342)	(39 485 620)
Proceeds from investments / investment properties	79 468 709	22 913 169
Fixed capital expenditures	(633 005)	(565 519)
Proceeds from sale of property and equipment	195 356	114 148
Total cash flow from / (used in) investing activities	7 091 201	(2 924 638)
Financing activities		
Payments against lease liabilities	(189 139)	(178 284)
Dividends paid	(2 397 950)	(2 374 493)
Total cash flow used in financing activities	(2 587 089)	(2 552 777)
Net cash flow used in all activities	(2 235 912)	(4 328 739)
Cash and cash equivalents at beginning of period	20 620 165	30 174 076
Cash and cash equivalents at end of period	18 384 253	25 845 337
Reconciliation to profit and loss account		
Operating cash flows	(6 740 024)	1 148 676
Depreciation / amortization expense	(1 092 953)	(1 033 746)
Finance cost	(57 666)	(54 693)
Profit on disposal of property and equipment	163 943	71 318
Loss on disposal of investments / investment properties	(2 302 484)	(174 473)
Rental income	98 830	92 717
Dividend income	1 991 020	2 003 970
Other investment income	23 025 053	12 371 918
Profit on lease termination	18 246	4 408
Profit on deposits	275 755	146 774
Other income	34 992	63 533
Appreciation / (depreciation) in market value of investments	4 239 311	(2 835 485)
Impairment in the value of available-for-sale equity investments	(9 651)	(12 733)
Increase in assets other than cash	4 908 045	5 498 857
Increase in liabilities other than running finance	(23 037 248)	(16 512 864)
Profit after tax from conventional insurance operations	1 515 169	778 177
Profit from window takaful operations - Operator's Fund	520 826	254 847
Profit after tax	2 035 995	1 033 024

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

HASANALI ABDULLAH	TAHER G. SACHAK	ALTAf GOKAL	KAMRAN ARSHAD INAM	SAIFUDDIN N. ZOOMKAWALA
Director	Director	Chief Financial Officer	Managing Director & Chief Executive Officer	Chairman

Karachi 27 October 2023

Consolidated Condensed Interim Statement of Changes in Equity For the nine months period ended 30 September 2023 (Unaudited)

Rupees '000

	Attributable to equity holders of the Company									
	Share capital	Capital Reserve - Reserve for exceptional losses	General reserve	Revenue reserves			Unappropriated profit	Equity attributable to equity holder of parent	Non-controlling interest	Total
				Exchange translation reserve	Unrealized gain / (loss) on revaluation of available-for-sale investment-net	Unrealized gain on fair value of investment property				
Balance as at 01 January 2022	2 000 000	12 902	15 650 000	81 195	644 699	1 679 190	(691 448)	19 376 538	4 424 870	23 801 408
Total comprehensive income for the period ended 30 September 2022										
Profit after tax						(94 602)	701 688	607 086	425 938	1 033 024
Other comprehensive loss				57 308	(493 042)	—	—	(435 734)	(15 906)	(451 640)
				57 308	(493 042)	(94 602)	701 688	171 352	410 032	581 384
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation- net of tax							13 064	13 064	7 953	21 017
Acquisition of NCI without a change in control							(63 968)	(63 968)	(39 926)	(103 894)
Transactions with owners recorded directly in equity										
Final dividend for the year 2021 at the rate of Rs. 5.50 (55.00%) per share							(1 100 000)	(1 100 000)		(1 100 000)
Final dividend for the year 2021 at the rate of Rs. 10.50 (105.00%) per share									(569 302)	(569 302)
1st Interim dividend paid for the year 2022 at the rate of Rs. 1.50 (15.00%) per share							(300 000)	(300 000)		(300 000)
1st Interim dividend paid for the year 2022 at the rate of Rs. 1.50 (15.00%) per share									(81 091)	(81 091)
2nd Interim dividend paid for the year 2022 at the rate of Rs. 1.50 (15.00%) per share							(300 000)	(300 000)		(300 000)
2nd Interim dividend paid for the year 2022 at the rate of Rs. 1.50 (15.00%) per share									(80 815)	(80 815)
Other transfer within equity			(2 650 000)				2 650 000			
Balance as at 30 September 2022	2 000 000	12 902	13 000 000	138 503	151 657	1 584 588	909 336	17 796 986	4 071 721	21 868 707
Balance as at 01 January 2023	2 000 000	12 902	13 000 000	142 661	(89 073)	1 885 773	106 701	17 058 964	4 279 886	21 338 850
Total comprehensive income for the period ended 30 September 2023										
Profit after tax						(187 051)	1 671 240	1 484 189	551 806	2 035 995
Other comprehensive income				59 977	(79 797)	—	—	(19 820)	25 700	5 880
				59 977	(79 797)	(187 051)	1 671 240	1 464 369	577 506	2 041 875
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation- net of tax							16 500	16 500	13 388	29 888
Acquisition of NCI without a change in control							(64 062)	(64 062)	(48 868)	(112 930)
Transactions with owners recorded directly in equity										
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)
2nd Interim dividend paid for the year 2023 at the rate of Rs. 1.50 (15.00%) per share							(300 000)	(300 000)		(300 000)
2nd Interim dividend paid for the year 2023 at the rate of Rs. 1.50 (15.00%) per share									(80 165)	(80 165)
Balance as at 30 September 2023	2 000 000	12 902	13 000 000	202 638	(168 870)	1 698 722	30 379	16 775 771	4 098 066	20 873 837

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

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Chief Financial Officer

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Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 27 October 2023

Notes to the Consolidated Condensed Interim Financial Statements For the nine months period ended 30 September 2023 (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 49 (2022: 53) branches in Pakistan including a branch in Export Processing Zone (EPZ) and a branch in Gwadar Free Zone.

1.2.2 EFU Life Assurance Limited (Subsidiary Company)

EFU Life Assurance Limited with 46.93 % 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

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

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

2. Basis of preparation and statement of compliance

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

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

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

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

Total assets, total liabilities and profit of the Window Takaful Operations of the Company referred to as the Operator's Fund has been presented in these consolidated condensed interim financial statements in accordance with the requirements

of Circular 25 of 2015 dated 09 July 2015. A separate set of condensed interim financial statements of the General Window Takaful Operations has been reported which is annexed to these consolidated condensed interim financial statements as per the requirements of the SECP Takaful Rules, 2012, General Takaful Accounting Regulations, 2019.

These consolidated condensed interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended 31 December 2022.

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 2023 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:

Amendments	Effective date (annual periods beginning on or after)
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	01 January 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	01 January 2024
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	01 January 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalized

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

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

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

Standards	Effective date (annual periods beginning on or after)
IFRS 1 First-time Adoption of International Financial Reporting Standards	01 January 2024
IFRS 17 Insurance Contracts	01 January 2023

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

3. Summary of significant accounting policies

The significant 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 2022.

4.1 Change in assumptions;

Conventional business / Family takaful protection business of Subsidiary Company

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

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

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 2022.

6. Property and equipment

The movement of property and equipment during the nine months period ended 30 September 2023 are as follows:

		Rupees '000
	Note	30 September 2023 (Unaudited)
		31 December 2022 (Audited)
Opening balance - net book value		8 649 723
Additions	6.1	885 223
Depreciation during the period		(980 104)
Book value of disposal		(108 915)
Revaluation		760 450
		<u>9 041 298</u>
6.1 Additions		<u>885 223</u>
Building		33 192
Right of use assets - buildings		220 045
Leasehold improvements		45 425
Furniture and fixtures		33 852
Office equipment		46 264
Computer equipment		72 763
Vehicles		433 682
		<u>718 862</u>
		<u>885 223</u>

7. Intangible assets

The movement of intangible assets during the nine months period ended 30 September 2023 are as follows:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
		Rupees '000
Opening balance - net book value	6 051 090	8 416 816
Amortization	(289 752)	(396 804)
Impairment	-	(1 968 922)
	<u>5 761 338</u>	<u>6 051 090</u>

8. Investment property

Opening net book value	3 050 470	2 599 970
Additions and capital improvements	-	970
Unrealized fair value gain *	-	449 530
Disposal	(31 500)	-
Closing net book value	<u>3 018 970</u>	<u>3 050 470</u>

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

9. Investment in equity securities

	30 September 2023 (Unaudited)			31 December 2022 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
At available-for-sale						
Related Party *						
Listed shares	556 700	(307 329)	249 371	600 521	(180 052)	314 051
Mutual funds	869 709	-	869 709	523	-	523
	1 426 409	(307 329)	1 119 080	601 044	(180 052)	314 574
Others						
Listed shares	2 172 063	(599 628)	1 572 435	2 346 383	(549 973)	1 796 410
Unlisted shares	42 319	(41 811)	508	30 927	(30 419)	508
Mutual funds	240 686	(40 999)	199 687	183 034	(32 361)	150 673
	2 455 068	(682 438)	1 772 630	2 560 344	(612 753)	1 947 591
Surplus on revaluation	-	-	873 658	-	-	725 116
	<u>3 881 477</u>	<u>(989 767)</u>	<u>3 765 368</u>	<u>3 161 388</u>	<u>(792 805)</u>	<u>2 987 281</u>

Rupees '000

	30 September 2023 (Unaudited)			31 December 2022 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
At fair value through profit and loss - designated upon initial recognition						
Related Party *						
Listed shares	36 609	-	76 465	476 556	-	496 431
Mutual funds	1 695 345	-	1 788 048	158 817	-	143 459
	1 731 954	-	1 864 513	635 373	-	639 890
Others						
Listed shares	15 443 129	-	14 427 070	23 979 659	-	19 579 186
Mutual funds	86 281	-	107 666	74 062	-	85 499
	15 529 410	-	14 534 736	24 053 721	-	19 664 685
	17 261 364	-	16 399 249	24 689 094	-	20 304 575
	21 142 841	(989 767)	20 164 617	27 850 482	(792 805)	23 291 856

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

10. Investment in debt securities

Rupees '000

	30 September 2023 (Unaudited)			31 December 2022 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Held to maturity						
Government securities	10 127 291	-	10 127 291	9 189 216	-	9 189 216
Available-for-sale						
Government securities	13 171 921	-	13 171 921	12 531 040	-	12 531 040
Term finance certificate	240 637	(40 637)	200 000	244 118	(44 118)	200 000
Corporate sukus	102 000	-	102 000	127 000	-	127 000
Deficit on revaluation	-	-	(999 171)	-	-	(934 057)
	13 514 558	(40 637)	12 474 750	12 902 158	(44 118)	11 923 983
Fair value through profit and loss (Designated-upon initial recognition)						
Government securities	132 430 864	-	131 487 742	113 403 106	-	112 140 361
Term finance certificates	5 622 752	-	5 622 752	4 984 840	-	4 948 393
Corporate sukus	2 005 705	(37 500)	1 968 205	2 360 910	(37 500)	2 282 697
Certificates of investment	981 000	-	981 000	1 072 249	-	1 072 249
	141 040 321	(37 500)	140 059 699	121 821 105	(37 500)	120 443 700
	164 682 170	(78 137)	162 661 740	143 912 479	(81 618)	141 556 899

11. Loans and other receivables – considered good

Rupees '000

	Note	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Loans to employees		98 426	80 132
Accrued investment income		4 942 034	3 422 242
Security deposits		99 337	75 168
Advances to suppliers		728 434	625 329
Advances to employees		108 566	122 444
Other receivables		575 835	431 043
		<u>6 552 632</u>	<u>4 756 358</u>
12. Insurance / reinsurance receivables - unsecured and considered good			
Due from insurance contract holders		7 455 446	6 251 058
Provision for impairment of receivables from insurance contract holders		(476)	(524)
		<u>7 454 970</u>	<u>6 250 534</u>
Due from other insurer / reinsurers		195 646	344 592
		<u>7 650 616</u>	<u>6 595 126</u>
13. Prepayments			
Prepaid reinsurance premium ceded	20	9 639 252	8 489 684
Software and hardware support services		–	1 201
Group health insurance premium		9 141	–
Prepaid tracker expense		35 499	51 499
Annual supervision fee		8 762	–
Others		537 138	158 670
		<u>10 226 569</u>	<u>8 701 054</u>
14. Cash and Bank			
Cash and cash equivalents			
Cash in hand		2 968	101
Policy, revenue stamps and bond papers		40 488	36 854
		43 456	36 955
Cash at bank			
Current accounts		383 667	1 371 461
Saving accounts		7 330 268	4 785 320
		<u>7 713 935</u>	<u>6 156 781</u>
		<u>7 757 391</u>	<u>6 193 736</u>

15. Share capital

15.1 Authorized capital

Number of shares '000		Rupees '000	
30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2023 (Unaudited)	31 December 2022 (Audited)
200 000	200 000	2 000 000	2 000 000

15.2 Issued, subscribed and paid-up share capital

Number of shares '000			Rupees '000	
30 September 2023 (Unaudited)	31 December 2022 (Audited)		30 September 2023 (Unaudited)	31 December 2022 (Audited)
250	250	Ordinary shares of Rs. 10 each, fully paid in cash	2 500	2 500
199 750	199 750	Ordinary shares of Rs. 10 each, issued as fully paid bonus shares	1 997 500	1 997 500
200 000	200 000		2 000 000	2 000 000

	Note	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Rupees '000			
16. Reserves			
Capital reserve			
Reserve for exceptional losses	16.1	12 902	12 902
Revenue reserves			
General reserve		13 000 000	13 000 000
Revaluation reserve for unrealized losses on available-for-sale investments - net		(168 870)	(89 073)
Reserve for change in fair value of investment property - net		1 698 722	1 885 773
Exchange translation reserves		202 638	142 661
		14 745 392	14 952 263

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

17. Insurance liabilities - life insurance business

Rupees '000

	Note	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Reported outstanding claims	17.1	3 965 444	3 835 327
Incurring but not reported claims	17.2	1 362 078	1 185 211
Investment component of unit-linked and account value policies	17.3	174 828 078	158 534 057
Liabilities under individual conventional insurance contracts	17.4	817 574	962 770
Liabilities under group insurance contracts (other than investment linked)	17.5	1 729 862	1 398 328
Participant's Takaful Fund Balance		611 451	466 992
		<u>183 314 487</u>	<u>166 382 685</u>
17.1 Reported outstanding claims			
Gross of reinsurance			
Payable within one year		3 462 254	3 331 484
Payable over a period of time exceeding one year		895 909	894 303
		<u>4 358 163</u>	<u>4 225 787</u>
Recoverable from reinsurers			
Receivable over a period of time exceeding one year		(392 719)	(390 460)
Net reported outstanding claims		<u>3 965 444</u>	<u>3 835 327</u>
17.2 Incurring but not reported claims			
Gross of reinsurance		1 677 677	1 485 969
Reinsurance recoveries		(315 599)	(300 758)
Net of reinsurance		<u>1 362 078</u>	<u>1 185 211</u>
17.3 Investment component of unit-linked and account			
Investment component of unit linked policies		174 828 078	158 534 057
		<u>174 828 078</u>	<u>158 534 057</u>
17.4 Liabilities under individual conventional insurance contracts			
Gross of reinsurance		1 013 429	1 187 321
Reinsurance credit		(195 855)	(224 551)
Net of reinsurance		<u>817 574</u>	<u>962 770</u>
17.5 Liabilities under Group Insurance Contracts (other than investment linked)			
Gross of reinsurance		2 072 568	1 550 978
Reinsurance credit		(342 706)	(152 650)
Net of reinsurance		<u>1 729 862</u>	<u>1 398 328</u>

18. Others creditors and accruals

Rupees '000

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Federal insurance fee payable	15 449	18 789
Sales tax payable	242 546	504 791
Accrued expenses	909 112	1 415 952
Agent commission payable	1 529 422	1 478 734
Unearned rentals	72 554	74 344
Other deposits	1 614 321	1 699 486
Unclaimed / unpaid dividends	575 285	542 968
Lease liability	689 821	784 858
Others	442 621	394 028
	6 091 131	6 913 950

19. Contingencies and commitments

- 19.1 The status of the contingencies remains unchanged as disclosed in the annual audited consolidated financial statements as at 31 December 2022 with the following notable exceptions.
- The income tax assessment of the Group has been finalized up to the tax year 2023.
 - The department filed an appeal before the Income Tax Appellate Tribunal (ITAT) against the order of the Commissioner Appeals for the tax year 2014 on account of dividend taxed at the reduced rate. The Income Tax Appellate Tribunal (ITAT) has decided the case in favour of the Holding Company. The amount involved is Rs. 115 million.
- 19.2 Bank guarantees amounting to Rs. 56 million have been given in respect of Group Life coverage. These bank guarantees will expire on 31 December 2023.
- 19.3 There are no commitments as at 30 September 2023 (31 December 2022: Nil).

20. Net insurance premium

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Written gross premium	19 436 556	17 797 502	53 973 761	48 853 855
Unearned premium reserve - opening	15 837 132	11 648 905	14 167 219	10 517 726
Unearned premium reserve - closing	(17 851 136)	(14 196 550)	(17 851 136)	(14 196 550)
Premium earned	17 422 552	15 249 857	50 289 844	45 175 031
Less:				
Reinsurance premium ceded	5 491 072	5 233 578	17 414 332	13 714 593
Prepaid reinsurance premium - opening	10 264 075	6 934 872	8 489 684	5 468 998
Prepaid reinsurance premium - closing	(9 639 252)	(7 522 206)	(9 639 252)	(7 522 206)
Reinsurance expense	6 115 895	4 646 244	16 264 764	11 661 385
	<u>11 306 657</u>	<u>10 603 613</u>	<u>34 025 080</u>	<u>33 513 646</u>
21. Net insurance claims expense				
Claims Paid	10 295 135	7 910 596	29 710 202	23 421 898
Outstanding claims including IBNR - closing	12 626 025	10 846 777	12 626 025	10 846 777
Outstanding claims including IBNR - opening	(14 985 471)	(10 055 888)	(10 368 176)	(7 085 599)
Claims expense	7 935 689	8 701 485	31 968 051	27 183 076
Less:				
Reinsurance and other recoveries received	487 973	710 294	2 476 795	1 475 629
Reinsurance and other recoveries in respect of outstanding claims - opening	(10 130 807)	(6 053 807)	(6 503 793)	(3 974 297)
Reinsurance and other recoveries in respect of outstanding claims - closing	8 370 799	6 442 266	8 370 799	6 442 266
Reinsurance and other recoveries revenue	(1 272 035)	1 098 753	4 343 801	3 943 598
	<u>9 207 724</u>	<u>7 602 732</u>	<u>27 624 250</u>	<u>23 239 478</u>
22. Net commission and acquisition costs				
Commission				
Commission paid or payable	2 447 603	2 399 167	6 238 976	6 502 550
Deferred commission expense - opening	985 268	779 765	1 111 775	772 985
Deferred commission expense - closing	(1 406 645)	(1 182 571)	(1 406 645)	(1 182 571)
Net commission	2 026 226	1 996 361	5 944 106	6 092 964
Less:				
Commission received or recoverable	221 993	167 990	422 924	290 313
Unearned reinsurance commission - opening	187 698	127 521	201 585	135 214
Unearned reinsurance commission - closing	(280 691)	(207 990)	(280 691)	(207 990)
Commission from reinsurers	129 000	87 521	343 818	217 537
Other acquisition cost	367 109	262 723	967 638	743 297
	<u>2 264 335</u>	<u>2 171 563</u>	<u>6 567 926</u>	<u>6 618 724</u>

23. Investment income

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Income from equity securities				
- Available-for-sale				
Dividend income - Equity shares	60 288	108 223	236 167	235 170
Dividend income - Mutual funds	-	-	4 269	-
- Fair value through profit and loss				
Dividend income	500 648	421 690	1 754 843	1 777 581
Income from debt securities				
- Available-for-sale				
Return on debt securities	433 233	322 268	1 215 305	863 550
- Held to maturity				
On government securities	108 807	11 390	764 326	447 997
Return on debt securities	7 014	49 884	167 302	135 627
- Fair value through profit and loss				
Return on debt securities	1 928 277	351 479	2 814 605	823 028
On government securities	5 285 160	3 467 867	16 004 371	8 290 634
Income from term deposits				
Return on term deposits	618 302	709 867	1 517 612	1 679 817
	<u>8 941 729</u>	<u>5 442 668</u>	<u>24 478 800</u>	<u>14 253 404</u>
Net realized gains / (losses) on investments				
Available-for-sale financial assets				
Realized gains on:				
Equity securities	46 575	13 206	72 570	110 578
Realized losses on:				
Equity securities	-	-	-	(6 800)
Net unrealized gains on investments	<u>46 575</u>	<u>13 206</u>	<u>72 570</u>	<u>103 778</u>
	<u>8 988 304</u>	<u>5 455 874</u>	<u>24 551 370</u>	<u>14 357 182</u>
(Impairment) / reversal in value of available-for-sale equity securities	50 740	56 837	(17 350)	(145 232)
Investment related expenses	(292)	(327)	(741)	(776)
Total Investment income	<u>9 038 752</u>	<u>5 512 384</u>	<u>24 533 279</u>	<u>14 211 174</u>
24. Net realized fair value (losses) / gains on financial assets				
Realized gain on:				
Equity securities	112 699	686 439	213 968	1 177 415
Realized losses on				
Equity securities	(314 652)	(248 187)	(2 594 857)	(1 455 666)
Government securities	-	-	(1 110)	-
	<u>(201 953)</u>	<u>438 252</u>	<u>(2 381 999)</u>	<u>(278 251)</u>

25. Net fair value gains / (losses) on financial assets at fair value through profit or loss	Rupees '000			
	Three months period ended		Nine months period ended	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Net unrealized gains on investments in financial assets - government securities and debt securities (designated upon initial recognition)	1 036 924	349 055	451 029	75 200
Net unrealized gains / (losses) on investments at fair value through profit or loss (designated upon initial recognition)- Equity Securities	1 864 647	(926 954)	3 525 256	(3 356 108)
Total investment income / (loss)	2 901 571	(577 899)	3 976 285	(3 280 908)
Exchange gain	1 975	25 964	68 852	55 131
(Impairment) / reversal in value of available-for-sale securities	(13 129)	7 058	(9 650)	(12 733)
Investment related expenses	-	-	(157)	(154)
	<u>2 890 417</u>	<u>(544 877)</u>	<u>4 035 330</u>	<u>(3 238 664)</u>
26. Other income				
Gain on sale of property and equipment	68 842	35 606	163 943	91 196
Return on loans to employees	7 295	6 896	21 676	21 594
Exchange difference	2 362	47 672	6 151	101 854
Return on bank balances	112 697	29 418	275 755	61 240
Fee charged to policyholders	5 432	4 366	15 578	13 347
Gain on early termination of lease contracts	877	1 310	18 466	10 149
Gain on sale of investment property	6 945	-	6 945	-
Others	5	10	18	30
	<u>204 455</u>	<u>125 278</u>	<u>508 532</u>	<u>299 410</u>
27. Profit from Window Takaful Operations - General Takaful Operator's fund				
Wakala fee	298 332	241 206	877 299	671 338
Commission expense	(88 392)	(81 150)	(259 216)	(238 989)
General administrative and management expense	(104 254)	(95 550)	(317 221)	(292 041)
Modarib's share of PTF investment income	28 369	23 867	75 519	49 156
Investment income	57 581	31 557	138 273	62 372
Direct expenses	(187)	(340)	(791)	(910)
Other income	2 217	1 756	6 963	3 921
	<u>193 666</u>	<u>121 346</u>	<u>520 826</u>	<u>254 847</u>
28. Taxation				
For current period				
Current	649 441	255 501	1 688 295	1 159 100
Deferred	(35 200)	(4 455)	266 848	40 968
Super tax	282 756	6 292	641 649	75 151
	<u>896 997</u>	<u>257 338</u>	<u>2 596 792</u>	<u>1 275 219</u>
For prior period				
Super tax	-	-	340 999	240 719
	<u>896 997</u>	<u>257 338</u>	<u>2 937 791</u>	<u>1 515 938</u>
29. Earnings per share - basic and diluted				
Profit (after tax) for the period (Rupees '000)	1 105 387	197 049	1 484 189	607 086
Weighted average number of ordinary shares (Numbers '000)	200 000	200 000	200 000	200 000
Earnings per share (Rupees)	<u>5.53</u>	<u>0.99</u>	<u>7.42</u>	<u>3.04</u>

30. 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:

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Transactions				
Associated companies				
Premium written	27 614	53 133	227 820	303 768
Premium paid / (refund)	1 541	1 307	53 432	70 543
Claims paid	13 291	22 622	60 696	169 663
Commission paid	38 008	38 247	110 645	106 106
Travelling expenses	1 038	2 395	9 730	3 379
Donation paid	–	1 158	6 200	11 198
Dividend received	–	–	18 431	–
Dividend paid	173 051	166 390	1 164 064	1 159 226
Interest on bank deposits	312 219	425 495	878 924	860 891
Purchase of vehicle	–	5 633	48 095	138 416
Investment made	–	–	2 293 300	400 000
Investment sold	8 200 000	–	16 511 000	10 880 239
Bank deposit / (withdrawn)	(193 071)	(35 000)	5 346 929	7 903 429
Payment to K-Electric	–	–	–	31 139
Key management personnel				
Premium written	1 613	2 975	2 669	5 909
Claims paid	–	–	409	168
Dividend paid	1 571	6 508	9 655	7 217
Loan to key employees	3 800	–	8 000	–
Loan recovered	2 596	1 882	6 158	5 417
Compensation	105 302	99 943	353 367	322 965
Others				
Premium written	78 989	14 762	86 464	23 247
Claims paid	112 625	39 654	157 024	46 679
Dividend paid	100 791	88 392	566 515	558 915
Brokerage paid	122	315	363	499
Employees' funds				
Contribution to provident fund	21 437	20 595	67 767	63 795
Contribution to gratuity fund	8 653	7 332	25 959	21 692
Contribution to pension fund	7 312	8 587	24 568	27 168
Dividend paid	674	674	3 820	3 820
			30 September 2023 (Unaudited)	31 December 2022 (Audited)
Balances				
Others				
Balances receivable			49 823	47 390
Balances payable			2 415	3 973
Bank deposits			5 435 429	7 816 929
Bank balances			1 723 081	1 972 396
Employees' funds receivable / (payable)				
EFU gratuity fund			(73 383)	(83 233)
EFU pension fund			77 248	69 224

Rupees '000

For the nine months period ended 30 September 2023 (Unaudited)

31. Segment Information

Current period

Premium Receivable (Inclusive of sales tax, federal insurance fee and administrative surcharge)

Less: Sales tax

Stamp duty

Federal Insurance fee

Gross Written Premium (Inclusive of administrative surcharge)

Gross direct premium

Facultative inward premium

Administrative surcharge

Insurance premium earned

Insurance premium ceded to reinsurers

Net insurance premium

Commission income

Net underwriting income

Insurance claims

Insurance claims recovered from reinsurers

Net claims

Commission expense

Management expenses

Net insurance claims and expenses

Net Change in Insurance Liabilities (Other than outstanding Claims)

Underwriting result

Net investment income

Net realized fair value losses on financial assets

Net fair value gain on financial assets at fair value through profit and loss

Rental income

Other income

Other expense

Profit before tax from general takatful operations - OPF

Profit before tax

As at 30 September 2023 (Unaudited)

	General Insurance				Life Assurance		Aggregate Life Assurance	Total
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Shareholders' Fund		
21 303 007	4 966 577	3 804 603	1 837 392	-	-	-	26 447 840	58 359 419
2 712 084	545 198	469 994	233 838	-	-	-	-	3 961 114
364	147 169	886	714	-	-	-	-	149 133
184 233	42 310	33 084	15 784	-	-	-	-	275 411
18 406 326	4 231 900	3 300 639	1 587 056	-	-	-	26 447 840	53 973 761
18 378 422	4 189 462	3 174 485	1 561 855	-	-	-	26 447 840	53 752 064
1 012	827	-	12 597	-	-	-	-	14 436
26 892	41 611	126 154	12 604	-	-	-	-	207 261
16 479 816	3 089 679	2 889 775	1 382 734	-	-	-	26 447 840	50 289 844
(13 034 903)	(1 664 178)	(31 207)	(502 839)	-	-	-	(1 031 637)	(16 264 764)
3 444 913	1 425 501	2 858 568	879 895	-	-	-	25 416 203	34 025 080
291 647	16 590	22	35 559	-	-	-	-	343 818
3 736 560	1 442 091	2 858 590	915 454	-	-	-	25 416 203	34 368 898
(4 909 008)	(1 403 533)	(1 403 821)	(403 053)	-	-	-	(23 848 636)	(31 968 051)
2 954 745	818 890	(1 234)	52 008	-	-	-	519 392	4 343 801
(1 954 263)	(584 643)	(1 405 055)	(351 045)	-	-	-	(23 329 244)	(27 624 250)
(1 257 288)	(247 404)	(278 301)	(115 383)	-	-	-	(5 013 368)	(6 911 744)
(1 035 520)	(403 292)	(846 532)	(262 198)	-	-	-	(2 721 307)	(5 268 849)
(4 247 071)	(1 235 339)	(2 529 888)	(728 626)	-	-	-	(31 063 919)	(39 804 843)
-	-	-	-	-	-	-	(16 801 030)	(16 801 030)
(510 511)	206 752	328 702	186 828	-	-	-	(22 448 746)	(22 236 975)
20 151 738	4 584 293	859 902	921 422	-	-	-	194 317 062	220 834 417
249 867	22 179	346 453	30 460	-	-	-	-	648 959
						4 570 382	4 570 382	33 766 647
						-	-	1 428 261
						4 570 382	194 317 062	256 678 284
27 821 634	5 574 292	3 247 530	3 926 004	-	-	-	188 290 545	228 860 005
246 763	19 333	412 077	43 928	-	-	-	-	722 101
						2 077 016	2 077 016	3 960 510
						-	-	165 035
						2 077 016	188 290 545	233 707 651
								External premium less reinsurance by geographical segments 2023
								34 003 089
								21 991
								34 025 080

* This represents US Dollar Equivalent in Pak Rupees

For the nine months period ended 30 September 2022 (Unaudited)

Rupees '000

	General Insurance				Life Assurance		Aggregate Life Assurance	Total
	Fire & property damage	Marine, aviation & transport	Motor	Miscellaneous	Treaty	Shareholders' Fund		
Prior period								
Premium Receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	16 493 291	3 463 059	3 445 565	1 663 533	-	-	26 946 442	52 011 890
Less: Sales tax	1 794 087	368 897	416 685	202 908	-	-	-	2 782 577
Stamp duty	430	153 973	924	840	-	-	-	156 167
Federal insurance fee	145 640	29 103	30 051	14 497	-	-	-	219 291
Gross Written Premium (inclusive of administrative surcharge)	14 512 886	2 911 086	2 997 905	1 445 288	-	-	26 946 442	48 853 855
Gross direct premium	11 246	2 868 605	2 854 475	1 432 624	-	-	26 946 442	48 615 032
Facultative inward premium	29 002	41 763	143 430	12 664	-	-	-	11 964
Administrative surcharge	11 725 399	2 502 180	2 688 665	1 312 345	-	-	26 946 442	45 175 031
Insurance premium earned	(9 270 742)	(1 121 789)	(18 022)	(401 287)	-	-	(849 545)	(11 661 385)
Insurance premium ceded to reinsurers	2 454 657	1 380 391	2 670 643	911 058	-	-	26 096 897	33 513 646
Net insurance premium	175 248	12 742	4	29 543	-	-	-	217 537
Commission income	2 629 905	1 393 133	2 670 647	940 601	-	-	26 096 897	33 731 183
Net underwriting income	(5 329 403)	(501 866)	(1 400 639)	(675 480)	-	-	(19 275 688)	(27 183 076)
Insurance claims	3 325 903	4 824	(2 024)	73 652	-	-	541 243	3 943 598
Insurance claims recovered from reinsurers	(2 003 500)	(497 042)	(1 402 663)	(601 828)	-	-	(18 734 445)	(23 239 478)
Net claims	(810 839)	(233 991)	(244 098)	(103 192)	-	-	(5 444 141)	(6 836 261)
Commission expense	(777 967)	(395 600)	(798 888)	(270 813)	-	-	(2 258 203)	(4 501 471)
Management expenses	(3 592 306)	(1 126 633)	(2 445 649)	(975 833)	-	-	(26 436 789)	(34 577 210)
Net insurance claims and expenses (Other than outstanding Claims)	(962 401)	266 500	224 998	(35 232)	-	-	(7 858 864)	(7 858 864)
Underwriting result	(962 401)	266 500	224 998	(35 232)	-	-	(8 198 756)	(8 704 891)
Net investment income							13 162 128	14 211 174
Net realized fair value losses on financial assets							(278 251)	(278 251)
Net fair value losses on financial assets at fair value through profit and loss							(3 238 664)	(3 238 664)
Rental income							-	92 717
Other income							88 740	299 410
Other expense							(30 418)	(87 380)
Profit before tax from general takaful operations - OPF							-	254 847
Profit before tax							1 504 779	2 548 962
	As at 31 December 2022 (Audited)							
Corporate segment assets - conventional	18 675 990	1 963 179	595 833	843 592	-	-	177 589 020	199 667 614
Corporate segment assets - Takaful OPF	157 225	17 208	365 513	17 761	-	-	-	557 707
Corporate unallocated assets - conventional					4 870 507	-	4 870 507	33 446 717
Corporate unallocated assets - Takaful OPF					-	-	-	1 043 460
Consolidated total assets					4 870 507	-	177 589 020	234 715 498
Corporate segment liabilities	24 933 928	3 300 167	2 746 514	3 787 296	-	-	171 491 705	206 259 610
Corporate segment liabilities - Takaful OPF	152 456	16 489	479 499	27 619	-	-	-	676 063
Corporate unallocated liabilities					1 871 460	-	1 871 460	4 049 878
Corporate unallocated liabilities - Takaful OPF					-	-	-	47 712
Consolidated total liabilities					1 871 460	-	173 363 165	211 033 263
External premium less reinsurance by geographical segments 2022								33 489 736
Total								33 513 646

* This represents US Dollar Equivalent in Pak Rupees

Rupees '000

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

Current period

	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)	8 950 177	972 662	1 748 775	568 126	-	-	-	8 878 011	8 878 011	21 117 751	
Less: Sales tax	1 127 557	104 596	214 877	72 341	-	-	-	-	-	1 519 371	
Stamp duty	195	55 558	321	263	-	-	-	-	-	56 337	
Federal insurance fee	77 451	8 044	15 189	4 803	-	-	-	-	-	105 487	
Gross Written Premium (inclusive of administrative surcharge)	7 744 974	804 464	1 518 388	490 719	-	-	-	8 878 011	8 878 011	19 436 556	
Gross direct premium	7 731 395	788 593	1 476 789	474 819	-	-	-	8 878 011	8 878 011	19 349 607	
Facultative inward premium	-	-	-	10 491	-	-	-	-	-	10 491	
Administrative surcharge	13 579	15 871	41 599	5 409	-	-	-	-	-	76 458	
Insurance premium earned	5 859 015	1 222 618	988 080	474 828	-	-	-	8 878 011	8 878 011	17 422 552	
Insurance premium ceded to reinsurers	(4 901 604)	(711 762)	(14 499)	(172 962)	-	-	-	(315 068)	(315 068)	(6 115 895)	
Net insurance premium	957 411	510 856	973 581	301 866	-	-	-	8 562 943	8 562 943	11 306 657	
Commission income	109 846	6 251	8	12 895	-	-	-	-	-	129 000	
Net underwriting income	1 067 257	517 107	973 589	314 761	-	-	-	8 562 943	8 562 943	11 435 657	
Insurance claims	1 262 011	131 201	(487 043)	(154 445)	-	-	-	(8 687 413)	(8 687 413)	(7 935 689)	
Insurance claims recovered from reinsurers	(1 146 786)	(333 327)	-	6 595	-	-	-	201 483	201 483	(1 272 035)	
Net claims	115 225	(202 126)	(487 043)	(147 850)	-	-	-	(8 485 930)	(8 485 930)	(9 207 724)	
Commission expense	(481 164)	(87 315)	(94 702)	(40 669)	-	-	-	(1 689 485)	(1 689 485)	(2 393 335)	
Management expenses	(307 373)	(150 106)	(300 278)	(92 117)	-	-	-	(893 049)	(893 049)	(1 742 923)	
Net insurance claims and expenses	(673 312)	(439 547)	(882 023)	(280 636)	-	-	-	(11 068 464)	(11 068 464)	(13 343 982)	
Net Change in Insurance Liabilities (Other than outstanding Claims)	-	-	-	-	-	-	-	(7 986 381)	(7 986 381)	(7 986 381)	
Underwriting result	393 945	77 560	91 566	34 125	-	-	-	(10 491 902)	(10 491 902)	(9 894 706)	
Net investment income	-	-	-	-	-	-	-	8 446 221	8 446 221	9 038 752	
Net realized fair value losses on financial assets	-	-	-	-	-	-	-	(201 953)	(201 953)	(201 953)	
Net fair value gain on financial assets at fair value through profit and loss	-	-	-	-	-	-	-	2 890 417	2 890 417	2 890 417	
Rental income	-	-	-	-	-	-	-	-	-	35 391	
Other income	-	-	-	-	-	-	-	75 001	75 001	204 455	
Other expense	-	-	-	-	-	-	-	(4 396)	(4 396)	(27 711)	
Profit before tax from takaful operations - OPF	-	-	-	-	-	-	-	-	-	193 666	
Profit before tax	-	-	-	-	-	-	-	713 388	713 388	2 238 311	

Premium Receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)

Less: Sales tax

Stamp duty

Federal insurance fee

Gross Written Premium (inclusive of administrative surcharge)

Gross direct premium

Facultative inward premium

Administrative surcharge

Insurance premium earned

Insurance premium ceded to reinsurers

Net insurance premium

Commission income

Net underwriting income

Insurance claims

Insurance claims recovered from reinsurers

Net claims

Commission expense

Management expenses

Net insurance claims and expenses

Net Change in Insurance Liabilities (Other than outstanding Claims)

Underwriting result

Net investment income

Net realized fair value losses on financial assets

Net fair value gain on financial assets at fair value through profit and loss

Rental income

Other income

Other expense

Profit before tax from takaful operations - OPF

Profit before tax

Rupees '000

For the three months period ended 30 September 2022 (Unaudited)

	General Insurance				Treaty	Aggregate General Insurance	Life Assurance		Aggregate Life Assurance	Total
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous			Shareholders' Fund	Statutory Funds		
Premium Receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	7 715 717	808 556	1 461 556	539 846	-	10 525 675	-	8 580 185	8 580 185	19 105 860
Less: Sales tax	828 586	85 567	174 205	69 975	-	1 158 333	-	-	-	1 158 333
Stamp duty	227	56 996	323	298	-	57 844	-	-	-	57 844
Federal insurance fee	68 187	6 594	12 746	4 654	-	92 181	-	-	-	92 181
Gross Written Premium (inclusive of administrative surcharge)	6 818 717	659 399	1 274 282	464 919	-	9 217 317	-	8 580 185	8 580 185	17 797 502
Gross direct premium	6 803 597	645 788	1 225 919	459 162	-	9 134 466	-	8 580 185	8 580 185	17 714 651
Administrative surcharge	15 120	13 611	48 363	5 757	-	82 851	-	-	-	82 851
Insurance premium earned	4 383 553	908 036	923 013	455 070	-	6 669 672	-	8 580 185	8 580 185	15 249 857
Insurance premium ceded to reinsurers	(3 817 620)	(431 742)	(7 694)	(157 379)	-	(4 414 435)	-	(231 809)	(231 809)	(4 646 244)
Net insurance premium	565 933	476 294	915 319	297 691	-	2 255 237	-	8 348 376	8 348 376	10 603 613
Commission income	72 324	4 672	-	10 525	-	87 521	-	-	-	87 521
Net underwriting income	638 257	480 966	915 319	308 216	-	2 342 758	-	8 348 376	8 348 376	10 691 134
Insurance claims	(1 666 902)	(236 149)	(412 188)	(238 752)	-	(2 553 991)	-	(6 147 494)	(6 147 494)	(8 701 485)
Insurance claims recovered from reinsurers	876 773	22 921	(7)	11 619	-	911 306	-	187 447	187 447	1 098 753
Net claims	(790 129)	(213 228)	(412 195)	(227 133)	-	(1 642 685)	-	(5 960 047)	(5 960 047)	(7 602 732)
Commission expense	(321 474)	(82 678)	(85 998)	(36 145)	-	(526 295)	-	(1 732 789)	(1 732 789)	(2 259 084)
Management expenses	(236 717)	(156 080)	(311 377)	(100 945)	-	(805 119)	-	(799 593)	(799 593)	(1 604 712)
Net insurance claims and expenses	(1 348 320)	(451 986)	(809 570)	(364 223)	-	(2 974 099)	-	(8 492 429)	(8 492 429)	(11 466 528)
Net Change in Insurance Liabilities (Other than outstanding Claims)	-	-	-	-	-	-	-	(4 239 297)	(4 239 297)	(4 239 297)
Underwriting result	(710 063)	28 980	105 749	(56 007)	-	(631 341)	-	(4 383 350)	(4 383 350)	(5 014 691)
Net investment income	-	-	-	-	-	495 734	-	5 016 650	5 016 650	5 512 384
Net realized fair value gains on financial assets	-	-	-	-	-	-	-	438 252	438 252	438 252
Net fair value losses on financial assets at fair value through profit and loss	-	-	-	-	-	-	-	(544 877)	(544 877)	(544 877)
Rental income	-	-	-	-	-	32 746	-	-	-	32 746
Other income	-	-	-	-	-	82 747	-	42 531	42 531	125 278
Other expense	-	-	-	-	-	(14 019)	-	(7 307)	(7 307)	(21 326)
Profit before tax from takaful operations - OPF	-	-	-	-	-	121 346	-	-	-	121 346
Profit before tax	-	-	-	-	-	87 213	-	561 899	561 899	649 112

32. Movement in investment

Rupees '000

Name of investment	Held to maturity	Available-for-sale	Fair value through P & L	Total
At beginning of previous year	33 247 392	16 524 822	114 919 753	164 691 967
Additions	119 906 944	11 486 431	92 959 274	224 352 649
Disposals (sale and redemptions)	(134 690 321)	(8 068 774)	(60 604 116)	(203 363 211)
Fair value losses (excluding net realized gains / (losses))	-	(1 003 948)	(4 462 393)	(5 466 341)
Impairment losses	-	(388 188)	-	(388 188)
At beginning of current year	18 464 015	18 550 343	142 812 518	179 826 876
Additions	71 607 328	7 764 502	74 093 743	153 465 573
Disposals (sale and redemptions)	(73 574 639)	(5 301 966)	(64 378 816)	(143 255 421)
Fair value net gains (excluding net realized gains / (losses))	-	(68 960)	4 221 737	4 152 777
Impairment losses	-	(27 000)	-	(27 000)
At end of current period	16 496 704	20 916 919	156 749 182	194 162 805

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 September 2023 (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
Financial assets measured at fair value										
Investments										
Equity securities - quoted	2 817 761	14 503 535					17 321 296	17 321 296		
Equity securities - unquoted	508						508			508
Government securities		131 487 742					131 487 742		131 487 742	
Mutual funds	1 033 898	1 895 714					2 929 612		2 929 612	
Sukuk Bonds		1 968 205					1 968 205		1 968 205	
Debt securities	12 474 750	5 622 752					18 097 502		18 097 502	
Financial assets not measured at fair value										
Term deposits *					709 586		709 586			
Government securities			10 127 291				10 127 291			
Loans and other receivables *				391 182			391 182			
Insurance / reinsurance receivables *				7 028 902			7 028 902			
Reinsurance recoveries against outstanding claims*				8 370 799			8 370 799			
Advances *				197 740			197 740			
Other assets *					5 963 710		5 963 710			
Certificate of investment *			981 000				981 000			
Cash and bank *		16 523 413			1 860 092		18 383 505			
Total assets of window takaful operations - Operator's fund *	1 197 929			602 689	82 829		1 883 447		1 197 929	
	17 524 846	172 001 361	11 108 291	16 591 312	8 616 217	-	225 842 027	17 321 296	155 680 990	508
Financial liabilities not measured at fair value										
Outstanding claims including IBNR *						(12 626 025)	(12 626 025)			
Premium received in advance *						(1 437 673)	(1 437 673)			
Insurance / reinsurance payables *						(7 777 406)	(7 777 406)			
Other creditors and accruals *						(6 091 131)	(6 091 131)			
Total liabilities of window takaful operations - Operator's fund *						(140 997)	(140 997)			
	17 524 846	172 001 361	11 108 291	16 591 312	8 616 217	(28 073 232)	197 768 795	17 321 296	155 680 990	508

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

Rupees '000

As at 31 December 2022 (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
Financial assets measured at fair value										
Investments										
Equity securities - quoted	3 811 804	20 075 617					23 887 421	23 887 421		
Equity securities - unquoted	508						508			508
Government securities		112 140 361					112 140 361		112 140 361	
Mutual funds	162 125	228 958					391 083		391 083	
Sukuk Bonds		1 644 551					1 644 551		1 644 551	
Debt securities	11 923 983	5 586 539					17 510 522		17 510 522	
Financial assets not measured at fair value										
Term deposits *					551 692		551 692			
Government securities			9 189 216				9 189 216			
Loans and other receivables *				431 327			431 327			
Insurance / reinsurance receivables *				5 876 086			5 876 086			
Reinsurance recoveries against outstanding claims *				6 503 793			6 503 793			
Advances *				193 849			193 849			
Other assets *					4 131 182		4 131 182			
Certificate of investment *			1 072 249				1 072 249			
Cash and bank *		18 984 928			1 634 869		20 619 797			
Total assets of window takaful operations - Operator's fund *	948 921			432 194	48 929		1 430 044		948 921	
	16 847 341	158 660 954	10 261 465	13 437 249	6 366 672	-	205 573 681	23 887 421	132 635 438	508
Financial liabilities not measured at fair value										
Outstanding claims including IBNR *						(10 368 176)	(10 368 176)			
Premium received in advance *						(1 281 718)	(1 281 718)			
Insurance / reinsurance payables *						(8 047 592)	(8 047 592)			
Other creditors and accruals *						(6 913 950)	(6 913 950)			
Total liabilities of window takaful operations - Operator's fund *						(109 733)	(109 733)			
	16 847 341	158 660 954	10 261 465	13 437 249	6 366 672	(26 721 169)	178 852 512	23 887 421	132 635 438	508

* 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 27 October 2023 have announced a third interim cash dividend in respect of the year ended 31 December 2023 of Rs. 1.5 per share i.e. 15.00 % (2022: Rs. 1.50 per share i.e. 15.00 %). These consolidated condensed interim financial statements for the nine months period ended 30 September 2023 do not include the effect of these appropriations, which will be accounted for subsequent to the period end.

35. Corresponding figures

35.1 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 27 October 2023.

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

ALTAZ GOKAL
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 27 October 2023

Window Takaful Operations

Condensed Interim Financial Statements

For the nine months period ended 30 September 2023 (Unaudited)

EFU General Insurance Limited - Window Takaful Operations
Condensed Interim Statement of Financial Position
As at 30 September 2023 (Unaudited)

Rupees '000

	Note	Operator's Fund		Participants' Takaful Fund	
		30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Assets					
Property and equipment	6	1 679	2 111	–	–
Investments					
Debt securities	7	1 197 929	948 921	2 059 256	2 394 006
Loans and other receivables	8	9 431	3 139	13 313	2 217
Takaful / retakaful receivables	9	14 214	14 791	594 227	379 772
Retakaful recoveries against outstanding claims / benefits	17	–	–	838 332	746 866
Salvage recoveries accrued		–	–	56 584	44 020
Deferred commission expense	18	180 098	163 440	–	–
Receivable from PTF	10	501 635	392 211	–	–
Accrued investment income		77 409	22 053	134 714	49 814
Deferred wakala fee		–	–	586 090	572 278
Deferred taxation		10 915	5 572	–	–
Prepayments	11	1 081	–	633 617	388 124
Cash and bank	12	82 829	48 929	231 055	195 563
Total assets		2 077 220	1 601 167	5 147 188	4 772 660
Funds and liabilities					
Operator's Fund					
Statutory fund		100 000	100 000	–	–
Revaluation reserve - available-for-sale investments		(10 953)	(5 123)	–	–
Accumulated profit		1 101 037	782 515	–	–
Total Operator's Fund		1 190 084	877 392	–	–
Participants' Takaful Fund (PTF)					
Cede money		–	–	500	500
Revaluation reserve - available-for-sale investments		–	–	(31 971)	(20 909)
Accumulated surplus		–	–	1 204 305	1 159 390
Balance of Participants' Takaful Fund		–	–	1 172 834	1 138 981
Liabilities					
PTF Underwriting provisions					
Outstanding claims / benefits including IBNR	17	–	–	1 449 225	1 282 538
Unearned contribution reserves		–	–	1 607 239	1 438 843
Reserve for unearned retakaful rebate	16	–	–	111 279	65 847
Contribution received in advance		–	–	12 024	4 488
Takaful / retakaful payables		1 816	1 743	265 968	423 452
Unearned wakala fee		586 090	572 278	–	–
Payable to OPF	10	–	–	501 635	392 211
Taxation - provision less payments		158 233	40 021	–	–
Other creditors and accruals	13	140 997	109 733	26 984	26 300
Total liabilities		887 136	723 775	3 974 354	3 633 679
Total funds and liabilities		2 077 220	1 601 167	5 147 188	4 772 660
Contingencies and commitments	14				

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

ALTAZ GOKAL
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 27 October 2023

EFU General Insurance Limited - Window Takaful Operations
Condensed Interim Profit and Loss Account
For the nine months period ended 30 September 2023 (Unaudited)

Rupees '000

	Note	Three months period ended		Nine months period ended	
		30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Participants' Takaful Fund - (PTF)					
Contributions earned		477 983	469 458	1 387 852	1 396 461
Less: Contributions ceded to retakaful		(241 850)	(184 691)	(654 845)	(513 770)
Net contribution revenue	15	236 133	284 767	733 007	882 691
Retakaful rebate earned	16	38 305	34 079	96 039	99 371
Net underwriting income		274 438	318 846	829 046	982 062
Net claims - reported / settled - IBNR	17	(305 403)	(291 642)	(951 225)	(855 504)
Other direct expenses		(17 511)	(22 277)	(59 462)	(59 323)
(Deficit) / surplus before investment income		(48 476)	4 927	(181 641)	67 235
Investment Income	19	104 842	90 566	280 033	184 579
Other income	20	8 634	4 880	22 042	12 028
Less: Modarib's share of investment income		(28 369)	(23 867)	(75 519)	(49 156)
Surplus transferred to accumulated surplus		36 631	76 506	44 915	214 686
Operator's Fund - (OPF)					
Wakala fee		298 332	241 206	877 299	671 338
Commission expense	18	(88 392)	(81 150)	(259 216)	(238 989)
General, administrative and management expense		(104 254)	(95 550)	(317 221)	(292 041)
		105 686	64 506	300 862	140 308
Modarib's share of PTF investment income		28 369	23 867	75 519	49 156
Investment income	19	57 581	31 557	138 273	62 372
Direct expenses		(187)	(340)	(791)	(910)
Other income	20	2 217	1 756	6 963	3 921
Profit before taxation		193 666	121 346	520 826	254 847
Taxation	21	(52 256)	(39 984)	(202 304)	(91 891)
Profit after taxation		141 410	81 362	318 522	162 956

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 27 October 2023

EFU General Insurance Limited - Window Takaful Operations
Condensed Interim Statement of Comprehensive Income
For the nine months period ended 30 September 2023 (Unaudited)

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Participants' Takaful Fund - (PTF)				
Surplus for the period	36 631	76 506	44 915	214 686
Other comprehensive income				
Unrealized (loss) / gain on available-for-sale investments during the period - net	2 727	15 001	(11 062)	19 406
Total items that may be reclassified subsequently to profit and loss account	2 727	15 001	(11 062)	19 406
Total comprehensive income for the period	39 358	91 507	33 853	234 092
Operator's Fund - (OPF)				
Profit after tax for the period	141 410	81 362	318 522	162 956
Other comprehensive income				
Fair value (loss) / gain on available-for-sale investments during the period	2 355	1 739	(10 309)	3 546
Deferred tax on available-for-sale investments	(919)	(455)	4 479	(979)
Total items that may be reclassified subsequently to profit and loss account	1 436	1 284	(5 830)	2 567
Total comprehensive income for the period	142 846	82 646	312 692	165 523

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 27 October 2023

EFU General Insurance Limited - Window Takaful Operations
Condensed Interim Cash Flow Statement
For the nine months period ended 30 September 2023 (Unaudited)

Rupees '000

	Operator's Fund		Participants' Takaful Fund	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Operating cash flows				
a) Takaful activities				
Contributions received	–	–	2 229 175	1 293 704
Retakaful contribution paid	–	–	(1 064 128)	(185 145)
Claims / benefits paid	–	–	(1 418 628)	(564 387)
Retakaful and other recoveries received	–	–	527 512	30 569
Commission paid	(245 392)	(150 271)	–	–
Retakaful rebate received	–	–	141 471	25 189
Wakala fee received / (paid)	815 940	411 805	(815 940)	(411 805)
Modarib received / (paid)	41 266	19 609	(41 266)	(19 609)
Net cash flow (used in) / from takaful activities	611 814	281 143	(441 804)	168 516
b) Other operating activities				
Income tax paid	(84 956)	(34 743)	–	–
General and other expenses paid	(317 948)	(197 101)	(59 463)	(37 047)
Other operating payments	(6 796)	(3 708)	(4 789)	(3 595)
Other operating receipts	1 300	1 042	685	(13 411)
Net cash flow used in other operating activities	(408 400)	(234 510)	(63 567)	(54 053)
Total cash flow (used in) / from all operating activities	203 414	46 633	(505 371)	114 463
Investment activities				
Profit / return received	89 881	32 607	217 175	99 582
Payment for investments	(324 070)	(136 813)	(464 265)	(501 232)
Proceeds from investments	64 752	32 500	787 953	156 836
Fixed capital expenditure	(77)	–	–	–
Proceeds from disposal of property and equipment	–	10	–	–
Total cash flow from / (used in) investing activities	(169 514)	(71 696)	540 863	(244 814)
Net cash flow from / (used in) all activities	33 900	(25 063)	35 492	(130 351)
Cash and cash equivalents at the beginning of the period	48 929	100 883	195 563	239 302
Cash and cash equivalents at the end of the period	82 829	75 820	231 055	108 951
Reconciliation to profit and loss account				
Operating cash flow	203 414	46 633	(505 371)	114 463
Depreciation expense	(509)	(339)	–	–
Other investment income	138 273	30 815	280 033	94 013
Other income	6 963	2 165	22 042	7 145
Increase in assets other than cash	133 742	247	588 886	145 779
(Increase) / decrease in liabilities other than borrowings	(163 361)	2 073	(340 675)	(223 220)
Surplus after tax for the period	318 522	81 594	44 915	138 180
Attributed to				
Operator's Fund	318 522	81 594	–	–
Participants' Takaful Fund	–	–	44 915	138 180
	318 522	81 594	44 915	138 180

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

ALTAZ GOKAL
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 27 October 2023

EFU General Insurance Limited - Window Takaful Operations
Condensed Interim Statement of Changes in Funds
For the nine months period ended 30 September 2023 (Unaudited)

Rupees '000

	Operator's Fund			
	Statutory fund	Unrealized gain / (loss) on revaluation of available-for-sale investments-net	Accumulated profit	Total
Balance as at 01 January 2022	100 000	(3 396)	530 643	627 247
Total comprehensive income for the period ended 30 September 2022				
Profit for the period			162 956	162 956
Other comprehensive income		2,567		2 567
Balance as at 30 September 2022	<u>100 000</u>	<u>(829)</u>	<u>693 599</u>	<u>792 770</u>
Balance as at 01 January 2023	100 000	(5 123)	782 515	877 392
Total comprehensive income for the period ended 30 September 2023				
Profit for the period			318 522	318,522
Other comprehensive loss		(5 830)		(5 830)
Balance as at 30 September 2023	<u>100 000</u>	<u>(10 953)</u>	<u>1 101 037</u>	<u>1 190 084</u>
	Participants' Takaful Fund			
	Cede money	Unrealized gain / (loss) on revaluation of available-for-sale investments-net	Accumulated surplus	Total
Balance as at 01 January 2022	500	(16 099)	871 978	856 379
Surplus for the period			214 686	214 686
Other comprehensive income		19 406		19 406
Balance as at 30 September 2022	<u>500</u>	<u>3 307</u>	<u>1 086 664</u>	<u>1 090 471</u>
Balance as at 01 January 2023	500	(20 909)	1 159 390	1 138 981
Surplus for the period			44 915	44 915
Other comprehensive loss		(11 062)		(11 062)
Balance as at 30 September 2023	<u>500</u>	<u>(31 971)</u>	<u>1 204 305</u>	<u>1 172 834</u>

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 27 October 2023

EFU General Insurance Limited - Window Takaful Operations

Notes to the Condensed Interim Financial Statements

For the nine months period ended 30 September 2023 (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 2022.

2.1 Basis of measurement

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

2.2 Functional and presentation currency

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

3. Summary of significant accounting policies

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

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 2023 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)
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	01 January 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	01 January 2024
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	01 January 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture -Amendments to IFRS 10 and IAS 28 Not yet finalized	
The Operator expects that such improvements to the standards will not have any material impact on the Operator's condensed interim financial statements in the period of initial application.	
In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2024. The Operator expects that such improvements to the standards will not have any material impact on the Operator's condensed interim financial statements in the period of initial application.	
Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.	

Standards	Effective date (annual periods beginning on or after)
IFRS 1 First-time Adoption of International Financial Reporting Standards	01 January 2024
IFRS 17 Insurance Contracts	01 January 2023
The Operator has taken a benefit of temporary exemption of applying IFRS 9 "Financial Instrument" with IFRS 17 "Insurance Contracts" as allowed under IFRS	

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 2022.

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 2022.

6. Property and equipment

The movement of property and equipment during the nine months period ended 30 September 2023 are as follows:

		Rupees '000	
		30 September 2023 (Unaudited)	31 December 2022 (Audited)
		Note	
	Opening balance - net book value		2 111
	Additions	6.1	77
	Depreciation during the period		(509)
			<u>1 679</u>
			<u>2 111</u>
6.1	Additions		77
	Office equipment		-
	Computer equipment		10
			<u>77</u>
			<u>10</u>

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

Rupees '000

7.1 Operator's Fund

	30 September 2023 (Unaudited)			31 December 2022 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Fixed income securities						
ljara sukuks	1 188 611	–	1 188 611	915 540	–	915 540
Corporate sukuks	36 205	(8 931)	27 274	49 959	(8 931)	41 028
	1 224 816	(8 931)	1 215 885	965 499	(8 931)	956 568
Deficit on revaluation	–	–	(17 956)	–	–	(7 647)
	<u>1 224 816</u>	<u>(8 931)</u>	<u>1 197 929</u>	<u>965 499</u>	<u>(8 931)</u>	<u>948 921</u>

7.2 Participants' Takaful Fund

Fixed income securities

ljara sukuks	2 040 188	–	2 040 188	2 331 550	–	2 331 550
Corporate sukuks	59 969	(8 931)	51 038	92 295	(8 931)	83 364
	2 100 157	(8 931)	2 091 226	2 423 845	(8 931)	2 414 914
Deficit on revaluation	–	–	(31 970)	–	–	(20 908)
	<u>2 100 157</u>	<u>(8 931)</u>	<u>2 059 256</u>	<u>2 423 845</u>	<u>(8 931)</u>	<u>2 394 006</u>

8. Loans and other receivables - considered good

Rupees '000

	Operator's Fund		Participants' Takaful Fund	
	30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Security deposits	301	301	–	–
Other receivables	9 130	2 838	13 313	2 217
	<u>9 431</u>	<u>3 139</u>	<u>13 313</u>	<u>2 217</u>
9. Takaful / retakaful receivables - unsecured and considered good				
Due from takaful participants holders	–	–	578 338	366 430
Due from other takaful / retakaful operators	14 214	14 791	15 889	13 342
	<u>14 214</u>	<u>14 791</u>	<u>594 227</u>	<u>379 772</u>
10. Receivable (OPF) / Payable (PTF)				
Wakala fee	454 647	379 476	454 647	379 476
Modarib fee	46 988	12 735	46 988	12 735
	<u>501 635</u>	<u>392 211</u>	<u>501 635</u>	<u>392 211</u>

11. Prepayments

Rupees '000

	Operator's Fund		Participants' Takaful Fund	
	30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Annual supervision fees	1 081	-	-	-
Prepaid retakaful contribution ceded	-	-	604 685	352 886
Prepaid charges for vehicle tracking devices	-	-	28 932	35 238
	<u>1 081</u>	<u>-</u>	<u>633 617</u>	<u>388 124</u>
12. Cash and bank balances				
Cash and cash equivalents				
Cash in hand	55	-	-	-
Policy stamps	-	-	1 569	3 040
	<u>55</u>	<u>-</u>	<u>1 569</u>	<u>3 040</u>
Cash at bank				
Current accounts	2 801	1 415	1 038	635
Saving accounts	79 973	47 514	228 448	191 888
	<u>82 829</u>	<u>48 929</u>	<u>231 055</u>	<u>195 563</u>
13. Other creditors and accruals				
Federal insurance fee payable	-	-	2 180	2 322
Sales tax payable	2 333	1 465	23 086	22 797
Accrued expenses	3 714	4 160	-	-
Agent commission payable	134 195	103 785	-	-
Retirement benefit obligations	204	272	-	-
Other creditors	551	51	1 718	1 181
	<u>140 997</u>	<u>109 733</u>	<u>26 984</u>	<u>26 300</u>

14. Contingencies and commitments

There are no contingencies and commitments as at 30 September 2023 (31 December 2022: Nil).

15. Net contribution

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Written gross contribution	1 072 980	964 784	2 433 547	2 266 399
Wakala fee	(381 446)	(436 483)	(891 111)	(850 441)
Contribution net of wakala fee	<u>691 534</u>	<u>528 301</u>	<u>1 542 436</u>	<u>1 415 958</u>
Unearned contribution reserve - opening	807 598	854 530	866 565	893 876
Unearned contribution reserve - closing	(1 021 149)	(913 373)	(1 021 149)	(913 373)
Contribution earned	<u>477 983</u>	<u>469 458</u>	<u>1 387 852</u>	<u>1 396 461</u>
Less:				
Retakaful contribution ceded	590 541	388 646	906 644	642 249
Prepaid retakaful contribution - opening	255 994	208 342	352 886	283 818
Prepaid retakaful contribution - closing	(604 685)	(412 297)	(604 685)	(412 297)
Retakaful expense	<u>241 850</u>	<u>184 691</u>	<u>654 845</u>	<u>513 770</u>
	<u>236 133</u>	<u>284 767</u>	<u>733 007</u>	<u>882 691</u>

16. Retakaful rebate

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Rebate received or recoverable	127 169	83 976	141 471	109 165
Unearned retakaful rebate-opening	22 415	23 259	65 847	63 362
Unearned retakaful rebate-closing	(111 279)	(73 156)	(111 279)	(73 156)
	<u>38 305</u>	<u>34 079</u>	<u>96 039</u>	<u>99 371</u>
17. Takaful benefits / claims expense				
Benefits / claims paid	508 356	310 841	1 406 064	849 131
Outstanding benefits / claims including IBNR - opening	(1 558 063)	(1 340 032)	(1 282 538)	(1 088 118)
Outstanding benefits / claims including IBNR - closing	1 449 225	1 381 079	1 449 225	1 381 079
Claim expense	399 518	351 888	1 572 751	1 142 092
Less:				
Retakaful and other recoveries received	213 498	26 387	530 060	62 595
Retakaful and other recoveries in respect of outstanding claims - opening	(957 715)	(731 385)	(746 866)	(541 251)
Retakaful and other recoveries in respect of outstanding claims - closing	838 332	765 244	838 332	765 244
Retakaful and other recoveries revenue	94 115	60 246	621 526	286 588
	<u>305 403</u>	<u>291 642</u>	<u>951 225</u>	<u>855 504</u>
18. Commission expense				
Commission paid or payable	127 286	113 729	275 874	260 261
Deferred commission expense - opening	141 204	138 188	163 440	149 495
Deferred commission expense - closing	(180 098)	(170 767)	(180 098)	(170 767)
	<u>88 392</u>	<u>81 150</u>	<u>259 216</u>	<u>238 989</u>
19. Investment income				
19.1 Operator's Fund				
Income from debt securities - available-for-sale - Return on debt securities (sukuk)	57 581	31 557	138 603	62 296
Income from term deposits - Return on term deposits	-	-	-	76
	<u>57 581</u>	<u>31 557</u>	<u>138 603</u>	<u>62 372</u>
Net realized losses on investment available for sale financial assets				
Realized losses on:				
- Debt securities	-	-	(330)	-
	<u>57 581</u>	<u>31 557</u>	<u>138 273</u>	<u>62 372</u>
19.2 Participants' Takaful Fund				
Income from debt securities - available-for-sale - Return on debt securities (sukuk)	108 145	90 553	297 433	183 691
Income from term deposits - Return on term deposits	-	13	-	888
	<u>108 145</u>	<u>90 566</u>	<u>297 433</u>	<u>184 579</u>
Net realized losses on investment available for sale financial assets				
Realized losses on:				
- Debt securities	(3 303)	-	(17 400)	-
	<u>104 842</u>	<u>90 566</u>	<u>280 033</u>	<u>184 579</u>

20. Other income

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
20.1 Operator's Fund				
Profit on bank deposits	2 217	1 756	6 963	3 911
Gain on property and equipment	–	–	–	10
	<u>2 217</u>	<u>1 756</u>	<u>6 963</u>	<u>3 921</u>
20.2 Participants' Takaful Fund				
Profit on bank deposits	8 634	4 901	22 042	12 046
Exchange loss	–	(21)	–	(18)
	<u>8 634</u>	<u>4 880</u>	<u>22 042</u>	<u>12 028</u>
21. Taxation				
Current	32 901	35 178	151 074	81 751
Super tax	19 370	4 852	52 094	10 197
Deferred	(15)	(46)	(864)	(57)
	<u>52 256</u>	<u>39 984</u>	<u>202 304</u>	<u>91 891</u>

22. Related party transactions

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

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Participants' Takaful Fund				
Associated company				
Contributions written	23	20	19	132
Premium paid	–	–	118	103
Claims paid	40	223	547	468
Key management personnel				
Contribution written	73	78	70	78
Others				
Contributions written	285	1 132	285	1 922
Claims paid	–	32	–	147
Employees' funds				
Contributions to gratuity fund	68	68	136	136

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
		Rupees '000
Balances		
Balances payable	509	509
EFU gratuity fund payable	136	136

23. Segment Reporting

23.1 Operator's Fund

For the nine months period ended 30 September 2023 (Unaudited)

Current period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Wakala fee	178 173	46 600	621 793	30 733	–	877 299
Commission expense	(69 511)	(22 044)	(160 210)	(7 451)	–	(259 216)
General administrative and management expenses	(13 239)	(6 865)	(289 726)	(7 391)	–	(317 221)
Net commission and expenses	(82 750)	(28 909)	(449 936)	(14 842)	–	(576 437)
	<u>95 423</u>	<u>17 691</u>	<u>171 857</u>	<u>15 891</u>	<u>–</u>	<u>300 862</u>
Modarib's share of PTF investment income						75 519
Investment income						138 273
Direct expenses						(791)
Other income						6 963
Profit before taxation						520 826
Taxation						(202 304)
Profit after taxation						<u>318 522</u>
	As at 30 September 2023 (Unaudited)					
Corporate segment assets	249 867	22 179	346 453	30 460	–	648 959
Corporate unallocated assets						1 428 261
Total assets						<u>2 077 220</u>
Corporate segment liabilities	246 763	19 333	412 077	43 928	–	722 101
Corporate unallocated liabilities						165 035
Total liabilities						<u>887 136</u>

Rupees '000

Current period	For the three months period ended 30 September 2023 (Unaudited)					Total
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	
Wakala fee	65 659	16 875	204 539	11 259	–	298 332
Commission expense	(25 609)	(7 830)	(52 427)	(2 526)	–	(88 392)
General administrative and management expenses	(6 483)	(2 675)	(90 980)	(4 116)	–	(104 254)
Net commission and expenses	(32 092)	(10 505)	(143 407)	(6 642)	–	(192 646)
	<u>33 567</u>	<u>6 370</u>	<u>61 132</u>	<u>4 617</u>	<u>–</u>	<u>105 686</u>
Modarib's share of PTF investment income						28 369
Investment income						57 581
Direct expenses						(187)
Other income						2 217
Profit before taxation						193 666
Taxation						(52 256)
Profit after taxation						<u>141 410</u>

Prior period	For the three months period ended 30 September 2022 (Unaudited)					Total
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	
Wakala fee	45 356	13 013	177 073	5 764	–	241 206
Commission expense	(20 120)	(6 100)	(52 803)	(2 127)	–	(81 150)
General administrative and management expenses	(4 321)	(2 133)	(85 739)	(3 357)	–	(95 550)
Net commission and expenses	(24 441)	(8 233)	(138 542)	(5 484)	–	(176 700)
	<u>20 915</u>	<u>4 780</u>	<u>38 531</u>	<u>280</u>	<u>–</u>	<u>64 506</u>
Modarib's share of PTF investment income						23 867
Investment income						31 557
Direct expenses						(340)
Other income						1 756
Profit before taxation						121 346
Taxation						(39 984)
Profit after taxation						<u>81 362</u>

23.2 Participants' Takaful Fund

Rupees '000

For the nine months period ended 30 September 2023 (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)	841 986	169 297	1 651 103	143 575	-	2 805 961
Less: Sales tax	101 659	17 403	202 178	16 022	-	337 262
Stamp duty	54	10 643	142	11	-	10 850
Federal insurance fee	7 330	1 399	14 345	1 228	-	24 302
Gross written contribution (inclusive of administrative surcharge)	732 943	139 852	1 434 438	126 314	-	2 433 547
Gross direct contribution	729 145	133 857	1 347 499	122 574	-	2 333 075
Facultative inward contribution	-	-	-	3 483	-	3 483
Administrative surcharge	3 798	5 995	86 939	257	-	96 989
Wakala fee	(246 836)	(48 949)	(551 116)	(44 210)	-	(891 111)
Contributions earned	329 118	86 542	916 837	55 355	-	1 387 852
Contributions ceded to retakaful	(469 422)	(102 217)	(21 263)	(61 943)	-	(654 845)
Net contribution revenue	(140 304)	(15 675)	895 574	(6 588)	-	733 007
Retakaful rebate earned	61 979	22 996	-	11 064	-	96 039
Net underwriting income / (loss)	(78 325)	7 321	895 574	4 476	-	829 046
Takaful claims	(613 183)	(15 550)	(883 025)	(60 993)	-	(1 572 751)
Takaful claims recovered from retakaful	568 834	12 441	-	40 251	-	621 526
Net claims	(44 349)	(3 109)	(883 025)	(20 742)	-	(951 225)
Other direct expenses	(129)	(106)	(59 145)	(82)	-	(59 462)
(Deficit) / surplus before investment income	(122 803)	4 106	(46 596)	(16 348)	-	(181 641)
Investment income						280 033
Other income						22 042
Modarib share of investment income						(75 519)
Surplus transferred to accumulated surplus						44 915
As at 30 September 2023 (Unaudited)						
Corporate segment assets	1 788 000	115 489	582 936	237 496	-	2 723 921
Corporate unallocated assets						2 423 267
Total assets						5 147 188
Corporate segment liabilities	1 778 678	122 791	1 722 012	276 901	-	3 900 382
Corporate unallocated liabilities						73 972
Total liabilities						3 974 354

Rupees '000

For the nine months period ended 30 September 2022 (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)	588 073	135 394	1 762 780	113 915	–	2 600 162
Less: Sales tax	71 006	13 978	204 550	13 062	–	302 596
Stamp duty	57	8 272	163	11	–	8 503
Federal insurance fee	5 119	1 120	15 427	998	–	22 664
Gross written contribution (inclusive of Administrative surcharge)	511 891	112 024	1 542 640	99 844	–	2 266 399
Gross direct contribution	508 136	106 858	1 431 665	99 584	–	2 146 243
Administrative surcharge	3 755	5 166	110 975	260	–	120 156
Wakala fee	(174 607)	(39 209)	(601 676)	(34 949)	–	(850 441)
Contributions earned	284 063	72 662	999 151	40 585	–	1 396 461
Contributions ceded to retakaful	(368 310)	(85 343)	(16 947)	(43 170)	–	(513 770)
Net contribution revenue	(84 247)	(12 681)	982 204	(2 585)	–	882 691
Rebate from retakaful operator	72 027	19 202	3	8 139	–	99 371
Net underwriting income / (loss)	(12 220)	6 521	982 207	5 554	–	982 062
Takaful claims	(288 106)	(25 430)	(822 325)	(6 231)	–	(1 142 092)
Takaful claims recovered from retakaful	260 424	20 344	(24)	5 844	–	286 588
Net claims	(27 682)	(5 086)	(822 349)	(387)	–	(855 504)
Other direct expense	(65)	(60)	(59 173)	(25)	–	(59 323)
Surplus / (deficit) before investment income	(39 967)	1 375	100 685	5 142	–	67 235
Investment income						184 579
Other income						12 028
Modarib share of investment income						(49 156)
Surplus transferred to accumulated surplus						214 686
						As at 31 December 2022 (Audited)
Corporate segment assets	1 256 862	55 657	693 389	125 152	–	2 131 060
Corporate unallocated assets						2 641 600
Total assets						4 772 660
Corporate segment liabilities	1 385 422	126 350	1 357 415	153 179	–	3 022 366
Corporate unallocated liabilities						611 313
Total liabilities						3 633 679

Rupees '000

For the three months period ended 30 September 2023 (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)	578 631	69 119	473 649	121 693	-	1 243 092
Less: Sales tax	72 827	7 250	61 624	13 498	-	155 199
Stamp duty	29	4 134	49	6	-	4 218
Federal insurance fee	5 008	572	4 079	1 036	-	10 695
Gross written contribution (inclusive of administrative surcharge)	500 767	57 163	407 897	107 153	-	1 072 980
Gross direct contribution	498 698	54 870	382 815	103 527	-	1 039 910
Facultative inward contribution	-	-	-	3 483	-	3 483
Administrative surcharge	2 069	2 293	25 082	143	-	29 587
Wakala fee	(168 725)	(20 008)	(155 209)	(37 504)	-	(381 446)
Contributions earned	122 698	31 336	303 735	20 214	-	477 983
Contributions ceded to retakaful	(174 581)	(37 149)	(6 793)	(23 327)	-	(241 850)
Net contribution revenue	(51 883)	(5 813)	296 942	(3 113)	-	236 133
Rebate from retakaful operator	25 848	8 356	-	4 101	-	38 305
Net underwriting income / (loss)	(26 035)	2 543	296 942	988	-	274 438
Takaful claims	(52 352)	(8 466)	(284 899)	(53 801)	-	(399 518)
Takaful claims recovered from retakaful	50 041	6 774	-	37 300	-	94 115
Net claims	(2 311)	(1 692)	(284 899)	(16 501)	-	(305 403)
Other direct expense	(45)	(37)	(17 403)	(26)	-	(17 511)
(Deficit) / surplus before investment income	(28 391)	814	(5 360)	(15 539)	-	(48 476)
Investment income						104 842
Other income						8 634
Modarib share of investment income						(28 369)
Surplus transferred to accumulated surplus						36 631

Rupees '000

For the three months period ended 30 September 2022 (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)	369 537	46 166	593 783	98 321	–	1 107 807
Less: Sales tax	45 763	4 795	68 724	11 264	–	130 546
Stamp duty	31	2 736	58	6	–	2 831
Federal insurance fee	3 205	382	5 198	861	–	9 646
Gross written contribution (inclusive of administrative surcharge)	320 538	38 253	519 803	86 190	–	964 784
Gross direct contribution	318 473	36 605	485 692	86 042	–	926 812
Administrative surcharge	2 065	1 648	34 111	148	–	37 972
Wakala fee	(122 304)	(13 389)	(269 255)	(31 535)	–	(436 483)
Contributions earned	101 764	24 168	329 596	13 930	–	469 458
Contributions ceded to retakaful	(137 577)	(28 444)	(5 732)	(12 938)	–	(184 691)
Net contribution revenue	(35 813)	(4 276)	323 864	992	–	284 767
Rebate from retakaful operator	25 315	6 400	–	2 364	–	34 079
Net underwriting income / (loss)	(10 498)	2 124	323 864	3 356	–	318 846
Takaful claims	(54 256)	(19 409)	(278 404)	181	–	(351 888)
Takaful claims recovered from retakaful	46 095	15 527	(24)	(1 352)	–	60 246
Net claims	(8 161)	(3 882)	(278 428)	(1 171)	–	(291 642)
Other direct expense	(17)	(16)	(22 230)	(14)	–	(22 277)
Surplus / (deficit) before investment income	(18 676)	(1 774)	23 206	2 171	–	4 927
Investment income						90 566
Other income						4 880
Modarib share of investment income						(23 867)
Surplus transferred to accumulated surplus						76 506

24. Movement in investments

24.1 Operator's Fund

Rupees '000

Name of investment	Available-for-sale debt securities	Held to maturity-term deposit	Total
At beginning of previous year	643 122	9 000	652 122
Additions	370 708	–	370 708
Disposals (sale and redemptions)	(62 046)	(9 000)	(71 046)
Fair value net losses (excluding net realized gains / (losses))	(2 863)	–	(2 863)
At beginning of current year	948 921	–	948 921
Additions	324 070	–	324 070
Disposals (sale and redemptions)	(64 752)	–	(64 752)
Fair value net losses (excluding net realized gains / (losses))	(10 310)	–	(10 310)
At end of current period	<u>1 197 929</u>	<u>–</u>	<u>1 197 929</u>

24.2 Participants' Takaful Fund

Name of investment	Available-for-sale debt securities	Held to maturity-term deposit	Total
At beginning of previous year	1 735 650	120 000	1 855 650
Additions	860 034	35 000	895,034
Disposals (sale and redemptions)	(196 868)	(155 000)	(351 868)
Fair value net losses (excluding net realized gains / (losses))	(4 810)	–	(4 810)
At beginning of current year	2 394 006	–	2 394 006
Additions	464 265	–	464 265
Disposals (sale and redemptions)	(787 953)	–	(787 953)
Fair value net losses (excluding net realized gains / (losses))	(11 062)	–	(11 062)
At end of current period	<u>2 059 256</u>	<u>–</u>	<u>2 059 256</u>

25 Fair value

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

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

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

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

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

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

25.3 Operator's Fund

Rupees '000

As at 30 September 2023 (Unaudited)								
	Available-for-sale	Loan & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Ijara Sukuks	1 163 894				1 163 894		1 163 894	
Corporate Sukuks	34 035				34 035		34 035	
Financial assets not measured at fair value								
Loans and other receivables *		9 431			9 431			
Takaful / retakaful receivables *		14 214			14 214			
Receivable from PTF *		501 635			501 635			
Accrued investment income *		77 409			77 409			
Cash and bank balances *			82 829		82 829			
	<u>1 197 929</u>	<u>602 689</u>	<u>82 829</u>		<u>1 883 447</u>		<u>1 197 929</u>	
Financial liabilities not measured at fair value								
Other creditors and accruals *				(140 997)	(140 997)			
	<u>1 197 929</u>	<u>602 689</u>	<u>82 829</u>	<u>(140 997)</u>	<u>1 742 450</u>	<u>-</u>	<u>1 197 929</u>	<u>-</u>
As at 31 December 2022 (Audited)								
	Available-for-sale	Loan & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Ijara Sukuk	905 529				905 529		905 529	
Corporate Sukuks	43 392				43 392		43 392	
Financial assets not measured at fair value								
Loans and other receivables *		3 139			3 139			
Takaful / retakaful receivables *		14 791			14 791			
Receivable from PTF *		392 211			392 211			
Accrued investment income *		22 053			22 053			
Cash and bank balances *			48 929		48 929			
	<u>948 921</u>	<u>432 194</u>	<u>48,929</u>		<u>1 430 044</u>		<u>948 921</u>	
Financial liabilities not measured at fair value								
Other creditors and accruals *				(109 733)	(109 733)			
	<u>948 921</u>	<u>432 194</u>	<u>48 929</u>	<u>(109 733)</u>	<u>1 320 311</u>	<u>-</u>	<u>948 921</u>	<u>-</u>

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

25.4 Participants' Takaful Fund

Rupees '000

As at 30 September 2023 (Unaudited)								
	Available-for-sale	Loan & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Ijara Sukuk	2 008 185				2 008 185		2 008 185	
Corporate Sukuk	51 071				51 071		51 071	
Financial assets not measured at fair value								
Loans and other receivables *		13 313			13 313			
Takaful / retakaful receivables *		594 227			594 227			
Retakaful recoveries against outstanding claims *		838 332			838 332			
Accrued investment income *		134 714			134 714			
Cash and bank balances *			231 055		231 055			
	<u>2 059 256</u>	<u>1 580 586</u>	<u>231 055</u>		<u>3 870 897</u>		<u>2 059 256</u>	
Financial liabilities not measured at fair value								
Outstanding claims including IBNR *				(1 449 225)	(1 449 225)			
Contributions received in advance *				(12 024)	(12 024)			
Takaful / retakaful payable *				(265 968)	(265 968)			
Payable to OPF *				(501 635)	(501 635)			
Other creditors and accruals *				(26 984)	(26 984)			
	<u>2 059 256</u>	<u>1 580 586</u>	<u>231 055</u>	<u>(2 255 836)</u>	<u>1 615 061</u>	<u>–</u>	<u>2 059 256</u>	<u>–</u>
As at 31 December 2022 (Audited)								
	Available-for-sale	Loan & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Ijara Sukuks	2 302 036				2 302 036		2 302 036	
Corporate Sukuks	91 970				91 970		91 970	
Financial assets not measured at fair value								
Loans and other receivables *		2 217			2 217			
Takaful / retakaful receivables *		379 772			379 772			
Retakaful recoveries against outstanding claims *		746 866			746 866			
Accrued investment income *		49 814			49 814			
Cash and bank balances *			195 563		195 563			
	<u>2 394 006</u>	<u>1 178 669</u>	<u>195 563</u>		<u>3 768 238</u>		<u>2 394 006</u>	
Financial liabilities not measured at fair value								
Outstanding claims including IBNR *				(1 282 538)	(1 282 538)			
Contributions received in advance *				(4 488)	(4 488)			
Takaful / retakaful payable *				(423 452)	(423 452)			
Payable to OPF *				(392 211)	(392 211)			
Other creditors and accruals *				(26 300)	(26 300)			
	<u>2 394 006</u>	<u>1 178 669</u>	<u>195 563</u>	<u>(2 128 989)</u>	<u>1 639 249</u>	<u>–</u>	<u>2 394 006</u>	<u>–</u>

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

26. General

Figures have been rounded off to the nearest thousand rupees.

27. 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 27 October 2023.

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 27 October 2023

