



**Strength &
Resilience**

Report (Unaudited)
Third Quarter 2024

**EFU GENERAL
INSURANCE LTD**



EFU GENERAL INSURANCE LTD

ISO 9001: 2015 Certified



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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

Najmul Hoda Khan, F.C.A., F.P.F.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

Najmul Hoda Khan

Ethics, Human Resource & Remuneration Committee

Yasmin Hyder

Saifuddin N. Zoomkawala

Hasanali Abdullah

Kamran Arshad Inam

Auditors

KPMG Taseer Hadi & Co.

Chartered Accountants

Sheikh Sultan Trust Building No. 2

Beaumont Road

Karachi

Registrar

CDC Share Registrar Services Limited

CDC House, 99-B, Block-B

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

Karachi - 74400

Website

www.efuinsurance.com

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 2024.

Performance Review

The Written Premium for the period was Rs. 32.14 billion (including Takaful Contribution of Rs. 2.56 billion) from Rs. 29.99 billion (including Takaful Contribution of Rs. 2.43 billion) for the corresponding period of last year. The Net Premium Revenue was Rs. 10.59 billion as against Rs. 8.64 billion for the corresponding period of last year. The overall Claims ratio to Net Premium Revenue was 39% as compared to 50% for the corresponding period of last year. The underwriting profit for the period was Rs. 1,808 million.

Investment income (including dividends, capital gains, rental income, profit on deposits, and other income) for the period increased by 40% to Rs. 2.96 billion as compared to Rs. 2.12 billion for the corresponding period of last year.

The profit before tax for the period was Rs. 5.09 billion as compared to Rs. 2.79 billion in the corresponding period last year. The profit after tax for the period was Rs. 3.09 billion as compared to Rs. 1.62 billion in the corresponding period last year.

The earnings per share for the period was Rs. 15.48 against Rs. 8.09 in the corresponding period of last year.

Your Directors have pleasure in declaring the third interim cash dividend of Rs. 1.5 (15.00 %) per share for the year 2024.

Outlook

Pakistan's macroeconomic variables are improving subsequent to overall debt workout. Going forward, this will likely alleviate immediate risks and set path towards economic recovery.

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 30 October 2024

ڈائریکٹرز کا جائزہ

(یہ انگریزی ڈائریکٹرز رپورٹ کا ترجمہ ہے)

ہم بمسرت ۳۰ ستمبر ۲۰۲۳ء کو ختم ہونے والی ۹ ماہ کی مدت کے لئے غیر آڈٹ شدہ مالیاتی حسابات پیش کر رہے ہیں۔

کارکردگی کا جائزہ

زیر جائزہ مدت کیلئے تحریری پریمیسیم ۳۲،۱۳۲ ملین روپے (بشمول تکافل کٹری بیوٹن ۲،۵۶۶ ملین روپے) رہا جو اس کے مقابلے میں گزشتہ سال کی اس مدت میں ۲۹،۶۹۹ ملین روپے (بشمول تکافل کٹری بیوٹن ۲،۴۳۳ ملین روپے) تھا۔ خالص پریمیسیم ریونیو ۱۰،۵۹۵ ملین روپے رہا جو اس کے مقابلے میں گزشتہ سال کی اس مدت میں ۸،۶۲۳ ملین روپے تھا۔ خالص پریمیسیم ریونیو کے لئے مجموعی کلیمز کا تناسب ۳۹ فیصد رہا جو اس کے مقابلے میں گزشتہ سال کی اسی مدت میں ۵۰ فیصد تھا۔ اس مدت کیلئے انڈر رائٹنگ منافع ۱،۸۰۸ ملین روپے تھا۔

سرمایہ کاری کی آمدنی (بشمول منافع منقسمہ، کیپٹل منافع جات، ریٹیل آمدنی، ڈپازٹس سے منافع جات اور دیگر آمدنی) برائے زیر جائزہ مدت ۴۰ فیصد بڑھ کر ۲،۹۶۶ ملین روپے رہی جو اس کے مقابلے میں گزشتہ سال کی اس مدت میں ۲،۴۱۲ ملین روپے تھی۔

اس مدت کے لئے منافع قبل از ٹیکس ۵،۰۰۹ ملین روپے رہا جو اس کے مقابلے میں گزشتہ سال کی اس مدت میں ۲،۷۹۹ ملین روپے تھا۔ اس مدت کے لئے منافع بعد از ٹیکس ۳،۰۰۹ ملین روپے رہا جو اس کے مقابلے میں گزشتہ سال کی اسی مدت میں ۱،۶۲۲ ملین روپے تھا۔

اس مدت کے لئے آمدنی فی شیئر ۲۸،۵۰۹ روپے رہی جو اس کے مقابلے میں گزشتہ سال کی اس مدت میں ۸،۰۰۹ روپے تھی۔

آپ کے ڈائریکٹرز بمسرت سال ۲۰۲۳ء کے لئے تیسرے عبوری نقد منافع منقسمہ بشرح ۱،۵۰ روپے (۱۵ فیصد) فی شیئر کا اعلان کرتے ہیں۔

نقطہ نظر

پاکستان کے میکرو اکنامک تغیرات مجموعی ڈیپٹ ورک آؤٹ کیلئے مناسب حد تک بہتر ہو رہے ہیں۔ آگے بڑھتے ہوئے یہ ممکنہ طور پر فوری خطرات کا تدارک کریں گے اور معاشی بحالی کا راستہ ہموار کریں گے۔

اظہار تشکر

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

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

سیف الدین ابن۔ زومکا والا

چیئرمین

کراچی، ۳۰ اکتوبر ۲۰۲۳ء

کامران ارشد انعام

ٹیچنگ ڈائریکٹر و چیف ایگزیکٹو آفیسر

طاہری۔ ساچک

ڈائریکٹر

حسن علی عبداللہ

ڈائریکٹر

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

		Rupees '000	
	Note	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Assets			
Property and equipment	6	3 458 570	3 485 818
Investment property	7	3 192 266	3 191 970
Investment in subsidiary	8	9 248 701	9 132 138
Investments			
Equity securities	9	4 682 530	3 565 490
Debt securities	10	14 767 874	12 982 564
Term deposits	11	651 237	896 684
Loans and other receivables	12	948 081	441 912
Insurance / reinsurance receivables	13	7 881 748	8 629 907
Reinsurance recoveries against outstanding claims	20	7 745 649	7 009 843
Salvage recoveries accrued		62 595	99 276
Deferred commission expense	21	1 927 193	1 491 266
Retirement benefit		64 397	43 955
Prepayments	14	11 094 310	12 525 940
Cash and bank	15	2 598 689	2 286 861
		<u>68 323 840</u>	<u>65 783 624</u>
Total assets of window takaful operations - Operator's Fund		<u>2 153 199</u>	<u>1 721 427</u>
Total assets		<u><u>70 477 039</u></u>	<u><u>67 505 051</u></u>
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		2 000 000	2 000 000
Reserves	16	17 815 958	15 674 047
Unappropriated profit		3 136 400	2 733 704
Total equity		<u>22 952 358</u>	<u>20 407 751</u>
Surplus on revaluation of property and equipment		<u>1 132 179</u>	<u>1 139 550</u>
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	20	11 954 014	10 774 706
Unearned premium reserve	19	19 765 071	19 546 386
Unearned reinsurance commission	21	336 324	302 821
Deferred taxation		1 068 428	360 812
Premium received in advance		197 492	167 683
Insurance / reinsurance payables		7 329 076	9 472 269
Other creditors and accruals	17	4 156 128	3 804 028
Taxation - provision less payments		752 758	817 640
Total liabilities		<u>45 559 291</u>	<u>45 246 345</u>
		<u>69 643 828</u>	<u>66 793 646</u>
Total liabilities of window takaful operations - Operator's Fund		<u>833 211</u>	<u>711 405</u>
Total equity and liabilities		<u><u>70 477 039</u></u>	<u><u>67 505 051</u></u>
Contingencies and commitments	18		

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

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

NAJMUL HODA KHAN
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 30 October 2024

Unconsolidated Condensed Interim Profit and Loss Account For the nine months period ended 30 September 2024 (Unaudited)

Rupees '000

	Note	Three months period ended		Nine months period ended	
		30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Net insurance premium	19	3 448 494	2 744 144	10 594 736	8 638 129
Net insurance claims	20	(1 707 557)	(721 794)	(4 100 545)	(4 295 506)
Net commission and other acquisition cost	21	(635 511)	(574 850)	(1 877 723)	(1 554 558)
Insurance claims and acquisition expenses		(2 343 068)	(1 296 644)	(5 978 268)	(5 850 064)
Management expenses		(1 011 202)	(849 874)	(2 808 595)	(2 560 999)
Underwriting results		94 224	597 626	1 807 873	227 066
Investment income	22	612 067	662 366	2 388 765	1 668 994
Rental income net of expenses		32 420	35 391	95 463	98 830
Other income	23	167 591	129 454	475 062	347 755
Other expenses		(38 180)	(23 315)	(165 799)	(71 991)
		773 898	803 896	2 793 491	2 043 588
Results of operating activities		868 122	1 401 522	4 601 364	2 270 654
Profit from window takaful operations - Operator's Fund	24	158 656	193 666	492 055	520 826
Profit before tax		1 026 778	1 595 188	5 093 419	2 791 480
Income tax expense	25				
Current period		(408 778)	(625 061)	(1 998 094)	(994 782)
Prior period		-	-	-	(179 649)
		(408 778)	(625 061)	(1 998 094)	(1 174 431)
Profit after tax		618 000	970 127	3 095 325	1 617 049
Earnings (after tax) per share - Rupees	26	3.09	4.85	15.48	8.09

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

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

NAJMUL HODA KHAN
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 30 October 2024

Unconsolidated Condensed Interim Statement of Comprehensive Income For the nine months period ended 30 September 2024 (Unaudited)

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Profit after tax	618 000	970 127	3 095 325	1 617 049
Other comprehensive income				
Total items that may be reclassified subsequently to profit and loss account				
Unrealize gain / (loss) in available-for-sale investments during the period	1 283 113	126 117	2 449 011	(271 991)
Unrealize gain / (loss) in available-for-sale investments during the period in subsidiary company	(108 191)	(610 518)	65 974	(8 475)
Unrealize gain / (loss) in available-for-sale investment from window takaful operations - Operator's Fund (net of deferred tax)	11 619	1 436	9 955	(5 830)
Deferred tax on available-for-sale investments	(246 502)	(74 610)	(701 202)	67 081
Deferred tax on available-for-sale investments of subsidiary company	42 195	238 103	(25 730)	(5 692)
Reclassification adjustments relating to available-for-sale investments disposed off during the period	(651 058)	65 189	(651 058)	108 565
Total change in fair value on available-for-sale investments	331 176	(254 283)	1 146 950	(116 342)
Effect of translation of foreign branches	(802)	1 779	(5 039)	59 977
Other comprehensive income / (loss)	330 374	(252 504)	1 141 911	(56 365)
Total comprehensive income for the period	948 374	717 623	4 237 236	1 560 684

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

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

NAJMUL HODA KHAN
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 30 October 2024

Unconsolidated Condensed Interim Cash Flow Statement For the nine months period ended 30 September 2024 (Unaudited)

	Note	30 September 2024 (Unaudited)	Rupees '000 30 September 2023 (Unaudited)
Operating cash flows			
a) Underwriting activities			
Insurance premium received		30 330 665	26 418 035
Reinsurance premium paid		(19 428 049)	(16 875 289)
Claims paid		(4 837 114)	(5 852 568)
Reinsurance and other recoveries received		1 245 123	1 932 985
Commission paid		(2 566 954)	(1 826 065)
Commission received		503 457	422 923
Management expenses paid		(2 489 862)	(2 391 006)
Net cash flow generated from underwriting activities		2 757 266	1 829 015
b) Other operating activities			
Income tax paid		(1 887 026)	(937 717)
Other operating payments		(616 315)	(74 714)
Other operating receipts		(36 252)	(233 615)
Loans advanced		(429)	(1 195)
Loans repayments received		539	818
Net cash flow used in other operating activities		(2 539 483)	(1 246 423)
Total cash flow generated from all operating activities		217 783	582 592
Investment activities			
Profit / return received		1 823 166	1 544 503
Dividend received		883 847	805 707
Rentals received		132 793	98 326
Payment for investments / investment properties		(15 808 498)	(6 464 583)
Proceeds from investments / investment properties		15 217 816	6 088 898
Fixed capital expenditures		(167 003)	(347 800)
Proceeds from sale of property and equipment		80 684	63 036
Total cash flow generated from investing activities		2 162 805	1 788 087
Financing activities			
Payments against lease liabilities		(47 281)	(42 484)
Dividends paid		(1 664 786)	(1 674 104)
Total cash flow used in financing activities		(1 712 067)	(1 716 588)
Net cash flow generated from all activities		668 521	654 091
Cash and cash equivalents at the beginning of period		2 581 405	1 837 587
Cash and cash equivalents at the end of period	15.3	3 249 926	2 491 678
Reconciliation to profit and loss account			
Operating cash flows		217 783	582 592
Depreciation / amortization expense		(240 240)	(216 094)
Finance cost		(12 582)	(8 851)
Profit on disposal of property and equipment		70 672	58 535
(Loss) / profit on disposal of investments / investment properties		(16 268)	79 515
Rental income - net		95 463	98 830
Dividend income		883 847	820 101
Other investment income		1 524 384	769 378
Loss on remeasurement of investments at fair value through profit and loss		(3 197)	-
Profit on deposits		405 483	275 755
Other (loss) / income		(1 093)	13 465
(Decrease) / increase in assets other than cash		(641 409)	4 647 220
Decrease / (increase) in liabilities other than borrowings		320 427	(6 024 223)
Profit after tax from conventional insurance operations		2 603 270	1 096 223
Profit from window takaful operations - Operator's Fund		492 055	520 826
Profit after tax		3 095 325	1 617 049

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

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

NAJMUL HODA KHAN
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 30 October 2024

Unconsolidated Condensed Interim Statement of Changes in Equity For the nine months period ended 30 September 2024 (Unaudited)

Rupees '000

	Attributable to equity holders of the Company							Total
	Capital reserves				Revenue reserves			
	Share capital	Reserve for exceptional losses	Unrealized gain / (loss) on revaluation of available-for-sale investments-net	Exchange translation reserve	General reserve	Unrealized gain on fair value of investment property-net	Unappropriated profit	
Balance as at 01 January 2023	2 000 000	12 902	57 775	142 661	13 000 000	1 885 773	1 327 614	18 426 725
Total comprehensive income for the period ended 30 September 2023								
Profit after tax	-	-	-	-	-	(187 051)	1 804 100	1 617 049
Other comprehensive loss	-	-	(116 342)	59 977	-	-	-	(56 365)
	-	-	(116 342)	59 977	-	(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	2 000 000	12 902	(58 567)	202 638	13 000 000	1 698 722	1 436 632	18 292 327
Balance as at 01 January 2024	2 000 000	12 902	662 892	195 722	13 000 000	1 802 531	2 733 704	20 407 751
Total comprehensive income for the period ended 30 September 2024								
Profit after tax	-	-	-	-	-	-	3 095 325	3 095 325
Other comprehensive income	-	-	1 146 950	(5 039)	-	-	-	1 141 911
	-	-	1 146 950	(5 039)	-	-	3 095 325	4 237 236
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation- net of tax	-	-	-	-	-	-	7 371	7 371
Transactions with owners recorded directly in equity								
Final dividend for the year 2023 at the rate of Rs. 5.50 (55.00%) per share	-	-	-	-	-	-	(1 100 000)	(1 100 000)
1st Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300 000)	(300 000)
2nd Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300 000)	(300 000)
Other transfer within equity								
Transfer to general reserve	-	-	-	-	1 000 000	-	(1 000 000)	-
Balance as at 30 September 2024	2 000 000	12 902	1 809 842	190 683	14 000 000	1 802 531	3 136 400	22 952 358

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

HASANALI ABDULLAH
Director

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Director

NAJMUL HODA KHAN
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 30 October 2024

Notes to the Unconsolidated Condensed Interim Financial Statements For the nine months period ended 30 September 2024 (Unaudited)

1. Legal status and nature of business

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

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

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

2. Basis of preparation and statement of compliance

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

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

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

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

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

2.1 Basis of measurement

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

2.2 Functional and presentation currency

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

2.3 Standards, interpretations and amendments effective during the current period

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

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

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

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

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

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

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

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

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

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 material accounting policies

The material accounting policies and method of computation adopted in preparation of unconsolidated condensed interim financial statements are consistent with those followed in preparation of annual unconsolidated financial statements of the Company for the year ended 31 December 2023.

4. Accounting estimates and judgements

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

In preparation of these unconsolidated condensed interim financial statements, the significant judgment made by management in applying the Company's accounting policies and the key sources of estimation, uncertainty were the same as those that applied to the unconsolidated financial statement as at and for the year ended 31 December 2023.

5. Management of insurance and financial risk

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

6. Property and equipment

The additions to property and equipment during the nine months period ended 30 September 2024 are as follows:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
	Rupees '000	
6.1 Additions		
Building	7 631	116 797
Vehicles	115 338	269 778
Right of use assets - buildings	57 126	31 867
Computer equipment	25 410	31 236
Furniture and fixtures	7 754	7 091
Leasehold improvements	6 813	8 041
Office equipment	4 057	28 016
	<u>224 129</u>	<u>492 826</u>
6.2 Written down value		
Land	1 643 030	1 643 030
Buildings	993 089	1 039 917
Vehicles	448 098	442 287
Furniture and fixtures	103 422	114 080
Right of use assets - buildings	119 974	98 237
Office equipment	90 261	98 705
Computer equipment	46 979	39 174
Leasehold improvements	13 717	10 388
	<u>3 458 570</u>	<u>3 485 818</u>
7. Investment property		
Land	2 151 970	2 151 970
Building	1 040 296	1 040 000
	<u>3 192 266</u>	<u>3 191 970</u>

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

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

8. Investment in subsidiary

Rupees '000

	30 September 2024 (Unaudited)			31 December 2023 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Subsidiary						
Listed shares	13 682 824	(4 529 148)	9 153 676	13 632 235	(4 529 148)	9 103 087
Surplus on revaluation			95 025			29 051
			<u>9 248 701</u>			<u>9 132 138</u>

8.1 The Company holds 47,578,071 shares i.e., 45.31 %, (31 December 2023: 46,933,072 shares i.e., 46.93 %) of EFU Life Assurance Limited.

8.2 During the period, EFU Life Assurance Limited issued additional 5 million shares in respect of Scheme of Amalgamation of EFU Health as disclosed in Note 1.2. After the fresh issuance, the number of Shares of EFU Life Assurance Limited is 105,000,000 (31 December 2023: 100,000,000 shares).

9. Investment in equity securities

Rupees '000

	30 September 2024 (Unaudited)			31 December 2023 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Available-for-sale						
Related Party						
Listed shares	461 835	(184 555)	277 280	461 835	(169 520)	292 315
Surplus on revaluation			114 191			116 687
			<u>391 471</u>			<u>409 002</u>
Others						
Listed shares	2 503 040	(414 442)	2 088 598	2 116 722	(411 487)	1 705 235
Unlisted shares	15 216	(15 216)	–	15 216	(15 216)	–
Surplus on revaluation	2 518 256	(429 658)	2 088 598	2 131 938	(426 703)	1 705 235
			<u>2 099 140</u>			<u>1 451 253</u>
			<u>4 579 209</u>			<u>3 565 490</u>
Fair value through profit and loss						
Others						
Listed shares	106 518	–	106 518	–	–	–
Deficit on revaluation	–	–	(3 197)	–	–	–
			<u>103 321</u>			<u>–</u>
			<u>4 682 530</u>			<u>3 565 490</u>

10. Investment in debt securities

Rupees '000

	Note	30 September 2024 (Unaudited)			31 December 2023 (Audited)		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Available-for-sale							
Related party							
Term finance certificates	10.3	40 637	(40 637)	-	40 637	(40 637)	-
Others							
Government securities							
Pakistan investment bonds	10.1	9 370 182	-	9 370 182	9 297 209	-	9 297 209
Ijara sukuk	10.2	2 850 002	-	2 850 002	2 699 465	-	2 699 465
Treasury bills	10.2	1 740 636	-	1 740 636	1 331 398	-	1 331 398
Term finance certificates	10.3	200 000	-	200 000	200 000	-	200 000
Corporate sukuk	10.4	102 000	-	102 000	102 000	-	102 000
		14 262 820	-	14 262 820	13 630 072	-	13 630 072
Surplus / (deficit) on revaluation				505 054			(647 508)
				<u>14 767 874</u>			<u>12 982 564</u>

- 10.1 The amount of Pakistan Investment Bonds includes Rs. 235 million (31 December 2023: Rs. 235 million) deposited with the State Bank of Pakistan as required by Section 29 of the Insurance Ordinance, 2000.
- 10.2 The rate on Government securities ranges from 8.75 % to 17.94 % (31 December 2023: 8.75% to 22.39%) with the maturity tenure upto 2028.
- 10.3 The rate on term finance certificates ranges from 18.41 % to 22.74 % (31 December 2023: 23.69 % to 24.14 %) having perpetual maturity.
- 10.4 The rate of profit on corporate sukuk having perpetual maturity was 21.99% (31 December 2023: 23.88%) and on corporate sukuk having maturity tenure upto 2032 was 22.15% (31 December 2023: 22.84%).

11. Term deposits

Rupees '000

	Note	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Held to maturity			
Deposits maturing within 12 months			
Term deposits certificates - local currency	11.1 & 11.3	-	278 000
Term deposits certificates – foreign currency	11.2	651 237	618 684
		<u>651 237</u>	<u>896 684</u>

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

12. Loans and other receivables - considered good

Rupees '000

	Note	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Accrued investment income	12.1	490 975	399 750
Advances to suppliers		14 745	7 878
Security deposits		232 449	14 128
Loans to employees		2 743	2 853
Advances to employees		5 615	3 306
Other receivables		201 554	13 997
		<u>948 081</u>	<u>441 912</u>
12.1 Accrued investment income			
Government securities		442 570	378 215
Term deposits		16 208	10 600
Dividend income		18 999	4 287
Profit on bank saving accounts		2 771	2 654
Debt securities		3 018	2 068
Term finance certificates		7 409	1 926
		<u>490 975</u>	<u>399 750</u>
13. Insurance / reinsurance receivables - unsecured & considered good			
Due from insurance contract holders		7 852 784	8 573 072
Provision for impairment of receivables from insurance contract holders		(561)	(1 059)
		<u>7 852 223</u>	<u>8 572 013</u>
Due from other insurer / reinsurers		29 525	57 894
		<u>7 881 748</u>	<u>8 629 907</u>

13.1 Due from insurance contract holders include Rs.63.99 million (31 December 2023: Rs.33.09 million) receivable from related parties.

14. Prepayments

Rupees '000

	Note	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Prepaid reinsurance premium ceded	19	10 996 438	12 479 228
Prepaid charges for vehicle tracking devices		27 064	33 637
Group health insurance premium		10 949	-
Group life insurance premium		4 805	-
Software and hardware support services		-	1 424
Others		55 054	11 651
		<u>11 094 310</u>	<u>12 525 940</u>

15. Cash and bank

Rupees '000

	Note	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Cash and cash equivalents			
Cash in hand		1 293	–
Policy stamps, revenue stamps and bond papers		42 667	36 666
		43 960	36 666
Cash at bank			
– Foreign currency			
Current accounts		10 854	20 901
– Local currency			
Current accounts		240 037	262 821
Saving accounts	15.1 & 15.2	2 303 838	1 966 473
		2 543 875	2 229 294
		<u>2 598 689</u>	<u>2 286 861</u>

15.1 The rate of return on saving accounts from various banks ranges from 9.00% to 16.00 % per annum (2023: 14.50 % to 20.85 % per annum) depending on the size of average deposits.

15.2 This includes an amount of Rs. 39 million (31 December 2023: Rs. 26 million) under lien with the commercial banks against bank guarantees.

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

Rupees '000

		30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Term deposit less than three months		651 237	631 586
Cash and cash equivalents		2 598 689	1 860 092
		<u>3 249 926</u>	<u>2 491 678</u>

16. Reserves

	Note	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Capital reserve			
Reserve for exceptional losses	16.1	12 902	12 902
Revaluation reserve for unrealized gain on available-for-sale investments - net	16.2	1 809 842	662 892
Exchange translation reserves		190 683	195 722
Revenue reserves			
General reserve		14 000 000	13 000 000
Reserve for change in fair value of investment property - net		1 802 531	1 802 531
		<u>17 815 958</u>	<u>15 674 047</u>

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

16.2 Revaluation reserve for unrealized gain on available-for-sale investment - net

Rupees '000

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Equity securities	2 305 119	1 659 730
Investment in subsidiary	95 025	29 051
Government securities	505 054	(683 989)
Government securities - Window Takaful Operations - OPF	1 873	(8 082)
Related deferred tax		
Equity securities	(863 199)	(611 497)
Investment in subsidiary	(37 060)	(11 330)
Government securities	(196 970)	289 009
	<u>1 809 842</u>	<u>662 892</u>
17. Other creditors and accruals		
Other deposits	1 430 437	1 418 139
Agent commission payable	1 080 368	863 717
Unclaimed dividends	541 566	506 352
Sales tax payable	188 254	198 961
Workers' welfare fund	246 780	152 875
Provision for leaves	180 790	190 848
Lease liability	123 882	102 981
Unearned rentals	77 848	48 558
Accrued expenses	212 519	124 427
Federal insurance fee payable	27 552	18 323
Others	46 132	178 847
	<u>4 156 128</u>	<u>3 804 028</u>
18. Contingencies and commitments		
18.1 Contingencies		

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

The income tax assessment of the Company has been finalized up to the tax year 2024.

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

Following the 18th Amendment to the Constitution, the Governments of Sindh, Punjab, and Balochistan introduced the Workers Welfare Fund (WWF) levy through the Sindh WWF Act, 2014, the Punjab Workers Welfare Fund Act, 2019, and the Balochistan Workers Welfare Fund Act, 2022. Notably, the Sindh WWF Act, 2014, was further amended in 2022 to encompass entities under the Shops Act. As a result of this amendment, insurance companies, which were previously exempt, are now required to contribute to the WWF under the provisions of the Sindh WWF Act.

The Sindh Revenue Board (SRB) issued a notice to the company, demanding WWF contributions for the years 2022 and 2023. The company challenged this notice before the Honorable High Court of Sindh, contending that it operates as a trans-provincial entity across multiple provinces, and therefore, the Act cannot be applied to such companies. As a result, the Court issued an order restraining the SRB from collecting or recovering the WWF in Sindh, subject to the submission of the disputed amount, as stated in the notice, via Pay Order to the Nazir of the Court. The Court further directed that once this amount is deposited, the SRB must maintain the status quo. In compliance with the Court's order, the company has submitted a Pay Order amounting to Rs. 215 million.

Rupees '000

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
18.2 Commitments		
Commitment in respect of future sell transactions of listed equity securities	<u>130 718</u>	<u>-</u>

19. Net insurance premium

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Written gross premium	13 428 440	10 558 975	29 581 066	27 555 173
Unearned premium reserve - opening	16 141 444	15 837 132	19 546 386	14 167 219
Unearned premium reserve - closing	(19 765 071)	(17 851 136)	(19 765 071)	(17 851 136)
Premium earned	9 804 813	8 544 971	29 362 381	23 871 256
Less:				
Reinsurance premium ceded	7 065 980	5 176 004	17 284 855	16 382 695
Prepaid reinsurance premium - opening	10 286 777	10 264 075	12 479 228	8 489 684
Prepaid reinsurance premium - closing	(10 996 438)	(9 639 252)	(10 996 438)	(9 639 252)
Reinsurance expense	6 356 319	5 800 827	18 767 645	15 233 127
	<u>3 448 494</u>	<u>2 744 144</u>	<u>10 594 736</u>	<u>8 638 129</u>
20. Net insurance claims expense				
Claims Paid	1 632 917	1 607 722	4 873 796	5 862 066
Outstanding claims including IBNR - closing	11 954 014	12 626 025	11 954 014	12 626 025
Outstanding claims including IBNR - opening	(10 733 494)	(14 985 471)	(10 774 706)	(10 368 176)
Claim expense	2 853 437	(751 724)	6 053 104	8 119 915
Less:				
Reinsurance and other recoveries received	300 876	286 490	1 216 753	1 957 403
Reinsurance and other recoveries in respect of outstanding claims - opening	(6 900 645)	(10 130 807)	(7 009 843)	(6 503 793)
Reinsurance and other recoveries in respect of outstanding claims - closing	7 745 649	8 370 799	7 745 649	8 370 799
Reinsurance and other recoveries revenue	1 145 880	(1 473 518)	1 952 559	3 824 409
	<u>1 707 557</u>	<u>721 794</u>	<u>4 100 545</u>	<u>4 295 506</u>
21. Net commission expense				
Commission paid or payable	1 592 040	1 125 227	2 783 603	2 193 246
Deferred commission expense - opening	1 135 831	985 268	1 491 266	1 111 775
Deferred commission expense - closing	(1 927 193)	(1 406 645)	(1 927 193)	(1 406 645)
Net commission	800 678	703 850	2 347 676	1 898 376
Less:				
Commission received or recoverable	268 093	221 993	503 456	422 924
Unearned reinsurance commission - opening	233 398	187 698	302 821	201 585
Unearned reinsurance commission - closing	(336 324)	(280 691)	(336 324)	(280 691)
Commission from reinsurers	165 167	129 000	469 953	343 818
	<u>635 511</u>	<u>574 850</u>	<u>1 877 723</u>	<u>1 554 558</u>

22. Investment income

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Income from subsidiary - available-for-sale				
Dividend income	71 020	69 835	638 832	626 154
Income from equity securities available-for-sale				
Dividend income - Equity shares	63 452	52 165	243 772	189 677
Dividend income - Mutual funds	–	–	875	4 269
Fair value through profit and loss				
Dividend income - Equity shares	105	–	368	–
Income from debt securities - available-for-sale				
Return on debt securities	514 610	433 233	1 513 891	1 215 305
Income from term deposits - held to maturity				
Return on term deposits	5 412	10 110	30 302	29 367
	654 599	565 343	2 428 040	2 064 772
Net realized gains / (losses) on investments available-for-sale financial assets				
Realized gains on:				
Equity securities	–	46 575	12 737	72 570
Realized losses on:				
Debt securities	(35 233)	–	(35 233)	–
Equity securities	–	–	(2 757)	–
	(35 233)	46 575	(25 253)	72 570
Fair value through profit and loss				
Realized gains on:				
Equity securities	16 882	–	19 725	–
Realized losses on:				
Equity securities	(10 481)	–	(10 740)	–
	6 401	–	8 985	–
Net unrealized losses on investments fair value through profit and loss (Impairment) / reversal in value of available-for-sale	(3 030)	–	(3 197)	–
Subsidiary company	–	–	–	(450 257)
Equity securities	(9 591)	50 740	(17 990)	(17 350)
Investment related expenses	(1 079)	(292)	(1 820)	(741)
	612 067	662 366	2 388 765	1 668 994

23. Other income

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Return on bank balances	138 755	112 697	405 483	275 755
Gain on sale of property and equipment	28 610	7 255	70 672	58 535
Gain on early termination of lease agreements	108	150	316	220
Return on loans to employees	40	45	127	149
Exchange difference	78	2 362	(1 536)	6 151
Gain on sale of investment property	–	6 945	–	6 945
	<u>167 591</u>	<u>129 454</u>	<u>475 062</u>	<u>347 755</u>
24. Profit from window takaful operations - Operator's Fund				
Wakala fee	284 777	298 332	849 849	877 299
Commission expense	(87 582)	(88 392)	(263 656)	(259 216)
General, administrative and management expenses	(130 790)	(104 254)	(356 463)	(317 221)
Modarib's share of PTF investment income	35 980	28 369	103 741	75 519
Investment income	56 439	57 581	159 032	138 273
Direct expenses	(3 542)	(187)	(11 140)	(791)
Other income	3 374	2 217	10 692	6 963
	<u>158 656</u>	<u>193 666</u>	<u>492 055</u>	<u>520 826</u>
25. Income tax expense				
For current period				
Current	309 110	457 471	1 497 069	957 841
Deferred	(7 097)	9 611	(16 190)	(294 265)
Super tax	106 765	157 979	517 215	331 206
	<u>408 778</u>	<u>625 061</u>	<u>1 998 094</u>	<u>994 782</u>
For prior year(s)				
Super tax	–	–	–	179 649
	<u>408 778</u>	<u>625 061</u>	<u>1 998 094</u>	<u>1 174 431</u>
26. Earnings per share - basic and diluted				
Profit (after tax) for the period (Rupees '000)	<u>618 000</u>	<u>970 127</u>	<u>3 095 325</u>	<u>1 617 049</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>3.09</u>	<u>4.85</u>	<u>15.48</u>	<u>8.09</u>

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

27. Related party transactions

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

	Three months period ended		Nine months period ended	
	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Rupees '000				
Transactions				
Subsidiary company				
Premium written	3 569	430	37 145	29 252
Premium paid	1 873	–	14 873	13 457
Claims paid including salvage recovered	715	165	1 635	1 216
Dividends received	71 020	71 040	638 832	627 359
Dividends paid	–	–	–	32 767
Associated companies				
Premium written	11 993	10 343	51 800	53 356
Premium paid	–	–	32 288	28 437
Claims paid including salvage recovered	1 330	3 149	26 873	19 426
Dividends received	4 254	–	4 254	18 431
Dividends paid	109 017	108 326	617 765	581 552
Bank deposits withdrawn - net	(78 000)	(210 500)	(278 000)	(10 500)
Key management personnel				
Premium written	22	21	22	21
Claims paid including salvage recovered	–	–	137	–
Dividends paid	163	821	924	3 531
Compensation	39 605	49 097	115 055	55 290
Others				
Premium written	82 124	78 989	87 635	86 134
Claims paid including salvage recovered	8 179	112 625	20 822	157 024
Dividends paid	107 944	100 791	577 563	566 515
Brokerage paid	1 341	122	2 004	363
Employees' funds				
Contribution to provident fund	9 760	8 665	29 791	26 720
Contribution to gratuity fund	8 012	8 653	24 037	25 959
Contribution released to pension fund	(3 577)	(2 632)	(10 730)	(7 896)
Dividends paid	674	674	3 820	3 820
			30 September 2024 (Unaudited)	31 December 2023 (Audited)
Balances				
Others				
Balances receivable			63 994	33 094
Balances payable			4	–
Deposits maturing within 12 months			–	278 000
Bank balances			1 175 308	707 200
Employees' funds receivable / (payable)				
EFU gratuity fund			(34 619)	(44 237)
EFU pension fund			99 016	88 192

28. Segment Information

Rupees '000

For nine months period ended 30 September 2024 (Unaudited)

	Fire and property damage	Marine aviation and transport	Motor	Misce-llaneous	Treaty	Total
Current period						
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	23 913 095	4 718 882	3 712 055	1 925 757	–	34 269 789
Less: Sales tax	2 918 306	523 963	481 598	252 035	–	4 175 902
Stamp duty	1 764	209 675	2 903	3 379	–	217 721
Federal insurance fee	207 129	39 457	31 957	16 557	–	295 100
Gross written premium (inclusive of administrative surcharge)	20 785 896	3 945 787	3 195 597	1 653 786	–	29 581 066
Gross direct premium	20 688 587	3 905 279	3 089 143	1 635 069	–	29 318 078
Facultative inward premium	73 082	–	–	89	–	73 171
Administrative surcharge	24 227	40 508	106 454	18 628	–	189 817
Insurance premium earned	21 119 496	3 601 676	3 090 988	1 550 221	–	29 362 381
Insurance premium ceded to reinsurers	(16 179 365)	(1 972 158)	(32 468)	(583 654)	–	(18 767 645)
Net insurance premium	4 940 131	1 629 518	3 058 520	966 567	–	10 594 736
Commission income	421 623	16 733	1	31 596	–	469 953
Net underwriting income	5 361 754	1 646 251	3 058 521	998 163	–	11 064 689
Insurance claims	(3 093 522)	(1 305 552)	(1 318 383)	(335 647)	–	(6 053 104)
Insurance claims recovered from reinsurers	1 105 922	842 656	3 433	548	–	1 952 559
Net insurance claims	(1 987 600)	(462 896)	(1 314 950)	(335 099)	–	(4 100 545)
Commission expense	(1 638 171)	(284 586)	(292 873)	(132 046)	–	(2 347 676)
Management expenses	(1 289 489)	(426 236)	(822 822)	(270 048)	–	(2 808 595)
Net insurance claims and expenses	(4 915 260)	(1 173 718)	(2 430 645)	(737 193)	–	(9 256 816)
Underwriting results	446 494	472 533	627 876	260 970	–	1 807 873
Investment income						2 388 765
Rental income - net						95 463
Other income						475 062
Other expenses						(165 799)
Profit from window takaful operations - Operator's Fund						492 055
Profit before tax						5 093 419
	As at 30 September 2024 (Unaudited)					
Corporate segment assets	22 256 547	4 517 001	844 691	1 022 449	–	28 640 688
Corporate segment assets - Takaful OPF	300 870	35 332	363 623	26 111	–	725 936
Corporate unallocated assets						39 683 152
Corporate unallocated assets - Takaful OPF						1 427 263
Total assets						70 477 039
Corporate segment liabilities	29 831 819	5 393 648	3 104 705	3 762 610	–	42 092 782
Corporate segment liabilities - Takaful OPF	280 291	23 819	408 952	31 079	–	744 141
Corporate unallocated liabilities						3 466 509
Corporate unallocated liabilities - Takaful OPF						89 070
Total liabilities						46 392 502
						External premium less reinsurance by geographical segments 2024 (Unaudited)
Location						
Pakistan						10 579 400
* EPZ						15 336
Total						10 594 736

* This represents US Dollar Equivalent in Pak Rupees

Rupees '000

For nine months period ended 30 September 2023 (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)	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 - net						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 31 December 2023 (Audited)

Corporate segment assets	25 108 230	2 885 056	673 900	1 075 972	-	29 743 158
Corporate segment assets - Takaful OPF	223 056	24 064	335 880	18 336	-	601 336
Corporate unallocated assets						36 040 466
Corporate unallocated assets - Takaful OPF						1 120 091
Total assets						67 505 051
Corporate segment liabilities	31 538 645	4 289 178	2 900 614	3 817 284	-	42 545 721
Corporate segment liabilities - Takaful OPF	216 735	20 561	381 824	34 395	-	653 515
Corporate unallocated liabilities						2 700 624
Corporate unallocated liabilities - Takaful OPF						57 890
Total liabilities						45 957 750
Location						External premium less reinsurance by geographical segments 2023
Pakistan						8 616 138
* EPZ						21 991
Total						8 638 129

* This represents US Dollar Equivalent in Pak Rupees

Rupees '000

For three months period ended 30 September 2024 (Unaudited)

Current period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	12 269 915	875 150	1 588 927	650 143	–	15 384 135
Less: Sales tax	1 330 883	91 185	205 566	80 185	–	1 707 819
Stamp duty	1 578	107 738	2 399	2 418	–	114 133
Federal insurance fee	107 738	6 695	13 673	5 637	–	133 743
Gross written premium (inclusive of administrative surcharge)	10 829 716	669 532	1 367 289	561 903	–	13 428 440
Gross direct premium	10 761 947	656 737	1 333 411	553 398	–	13 305 493
Facultative inward premium	55 948	–	–	–	–	55 948
Administrative surcharge	11 821	12 795	33 878	8 505	–	66 999
Insurance premium earned	7 161 920	1 111 227	1 021 692	509 974	–	9 804 813
Insurance premium ceded to reinsurers	(5 575 954)	(586 258)	(14 415)	(179 692)	–	(6 356 319)
Net insurance premium	1 585 966	524 969	1 007 277	330 282	–	3 448 494
Commission income	150 713	5 210	–	9 244	–	165 167
Net underwriting income	1 736 679	530 179	1 007 277	339 526	–	3 613 661
Insurance claims	(1 544 345)	(770 159)	(432 230)	(106 703)	–	(2 853 437)
Insurance claims recovered from reinsurers	588 878	544 407	3 493	9 102	–	1 145 880
Net insurance claims	(955 467)	(225 752)	(428 737)	(97 601)	–	(1 707 557)
Commission expense	(564 722)	(89 595)	(96 139)	(50 222)	–	(800 678)
Management expenses	(458 785)	(152 110)	(299 668)	(100 639)	–	(1 011 202)
Net insurance claims and expenses	(1 978 974)	(467 457)	(824 544)	(248 462)	–	(3 519 437)
Underwriting results	(242 295)	62 722	182 733	91 064	–	94 224
Investment income						612 067
Rental income - net						32 420
Other income						167 591
Other expenses						(38 180)
Profit from window takaful operations - Operator's Fund						158 656
Profit before tax						1 026 778

Rupees '000

For three months period ended 30 September 2023 (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)	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 - net						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

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 2024 (Unaudited)									
	Available- for-sale	Fair value through profit & loss	Loans & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
							Level 1	Level 2	Level 3
Financial assets measured at fair value									
Investments									
Equity securities - quoted	4 579 209	103 321				4 682 530	4 682 530		
Debt securities	14 767 874					14 767 874		14 767 874	
Investment in subsidiary	9 248 701					9 248 701	9 248 701		
Total assets of window takaful operations - Operator's fund	1 193 811					1 193 811	1 193 811		
Financial assets not measured at fair value									
Term deposits *				651 237		651 237			
Loans and other receivables *			948 081			948 081			
Insurance / reinsurance receivables *			7 881 748			7 881 748			
Reinsurance recoveries against outstanding claims *			7 745 649			7 745 649			
Cash and bank *				2 598 689		2 598 689			
Total assets of window takaful operations - Operator's fund *			676 807	92 018		768 825			
	29 789 595	103 321	17 252 285	3 341 944	-	50 487 145			
Financial liabilities not measured at fair value									
Outstanding claims including IBNR *					(11 954 014)	(11 954 014)			
Premium received in advance *					(197 492)	(197 492)			
Insurance / reinsurance payables *					(7 329 076)	(7 329 076)			
Other creditors and accruals *					(4 156 128)	(4 156 128)			
Total liabilities of window takaful operations - Operator's Fund *					(193 371)	(193 371)			
	29 789 595	103 321	17 252 285	3 341 944	(23 830 081)	26 657 064			

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

Rupees '000

As at 31 December 2023 (Audited)

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

* 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 30 October 2024 have announced a Third interim cash dividend in respect of the year ended 31 December 2024 of Rs.1.50 per share i.e. 15.00 % (2023: Rs.1.50 per share i.e. 15.00 %). These unconsolidated condensed interim financial statements for the nine months period ended 30 September 2024 do not include the effect of these appropriations, which will be accounted for subsequent to the period end.

31. General

Figures have been rounded off to the nearest thousand rupees.

32. Date of authorization for issue of unconsolidated condensed interim financial statements

These unconsolidated condensed interim financial statements were authorized for issue by the Board of Directors in its meeting held on 30 October 2024.

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

NAJMUL HODA KHAN
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 30 October 2024

Consolidated Condensed Interim Financial Statements (Unaudited)

For the nine months period ended 30 September 2024

Directors' Review to the Members on Consolidated Condensed Interim Financial Information for the nine months period ended 30 September 2024

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

Performance Review

The consolidated gross premium was Rs. 58.0 billion (2023: Rs. 54.0 billion), the net premium was Rs. 37.3 billion (2023: Rs. 34.0 billion) and profit after tax was Rs. 4.3 billion (2023: Rs. 2.0 billion). Consolidated investment income (including dividends, capital gains, rental income, profit on deposits, and other income) for the nine months period was Rs. 41.8 billion (2023: Rs. 26.8 billion). The consolidated total assets were Rs. 307 billion (31 December 2023: Rs. 276 billion) and total investments stood at Rs. 244 billion (31 December 2023: Rs. 212 billion).

Movement of Reserves

	Rupees '000
	30 September 2024 (Unaudited)
Rupees '000 Unappropriated profit brought forward	1 424 395
Profit attributable to ordinary shares	3 274 677
Transferred from surplus on revaluation of property and equipment	21 424
Acquisition of Non-Controlling Interest without a change in control	(23 836)
Final Dividend for the year 2023	(1 100 000)
1st Interim Dividend 2024	(300 000)
2nd Interim Dividend 2024	(300 000)
Transfer to General Reserve	(1 000 000)
	572 265
Profit available for appropriations	1 996 660
Earnings per share (Rupees)	16.37

Outlook

Pakistan's macroeconomic variables are improving subsequent to overall debt workout. Going forward, this will likely alleviate immediate risks and set path towards economic recovery.

Acknowledgements

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

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

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 30 October 2024

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

ہم بمسرت ای ایف یوجزل انٹرنیشنل 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 پریئم ۵۸.۰ بلین روپے (۲۰۲۳ء: ۵۴.۰ بلین روپے)، خالص پریئم ۳۷.۳ بلین روپے (۲۰۲۳ء: ۳۴.۰ بلین روپے) اور منافع بعد از ٹیکس ۴.۳ بلین روپے رہا (۲۰۲۳ء: ۲.۰ بلین روپے)۔ یکجا شدہ انویسٹمنٹ آمدنی (بشمول منافع منقسمہ، کیپٹل منافع جات، ریٹیل آمدنی، ڈپازٹس سے منافع جات اور دیگر آمدنی) برائے ۹ ماہ کی مدت ۴۱.۸ بلین روپے رہی (۲۰۲۳ء: ۲۶.۸ بلین روپے)۔ یکجا شدہ مجموعی اثاثہ جات ۳۰.۷ بلین روپے (۳۱ دسمبر ۲۰۲۳ء: ۲۶.۶ بلین روپے) اور مجموعی سرمایہ کاری ۲۴.۴ بلین روپے رہی (۳۱ دسمبر ۲۰۲۳ء: ۲۱.۲ بلین روپے)۔

محفوظ اثاثہ جات کی منتقلی

روپے ہزاروں میں

۳۰ ستمبر ۲۰۲۳ء
(غیر آڈٹ شدہ)

۱ ۴۴۳ ۳۹۵
۳ ۲۷۲ ۶۷۷
۲۱ ۴۴۴
(۲۳ ۸۳۶)
(۱ ۱۰۰ ۰۰۰)
(۳۰۰ ۰۰۰)
(۳۰۰ ۰۰۰)
(۱ ۰۰۰ ۰۰۰)
۵۷۲ ۲۶۵
۱ ۹۹۶ ۶۶۰
۱ ۶۰۳۷

غیر مختص کردہ منافع جو آئندہ شامل کیا جائے گا

عمومی شیئرز کیلئے قابل منسوب منافع

جائیداد اور ایکویٹی کی ری ویلیویشن پراضافے سے منتقل
کنٹرول میں کسی تبدیلی کے بغیر نان-کنٹرولنگ انٹرسٹ کا حصول

حتمی منافع منقسمہ برائے سال ۲۰۲۳ء

پہلا عبوری منافع منقسمہ ۲۰۲۳ء

دوسرا عبوری منافع منقسمہ ۲۰۲۳ء

منتقلی برائے عمومی ریزرو

تناسب کے تحت دستیاب منافع

آمدنی فی شیئر (روپے)

نقطہ نظر

پاکستان کے میکرو اکنامک تغیرات مجموعی ڈیٹ ورک آؤٹ کیلئے مناسب حد تک بہتر ہو رہے ہیں۔ آگے بڑھتے ہوئے یہ ممکنہ طور پر فوری خطرات کا تدارک کریں گے اور معاشی بحالی کا راستہ ہموار کریں گے۔

اظہار تشکر

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

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

سیف الدین امین۔ زومکا والا

چیئرمین

کراچی، ۳۰ اکتوبر ۲۰۲۳ء

کامران ارشد انعام

ٹیچنگ ڈائریکٹر و چیف ایگزیکٹو آفیسر

طاہری۔ ساچک

ڈائریکٹر

حسن علی عبداللہ

ڈائریکٹر

Consolidated Condensed Interim Statement of Financial Position As at 30 September 2024 (Unaudited)

		Rupees '000	
	Note	30 September 2024 (Unaudited)	31 December 2023 (Audited) (Restated)
Assets			
Property and equipment	6	9 609 807	9 666 189
Intangible assets	7	5 425 256	5 568 185
Investment property	8	3 192 266	3 191 970
Investments			
Equity securities	9	34 764 272	25 880 151
Debt securities	10	199 330 823	175 305 523
Term deposits	11	5 793 666	8 405 112
Open-ended mutual funds	12	3 807 581	2 718 416
Loans and other receivables	13	6 267 439	4 953 865
Insurance / reinsurance receivables	14	9 799 636	9 691 208
Reinsurance recoveries against outstanding claims	23	7 745 649	7 009 843
Salvage recoveries accrued		62 595	99 276
Deferred commission expense	24	1 927 193	1 491 266
Retirement benefit		64 397	43 955
Taxation - payments less provision		51 200	335 088
Prepayments	15	11 219 995	12 663 930
Cash and bank	16	6 086 893	7 341 653
		<u>305 148 668</u>	<u>274 365 630</u>
Total assets of window general takaful operations - Operator's Fund		<u>2 153 199</u>	<u>1 721 427</u>
Total assets		<u><u>307 301 867</u></u>	<u><u>276 087 057</u></u>
Equity and Liabilities			
Ordinary share capital	17	2 000 000	2 000 000
Reserves	18	17 745 747	15 625 981
Unappropriated profit		1 996 660	1 424 395
Equity attributable to equity holders of the parent		21 742 407	19 050 376
Non-controlling interest		5 287 895	4 327 868
Total equity		<u>27 030 302</u>	<u>23 378 244</u>
Surplus on revaluation of property and equipment		<u>2 228 101</u>	<u>2 266 140</u>
Liabilities			
Insurance liabilities - life insurance business	19	223 392 147	196 524 888
Underwriting provisions - general insurance business			
Outstanding claims including IBNR	23	11 954 014	10 774 706
Unearned premium reserves	22	19 765 071	19 546 386
Unearned reinsurance commission	24	336 324	302 821
Deferred taxation		4 626 760	3 953 122
Premium received in advance		1 859 589	1 940 090
Insurance / reinsurance payables		7 667 770	9 674 489
Other creditors and accruals	20	7 608 578	7 014 766
		<u>53 818 106</u>	<u>53 206 380</u>
Total liabilities		<u>277 210 253</u>	<u>249 731 268</u>
		<u>306 468 656</u>	<u>275 375 652</u>
Total liabilities of window general takaful operations - Operator's Fund		<u>833 211</u>	<u>711 405</u>
Total equity and liabilities		<u><u>307 301 867</u></u>	<u><u>276 087 057</u></u>
Contingencies and commitments	21		

The annexed notes 1 to 38 form an integral part of these consolidated condensed interim financial statements.

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

NAJMUL HODA KHAN
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 30 October 2024

Consolidated Condensed Interim Profit and Loss Account For the nine months period ended 30 September 2024 (Unaudited)

Rupees '000

	Note	Three months period ended		Nine months period ended	
		30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Net insurance premium	22	13 017 559	11 306 657	37 309 677	34 025 080
Net insurance claims	23	(12 357 295)	(9 207 724)	(34 215 131)	(27 624 250)
Net commission and other acquisition costs	24	(2 712 902)	(2 264 335)	(7 128 292)	(6 567 926)
Insurance claims and acquisition expenses		(15 070 197)	(11 472 059)	(41 343 423)	(34 192 176)
Management expenses		(2 264 394)	(1 742 923)	(6 413 616)	(5 268 849)
Underwriting result		(4 317 032)	(1 908 325)	(10 447 362)	(5 435 945)
Investment income	25	10 394 875	9 038 752	31 811 315	24 533 279
Net realized fair value gains / (losses) on financial assets	26	670 624	(201 953)	939 825	(2 381 999)
Net fair value gains on financial assets at fair value through profit and loss	27	2 736 948	2 890 417	8 243 782	4 035 330
Net change in insurance liabilities (other than outstanding claims)		(8 194 441)	(7 986 381)	(24 155 250)	(16 801 030)
Gain on bargain purchase of net assets	1.2.3	–	–	164 959	–
Revaluation loss	1.2.3	–	–	(166 537)	–
Rental income net of expenses		32 420	35 391	95 463	98 830
Other income	28	239 821	204 455	733 991	508 532
Other expenses		(62 826)	(27 711)	(258 420)	(104 037)
		5 817 421	3 952 970	17 409 128	9 888 905
Results of operating activities		1 500 389	2 044 645	6 961 766	4 452 960
Profit from window general takaful operations - Operator's Fund	29	158 656	193 666	492 055	520 826
Profit before tax		1 659 045	2 238 311	7 453 821	4 973 786
Income tax expense	30	(681 994)	(896 997)	(3 190 420)	(2 937 791)
Profit after tax		977 051	1 341 314	4 263 401	2 035 995
Profit attributable to:					
Equity holders of the parent		739 977	1 105 387	3 274 677	1 484 189
Non-controlling interest		237 074	235 927	988 724	551 806
		977 051	1 341 314	4 263 401	2 035 995
Earnings (after tax) per share - Rupees	31	3.70	5.53	16.37	7.42

The annexed notes 1 to 38 form an integral part of these consolidated condensed interim financial statements.

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

NAJMUL HODA KHAN
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 30 October 2024

Consolidated Condensed Interim Statement of Comprehensive Income For the nine months period ended 30 September 2024 (Unaudited)

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Profit after tax	977 051	1 341 314	4 263 401	2 035 995
Other comprehensive income				
Total items that may be reclassified subsequently to profit and loss account				
Unrealized gain / (loss) in available-for-sale investments during the period	1 323 659	188 173	2 508 874	(195 100)
Reclassification adjustments relating to available-for-sale investments disposed of during the period	(651 058)	65 189	(651 058)	108 565
Total unrealized gain / (loss) for the period	672 601	253 362	1 857 816	(86 535)
Deferred tax on available-for-sale investments	(259 994)	(90 651)	(721 680)	38 268
Effect of translation of foreign branches (net of tax)	(802)	1 779	(5 039)	59 977
Unrealized gain / (loss) from window takaful operations - Operator's Fund (net of deferred tax)	11 619	1 436	9 955	(5 830)
Other comprehensive income for the period	423 424	165 926	1 141 052	5 880
Total comprehensive income for the period	1 400 475	1 507 240	5 404 453	2 041 875
Total comprehensive income attributable to:				
Equity holders of the parent	1 148 546	1 246 721	4 394 443	1 464 369
Non-controlling interest	251 929	260 519	1 010 010	577 506
	1 400 475	1 507 240	5 404 453	2 041 875

The annexed notes 1 to 38 form an integral part of these consolidated condensed interim financial statements.

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

NAJMUL HODA KHAN
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 30 October 2024

Consolidated Condensed Interim Cash Flow Statement For the nine months period ended 30 September 2024 (Unaudited)

	Note	30 September 2024 (Unaudited)	Rupees '000 30 September 2023 (Unaudited)
Operating cash flows			
a) Underwriting activities			
Insurance premium / contribution received		58 660 005	53 181 163
Reinsurance premium / retakaful contribution paid		(19 680 987)	(17 511 155)
Claims paid		(35 903 735)	(29 818 635)
Reinsurance and other recoveries received		1 245 123	2 459 106
Commission paid		(5 657 117)	(4 978 867)
Commission received		503 457	422 923
Management expenses paid		(8 450 548)	(7 590 503)
Net cash flow used in underwriting activities		(9 283 802)	(3 835 968)
b) Other operating activities			
Income tax paid		(2 728 536)	(1 994 961)
Other operating payments		(657 447)	(675 614)
Other operating receipts		(36 252)	(233 615)
Loans advanced		(197 667)	(6 028)
Loans repayments received		243 319	6 162
Net cash flow used in other operating activities		(3 376 583)	(2 904 056)
Total cash flow used in all operating activities		(12 660 385)	(6 740 024)
Investment activities			
Profit / return received		29 314 782	21 843 271
Dividend received		2 920 567	1 980 886
Rentals received		132 793	98 326
Payment for investments / investment properties		(154 822 406)	(95 862 342)
Proceeds from investments / investment properties		133 947 046	79 897 577
Fixed capital expenditures		(911 703)	(633 005)
Proceeds from sale of property and equipment		350 324	195 356
Total cash flow generated from investing activities		10 931 403	7 520 069
Financing activities			
Payments against lease liabilities		(200 160)	(189 139)
Dividends paid		(2 390 954)	(2 397 950)
Total cash flow used in financing activities		(2 591 114)	(2 587 089)
Net cash flow used in all activities		(4 320 096)	(1 807 044)
Cash and cash equivalents at beginning of the period		16 200 655	20 822 883
Cash and cash equivalents at end of the period	16.3	11 880 559	19 015 839
Reconciliation to profit and loss account			
Operating cash flows		(12 660 385)	(6 740 024)
Depreciation / amortization expense		(1 369 265)	(1 092 953)
Finance cost		(68 942)	(57 666)
Profit on disposal of property and equipment		283 305	163 943
Gain / (loss) on disposal of investments / investment properties		914 572	(2 302 484)
Rental income - net		95 463	98 830
Dividend income		2 916 912	1 991 020
Other investment income		29 547 539	23 025 053
Profit on lease termination		4 064	18 246
Profit on deposits		405 483	275 755
Other income		21 999	34 992
Appreciation in market value of investments		8 778 407	4 239 311
Impairment in the value of available-for-sale equity investments		(9 637)	(9 651)
Gain on bargain purchase of net assets		164 959	-
Loss on remeasurement of investment in EFUH		(166 537)	-
(Decrease) / increase in assets other than cash		(608 419)	4 908 045
Increase in liabilities other than running finance		(24 478 172)	(23 037 248)
Profit after tax from conventional insurance operations		3 771 346	1 515 169
Profit from window takaful operations - Operator's Fund		492 055	520 826
Profit after tax		4 263 401	2 035 995

The annexed notes 1 to 38 form an integral part of these consolidated condensed interim financial statements.

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

Karachi 30 October 2024

Consolidated Condensed Interim Statement of Changes in Equity For the nine months period ended 30 September 2024 (Unaudited)

Rupees '000

	Attributable to equity holders of the Company									Total
	Capital reserve				Revenue reserves					
	Share capital	Reserve for exceptional losses	Unrealized gain/(loss) on revaluation of available-for-sale investment-net	Exchange translation reserve	General reserve	Unrealized gain on fair value of investment property-net	Unappropriated profit	Equity attributable to equity holder of parent	Non-controlling interest	
Balance as at 01 January 2023	2 000 000	12 902	(89 073)	142 661	13 000 000	1 885 773	106 701	17 058 964	4 279 886	21 338 850
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	-	-	(79 797)	59 977	-	-	-	(19 820)	25 700	5 880
	-	-	(79 797)	59 977	-	(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	<u>2 000 000</u>	<u>12 902</u>	<u>(168 870)</u>	<u>202 638</u>	<u>13 000 000</u>	<u>1 698 722</u>	<u>30 379</u>	<u>16 775 771</u>	<u>4 098 066</u>	<u>20 873 837</u>
Balance as at 01 January 2024	2 000 000	12 902	614 826	195 722	13 000 000	1 802 531	1 424 395	19 050 376	4 327 868	23 378 244
Total comprehensive income for the period ended 30 September 2024										
Profit after tax	-	-	-	-	-	-	3 274 677	3 274 677	988 724	4 263 401
Other comprehensive income	-	-	1 124 805	(5 039)	-	-	-	1 119 766	21 286	1 141 052
	-	-	1 124 805	(5 039)	-	-	3 274 677	4 394 443	1 010 010	5 404 453
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation- net of tax	-	-	-	-	-	-	21 424	21 424	16 615	38 039
Acquisition of / (by) NCI without a change in control	-	-	-	-	-	-	(23 836)	(23 836)	659 570	635 734
Transactions with owners recorded directly in equity										
Final dividend for the year 2023 at the rate of Rs. 5.50 (55.00%) per share	-	-	-	-	-	-	(1 100 000)	(1 100 000)	-	(1 100 000)
Final dividend for the year 2023 at the rate of Rs. 10.50 (105.00%) per share	-	-	-	-	-	-	-	-	(551 764)	(551 764)
1st Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300 000)	(300 000)	-	(300 000)
1st Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	-	-	(87 924)	(87 924)
2nd Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300 000)	(300 000)	-	(300 000)
2nd Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	-	-	(86 480)	(86 480)
Other transfer within equity										
Transfer to general reserve	-	-	-	-	1 000 000	-	(1 000 000)	-	-	-
Balance as at 30 September 2024	<u>2 000 000</u>	<u>12 902</u>	<u>1 739 631</u>	<u>190 683</u>	<u>14 000 000</u>	<u>1 802 531</u>	<u>1 996 660</u>	<u>21 742 407</u>	<u>5 287 895</u>	<u>27 030 302</u>

The annexed notes 1 to 38 form an integral part of these consolidated condensed interim financial statements.

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

NAJMUL HODA KHAN
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 30 October 2024

Notes to the Consolidated Condensed Interim Financial Statements For the nine months period ended 30 September 2024 (Unaudited)

1. Legal status and nature of business

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

1.2 The group comprises of:

1.2.1 EFU General Insurance Limited (Holding Company)

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

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

1.2.2 EFU Life Assurance Limited (Subsidiary Company)

EFU Life Assurance Limited with 45.31 % effective holding was incorporated as public limited company on 09 August 1992 and started its operations from 18 November 1992. The Subsidiary Company is listed on Pakistan Stock Exchange Limited and is engaged in life insurance business including ordinary life business, pension fund business and accident and health business and has established following statutory funds, as required by the Insurance Ordinance, 2000:

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

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

The Registered Office of the Subsidiary Company is located at Al-Malik Centre, 70W, F-7/G-7 Jinnah Avenue, Islamabad while principal place of business is located at Plot No.112, 8th East Street, Phase 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.

1.2.3 Acquisition and merger of EFU Health Insurance Limited by Subsidiary Company

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

On 01 April 2024, pursuant to the approvals of the Board of Subsidiary Company and after obtaining all the requisite corporate and regulatory approvals and compliance with all the applicable laws and regulation, the Subsidiary Company has acquired 100 % i.e. 50 million ordinary voting shares and control of EFU Health Insurance Limited from sponsors and other shareholders of EFU Health Insurance Limited through Share Purchase Agreement. Accordingly on 01 April 2024 EFU Health Insurance Limited became a fully owned subsidiary of the Subsidiary Company.

On 15 April 2024, the Board of directors of the Subsidiary Company approved merger of EFU Health Insurance limited (a fully owned subsidiary) with the Subsidiary Company through scheme of Amalgamation under section 284 of the Companies Act 2017. The effective date of merger was set on 01 May 2024 in the said scheme of amalgamation.

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

1.2.3.3 EFUH was authorized to undertake Window Takaful Operations (WTO) on 14 March 2017 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. EFUH commenced Window Takaful Operations on 01 April 2017.

1.2.3.4 Purchase Consideration

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

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

Fair value of already held interest

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

Resultantly a fair value valuation was conducted of EFU Health Insurance Ltd as at 01 May 2024 fair value per share of EFU Health Insurance Ltd was calculated at Rs.10.396 per share. Therefore, loss on remeasurement of previously held equity interest by the Subsidiary Company is summarised below:

	Rupees' 000
Carrying value of investment in EFUH by Subsidiary Company as on 30 April 2024	686 323
Fair value of already held equity interest in subsidiary as on 01 May 2024	519 786
Loss on remeasurement of Investment in EFUH recognised in Statement of Profit and Loss	<u>(166 537)</u>
Net assets acquired at the merger date i.e. 01 May 2024 is as follows:	
Total assets	4 251 610
Total liabilities	<u>(3 566 865)</u>
Net asset	<u>684 745</u>
Bargain purchase loss on acquisition	
Consideration transferred	519 786
Less: Fair value of net identifiable assets acquired as at merger date	<u>684 745</u>
Bargain purchase loss	<u>164 959</u>

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

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

1.2.4 Acquisition of Business Segment

During the year 2023, the Subsidiary Company acquired call center operations and telemedicine setup (the business segment) of Hello Doctor Private Limited via "Business Purchase Agreement".

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

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

Subsequently, The Subsidiary Company completed its valuation of the business segment purchased and considers that the customer relationships (Client Base) of this business segment is eligible for recognition as a separate asset at the date of acquisition. Hence, The Subsidiary Company has retrospectively adjusted these financial statements for recognizing intangible assets separately from goodwill, from the date of acquisition.

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

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

On the basis of valuation out of Rs. 78.205 million recognized goodwill, Rs. 77.954 million is reclassified as customer relationship.

2. Basis of preparation and statement of compliance

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

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; 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 requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017 and Takaful Rules 2012, 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 audited annual consolidated financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended 31 December 2023.

2.1 Basis of measurement

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

2.2 Functional and presentation currency

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

2.3 Standards, interpretations and amendments effective in the current period

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

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

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

Amendments	Effective date (annual periods beginning on or after)
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Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
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Lack of Exchangeability - Amendment to IAS 21	01 January 2025
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Pursuant to the requirements of Securities and Exchange Commission of Pakistan SRO 1715 (I)/2023 dated 21 November 2023 IFRS 17 "Insurance Contracts", is applicable to the companies engaged in insurance/takaful and re-insurance/re-takaful business from financial years commencing on or after 01 January 2026.

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

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

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

Standards	Effective date (annual periods beginning on or after)
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IFRS 1 First-time Adoption of International Financial Reporting Standards	January 01, 2024
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3. Summary of material accounting policies

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

4. Accounting estimates and judgements

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

In preparation of these consolidated condensed interim financial statements, the significant judgment made by management in applying the Group's accounting policies and the key sources of estimation, uncertainty were the same as those that applied to the consolidated financial statement as at and for the year ended 31 December 2023.

5. Management of insurance and financial risk

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

6. Property and equipment

Rupees '000

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
6.1 Witten down value		
Land	3 281 930	3 281 930
Buildings	3 687 480	3 873 174
Vehicles	829 075	773 667
Furniture and fixtures	213 246	241 105
Right of use assets - buildings	641 822	666 831
Office equipment	229 822	256 687
Computer equipment	668 735	495 689
Leasehold improvements	57 697	77 106
	9 609 807	9 666 189

The additions in property and equipment during the nine months period ended 30 September 2024 are as follows:

Rupees '000

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
6.2 Additions		
Building	7 631	116 797
Computer equipment	482 198	481 686
Vehicles	331 508	394 325
Right of use assets - buildings	212 543	248 629
Furniture and fixtures	11 048	9 909
Office equipment	15 309	58 912
Leasehold improvements	20 710	16 432
	1 080 947	1 326 690

7. Intangible assets

	30 September 2024 (Unaudited)	31 December 2023 (Audited) (Restated)
7.1 Witten down value		
Computer softwares	342 182	190 125
Goodwill	4 825 321	4 825 572
Customer relationships	257 753	552 488
	5 425 256	5 568 185

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
7.2 Additions		
Computer softwares	227 094	207 358
Goodwill	–	251
Customer relationships	–	77 954
	<u>227 094</u>	<u>285 563</u>

8. Investment property

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Land	2 151 970	2 151 970
Building	1 040 296	1 040 000
	<u>3 192 266</u>	<u>3 191 970</u>

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

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

9. Investment in equity securities

Rupees '000

	30 September 2024 (Unaudited)			31 December 2023 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
At available-for-sale						
Related Party						
Listed shares	684 731	(370 905)	313 826	607 000	(319 416)	287 584
Others						
Listed shares	2 563 799	(414 442)	2 149 357	2 220 530	(431 531)	1 788 999
Unlisted shares	192 319	(191 811)	508	192 319	(191 811)	508
			2 149 865			1 789 507
Surplus on revaluation			2 299 814			1 611 704
			<u>4 763 505</u>			<u>3 688 795</u>
At fair value through profit and loss - designated upon initial recognition						
Related Party - Listed shares	36 609	–	91 473	36 609	–	89 984
Others - Listed shares	21 077 411	–	29 909 294	18 815 772	–	22 101 372
			<u>30 000 767</u>			<u>22 191 356</u>
			<u>34 764 272</u>			<u>25 880 151</u>

10. Investment in debt securities

Rupees '000

	Note	30 September 2024 (Unaudited)			31 December 2023 (Audited)		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Held to maturity							
Government securities	10.2	13 235 630	-	13 237 410	10 770 744	-	10 770 744
Available-for-sale							
Related party							
Term Finance Certificate	10.3	40 637	(40 637)	-	40 637	(40 637)	-
Others							
Government securities	10.2	13 960 820	-	13 960 820	13 328 072	-	13 328 072
Term Finance Certificate	10.3	200 000	-	200 000	200 000	-	200 000
Corporate Sukuks	10.4	102 000	-	102 000	102 000	-	102 000
				14 262 820			13 630 072
Surplus / (deficit) on revaluation				505 054			(647 508)
				14 767 874			12 982 564
Fair value through profit and loss (Designated-upon initial recognition)							
Government securities		161 232 771	-	163 623 932	143 144 957	-	143 144 957
Term Finance Certificates		5 021 667	-	4 990 834	5 592 836	-	5 592 836
Corporate Sukuks		1 752 544	(37 500)	1 729 773	1 870 922	(37 500)	1 833 422
Certificates of investment		981 000	-	981 000	981 000	-	981 000
				171 325 539			151 552 215
				199 330 823			175 305 523

- 10.1 The amount of Government Securities includes Rs. 235 million (31 December 2023: Rs. 235 million) deposited with the State Bank of Pakistan as required by Section 29 of the Insurance Ordinance, 2000 by Holding Company.
- 10.2 The rate on Government Securities ranges from 7.50 % to 21.63 % (31 December 2023: 7.00 % to 23.72 %) with the maturity tenure upto 2029.
- 10.3 The rate on term finance certificates ranges from 17.58 % to 23.20 % (31 December 2023: 22.64 % to 24.48 %) having perpetual maturity.
- 10.4 The rate of profit on corporate sukuk having perpetual maturity ranges from 18.67 % to 23.26 % (31 December 2023: 23.88 % to 25.68 %) and on corporate sukuk having maturity tenure upto 2032 ranges from 18.82 % to 23.24 % (31 December 2023: 22.84 % to 25.00 %).

11. Term deposits

Rupees '000

	Note	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Deposits maturing within 12 months			
Term deposits certificates - local currency	11.1 & 11.3	5 142 429	7 786 428
Term deposits certificates - foreign currency	11.2	651 237	618 684
		5 793 666	8 405 112

- 11.1 The rate of return on term deposit certificates issued by banks ranges from 15.75 % to 21.00 % per annum (31 December 2023: 20.50 % to 23.20 % per annum) depending on tenure. These term deposit certificates have maturities upto September 2025.
- 11.2 The rate of return on foreign currency term deposit certificates issued by various banks range from is 3.25 % to 5.25 % per annum (31 December 2023: 2.75 % per annum) depending on tenure. These term deposit certificates have maturities upto October 2024.
- 11.3 This includes an amount of Rs. Nil million (31 December 2023: Rs. 13 million) placed under lien with commercial banks against bank guarantees and credit facility of corporate credit cards.

12. Investment in open-ended mutual funds

Rupees '000

	30 September 2024 (Unaudited)			31 December 2023 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Fair value through profit and loss (Designated - upon initial recognition)						
Related parties	1 975 454	–	2 091 233	1 783 199	–	1 848 311
Others	663 562	–	742 141	989	–	2 107
			2 833 374			1 850 418
Available for sale						
Related parties	937 466	–	937 466	841 552	–	841 552
Others	4 815	–	4 815	4 894	–	4 894
			942 281			846 446
Surplus on revaluation			31 926			21 552
			<u>3 807 581</u>			<u>2 718 416</u>

13. Loans and other receivables – considered good

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Accrued investment income	4 337 174	3 411 308
Advances to employees	541 453	476 524
Advances to suppliers	226 564	477 566
Security deposits	326 126	103 530
Loans to employees	43 536	65 061
Other receivables	792 586	419 876
	<u>6 267 439</u>	<u>4 953 865</u>
14. Insurance / reinsurance receivables - unsecured and considered good		
Due from insurance contract holders	9 212 846	9 008 280
Provision for impairment of receivables from insurance contract holders	(561)	(1 059)
	<u>9 212 285</u>	<u>9 007 221</u>
Due from other insurer / reinsurers	587 351	683 987
	<u>9 799 636</u>	<u>9 691 208</u>

15. Prepayments

Rupees '000

	Note	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Prepaid reinsurance premium ceded	22	10 996 438	12 479 228
Software and hardware support services		–	1 424
Prepaid charges for vehicle tracking devices		27 064	33 637
Others		196 493	149 641
		<u>11 219 995</u>	<u>12 663 930</u>

16. Cash and bank

Cash and cash equivalents

Cash in hand
Policy stamps, revenue stamps and bond papers

3 383	34
57 772	40 321
61 155	40 355

Cash at bank

– Foreign currency
Current accounts
– Local currency
Current accounts
Saving accounts

10 854	20 901
356 608	1 696 083
5 658 276	5 584 314
6 014 884	7 280 397
6 086 893	7 341 653

16.1 & 16.2

- 16.1 The rate of return on saving accounts from various banks range from 9.00 % to 16.00 % per annum (2023: 14.50 % to 20.85 % per annum) depending on the size of average deposits.
- 16.2 This includes an amount of Rs. 39 million (31 December 2023: Rs. 26 million) under lien with commercial banks against bank guarantees and corporate credit card facility.
- 16.3 Cash and cash equivalents include the following for the purposes of the cash flow statement:

Rupees '000

	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Cash and cash equivalents	4 139 441	7 757 391
Term deposit maturing within three months	7 741 118	11 258 448
	<u>11 880 559</u>	<u>19 015 839</u>

17. Ordinary share capital

17.1 Authorized capital

Number of shares '000

Rupees '000

30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2024 (Unaudited)	31 December 2023 (Audited)
<u>200 000</u>	<u>200 000</u>	<u>2 000 000</u>	<u>2 000 000</u>

17.2 Issued, subscribed and paid-up share capital

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

Rupees '000

	Note	30 September 2024 (Unaudited)	31 December 2023 (Audited)
18. Reserves			
Capital reserve			
Reserve for exceptional losses	18.1	12 902	12 902
Revaluation reserve for unrealized gains on available-for-sale investments - net		1 739 631	614 826
Exchange translation reserves		190 683	195 722
Revenue reserves			
General reserve		14 000 000	13 000 000
Reserve for change in fair value of investment property - net		1 802 531	1 802 531
		<u>17 745 747</u>	<u>15 625 981</u>

18.1 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.

19. Insurance liabilities - life insurance business

Rupees '000

	Note	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Reported outstanding claims	19.1	7 074 354	6 138 861
Incurred but not reported claims	19.2	1 726 149	1 421 457
Investment component of unit-linked and account value policies		209 968 191	185 930 975
Liabilities under individual conventional insurance contracts	19.3	801 269	856 133
Liabilities under group insurance contracts – (other than investment linked)	19.4	3 036 917	1 530 264
Participant's Takaful fund balance		785 267	647 198
		<u>223 392 147</u>	<u>196 524 888</u>

Rupees '000

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
19.1	Reported outstanding claims	
	Gross of reinsurance	
	Payable within one year	6 542 207
	Payable over a period of time exceeding one year	952 073
		7 494 280
	Recoverable from reinsurers	
	Receivable over a period of time exceeding one year	(419 926)
		(383 869)
		7 074 354
		6 138 861
19.2	Incurred but not reported claims	
	Gross of reinsurance	
	Reinsurance recoveries	2 344 419
	Net of reinsurance	(618 270)
		1 726 149
		1 800 124
		(378 667)
19.3	Liabilities under individual conventional insurance contracts	
	Gross of reinsurance	
	Reinsurance credit	982 643
	Net of reinsurance	(181 374)
		801 269
		1 066 897
		(210 764)
19.4	Liabilities under group insurance contracts - (other than investment linked)	
	Gross of reinsurance	
	Reinsurance credit	3 927 596
	Net of reinsurance	(890 679)
		3 036 917
		1 713 199
		(182 935)
20.	Others creditors and accruals	
	Other deposits	1 430 437
	Agent commission payable	1 987 317
	Accrued expenses	1 201 667
	Lease liability	784 529
	Unclaimed / unpaid dividends	628 867
	Sales tax payable	188 254
	Workers' welfare fund	431 133
	Provision for leaves	180 790
	Unearned rentals	77 848
	Federal insurance fee payable	27 552
	Others	670 184
		7 608 578
		1 418 139
		1 771 018
		1 269 694
		790 177
		581 607
		198 961
		274 995
		190 848
		48 558
		18 323
		452 446
		7 014 766

21. Contingencies and commitments

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

21.2 Holding Company

The income tax assessment of the Holding Company has been finalized up to the tax year 2024.

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

Following the 18th Amendment to the Constitution, the Governments of Sindh, Punjab, and Balochistan introduced the Workers Welfare Fund (WWF) levy through the Sindh WWF Act, 2014, the Punjab Workers Welfare Fund Act, 2019, and the Balochistan Workers Welfare Fund Act, 2022. Notably, the Sindh WWF Act, 2014, was further amended in 2022 to encompass entities under the Shops Act. As a result of this amendment, insurance companies, which were previously exempt, are now required to contribute to the WWF under the provisions of the Sindh WWF Act.

The Sindh Revenue Board (SRB) issued a notice to the Holding Company, demanding WWF contributions for the years 2022 and 2023. The Holding Company challenged this notice before the Honorable High Court of Sindh, contending that it operates as a trans-provincial entity across multiple provinces, and therefore, the Act cannot be applied to such companies. As a result, the Court issued an order restraining the SRB from collecting or recovering the WWF in Sindh, subject to the submission of the disputed amount, as stated in the notice, via Pay Order to the Nazir of the Court. The Court further directed that once this amount is deposited, the SRB must maintain the status quo. In compliance with the Court's order, the Holding Company has submitted a Pay Order amounting to Rs. 215 million.

21.3 Subsidiary Company

Income Tax Assessments - Health

21.3.1 The income tax assessments of the Subsidiary Company have been finalized up to tax year 2007. Subsequent returns up to tax year 2024 have been filed under self-assessment scheme.

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

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

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

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

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

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

21.3.8 Provincial Sales Tax on Health Insurance

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

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

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

In view of the above, the Subsidiary Company is not charging sales tax on the policies written in the province of Sindh, nor has recognized the liability for SST in the consolidated condensed interim financial statement. The amount involved as of 30 September 2024, Rs. 446.63 million

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

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

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

Furthermore, PRA vide its notification SO(Tax) 1-110/2020 (Covid-19) dated 02 April 2020 exempted PST on health insurance for the period from April 2 2020 till 30 June 2020.

In view of the above, the Subsidiary Company is not charging sales tax on the policies written in the province of Punjab, nor recognized the liability for PST in the consolidated condensed interim financial statement. The amount involved as of 30 September 2024, except for the exempt period, amounts to Rs. 919.04 million.

The amount of sales tax involved For Life business is around Rs. 4,365 million (2023: Rs. 3,537 million) computed on the basis of risk based premium excluding the investment amount allocated to unit linked policies. The management contends that in case the administrative efforts fail, the amount will be charged to the policyholders.

Bank guarantees amounting to Rs. 47.82 million have been given in respect of Group Life coverage. These bank guarantees will expire on 30 September 2024.

Rupees '000

	30 September 2024 (Unaudited)	31 December 2023 (Audited)		
21.4 Commitments				
21.4.1 Holding Company				
Commitment in respect of future sell transactions of listed equity securities	130 718	-		
22. Net insurance premium				
	Three months period ended 30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	Nine months period ended 30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Written gross premium	23 671 586	19 436 556	57 999 448	53 973 761
Unearned premium reserve - opening	16 141 444	15 837 132	19 546 386	14 167 219
Unearned premium reserve - closing	(19 765 071)	(17 851 136)	(19 765 071)	(17 851 136)
Premium earned	20 047 959	17 422 552	57 780 763	50 289 844
Less:				
Reinsurance premium ceded	7 740 061	5 491 072	18 988 296	17 414 332
Prepaid reinsurance premium - opening	10 286 777	10 264 075	12 479 228	8 489 684
Prepaid reinsurance premium - closing	(10 996 438)	(9 639 252)	(10 996 438)	(9 639 252)
Reinsurance expense	7 030 400	6 115 895	20 471 086	16 264 764
	<u>13 017 559</u>	<u>11 306 657</u>	<u>37 309 677</u>	<u>34 025 080</u>
23. Net insurance claims expense				
Claims Paid	12 858 585	10 295 135	36 395 759	29 710 202
Outstanding claims including IBNR - closing	11 954 014	12 626 025	11 954 014	12 626 025
Outstanding claims including IBNR - opening	(10 733 494)	(14 985 471)	(10 774 706)	(10 368 176)
Claims expense	14 079 105	7 935 689	37 575 067	31 968 051
Less:				
Reinsurance and other recoveries received	876 806	487 973	2 624 130	2 476 795
Reinsurance and other recoveries in respect of outstanding claims - opening	(6 900 645)	(10 130 807)	(7 009 843)	(6 503 793)
Reinsurance and other recoveries in respect of outstanding claims - closing	7 745 649	8 370 799	7 745 649	8 370 799
Reinsurance and other recoveries revenue	1 721 810	(1 272 035)	3 359 936	4 343 801
	<u>12 357 295</u>	<u>9 207 724</u>	<u>34 215 131</u>	<u>27 624 250</u>

24. Net commission and acquisition costs

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Commission paid or payable	3 215 844	2 447 603	6 950 928	6 238 976
Deferred commission expense - opening	1 135 831	985 268	1 491 266	1 111 775
Deferred commission expense - closing	(1 927 193)	(1 406 645)	(1 927 193)	(1 406 645)
Net commission	2 424 482	2 026 226	6 515 001	5 944 106
Less:				
Commission received or recoverable	268 093	221 993	503 456	422 924
Unearned reinsurance commission - opening	233 398	187 698	302 821	201 585
Unearned reinsurance commission - closing	(336 324)	(280 691)	(336 324)	(280 691)
Commission from reinsurers	165 167	129 000	469 953	343 818
Other acquisition cost	453 587	367 109	1 083 244	967 638
	<u>2 712 902</u>	<u>2 264 335</u>	<u>7 128 292</u>	<u>6 567 926</u>

25. Investment income

Income from equity securities				
- Available-for-sale				
Dividend income - Equity shares	68 145	60 288	351 654	236 167
Dividend income - Mutual funds	-	-	875	4 269
- Fair value through profit and loss				
Dividend income	783 255	500 648	2 568 038	1 754 843
Income from debt securities				
- Available-for-sale				
Return on debt securities	514 610	433 233	1 513 891	1 215 305
- Held to maturity				
On government securities	1 060 450	108 807	1 696 440	764 326
Return on debt securities	37 750	7 014	284 271	167 302
- Fair value through profit and loss				
Return on debt securities	384 538	1 928 277	1 597 418	2 814 605
On government securities	7 301 056	5 285 160	22 872 792	16 004 371
Income from term deposits				
Return on term deposits	290 213	618 302	970 238	1 517 612
	10 440 017	8 941 729	31 855 617	24 478 800
Net realized gains / (losses) on investments available-for-sale financial assets				
Realized gains on:				
Equity securities	-	46 575	12 737	72 570
Realized losses on:				
Equity securities	(32 476)	-	(35 233)	-
Debt securities	(2 757)	-	(2 757)	-
Net unrealized gains on investments (Impairment) / reversal in value of available-for-sale	(35 233)	46 575	(25 253)	72 570
Equity securities	(9 591)	50 740	(17 990)	(17 350)
Investment related expenses	(318)	(292)	(1 059)	(741)
	<u>10 394 875</u>	<u>9 038 752</u>	<u>31 811 315</u>	<u>24 533 279</u>

26. Net realized fair value gains / (losses) on financial assets	Rupees '000			
	Three months period ended		Nine months period ended	
	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Realized gain on:				
Equity securities	709 676	112 699	1 202 380	213 968
Government securities	(79)	–	13 925	–
Realized losses on				
Equity securities	–	(314 652)	–	(2 594 857)
Government securities	(38 973)	–	(276 480)	(1 110)
	<u>670 624</u>	<u>(201 953)</u>	<u>939 825</u>	<u>(2 381 999)</u>
27. Net fair value gains / (losses) on financial assets at fair value through profit and loss				
Net unrealized gains on investments in financial assets - Government securities and debt securities (fair value through profit or loss designated upon initial recognition)	2 811 538	1 033 306	2 576 634	451 029
Net unrealized gains / (losses) on investments at fair value through profit or loss (designated upon initial recognition) - Equity securities	(64 091)	1 868 265	5 672 701	3 525 256
Investment income	2 747 447	2 901 571	8 249 335	3 976 285
Exchange gain	–	1 975	5 535	68 852
Provision of impairment in value of available-for-sale securities	(9 637)	(13 129)	(9 637)	(9 650)
Less: Investment related expenses	(862)	–	(1 451)	(157)
	<u>2 736 948</u>	<u>2 890 417</u>	<u>8 243 782</u>	<u>4 035 330</u>

28. Other income

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Return on bank balances	138 755	112 697	405 483	275 755
Gain on sale of property and equipment	112 985	68 842	310 461	163 943
Return on loans to employees	(19 214)	7 295	(3 937)	21 676
Fee charged to policyholders	5 738	5 432	16 882	15 578
Gain on early termination of lease contracts	1 084	877	4 380	18 466
Exchange difference	78	2 362	(1 536)	6 151
Gain on sale of investment property	–	6 945	–	6 945
Others	395	5	2 258	18
	<u>239 821</u>	<u>204 455</u>	<u>733 991</u>	<u>508 532</u>
29. Profit from Window Takaful Operations - General Takaful Operator's fund				
Wakala fee	284 777	298 332	849 849	877 299
Commission expense	(87 582)	(88 392)	(263 656)	(259 216)
General administrative and management expense	(130 790)	(104 254)	(356 463)	(317 221)
Modarib's share of PTF investment income	35 980	28 369	103 741	75 519
Investment income	56 439	57 581	159 032	138 273
Direct expenses	(3 542)	(187)	(11 140)	(791)
Other income	3 374	2 217	10 692	6 963
	<u>158 656</u>	<u>193 666</u>	<u>492 055</u>	<u>520 826</u>
30. Taxation				
For current period				
Current	623 323	649 441	2 399 753	1 688 295
Deferred	(156 435)	(35 200)	(37 818)	266 848
Super tax	215 106	282 756	828 485	641 649
	<u>681 994</u>	<u>896 997</u>	<u>3 190 420</u>	<u>2 596 792</u>
For prior period				
Super tax	–	–	–	340 999
	<u>681 994</u>	<u>896 997</u>	<u>3 190 420</u>	<u>2 937 791</u>
31. Earnings per share - basic and diluted				
Profit (after tax) for the period (Rupees '000)	<u>739 977</u>	<u>1 105 387</u>	<u>3 274 677</u>	<u>1 484 189</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>3.70</u>	<u>5.53</u>	<u>16.37</u>	<u>7.42</u>

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

32. Related party transactions

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

	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Rupees '000		
Transactions		
Associated companies		
Premium written	234 769	227 820
Premium paid	42 650	68 412
Claims paid net of salvage recovered	224 809	60 696
Commission paid	131 932	110 645
Travelling expenses	18 756	9 730
Donations paid	3 470	6 200
Dividends received	4 254	18 431
Dividends paid	1 197 625	1 163 245
Interest on bank deposits	485 393	878 924
Purchase of vehicles	13 378	48 095
Investment made	289 135	2 293 300
Investment sold	9 053 300	16 511 000
Bank deposits - net	8 424 300	5 346 929
Loans recovered	1 428	-
Key management personnel		
Premium written	1 664	1 334
Claims paid net of salvage recovered	137	-
Dividends paid	2 715	5 557
Loan to key employees	11 625	8 000
Loans recovered	22 973	6 158
Compensation	272 290	228 782
Others		
Premium written	87 635	86 134
Claims paid net of salvage recovered	20 822	157 024
Dividends paid	577 563	566 515
Brokerage paid	2 004	363
Employees' funds		
Contribution to provident fund	81 304	67 767
Contribution to gratuity fund	24 037	25 959
Contribution to pension fund	24 403	24 568
Dividends paid	3 820	3 820
	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Balances		
Others		
Balances receivable	150 995	47 390
Balances payable	2 520	3 973
Bank deposits	2 841 429	7 816 929
Bank balances	1 935 309	1 972 396
Employees' funds receivable / (payable)		
EFU gratuity fund	(34 619)	(83 233)
EFU pension fund	99 016	69 224

33. 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
Underwriting result
Net investment income
Net realized fair value gains on financial assets
Net fair value gain on financial assets at fair value through profit and loss
Gain on bargain purchase of net assets
Revaluation Loss
Rental income
Other income
Other expense
Net Change in Insurance Liabilities (Other than outstanding Claims)
Profit before tax from general takaful operations - OPF
Profit before tax

For the nine months period ended 30 September 2024 (Unaudited)

Rupees '000

	General Insurance				Life Assurance		Aggregate Life Assurance	Total	
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Aggregate General Insurance			Shareholders' Fund
23 890 094	4 718 882	3 703 120	1 920 548	-	-	34 232 644	-	28 455 527	62 688 171
2 918 306	523 963	481 598	252 035	-	-	4 175 902	-	-	4 175 902
1 764	209 675	2 903	3 379	-	-	217 721	-	-	217 721
207 129	39 457	31 957	16 557	-	-	295 100	-	-	295 100
20 762 895	3 945 787	3 186 662	1 648 577	-	-	29 543 921	-	28 455 527	57 999 448
20 665 586	3 905 279	3 080 208	1 629 860	-	-	29 280 933	-	28 455 527	57 736 460
73 082	-	-	89	-	-	73 171	-	-	73 171
24 227	40 508	106 454	18 628	-	-	189 817	-	-	189 817
21 096 495	3 601 676	3 082 053	1 545 012	-	-	29 325 236	-	28 455 527	57 780 763
(16 179 365)	(1 972 158)	(32 466)	(583 654)	-	-	(18 767 645)	-	(1 703 441)	(20 471 086)
4 917 130	1 629 518	3 049 585	961 358	-	-	10 557 591	-	26 752 086	37 309 677
421 623	16 733	1	31 596	-	-	469 953	-	-	469 953
5 338 753	1 646 251	3 049 586	992 954	-	-	11 027 544	-	26 752 086	37 779 630
(3 093 522)	(1 305 552)	(1 318 383)	(335 647)	-	-	(6 053 104)	-	(31 521 963)	(37 575 067)
1 105 922	842 656	3 433	548	-	-	1 952 559	-	1 407 377	3 359 936
(1 987 600)	(462 896)	(1 314 950)	(335 099)	-	-	(4 100 545)	-	(30 114 586)	(34 215 131)
(1 638 171)	(284 586)	(292 873)	(132 046)	-	-	(2 347 676)	-	(5 250 569)	(7 598 245)
(1 282 562)	(423 940)	(818 526)	(268 694)	-	-	(2 793 722)	-	(3 619 894)	(6 413 616)
(4 908 333)	(1 171 422)	(2 426 349)	(735 839)	-	-	(9 241 943)	-	(38 985 049)	(48 226 992)
430 420	474 829	623 237	257 115	-	-	1 785 601	-	(12 232 963)	(10 447 362)
						1 744 906	-	30 066 409	31 811 315
						8 985	-	930 840	939 825
						(3 958)	-	8 247 740	8 243 782
						-	-	164 959	164 959
						-	-	(166 537)	(166 537)
						95 463	-	-	95 463
						475 062	-	258 929	733 991
						(165 799)	-	(92 621)	(258 420)
						492 055	-	(24 155 250)	(24 155 250)
						4 432 315	-	3 021 506	7 453 821

As at 30 September 2024 (Unaudited)

22 256 547	4 517 001	844 691	1 022 449	-	-	28 640 688	-	236 687 017	265 327 705
300 870	35 332	363 623	26 111	-	-	725 936	-	-	725 936
						34 475 385	5 345 578	5 345 578	39 820 963
						1 427 263	-	-	1 427 263
						65 269 272	5 345 578	236 687 017	307 301 867
29 831 819	5 393 648	3 104 705	3 762 610	-	-	42 092 782	-	228 921 226	271 014 008
280 291	23 819	408 952	31 079	-	-	744 141	-	-	744 141
						3 533 537	2 662 708	2 662 708	6 196 245
						89 070	-	-	89 070
						46 459 530	2 662 708	231 583 934	278 043 464
									External premium less reinsurance by geographical segments 2024
									37 294 341
									15 336
									37 309 677

For the nine months period ended 30 September 2023 (Unaudited) Rupees '000

	General Insurance				Treaty	Aggregate General Insurance	Life Assurance		Aggregate Life Assurance	Total
	Fire & property damage	Marine, aviation & transport	Motor	Miscellaneous			Shareholders' Fund	Statutory Funds		
Prior period										
Premium Receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	21 303 007	4 966 577	3 804 603	1 837 392	-	31 911 579	-	26 447 840	26 447 840	58 359 419
Less: Sales tax	2 712 084	545 198	469 994	233 838	-	3 961 114	-	-	-	3 961 114
Stamp duty	364	147 169	886	714	-	149 133	-	-	-	149 133
Federal insurance fee	184 233	42 310	33 084	15 784	-	275 411	-	-	-	275 411
Gross Written Premium (inclusive of administrative surcharge)	18 406 326	4 231 900	3 300 639	1 587 056	-	27 525 921	-	26 447 840	26 447 840	53 973 761
Gross direct premium	18 378 422	4 189 462	3 174 485	1 561 855	-	27 304 224	-	26 447 840	26 447 840	53 752 064
Facultative inward premium	1 012	827	-	12 597	-	14 436	-	-	-	14 436
Administrative surcharge	26 892	41 611	126 154	12 604	-	207 261	-	-	-	207 261
Insurance premium earned	16 479 816	3 089 679	2 889 775	1 382 734	-	23 842 004	-	26 447 840	26 447 840	50 289 844
Insurance premium ceded to reinsurers	(13 034 903)	(1 664 178)	(31 207)	(502 839)	-	(15 233 127)	-	(1 031 637)	(1 031 637)	(16 264 764)
Net insurance premium	3 444 913	1 425 501	2 858 568	879 895	-	8 608 877	-	25 416 203	25 416 203	34 025 080
Commission income	291 647	16 590	22	35 559	-	343 818	-	-	-	343 818
Net underwriting income	3 736 560	1 442 091	2 858 590	915 454	-	8 952 695	-	25 416 203	25 416 203	34 368 898
Insurance claims	(4 909 008)	(1 403 533)	(1 403 821)	(403 053)	-	(8 119 415)	-	(23 848 636)	(23 848 636)	(31 968 051)
Insurance claims recovered from reinsurers	2 954 745	818 890	(1 234)	52 008	-	3 824 409	-	519 392	519 392	4 343 801
Net claims	(1 954 263)	(584 643)	(1 405 055)	(351 045)	-	(4 295 006)	-	(23 329 244)	(23 329 244)	(27 624 250)
Commission expense	(1 257 288)	(247 404)	(278 301)	(115 383)	-	(1 898 376)	-	(5 013 368)	(5 013 368)	(6 911 744)
Management expenses	(1 035 520)	(403 292)	(846 532)	(262 198)	-	(2 547 542)	-	(2 721 307)	(2 721 307)	(5 268 849)
Net insurance claims and expenses	(4 247 071)	(1 235 339)	(2 529 888)	(728 626)	-	(8 740 924)	-	(31 063 919)	(31 063 919)	(39 804 843)
Underwriting result	(510 511)	206 752	328 702	186 828	-	211 771	-	(5 647 716)	(5 647 716)	(5 435 945)
Net investment income						1 493 097	-	23 040 182	23 040 182	24 533 279
Net realized fair value losses on financial assets						-	-	(2 381 999)	(2 381 999)	(2 381 999)
Net fair value gains on financial assets at fair value through profit and loss						-	-	-	-	-
Rental income						98 830	-	4 035 330	4 035 330	4 035 330
Other income						347 755	-	(16 801 030)	(16 801 030)	(16 453 275)
Other expense						(71 991)	-	(32 046)	(32 046)	(104 037)
Profit before tax from general takaful operations - OPF						520 826	-	-	-	520 826
Profit before tax						2 600 288	-	2 373 498	2 373 498	4 973 786
	As at 31 December 2023 (Audited)									
Corporate segment assets-conventional	25 108 230	2 885 056	673 900	1 075 972	-	29 743 158	-	208 426 343	208 426 343	238 169 501
Corporate segment assets - Takatuf OPF	223 056	24 064	335 880	18 336	-	601 336	-	-	-	601 336
Corporate unallocated assets-conventional						30 900 134	5 295 995	-	5 295 995	36 196 129
Corporate unallocated assets - Takatuf OPF						1 120 091	-	-	-	1 120 091
Consolidated total assets						62 364 719	5 295 995	208 426 343	213 722 338	276 087 057
Corporate segment liabilities	31 538 645	4 289 178	2 900 614	3 817 284	-	42 545 721	-	201 795 213	201 795 213	244 340 934
Corporate segment liabilities - Takatuf OPF	216 735	20 561	381 824	34 395	-	653 515	-	-	-	653 515
Corporate unallocated liabilities						2 728 500	2 661 834	-	2 661 834	5 390 334
Corporate unallocated liabilities - Takatuf OPF						57 890	-	-	-	57 890
Consolidated total liabilities						45 985 626	2 661 834	201 795 213	204 457 047	250 442 673
	External premium less reinsurance by geographical segments 2023									
Location	Pakistani									
	* EPZ									
Total	34 003 089									
	21 991									
	34 025 080									

* This represents US Dollar Equivalent in Pak Rupees

Current period

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

Rupees '000

	General Insurance				Life Assurance			Aggregate Life Assurance	Total
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Aggregate General Insurance	Shareholders' Fund		
Premium Receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	12 267 681	875 150	1 588 020	649 715	-	15 380 566	-	10 246 715	25 627 281
Less: Sales tax	1 330 883	91 185	205 566	80 185	-	1 707 819	-	-	1 707 819
Stamp duty	1 578	107 738	2 399	2 418	-	114 133	-	-	114 133
Federal insurance fee	107 738	6 695	13 673	5 637	-	133 743	-	-	133 743
Gross Written Premium (inclusive of administrative surcharge)	10 827 482	669 532	1 366 382	561 475	-	13 424 871	-	10 246 715	23 671 586
Gross direct premium	10 759 713	656 737	1 332 504	552 970	-	13 301 924	-	10 246 715	23 548 639
Facultative inward premium	55 948	-	-	-	-	55 948	-	-	55 948
Administrative surcharge	11 821	12 795	33 878	8 505	-	66 999	-	-	66 999
Insurance premium earned	7 159 686	1 111 227	1 020 785	509 546	-	9 801 244	-	10 246 715	20 047 959
Insurance premium ceded to reinsurers	(5 575 954)	(586 258)	(14 415)	(179 692)	-	(6 356 319)	-	(674 081)	(7 030 400)
Net insurance premium	1 583 732	524 969	1 006 370	329 854	-	3 444 925	-	9 572 634	13 017 559
Commission income	150 713	5 210	-	9 244	-	165 167	-	-	165 167
Net underwriting income	1 734 445	530 179	1 006 370	339 098	-	3 610 092	-	9 572 634	13 182 726
Insurance claims	(1 544 345)	(770 159)	(432 230)	(106 703)	-	(2 853 437)	-	(11 225 668)	(14 079 105)
Insurance claims recovered from reinsurers	588 878	544 407	3 493	9 102	-	1 145 880	-	575 930	1 721 810
Net claims	(955 467)	(225 752)	(428 737)	(97 601)	-	(1 707 557)	-	(10 649 738)	(12 357 295)
Commission expense	(564 722)	(89 595)	(96 139)	(50 222)	-	(800 678)	-	(2 077 391)	(2 878 069)
Management expenses	(457 951)	(151 833)	(299 106)	(100 439)	-	(1 009 329)	-	(1 255 065)	(2 264 394)
Net insurance claims and expenses	(1 978 140)	(467 180)	(823 982)	(248 262)	-	(3 517 564)	-	(13 982 194)	(17 499 758)
Underwriting result	(243 695)	62 999	182 388	90 836	-	92 528	-	(4 409 560)	(4 317 032)
Net investment income						538 437	-	9 856 438	10 394 875
Net realized fair value gains on financial assets						6 401	-	664 223	670 624
Net fair value gain on financial assets at fair value through profit and loss						(3 791)	-	2 740 739	2 736 948
Net Change in Insurance Liabilities (Other than outstanding Claims)						-	-	(8 194 441)	(8 194 441)
Rental income						32 420	-	-	32 420
Other income						167 591	-	72 230	239 821
Other expense						(38 180)	-	(24 646)	(62 826)
Profit before tax from takaful operations - OPF						158 656	-	-	158 656
Profit before tax						954 062	-	704 983	1 659 045

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

Rupees '000

	General Insurance					Life Assurance		Aggregate Life Insurance	Total
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Shareholders' Fund	Statutory Funds		
Prior period									
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)
Underwriting result	393 945	77 560	91 566	34 125	-	-	(2 505 521)	(2 505 521)	(1 908 325)
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
Net Change in Insurance Liabilities (Other than outstanding Claims)	-	-	-	-	-	-	(7 986 381)	(7 986 381)	(7 986 381)
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	1 524 923	-	-	713 388	-	-	713 388	713 388	2 238 311

34. Fair value

34.1 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.

34.2 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 2024 (Unaudited)										
	Available- for-sale	Fair value through profit & loss	Held to maturity	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	4 762 998	30 000 766					34 763 764	34 763 764		
Equity securities - unquoted	508						508			508
Government securities		163 625 711					163 625 711		163 625 711	
Mutual funds	974 207	2 833 374					3 807 581		3 807 581	
Sukuk Bonds		1 729 773					1 729 773		1 729 773	
Debt securities	14 767 874	4 990 834					19 758 708	2 850 763	16 907 945	
Total assets of window takaful operations - Operator's fund	1 193 811						1 193 811		1 193 811	
Financial assets not measured at fair value										
Term deposits *					651 237		651 237			
Government securities *			13 235 631				13 235 631			
Loans and other receivables *				948 081			948 081			
Insurance / reinsurance receivables *				7 881 748			7 881 748			
Reinsurance recoveries against outstanding claims *				7 745 649			7 745 649			
Other assets *				126 097	5 193 261		5 319 358			
Certificate of investment *			981 000				981 000			
Cash and bank *		8 613 437			2 598 689		11 212 126			
Total assets of window takaful operations - Operator's fund *				676 807	92 018		768 825			
	21 699 398	211 793 895	14 216 631	17 378 382	8 535 205	-	273 623 511			
Financial liabilities not measured at fair value										
Outstanding claims including IBNR *						(11 954 014)	(11 954 014)			
Premium received in advance *						(1 859 589)	(1 859 589)			
Insurance / reinsurance payables *						(7 667 770)	(7 667 770)			
Other creditors and accruals *						(7 608 578)	(7 608 578)			
Total liabilities of window takaful operations - Operator's fund *						(193 371)	(193 371)			
	21 699 398	211 793 895	14 216 631	17 378 382	8 535 205	(29 283 322)	244 340 189			

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

Rupees '000

As at 31 December 2023 (Audited)

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

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

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

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

36. Corresponding figures

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

37. General

Figures have been rounded off to the nearest thousand rupees.

38. 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 30 October 2024.

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

NAJMUL HODA KHAN
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 30 October 2024

Window Takaful Operations Condensed Interim Financial Statements

For the nine months period ended 30 September 2024 (Unaudited)

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

Rupees '000

	Note	Operator's Fund		Participants' Takaful Fund	
		30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Assets					
Property and equipment	6	5 200	6 487	–	–
Investments					
Debt securities	7	1 193 811	957 785	2 669 271	2 267 359
Loans and other receivables	8	468	5 072	1 121	7 016
Takaful / retakaful receivables	9	17 184	13 783	749 381	474 879
Retakaful recoveries against outstanding claims / benefits	19	–	–	717 665	826 919
Salvage recoveries accrued		–	–	45 115	46 615
Deferred commission expense	20	182 824	163 567	–	–
Receivable from PTF	10	572 975	444 797	–	–
Accrued investment income	11	86 347	31 559	196 286	73 583
Deferred wakala fee		–	–	596 932	533 446
Deferred taxation		2 372	8 641	–	–
Prepayments	12	–	–	723 842	559 941
Cash and bank	13	92 018	89 736	277 541	274 503
Total assets		2 153 199	1 721 427	5 977 154	5 064 261
Funds and Liabilities					
Operator's Fund					
Statutory fund		100 000	100 000	–	–
Revaluation reserve - available-for-sale investments	14	1 873	(8 082)	–	–
Accumulated profit		1 218 115	918 104	–	–
Total Operator's Fund		1 319 988	1 010 022	–	–
Participants' Takaful Fund (PTF)					
Cede money		–	–	500	500
Revaluation reserve - available-for-sale investments	14	–	–	17 554	(4 027)
Accumulated surplus		–	–	1 771 595	1 369 618
Balance of Participants' Takaful Fund		–	–	1 789 649	1 366 091
Liabilities					
PTF Underwriting provisions					
Outstanding claims / benefits including IBNR	19	–	–	1 200 066	1 328 717
Unearned contribution reserves		–	–	1 677 873	1 464 614
Reserve for unearned retakaful rebate	18	–	–	161 158	104 374
Contribution received in advance		–	–	13 321	10 964
Takaful / retakaful payables		164	1 828	530 076	315 229
Unearned wakala fee		596 932	533 446	–	–
Payable to OPF	10	–	–	572 975	444 797
Taxation - provision less payments		42 744	27 708	–	–
Other creditors and accruals	15	193 371	148 423	32 036	29 475
Total liabilities		833 211	711 405	4 187 505	3 698 170
Total funds and liabilities		2 153 199	1 721 427	5 977 154	5 064 261
Contingencies and commitments	16				

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

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

NAJMUL HODA KHAN
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 30 October 2024

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

Rupees '000

	Note	Three months period ended		Nine months period ended	
		30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Participants' Takaful Fund - (PTF)					
Contributions earned		507 074	477 983	1 494 333	1 387 852
Less: Contributions ceded to retakaful		(343 517)	(241 850)	(968 353)	(654 845)
Net contribution revenue	17	163 557	236 133	525 980	733 007
Retakaful rebate earned	18	78 939	38 305	208 287	96 039
Net underwriting income		242 496	274 438	734 267	829 046
Net claims - reported / settled - IBNR	19	(179 486)	(305 403)	(610 489)	(951 225)
Other direct expenses		(16 213)	(17 511)	(33 022)	(59 462)
Surplus / (deficit) before investment income		46 797	(48 476)	90 756	(181 641)
Investment income	21	130 434	104 842	382 647	280 033
Other income	22	13 484	8 634	32 315	22 042
Less: Modarib's share of investment income		(35 980)	(28 369)	(103 741)	(75 519)
Surplus transferred to accumulated surplus		154 735	36 631	401 977	44 915
Operator's Fund - (OPF)					
Wakala fee		284 777	298 332	849 849	877 299
Commission expense	20	(87 582)	(88 392)	(263 656)	(259 216)
General, administrative and management expense		(130 790)	(104 254)	(356 463)	(317 221)
		66 405	105 686	229 730	300 862
Modarib's share of PTF investment income		35 980	28 369	103 741	75 519
Investment income	21	56 439	57 581	159 032	138 273
Direct expenses		(3 542)	(187)	(11 140)	(791)
Other income	22	3 374	2 217	10 692	6 963
Profit before taxation		158 656	193 666	492 055	520 826
Taxation	23	(61 912)	(52 256)	(192 044)	(202 304)
Profit after taxation		96 744	141 410	300 011	318 522

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Chief Executive Officer

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Chairman

Karachi 30 October 2024

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

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Participants' Takaful Fund - (PTF)				
Surplus for the period	154 735	36 631	401 977	44 915
Other comprehensive income				
Unrealized gain / (loss) in available-for-sale investments during the period - net	31 286	2 727	21 581	(11 062)
Total items that may be reclassified subsequently to profit and loss account	31 286	2 727	21 581	(11 062)
Total comprehensive income for the period	<u>186 021</u>	<u>39 358</u>	<u>423 558</u>	<u>33 853</u>
Operator's Fund - (OPF)				
Profit after tax for the period	96 744	141 410	300 011	318 522
Other comprehensive income				
Unrealize gain / (loss) in available for sale investments during the period	19 048	2 355	16 321	(10 309)
Deferred tax on available-for-sale investments	(7 430)	(919)	(6 366)	4 479
Total items that may be reclassified subsequently to profit and loss account	11 618	1 436	9 955	(5 830)
Total comprehensive income for the period	<u>108 362</u>	<u>142 846</u>	<u>309 966</u>	<u>312 692</u>

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

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Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 30 October 2024

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

Rupees '000

	Operator's Fund		Participants' Takaful Fund		
	Note	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Operating cash flows					
a) Takaful activities					
Contributions received		–	–	2 304 192	2 229 175
Retakaful contribution paid		–	–	(923 166)	(1 064 128)
Claims / benefits paid		–	–	(971 003)	(1 418 628)
Retakaful and other recoveries received		–	–	323 721	527 512
Commission paid		(257 601)	(245 392)	–	–
Retakaful rebate received		–	–	265 072	141 471
Wakala fee received / (paid)		811 393	815 940	(811 393)	(815 940)
Modarib received / (paid)		77 505	41 266	(77 505)	(41 266)
Net cash flow generated from / (used in) takaful activities		631 297	611 814	109 918	(441 804)
b) Other operating activities					
Income tax paid		(177 104)	(84 956)	–	–
General and other expenses paid		(358 544)	(317 948)	(33 020)	(59 463)
Other operating payments		1 202	(6 796)	11 656	(4 789)
Other operating receipts		10 280	1 300	2 558	685
Net cash flow used in other operating activities		(524 166)	(408 400)	(18 806)	(63 567)
Total cash flow generated from / (used in) all operating activities		107 131	203 414	91 112	(505 371)
Investment activities					
Profit / return received		113 131	89 881	292 258	217 175
Payment for investments		(326 306)	(324 070)	(622 438)	(464 265)
Proceeds from investments		106 600	64 752	242 107	787 953
Fixed capital expenditure		(79)	(77)	–	–
Proceeds from disposal of property and equipment		1 805	–	–	–
Total cash flow (used in) / generated from investing activities		(104 849)	(169 514)	(88 073)	540 863
Net cash flow generated from all activities		2 282	33 900	3 039	35 492
Cash and cash equivalents at the beginning of the period		89 736	48 929	274 502	195 563
Cash and cash equivalents at the end of the period	13.2	92 018	82 829	277 541	231 055
Reconciliation to profit and loss account					
Operating cash flow		107 131	203 414	91 110	(505 371)
Depreciation expense		(1 365)	(509)	–	–
Investment income		159 032	138 273	382 647	280 033
Other income		10 692	6 963	32 315	22 042
Increase in assets other than cash		146 328	133 742	385 239	588 886
Increase in liabilities other than borrowings		(121 807)	(163 361)	(489 334)	(340 675)
Profit after tax / surplus for the period		300 011	318 522	401 977	44 915
Attributed to					
Operator's Fund		300 011	318 522	–	–
Participants' Takaful Fund		–	–	401 977	44 915
		300 011	318 522	401 977	44 915

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

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Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 30 October 2024

EFU General Insurance Limited - Window Takaful Operations
Condensed Interim Statement of Changes in Funds
For the nine months period ended 30 September 2024 (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 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>
Balance as at 01 January 2024	100 000	(8 082)	918 104	1 010 022
Total comprehensive income for the period ended 30 September 2024				
Profit for the period	–	–	300 011	300 011
Other comprehensive income	–	9 955	–	9 955
Balance as at 30 September 2024	<u>100 000</u>	<u>1 873</u>	<u>1 218 115</u>	<u>1 319 988</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 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>
Balance as at 01 January 2024	500	(4 027)	1 369 618	1 366 091
Surplus for the period	–	–	401 977	401 977
Other comprehensive income	–	21 581	–	21 581
Balance as at 30 September 2024	<u>500</u>	<u>17 554</u>	<u>1 771 595</u>	<u>1 789 649</u>

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

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Director

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Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 30 October 2024

EFU General Insurance Limited - Window Takaful Operations

Notes to the Condensed Interim Financial Statements

For the nine months period ended 30 September 2024 (Unaudited)

1. Legal status and nature of business

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

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

2. Basis of preparation and statement of compliance

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

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

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; and

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

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

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

2.1 Basis of measurement

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

2.2 Functional and presentation currency

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

3. Summary of material accounting policies

The significant accounting policies and method of computation adopted in preparation of condensed interim financial statements are consistent with those followed in preparation of the annual financial statement of the Operator for the year ended 31 December 2023.

3.1 Standards, interpretations and amendments effective during the current period

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

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

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

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

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

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

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

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

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

4. Accounting estimates and judgements

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

In preparation of these condensed interim financial statements, the significant judgments made by management in applying the Operator's accounting policies and the key sources of estimation, uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2023.

5. Management of insurance and financial risk

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

6. Property and equipment

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

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

6.2 The cost of computer equipments disposed off during the period is Rs. 0.13 million (31 December 2023: Rs. Nil million).

6.3 The cost of vehicles disposed off during the period is Rs. 1.68 million (31 December 2023: Rs. 1.70 million).

7. Investment in debt securities

7.1 Operator's Fund

Rupees '000

	30 September 2024 (Unaudited)			31 December 2023 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Available-for-sale Fixed Income Securities						
Ijara Sukuks	1 165 740	–	1 165 740	943 774	–	943 774
Corporate Sukuks	33 931	(8 931)	25 000	36 192	(8 931)	27 261
	<u>1 199 671</u>	<u>(8 931)</u>	<u>1 190 740</u>	<u>979 966</u>	<u>(8 931)</u>	<u>971 035</u>
Surplus / (deficit) on revaluation			3 071			(13 250)
			<u>1 193 811</u>			<u>957 785</u>

7.1.1 The rate of profit on Government debt securities were 8.37% to 20.65% (31 December 2023: 8.37% to 23.35%) with the maturity tenure upto 2027.

7.1.2 The rate of profit on corporate debt securities were 21.99% (31 December 2023: 23.09%) having perpetual maturity.

7.2 Participants' Takaful Fund

Rupees '000

	30 September 2024 (Unaudited)			31 December 2023 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Available-for-sale Fixed Income Securities						
Ijara Sukuks	2 604 717	–	2 604 717	2 220 368	–	2 220 368
Corporate Sukuks	55 931	(8 931)	47 000	59 948	(8 931)	51 017
	<u>2 660 648</u>	<u>(8 931)</u>	<u>2 651 717</u>	<u>2 280 316</u>	<u>(8 931)</u>	<u>2 271 385</u>
Surplus / (deficit) on revaluation			17 554			(4 027)
			<u>2 669 271</u>			<u>2 267 358</u>

7.2.1 The rate of profit on Government debt securities were 8.37% to 20.65% (31 December 2023: 8.75% to 21.71%) with the maturity tenure upto 2027.

7.2.2 The rate of profit on corporate debt securities having perpetual maturity was 21.99 % (31 December 2023: 23.09 %) and on corporate debt securities having maturity tenure upto 2032 were 21.72 % (31 December 2023: 22.15 %).

8. Loans and other receivables

Rupees '000

	Operator's Fund		Participants' Takaful Fund	
	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Security deposits	301	301	–	–
Other receivables	167	4 771	1 121	7 016
	<u>468</u>	<u>5 072</u>	<u>1 121</u>	<u>7 016</u>
9. Takaful / retakaful receivables				
Due from takaful participants holders	–	–	712 545	456 941
Due from other takaful / retakaful operators	17 184	13 783	36 836	17 938
	<u>17 184</u>	<u>13 783</u>	<u>749 381</u>	<u>474 879</u>
10. Receivable (OPF) / Payable (PTF)				
Wakala fee	525 928	423 986	525 928	423 986
Modarib fee	47 047	20 811	47 047	20 811
	<u>572 975</u>	<u>444 797</u>	<u>572 975</u>	<u>444 797</u>
11. Accrued investment income				
Government securities	85 910	30 910	194 278	72 432
Debt securities	437	649	2 008	1 151
	<u>86 347</u>	<u>31 559</u>	<u>196 286</u>	<u>73 583</u>
12. Prepayments				
Prepaid retakaful contribution ceded	–	–	700 432	530 772
Prepaid charges for vehicle tracking devices	–	–	23 410	29 169
	<u>–</u>	<u>–</u>	<u>723 842</u>	<u>559 941</u>
13. Cash and bank				
Cash and cash equivalents				
Cash in hand	63	–	–	–
Policy stamps	–	–	7 220	2 496
Cash at bank				
Current accounts	6 697	4 156	2 170	1 517
Saving accounts	85 258	85 580	268 151	270 490
	<u>92 018</u>	<u>89 736</u>	<u>277 541</u>	<u>274 503</u>

13.1 The rate of profit on profit and loss sharing accounts from various banks were 7.50 to 15.00 % per annum (31 December 2023: 8.00% to 16.50%) depending on the size of average deposits.

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

Rupees '000

	Operator's Fund		Participants' Takaful Fund	
	30 September 2024 (Unaudited)	31 September 2023 (Unaudited)	30 September 2024 (Unaudited)	31 September 2023 (Unaudited)
Cash and bank balance	92 018	82 829	277 541	231 055

14. Revaluation reserve - Available-for-sale investments

	Operator's Fund		Participants' Takaful Fund	
	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Government securities	3 071	(13 250)	17 554	(4 027)
Related deferred tax	(1 198)	5 168	–	–
	1 873	(8 082)	17 554	(4 027)
15. Other creditors and accruals				
Agent commission payable	147 045	120 069	–	–
Workers' welfare fund	32 160	22 118	–	–
Accrued expenses	12 154	4 461	–	–
Sales tax payable	1 471	1 107	28 850	26 920
Federal insurance fee payable	–	–	2 202	2 395
Retirement benefit obligations	366	405	–	–
Other	175	263	984	160
	193 371	148 423	32 036	29 475

16. Contingencies and commitments

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

Rupees '000

17. Net contribution

	Three months period ended		Nine months period ended	
	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Written gross contribution	1 248 970	1 072 980	2 557 440	2 433 547
Wakala fee	(433 216)	(381 446)	(913 335)	(891 111)
Contribution net of wakala fee	815 754	691 534	1 644 105	1 542 436
Unearned contribution reserve - opening	772 261	807 598	931 169	866 565
Unearned contribution reserve - closing	(1 080 941)	(1 021 149)	(1 080 941)	(1 021 149)
Contribution earned	507 074	477 983	1 494 333	1 387 852
Less:				
Retakaful contribution ceded	690 000	590 541	1 138 013	906 644
Prepaid retakaful contribution - opening	353 949	255 994	530 772	352 886
Prepaid retakaful contribution - closing	(700 432)	(604 685)	(700 432)	(604 685)
Retakaful expense	343 517	241 850	968 353	654 845
	163 557	236 133	525 980	733 007

18. Retakaful rebate

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Rebate received or recoverable	128 169	127 169	265 071	141 471
Unearned retakaful rebate-opening	111 928	22 415	104 374	65 847
Unearned retakaful rebate-closing	(161 158)	(111 279)	(161 158)	(111 279)
	<u>78 939</u>	<u>38 305</u>	<u>208 287</u>	<u>96 039</u>
19. Net takaful benefits / claims expense				
Benefits / claims paid	406 142	508 356	972 504	1 406 064
Outstanding benefits / claims including IBNR - opening	(1 450 145)	(1 558 063)	(1 328 717)	(1 282 538)
Outstanding benefits / claims including IBNR - closing	1 200 066	1 449 225	1 200 066	1 449 225
Claim expense	156 063	399 518	843 853	1 572 751
Less:				
Retakaful and other recoveries received	200 983	213 498	342 618	530 060
Retakaful and other recoveries in respect of outstanding claims - opening	(942 071)	(957 715)	(826 919)	(746 866)
Retakaful and other recoveries in respect of outstanding claims - closing	717 665	838 332	717 665	838 332
Retakaful and other recoveries revenue	(23 423)	94 115	233 364	621 526
	<u>179 486</u>	<u>305 403</u>	<u>610 489</u>	<u>951 225</u>
20. Commission expense				
Commission paid or payable	139 430	127 286	282 913	275 874
Deferred commission expense - opening	130 976	141 204	163 567	163 440
Deferred commission expense - closing	(182 824)	(180 098)	(182 824)	(180 098)
	<u>87 582</u>	<u>88 392</u>	<u>263 656</u>	<u>259 216</u>
21. Investment income				
21.1 Operator's Fund				
Income from debt securities - available-for-sale				
– Return on debt securities (Sukuk)	56 096	57 581	158 806	138 603
Income from term deposits				
– Return on term deposits	392	–	436	–
	<u>56 488</u>	<u>57 581</u>	<u>159 242</u>	<u>138 603</u>
Net realized losses on investment available-for-sale financial assets				
Realized losses on:				
– Debt securities	(49)	–	(210)	(330)
	<u>56 439</u>	<u>57 581</u>	<u>159 032</u>	<u>138 273</u>
21.2 Participants' Takaful Fund				
Income from debt securities - available-for-sale				
– Return on debt securities (Sukuk)	128 458	108 145	380 457	297 433
Income from term deposits				
– Return on term deposits	1 976	–	2 190	–
	<u>130 434</u>	<u>108 145</u>	<u>382 647</u>	<u>297 433</u>
Net realized losses on investment available-for-sale financial assets				
Realized losses on:				
– Debt securities	–	(3 303)	–	(17 400)
	<u>130 434</u>	<u>104 842</u>	<u>382 647</u>	<u>280 033</u>

22. Other income

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
22.1 Operator's Fund				
Profit on bank deposits	3 374	2 217	8 887	6 963
Gain on property and equipment	–	–	1 805	–
	<u>3 374</u>	<u>2 217</u>	<u>10 692</u>	<u>6 963</u>
22.2 Participants' Takaful Fund				
Profit on bank deposits	13 486	8 634	32 317	22 042
Exchange difference	(2)	–	(2)	–
	<u>13 484</u>	<u>8 634</u>	<u>32 315</u>	<u>22 042</u>
23. Taxation				
For current period				
Current	46 105	32 901	142 873	151 074
Super tax	15 899	19 370	49 267	52 094
Deferred	(92)	(15)	(96)	(864)
	<u>61 912</u>	<u>52 256</u>	<u>192 044</u>	<u>202 304</u>

24. 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 condensed interim financial statements are as follows:

Rupees '000

	Three months period ended		Nine months period ended	
	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Transactions				
Associated companies				
Contributions written / (refund)	12 843	(23)	24 644	285
Claims paid including salvage recovered	1 495	145	1 525	692
Others				
Contributions written	–	285	290	285
Claim paid including salvage recovered	–	–	–	57
Contributions paid	–	–	144	118
Employees' funds				
Contribution to gratuity fund	121	136	365	204
Contribution to provident fund	93	76	273	235

	Rupees '000	
	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Balances		
Others		
Balances receivable	2 292	–
Bank balances	96 329	9 753
Employees' funds receivable		
EFU gratuity fund	365	204

25. Segment reporting

25.1 Operator's Fund

Rupees '000

Current period	For the nine months period ended 30 September 2024 (Unaudited)					
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Wakala fee	248 034	59 405	485 627	56 783	–	849 849
Commission expense	(93 719)	(26 991)	(129 934)	(13 012)	–	(263 656)
General, administrative and management expenses	(13 664)	(11 141)	(315 615)	(16 043)	–	(356 463)
Net commission and expenses	(107 383)	(38 132)	(445 549)	(29 055)	–	(620 119)
	140 651	21 273	40 078	27 728	–	229 730
Modarib's share of PTF investment income						103 741
Investment income						159 032
Direct expenses						(11 140)
Other income						10 692
Profit before taxation						492 055
Taxation						(192 044)
Profit after taxation						300 011
	As at 30 September 2024 (Unaudited)					
Corporate segment assets	300 870	35 332	363 623	26 111	–	725 936
Corporate unallocated assets						1 427 263
Total assets						2 153 199
Corporate segment liabilities	280 291	23 819	408 952	31 079	–	744 141
Corporate unallocated liabilities						89 070
Total liabilities						833 211

Rupees '000

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

Prior 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)
	95 423	17 691	171 857	15 891	–	300 862
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						318 522

As at 31 December 2023 (Audited)

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

Rupees '000

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

Current period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Wakala fee	87 951	20 603	157 596	18 627	–	284 777
Commission expense	(31 821)	(9 264)	(42 146)	(4 351)	–	(87 582)
General, administrative and management expenses	(5 886)	(4 468)	(114 585)	(5 851)	–	(130 790)
Net commission and expenses	(37 707)	(13 732)	(156 731)	(10 202)	–	(218 372)
	50 244	6 871	865	8 425	–	66 405
Modarib's share of PTF investment income						35 980
Investment income						56 439
Direct expenses						(3 542)
Other income						3 374
Profit before taxation						158 656
Taxation						(61 912)
Profit after taxation						96 744

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

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
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)
	33 567	6 370	61 132	4 617	–	105 686
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						141 410

25.2 Participants' Takaful Fund

Rupees '000

For the nine months period ended 30 September 2024 (Unaudited)

Current period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Contribution receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	1 072 256	218 288	1 522 732	171 196	–	2 984 472
Less: Sales tax	138 477	22 771	199 670	20 536	–	381 454
Stamp duty	293	18 710	923	76	–	20 002
Federal insurance fee	9 242	1 751	13 092	1 491	–	25 576
Gross written contribution (inclusive of administrative surcharge)	924 244	175 056	1 309 047	149 093	–	2 557 440
Gross direct contribution	920 741	168 102	1 245 158	148 808	–	2 482 809
Administrative surcharge	3 503	6 954	63 889	285	–	74 631
Wakala fee	(306 434)	(61 270)	(493 448)	(52 183)	–	(913 335)
Contributions earned	490 864	110 323	787 693	105 453	–	1 494 333
Contributions ceded to retakaful	(707 659)	(130 481)	(19 955)	(110 258)	–	(968 353)
Net contribution revenue	(216 795)	(20 158)	767 738	(4 805)	–	525 980
Retakaful rebate earned	158 784	30 195	–	19 308	–	208 287
Net underwriting income	(58 011)	10 037	767 738	14 503	–	734 267
Takaful claims	(107 491)	(52 008)	(608 637)	(75 717)	–	(843 853)
Takaful claims recovered from retakaful	113 756	41 607	–	78 001	–	233 364
Net claims	6 265	(10 401)	(608 637)	2 284	–	(610 489)
Other direct expenses	(47)	(60)	(32 836)	(79)	–	(33 022)
Surplus / (deficit) before investment income	(51 793)	(424)	126 265	16 708	–	90 756
Investment income						382 647
Other income						32 315
Modarib share of investment income						(103 741)
Surplus transferred to accumulated surplus						401 977
	As at 30 September 2024 (Unaudited)					
Corporate segment assets	1 805 551	111 347	655 621	260 416	–	2 832 935
Corporate unallocated assets						3 144 219
Total assets						5 977 154
Corporate segment liabilities	1 880 126	228 445	1 603 678	396 173	–	4 108 422
Corporate unallocated liabilities						79 083
Total liabilities						4 187 505

Rupees '000

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

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Contribution receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	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 premium	–	–	–	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
Rebate from retakaful operator	61 979	22 996	–	11 064	–	96 039
Net underwriting income	(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 expense	(129)	(106)	(59 145)	(82)	–	(59 462)
Net insurance claims and expenses	(44 478)	(3 215)	(942 170)	(20 824)	–	(1 010 687)
(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 31 December 2023 (Audited)						
Corporate segment assets	1 598 785	74 248	585 539	189 297	–	2 447 869
Corporate unallocated assets						2 616 392
Total assets						5 064 261
Corporate segment liabilities	1 540 197	124 631	1 206 486	243 125	–	3 114 439
Corporate unallocated liabilities						583 731
Total liabilities						3 698 170

Rupees '000

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

Current period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Contribution receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	741 900	75 557	590 855	47 525	–	1 455 837
Less: Sales tax	89 700	7 845	79 467	6 055	–	183 067
Stamp duty	274	10 154	810	72	–	11 310
Federal insurance fee	6 454	570	5 056	410	–	12 490
Gross written contribution (inclusive of administrative surcharge)	645 472	56 988	505 522	40 988	–	1 248 970
Gross direct contribution	643 398	54 892	483 854	40 835	–	1 222 979
Administrative surcharge	2 074	2 096	21 668	153	–	25 991
Wakala fee	(210 743)	(19 946)	(188 181)	(14 346)	–	(433 216)
Contributions earned	176 429	38 261	257 790	34 594	–	507 074
Contributions ceded to retakaful	(256 677)	(45 321)	(6 651)	(34 868)	–	(343 517)
Net contribution revenue	(80 248)	(7 060)	251 139	(274)	–	163 557
Retakaful rebate earned	62 122	10 606	–	6 211	–	78 939
Net underwriting income	(18 126)	3 546	251 139	5 937	–	242 496
Takaful claims	66 677	(14 172)	(182 482)	(26 086)	–	(156 063)
Takaful claims recovered from retakaful	(55 321)	11 338	–	20 560	–	(23 423)
Net claims	11 356	(2 834)	(182 482)	(5 526)	–	(179 486)
Other direct expenses	(13)	(23)	(16 146)	(31)	–	(16 213)
Surplus / (deficit) before investment income	(6 783)	689	52 511	380	–	46 797
Investment income						130 434
Other income						13 484
Modarib share of investment income						(35 980)
Surplus transferred to accumulated surplus						154 735

Rupees '000

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

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Contribution receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	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	(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

26. Fair value

26.1 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.

26.2 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:

26.3 Operator's Fund

Rupees '000

As at 30 September 2024 (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	1 168 811				1 168 811		1 168 811	
Corporate Sukuks	25 000				25 000		25 000	
Financial assets not measured at fair value								
Loans and other receivables *		301			301			
Takaful / retakaful receivables *		17 184			17 184			
Receivable from PTF *		572 975			572 975			
Accrued investment income *		86 347			86 347			
Cash and bank balances *			92 018		92 018			
	1 193 811	676 807	92 018	-	1 962 636			
Financial liabilities not measured at fair value								
Other creditors and accruals *				(193 371)	(193 371)			
	1 193 811	676 807	92 018	(193 371)	1 769 265			

As at 31 December 2023 (Audited)

	Available-for-sale	Loan & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Ijara Sukuks	930 532				930 532		930 532	
Corporate Sukuks	27 253				27 253		27 253	
Financial assets not measured at fair value								
Loans and other receivables *		5 072			5 072			
Takaful / retakaful receivables *		13 783			13 783			
Receivable from PTF *		444 797			444 797			
Accrued investment income *		31 559			31 559			
Cash and bank balances *			89 736		89 736			
	957 785	495 211	89 736	-	1 542 732			
Financial liabilities not measured at fair value								
Other creditors and accruals *				(148 423)	(148 423)			
	957 785	495 211	89 736	(148 423)	1 394 309			

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

26.4 Participants' Takaful Fund

Rupees '000

As at 30 September 2024 (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	2 622 271				2 622 271		2 622 271	
Corporate Sukuks	47 000				47 000		47 000	
Financial assets not measured at fair value								
Loans and other receivables *								
Takaful / retakaful receivables *		749 381			749 381			
Retakaful recoveries against outstanding claims / benefits		717 665			717 665			
Accrued investment income *		196 286			196 286			
Cash and bank balances *			277 541		277 541			
	<u>2 669 271</u>	<u>1 663 332</u>	<u>277 541</u>	<u>-</u>	<u>4 610 144</u>			
Financial liabilities not measured at fair value								
Outstanding claims including IBNR *				(1 200 066)	(1 200 066)			
Contributions received in advance *				(13 321)	(13 321)			
Takaful / retakaful payable *				(530 076)	(530 076)			
Payable to OPF *				(572 975)	(572 975)			
Other creditors and accruals *				(32 036)	(32 036)			
	<u>2 669 271</u>	<u>1 663 332</u>	<u>277 541</u>	<u>(2 348 474)</u>	<u>2 261 670</u>			

As at 31 December 2023 (Audited)

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

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

27. General

Figures have been rounded off to the nearest thousand rupees.

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

These condensed interim financial statements were authorized for issue by the Board of Directors in its meeting held on 30 October 2024.

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

NAJMUL HODA KHAN
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 30 October 2024