



NEW HORIZONS NEW POSSIBILITIES

EFU LIFE ASSURANCE LTD.

Report (Un-audited)
Six Months Ended 30 June 2024



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TRIUMPHANT BLUEPRINTS

As we forge the groundwork for our organisation's future, we envision it as an ongoing work in progress - an evolving structure where every component is artfully arranged, embodying strategic planning and ambition. The vast and open sky above serves as a canvas of infinite possibilities, mirroring our dedication to scaling new heights. Through our ambitious vision, we establish the foundation for a future where every aspiration takes shape and becomes a reality.



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Company Information

Chairman

Rafique R. Bhimjee

Vice-Chairman

Taher G. Sachak

Directors

Saifuddin N. Zoomkawala

Hasanali Abdullah

Rukhsana Shah

Ali Raza Siddiqui

Daanish Bhimjee

Ruhail Muhammad

Ahsen Ahmed

Syed Saad Salman

Managing Director & Chief Executive

Mohammed Ali Ahmed

Company Secretary & Compliance Officer

Hasan Jivani

Appointed Actuary

Omer Morshed, F.C.A., F.P.S.A., F.I.A.

Legal Advisor

Khurram Rashid, Barrister

Auditors

KPMG Taseer Hadi & Company

Chartered Accountants, Karachi

Rating

Rating Agency: VIS

Insurer Financial Strength Rating: AA++

Outlook: Stable

Registrar

CDC Share Registrar Services Ltd.

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Main Shahra - e - Faisal

Karachi 74400 - Pakistan

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Website:

www.efulife.com

Registered Office

Al-Malik Centre

70 W, F-7/G-7

Jinnah Avenue, (Blue Area)

Islamabad

Main Office

EFU Life House,

Plot No.112, 8th East Street

Phase 1, DHA, Karachi

Shariah Advisor

Mufti Muhammad Ibrahim Essa

Director's Review, 30 June 2024

The Directors of your Company are pleased to present the Condensed Interim Financial Statements for the half year ended 30th June 2024.

Your Company's gross premium income was Rs. 18.22 billion during the six months of 2024 (2023: Rs. 17.58 billion), a growth of 3.6%. New individual life regular premium income was Rs. 2.06 billion (2023: Rs. 2.33 billion). The renewal premium was Rs. 12 billion (2023: Rs. 12.25 billion). Inclusive of renewal premium, the total individual life regular premium was Rs. 14.06 billion (2023: Rs. 14.57 billion). Single premium business was Rs. 582 million (2023: Rs. 311 million). Group Benefits business increased by 27.7% and was Rs. 3.62 billion (2023: Rs. 2.83 billion).

The total family takaful contribution was Rs. 4.30 billion (2023: Rs. 3.97 billion), a growth of 8.4%. Out of this, Rs. 3.59 billion (2023: Rs. 3.49 billion) was from Individual family takaful business, Rs. 645 million (2023: Rs. 477 million) was from Group Family Takaful (a growth of 35.3%), and Rs. 66 million was from Family Takaful Accident and Health.

Your Company has recently commenced its health insurance business by 100% acquisition of EFU Health Insurance Limited and subsequent complete amalgamation of EFU Health into EFU Life. The Financial statements reflect the commencement of health business effective 1st May 2024. For the period under review, from 1 May 2024 to 30 June 2024, the premium income was Rs. 312 million.

Your Company had a Profit before Tax of Rs 2.59 billion (2023: 1.97 billion), an increase of 31.3%. Profit after Tax increased by 84.4% and stands at Rs. 1.56 billion (2023: Rs. 844 million). The Earnings per Share is Rs. 15.18 (2023: Rs. 8.44).

Interim Dividend:

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

We would like to thank our valued customers for their continued patronage and to the Securities and Exchange Commission of Pakistan for their guidance, and our main reinsurers, Hannover Re, Munich Re and Swiss Re for their support. Your directors would also like to place on record their deep appreciation for the efforts made by the officers, all distribution channels and staff who have contributed to the development, growth, and continued success of the Company.

MOHAMMED ALI AHMED
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Vice Chairman

RAFIQUE R. BHIMJEE
Chairman

Karachi 22 August, 2024

ممبران کو ڈائریکٹرز کی رپورٹ (۳۰ جون ۲۰۲۳ء)

آپ کی کمپنی کے ڈائریکٹرز، سال ۲۰۲۳ء کی پہلی ششماہی جو ۳۰ جون ۲۰۲۳ء کو اختتام پذیر ہوئی، کمپنی کے مالیاتی گوشواروں کی مختصر مگر جامع عبوری معلومات کے ساتھ، پہلی ششماہی رپورٹ پیش کرنے میں مسرت محسوس کرتے ہیں۔

آپ کی کمپنی کی مجموعی پربینیم آمدنی ۲۰۲۳ء کی پہلی ششماہی کے دوران 18.22 بلین روپے (۲۰۲۳ء: 17.58 بلین روپے) جس سے 3.6 فیصد کی گروتھ حاصل ہوئی۔ نئی انفرادی لائف ریگولر پربینیم آمدنی 2.06 بلین روپے (۲۰۲۳ء: 2.33 بلین روپے)۔ تجدیدی پربینیم 12 بلین روپے رہا (۲۰۲۳ء: 12.25 بلین روپے)۔ تجدیدی پربینیم کی شمولیت کے ساتھ مجموعی انفرادی لائف ریگولر پربینیم 14.06 بلین روپے رہا (۲۰۲۳ء: 14.57 بلین روپے)۔ سنگل پربینیم کا کاروبار 582 ملین روپے رہا (۲۰۲۳ء: 311 ملین روپے)۔ گروپ بینی فٹس برنس میں 27.7 فیصد تک اضافہ ہوا اور یہ 3.62 بلین روپے رہا (۲۰۲۳ء: 2.83 بلین روپے)۔

مجموعی فیملی کنفل کسٹری بیوشن 4.30 بلین روپے رہا (۲۰۲۳ء: 3.97 بلین روپے) تھا اور اس طرح 8.4 فیصد کی گروتھ حاصل ہوئی۔ اس میں سے 3.59 بلین روپے (۲۰۲۳ء: 3.49 بلین روپے) انفرادی فیملی کنفل برنس سے حاصل کیے گئے۔ 645 ملین روپے (۲۰۲۳ء: 477 ملین روپے) گروپ فیملی کنفل سے حاصل ہوئے (35.3 فیصد کی گروتھ)۔ اور 66 ملین روپے فیملی کنفل ایکسیڈنٹ اور ہیلتھ سے تھے۔

آپ کی کمپنی نے حال ہی میں ای ایف بویہیلٹھ انشورنس لمیٹڈ کے 100 فیصد حصول اور بعد ازاں ای ایف بویہیلٹھ کے ای ایف یولائف میں انضمام کے تحت اپنے ہیلتھ انشورنس برنس کا آغاز کیا۔ مالیاتی حسابات یکم مئی ۲۰۲۳ء سے ہیلتھ برنس شروع ہونے کی عکاسی کرتے ہیں۔ زیر جائزہ مدت کے لئے یکم مئی ۲۰۲۳ء تا ۳۰ جون ۲۰۲۳ء پربینیم کی آمدنی 312 ملین روپے رہی۔

آپ کی کمپنی نے 2.59 بلین روپے کا منافع قبل از ٹیکس حاصل کیا (۲۰۲۳ء: 1.97 بلین روپے) جس سے 31.3 فیصد کا اضافہ ہوا۔ منافع بعد از ٹیکس 84.4 فیصد تک بڑھ گیا اور 1.56 بلین روپے پر موجود رہا (۲۰۲۳ء: 844 ملین روپے)۔ آمدنی فی شیئر 15.18 روپے رہی (۲۰۲۳ء: 8.44 روپے)۔

عبوری منافع مقدمہ

ڈائریکٹرز بمسرت 1.50 روپے فی شیئر یعنی 15 فیصد کے عبوری منافع منقسمہ کا اعلان کر رہے ہیں۔

ہم اپنے معزز صارفین کا ان کی مستقل سرپرستی اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کا ان کی رہنمائی اور ہمارے مرکزی ری انشوررز، رہین اوورری، میونخ ری اور سوئس ری کا ان کی معاونت کیلئے شکریہ ادا کرتے ہیں۔ آپ کے ڈائریکٹرز افسران، تمام ڈسٹری بیوشن چینلز اور اسٹاف کی جانب سے بروئے کار لائی جانے والی کاوشوں پر انہیں دل سے خراج تحسین پیش کرتے ہیں جنہوں نے کمپنی کی ڈیولپمنٹ، فروغ اور مستقل کامیابی میں اپنا بھرپور کردار ادا کیا۔

رفیق آر۔ بھیم جی
چیئر مین

طاہر جی۔ ساچک
وائس چیئر مین

سیف الدین این۔ زومکا والا
ڈائریکٹر

محمد علی احمد
منیجنگ ڈائریکٹر و چیف ایگزیکٹو

کراچی: ۲۲ اگست ۲۰۲۳ء

Independent auditors' review report to the members of EFU Life Assurance Limited

Report on Review of Condensed Interim Financial Statements

Introduction

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

Scope of Review

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

Conclusion

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

Emphasis of Matter

We draw attention to note 17.2 to the condensed interim financial statements, which describes that certain insurance companies have challenged the scope and applicability of provincial sales tax on services on premium / contribution received from insurance business in the relevant provincial High Courts.

The hearing of the petitions are currently in progress and the provincial High Courts have granted stay to the petitioners against any coercive recovery measures by the provincial authorities.

The Company has not charged provincial sales tax to its clients, nor has recognized any liability for the impugned provincial sales tax as the management along with its legal counsel are confident that the final outcome will be in favor of the Company.

Our conclusion is not modified in respect of the above matter.

Other Matter

The figures of the condensed interim statement of profit and loss account and the condensed interim statement of comprehensive income for the three months period ended 30 June 2024, have not be reviewed and we do not express a conclusion on them.

The financial statements for the half year ended 30 June 2023 and for the year ended 31 December 2023 were respectively reviewed and audited by another firm of chartered accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated 29 August 2023 and 6 March 2024 respectively.

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

Date: 29 August, 2024
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

UDIN: RR202410106LU8eXsg09

Condensed Interim Statement of Financial Position

as at 30 June 2024 (Unaudited)

		(Rupees in '000)	
		Restated	
		30 June 2024 Unaudited	31 December 2023 Audited
	Note		
Assets			
Property and equipment	5	2 903 435	2 583 751
Right of use assets	6	518 365	568 593
Intangible assets	7	253 252	265 546
Investments			
Equity securities	8	30 578 716	22 314 661
Government securities	9	168 824 498	153 915 701
Debt securities	10	7 705 595	8 407 258
Term deposits	11	6 602 429	7 508 428
Open-ended mutual funds	12	3 493 148	2 718 416
Insurance / reinsurance receivables		1 743 906	1 061 301
Other loans and receivables		4 177 962	4 511 953
Taxation - payments less provision		1 107 692	1 152 728
Prepayments		120 683	137 990
Cash and bank	13	2 302 344	5 054 792
Total Assets		230 332 025	210 201 118
Equity and Liabilities			
Authorized share capital			
[150,000,000 ordinary shares (2023: 150,000,000) of Rs.10 each]		1 500 000	1 500 000
Ordinary share capital			
[105,000,000 ordinary shares (2023:100,000,000) of Rs.10 each]		1 050 000	1 000 000
Share Premium		636 323	-
Retained earnings arising from business other than participating business attributable to shareholders (Ledger account D)	14	3 104 886	2 562 670
General reserves		2 290 000	2 120 000
Surplus on revaluation of available for sale investments - net of tax		58 343	46 012
Unappropriated profit		854 742	1 218 963
Total Equity		7 994 294	6 947 645
Liabilities			
Insurance liabilities	15	215 225 028	196 524 888
Deferred taxation		1 785 045	1 543 223
Premium received in advance		1 680 711	1 772 407
Insurance / reinsurance payables		425 042	202 220
Lease liabilities		651 404	687 196
Other creditors and accruals	16	2 570 501	2 523 539
		7 112 703	6 728 585
Total Liabilities		222 337 731	203 253 473
Total Equity and Liabilities		230 332 025	210 201 118
Contingencies and commitments	17		

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

MOHAMMED ALI AHMED
Managing Director &
Chief Executive

SYED SHAHID ABBAS
Chief Financial
Officer

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Vice Chairman

RAFIQUE R. BHIMJEE
Chairman

Karachi 22 August, 2024

Condensed Interim Statement of Profit and Loss Account for the six months period ended 30 June 2024 (Unaudited)

		Aggregate		Aggregate	
		Six months ended 30 June		Three months ended 30 June	
Note	2024	2023	2024	2023	
Premium / contribution revenue	18 221 812	17 583 286	8 777 286	8 706 517	
Premium / contribution ceded to reinsurers	(1 029 360)	(716 569)	(494 967)	(341 820)	
Net premium / contribution revenue	17 192 452	16 866 717	8 282 319	8 364 697	
Investment income	20 209 971	14 593 961	10 215 173	7 991 265	
Net realised fair value gain / (losses) on financial assets	266 617	(2 180 046)	187 308	(651 200)	
Net unrealised fair value gains on financial assets at fair value through profit or loss	5 507 001	1 144 913	4 500 661	1 246 268	
Other income	145 912	76 835	70 589	52 876	
	<u>26 129 501</u>	<u>13 635 663</u>	<u>14 973 731</u>	<u>8 639 209</u>	
Net income	43 321 953	30 502 380	23 256 050	17 003 906	
Gain on bargain purchase of net assets	164 959	-	164 959	-	
Loss on remeasurement of investment in EFUH	(166 537)	-	(166 537)	-	
Insurance benefits	20 296 295	15 161 225	10 154 540	7 631 110	
Recoveries from reinsurers	(836 085)	(321 601)	(552 108)	(144 013)	
Claims related expenses	4 638	3 690	2 155	2 495	
Net Insurance benefits	19 464 848	14 843 314	9 604 587	7 489 592	
Net change in insurance liabilities (other than outstanding claims)	15 960 809	8 814 649	9 630 551	5 827 496	
Acquisition expenses	3 173 178	3 323 883	1 533 931	1 601 368	
Marketing and administration expenses	2 064 736	1 521 081	1 133 059	845 373	
Worker's welfare fund	45 120	-	27 655	-	
Other expenses	22 855	27 650	9 837	18 393	
Total Expenses	21 266 698	13 687 263	12 335 033	8 292 630	
Profit before tax (Refer note below)	2 588 829	1 971 803	1 314 852	1 221 684	
Income tax expense	(1 033 334)	(1 128 153)	(540 223)	(876 276)	
Profit after tax for the period	1 555 495	843 650	774 629	345 408	
Earnings per share - Rupees	15.18	8.44	7.56	3.45	

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

Profit before tax is inclusive of the amount of the profit before tax of the shareholders' fund, the surplus transfer from the revenue account of the statutory funds to the shareholders' fund based on the advice of the appointed actuary, and the undistributed surplus in the revenue account of the statutory funds which also includes the solvency margins maintained in accordance with the Insurance Rules, 2017. For details of the surplus transfer from the revenue account of the statutory funds to the shareholders' fund aggregating to Rs. 1,792 million (2023: Rs.1,682 million), please refer to note 29, relating to segmental information - revenue account by statutory fund.

MOHAMMED ALI AHMED
Managing Director &
Chief Executive

SYED SHAHID ABBAS
Chief Financial
Officer

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Vice Chairman

RAFIQUE R. BHIMJEE
Chairman

Karachi 22 August, 2024

Condensed Interim Statement of Comprehensive Income

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

(Rupees in '000)

	Aggregate		Aggregate	
	Six months ended		Three months ended	
	30 June		30 June	
	2024	2023	2024	2023
Profit after tax for the period	1 555 495	843 650	774 629	345 408
Other comprehensive income:				
Items that may be reclassified to profit and loss account in subsequent periods:				
Change in unrealised gains on available-for-sale financial assets	13 844	5 289	(11 193)	(511)
Change in unrealised gains on available-for-sale financial assets - Health Business	5 473	–	5 473	–
Reclassification adjustment relating to available-for-sale investments sold during the period	–	9 546	–	9 546
	19 317	14 835	(5 720)	9 035
Related deferred tax	(6 986)	(12 772)	2 779	(10 858)
Other comprehensive income / (loss) for the period - net of tax	12 331	2 063	(2 941)	(1 823)
Total comprehensive income for the period	1 567 826	845 713	771 688	343 585

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

MOHAMMED ALI AHMED
Managing Director &
Chief Executive

SYED SHAHID ABBAS
Chief Financial
Officer

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Vice Chairman

RAFIQUE R. BHIMJEE
Chairman

Karachi 22 August, 2024

Condensed Interim Statement of Cash Flows

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

(Rupees in '000)

	Note	Aggregate	
		Six months ended	
		2024	2023
Operating cash flows			
a) Underwriting activities			
Insurance premium / contribution received		18 146 963	17 962 909
Reinsurance premium / retakaful contribution paid		30 193	(109 745)
Claims paid		(19 754 741)	(15 324 333)
Commission paid		(2 022 441)	(2 208 095)
Marketing and administrative expenses paid		(2 064 736)	(1 521 081)
Other acquisition cost paid		(1 832 380)	(1 960 047)
Net cash outflow from underwriting activities		(7 497 142)	(3 160 392)
b) Other operating activities			
Income tax paid		(722 692)	(881 009)
Other operating payments		(4 086)	(4 844)
Loans advanced		(197 238)	(76 122)
Loans repayments received		222 196	78 453
Net cash outflow from other operating activities		(701 820)	(883 522)
Total cash outflow from all operating activities		(8 198 962)	(4 043 914)
Investment activities			
Profit / return received		19 302 790	12 940 934
Dividends received		1 887 709	1 292 562
Payments for investments		(89 231 767)	(56 762 275)
Proceeds from disposal of investments		73 148 566	44 035 489
Fixed capital expenditure		(503 455)	(213 957)
Proceeds from sale of property and equipment		192 273	66 451
Total cash inflow from all investing activities		4 796 116	1 359 204
Financing activities			
Dividends paid		(1 207 500)	(1 200 000)
Payment against lease liability		(104 131)	(94 806)
Total cash outflow from all financing activities		(1 311 631)	(1 294 806)
Net cash outflow from all activities		(4 714 477)	(3 979 516)
Cash and cash equivalents at beginning of the period		13 619 250	18 985 296
Cash and cash equivalents at end of the period	13.2	8 904 773	15 005 780
Reconciliation to statement of profit and loss account			
Operating cash flows		(8 198 963)	(4 043 914)
Depreciation expense		(262 147)	(172 443)
Depreciation on right of use assets		(86 294)	(75 235)
Amortization expense		(44 498)	(2 729)
Profit on disposal of property and equipment		114 627	34 880
Other revenue		15 191	14 278
Profit on lease termination		3 088	17 519
Finance cost on lease liabilities		(36 785)	(32 744)
Profit / (loss) on disposal of investments		266 617	(2 180 046)
Gain on bargain purchase of net assets		164 959	-
Loss on remeasurement of investment in EFUH		(166 537)	-
Dividend income		1 886 796	1 289 902
Other investment income		18 708 022	13 668 305
Depreciation in market value of investments		5 820 442	1 267 517
Provision of impairment in the value of available for sale equity investments		-	3 479
(Decrease) in assets other than cash		(779 766)	(193 160)
Increase in liabilities		(15 849 257)	(8 751 959)
Profit after tax for the period		1 555 495	843 650

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

MOHAMMED ALI AHMED	SYED SHAHID ABBAS	SAIFUDDIN N. ZOOMKAWALA	TAHER G. SACHAK	RAFIQUE R. BHIMJEE
Managing Director & Chief Executive	Chief Financial Officer	Director	Vice Chairman	Chairman

Karachi 22 August, 2024

Condensed Interim Statement of Changes in Equity

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

(Rupees in '000)

Attributable to the equity holders' of the Company

	Share Capital	Share Premium	General Reserves	Retained earnings arising from business other than participating business attributable to shareholders (ledger account D)- net of tax *	Surplus on revaluation of available for sale investment - net of tax*	Unappropriated Profit	Total
Balance as at 1 January 2023	1 000 000	–	1 980 000	2 161 554	11 457	1 195 539	6 348 550
Comprehensive income for the period ended 30 June 2023							
Income for the period ended 30 June 2023	–	–	–	(97 650)	–	941 300	843 650
Other comprehensive loss	–	–	–	–	2 064	–	2 064
Total income / (loss) for the period ended 30 June 2023	–	–	–	(97 650)	2 064	941 300	845 714
Contribution to increase solvency margin	–	–	–	117 278	–	(117 278)	–
Transfer from general reserve	–	–	140 000	–	–	(140 000)	–
Transactions with shareholders							
Dividend for the year ended 31 December 2022	–	–	–	–	–	(1 050 000)	(1 050 000)
Interim Dividend - 1st Quarter 2023	–	–	–	–	–	(150 000)	(150 000)
	–	–	–	–	–	(1 200 000)	(1 200 000)
Balance as at 30 June 2023	<u>1 000 000</u>	<u>–</u>	<u>2 120 000</u>	<u>2 181 182</u>	<u>13 521</u>	<u>679 561</u>	<u>5 994 264</u>
Balance as at 1 January 2024	1 000 000	–	2 120 000	2 562 670	46 012	1 218 963	6 947 645
Share Issued during the Period	50 000	636 323	–	–	–	–	686 323
Comprehensive income for the period ended 30 June 2024							
Income for the period ended 30 June 2024	–	–	–	344 510	–	1 210 985	1 555 495
Other comprehensive income	–	–	–	–	12 331	–	12 331
Total income for the period ended 30 June 2024	–	–	–	344 510	12 331	1 210 985	1 567 826
Contribution to increase solvency margin	–	–	–	197 706	–	(197 706)	–
Transfer to general reserve	–	–	170 000	–	–	(170 000)	–
Transactions with shareholders							
Dividend for the year ended 31 December 2023	–	–	–	–	–	(1 050 000)	(1 050 000)
Interim Dividend - 1st Quarter 2024	–	–	–	–	–	(157 500)	(157 500)
	–	–	–	–	–	(1 207 500)	(1 207 500)
Balance as at 30 June 2024	<u>1 050 000</u>	<u>636 323</u>	<u>2 290 000</u>	<u>3 104 886</u>	<u>58 343</u>	<u>854 742</u>	<u>7 994 294</u>

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

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

MOHAMMED ALI AHMED
Managing Director &
Chief Executive

SYED SHAHID ABBAS
Chief Financial
Officer

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Vice Chairman

RAFIQUE R. BHIMJEE
Chairman

Karachi 22 August, 2024

Notes to the Condensed Interim Financial Information for the six months period ended 30 June 2024 (Unaudited)

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 EFU Life Assurance Limited (the Company) was incorporated in Pakistan on 09 August 1992 as a public limited company under the Repealed Companies Ordinance, 1984 (now Companies Act, 2017) and started its operation from 18 November 1992. The shares of the Company are quoted on Pakistan Stock Exchange. The registered office of the Company is located at Al-Malik Centre, 70W, F-7/ G-7 Jinnah Avenue, Islamabad while principal place of business is located at EFU Life House, Plot No.112, 8th East street, Phase 1, DHA, Karachi.
- 1.2 The Company is a subsidiary of EFU General Insurance Limited on the basis of its ability to control the composition of the Board of Directors of EFU Life Assurance Limited effective from 31 March 2018.
- 1.3 The Company is engaged in life insurance business including ordinary life business, pension fund business and accident and health business and has established following statutory funds, as required by the Insurance Ordinance, 2000:
- Investment Linked Business (includes individual life business)
 - Conventional Business (includes group life and individual life businesses)
 - Pension Business (unit linked)*
 - Accident and Health Business
 - Family Takaful Investment Linked Business (Refer note 1.4)
 - Family Takaful Protection Business (Refer note 1.4)
 - Family Takaful Accidental and Health Business

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

- 1.4 The Company was granted authorisation on 19 January 2015 under Rule 6 of the Takaful Rules, 2012 to undertake Takaful Window Operation in respect of family takaful products by Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations on 6 February 2015 under the brand name "Hemayah". For the purpose of carrying on takaful business, the Company has formed a Waqf namely EFU Life - Window Family Takaful Limited Waqf (here-in-after referred to as the Participant Takaful Fund (PTF)) on 6 February 2015 under a Waqf deed executed by the Company with a cede amount of Rs. 2 million. The cede money is required to be invested in shariah compliant investments and any profit thereon can be utilized only to pay benefits to participants or defray PTF expenses. Waqf deed also governs the relationship of the Company and policyholders for the management of Takaful operations, investment of policyholders' funds and shareholders' funds as approved by the shariah advisor appointed by the Company.
- 1.5 Acquisition and merger of EFU Health Insurance Limited
- 1.5.1 The Board of directors of the 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 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 Company against every 10 ordinary shares of EFU Health Insurance Limited.
- On 01 April 2024, pursuant to the approvals of the Board and after obtaining all the requisite corporate and regulatory approvals and compliance with all the applicable laws and regulation, the 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 Company.
 - On 15 April 2024, the Board of directors of the Company approved merger of EFU Health Insurance limited (a fully owned subsidiary) with the 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.
- 1.5.2 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 has its registered office at 37-K, Block-6, PECH Society, Karachi. The principal activity of EFUH is to sell Health Insurance cover in Pakistan.

1.5.3 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.

1.5.4 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 Company was carried out as on April 01, 2024. Accordingly the value of consideration transferred was calculated as follows

Fair value per share of the Company was calculated at Rs 137.26 per share

Total number of shares issued (Number in '000)	5 000
Value per share	137.26
Total value of consideration transferred (Value per share Rs. 137.2646) (Rupees in '000)	<u>686 323</u>

1.5.5 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 statement of profit and loss.

Resultantly a fair value valuation was conducted of EFU Health Insurance Limited (EFUH) (a subsidiary) as at 01 May 2024 fair value per share of EFUH was calculated at Rs. 10.396 per share. Therefore, Loss on remeasurement of previously held equity interest is summarised below

	(Rupees in '000)
Carrying value of investment in EFUH as on 30 April 2024	(686 323)
Fair value of already held equity interest in EFUH as on 01 May 2024	<u>519 786</u>
Loss on remeasurement of investment in EFUH recognised in statement of Profit and Loss	<u>(166 537)</u>

The detail of net assets acquired and Bargain purchase gain as at merger date i.e., 01 May 2024 is as follows:

	(Rupees in '000)		
	<u>Carrying Amounts</u>	<u>Fair Value adjustments</u>	<u>Fair Values</u>
Property and equipment	109 869	98 482	208 351
Intangible assets	1 627	-	1 627
Investments	1 204 818	-	1 204 818
Loans and other receivables	116 801	-	116 801
Insurance / reinsurance receivables	901 377	-	901 377
Reinsurance recoveries against outstanding claims	115 081	-	115 081
Deferred taxation	7 099	-	7 099
Taxation - payment less provision	22 086	-	22 086
Prepayments	761 339	-	761 339
Cash and bank	913 031	-	913 031
Total Assets	<u>4 153 128</u>	<u>98 482</u>	<u>4 251 610</u>
Insurance Liabilities	2 972 421	-	2 972 421
Premium received in advance	84 743	-	84 743
Insurance/reinsurance payables	289 138	-	289 138
Other creditors and accruals	220 563	-	220 563
Total Liabilities	<u>3 566 865</u>	<u>-</u>	<u>3 566 865</u>
Net Assets			<u>684 745</u>
Bargain purchase gain on acquisition			
Consideration transferred			519 786
Less: Fair value of net identifiable assets acquired as at 01 May 2024			<u>(684 745)</u>
Bargain purchase gain			<u>(164 959)</u>

International Financial Reporting Standard 3, (IFRS 3) "Business Combinations", requires that all identified assets and liabilities acquired in a business combination should be carried at fair values in the acquirer's balance sheet and any intangible assets acquired in the business combination are required to be separately recognized and carried at fair 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.

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.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017 and Takaful Rules, 2012; and
- Islamic Financial Accounting Standards (IFAS) (as a lease) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Standards, interpretations of and amendments to the accounting and reporting standards that are effective in the current period

There are certain amendments to the published accounting and reporting standards that are mandatory for the Company's accounting periods beginning on or after January 01, 2024. However these do not have any significant impact on the Company's operations and, therefore, have not been detailed in these condensed interim financial statements.

- 2.5 Standards, interpretations of and amendments to the accounting and reporting standards that are not yet effective
The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for accounting periods beginning on or after July 01, 2024:

Amendments	Effective date (period beginning on or after)
Classification of liabilities as current and non-current - Amendments to IAS 1	January 01, 2024
Non-current liabilities with covenants - Amendments to IAS 1	January 01, 2024
Supplier finance arrangement - Amendments to IAS 7 and IFRS 7	January 01, 2024
Lack of exchangeability - Amendments to IAS 21	January 01, 2025
Amendments to the classification and measurement of financial instruments - Amendments to IFRS 9 financial instruments IFRS 7	January 01, 2026
IFRS 17 - Insurance Contracts	January 01, 2026
Sale or contribution of assets between an investor and its associate or joint venture - Amendments to IFRS 10 and IAS 28	Not yet finalised
The Company has taken a benefit of temporary exemption of applying IFRS 9 "Financial Instrument" with IFRS 17 "Insurance Contracts" as allowed under IFRS. However, this standard will be applied along with the application of IFRS 17.	

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of 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.

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

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

	(Rupees in '000)	
	30 June 2024 Unaudited	31 December 2023 Audited
5. PROPERTY AND EQUIPMENT		
Operating assets	2 903 435	2 583 751

5.1 Details of additions and disposals during the period ended 30 June 2024 are as follows:

(Rupees in '000)

Six months ended - Unaudited

	30 June 2024		30 June 2023	
	Additions	Disposals	Additions	Disposals
Furniture, fixture and fittings	3 294	–	2 303	–
Office equipment	7 510	186	11 642	–
Computer equipment	419 852	–	67 075	–
Motor Vehicle	216 171	192 441	124 545	77 623
Lease hold Improvements	13 897	1 527	8 391	–
	<u>660 724</u>	<u>194 154</u>	<u>213 956</u>	<u>77 623</u>

5.2 The market value of leasehold land and building is estimated at Rs. 4,472 million as at 31 December 2023. The valuations have been carried out by independent valuer on yearly basis.

5.3 Acquisition of Business Segment

During the year 2023, the 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 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 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 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 has been disclosed below:

Condensed Interim Statement of financial position (Audited)

(Rupees in '000)

Financial Statement Line Item	Sub-Caption	31 December 2023		
		As previously reported	Adjustment	As Restated
Intangible Assets	Goodwill	78 205	(77 954)	251
	Customer Relationship	–	77 954	77 954
		<u>78 205</u>	<u>–</u>	<u>78 205</u>

6. RIGHT OF USE ASSETS

(Rupees '000)

	30 June 2024 (Unaudited)								
	Cost			Accumulated Depreciation					Written down value 30 June 2024
	As at 01 Jan 2024	Additions	Deletion	As at 30 June 2024	As at 01 Jan 2024	Charge for the period	Deletion	As at 30 June 2024	
Right of use asset	1 258 963	50 350	(14 803)	1 294 510	690 370	86 294	(519)	776 145	518 365

(Rupees '000)

	31 December 2023 (Audited)								
	Cost			Accumulated Depreciation					Written down value 31 Dec 2023
	As at 01 Jan 2023	Additions	Deletion	As at 31 Dec 2023	As at 01 Jan 2023	Charge for the year	Deletion	As at 31 Dec 2023	
Right of use asset	1 103 000	216 762	(60 799)	1 258 963	535 581	156 015	(1 226)	690 370	568 593

7. INTANGIBLE ASSETS

On the basis of valuation, out of Rs. 78.205 million recognized goodwill, Rs. 77.95 million pertains to customer relationship and the rest pertains to goodwill. Details are as below:

(Rupees '000)

	30 June 2024 (Unaudited)								
	Cost			Accumulated Depreciation					Written down value 30 June 2024
	As at 01 Jan 2024	Additions	On Disposal	As at 30 June 2024	As at 01 Jan 2024	Charge for the period	On Disposal	As at 30 June 2024	
Computer Software	362 700	32 455	-	395 155	172 575	38 930	-	211 505	183 650
Goodwill	251	-	-	251	-	251	-	251	-
Customer Relationship	77 954	-	-	77 954	2 784	5 568	-	8 352	69 602
	<u>440 905</u>	<u>32 455</u>	<u>-</u>	<u>473 360</u>	<u>175 359</u>	<u>44 749</u>	<u>-</u>	<u>220 108</u>	<u>253 252</u>

(Rupees '000)

	31 December 2023 (Audited)								
	Cost			Depreciation					Written down value 31 Dec 2023
	As at 01 Jan 2023	Additions	Deletion	As at 31 Dec 2023	As at 01 Jan 2023	Charge for the year	Deletion	As at 31 Dec 2023	
Computer Software	155 342	207 358	-	362 700	151 926	20 649	-	172 575	190 125
Goodwill	-	251	-	251	-	-	-	-	251
Customer Relationships	-	77 954	-	77 954	-	2 784	-	2 784	75 170
	<u>155 342</u>	<u>285 563</u>	<u>-</u>	<u>440 905</u>	<u>151 926</u>	<u>23 433</u>	<u>-</u>	<u>175 359</u>	<u>265 546</u>

8. INVESTMENTS IN EQUITY SECURITIES		(Rupees in '000)					
	Note	30 June 2024 Unaudited	31 December 2023 Audited				
Available for sale	8.1	175 852	123 305				
At fair value through profit or loss (Designated - upon initial recognition)	8.2	30 402 864	22 191 356				
		<u>30 578 716</u>	<u>22 314 661</u>				
8.1 Available for Sale			(Rupees in '000)				
		30 June 2024 (Unaudited)	31 December 2023 (Audited)				
		Cost	Impairment provision	Carrying Value	Cost	Impairment provision	Carrying Value
Related parties							
Listed shares		205 919	(180 052)	25 867	204 222	(180 052)	24 170
Others							
Listed shares		60 759	-	60 759	44 751	-	44 751
Unlisted shares		177 103	(176 595)	508	177 103	(176 595)	508
Surplus on revaluation		-	-	88 718	-	-	53 876
		<u>443 781</u>	<u>(356 647)</u>	<u>175 852</u>	<u>426 076</u>	<u>(356 647)</u>	<u>123 305</u>
8.2 Fair value through profit or loss (Designated - upon initial recognition)							
Related parties							
Listed shares		36 609	-	117 086	36 609	-	89 984
Others							
Listed shares		21 340 119	-	30 285 778	18 815 772	-	22 101 372
		<u>21 376 728</u>	<u>-</u>	<u>30 402 864</u>	<u>18 852 381</u>	<u>-</u>	<u>22 191 356</u>
8.3 Reconciliation of provision for impairment							(Rupees in '000)
Balance at the beginning of the period				356 647		216 187	
Provision for impairment on available for sale investments - net				-		140 460	
Balance at the end of the period				<u>356 647</u>		<u>356 647</u>	
9. INVESTMENT IN GOVERNMENT SECURITIES		(Rupees in '000)					
	Note	30 June 2024 Unaudited	31 December 2023 Audited				
Held to maturity	9.1	13 790 764	10 770 744				
Fair value through profit or loss (Designated - upon initial recognition)	9.2	155 033 734	143 144 957				
		<u>168 824 498</u>	<u>153 915 701</u>				

(Rupees in '000)

30 June 2024 (Unaudited)

9.1 Held to Maturity

	Maturity Year	Effective Yield (%)	Amortised Cost	Principal Repayment	Carrying Value
02 Years Pakistan Investment Bond	2024	22	124 792	125 000	124 793
05 Years Pakistan Investment Bond	2028	21	2 655 899	2 742 700	2 655 899
05 Years Pakistan Investment Bond	2027	11	363 440	400 000	363 440
10 Years Pakistan Investment Bond	2033	14	189 148	200 000	189 148
10 Years Pakistan Investment Bond	2028	9	13 115	15 000	13 115
10 Years Pakistan Investment Bond	2029	10	236 877	273 400	236 877
10 Years Pakistan Investment Bond	2030	8	316 146	414 100	316 146
03 Months Treasury Bills	2024	19.80 - 21.60	1 778 100	1 825 000	1 778 100
06 Months Treasury Bills	2024	21.04	461 174	500 000	461 174
12 Months Treasury Bills	2024-2025	19.67 - 22.98	6 281 811	6 839 290	6 281 811
01 Year Government Ijara Sukuk	2024-2025	21	50 080	50 000	50 080
03 Year Government Ijara Sukuk	2026-2027	20.65 - 21.36	258 423	261 000	258 423
05 Year Government Ijara Sukuk	2025-2029	8.37 - 21.32	420 718	422 000	420 718
10 Years Pakistan Energy Sukuk I	2029	23	188 773	170 000	188 773
10 Years Pakistan Energy Sukuk II	2030	21	452 268	450 000	452 267
			<u>13 790 764</u>	<u>14 687 490</u>	<u>13 790 764</u>

(Rupees in '000)

31 December 2023 (Audited)

	Maturity Year	Effective Yield (%)	Amortised Cost	Principal Repayment	Carrying Value
Held to maturity					
02 Years Pakistan Investment Bond	2024	21.28	124 403	125 000	124 403
05 Years Pakistan Investment Bond	2026	10.50	359 217	400 000	359 217
05 Years Pakistan Investment Bond	2028	22.86	2 650 567	2 742 700	2 650 567
10 Years Pakistan Investment Bond	2026	8.76	12 945	15 000	12 945
10 Years Pakistan Investment Bond	2026	10	234 547	273 400	234 547
10 Years Pakistan Investment Bond	2026	8	311 504	414 100	311 504
10 Years Pakistan Investment Bond	2026	14	188 888	200 000	188 888
20 Years Pakistan Investment Bond	2026	10	15 012	15 000	15 012
03 Months Treasury Bills	2024	21.32	286 629	300 000	286 629
06 Months Treasury Bills	2024	21.36 - 21.55	1 295 015	1 409 700	1 295 015
12 Months Treasury Bills	2024	21.44 - 22.30	3 928 134	4 614 200	3 928 134
01 Year Government Ijara Sukuk	2024	23.60	204 454	204 000	204 454
03 Year Government Ijara Sukuk	2026	21.68	96 740	100 000	96 740
05 Year Government Ijara Sukuk	2025-2027	21.14 - 22.68	420 275	422 000	420 275
10 Years Pakistan Energy Sukuk I	2029	24.02	190 033	170 000	190 033
10 Years Pakistan Energy Sukuk II	2030	21.14	452 381	450 000	452 381
			<u>10 770 744</u>	<u>11 855 100</u>	<u>10 770 744</u>

(Rupees in '000)

30 June 2024 (Unaudited)

9.2 Fair value through profit or loss
(Designated - upon initial recognition)

Maturity Year	Effective Yield (%)	Amortised Cost	Principal Repayment	Carrying Value	
03 Years Pakistan Investment Bond	2024	22	374 413	375 000	373 988
03 Years Pakistan Investment Bond	2026	20	49 070	50 000	49 240
03 Years Pakistan Investment Bond	2026	22	393 375	400 000	392 320
03 Years Pakistan Investment Bond	2024	7	49 753	50 000	49 322
03 Years Pakistan Investment Bond	2026	12	11 964 569	13 100 000	12 038 808
05 Years Pakistan Investment Bond	2026	22	495 278	500 000	492 800
05 Years Pakistan Investment Bond	2028	0	746 300	770 000	744 975
05 Years Pakistan Investment Bond	2025	8	120 116	125 000	110 183
05 Years Pakistan Investment Bond	2027	11	194 677	225 000	192 406
10 Years Pakistan Investment Bond	2029	10	118 727	125 000	101 689
03 Months Treasury Bills	2024	19.80 - 21.80	3 444 452	3 500 000	3 443 482
06 Months Treasury Bills	2024	20.34 - 21.46	1 323 835	1 400 000	1 324 129
12 Months Treasury Bills	2024-2025	19.67 - 22.98	112 966 391	122 833 210	112 743 563
01 Year Government Ijara Sukuk	2024-2025	18.50 - 21.24	3 177 741	3 580 000	3 171 863
03 Year Government Ijara Sukuk	2026-2027	20.65 - 21.36	3 475 538	3 489 000	3 478 220
05 Year Government Ijara Sukuk	2025-2029	11.40 - 21.63	15 579 163	15 565 000	15 354 546
10 Years Pakistan Energy Sukuk I	2029	23	921 948	830 000	921 948
10 Years Pakistan Energy Sukuk II	2030	21	50 252	50 000	50 252
			<u>155 445 598</u>	<u>166 967 210</u>	<u>155 033 734</u>

(Rupees in '000)

31 December 2023 (Audited)

Maturity Year	Effective Yield (%)	Amortised Cost	Principal Repayment	Carrying Value	
Fair value through profit or loss (Designated - upon initial recognition)					
03 Years Pakistan Investment Bond	2026	12	11 736 551	13 100 000	11 733 028
03 Years Pakistan Investment Bond	2024	7	48 663	50 000	46 144
03 Years Pakistan Investment Bond	2024	22.40	1 369 258	1 375 000	1 367 300
03 Years Pakistan Investment Bond	2026	22.16	1 709 848	1 750 000	1 720 075
03 Years Pakistan Investment Bond	2026	22.40	392 358	400 000	392 440
05 Years Pakistan Investment Bond	2026	21.84	494 425	500 000	490 600
05 Years Pakistan Investment Bond	2025	7.50	118 418	125 000	104 362
05 Years Pakistan Investment Bond	2027	10.50	191 289	225 000	189 618
05 Years Pakistan Investment Bond	2028	22.86	4 699 451	4 857 300	4 708 181
05 Years Pakistan Investment Bond	2028	22.88	1 659 448	1 750 000	1 697 325
10 Years Pakistan Investment Bond	2029	10	118 299	125 000	99 011
20 Years Pakistan Investment Bond	2024	10	100 048	100 000	95 357
03 Months Treasury Bills	2024	21.32 - 21.84	2 677 777	2 750 000	2 675 437
06 Months Treasury Bills	2024	21.55 - 21.84	1 385 609	1 490 300	1 383 788
12 Months Treasury Bills	2024	21.30 - 22.80	96 920 467	113 065 800	96 833 476
01 Year Government Ijara Sukuk	2024	23.60 - 23.72	2 199 091	2 196 000	2 216 286
03 Year Government Ijara Sukuk	2026	21.12 - 21.68	1 982 381	2 000 000	1 992 320
05 Year Government Ijara Sukuk	2025-2027	11.40 - 22.70	14 551 912	14 540 000	14 421 773
10 Years Pakistan Energy Sukuk I	2029	24.02	928 171	830 000	928 171
10 Years Pakistan Energy Sukuk II	2030	21.14	50 265	50 000	50 265
			<u>143 333 729</u>	<u>161 279 400</u>	<u>143 144 957</u>

10. INVESTMENT IN DEBT SECURITIES

(Rupees in '000)

	Note	30 June 2024 (Unaudited)			31 December 2023 (Audited)		
		Cost	Impairment / Provision	Carrying Value	Cost	Impairment / Provision	Carrying Value
Term finance certificates	10.1	5 021 667	–	4 989 842	5 584 546	–	5 592 836
Corporate sukuks	10.2 & 10.4	1 752 544	(37 500)	1 734 753	1 912 831	(37 500)	1 833 422
Certificates of investment	10.3	981 000	–	981 000	981 000	–	981 000
		<u>7 755 211</u>	<u>(37 500)</u>	<u>7 705 595</u>	<u>8 478 377</u>	<u>(37 500)</u>	<u>8 407 258</u>

10.1 Term Finance Certificates

(Rupees in '000)

	Maturity	No. of Certificates		Face Value	Carrying Amount	
		30 June 2024 Unaudited	31 December 2023 Audited		30 June 2024 Unaudited	31 December 2023 Audited
Fair value through profit or loss						
Others						
Bank Alfalah Limited	2024	–	100 000	5	–	497 163
Kashf Foundation	2026	1 000	1 000	100	102 143	100 000
Bank Al Habib Limited	2028	–	20 000	5	–	101 147
Askari Bank Limited	2030	100	100	1 000	99 500	99 500
Bank Al Habib Limited	2032	40 000	40 000	5	200 000	200 000
Bank Al Habib Limited	2032	77 000	77 000	5	397 013	393 243
Bank of Punjab	2032	5 000	5 000	100	500 000	500 000
Bank of Punjab	Perpetual	80 000	80 000	5	400 000	400 000
Habib Bank Limited	Perpetual	2 000	2 000	100	200 000	200 000
United Bank Limited	Perpetual	200 000	200 000	5	1 000 000	1 000 000
Soneri Bank Limited	Perpetual	10 000	10 000	5	50 000	50 000
Bank Alfalah Limited	Perpetual	20 000	20 000	5	100 000	100 000
Bank Al Habib Limited	Perpetual	40 000	40 000	5	200 000	200 000
Bank Alfalah Limited	Perpetual	100 000	100 000	5	500 000	500 000
Bank of Punjab	Perpetual	5 000	5 000	100	491 054	501 668
Askari Bank Limited	Perpetual	450	450	1 000	450 000	450 000
					<u>4 689 710</u>	<u>5 292 721</u>
Held to maturity						
Askari Bank Limited	Perpetual	50	50	1 000	50 000	50 000
United Bank Limited	Perpetual	50 000	50 000	5	250 132	250 115
					<u>4 989 842</u>	<u>5 592 836</u>

10.2 Corporate Sukuks

(Rupees in '000)

	Maturity	No. of Certificates		Face Value	Carrying Amount	
		30 June 2024 Unaudited	31 December 2023 Audited		30 June 2024 Unaudited	31 December 2023 Audited
Fair value through profit or loss						
Others						
Neelum Jehlum Hydro Power Company Limited	2026	12 500	12 500	100	265 227	331 264
Hascol Petroleum Limited	2022	30 000	30 000	3	–	–
Pakistan Services Limited	2027	250	250	1 000	76 549	104 191
TPL Corporation	2027	200	200	100	18 800	18 953
Dubai Islamic Bank Pakistan Limited	2028	20 000	20 000	5	100 000	100 000
TPL Trakker	2026	25	25	1 000	9 910	12 732
TPL Corporation	2027	200	200	100	19 214	18 767
K-Electric Limited	2029	6 000	6 000	100	604 738	607 200
Meezan Bank Limited	Perpetual	500	500	1 000	500 000	500 000
Related Parties						
Bank Islami Pakistan Limited	Perpetual	28 063	28 063	5	140 315	140 315
					<u>1 734 753</u>	<u>1 833 422</u>

10.3 Certificates of investment

First Habib Modarba Limited	2024	6	6	163 500	981 000	981 000
					<u>981 000</u>	<u>981 000</u>

10.4 Reconciliation of provision

Balance at the beginning of the period					37 500	37 500
Provision for impairment in the value of investment					–	–
Balance at the end of the period					<u>37 500</u>	<u>37 500</u>

11. INVESTMENTS IN TERM DEPOSITS

(Rupees in '000)

	30 June 2024 Unaudited	31 December 2023 Audited
Deposits maturing within 6 months	<u>6 602 429</u>	<u>7 508 428</u>

11.1 The rate of return on term deposit certificates issued by banks are 19.50 % to 23.20 % per annum (31 December 2023: 21.00 % to 23.20 % per annum) depending on tenure. These term deposit certificates have maturities upto September 2024.

(Rupees in '000)

11.2 Classification of Term Deposit

	30 June 2024 Unaudited	31 December 2023 Audited
01 Months	1 694 000	1 250 000
02 Months	–	500 000
03 Months	3 591 000	4 541 000
06 Months	1 317 429	1 217 428
	<u>6 602 429</u>	<u>7 508 428</u>

12. INVESTMENTS IN OPEN ENDED MUTUAL FUNDS

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

Available for sale

Note

12.1	2 539 829	1 850 418
12.2	953 319	867 998
	<u>3 493 148</u>	<u>2 718 416</u>

12.1 Fair value through profit or loss (Designated - upon initial recognition)

(Rupees in '000)

	30 June 2024 (Unaudited)			31 December 2023 (Audited)		
	Cost	Impairment / Provision	Carrying Value	Cost	Impairment / Provision	Carrying Value
Related parties						
Mutual funds	1 975 454	–	2 045 505	1 783 199	–	1 848 311
Others						
Mutual funds	448 345	–	494 324	989	–	2 107
	<u>2 423 799</u>	<u>–</u>	<u>2 539 829</u>	<u>1 784 188</u>	<u>–</u>	<u>1 850 418</u>

12.2 Available for sale

Related Parties

Mutual funds 937 466 – 937 466 841 552 – 841 552

Others

Mutual funds 4 894 – 4 894 4 894 – 4 894

Surplus on revaluation – – 10 959 – – 21 552

942 360 – 953 319 846 446 – 867 998

12.3 Reconciliation of provision for impairment

Balance at the beginning of the period

Provision / (Reversal) for impairment on available for sale investments

Balance at the end of the period

	30 June 2024 Unaudited	31 December 2023 Audited
	–	32 361
	–	(32 361)
	<u>–</u>	<u>–</u>

		(Rupees in '000)	
	Note	30 June 2024 Unaudited	31 December 2023 Audited
13. CASH AND BANK			
Cash and cash equivalent			
Cash in hand		2 075	34
Policy & revenue stamps		6 098	3 655
Cash at bank			
Current account		410 021	1 433 262
Savings account	13.1	1 884 150	3 617 841
		<u>2 302 344</u>	<u>5 054 792</u>

13.1 These carry mark-up ranging from 19% to 20.5% (2023: 18% to 20.5%) per annum

		(Rupees in '000)	
		30 June 2024 Unaudited	30 June 2023 Unaudited
13.2 Cash and cash equivalents for cash flow purpose comprise of the following:			
Cash and others			
		8 174	12 331
Cash at bank			
		2 294 170	4 886 020
Term deposits maturing within six months			
		<u>6 602 429</u>	<u>10 107 429</u>
		<u>8 904 773</u>	<u>15 005 780</u>

**14. RETAINED EARNINGS ARISING FROM BUSINESS OTHER
THAN PARTICIPATING BUSINESS ATTRIBUTABLE TO
SHAREHOLDERS (LEDGER ACCOUNT D)**

		(Rupees in '000)	
		30 June 2024 Unaudited	31 December 2023 Audited
Opening balance			
		3 865 631	3 088 626
Contribution to solvency margin			
		197 706	245 354
Change in solvency margin through statement of profit and loss account			
		564 793	531 651
		4 628 130	3 865 631
Related deferred tax liability on:			
Opening balance			
		(1 302 961)	(927 072)
Charge to statement of profit and loss account			
		(220 283)	(375 889)
Closing balance			
		(1 523 244)	(1 302 961)
Net of tax			
		<u>3 104 886</u>	<u>2 562 670</u>

		(Rupees in '000)	
	Note	30 June 2024 Unaudited	31 December 2023 Audited
15. INSURANCE LIABILITIES			
Reported outstanding claims	15.1	7 230 767	6 138 861
Incurred but not reported claims	15.2	1 520 647	1 421 457
Investment component of unit-linked and account value policies	15.3	201 926 634	185 930 975
Liabilities under individual conventional insurance contracts	15.4	770 159	856 133
Liabilities under group insurance contracts (other than investment linked)	15.5	2 913 555	1 530 264
Participant takaful fund balance	15.6	863 266	647 198
		<u>215 225 028</u>	<u>196 524 888</u>
15.1 Reported outstanding claims			
Gross of reinsurance			
Payable within one year		6 569 529	5 626 042
Payable over a period of time exceeding one year		1 218 314	896 688
		<u>7 787 843</u>	<u>6 522 730</u>
Recoverable from reinsurers			
Receivable over a period of time exceeding one year		(557 076)	(383 869)
Net reported outstanding claims		<u>7 230 767</u>	<u>6 138 861</u>
15.2 Incurred but not reported claims			
Gross of reinsurance		2 016 771	1 800 124
Reinsurance recoveries		(496 124)	(378 667)
Net of reinsurance		<u>1 520 647</u>	<u>1 421 457</u>
15.3 Investment component of unit linked and account value policies			
Investment component of unit linked policies		201 926 634	185 930 975
Investment component of account value policies		-	-
		<u>201 926 634</u>	<u>185 930 975</u>
15.4 Liabilities under individual conventional insurance contracts			
Gross of reinsurance		969 816	1 066 897
Reinsurance credit		(199 657)	(210 764)
Net of reinsurance		<u>770 159</u>	<u>856 133</u>
15.5 Liabilities under group insurance contracts (other than investment linked)			
Gross of reinsurance		3 882 957	1 711 749
Reinsurance credit		(969 402)	(181 485)
Net of reinsurance		<u>2 913 555</u>	<u>1 530 264</u>
15.6 Participant takaful fund balance		<u>863 266</u>	<u>647 198</u>
16. OTHER CREDITORS AND ACCRUALS			
Amount due to agents		723 981	907 301
Accrued expenses		965 044	954 419
Unclaimed dividend		81 185	75 255
Others		800 291	586 564
		<u>2 570 501</u>	<u>2 523 539</u>

17. CONTINGENCIES AND COMMITMENTS

17.1 The status of the contingencies and commitments remains unchanged as disclosed in the annual audited financial statements of 31 December 2023 except the below mentioned contingencies which relates to merger of EFU Health Insurance Limited:

17.1.1 Income Tax Assessments - Health

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

17.1.1.2 The 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 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.

17.1.1.3 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 Company, the additional tax liability is estimated to be Rs. 2.99 million.

17.1.1.4 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 Company. The tax impact of the said appeal is estimated to be Rs. 6.19 million.

17.1.1.5 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 Company. The tax impact of the said appeal is estimated to be Rs. 2.75 million.

17.1.1.6 The 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.

17.1.1.7 The 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 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 Company. The additional tax impact of the said appeals is estimated to Rs. 0.52 million.

No additional provision has been made for the above matters in these condensed interim financial statements as the management, based on the tax advisor's opinion, is confident that the decisions will be in favor of the Company.

17.2 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 8 May 2019 has exempted SST for the period from 1 July 2016 to 30 June 2019. SRB maintained this exemption via various notifications till June 2023.

With effect from July 1, 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 Company sought a legal opinion from their legal advisors, who confirmed the Company's contention that health insurance is not a service, but in fact, 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 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 Company is not charging sales tax on the policies written in the province of Sindh, nor has recognized the liability for SST in the financial statement. The amount involved as of 30 June 2024, Rs. 354.31 million (31 December 2023: Rs. 128.08 million).

'With effect from November 1, 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 Company's contention that health insurance is not a service, but in fact, 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 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 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 3 October 2019, has granted a stay to the 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 Company, has not charged PST to its clients, nor recognized the contingent amount of PST liability in these financial statements as the management is confident that the final outcome will be in favor of the Company.

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

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

17.4 There were no commitments at the period end.

18. NET INSURANCE PREMIUM / CONTRIBUTION REVENUE

Rupees '000

	Aggregate (Unaudited)		Aggregate (Unaudited)	
	Six months ended		Three months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Gross premium / contribution				
Regular premium / contribution individual policies				
First year	2 065 735	2 326 412	1 155 793	1 454 587
Second year renewal	1 935 621	2 297 985	879 857	1 148 633
Subsequent year renewal	10 068 283	9 947 188	4 568 066	4 607 037
Single premium / contribution individual policies	582 367	310 576	381 080	180 782
Group policies with cash values	8 452	13 585	4 318	5 887
Group policies without cash values	3 610 526	2 819 789	1 847 200	1 392 863
Provision for experience refund	(49 172)	(132 249)	(59 028)	(83 272)
Total gross premium / contribution	18 221 812	17 583 286	8 777 286	8 706 517
Less: Reinsurance premium / retakaful contribution ceded				
On individual life first year business	18 399	24 090	9 465	13 514
On individual life second year business	20 214	24 559	9 095	11 359
On individual life renewal business	133 740	136 828	58 625	60 051
On group policies	996 072	662 600	528 000	346 604
Less: Experience refund from reinsurers	(96 739)	(121 141)	(71 655)	(83 938)
Less: Reinsurance commission on risk premium	(42 326)	(10 367)	(38 563)	(5 770)
Total reinsurance premium / retakaful contribution ceded	1 029 360	716 569	494 967	341 820
Net premium / contribution	17 192 452	16 866 717	8 282 319	8 364 697
19. INVESTMENT INCOME				
Income from equity securities				
At fair value through profit or loss (Designated upon initial recognition)				
Dividend income	1 784 520	1 254 195	887 305	615 862
Available for sale				
Dividend income	103 189	38 367	85 905	34 008
Income from debt securities				
At fair value through profit or loss (Designated upon initial recognition)				
Return on debt securities	1 072 198	886 328	411 619	444 998
Return on government securities	15 213 299	10 719 211	7 555 320	5 904 087
Held to maturity				
Return on government securities	1 130 582	655 519	806 289	391 949
Return on debt securities	246 133	160 288	138 017	114 901
Income from term deposits				
Return on term deposits	660 050	880 053	330 718	485 460
	20 209 971	14 593 961	10 215 173	7 991 265

**20. NET REALISED FAIR VALUE GAINS / (LOSSES)
ON FINANCIAL ASSETS**

Rupees '000

	Aggregate (Unaudited)		Aggregate (Unaudited)	
	Six months ended		Three months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Available for sale				
Realised gains on:				
- Equity securities	489 861	101 269	358 007	10 353
- Government securities	14 004	-	14 004	-
Realised losses on:				
- Equity securities	-	(2 280 205)	-	(600 149)
- Government securities	(237 248)	(1 110)	(184 703)	(61 404)
	<u>266 617</u>	<u>(2 180 046)</u>	<u>187 308</u>	<u>(651 200)</u>
21. NET UNREALISED FAIR VALUE GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
Net unrealised (losses) / gains on investments in financial assets				
- Government securities and debt securities (fair value through profit or loss designated upon initial recognition)	(234 904)	(582 277)	513 194	933 659
Net unrealised gains on investments at fair value through profit or loss (designated upon initial recognition) - Equity securities	5 736 959	1 656 991	3 983 077	295 396
Investment income	5 502 055	1 074 714	4 496 271	1 229 055
Exchange gain	5 535	66 877	5 535	2 461
Reversal / (Provision) of impairment in value of available for sale securities	-	3 479	(732)	14 752
Less: Investment related expenses	(589)	(157)	(413)	-
	<u>5 507 001</u>	<u>1 144 913</u>	<u>4 500 661</u>	<u>1 246 268</u>
22. OTHER INCOME				
Gain on sale of fixed assets	114 627	34 880	55 396	22 436
Return on loans to employees	15 190	14 277	7 665	7 674
Fees charged to policyholders	11 144	10 146	5 384	5 239
Gain on sale of early termination of lease contracts	3 088	17 519	293	17 519
Other income	1 863	13	1 851	8
	<u>145 912</u>	<u>76 835</u>	<u>70 589</u>	<u>52 876</u>

23. NET INSURANCE BENEFITS

	Rupees '000			
	Aggregate (Unaudited)		Aggregate (Unaudited)	
	Six months ended		Three months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Gross claims				
Claims under individual policies				
by death	644 444	559 818	315 195	281 518
by insured event other than death	12 669	13 294	8 322	8 987
by maturity	3 125 824	1 975 758	1 484 382	846 748
by surrender	14 026 408	11 355 712	6 725 381	5 899 310
Total gross individual policy claims	17 809 345	13 904 582	8 533 280	7 036 563
Claims under group policies				
by death	1 649 383	1 140 605	820 855	513 524
by insured event other than death	810 923	80 588	782 878	53 753
by maturity	944	966	475	754
by surrender	25 700	34 485	17 052	26 516
Total gross group claims	2 486 950	1 256 644	1 621 260	594 547
Total gross claims	20 296 295	15 161 226	10 154 540	7 631 110
Less: Reinsurance / retakaful recoveries				
On individual life claims	78 618	52 403	41 384	32 029
On group life claims	757 467	269 199	510 724	111 984
Total reinsurance / retakaful recoveries	836 085	321 602	552 108	144 013
Add: Claims related expenses	4 638	3 690	2 155	2 495
Net insurance benefit	19 464 848	14 843 314	9 604 587	7 489 592

24. ACQUISITION EXPENSES

	(Rupees '000)			
	Aggregate (Unaudited)		Aggregate (Unaudited)	
	Six months ended 30 June		Three months ended 30 June	
	2024	2023	2024	2023
Remuneration to insurance intermediaries on individual policies:				
– Commission to agent on first year premiums / contributions	738 620	893 810	401 336	549 273
– Commission to agent on second year premiums / contributions	182 958	210 861	97 639	93 713
– Commission to agent on subsequent renewal premiums / contributions	279 324	269 710	134 334	126 470
– Commission to agent on single premiums / contributions	17 218	9 034	11 386	5 284
– Override commission to supervisors	181 842	211 956	94 748	123 744
– Other benefits to insurance intermediaries salaries allowances and other benefits	687 143	787 474	270 800	294 820
Remuneration to insurance intermediaries on group policies:				
– Commission	349 176	285 496	180 863	148 334
– Other benefits to insurance intermediaries	107 240	55 013	55 246	27 076
– Travelling expenses	119 678	175 886	83 260	17 375
– Printing and stationery	18 272	12 994	7 646	7 962
– Depreciation	129 792	147 373	64 685	74 867
– Rent, rates and taxes	2 647	3 426	(3 121)	763
– Electricity, gas and water	48 459	40 197	31 284	29 226
– Entertainment	22 570	20 927	12 513	10 920
– Vehicle running expenses	1 501	2 086	807	1 034
– Office repairs & maintenance	23 371	17 730	16 003	12 251
– Postages, telegrams and telephone	17 989	17 080	9 023	8 938
– Medical fees	6 244	10 050	3 292	4 956
– Finance cost	36 205	32 744	18 519	17 165
– Policy stamps	36 433	26 013	25 132	8 047
– Others	166 496	94 023	18 536	39 150
	<u>3 173 178</u>	<u>3 323 883</u>	<u>1 533 931</u>	<u>1 601 368</u>

25. MARKETING AND ADMINISTRATION EXPENSES

	(Rupees '000)			
	Aggregate (Unaudited)		Aggregate (Unaudited)	
	Six months ended 30 June		Three months ended 30 June	
	2024	2023	2024	2023
Employee benefit cost	923 984	683 136	538 206	366 625
Travelling expenses	91 693	95 636	55 442	84 661
Advertisements and sales promotion	91 883	61 404	76 587	38 534
Printing and stationery	46 039	83 421	24 293	46 875
Depreciation	218 647	100 305	120 620	53 537
Amortisation	44 498	2 729	23 849	1 120
Rent, rates and taxes	7 740	2 605	6 815	2 361
Legal and professional charges	42 460	28 734	21 498	10 075
Electricity, gas and water	37 062	37 250	20 627	23 745
Entertainment	30 442	25 344	14 090	12 440
Vehicle running expenses	17 279	7 182	14 326	3 330
Office repair and maintenance	179 371	167 016	67 400	86 842
Appointed actuary fees	11 526	10 550	6 271	5 804
Bank charges	19 568	6 658	14 672	4 711
Postage, internet and telephone	68 166	55 539	37 020	24 062
Fees and subscription	95 335	41 039	42 243	18 943
Annual supervision fee SECP	29 929	29 000	14 834	14 500
Miscellaneous	109 114	83 533	34 266	47 208
	<u>2 064 736</u>	<u>1 521 081</u>	<u>1 133 059</u>	<u>845 373</u>
26. OTHER EXPENSES				
Advertisements and publicity	509	1 637	509	1 544
Auditors' remuneration	1 389	3 600	1 389	3 600
Directors' fee	5 175	5 175	3 225	3 450
Donations	15 320	15 284	5 523	7 965
Printing and stationery	–	1 811	–	1 811
Others	462	143	(809)	23
	<u>22 855</u>	<u>27 650</u>	<u>9 837</u>	<u>18 393</u>
27. TAXATION				
For the period				
Current tax	588 471	538 484	248 387	282 449
Super Tax	202 929	185 666	202 929	185 666
Deferred tax	241 934	242 653	88 907	246 811
For the prior year				
Super tax	–	161 350	–	161 350
	<u>1 033 334</u>	<u>1 128 153</u>	<u>540 223</u>	<u>876 276</u>

28. RELATED PARTY TRANSACTIONS

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

	(Rupees in '000)	
	30 June 2024 Unaudited	30 June 2023 Unaudited
Transactions		
Holding Company		
Premium written	14 891	13 442
Premium paid	38 379	33 960
Claims paid	21 402	2 208
Claims received	–	500
Dividend paid	567 812	556 319
Dividend received	–	32 767
Associated Companies / Related Parties		
Premium written	151 634	157 193
Premium paid	10 362	38 434
Claims paid	96 369	31 128
Commission paid	72 101	72 637
Travelling expenses	17 979	8 692
Donation paid	3 470	6 200
Dividend paid	512 446	517 787
Interest received on bank deposit	398 815	566 705
Purchase of Vehicles (Pak Suzuki Motors)	13 362	48 095
Loan recovered	1 428	–
Placement of TDR	6 364 000	5 340 000
Investment bought	289 135	2 293 300
Investment matured / sold of related party	6 680 000	8 311 000
Key Management Personnel		
Premium written	1 347	904
Loan to key employees	2 400	4 200
Loan recovered	9 828	3 562
Compensation paid	109 463	117 288
Dividend paid	1 592	1 800
Employees' Funds		
Contribution to provident fund	33 406	28 275
Contribution to pension fund	23 411	22 519

	(Rupees in '000)	
	30 June 2024 Unaudited	31 December 2023 Audited
Balances		
Bank balances	828 277	1 218 935
Bank deposits	2 851 429	3 057 429
Premium payable	753	116
Premium receivable	45 206	14 464
Investment in Related Party	3 299 134	–
Commission Payable	2 133	–
Claims outstandings - Holding company	1 140	–
Claims outstanding - Related party	57 279	49 025
Investments Income Receivable	47 013	–
Loan receivable from key employees	15 023	23 878

29. SEGMENTAL INFORMATION

29.1 Revenue Account by Statutory Fund

(Rupees '000)

2024 (Unaudited)

	Statutory Funds						Aggregate	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	Family Takaful Accident & Health	30 June 2024
Income								
Premium/contribution less reinsurance/retakaful	10 944 810	2 065 260	53	193 227	3 533 026	394 897	51 059	17 182 332
Policy transfer from other statutory funds	-	-	-	-	10 120	-	-	10 120
Special reinstatement fee	-	-	-	1 810	18	-	35	1 863
Bonus units transferred to statutory fund	-	-	-	-	(11)	-	-	(11)
Net investment income / wakala income	22 259 979	524 705	3 233	69 917	3 425 050	226 145	4 915	26 513 944
Total net income	33 204 789	2 589 965	3 286	264 954	6 968 203	621 042	56 009	43 708 248
Insurance benefits and expenditures								
Claims net of reinsurance recoveries	15 928 387	1 094 466	4 005	445 137	1 807 052	133 012	38 029	19 450 088
Policy transfer from other statutory funds	10 120	-	-	-	-	-	-	10 120
Bonus units transfer to statutory fund	-	-	-	-	(11)	-	-	(11)
Other Expenses	-	-	-	-	-	-	43	43
Provision for Doubtful debts	-	-	-	-	-	-	-	-
Management expenses less recoveries	3 093 314	717 963	3	103 477	1 705 914	296 546	12 436	5 929 653
Total insurance benefits and expenditures	19 031 821	1 812 429	4 008	548 614	3 512 955	429 558	50 508	25 389 893
Excess of income over insurance benefits and expenditures	14 172 968	777 536	(722)	(283 660)	3 455 248	191 484	5 501	18 318 355
Net change in insurance liabilities (other than outstanding claims)	(12 527 943)	(143 901)	1 161	322 218	(3 379 625)	(13 567)	(15 965)	(15 757 622)
Surplus / (deficit) before tax	1 645 025	633 635	439	38 558	75 623	177 917	(10 464)	2 560 733
Movement in policyholders' liabilities	12 527 943	143 901	(1 161)	(322 218)	3 379 625	13 567	15 965	15 757 622
Transfer to and from shareholder's fund								
Transfer of surplus to shareholders' fund	(1 539 364)	(160 734)	(505)	-	-	(91 373)	(777)	(1 792 753)
Capital contribution from share holders' fund	-	-	-	98 722	98 984	-	-	197 706
Net transfer to / from shareholders' fund	(1 539 364)	(160 734)	(505)	98 722	98 984	(91 373)	(777)	(1 595 047)
Balance of statutory funds at beginning of the period	166 571 007	4 003 729	22 351	1 667 662	23 787 876	377 136	128 062	196 557 823
Balance of statutory funds at end of the period	179 204 611	4 620 531	21 124	1 482 724	27 342 108	477 247	132 786	213 281 131

(Rupees '000)

2023 (Un-audited)

	Statutory Funds							Aggregate
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	Family Takaful Accident & Health	30 June 2023
Income								
Premium/contribution less reinsurance/retakaful	11 279 787	1 882 566	78	173	3 433 078	262 442	-	16 858 124
Policy transfer from other statutory funds	-	-	-	-	-	8 593	-	8 593
Special reinstatement fee	-	-	-	-	13	-	-	13
Bonus units transferred to statutory funds	-	-	-	-	-	-	-	-
Net investment income	11 673 720	338 833	1 716	266	1 809 357	94 387	-	13 918 279
Total net income	22 953 507	2 221 399	1 794	439	5 251 041	356 829	-	30 785 009
Insurance benefits and expenditures								
Claims net of reinsurance recoveries	12 755 072	858 280	-	51	1 126 348	92 035	-	14 831 786
Policy transfer from other statutory funds	7 838	-	-	-	-	-	-	7 838
Bonus units transferred to statutory funds	-	-	-	-	-	-	-	-
Management expenses less recoveries	3 104 790	512 073	4	301	1 598 983	116 288	-	5 332 439
Total insurance benefits and expenditures	15 867 700	1 370 353	4	352	2 725 331	208 323	-	20 172 063
Excess of income over insurance benefits and expenditures	7 085 807	851 046	1 790	87	2 525 710	148 506	-	10 612 946
Net change in insurance liabilities (other than outstanding claims)	(5 777 592)	(300 998)	(1 641)	132	(2 486 751)	(67 017)	-	(8 633 867)
Surplus / (deficit) before tax	1 308 215	550 048	149	219	38 959	81 489	-	1 979 079
Movement in policyholders' liabilities	5 777 592	300 998	1 641	(132)	2 486 751	67 017	-	8 633 867
Transfer to and from shareholder's fund								
Transfer of surplus to shareholders' fund	(1 252 355)	(375 257)	(120)	(249)	-	(54 072)	-	(1 682 053)
Capital contribution from shareholders' fund	-	-	-	-	117 278	-	-	117 278
Net transfer to / from shareholders' fund	(1 252 355)	(375 257)	(120)	(249)	117 278	(54 072)	-	(1 564 775)
Balance of statutory funds at beginning of the period	145 825 021	3 149 543	17 492	631	16 915 660	229 482	-	166 137 829
Balance of statutory funds at end of the period	151 658 473	3 625 332	19 162	469	19 558 648	323 916	-	175 186 000

	As at 30 June 2024 (Unaudited)			As at 31 December 2023 (Audited)		
	Statutory Funds	Shareholders Funds	Total	Statutory Funds	Shareholders Funds	Total
29.2 Segment statement of financial position						
Property and equipment	1 052 147	1 920 891	2 973 038	1 075 881	1 583 291	2 659 172
Right of use assets	-	518 364	518 364	-	568 593	568 593
Intangible assets	-	183 650	183 650	-	190 125	190 125
Investments	215 681 352	1 523 034	217 204 386	193 341 296	1 523 168	194 864 464
Insurance / reinsurance receivables	1 743 906	-	1 743 906	1 061 301	-	1 061 301
Other loans and receivables	3 941 352	236 610	4 177 962	4 252 836	259 117	4 511 953
Taxation - payments less provision	30 146	1 077 546	1 107 692	2 846	1 149 882	1 152 728
Prepayments	120 683	-	120 683	137 990	-	137 990
Cash and bank	2 273 330	29 014	2 302 344	5 035 757	19 035	5 054 792
Total assets	224 842 916	5 489 109	230 332 025	204 907 907	5 293 211	210 201 118
Insurance liabilities net of reinsurance recoveries	215 225 028	-	215 225 028	196 524 888	-	196 524 888
Deferred taxation	-	1 785 045	1 785 045	-	1 543 223	1 543 223
Premium / contribution received in advance	1 680 711	-	1 680 711	1 772 407	-	1 772 407
Insurance / reinsurance payables	425 042	-	425 042	202 221	-	202 221
Lease liabilities	-	651 404	651 404	-	687 196	687 196
Other creditors and accruals	2 306 426	264 075	2 570 501	2 093 209	430 329	2 523 538
Total liabilities	219 637 207	2 700 524	222 337 731	200 592 725	2 660 748	203 253 473

30. MOVEMENT IN INVESTMENTS

(Rupees '000)

	Held to maturity	Available to Sale	Fair value through profit & loss account	Deposit maturing within 12 months	Total
At beginning of previous period	7 109 305	309 797	142 787 648	14 426 429	164 633 179
Additions	25 672 517	928 987	249 896 075	66 696 289	343 193 868
Disposals (sale and redemptions)	(22 217 375)	(37 821)	(223 380 563)	(73 614 290)	(319 250 049)
Fair value net gains (excluding net realised gains)	-	58 329	6 394 659	-	6 452 988
Designated at fair value through profit or loss upon initial recognition					
Provision for impairment	-	(165 522)	-	-	(165 522)
At beginning of current period	10 564 447	1 093 770	175 697 819	7 508 428	194 864 464
Opening Health	1 061 817	-	-	-	1 061 817
Additions	5 556 902	428 103	83 246 762	20 017 001	109 248 768
Disposals (sale and redemptions)	(3 825 668)	-	(69 056 281)	(20 923 000)	(93 804 949)
Fair value net gain (excluding net realised gains)	-	-	5 834 286	-	5 834 286
Provision for impairment	-	-	-	-	-
At end of current period	13 357 498	1 521 873	195 722 586	6 602 429	217 204 386

31. FAIR VALUE

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

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

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
 Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
 Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

	30 June 2024 (Unaudited)										
	Fair value through profit and loss designated upon initial recognition	Available for sale	Held To Maturity	Loans and Receivables	Other financial assets	Other financial liabilities	Total	Fair value			
								Level 1	Level 2	Level 3	Total
On balance sheet financial instruments											
Financial assets measured at fair value											
- Investments											
Government securities (T-bills + PIBs + Sukuks)	155 033 734	-	-	-	-	-	155 033 734	-	155 033 734	-	155 033 734
Sukuk bonds (other than government)	1 734 753	-	-	-	-	-	1 734 753	-	1 734 753	-	1 734 753
Listed equity securities	30 402 864	175 344	-	-	-	-	30 578 208	30 578 208	-	-	30 578 208
Unlisted equity securities	-	508	-	-	-	-	508	-	-	508	508
Units of mutual funds	2 539 829	953 319	-	-	-	-	3 493 148	-	3 493 148	-	3 493 148
Debt securities (Listed TFCs)	4 989 842	-	-	-	-	-	4 989 842	-	4 989 842	-	4 989 842
Financial assets not measured at fair value											
- Government securities (T-bills + PIBs + Sukuks)	-	-	13 790 764	-	-	-	13 790 764	-	-	-	-
- Balances with banks *	8 896 599	-	-	-	-	-	8 896 599	-	-	-	-
- Certificate of investment	-	-	981 000	-	-	-	981 000	-	-	-	-
- Advances to employees and agents	-	-	-	144 246	-	-	144 246	-	-	-	-
- Investment income accrued	-	-	-	-	2 714 734	-	2 714 734	-	-	-	-
- Other loans and receivables (excluding markup accrued)*	-	-	-	-	1 318 982	-	1 318 982	-	-	-	-
	203 597 621	1 129 171	14 771 764	144 246	4 033 716	-	223 676 518	-	-	-	-
Financial liabilities not measured at fair value											
Deferred taxation	-	-	-	-	-	1 785 045	1 785 045	-	-	-	-
Premium received in advance	-	-	-	-	-	1 680 711	1 680 711	-	-	-	-
Insurance / reinsurance payables	-	-	-	-	-	425 042	425 042	-	-	-	-
Lease liability	-	-	-	-	-	651 404	651 404	-	-	-	-
Other creditors and accruals	-	-	-	-	-	2 570 501	2 570 501	-	-	-	-
	-	-	-	-	-	7 112 703	7 112 703	-	-	-	-
	203 597 621	1 129 171	14 771 764	144 246	4 033 716	(7 112 703)	216 563 815	-	-	-	-

On balance sheet financial instruments

31 December 2023 (Audited)

(Rupees '000)

	Fair value through profit and loss designated upon initial recognition	Available for sale	Held To Maturity	Loans and Receivables	Other financial assets	Other financial liabilities	Total	Fair value			Total	
								Level 1	Level 2	Level 3		
Financial assets measured at fair value												
- Investments												
Government securities (T-bills + PIBs + Sukuks)	143,144,957	-	-	-	-	-	143,144,957	143,144,957	-	-	143,144,957	
Sukuk bonds (other than government)	1,833,422	-	-	-	-	-	1,833,422	1,833,422	-	-	1,833,422	
Listed equity securities	22,191,356	122,797	-	-	-	-	22,314,153	22,314,153	-	-	22,314,153	
Unlisted equity securities	-	508	-	-	-	-	508	-	-	508	508	
Units of mutual funds	1,850,418	867,998	-	-	-	-	2,718,416	2,718,416	-	-	2,718,416	
Debt securities (listed TFCs)	5,592,836	-	-	-	-	-	5,592,836	5,592,836	-	-	5,592,836	
Financial assets not measured at fair value												
- Government securities (T-bills + PIBs + Sukuks)	-	-	10,770,744	-	-	-	10,770,744	10,770,744	-	-	10,770,744	
-Banks with banks *	12,559,531	-	-	-	-	-	12,559,531	12,559,531	-	-	12,559,531	
- Certificate of investment	-	-	981,000	-	-	-	981,000	981,000	-	-	981,000	
- Advances to employees and agents	-	-	-	167,496	-	-	167,496	167,496	-	-	167,496	
- Investment income accrued	-	-	-	-	3,293,614	-	3,293,614	3,293,614	-	-	3,293,614	
- Other loans and receivables (excluding markup accrued)*	-	-	-	-	1,050,843	-	1,050,843	1,050,843	-	-	1,050,843	
	187,172,520	991,303	11,751,744	167,496	4,344,457	-	204,427,520	204,427,520	-	-	204,427,520	
Financial liabilities not measured at fair value												
Deferred taxation	-	-	-	-	-	1,544,309	1,544,309	1,544,309	-	-	1,544,309	
Premium received in advance	-	-	-	-	-	1,772,407	1,772,407	1,772,407	-	-	1,772,407	
Insurance /reinsurance payables	-	-	-	-	-	202,220	202,220	202,220	-	-	202,220	
Lease liability	-	-	-	-	-	687,196	687,196	687,196	-	-	687,196	
Other creditors and accruals	-	-	-	-	-	2,523,539	2,523,539	2,523,539	-	-	2,523,539	
	-	-	-	-	-	6,729,671	6,729,671	6,729,671	-	-	6,729,671	
	187,172,520	991,303	11,751,744	167,496	4,344,457	(6,729,671)	197,697,849	197,697,849	-	-	197,697,849	

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

32. GENERAL

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

Corresponding figures have been re-arranged and reclassified, wherever necessary, to facilitate comparisons. There were no significant reclassifications during the period except as disclosed.

33. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 22nd August 2024.

MOHAMMED ALI AHMED
Managing Director &
Chief Executive

SYED SHAHID ABBAS
Chief Financial
Officer

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Vice Chairman

RAFIQUE R. BHIMJEE
Chairman

Karachi 22 August, 2024



NEW HORIZONS NEW POSSIBILITIES

**EFU Life Window Takaful Operation
Condensed Interim Financial Statement
Report (Un-audited / Un-reviewed)
Six Months Ended 30 June 2024**

Condensed Interim Statement of Financial Position

Window Takaful Operations (Un-audited / Un-reviewed)

As at 30 June 2024

(Rupees in '000)

	Note	Operators' Sub Fund	Policyholders' Fund	30 June 2024 Unaudited	31 December 2023 Unaudited
Assets					
Investments					
Equity securities	5	–	3 681 589	3 681 589	2 481 285
Government securities	6	354 012	18 899 013	19 253 025	16 698 708
Debt securities	7	–	1 773 576	1 773 576	1 782 641
Term deposits	8	–	2 218 000	2 218 000	1 991 000
Takaful / retakaful receivables		–	218 911	218 911	101 439
Other loans and receivables		353 713	2 364 905	2 718 618	2 384 415
Deferred tax asset		18 096	–	18 096	33 621
Prepayments		11 645	–	11 645	4 042
Qard-e-Hasna		55 000	–	55 000	–
Deferred Commission Receivable		8 223	–	8 223	–
Cash & Bank	9	117 243	1 275 013	1 392 256	1 537 652
Total Assets		917 932	30 431 007	31 348 939	27 014 803
Equity and Liabilities					
Cede Money		100 000	–	100 000	50 000
Capital contributed by shareholder's fund		306 523	–	306 523	254 359
Qard-e-Hasna		–	–	–	–
Retained Earning arising from business other than participating business attributable to shareholder's (Ledger account D)		293 066	–	293 066	246 246
Accumulated losses		(165 385)	–	(165 385)	(171 084)
Total Equity		534 204	–	534 204	379 521
Liabilities					
Insurance Liabilities	10	425	28 289 255	28 289 680	24 481 660
Takaful contribution received in advance		–	325 684	325 684	292 278
Takaful / retakaful payables		–	229 137	229 137	136 449
Deferred Tax Liability		–	–	–	–
Other creditors and accruals		383 303	1 586 931	1 970 234	1 724 895
Total Liabilities		383 728	30 431 007	30 814 735	26 635 282
Total Equity and Liabilities		917 932	30 431 007	31 348 939	27 014 803
Contingency(ies) and commitment(s)	11				

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

MOHAMMED ALI AHMED
Managing Director &
Chief Executive

SYED SHAHID ABBAS
Chief Financial
Officer

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Vice Chairman

RAFIQUE R. BHIMJEE
Chairman

Karachi 22 August, 2024

Condensed Interim Profit and Loss Account Window Takaful Operations (Un-audited / Un-reviewed) for the six months period ended 30 June 2024

(Rupees in '000)

Note	Operators' Sub Fund		Policyholders' Fund		Aggregate		Aggregate	
	Six months ended		Six months ended		Six months ended		Three months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Contribution Revenue	538 383	574 291	3 760 079	3 390 859	4 298 462	3 965 150	2 099 579	2 141 694
Contribution ceded to reinsurers	–	–	(309 360)	(261 035)	(309 360)	(261 035)	(102 281)	(196 965)
Net Contribution revenue	538 383	574 291	3 450 719	3 129 824	3 989 102	3 704 115	1 997 298	1 944 729
Wakalat-ul-Istismar - PIF	410 861	337 007	(413 345)	(339 519)	(2 484)	(2 512)	(58)	(2 507)
Wakala Fee - PTF	299 277	153 321	(299 277)	(153 321)	–	–	–	–
Special reinstatement fee	18	13	–	–	18	13	6	8
Mudarib Fee	40 267	29 637	(40 267)	(29 637)	–	–	–	–
Lapsed unit Income	45	–	(45)	–	–	–	–	–
Other Income	35	–	–	–	35	–	35	–
Investment income	66 759	69 111	2 398 075	1 456 643	2 464 834	1 525 754	1 277 108	876 220
Net realised fair value gains / (losses) on financial assets	67	(349)	26 184	(122 547)	26 251	(122 896)	26 251	(51 529)
Net unrealised fair value gains on financial assets at fair value through profit or loss	1 193	30	465 540	10 525	466 733	10 555	295 958	74 358
	818 522	588 770	2 136 865	822 144	2 955 387	1 410 914	1 599 300	896 550
Net income	1 356 905	1 163 061	5 587 584	3 951 968	6 944 489	5 115 029	3 596 598	2 841 279
Takaful benefits	–	–	2 078 778	1 308 721	2 078 778	1 308 721	1 020 666	629 110
Recoveries from retakafuls	–	–	(103 438)	(91 307)	(103 438)	(91 307)	(60 702)	(20 426)
Qard-e-Hasna	–	–	–	–	–	–	–	–
Claims related expenses	–	–	–	–	–	–	–	–
Net Takaful Benefits	–	–	1 975 340	1 217 414	1 975 340	1 217 414	959 964	608 684
Net Change in Takaful Liabilities (other than outstanding claim)	96	–	3 612 244	2 734 554	3 612 340	2 734 554	1 879 847	1 585 453
Acquisition expenses	869 089	933 600	–	–	869 089	933 600	476 724	466 818
Exgratia-Surrender Expense	2 753	969	–	–	2 753	969	2 296	773
Marketing and administration expenses	445 077	288 829	–	–	445 077	288 829	231 316	162 440
Total Expenses	1 317 015	1 223 398	3 612 244	2 734 554	4 929 259	3 957 952	2 590 183	2 215 484
Income / (Loss) before tax	39 890	(60 337)	–	–	39 890	(60 337)	46 451	17 111
Income tax	(15 557)	23 532	–	–	(15 557)	23 532	(17 459)	1 072
Income / (Loss) for the period	24 333	(36 805)	–	–	24 333	(36 805)	28 992	18 183

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

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Chief Executive

SYED SHAHID ABBAS
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SAIFUDDIN N. ZOOMKAWALA
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Vice Chairman

RAFIQUE R. BHIMJEE
Chairman

Karachi 22 August, 2024

Condensed Interim Statement of Comprehensive Income Window Takaful Operations (Un-audited / Un-reviewed) for the six months period ended 30 June 2024

(Rupees in '000)

	Operators' Sub Fund		Policyholders' Fund		Aggregate		Aggregate	
	Six months ended		Six months ended		Six months ended		Three months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Income for the period - as per Profit and Loss Account	24 333	(36 805)	-	-	24 333	(36 805)	28 991	18 183
Other Comprehensive Income:								
Items that may be reclassified to profit and loss in subsequent periods:								
Change in unrealised gains / (losses) on available-for-sale financial assets	-	-	-	-	-	-	-	-
Reclassification adjustment relating to available-for-sale investments sold during the period	-	-	-	-	-	-	-	-
Related deferred tax	-	-	-	-	-	-	-	-
Other comprehensive income for the period - net of tax	-	-	-	-	-	-	-	-
Total comprehensive income for the period	24 333	(36 805)	-	-	24 333	(36 805)	28 991	18 183

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

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Karachi 22 August, 2024

Condensed Interim Statement of Cash Flows

Window Takaful Operations (Un-audited / Un-reviewed)

for the six months period ended 30 June 2024

(Rupees in '000)

	Six months ended 30 June	
	2024	2023
Operating cash flows		
a) Takaful activities		
Takaful contribution received	4 258 554	4 049 552
Retakaful contribution paid	(124 899)	13 570
Claims paid	(2 047 067)	(1 298 162)
Commission paid	(566 222)	(634 032)
Marketing and Administrative expenses paid	(445 077)	(288 829)
Other acquisition cost paid	(227 522)	(436 999)
Net cash flow from underwriting activities	847 767	1 405 100
b) Other operating activities		
Other operating receipts / (payments)	135 736	(1 002 970)
Other (payments) / receipts on operating assets	(168 515)	743 342
Net cash flow from other operating activities	(32 778)	(259 628)
Total cash flow from all operating activities	814 988	1 145 472
Investment activities		
Profit / Return received	2 286 632	1 247 776
Dividends received	163 203	70 945
Payments for investments	(4 373 187)	(4 929 049)
Proceed from disposal of investments	1 120 615	321 804
Total cash flow from investing activities	(802 737)	(3 288 524)
Financing activities		
Net Capital contributed from shareholder's fund	(75 832)	(32 399)
Total cash flow from financing activities	(75 832)	(32 399)
Net cash flow from all activities	(63 581)	(2 175 451)
Cash and cash equivalents at beginning of the period	3 673 837	5 442 467
Cash and cash equivalents at end of the period	3 610 256	3 267 016
Reconciliation to profit and loss account		
Operating cash flows	814 988	1 145 472
Depreciation expense	(83 555)	(60 411)
Amortization expense	(9 945)	(506)
Gain / (Loss) on disposal of investments	26 250	(122 897)
Dividend Income	163 203	70 945
Other investment income	2 283 837	1 466 199
Appreciation / (Depreciation) in market value of investments	484 530	(832)
Increase / (Decrease) in assets other than cash	325 875	(695 920)
Increase in liabilities	(3 980 850)	(1 838 855)
Profit / (Loss) after taxation	24 333	(36 805)

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

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Karachi 22 August, 2024

Condensed Interim Statement of Changes in Equity Window Takaful Operations (Un-audited / Un-reviewed) for the six months period ended 30 June 2024

(Rupees in '000)

	Attributable to the equity holders' of the Company						Total
	Cede Money	Capital Contribution from main Shareholder Fund	General Reserves	Retained earnings arising from business other than participating business attributable to shareholders (ledger account D) - net of tax*	Surplus/(Deficit) on revaluation of available for sale investment	Unappropriated Profit	
Balance as at 1 January 2023	50 000	61 326	-	193 925	-	(69 279)	235 972
Capital contribution from shareholder's fund	-	117 278	-	-	-	-	117 278
(Loss) for the period ended 30 June 2023	-	-	-	-	-	(36 805)	(36 805)
Other Comprehensive income/(loss)	-	-	-	-	-	-	-
Total (loss) for the period ended 30 June 2023		-	-	-	-	(36 805)	(36 805)
Contribution to increase solvency margin	-	(2 875)	-	2 875	-	-	-
Balance as at 30 June 2023	50 000	175 729	-	196 800	-	(106 084)	316 445
Balance as at 1 January 2024	50 000	254 359	-	246 246	-	(221 059)	329 546
Ceed Money of Takaful Health	50 000					31 341	81 341
Capital contribution from shareholder's fund	-	98 984	-	-	-		98 984
Income for the period ended 30 June 2024	-	-	-	-	-	24 333	24 333
Other Comprehensive income/(loss)	-	-	-	-	-	-	-
Total income for the period ended 30 June 2024		-	-	-	-	24 333	24 333
Contribution to increase solvency margin	-	(46 820)	-	46 820	-	-	-
Balance as at 30 June 2024	100 000	306 523	-	293 066	-	(165 385)	534 204

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

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

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Karachi 22 August, 2024

Notes to and forming part of the Condensed Interim Financial Information Window Takaful Operations (Un-audited / Un-reviewed) for the six months period ended 30 June 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. Basis of preparation and statement of compliance

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

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

2.3 Basis of measurement

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

2.4 Functional and presentation currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

5. INVESTMENTS IN EQUITY SECURITIES

(Rupees in '000)

	Note	30 June 2024 Unaudited	31 December 2023 Unaudited
At fair value through profit or loss (Designated - upon initial recognition)	5.1	3 681 589	2 481 285

(Rupees in '000)

	30 June 2024 (Unaudited)			31 December 2023 (Unaudited)		
	Cost	Impairment / provision	Carrying Value	Cost	Impairment / provision	Carrying Value
5.1 Fair Value through Profit and Loss (Designated – upon initial recognition)						
Related Parties						
Listed Shares	–	–	–	–	–	–
Others						
Listed Shares	2 778 120	–	3 681 589	2 481 285	–	2 481 285
	<u>2 778 120</u>	<u>–</u>	<u>3 681 589</u>	<u>2 481 285</u>	<u>–</u>	<u>2 481 285</u>

6. GOVERNMENT SECURITIES		(Rupees in '000)	
	Note	30 June 2024 Unaudited	31 December 2023 Unaudited
Held to Maturity	6.1	1 176 548	1 175 648
Fair value through profit and loss (designated - upon initial recognition)	6.2	18 076 477	15 523 060
		<u>19 253 025</u>	<u>16 698 780</u>

(Rupees in '000)

		30 June 2024 (Unaudited)			31 December 2023 (Unaudited)			
	Maturity Year	Effective Yield (%)	Amortised Cost	Principal Repayment	Carrying Value	Amortised Cost	Principal Repayment	Carrying Value
6.1 Held to Maturity								
Government Ijara	2024-2029	8.37-21.36	535 508	539 000	535 508	533 234	537 000	533 234
Pakistan Energy Sukuk I	2029	0.2253	188 773	170 000	188 772	190 033	170 000	190 033
Pakistan Energy Sukuk II	2030	0.2117	452 268	450 000	452 268	452 381	450 000	452 381
			<u>1 176 549</u>	<u>1 159 000</u>	<u>1 176 548</u>	<u>1 175 648</u>	<u>1 157 000</u>	<u>1 175 648</u>
6.2 Fair Value through profit and loss (Designated - upon initial recognition)								
Government Ijara	2024-2029	11.40-21.63	17 610 066	17 901 900	17 433 668	14 951 577	14 953 900	14 875 960
Pakistan Energy Sukuk I	2029	23%	592 557	530 000	592 557	596 836	530 000	596 835
Pakistan Energy Sukuk II	2030	21%	50 252	50 000	50 252	50 265	50 000	50 265
			<u>18 252 875</u>	<u>18 481 900</u>	<u>18 076 477</u>	<u>15 598 678</u>	<u>15 533 900</u>	<u>15 523 060</u>

7. INVESTMENT IN DEBT SECURITIES

(Rupees in '000)

		30 June 2024 (Unaudited)			31 December 2023 (Unaudited)		
Note	Cost	Impairment / Provision	Carrying Value	Cost	Impairment / Provision	Carrying Value	
Others							
Corporate Sukuks	7.1	1 773 576	-	1 773 576	1 782 641	-	1 782 641
		<u>1 773 576</u>	<u>-</u>	<u>1 773 576</u>	<u>1 782 641</u>	<u>-</u>	<u>1 782 641</u>

(Rupees in '000)

Fair Value through Profit and Loss (Designated upon initial recognition)	Maturity	No. of Certificates		Face Value	Carrying Amount	
		30 June 2024	31 December 2023		30 June 2024	31 December 2023
7.1 Corporate Sukuks						
Neelum Jehlum Hydro Power Company Limited	2026	1 250	1 250	100	26 523	33 126
Meezan Bank Limited	Perpetual	50 000	50 000	5	250 000	250 000
Dubai Islamic Bank Limited	2028	20 000	20 000	5	100 000	100 000
Related Parties						
Bank Islami Pakistan Limited	Perpetual	28 063	28 063	5	140 315	140 315
					516 838	523 441
Term Finance Certificate						
K-Electric Limited	2029	120 000	120 000	5	604 738	607 200
					604 738	607 200
Certificate Of Investment						
First Habib Modaraba Private Limited	2024	3	3	217 333	652 000	652 000
					652 000	652 000
					1 773 576	1 782 641

8. INVESTMENTS IN TERM DEPOSITS

(Rupees in '000)

	30 June 2024 Unaudited	31 December 2023 Unaudited
Deposit maturing within 12 months	2 218 000	1 991 000
9. CASH AND BANK		
Cash and Cash Equivalent		
Cash in hand	143	-
Cash at bank		
Current account	225 303	182 130
Saving account	1 166 810	1 355 522
	1 392 256	1 537 652

(Rupees in '000)

	30 June 2024	30 June 2023
9.1 Cash and cash equivalents for cash flow purpose comprise of the following:		
- Cash and others	143	307
- Cash at bank	1 392 113	2 126 709
- Term deposits maturing within three months	2 218 000	1 140 000
	3 610 256	3 067 016

		(Rupees in '000)	
	Note	30 June 2024 Unaudited	31 December 2023 Unaudited
10. TAKAFUL LIABILITIES			
Reported outstanding claims	10.1	710 182	530 744
Incurred but not reported claims	10.2	65 384	170 037
Investment component of unit-linked and account value policies	10.3	26 263 095	22 872 690
Liabilities under individual conventional insurance contracts	10.4	122 239	135 303
Liabilities under group insurance contracts (other than investment linked)	10.5	199 409	66 432
Other liabilities		66 104	59 256
Participant takaful fund balance	10.6	863 267	647 198
		<u>28 289 680</u>	<u>24 481 660</u>
10.1 Reported Outstanding Claims			
Gross of Retakaful			
Payable within one year		564 078	503 311
Payable over a period of time exceeding one year		309 522	59 936
		<u>873 600</u>	<u>563 247</u>
Recoverable from Retakaful			
Receivable over a period of time exceeding one year		(163 418)	(32 503)
		<u>(163 418)</u>	<u>(32 503)</u>
Net reported outstanding claims		<u>710 182</u>	<u>530 744</u>
10.2 Incurred But Not Reported Claims			
Gross of retakaful		93 961	317 346
Retakaful recoveries		(28 577)	(147 309)
Net of retakaful		<u>65 384</u>	<u>170 037</u>
10.3 Investment Component of Unit Linked and Account Value Policies			
Investment component of unit linked policies		26 263 095	22 872 690
Investment component of account value policies		-	-
		<u>26 263 095</u>	<u>22 872 690</u>
10.4 Liabilities under Individual Conventional takaful Contracts			
Gross of Retakaful		188 645	208 239
Retakaful Credit		(66 406)	(72 936)
Net of retakaful		<u>122 239</u>	<u>135 303</u>
10.5 Liabilities under Group Insurance Contracts (other than investment linked)			
Gross of Reinsurance		354 126	94 571
Reinsurance Credit		(154 716)	(28 139)
Net of retakaful		<u>199 409</u>	<u>66 432</u>
10.6 Participant Takaful Fund Balance			
	10.6.1	<u>863 267</u>	<u>647 198</u>

10.6.1 This comprises of surplus of Individual Family Takaful - Participant Takaful Fund, which relates exclusively to participants of the Individual Family Takaful Fund and is not available for distribution to shareholders. Under the Waqf Deed of Individual Family Takaful Fund read with Rule 21 of Takaful Rules, 2012, the surplus arising in the Participants SubFund can only be distributed to the Participants of that Fund based on approval of the Appointed Actuary. The surplus has been classified under insurance liabilities as clarified by SECP.

11. CONTINGENCIES AND COMMITMENTS

The contingencies and commitments reported in the main financials of the Company also includes impacts of Window Takaful Operations as at December 31, 2022. Out of the reported amount thereon, an amount of Rs.290.9 million pertain to Window Takaful Operations. There were no other material contingencies and commitments as at 30 June, 2024.

12. NET CONTRIBUTION REVENUE

Rupees '000

	Aggregate		Aggregate	
	Six months period ended 30 June	30 June	Three months period ended 30 June	30 June
	2024	2023	2024	2023
Gross contribution				
Regular contribution individual policies				
First year	698 742	781 727	426 569	499 372
Second year renewal	640 676	801 661	294 597	394 043
Subsequent year renewal	2 183 803	1 857 543	999 838	872 192
Single contribution individual policies	65 497	46 951	25 409	27 198
Group policies with cash values	395	555	265	510
Group policies without cash values	709 349	476 713	352 901	348 379
Total gross contribution	4 298 462	3 965 150	2 099 579	2 141 694
Less: Retakaful contribution ceded				
On individual life first year business	8 703	11 820	4 675	6 415
On individual life second year business	8 446	10 644	3 974	5 493
On individual life renewal business	30 820	29 640	13 940	12 873
On group policies	266 126	214 271	82 642	175 054
Less: Experience refund from reinsurers	(4 735)	(5 340)	(2 950)	(2 870)
Total reinsurance premium / retakaful contribution ceded	309 360	261 035	102 281	196 965
Net premium / contribution	3 989 102	3 704 115	1 997 298	1 944 729
13. INVESTMENT INCOME				
Income from equity securities				
At fair value through profit and loss (Designated upon initial recognition)				
Dividend income	163 199	70 945	77 211	33 477
Available for Sale				
Dividend income	–	–	–	–
Income from debt securities				
At fair value through profit and loss (Designated upon initial recognition)				
Return on debt securities	257 020	196 270	136 282	85 125
On government securities	400 817	338 894	215 377	117 130
Held to maturity				
On government securities	1 436 429	736 424	739 634	551 559
Income from term deposits				
Return on term deposits	207 369	183 221	108 604	88 929
	2 464 834	1 525 754	1 277 108	876 220

**14. NET REALISED FAIR VALUE GAIN / (LOSSES)
ON FINANCIAL ASSETS**

Rupees '000

	Aggregate (Unaudited) Six months period ended 30 June		Aggregate (Unaudited) Three months period ended 30 June	
	2024	2023	2024	2023
Available for sale				
Realised gains on:				
- Equity securities	26 251	3 508	26 251	513
- Government securities	-	-	-	-
Realised losses on:				
- Equity securities	-	(126 404)	-	(52 042)
	<u>26 251</u>	<u>(122 896)</u>	<u>26 251</u>	<u>(51 529)</u>

**15. NET FAIR VALUE GAINS / (LOSSES) ON FINANCIAL
ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS
- UNREALISED**

Net unrealised gains / (losses) on investments at fair value through profit or loss (designated upon initial recognition)- Equity Securities

570 216	10 555	335 828	(17 773)
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Net unrealised loss on investments at fair value through profit or loss (designated upon initial recognition)- Government Securities

(103 483)	-	(39 870)	92 129
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<u>466 733</u>	<u>10 555</u>	<u>295 958</u>	<u>74 356</u>
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16. NET TAKAFUL BENEFITS
Gross claims

Claims under individual policies

by death	80 076	56 699	32 066	30 264
by insured event other than death	-	-	-	-
by maturity	-	-	-	-
by surrender	1 744 515	1 084 857	833 216	540 664

Total gross individual policy claims

<u>1 824 591</u>	<u>1 141 556</u>	<u>865 282</u>	<u>570 928</u>
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Claims under group policies

by death	203 408	162 453	109 955	57 803
by insured event other than death	50 780	4 712	45 430	379
by maturity	-	-	-	-
by surrender	-	-	-	-

Total gross group claims

<u>254 188</u>	<u>167 165</u>	<u>155 385</u>	<u>58 182</u>
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Total gross claims

<u>2 078 779</u>	<u>1 308 721</u>	<u>1 020 667</u>	<u>629 110</u>
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Less: Retakaful recoveries

On individual life claims	18 828	16 177	7 958	7 125
On group life claims	84 611	75 130	52 745	13 301

Total retakaful recoveries

<u>103 439</u>	<u>91 307</u>	<u>60 703</u>	<u>20 426</u>
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Net takaful benefit expense

<u>1 975 340</u>	<u>1 217 414</u>	<u>959 964</u>	<u>608 684</u>
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17. ACQUISITION EXPENSES

(Rupees '000)

	Aggregate (Unaudited)		Aggregate (Unaudited)	
	Six months ended		Three months ended	
	30 June		30 June	
	2024	2023	2024	2023
Remuneration to takaful intermediaries on individual policies:				
– Commission to agent on first year contributions	254 876	302 450	152 187	191 193
– Commission to agent on second year contributions	77 625	74 868	44 052	26 200
– Commission to agent on subsequent renewal contributions	68 904	56 263	39 637	27 015
– Commission to agent on single contributions	1 872	1 364	750	794
– Override commission to supervisors	46 936	59 618	26 998	36 807
– Other benefits to takaful intermediaries Salaries allowances and other benefits	214 772	273 588	95 197	79 903
Remuneration to takaful intermediaries on group policies:				
– Commission	41 656	20 086	27 926	13 447
– Other benefits to takaful intermediaries	21 982	10 854	11 215	7 539
Other acquisition costs				
– Traveling expenses	28 812	39 578	27 126	36 451
– Printing and stationery	1 530	341	970	190
– Depreciation	37 217	41 797	18 915	21 812
– Rent rates and taxes	768	1 666	(549)	726
– Electricity gas and water	12 166	11 812	6 924	7 480
– Entertainment	4 196	4 603	2 114	2 488
– Vehicle running expenses	240	774	108	339
– Office repairs & maintenance	6 262	4 012	3 803	1 965
– Postages telegrams and telephone	2 941	2 796	1 434	1 443
– Finance Cost	8 629	9 530	4 355	4 655
– Others	23 777	6 095	4 191	2 507
– Medical fees	1 274	2 220	650	992
– Policy stamps	12 654	9 285	8 721	2 872
	<u>869 089</u>	<u>933 600</u>	<u>476 724</u>	<u>466 818</u>

18. MARKETING AND ADMINISTRATION EXPENSES

Employee benefit cost	197 063	130 194	112 698	73 795
Traveling expenses	16 942	10 873	10 773	8 440
Advertisements and sales promotion	17 594	15 714	14 666	9 998
Printing and stationery	10 831	15 451	5 381	8 682
Depreciation	46 338	18 614	24 310	9 959
Amortisation	9 945	506	5 310	208
Rent rates and taxes	1 068	451	860	437
Legal and Professional charges	9 330	4 898	4 542	2 279
Electricity gas and water	8 277	7 479	4 618	4 794
Entertainment	6 298	4 620	2 926	2 236
Vehicle running expenses	2 570	1 137	1 972	518
Office repair and maintenance	39 535	31 121	14 391	16 165
Appointed actuary fees	2 587	1 955	1 408	1 075
Bank charges	4 770	1 471	3 716	1 079
Postage internet and telephone	16 656	12 555	8 365	5 381
Fees and subscription	26 436	7 570	9 481	3 511
Annual supervision fee SECP	6 841	6 491	3 323	3 529
Miscellaneous	21 996	17 729	2 576	10 354
	<u>445 077</u>	<u>288 829</u>	<u>231 316</u>	<u>162 440</u>

(Rupees '000)

	Aggregate (Unaudited)		Aggregate (Unaudited)	
	Six months ended 30 June		Three months ended 30 June	
	2024	2023	2024	2023
19. TAX FOR THE PERIOD				
Current	(15 557)	23 532	(17 459)	1 072
Deferred	–	–	–	–
	<u>(15 557)</u>	<u>23 532</u>	<u>(17 459)</u>	<u>1 072</u>

20. RELATED PARTY TRANSACTIONS

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

(Rupees in '000)

	Six months ended (Unaudited)	
	30 June 2024	30 June 2023
Transactions		
Holding Company		
Premium paid	37	–
Associated companies/ Related Party		
Premium written	13	735
Premium paid	658	5 340
Claims paid	2 147	3 186
Commission Paid	11 263	2 014
Interest / Profit received	187 245	161 128
Placement of TDR	4 264 000	1 290 000
TDR matured	4 230 000	1 140 000
Employees' funds		
Contribution to provident fund	802	1 524
Contribution to pension fund	422	708
Key Management Personnel Transactions		
Premium written	80	339
		(Rupees in '000)
	30 June 2024 (Unaudited)	31 December 2023 (Unaudited)
Balances		
Bank balances	602 153	728 345
Bank deposits	1 434 000	1 290 000
Premium payable	–	108
Premium receivable	72	8
Investment in Related Party	140 315	140 315
Investments Income Receivable	23 330	–
Claim outstandings -Related Parties	855	2 833

21. SEGMENTAL INFORMATION

21.1 Revenue Account by Statutory Fund

(Rupees in '000)

	Family Takaful Investment Linked Business	Family Takaful Protection Linked Business	Family Takaful Accident and Health	Aggregate Period ended 30 June 2024
Income				
Contribution less retakaful	3 533 026	394 897	51 059	3 978 982
Policy transfer from other statutory funds	10 120	–	–	10 120
Bonus units transfer to statutory fund	18	–	35	53
Net investment income / wakala income	3 425 050	226 145	4 915	3 656 110
Total net income	6 968 214	621 042	56 009	7 645 265
Takaful Benefits and Expenditures				
Claims net of retakaful recoveries	1 807 052	133 012	38 029	1 978 093
Policy transfer from other statutory funds	–	–	–	–
Provision for doubtful debts	–	–	–	–
Other Expenses	–	–	43	43
Management expenses less recoveries	1 705 914	296 546	12 436	2 014 896
Total takaful Benefits and Expenditures	3 512 966	429 558	50 508	3 993 032
Excess of income over takaful Benefits and Expenditures	3 455 248	191 484	5 501	3 652 233
Net Change in takaful Liabilities (Other than outstanding Claims)	(3 379 625)	(13 567)	(15 965)	(3 409 157)
Surplus / (Deficit) before tax	75 623	177 917	(10 464)	243 076
Movement in takaful liabilities	3 379 625	13 567	15 965	3 409 157
Transfer to and from Shareholder's Fund				
Transfer of (surplus) / deficit to shareholders' fund	–	(91 373)	(777)	(92 150)
Capital contribution to / from share holders' fund	98 984	–	–	98 984
Net Transfer to / from shareholders' fund	98 984	(91 373)	(777)	6 834
Balance of statutory funds at beginning of the period	23 787 876	377 136	128 062	24 293 074
Balance of statutory funds at end of the period	27 342 108	477 247	132 786	27 952 141

(Rupees in '000)

				Aggregate
	Family Takaful Investment Linked Business	Family Takaful Protection Linked Business	Family Takaful Accident and Health	Period ended 30 June 2023
Income				
Contribution less retakaful	3 433 078	262 442	–	3 695 520
Policy transfer from other statutory funds	8 593	–	–	8 593
Special reinstatement fee	13	–	–	13
Net investment income	1 809 357	94 387	–	1 903 744
Total net income	5 251 041	356 829	–	5 607 870
Takaful Benefits and Expenditures				
Claims net of retakaful recoveries	1 126 348	92 035	–	1 218 383
Policy transfer from other statutory funds	–	–	–	–
Management expenses less recoveries	1 598 983	116 288	–	1 715 271
Total Insurance Benefits and Expenditures	2 725 331	208 323	–	2 933 654
Excess of income over Takaful Benefits and Expenditures	2 525 710	148 506	–	2 674 216
Net Change in Takaful Liabilities (Other than outstanding Claims)	(2 486 751)	(67 017)	–	(2 553 768)
Surplus before tax	38 959	81 489	–	120 448
Movement in takaful liabilities	2 486 751	67 017	–	2 553 768
Transfer to and from Shareholder's Fund				
Transfer of (surplus) / deficit to shareholders' fund	–	(54 072)	–	(54 072)
Capital contribution from share holders' fund	117 278	–	–	117 278
Net Transfer to/from shareholders' fund	117 278	(54 072)	–	63 206
Balance of statutory funds at beginning of the period	16 915 660	229 482	–	17 145 142
Balance of statutory funds at end of the period	19 558 648	323 916	–	19 882 564

22. FAIR VALUE

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

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

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

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

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

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

	30 June 2024 (Unaudited)							(Rupees '000)					
	Fair value through profit and loss designated upon initial recognition	Available for sale	Held To Maturity	Loans and Receivables	Other financial assets	Other financial liabilities	Total		Fair value				
									Level 1	Level 2	Level 3	Total	
On balance sheet financial instruments													
Financial assets measured at fair value													
- Investments													
Government Securities (T-bills + PIBs + Sukuks)	18 076 477	-	-	-	-	-	18 076 477	-	18 076 477	-	-	-	18 076 477
Sukuk Bonds (other than government)	516 838	-	-	-	-	-	516 838	-	516 838	-	-	-	516 838
Listed equity securities	3 681 589	-	-	-	-	-	3 681 589	3 681 589	-	-	-	-	3 681 589
Unlisted equity securities	-	-	-	-	-	-	-	-	-	-	-	-	-
Units of mutual funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities (listed TFCs)	1 256 738	-	-	-	-	-	1 256 738	1 256 738	-	-	-	-	1 256 738
Financial assets not measured at fair value													
- Government Securities (T-bills + PIBs + Sukuks)	-	-	1 176 548	-	-	-	1 176 548	-	-	-	-	-	1 176 548
- Balances with banks *	3 610 256	-	-	-	-	-	3 610 256	-	-	-	-	-	3 610 256
- Certificate of Investment	-	-	-	-	-	-	-	-	-	-	-	-	-
- Advances	-	-	-	-	-	-	-	-	-	-	-	-	-
- Investment income accrued	-	-	-	-	931 519	-	931 519	-	-	-	-	-	931 519
- Other loans and receivables (excluding markup accrued)*	-	-	-	-	2 718 618	-	2 718 618	-	-	-	-	-	2 718 618
	27 141 898	-	1 176 548	-	3 650 137	-	31 968 583	-	-	-	-	-	31 968 583
Financial liabilities not measured at fair value													
Deferred taxation	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium received in advance	-	-	-	-	-	325 684	325 684	-	-	-	-	-	325 684
Insurance / reinsurance payables	-	-	-	-	-	229 137	229 137	-	-	-	-	-	229 137
Other creditors and accruals	-	-	-	-	-	1 970 234	1 970 234	-	-	-	-	-	1 970 234
	-	-	-	-	-	2 525 055	2 525 055	-	-	-	-	-	2 525 055
	27 141 898	-	1 176 548	-	3 650 137	(2 525 055)	29 443 528	-	-	-	-	-	29 443 528

On balance sheet financial instruments

(Rupees '000)

	31 December 2023											
	Fair value through profit and loss designated upon initial recognition	Available for sale	Held To Maturity	Loans and Receivables	Other financial assets	Other financial liabilities	Total	Fair value				
								Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value												
- Investments												
Government Securities (T-bills + PIBs + Sukuks)	15 523 060	-	-	-	-	-	15 523 060	-	15 523 060	-	-	15 523 060
Sukuk Bonds (other than government)	523 441	-	-	-	-	-	523 441	-	523 441	-	-	523 441
Listed equity securities	2 481 285	-	-	-	-	-	2 481 285	2 481 285	-	-	-	2 481 285
Unlisted equity securities	-	-	-	-	-	-	-	-	-	-	-	-
Units of mutual funds	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities (Listed TFCs)	1 259 200	-	-	-	-	-	1 259 200	1 259 200	-	-	-	1 259 200
Financial assets not measured at fair value												
- Government Securities (T-bills + PIBs + Sukuks)	-	-	1 175 648	-	-	-	1 175 648	-	-	-	-	-
- Balances with banks *	3 528 652	-	-	-	-	-	3 528 652	-	-	-	-	-
- Certificate of Investment	-	-	-	-	-	-	-	-	-	-	-	-
- Advances	-	-	-	-	-	-	-	-	-	-	-	-
- Investment income accrued	-	-	-	-	916 484	-	916 484	-	-	-	-	-
- Other loans and receivables (excluding markup accrued)*	-	-	-	-	2 384 415	-	2 384 415	-	-	-	-	-
	23 315 638	-	1 175 648	-	3 300 899	-	27 792 185	-	-	-	-	-
Financial liabilities not measured at fair value												
Deferred taxation	-	-	-	-	-	-	-	-	-	-	-	-
Premium received in advance	-	-	-	-	-	292 278	292 278	-	-	-	-	-
Insurance /reinsurance payables	-	-	-	-	-	136 449	136 449	-	-	-	-	-
Other creditors and accruals	-	-	-	-	-	1 724 895	1 724 895	-	-	-	-	-
	-	-	-	-	-	2 153 622	2 153 622	-	-	-	-	-
	23 315 638	-	1 175 648	-	3 300 899	(2 153 622)	25 638 563	-	-	-	-	-

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

23. GENERAL

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

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

23.1 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statement were authorized for issue by the Board of Directors of the Company in their meeting held on 22nd August 2024.

MOHAMMED ALI AHMED
Managing Director &
Chief Executive

SYED SHAHID ABBAS
Chief Financial
Officer

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Vice Chairman

RAFIQUE R. BHIMJEE
Chairman

Karachi 22 August, 2024

EFU LIFE ASSURANCE LTD.

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