



NEW HORIZONS NEW POSSIBILITIES

EFU LIFE ASSURANCE LTD.

Report (Un-audited)
Three Months Ended 31 March 2024



www.efulife.com

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.

99-B, Block B, S.M.C.H.S

Main Shahra - e - Faisal

Karachi 74400 - Pakistan

(92-21) 111-111-500

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, 31 March 2024

The Directors of your Company are pleased to present the Condensed Interim Financial Statements (Un-audited) for the first quarter ended 31 March 2024.

Your Company's gross premium income was Rs. 9.44 billion during the three months of 2024 (2023: Rs. 8.88 billion), an increase of 6.4%. New individual life regular premium income was Rs. 910 million (2023: Rs. 872 million), an increase of 4.4%. The renewal premium was Rs. 6.56 billion (2023: Rs. 6.49 billion). Inclusive of renewal premium, the total individual life regular premium was Rs. 7.47 billion (2023: Rs. 7.36 billion). Single premium business was Rs. 201 million (2023: Rs. 130 million), an increase of 55.1%. Group Benefits business increased by 23.2% and was Rs. 1.77 billion (2023: Rs. 1.43 billion).

Your Company's total family takaful contribution was Rs. 2.20 billion (2023: Rs. 1.82 billion), a growth of 20.6%. Out of this, Rs. 1.84 billion (2023: Rs. 1.70 billion) was from Individual family takaful business (a growth of 8.7%) while Rs. 356 million (2023: Rs. 128 million) was from Group Family Takaful (a growth of 178%). The Company expects the Takaful line of business to continue its contribution to the overall topline during 2024.

Your Company had a Profit before Tax of Rs. 1.27 billion (2023: Rs. 750 million), an increase of 69.8%. The increase is primarily driven by higher investment income. Profit after Tax increased by 56.7% and stands at Rs. 781 million (2023: Rs. 498 million). The Earnings per Share is Rs. 7.81 (2023: Rs. 4.98).

Interim Dividend:

The Directors have 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
Director

RAFIQUE R. BHIMJEE
Chairman

Karachi 25 April, 2024

ممبران کو ڈائریکٹرز کی رپورٹ (۳۱ مارچ ۲۰۲۳ء)

آپ کی کمپنی کے ڈائریکٹرز، سال ۲۰۲۳ء کی پہلی سہ ماہی جو ۳۱ مارچ ۲۰۲۳ء کو اختتام پذیر ہوئی، کمپنی کے (غیر آڈٹ شدہ) مالیاتی گوشواروں کی مختصر مگر جامع عبوری معلومات کے ساتھ، پہلی سہ ماہی رپورٹ پیش کرنے میں مسرت محسوس کرتے ہیں۔

آپ کی کمپنی کی مجموعی پریئم آمدنی ۲۰۲۳ء کی پہلی سہ ماہی کے دوران 9.44 بلین روپے (۲۰۲۳ء: 8.88 بلین روپے) جس سے 6.4 فیصد کا اضافہ ہوا۔ نئی انفرادی لائف ریگولر پریئم آمدنی 910 ملین روپے (۲۰۲۳ء: 872 ملین روپے) جس سے 4.4 فیصد کا اضافہ ہوا۔ تجدیدی پریئم 6.56 بلین روپے رہا (۲۰۲۳ء: 6.49 بلین روپے)۔ تجدیدی پریئم کی شمولیت کے ساتھ مجموعی انفرادی لائف ریگولر پریئم 7.47 بلین روپے رہا (۲۰۲۳ء: 7.36 بلین روپے)۔ سنگل پریئم کا کاروبار 201 ملین روپے رہا (۲۰۲۳ء: 130 ملین روپے) جس سے 55.1 فیصد کا اضافہ حاصل ہوا۔ گروپ بنی فٹس بزنس میں 23.2 فیصد تک اضافہ ہوا اور یہ 1.77 بلین روپے رہا (۲۰۲۳ء: 1.43 بلین روپے)۔

آپ کی کمپنی کا مجموعی فیملی کنفل کسٹری بیوٹن 2.20 بلین روپے رہا (۲۰۲۳ء: 1.82 بلین روپے) تھا اور اس طرح 20.6 فیصد کی گروتھ حاصل ہوئی۔ اس میں سے 1.84 بلین روپے (۲۰۲۳ء: 1.70 بلین روپے) انفرادی فیملی کنفل بزنس سے حاصل کیے گئے (8.7 فیصد کی گروتھ) جبکہ 356 ملین روپے (۲۰۲۳ء: 128 ملین روپے) گروپ فیملی کنفل سے حاصل ہوئے (178 فیصد کی گروتھ)۔ کمپنی توقع کرتی ہے کہ کاروبار کی کنفل لائن سال ۲۰۲۳ء کے دوران مجموعی ٹاپ لائن میں اپنی اس کسٹری بیوٹن کا سلسلہ برقرار رکھے گی۔

آپ کی کمپنی نے 1.27 بلین روپے کا منافع قبل از ٹیکس حاصل کیا (۲۰۲۳ء: 750 ملین روپے) جس سے 69.8 فیصد کا اضافہ ہوا۔ اضافے کی بنیادی وجہ بلند تر سرمایہ کاری کی آمدنی رہی۔ منافع بعد از ٹیکس 56.7 فیصد تک بڑھ گیا اور 781 ملین روپے پر موجود رہا (۲۰۲۳ء: 498 ملین روپے)۔ آمدنی فی شیئر 7.81 روپے رہی (۲۰۲۳ء: 4.98 روپے)۔

عبوری منافع منقسمہ

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 ایڈیٹیج کمیشن آف پاکستان کا ان کی رہنمائی اور ہمارے مرکزی ری انشوررز، ریٹین اورری، میونخ آری اور سوئس ری کا ان کی معاونت کیلئے شکریہ ادا کرتے ہیں۔ آپ کے ڈائریکٹرز انفران، تمام ڈسٹری بیوٹن 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
ڈائریکٹر

سیف الدین این۔ زومکا والا
ڈائریکٹر

محمد علی احمد
نئیجنگ ڈائریکٹر و چیف ایگزیکٹو

کراچی: ۲۵ اپریل ۲۰۲۳ء

Condensed Interim Statement of Financial Position as at 31 March 2024 (Unaudited)

(Rupees in '000)

	Note	Aggregate	
		31 March 2024 Unaudited	31 December 2023 Audited (Restated)
Assets			
Properties and equipments	5	2 806 302	2 583 751
Right of use assets	5	518 038	568 593
Intangible assets	5.4	262 696	265 546
Investments			
Equity securities	6	25 870 749	22 314 661
Government securities	7	160 409 175	153 915 701
Debt securities	8	7 897 678	8 407 258
Term deposits	9	6 558 368	7 508 428
Open-ended mutual funds	10	3 269 409	2 718 416
Insurance / reinsurance receivables		885 657	1 061 301
Other loans and receivables		5 125 161	4 511 953
Taxation - payments less provision		969 446	1 152 728
Prepayments		173 919	137 990
Cash and bank	11	2 664 991	5 054 792
Total Assets		217 411 589	210 201 118
Equity and Liabilities			
Authorised share capital [150,000,000 ordinary shares (2023: 150,000,000) of Rs.10 each]		1 500 000	1 500 000
Ordinary share capital [100,000,000 ordinary shares (2023:100,000,000) of Rs.10 each]		1 000 000	1 000 000
Retained earnings arising from business other than participating business attributable to shareholders (Ledger account D)	12	2 813 307	2 562 670
General reserves		2 290 000	2 120 000
Surplus on revaluation of available for sale investments - net of tax		61 284	46 012
Unappropriated profit		529 192	1 218 963
Total Equity		6 693 783	6 947 645
Liabilities			
Insurance liabilities	13	203 022 825	196 524 888
Deferred taxation		1 706 015	1 543 223
Premium received in advance		1 898 667	1 772 407
Insurance / reinsurance payables		249 403	202 220
Lease liabilities		641 788	687 196
Other creditors and accruals		3 199 108	2 523 539
		7 694 981	6 728 585
Total Liabilities		210 717 806	203 253 473
Total Equity and Liabilities		217 411 589	210 201 118
Contingency(ies) and commitment(s)	14		

The annexed notes 1 to 30 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
Director

RAFIQUE R. BHIMJEE
Chairman

Karachi 25 April, 2024

Condensed Interim Statement of Profit and Loss Account

for the three months period ended 31 March 2024 (Unaudited)

		(Rupees in '000)	
		Aggregate	
		Three months ended	
		31 March	
	Note	2024	2023
Premium / contribution revenue		9 444 526	8 876 769
Premium / retakaful ceded to reinsurers		(534 393)	(374 749)
Net premium / contribution revenue	15	8 910 133	8 502 020
Investment income	16	9 994 798	6 602 696
Net realised fair value gains / (losses) on financial assets	17	79 309	(1 528 846)
Net fair value gains / (losses) on financial assets at fair value through profit or loss - unrealised	18	1 006 340	(101 355)
Other income	19	75 323	23 959
		11 155 770	4 996 454
Net income		20 065 903	13 498 474
Insurance benefits		10 141 755	7 530 115
Recoveries from reinsurers		(283 977)	(177 588)
Claims related expenses		2 483	1 195
Net insurance benefits	20	9 860 261	7 353 722
Net change in insurance liabilities (other than outstanding claims)		6 330 258	2 987 153
Acquisition expenses	21	1 639 247	1 722 515
Marketing and administration expenses	22	931 677	675 708
Worker's welfare fund		17 465	-
Other expenses	23	13 018	9 257
Total expenses		8 931 665	5 394 633
Profit before tax (Refer note below)		1 273 977	750 119
Income tax expense	24	(493 111)	(251 877)
Profit after tax for the period		780 866	498 242
Earnings per share - Rupees		7.81	4.98

The annexed notes 1 to 30 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. 794.6 million (2023: Rs.671 million), please refer to note 26, 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
Director

RAFIQUE R. BHIMJEE
Chairman

Karachi 25 April, 2024

Condensed Interim Statement of Comprehensive Income

for the three months period ended 31 March 2024 (Unaudited)

(Rupees in '000)

	Aggregate	
	Three months ended 31 March	
	2024	2023
Profit after tax for the period	780 866	498 242
Other comprehensive income:		
Items that may be reclassified to profit and loss account in subsequent periods:		
Change in unrealised gains / (losses) on available-for-sale financial assets	25 037	(39 493)
Reclassification adjustment relating to available-for-sale investments sold during the period	-	9 546
	25 037	(29 947)
Related deferred tax	(9 765)	8 001
Other comprehensive income / (loss) for the period - net of tax	15 272	(21 946)
Total comprehensive income for the period	796 138	476 296

The annexed notes 1 to 30 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
Director

RAFIQUE R. BHIMJEE
Chairman

Karachi 25 April, 2024

Condensed Interim Statement of Cash Flows

for the three months period ended 31 March 2024 (Unaudited)

(Rupees in '000)

		Aggregate	
		Three months ended 31 March	
Note	2024	2023	
Operating cash flows			
a) Underwriting activities			
Insurance premium / contribution received	9 378 267	9 318 848	
Reinsurance premium / retakaful contribution paid	155 085	(137 533)	
Claims paid	(9 964 218)	(7 504 659)	
Commission paid	(1 105 835)	(1 275 848)	
Marketing and administrative expenses paid	(931 677)	(675 708)	
Other acquisition cost paid	(1 049 163)	(1 175 444)	
Net cash flow from underwriting activities	(3 517 541)	(1 450 344)	
b) Other operating activities			
Income tax paid	(156 803)	(316 484)	
Other operating payments	(616)	(176 703)	
Loans advanced	(197 238)	(4 833)	
Loans repayments received	214 747	18 266	
Net cash flow from other operating activities	(139 910)	(479 754)	
Total cash flow from all operating activities	(3 657 451)	(1 930 098)	
Investment activities			
Profit / return received	8 602 763	4 419 850	
Dividends received	914 499	642 692	
Payments for investments	(20 882 883)	(18 093 330)	
Proceed from disposal of investments	12 040 000	7 358 429	
Fixed capital expenditure	(406 605)	(12 991)	
Proceeds from sale of property and equipment	100 554	19 543	
Total cash flow from investing activities	368 328	(5 665 807)	
Financing activities			
Dividends paid	-	-	
Payment against lease liability	(50 738)	(43 040)	
Total cash flow from financing activities	(50 738)	(43 040)	
Net cash flow from all activities	(3 339 861)	(7 638 945)	
Cash and cash equivalents at beginning of the period	12 563 220	18 985 296	
Cash and cash equivalents at end of the period	9 223 359	11 346 351	
Reconciliation to statement of profit and loss account			
Operating cash flows	(3 657 451)	(1 930 098)	
Depreciation expense	(123 895)	(81 182)	
Depreciation on right of use assets	(40 993)	(38 088)	
Amortization expense	(21 678)	(1 608)	
Profit on disposal of property and equipment	59 231	12 444	
Other revenue	7 525	6 603	
Profit on lease termination	2 795	-	
Finance cost on lease liabilities	(17 686)	(15 579)	
Profit / (loss) on disposal of investments	79 309	(1 528 846)	
Dividend income	914 272	641 403	
Other investment income	9 257 862	6 131 420	
Appreciation / (Depreciation) in market value of investments	1 143 013	(22 967)	
Provision / (reversal) of impairment in the value of available for sale equity investments	732	(11 274)	
(Decrease) in assets other than cash	(976 722)	(15 787)	
Increase in liabilities	(5 845 448)	(2 648 199)	
Profit after tax for the period	780 866	498 242	

The annexed notes 1 to 30 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	Director	Chairman

Karachi 25 April, 2024

Condensed Interim Statement of Changes in Equity

for the three months period ended 31 March 2024 (Unaudited)

(Rupees in '000)

	Attributable to the equity holders' of the Company					Total
	Share Capital	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 - net of tax*	Unappropriated Profit	
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 31 March 2023						
Income for the period ended 31 March 2023	-	-	2 631	-	495 611	498 242
Other comprehensive income	-	-	-	3 886	-	3 886
Total income for the period ended 31 March 2023	-	-	2 631	3 886	495 611	502 128
Contribution to increase solvency margin	-	-	98 912	-	(98 912)	-
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)
	-	-	-	-	(1 050 000)	(1 050 000)
Balance as at 31 March 2023	<u>1 000 000</u>	<u>2 120 000</u>	<u>2 263 097</u>	<u>15 343</u>	<u>402 238</u>	<u>5 800 678</u>
Balance as at 1 January 2024	1 000 000	2 120 000	2 562 670	46 012	1 218 963	6 947 645
Comprehensive income for the period ended 31 March 2024						
Income for the period ended 31 March 2024	-	-	217 261	-	563 605	780 866
Other comprehensive income	-	-	-	15 272	-	15 272
Total income for the period ended 31 March 2024	-	-	217 261	15 272	563 605	796 138
Contribution to increase solvency margin	-	-	33 376	-	(33 376)	-
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)
	-	-	-	-	(1 050 000)	(1 050 000)
Balance as at 31 March 2024	<u>1 000 000</u>	<u>2 290 000</u>	<u>2 813 307</u>	<u>61 284</u>	<u>529 192</u>	<u>6 693 783</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 30 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
Director

RAFIQUE R. BHIMJEE
Chairman

Karachi 25 April, 2024

Notes to the Condensed Interim Financial Information

For the three months period ended 31 March 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 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)
- * 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 Subsequent to the period end, the Company has acquired 100% shares in the EFU Health Insurance Limited through share purchase agreement with the Sponsors / shareholders of the EFU Health Insurance Limited against consideration of 50 million shares of EFU Life Assurance Limited.

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 Standard (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, 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.

2.3 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.

2.4 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 thousand.

2.5 Standards, interpretations and amendments effective during the current period

The Company has adopted following accounting standards, interpretations and amendments of IFRSs and the improvements to accounting standards which became effective for the current year.

Amendments to approved accounting standards

Definition of Accounting Estimates - IAS 8

Disclosure of Accounting Policies - IAS 1 and IFRS Practice Statement 2

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - IAS 12

International Tax Reform—Pillar Two Model Rules - IAS 12

These amendments had no or material impact on the Company's financial statements.

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

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

Amendments	Effective date (annual periods beginning on or after)
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	1 January 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	1 January 2024
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024
IFRS 17 - Insurance Contracts*	1 January 2026
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

The Company expects that such improvements / amendments to the standards (except IFRS 17) will not have any material impact on the Company's financial statements in the period of initial application.

SECP vide its SRO 1715 dated 21 November 2023 directed the application of IFRS 17 for the period commencing from 1 January 2026.

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with direct participation features ("DPF"). The key objectives of IFRS 17 are comparable recognition and measurement of contracts in the scope of the standard, the recognition of insurance service results based on the services provided to the policyholder and provision of disclosures that will enable the users of the financial statements to assess the impact of these contracts on the financial position, financial results and cash flows of the entity. The standard distinguishes between the sources of profit and quality of earnings between insurance service results and insurance finance income and expense (reflecting the time value of money and financial risk).

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.

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

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

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 unconsolidated 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)	
	31 March 2024 Unaudited	31 December 2023 Audited
5. PROPERTY AND EQUIPMENT		
Operating assets	2 583 751	568 593
Right of use asset	568 593	190 125
	<u>3 152 344</u>	<u>758 718</u>

5.1 Details of additions and disposals during the three months period ended 31 March 2024 are as follows:

	(Rupees in '000)			
	Three months ended - Unaudited			
	31 March 2024		31 March 2023	
	Additions	Disposals	Additions	Disposals
Furniture, fixture and fittings	28	-	1 544	-
Office equipment	1 575	-	2 897	-
Computer equipment	386 176	-	1 165	-
Motor Vehicle	-	103 627	-	20 810
Lease hold Improvements	-	-	7 385	-
	<u>387 779</u>	<u>103 627</u>	<u>12 991</u>	<u>20 810</u>

5.2 The market value of leasehold land and building is estimated at Rs. 4,472 million as at 31 December 2023 (2022: 4,543 Million). The valuations have been carried out by independent valuer.

5.3 During the period, there was Rs. 18.8 million additions in intangible assets (31 March 2023: NIL).

5.4 Acquisition of Business Segment

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

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

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

Subsequently, The 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. As the measurement period has not ended, the Company has not applied the requirements of IAS-8.

The impact of the above correction has been disclosed below:

	Balance Previously Reported	Adjustment	Balance Restated
Intangibles	268 330	2 784	265 546

Impact on Profit and Loss Account

Management Expenses	(2 784)
Income Tax Expense	1 086
Profit after Tax	(1 698)
Impact on Earning per Share	(0.01 698)

5.4.1 Intangible Assets

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

(Rupees ‘000)

31 March 2024 (Unaudited)

	Cost			Depreciation				Written down value 31 Mar 2024	
	As at 01 Jan 2024	Additions	Deletion	As at 31 Mar 2024	As at 01 Jan 2024	Charge for the period	On Disposals		As at 31 Mar 2024
Computer Software	362 700	18 827	–	381 527	172 575	18 893	–	191 468	190 059
Goodwill	251	–	–	251	–	–	–	–	251
Customer Relationships	77 954	–	–	77 954	2 784	2 784	–	5 568	72 386
	<u>440 905</u>	<u>18 827</u>	<u>–</u>	<u>459 732</u>	<u>175 359</u>	<u>21 677</u>	<u>–</u>	<u>197 036</u>	<u>262 696</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	On Disposal		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>

6. INVESTMENTS IN EQUITY SECURITIES		(Rupees in '000)	
	Note	31 March 2024 Unaudited	31 December 2023 Audited
Available for sale	6.1	124 431	123 305
At fair value through profit or loss (Designated - upon initial recognition)	6.2	25 746 318	22 191 356
		<u>25 870 749</u>	<u>22 314 661</u>
6.1 Available for Sale			(Rupees in '000)

	Note	31 March 2024 (Unaudited)			31 December 2023 (Audited)		
		Cost	Impairment / (provision)	Carrying Value	Cost	Impairment / (provision)	Carrying Value
Related parties							
Listed shares		204 222	(169 207)	35 015	204 222	(180 052)	24 170
Others							
Listed shares		44 749	–	44 749	44 751	–	44 751
Unlisted shares		177 103	(176 595)	508	177 103	(176 595)	508
Surplus on revaluation		–	–	44 159	–	–	53 876
		<u>426 074</u>	<u>(345 802)</u>	<u>124 431</u>	<u>426 076</u>	<u>(356 647)</u>	<u>123 305</u>
6.2 Fair value through profit or loss (Designated - upon initial recognition)							
Related parties							
Listed shares		36 609	–	91 907	36 609	–	89 984
Others							
Listed shares		18 815 772	–	25 654 411	18 815 772	–	22 101 372
		<u>18 852 381</u>	<u>–</u>	<u>25 746 318</u>	<u>18 852 381</u>	<u>–</u>	<u>22 191 356</u>

		(Rupees in '000)	
		31 March 2024 Unaudited	31 December 2023 Audited
6.3 Reconciliation of provision for impairment			
Balance at the beginning of the period		356 647	216 187
(Reversal) / Provision for impairment on available for sale investments - net		(10 845)	140 460
Balance at the end of the period		<u>345 802</u>	<u>356 647</u>

7. GOVERNMENT SECURITIES

(Rupees in '000)

	Note	31 March 2024 Unaudited	31 December 2023 Audited
Held to maturity	7.1	11 844 980	10 770 744
Fair value through profit or loss (Designated - upon initial recognition)	7.2	148 564 195	143 144 957
		<u>160 409 175</u>	<u>153 915 701</u>

(Rupees in '000)

31 March 2024 (Unaudited)

	Maturity Year	Effective Yield (%)	Amortised Cost	Principal Repayment	Carrying Value
7.1 Held to maturity					
02 Years Pakistan Investment Bond	2024	21.32	124 586	125 000	124 586
05 Years Pakistan Investment Bond	2027	10.50	361 105	400 000	361 105
05 Years Pakistan Investment Bond	2028	22.86	2 652 500	2 742 700	2 652 500
10 Years Pakistan Investment Bond	2028	8.75	12 966	15 000	12 966
10 Years Pakistan Investment Bond	2029	10.00	235 657	273 400	235 657
10 Years Pakistan Investment Bond	2030	8.00	313 400	414 100	313 400
10 Years Pakistan Investment Bond	2033	14.00	188 989	200 000	188 989
20 Years Pakistan Investment Bond	2024	10.00	15 008	15 000	15 008
03 Months Treasury Bills	2024	21.30	648 876	650 000	648 876
06 Months Treasury Bills	2024	21.36 - 21.55	1 363 472	1 409 700	1 363 472
12 Months Treasury Bills	2024-2025	19.995 - 22.30	4 564 889	5 114 200	4 564 889
01 Year Government Ijara Sukuk	2024	21.24 - 23.60	204 234	204 000	204 234
03 Year Government Ijara Sukuk	2026	21.36	96 865	100 000	96 865
05 Year Government Ijara Sukuk	2025-2027	8.37 - 22.39	420 442	422 000	420 442
10 Years Pakistan Energy Sukuk I	2029	22.53	189 828	170 000	189 828
10 Years Pakistan Energy Sukuk II	2030	21.14	452 163	450 000	452 163
			<u>11 844 980</u>	<u>12 705 100</u>	<u>11 844 980</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	14.00	188 888	200 000	188 888
20 Years Pakistan Investment Bond	2026	10.00	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)

31 March 2024 (Unaudited)

7.2 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	7.00	49 186	50 000	47 571
03 Years Pakistan Investment Bond	2024	21.32	373 939	375 000	373 125
03 Years Pakistan Investment Bond	2026	20.44	1 713 852	1 750 000	1 720 250
03 Years Pakistan Investment Bond	2026	12.00	11 840 752	13 100 000	11 880 442
03 Years Pakistan Investment Bond	2026	20.96	392 863	400 000	391 120
05 Years Pakistan Investment Bond	2025	7.50	119 277	125 000	106 767
05 Years Pakistan Investment Bond	2026	21.84	494 986	500 000	488 200
05 Years Pakistan Investment Bond	2027	10.50	193 031	225 000	189 869
05 Years Pakistan Investment Bond	2028	20.40	1 662 791	1 750 000	1 679 650
05 Years Pakistan Investment Bond	2028	22.86	4 708 418	4 857 300	4 653 779
10 Years Pakistan Investment Bond	2029	10.00	118 543	125 000	100 746
20 Years Pakistan Investment Bond	2024	10.00	99 975	100 000	97 667
03 Months Treasury Bills	2024	21.25 - 21.31	1 221 776	1 250 000	1 219 454
06 Months Treasury Bills	2024	20.39 - 21.84	3 646 318	3 740 300	3 636 330
12 Months Treasury Bills	2024-2025	20.08 - 22.80	101 780 326	113 687 800	101 079 048
01 Year Government Ijara Sukuk	2024-2025	20.10 - 23.60	3 447 775	3 691 000	3 442 150
03 Year Government Ijara Sukuk	2026	21.12 - 21.36	1 982 338	2 000 000	1 986 930
05 Year Government Ijara Sukuk	2025-2027	11.40 - 22.70	14 682 646	14 665 000	14 495 447
10 Years Pakistan Energy Sukuk I	2029	22.53	925 403	830 000	925 400
10 Years Pakistan Energy Sukuk II	2030	21.14	50 250	50 000	50 250
			<u>149 504 445</u>	<u>163 271 400</u>	<u>148 564 195</u>

(Rupees in '000)

31 December 2023 (Audited)

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	2026	12.00	11 736 551	13 100 000	11 733 028
03 Years Pakistan Investment Bond	2024	7.00	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	10.00	118 299	125 000	99 011
20 Years Pakistan Investment Bond	2024	10.00	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>

8. INVESTMENT IN DEBT SECURITIES

(Rupees in '000)

	31 March 2024 (Unaudited)			31 December 2023 (Audited)		
	Cost	Impairment / (Provision)	Carrying Value	Cost	Impairment / (Provision)	Carrying Value
Term finance certificates	5 584 546	–	5 095 708	5 584 546	–	5 592 836
Corporate sukus	1 912 831	(37 500)	1 820 970	1 912 831	(37 500)	1 833 422
Certificates of investment	981 000	–	981 000	981 000	–	981 000
	<u>8 478 377</u>	<u>(37 500)</u>	<u>7 897 678</u>	<u>8 478 377</u>	<u>(37 500)</u>	<u>8 407 258</u>

8.1 Term Finance Certificates

(Rupees in '000)

	Maturity	No. of Certificates		Face Value	Carrying Amount	
		31 March 2024	31 December 2023		31 March 2024	31 December 2023
Fair value through profit or loss						
Others						
Bank Alfalah Limited	2024	–	100 000	5	–	497 163
Kashf Foundation	2026	1 000	1 000	100	100 000	100 000
Bank of Punjab	2028	80 000	80 000	5	400 000	400 000
Bank AL Habib Limited	2030	20 000	20 000	5	101 147	101 147
Habib Bank Limited	2032	2 000	2 000	100	200 000	200 000
Bank AL Habib Limited	2032	77 000	77 000	5	394 128	393 243
Bank of Punjab	2032	5 000	5 000	100	500 790	501 668
Bank of Punjab	Perpetual	5 000	5 000	100	500 000	500 000
Bank AL Habib Limited	Perpetual	40 000	40 000	5	200 000	200 000
Askari Bank Limited	Perpetual	100	100	1 000	99 500	99 500
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
Askari Bank Limited	Perpetual	450	450	1 000	450 000	450 000
					<u>4 795 565</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	250 143	250 115
					<u>5 095 708</u>	<u>5 592 836</u>

8.2 Corporate Sukuks

(Rupees in '000)

	Maturity	No. of Certificates		Face Value	Carrying Amount	
		31 March 2024	31 December 2023		31 March 2024	31 December 2023
Fair value through profit or loss						
Others						
Neelum Jehlum Hydro Power Company Limited	2026	12 500	12 500	100	331 611	331 264
Pakistan Services Limited	2027	250	250	1 000	89 839	104 191
TPL Corporation	2027	200	200	100	18 953	18 953
Dubai Islamic Bank Pakistan Limited	2028	20 000	20 000	5	100 000	100 000
TPL Trakker	2026	25	25	1 000	11 285	12 732
TPL Corporation	2027	200	200	100	18 767	18 767
K-Electric Limited	2029	120 000	120 000	5	610 200	607 200
Meezan Bank Limited	Perpetual	100 000	100 000	5	500 000	500 000
Related Parties						
Bank Islami Pakistan Limited	Perpetual	28 063	28 063	5	140 315	140 315
					<u>1 820 970</u>	<u>1 833 422</u>
8.3 Certificates of investment						
First Habib Modarba Limited	2024	6	6	163 500	981 000	981 000
					<u>981 000</u>	<u>981 000</u>
8.4 *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>

9. INVESTMENTS IN TERM DEPOSITS

(Rupees in '000)

	31 March 2024 Unaudited	31 December 2023 Audited
Deposits maturing within 3 months	6 558 368	7 508 428

10. INVESTMENTS IN OPEN ENDED MUTUAL FUNDS

(Rupees in '000)

	Note	31 March 2024 Unaudited	31 December 2023 Audited
At fair value through profit or loss (Designated - upon initial recognition)	10.1	2 363 762	1 850 418
Available for sale	10.2	905 647	867 998
		<u>3 269 409</u>	<u>2 718 416</u>

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

(Rupees in '000)

	31 March 2024 (Unaudited)			31 December 2023 (Audited)		
	Cost	Impairment / Provision	Carrying Value	Cost	Impairment / Provision	Carrying Value
Related parties						
Mutual funds	1 809 152	-	1 932 045	1 783 199	-	1 848 311
Others						
Mutual funds	400 989	-	431 717	989	-	2 107
	<u>2 210 141</u>	<u>-</u>	<u>2 363 762</u>	<u>1 784 188</u>	<u>-</u>	<u>1 850 418</u>
10.2 Available for sale						
Related parties						
Mutual funds	854 557	-	854 557	841 552	-	841 552
Others						
Mutual funds	4 894	-	4 894	4 894	-	4 894
Surplus on revaluation	-	-	46 196	-	-	21 552
	<u>859 451</u>	<u>-</u>	<u>905 647</u>	<u>846 446</u>	<u>-</u>	<u>867 998</u>

(Rupees in '000)

	31 March 2024 Unaudited	31 December 2023 Audited
Reconciliation of provision for impairment		
Balance at the beginning of the period	-	32 361
Provision / (Reversal) for impairment on available for sale investments	-	(32 361)
Balance at the end of the period	<u>-</u>	<u>-</u>

	31 March 2024 Unaudited	(Rupees in '000) 31 December 2023 Audited
11. CASH AND BANK		
Cash and cash equivalent		
Cash in hand	2 120	34
Policy & revenue stamps	10 354	3 655
Cash at bank		
Current account	182 866	1 433 262
Savings account	2 469 651	3 617 841
	<u>2 664 991</u>	<u>5 054 792</u>
		(Rupees in '000)
	31 March 2024 Unaudited	31 March 2023 Unaudited
11.1 Cash and cash equivalents for cash flow purpose comprise of the following:		
Cash and others	12 474	2 367
Cash at bank	2 652 517	3 585 555
Term deposits maturing within three months	6 558 368	7 758 429
	<u>9 223 359</u>	<u>11 346 351</u>
		(Rupees in '000)
	31 March 2024 Unaudited	31 December 2023 Audited
12. RETAINED EARNINGS ARISING FROM BUSINESS OTHER THAN PARTICIPATING BUSINESS ATTRIBUTABLE TO SHAREHOLDERS (LEDGER ACCOUNT D)		
Opening balance	3 865 631	3 088 626
Contribution to solvency margin	33 376	245 354
Change in solvency margin through statement of profit and loss account	356 188	531 651
	4 255 195	3 865 631
Related deferred tax liability on:		
Opening balance	(1 302 961)	(927 072)
Charge to statement of profit and loss account	(138 927)	(375 889)
Closing balance	(1 441 888)	(1 302 961)
Net of tax	<u>2 813 307</u>	<u>2 562 670</u>

		(Rupees in '000)	
	Note	31 March 2024 Unaudited	31 December 2023 Audited
13. INSURANCE LIABILITIES			
Reported outstanding claims	13.1	6 311 274	6 138 861
Incurred but not reported claims	13.2	1 301 983	1 421 457
Investment component of unit-linked and account value policies	13.3	192 060 826	185 930 975
Liabilities under individual conventional insurance contracts	13.4	833 618	856 133
Liabilities under group insurance contracts (other than investment linked)	13.5	1 768 633	1 530 264
Participant takaful fund balance	13.6	746 491	647 198
		<u>203 022 825</u>	<u>196 524 888</u>
13.1 Reported outstanding claims			
Gross of reinsurance			
Payable within one year		5 793 723	5 626 042
Payable over a period of time exceeding one year		918 432	896 688
		<u>6 712 155</u>	<u>6 522 730</u>
Recoverable from reinsurers			
Receivable over a period of time exceeding one year		(400 881)	(383 869)
Net reported outstanding claims		<u>6 311 274</u>	<u>6 138 861</u>
13.2 Incurred but not reported claims			
Gross of reinsurance		1 706 898	1 800 124
Reinsurance recoveries		(404 915)	(378 667)
Net of reinsurance		<u>1 301 983</u>	<u>1 421 457</u>
13.3 Investment component of unit linked and account value policies			
Investment component of unit linked policies		192 060 826	185 930 975
Investment component of account value policies		-	-
		<u>192 060 826</u>	<u>185 930 975</u>
13.4 Liabilities under individual conventional insurance contracts			
Gross of reinsurance		1 053 537	1 066 897
Reinsurance credit		(219 919)	(210 764)
Net of reinsurance		<u>833 618</u>	<u>856 133</u>
13.5 Liabilities under group insurance contracts (other than investment linked)			
Gross of reinsurance		2 128 685	1 711 749
Reinsurance credit		(360 052)	(181 485)
Net of reinsurance		<u>1 768 633</u>	<u>1 530 264</u>
13.6 Participant takaful fund balance		<u>746 491</u>	<u>647 198</u>

14 CONTINGENCIES AND COMMITMENTS

14.1 The Income tax return of the Company for tax year 2023 has been filed. In 2013, Income Tax Department imposed an additional tax demand under section 151(1)(d) on account of non-deduction of withholding tax on surrender and maturity amounting to Rs.13.833 million and Rs.15.014 million for Tax Years 2012 and 2013 respectively. The Company filed an appeal before Commissioner Inland Revenue (Appeals) and the same was dismissed. The Company filed second appeal before the Appellate Tribunal against the order of CIT. The Learned Appellate Tribunal Inland revenue had decided the case in Company's favour. Subsequent to it, the department has filed review application against the order in Honourable Court of Sindh. The decision is still pending. The Company expects a favourable decision.

In 2015 and 2016, The Searle Company Limited (Searle) issued bonus shares (76,031 shares and 342,480 shares respectively) after withholding 5 percent of bonus shares (3,802 shares and 17,124 shares respectively) and the IBL Healthcare Limited issued bonus shares (46,625 shares and 80,311 shares respectively) after withholding 5 percent of bonus shares (2,331 shares and 4,016 shares respectively). In this regard, a constitutional petition had been filed by Searle in Sindh High Court challenging the applicability of withholding tax provision on bonus shares received by the Company. The honorable high court decided the case against Searle. Subsequently, Searle filed an appeal with a larger bench of the Sindh High Court and in response the Sindh High Court has suspended the earlier judgment until the next date of hearing, which has not yet been decided. The Company is of the view that the case will be decided in its favour. The amount involved is Rs. 3.279 million.

14.2 SRB through notification no. SRB-3-4/17/2021 dated 30th June 2021 has revoked its previous exemption of life insurance, granted through SRB-3-4/5/2019 dated 8th May 2019, which is now taxable at a rate of 3%.

The Company, along with other life insurance industry players, based on the advice of its tax consultants filed petitions in the Honorable High Courts of Lahore and Sindh, challenging the levy of Punjab Sales Tax (PST) and Sindh Sales Tax (SST) on life insurance in Punjab and Sindh. The petitions were filed on the strength of legal advice that:

- Substantiating the Company's view that insurance is not a service, but in fact, in sum and substance, a contingent contract under which payment is made on the occurrence of an event, specified in the terms of contract or policy;
- A question of constitutionality arose on the levy of provincial sales tax on life insurance, which in their view, was a Federal subject, since the Federation has retained a legislative mandate over all laws relating to insurance under Entry 29 of the said List, therefore, only the Federation is entitled to levy any tax in relation to insurance business; and
- Without prejudice to the main contentions as stated above, even otherwise, the legal advisors had expressed a further illegality that there is a critical flaw in the context of the manner in which the entire premium payment has been charged to the levy of provincial sales tax. Even the component of the premium which is to form part of a policyholder's investment account is subjected to the levy.

The Honorable Lahore and Sindh High Courts have directed that no coercive measure will be taken until the next date of hearing.

Further subsequent to filing petition, all the provincial tax authorities i.e. SRB, PRA and BRA called a meeting of the industry representatives on 11 January 2020 in Karachi to discuss the matters relating to sales tax on premium. The matter was discussed in details and it was agreed to form a joint committee of the industry representatives as well as from all the provincial tax authorities. Further the committee formed met on 5 February 2020 in Lahore at PRA office to work out the way forward. Thereafter, due to the COVID 19 situation and consequential lockdown, further meetings of the Joint committee are not being held.

SRB through notification no. SRB-3-4/13/2020 dated 22 June 2020 exempted the life insurance services conditionally from 1 July 2019 to 30 June 2020 subject to e-depositing SST due, on such services for the tax periods from 1 July 2020 onward.

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

The Company with other life insurance companies has filed another petition in this regard in the Hon'ble Sindh High Court. The Hon'ble SHC has directed that no coercive measure will be taken until the next date of hearing.

In continuation to the petition filed in Sindh High Court, a hearing was scheduled to be conducted during 2021, however no hearing was held during the period amid rising cases due to the pandemic and annual vacations of the judges.

Furthermore, Khyber Pakhtunkhwa Revenue Authority (KPRA) through Khyber Pakhtunkhwa Finance Act 2021 has imposed sales tax on life insurance at the rate of 15%, from 1st July 2021, which was previously exempt, for the reason of economic documentation. The matter has been taken up by the IAP with KPRA explaining that 'Insurance' is a Federal subject, hence law in respect of insurance should not be made by the province.

Based on the legal opinion obtained the Company considers that it has a reasonably strong case on the merits in the Constitutional petition and the writ petition filed in the High Courts. In view of the above the Company has not started billing or withholding sales tax to its customers. The amount of sales tax involved is around Rs. 3,830 million (2023: Rs. 3,537 million) computed on the basis of risk based premium excluding the investment amount allocated to unit linked policies. The management contends that in case the administrative efforts fail, the amount will be charged to the policyholders.

- 14.3 Bank guarantees amounting to Rs. 47.82 million have been given in respect of Group Life coverage. These bank guarantees will expire on 30 April 2024.
- 14.4 There were no commitments at the period end.

	(Rupees in '000)	
	Aggregate (Unaudited)	
	Three months period ended 31 March	
	2024	2023
15. NET INSURANCE PREMIUM / CONTRIBUTION REVENUE		
Gross premium / contribution		
Regular premium / contribution individual policies		
First year	909 942	871 825
Second year renewal	1 055 764	1 149 352
Subsequent year renewal	5 500 217	5 340 151
Single premium / contribution individual policies	201 287	129 794
Group policies with cash values	4 134	7 698
Group policies without cash values	1 763 326	1 426 926
Provision for experience refund	9 856	(48 977)
Total gross premium / contribution	9 444 526	8 876 769
Less: Reinsurance premium / retakaful contribution ceded		
On individual life first year business	8 934	10 576
On individual life second year business	11 119	13 200
On individual life renewal business	75 115	76 777
On group policies	468 072	315 996
Less: Experience refund from reinsurers	(25 084)	(37 203)
Less: Reinsurance commission on risk premium	(3 763)	(4 597)
Total reinsurance premium / retakaful contribution ceded	534 393	374 749
Net premium / contribution	8 910 133	8 502 020
16. INVESTMENT INCOME		
Income from equity securities		
At fair value through profit or loss (Designated upon initial recognition)		
Dividend income	897 215	638 333
Available for sale		
Dividend income	17 284	4 359
Income from debt securities		
At fair value through profit or loss (Designated upon initial recognition)		
Return on debt securities	660 579	441 330
On government securities	7 657 979	4 815 124
Held to maturity		
On government securities	324 293	263 570
On debt securities	108 116	45 387
Income from term deposits		
Return on term deposits	329 332	394 593
	9 994 798	6 602 696

	(Rupees in '000)	
	Aggregate (Unaudited)	
	Three months ended 31 March	
	2024	2023
17. NET REALISED FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS		
Available for sale		
Realised gains on:		
- Equity securities	131 854	90 916
- Government securities		
Realised losses on:		
- Equity securities	-	(1 680 056)
- Government securities	(52 545)	60 294
	<u>79 309</u>	<u>(1 528 846)</u>
18. NET FAIR VALUE LOSSES ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS- UNREALISED		
Net unrealised losses on investments in financial assets - Government securities and debt securities (fair value through profit or loss designated upon initial recognition)	(748 098)	(1 515 936)
Net unrealised gains on investments at fair value through profit or loss (designated upon initial recognition) - Equity securities	1 753 882	1 361 595
Investment income / (loss)	1 005 784	(154 341)
Exchange gain	-	64 416
Provision / (reversal) of impairment in value of available for sale securities	732	(11 273)
Less: Investment related expenses	(176)	(157)
	<u>1 006 340</u>	<u>(101 355)</u>
19. OTHER INCOME		
Gain on sale of fixed assets	59 231	12 444
Return on loans to employees	7 525	6 603
Fees charged to policyholders	5 760	4 907
Gain on sale of early termination of lease contracts'	2 795	-
Other income	12	5
	<u>75 323</u>	<u>23 959</u>
20. NET INSURANCE BENEFITS		
Gross claims		
Claims under individual policies		
by death	329 249	278 302
by insured event other than death	4 347	4 307
by maturity	1 641 442	1 129 010
by surrender	7 301 027	5 456 403
Total gross individual policy claims	9 276 065	6 868 022
Claims under group policies		
by death	828 528	627 080
by insured event other than death	28 045	26 835
by maturity	469	212
by surrender	8 648	7 966
Total gross group claims	865 690	662 093
Total gross claims	10 141 755	7 530 115
Less: Reinsurance / retakaful recoveries		
On individual life claims	37 234	20 374
On group life claims	246 743	157 214
Total reinsurance / retakaful recoveries	283 977	177 588
Add: Claims related expenses	2 483	1 195
Net insurance benefit	<u>9 860 261</u>	<u>7 353 722</u>

21. ACQUISITION EXPENSES

(Rupees '000)

	Aggregate (Unaudited)	
	Three months ended	
	31 March	
	2024	2023
Remuneration to insurance intermediaries on individual policies:		
– Commission to agent on first year premiums / contributions	337 284	344 537
– Commission to agent on second year premiums / contributions	85 319	117 148
– Commission to agent on subsequent renewal premiums / contributions	144 990	143 240
– Commission to agent on single premiums / contributions	5 832	3 750
– Override commission to supervisors	87 094	88 212
– Other benefits to insurance intermediaries salaries, allowances and other benefits	416 343	492 654
Remuneration to insurance intermediaries on group policies:		
– Commission	168 313	137 161
– Other benefits to insurance intermediaries	51 994	27 938
– Traveling expenses	36 418	158 511
– Printing and stationery	10 626	5 032
– Depreciation	65 107	72 506
– Rent, rates and taxes	5 768	2 663
– Electricity, gas and water	17 175	10 971
– Entertainment	10 057	10 007
– Vehicle running expenses	694	1 052
– Office repairs & maintenance	7 368	5 479
– Postages, telegrams and telephone	8 966	8 142
– Medical fees	2 952	5 094
– Finance cost	17 686	15 579
– Policy stamps	11 301	17 966
– Others	147 960	54 873
	<u>1 639 247</u>	<u>1 722 515</u>

22. MARKETING AND ADMINISTRATION EXPENSES

Employee benefit cost	385 778	316 512
Traveling expenses	36 251	10 975
Advertisements and sales promotion	15 296	22 868
Printing and stationery	21 746	36 546
Depreciation	98 027	46 769
Amortisation	20 649	1 608
Rent, rates and taxes	925	245
Legal and professional charges	20 962	18 659
Electricity, gas and water	16 435	13 505
Entertainment	16 352	12 905
Vehicle running expenses	2 953	3 852
Office repair and maintenance	111 971	80 175
Appointed actuary fees	5 255	4 746
Bank charges	4 896	1 946
Postage, internet and telephone	31 146	31 478
Fees and subscription	53 092	22 096
Annual supervision fee SECP	15 095	14 500
Miscellaneous	74 848	36 323
	<u>931 677</u>	<u>675 708</u>

Rupees '000

		Aggregate (Unaudited)	
		Three months ended 31 March	
		2024	2023
23. OTHER EXPENSES			
	Advertisements and publicity	–	93
	Directors' fee	1 950	1 725
	Donation	9 797	7 319
	Others	1 271	120
		<u>13 018</u>	<u>9 257</u>
24. TAXATION			
	For the period		
	Current tax	340 084	256 035
	Deferred tax	153 027	(4 158)
		<u>493 111</u>	<u>251 877</u>

25. 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)

		For the period Ended	
		31 March 2024	31 March 2023
Transactions			
Holding Company			
	Premium written	13 297	13 462
	Premium paid	34 993	33 321
	Claims paid	2 475	2 208
	Claims received	–	500
Associated Companies / Related Parties			
	Premium written	99 509	106 316
	Premium paid	10 362	33 634
	Claims paid	21 669	15 680
	Commission paid	42 547	34 840
	Travelling expenses	17 814	8 473
	Donation paid	3 470	3 973
	Interest received on bank deposit	219 721	388 848
	Purchase of Vehicles (Pak Suzuki Motors)	7 461	22 745
	Loan recovered	1 068	–
	Placement of TDR	5 570 000	12 880 000
	Investment bought	38 959	–
	Investment sold of related party	5 920 000	20 858 429
Key management personnel			
	Premium written	149	450
	Loan to key employees	–	–
	Loan recovered	8 940	1 705
	Compensation paid	46 794	62 801
Employees' funds			
	Contribution to provident fund	15 190	13 811
	Contribution to pension fund	11 143	11 046

(Rupees in '000)

Balances	31 March 2024	31 December 2023
	Unaudited	Audited
Bank balances	678 788	1 218 935
Bank deposits	2 707 429	3 057 429
Premium payable	2 436	116
Premium receivable	3 824	14 464
Dividend Payable	943 134	-
Investment in Related Party	3 098 456	2 974 706
Claims outstanding - Related party	43 374	49 025
Loan receivable from key employees	13 869	23 878

26. SEGMENTAL INFORMATION

26.1 Revenue Account by Statutory Fund

(Rupees in '000)

	2024						Aggregate Three months ended 31 March 2024
	Statutory Funds						
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	
Income							
Premium / contribution less reinsurance / retakaful	5 760 270	1 157 957	27	74	1 810 190	172 964	8 901 482
Policy transfer from other statutory funds	-	-	-	-	8 651	-	8 651
Special reinstatement fee	-	-	-	-	12	-	12
Bonus units transferred to statutory fund	-	-	-	-	(11)	-	(11)
Net investment income / wakala income	9 389 325	247 165	1 134	167	1 601 209	72 036	11 311 036
Total net income	15 149 595	1 405 122	1 161	241	3 420 051	245 000	20 221 170
Insurance benefits and expenditures							
Claims net of reinsurance recoveries	8 291 192	542 029	-	74	948 896	66 937	9 849 128
Policy transfer from other statutory funds	8 651	-	-	-	-	-	8 651
Bonus units transfer to statutory fund provision for Doubtful debts	-	-	-	-	(11)	-	(11)
Management expenses less recoveries	1 555 343	403 650	2	98	806 676	116 617	2 882 386
Total insurance benefits and expenditures	9 855 186	945 679	2	172	1 755 561	183 554	12 740 154
Excess of income over insurance benefits and expenditures	5 294 409	459 443	1 159	69	1 664 490	61 446	7 481 016
Net change in insurance liabilities (other than outstanding claims)	(4 505 396)	(91 377)	(1 065)	74	(1 621 543)	(11 984)	(6 231 291)
Surplus before tax	789 013	368 066	94	143	42 947	49 462	1 249 725
Movement in policyholders' liabilities	4 505 396	91 377	1 065	(74)	1 621 543	11 984	6 231 291
Transfer to and from shareholder's fund							
Transfer of surplus to shareholders' fund	(752 040)	(31 720)	(109)	(133)	-	(10 567)	(794 569)
Capital contribution from share holders' fund	-	-	-	-	33 376	-	33 376
Net transfer to / from shareholders' fund	(752 040)	(31 720)	(109)	(133)	33 376	(10 567)	(761 193)
Balance of statutory funds at beginning of the period	166 571 007	4 003 729	22 351	378	23 787 876	377 136	194 762 477
Balance of statutory funds at end of the period	171 113 376	4 431 452	23 401	314	25 485 742	428 015	201 482 300

(Rupees in '000)

	2023						Aggregate
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	Three months ended 31 March 2023
Income							
Premium / contribution less reinsurance / retakaful	5 731 994	1 010 501	52	89	1 665 806	89 117	8 497 559
Policy transfer from other statutory funds	-	-	-	-	4 461	-	4 461
Special reinstatement fee	-	-	-	-	5	-	5
Bonus units transferred to statutory fund	-	-	-	-	-	-	-
Net investment income / wakala income	4 233 506	158 861	674	113	720 319	31 284	5 144 757
Total net income	9 965 500	1 169 362	726	202	2 390 591	120 401	13 646 782
Insurance benefits and expenditures							
Claims net of reinsurance recoveries	6 194 415	448 483	-	-	561 772	47 153	7 348 823
Policy transfer from other statutory funds	3 705	-	-	-	-	-	3 705
Bonus units transfer to statutory fund	-	-	-	-	-	-	-
Management expenses less recoveries	1 567 740	233 418	2	177	793 003	37 413	2 631 753
Total insurance benefits and expenditures	7 862 860	681 901	2	177	1 354 775	84 566	9 984 281
Excess of income over insurance benefits and expenditures	2 102 640	487 461	724	25	1 035 816	35 835	3 662 501
Net change in insurance liabilities (other than outstanding claims)	(1 655 713)	(181 754)	(651)	66	(1 065 987)	(2 042)	(2 906 081)
Surplus / (deficit) before tax	446 927	305 707	73	91	(30 171)	33 793	756 420
Movement in policyholders' liabilities	1 655 713	181 754	651	(66)	1 065 987	2 042	2 906 081
Transfer to and from shareholder's fund							
Transfer of surplus to shareholders' fund	(524 202)	(117 615)	(61)	(82)	-	(29 462)	(671 422)
Capital contribution from share holders' fund	-	-	-	-	98 912	-	98 912
Net transfer to / from shareholders' fund	(524 202)	(117 615)	(61)	(82)	98 912	(29 462)	(572 510)
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	147 403 459	3 519 389	18 155	574	18 050 388	235 855	169 227 820

	As at 31 March 2024 (Unaudited)			As at 31 December 2023 (Audited)		
	Statutory Funds	Shareholders Funds	Total	Statutory Funds	Shareholders Funds	Total
26.2 Segment statement of financial position						
Property and equipments	1 064 014	1 814 925	2 878 939	1 075 881	1 583 291	2 659 172
Right of use assets	-	518 038	518 038	-	568 593	568 593
Intangible assets	-	190 059	190 059	-	190 125	190 125
Investments	202 112 234	1 893 144	204 005 378	193 341 296	1 523 168	194 864 464
Insurance / reinsurance receivables	885 657	-	885 657	1 061 301	-	1 061 301
Other loans and receivables	4 836 235	288 927	5 125 162	4 252 836	259 117	4 511 953
Taxation - payments less provision	3 352	966 094	969 446	2 846	1 149 882	1 152 728
Prepayments	173 919	-	173 919	137 990	-	137 990
Cash and bank	2 440 575	224 416	2 664 991	5 035 757	19 035	5 054 792
Total assets	211 515 986	5 895 603	217 411 589	204 907 907	5 293 211	210 201 118
Insurance liabilities net of reinsurance recoveries	203 022 825	-	203 022 825	196 524 888	-	196 524 888
Deferred taxation	-	1 706 015	1 706 015	-	1 543 223	1 543 223
Premium / contribution received in advance	1 898 668	-	1 898 668	1 772 407	-	1 772 407
Insurance / reinsurance payables	249 403	-	249 403	202 221	-	202 221
Lease liabilities	-	641 788	641 788	-	687 196	687 196
Other creditors and accruals	1 917 260	1 281 847	3 199 107	2 093 209	430 329	2 523 538
Total liabilities	207 088 156	3 629 650	210 717 806	200 592 725	2 660 748	203 253 473

27. MOVEMENT IN INVESTMENTS

(Rupees '000)

	Held to maturity	Available for Sale	Fair value through profit & loss account	Deposit maturing within 12 months	Total
At beginning of previous year	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					
Reversal 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
Additions	1 623 961	185 373	19 073 550	6 418 940	27 301 824
Disposals (sale and redemptions)	(600 000)		(11 360 691)	(7 369 000)	(19 329 691)
Fair value net gain (excluding net realised gains)	-		1 168 050	-	1 168 050
Provision for impairment	-	732	-	-	732
At end of current period	11 588 408	1 279 875	184 578 728	6 558 368	204 005 379

28. 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:

On balance sheet financial instruments (Rupees '000)

	31 March 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
Financial assets measured at fair value											
- Investments											
Government securities (T-bills + PIBs + Sukuks)	148 564 195	-	-	-	-	-	148 564 195	-	148 564 195	-	148 564 195
Sukuk bonds (other than government)	1 820 970	-	-	-	-	-	1 820 970	-	1 820 970	-	1 820 970
Listed equity securities	25 746 318	123 923	-	-	-	-	25 870 241	25 870 241	-	-	25 870 241
Unlisted equity securities	-	508	-	-	-	-	508	-	-	508	508
Units of mutual funds	2 363 762	905 647	-	-	-	-	3 269 409	-	3 269 409	-	3 269 409
Debt securities (Listed TFCs)	5 095 708	-	-	-	-	-	5 095 708	-	5 095 708	-	5 095 708
Financial assets not measured at fair value											
- Government securities (T-bills + PIBs + Sukuks)	-	-	11 844 980	-	-	-	11 844 980	-	-	-	11 844 980
- Balances with banks *	9 210 885	-	-	-	-	-	9 210 885	-	-	-	9 210 885
- Certificate of investment	-	-	981 000	-	-	-	981 000	-	-	-	981 000
- Advances to employees and agents	-	-	-	149 986	-	-	149 986	-	-	-	149 986
- Investment income accrued	-	-	-	-	3 956 011	-	3 956 011	-	-	-	3 956 011
- Other loans and receivables (excluding markup accrued) *	-	-	-	-	1 019 164	-	1 019 164	-	-	-	1 019 164
	192 801 838	1 030 078	12 825 980	149 986	4 975 175	-	211 783 057	-	-	-	211 783 057
Financial liabilities not measured at fair value											
Deferred taxation	-	-	-	-	-	1 706 015	1 706 015	-	-	-	1 706 015
Premium received in advance	-	-	-	-	-	1 898 667	1 898 667	-	-	-	1 898 667
Insurance / reinsurance payables	-	-	-	-	-	249 403	249 403	-	-	-	249 403
Lease liability	-	-	-	-	-	641 788	641 788	-	-	-	641 788
Other creditors and accruals	-	-	-	-	-	3 199 108	3 199 108	-	-	-	3 199 108
	-	-	-	-	-	7 694 981	7 694 981	-	-	-	7 694 981
	192 801 838	1 030 078	12 825 980	149 986	4 975 175	(7 694 981)	204 088 076	-	-	-	204 088 076

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
- Balances with banks *	12 559 531	-	-	-	-	-	12 559 531	-	-	-	-	12 559 531
- Certificate of investment	-	-	981 000	-	-	-	981 000	-	-	-	-	981 000
- Advances to employees and agents	-	-	-	167 496	-	-	167 496	-	-	-	-	167 496
- Investment income accrued	-	-	-	-	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
	187 172 520	991 303	11 751 744	167 496	4 344 457	-	204 427 520	-	-	-	-	204 427 520
Financial liabilities not measured at fair value												
Deferred taxation	-	-	-	-	-	1 544 309	1 544 309	-	-	-	-	1 544 309
Premium received in advance	-	-	-	-	-	1 772 407	1 772 407	-	-	-	-	1 772 407
Insurance / reinsurance payables	-	-	-	-	-	202 220	202 220	-	-	-	-	202 220
Lease liability	-	-	-	-	-	687 196	687 196	-	-	-	-	687 196
Other creditors and accruals	-	-	-	-	-	2 523 539	2 523 539	-	-	-	-	2 523 539
	-	-	-	-	-	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

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

29. 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.

30. 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 25 April 2024.

MOHAMMED ALI AHMED
Managing Director &
Chief Executive

SYED SHAHID ABBAS
Chief Financial
Officer

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Director

RAFIQUE R. BHIMJEE
Chairman

Karachi 25 April, 2024



NEW HORIZONS NEW POSSIBILITIES

**EFU Life Window Takaful Operation
Condensed Interim Financial Statement
Report (Un-audited / Un-reviewed)
Three Months Ended 31 March 2024**

Condensed Interim Statement of Financial Position

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

As at 31 March 2024

(Rupees in '000)

	Note	Operators' Sub Fund	Policyholders' Fund	31 March 2024	31 December 2023
Assets					
Investments					
Equity securities	5	–	3 219 423	3 219 423	2 481 285
Government securities	6	353 942	17 212 755	17 566 697	16 698 708
Debt securities	7	–	1 785 676	1 785 676	1 782 641
Term deposits	8	–	2 091 000	2 091 000	1 991 000
Takaful / retakaful receivables		–	125 812	125 812	101 439
Other loans and receivables		244 910	2 723 566	2 968 476	2 384 415
Deferred tax asset		35 523	–	35 523	33 621
Prepayments		15 162	–	15 162	4 042
Cash & Bank	9	488 928	1 016 505	1 505 433	1 537 652
Total Assets		1 138 465	28 174 737	29 313 202	27 014 803
Equity and Liabilities					
Cede Money		50 000	–	50 000	50 000
Capital contributed by shareholder's fund		271 457	–	271 457	254 359
Qard-e-Hasna		–	–	–	–
Retained Earning arising from business other than participating business attributable to shareholder's (Ledger account D)		262 524	–	262 524	246 246
Accumulated losses		(225 717)	–	(225 717)	(171 084)
Total Equity		358 264	–	358 264	379 521
Liabilities					
Insurance Liabilities	10	358	26 218 542	26 218 900	24 481 660
Takaful contribution received in advance		–	719 175	719 175	292 278
Takaful / retakaful payables		–	173 956	173 956	136 449
Other creditors and accruals		779 843	1 063 064	1 842 907	1 724 895
Total Liabilities		780 201	28 174 737	28 954 938	26 635 282
Total Equity and Liabilities		1 138 465	28 174 737	29 313 202	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.

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Director

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Chairman

Karachi 25 April, 2024

Condensed Interim Profit and Loss Account Window Takaful Operations (Un-audited / Un-reviewed) for the three months period ended 31 March 2024

(Rupees in '000)

	Note	Operators' Sub Fund		Policyholders' Fund		Aggregate	
		Three months ended 31 March		Three months ended 31 March		Three months ended 31 March	
		2024	2023	2024	2023	2024	2023
Contribution Revenue		238 682	235 778	1 960 201	1 587 678	2 198 883	1 823 456
Contribution ceded to reinsurers		–	–	(207 079)	(64 070)	(207 079)	(64 070)
Net Contribution revenue	12	238 682	235 778	1 753 122	1 523 608	1 991 804	1 759 386
Wakalat-ul-Istismar - PIF		207 324	174 413	(209 749)	(174 418)	(2 425)	(5)
Wakala Fee - PTF		107 416	62 829	(107 416)	(62 829)	–	–
Special reinstatement fee		12	5	–	–	12	5
Mudarib Fee		19 505	12 870	(19 505)	(12 870)	–	–
Investment income	13	26 676	30 424	1 161 050	619 110	1 187 726	649 534
Net realised fair value (losses) on financial assets	14	–	(211)	–	(71 156)	–	(71 367)
Net unrealised fair value gain / (losses) on financial assets at fair value through profit or loss	15	437	(189)	170 338	(63 614)	170 775	(63 803)
		361 370	280 141	994 718	234 223	1 356 088	514 364
Net income		600 052	515 919	2 747 840	1 757 831	3 347 892	2 273 750
Takaful benefits		–	–	1 058 112	679 611	1 058 112	679 611
Recoveries from retakafuls		–	–	(42 736)	(70 881)	(42 736)	(70 881)
Qard-e-Hasna		–	–	–	–	–	–
Claims related expenses		–	–	–	–	–	–
Net Takaful Benefits	16	–	–	1 015 376	608 730	1 015 376	608 730
Net Change in Takaful Liabilities (other than outstanding claims)		29	–	1 732 464	1 149 101	1 732 493	1 149 101
Acquisition expenses	17	392 365	466 782	–	–	392 365	466 782
Exgratia-Surrender Expense		457	196	–	–	457	196
Marketing and administration expenses	18	213 761	126 389	–	–	213 761	126 389
Total Expenses		606 612	593 367	1 732 464	1 149 101	2 339 076	1 742 468
(Loss) before tax		(6 560)	(77 448)	–	–	(6 560)	(77 448)
Income tax	19	1 902	22 460	–	–	1 902	22 460
(Loss) for the period		(4 658)	(54 988)	–	–	(4 658)	(54 988)

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

MOHAMMED ALI AHMED
Managing Director &
Chief Executive

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Chief Financial
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SAIFUDDIN N. ZOOMKAWALA
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Director

RAFIQUE R. BHIMJEE
Chairman

Karachi 25 April, 2024

Condensed Interim Statement of Comprehensive Income Window Takaful Operations (Un-audited / Un-reviewed) for the three months period ended 31 March 2024

(Rupees in '000)

	Operators' Sub Fund		Policyholders' Fund		Aggregate	
	Three months ended 31 March		Three months ended 31 March		Three months ended 31 March	
	2024	2023	2024	2023	2024	2023
Loss for the period - as per Profit and Loss Account	(4 658)	(54 988)	-	-	(4 658)	(54 988)
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 loss for the period	(4 658)	(54 988)	-	-	(4 658)	(54 988)

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

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Chairman

Karachi 25 April, 2024

Condensed Interim Statement of Cash Flows

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

for the three months period ended 31 March 2024

(Rupees in '000)

	Three months ended 31 March	
	2024	2023
Operating cash flows		
a) Takaful activities		
Takaful contribution received	2 600 950	1 981 798
Retakaful contribution paid	(169 572)	(61 327)
Claims paid	(1 056 268)	(640 325)
Retakaful and other recoveries received	42 736	70 881
Commission paid	(306 200)	(364 308)
Marketing and Administrative expenses paid	(213 761)	(126 389)
Other acquisition cost paid	(134 213)	(264 430)
Net cash flow from underwriting activities	763 672	595 900
b) Other operating activities		
Other operating receipts / (payments)	208 604	(255 715)
Other (payments) / receipts on operating assets	(110 873)	39 831
Net cash flow from other operating activities	97 731	(215 884)
Total cash flow from all operating activities	861 403	380 016
Investment activities		
Profit / Return received	620 337	214 237
Dividends received	85 992	37 468
Payments for investments	(1 438 387)	(3 351 250)
Proceed from disposal of investments	–	270 428
Total cash flow from investing activities	(732 058)	(2 829 117)
Financing activities		
Net Capital contributed from shareholder's fund	(61 564)	(18 786)
Total cash flow from financing activities	(61 564)	(18 786)
Net cash flow from all activities	67 781	(2 467 887)
Cash and cash equivalents at beginning of the period	3 528 652	5 442 467
Cash and cash equivalents at end of the period	3 596 433	2 974 580
Reconciliation to profit and loss account		
Operating cash flows	861 403	380 016
Depreciation expense	(40 330)	(28 640)
Amortization expense	(4 635)	(298)
(Loss) on disposal of investments	–	(71 367)
Dividend Income	85 992	37 468
Other investment income	1 101 517	617 740
Depreciation in market value of investments	170 995	(69 480)
Increase / (Decrease) in assets other than cash	140 059	(49 115)
Increase in liabilities	(2 319 659)	(871 312)
Loss after taxation	(4 658)	(54 988)

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

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Director

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Karachi 25 April, 2024

Condensed Interim Statement of Changes in Equity Window Takaful Operations (Un-audited / Un-reviewed) for the three months period ended 31 March 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	-	98 912	-	-	-	-	98 912
(Loss) for the period ended 31 March 2023	-	-	-	-	-	(54 988)	(54 988)
Other Comprehensive income/(loss)	-	-	-	-	-	-	-
Total (loss) for the period ended 31 March 2023	-	-	-	-	-	(54 988)	(54 988)
Contribution to increase solvency margin	-	7 998	-	(7 998)	-	-	-
Capital contribution transferred to policy holder liability	-	-	-	-	-	-	-
Balance as at 31 March 2023	50 000	168 236	-	185 927	-	(124 267)	279 896
Balance as at 1 January 2024	50 000	254 359	-	246 246	-	(221 059)	329 546
Capital contribution from shareholder's fund	-	33 376	-	-	-	-	33 376
(Loss) for the period ended 31 March 2024	-	-	-	-	-	(4 658)	(4 658)
Other Comprehensive income/(loss)	-	-	-	-	-	-	-
Total (loss) for the period ended 31 March 2024	-	-	-	-	-	(4 658)	(4 658)
Contribution to increase solvency margin	-	(16 278)	-	16 278	-	-	-
Balance as at 31 March 2024	50 000	271 457	-	262 524	-	(225 717)	358 264

*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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Chief Executive

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Chief Financial
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SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Director

RAFIQUE R. BHIMJEE
Chairman

Karachi 25 April, 2024

Notes to and forming part of the Condensed Interim Financial Information Window Takaful Operations (Un-audited / Un-reviewed) for the three months period ended 31 March 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)
- 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	31 March 2024	31 December 2023
At fair value through profit or loss (Designated - upon initial recognition)	5.1	3 219 423	2 481 285
		3 219 423	2 481 285

(Rupees in '000)

	31 March 2024			31 December 2023		
	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	2 651 782	-	3 219 423	2 481 285	-	2 481 285
	<u>2 651 782</u>	<u>-</u>	<u>3 219 423</u>	<u>2 481 285</u>	<u>-</u>	<u>2 481 285</u>

6. GOVERNMENT SECURITIES

(Rupees in '000)

	Note	31 March 2024	31 December 2023
Held to Maturity	6.1	1 175 223	1 175 648
Fair value through profit and loss (designated - upon initial recognition)	6.2	16 391 474	15 523 060
		<u>17 566 697</u>	<u>16 698 708</u>

(Rupees in '000)

	Maturity Year	Effective Yield	31 March 2024			31 December 2023		
			Amortised Cost	Impairment/ Provision	Carrying Value	Amortised Cost	Impairment/ Provision	Carrying Value
6.1 Held to Maturity								
Government Ijara	2024-2027	8.37-23.60	533 234	537 000	533 234	533 234	537 000	533 234
Pakistan Energy Sukuk I	2029	24.02	189 826	170 000	189 826	190 033	170 000	190 033
Pakistan Energy Sukuk II	2030	21.14	452 163	450 000	452 163	452 381	450 000	452 381
			<u>1 175 223</u>	<u>1 157 000</u>	<u>1 175 223</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	2024-2027	11.40-23.60	15 888 597	16 048 900	15 746 326	14 951 577	14 953 900	14 875 960
Pakistan Energy Sukuk I	2029	24.02	594 898	530 000	594 898	596 836	530 000	596 835
Pakistan Energy Sukuk II	2030	21.14	50 250	50 000	50 250	50 265	50 000	50 265
			<u>16 533 745</u>	<u>16 628 900</u>	<u>16 391 474</u>	<u>15 598 678</u>	<u>15 533 900</u>	<u>15 523 060</u>

7. INVESTMENT IN DEBT SECURITIES

(Rupees in '000)

	Note	31 March 2024			31 December 2023		
		Cost	Impairment/ Provision	Carrying Value	Cost	Impairment/ Provision	Carrying Value
Others							
Corporate Sukuks	7.1	1 785 676	-	1 785 676	1 782 641	-	1 782 641
		<u>1 785 676</u>	<u>-</u>	<u>1 785 676</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	
		31 March 2024	31 December 2023		31 March 2024	31 December 2023
7.1 Corporate Sukuks						
Neelum Jehlum Hydro Power Company Limited	2026	1 250	1 250	100	33 161	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
					523 476	523 441
Term Finance Certificate						
K-Electric Limited	2029	120 000	120 000	5	610 200	607 200
					610 200	607 200
Certificate Of Investment						
First Habib Modaraba Private Limited	2024	3	3	217 333	652 000	652 000
					652 000	652 000
					1 785 676	1 782 641

8. INVESTMENTS IN TERM DEPOSITS

(Rupees in '000)

	31 March 2024	31 December 2023
Deposit maturing within three months	2 091 000	1 991 000
9. CASH AND BANK		
Cash and Cash Equivalent		
Cash in hand	182	-
Cash at bank		
Current account	241 946	182 130
Saving account	1 263 305	1 355 522
	1 505 433	1 537 652

(Rupees in '000)

	31 March 2024	31 March 2023
9.1 Cash and cash equivalents for cash flow purpose comprise of the following:		
- Cash and others	182	317
- Cash at bank	1 505 251	933 263
- Term deposits maturing within three months	2 091 000	2 041 000
	3 596 433	2 974 580

		(Rupees in '000)	
		31 March 2024	31 December 2023
10. TAKAFUL LIABILITIES			
Reported outstanding claims	10.1	533 192	530 744
Incurring but not reported claims	10.2	147 236	170 037
Investment component of unit-linked and account value policies	10.3	24 497 153	22 872 690
Liabilities under individual conventional insurance contracts	10.4	130 875	135 303
Liabilities under group insurance contracts (other than investment linked)	10.5	101 786	66 432
Other liabilities		62 167	59 256
Participant takaful fund balance	10.6	746 491	647 198
		<u>26 218 900</u>	<u>24 481 660</u>
10.1 Reported Outstanding Claims			
Gross of Retakaful			
Payable within one year		505 143	503 311
Payable over a period of time exceeding one year		58 147	59 936
		<u>563 290</u>	<u>563 247</u>
Recoverable from Retakaful			
Receivable over a period of time exceeding one year		(30 098)	(32 503)
		<u>(30 098)</u>	<u>(32 503)</u>
Net reported outstanding claims		<u>533 192</u>	<u>530 744</u>
10.2 Incurred But Not Reported Claims			
Gross of retakaful		279 021	317 346
Retakaful recoveries		(131 785)	(147 309)
Net of retakaful		<u>147 236</u>	<u>170 037</u>
10.3 Investment Component of Unit Linked and Account Value Policies			
Investment component of unit linked policies		24 497 153	22 872 690
Investment component of account value policies		-	-
		<u>24 497 153</u>	<u>22 872 690</u>
10.4 Liabilities under Individual Conventional takaful Contracts			
Gross of Retakaful		202 559	208 239
Retakaful Credit		(71 684)	(72 936)
Net of retakaful		<u>130 875</u>	<u>135 303</u>
10.5 Liabilities under Group Insurance Contracts (other than investment linked)			
Gross of Reinsurance		230 365	94 571
Reinsurance Credit		(128 579)	(28 139)
Net of retakaful		<u>101 786</u>	<u>66 432</u>
10.6 Participant Takaful Fund Balance	10.6.1	<u>746 491</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, 2023. Out of the reported amount thereon, an amount of Rs.290.9 million pertains to Window Takaful Operations. There were no other material contingencies and commitments as at March 31, 2024.

12. NET CONTRIBUTION REVENUE

Rupees '000

	Aggregate	
	Three months period ended 31 March	
	2024	2023
Gross contribution		
Regular contribution individual policies		
First year	272 173	282 355
Second year renewal	346 079	407 618
Subsequent year renewal	1 183 965	985 351
Single contribution individual policies	40 088	19 753
Group policies with cash values	130	45
Group policies without cash values	356 448	128 334
Total gross contribution	2 198 883	1 823 456
Less: Retakaful contribution ceded		
On individual life first year business	4 028	5 405
On individual life second year business	4 472	5 151
On individual life renewal business	16 880	16 767
On group policies	183 484	39 217
Less: Experience refund from reinsurers	(1 785)	(2 470)
Total reinsurance premium / retakaful contribution ceded	207 079	64 070
Net premium / contribution	1 991 804	1 759 386
13. INVESTMENT INCOME		
Income from equity securities		
At fair value through profit and loss (Designated upon initial recognition)		
Dividend income	85 988	37 468
Available for Sale		
Dividend income	-	-
Income from debt securities		
At fair value through profit and loss (Designated upon initial recognition)		
Return on debt securities	120 738	111 145
On government securities	185 440	221 764
Held to maturity		
On government securities	696 795	184 865
Income from term deposits		
Return on term deposits	98 765	94 292
	1 187 726	649 534

14. NET REALISED FAIR VALUE GAINS (LOSSES) ON FINANCIAL ASSETS	Rupees '000	
	Aggregate	
	Three months period ended 31 March	
	2024	2023
Available for sale		
Realised gains on:		
- Equity securities	-	2 995
- Government securities	-	-
Realised losses on:		
- Equity securities	-	(74 362)
	<u>-</u>	<u>(71 367)</u>
15. NET FAIR VALUE GAINS (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNREALISED		
Net unrealised gains on investments at fair value through profit or loss (designated upon initial recognition)- Equity Securities	234 388	28 326
Net unrealised (losses) on investments at fair value through profit or loss (designated upon initial recognition) - Government Securities	(63 613)	(92 129)
	<u>170 775</u>	<u>(63 803)</u>
16. NET TAKAFUL BENEFITS		
Gross claims		
Claims under individual policies		
by death	48 010	26 435
by insured event other than death	-	-
by maturity	-	-
by surrender	911 299	544 193
Total gross individual policy claims	<u>959 309</u>	<u>570 628</u>
Claims under group policies		
by death	93 453	104 650
by insured event other than death	5 350	4 333
by maturity	-	-
by surrender	-	-
Total gross group claims	<u>98 803</u>	<u>108 983</u>
Total gross claims	<u>1 058 112</u>	<u>679 611</u>
Less: Retakaful recoveries		
On individual life claims	10 870	9 052
On group life claims	31 866	61 829
Total retakaful recoveries	<u>42 736</u>	<u>70 881</u>
Net takaful benefit expense	<u>1 015 376</u>	<u>608 730</u>

17. ACQUISITION EXPENSES

(Rupees '000)

	Aggregate	
	Three months ended	
	31 March	
	2024	2023
Remuneration to takaful intermediaries on individual policies:		
– Commission to agent on first year contributions	102 689	111 257
– Commission to agent on second year contributions	33 573	48 668
– Commission to agent on subsequent renewal contributions	29 267	29 248
– Commission to agent on single contributions	1 122	570
– Override commission to supervisors	19 938	22 811
– Other benefits to takaful intermediaries Salaries, allowances and other benefits	119 575	193 685
Remuneration to takaful intermediaries on group policies:		
– Commission	13 730	6 639
– Other benefits to takaful intermediaries	10 767	3 315
Other acquisition costs		
– Traveling expenses	1 686	3 127
– Printing and stationery	560	151
– Depreciation	18 302	19 985
– Rent, rates and taxes	1 317	940
– Electricity, gas and water	5 242	4 332
– Entertainment	2 082	2 115
– Vehicle running expenses	132	435
– Office repairs & maintenance	2 459	2 047
– Postages, telegrams and telephone	1 507	1 353
– Finance Cost	4 274	4 875
– Others	19 586	3 588
– Medical fees	624	1 228
– Policy stamps	3 933	6 413
	<u>392 365</u>	<u>466 782</u>

18. MARKETING AND ADMINISTRATION EXPENSES

Employee benefit cost	84 365	56 399
Traveling expenses	6 169	2 433
Advertisements and sales promotion	2 928	5 716
Printing and stationery	5 450	6 769
Depreciation	22 028	8 655
Amortisation	4 635	298
Rent rates and taxes	208	14
Legal and Professional charges	4 788	2 619
Electricity, gas and water	3 659	2 685
Entertainment	3 372	2 384
Vehicle running expenses	598	619
Office repair and maintenance	25 144	14 956
Appointed actuary fees	1 179	880
Bank charges	1 054	392
Postage, internet and telephone	8 291	7 174
Fees and subscription	16 955	4 059
Annual supervision fee SECP	3 518	2 962
Miscellaneous	19 420	7 375
	<u>213 761</u>	<u>126 389</u>

(Rupees '000)

	Aggregate	
	Three months ended 31 March	
	2024	2023
19. Tax for the period		
Current	1 902	22 460
Deferred	–	–
	1 902	22 460

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)	
	Three months ended	
	31 March 2024	31 March 2023
Transactions		
Associated companies/ Related Party		
Premium written	139	175
Premium paid	658	3 081
Claims paid	3 002	582
Commission Paid	2 986	3 311
Donation paid	–	3 973
Interest / Profit received	89 300	101 571
Placement of TDR	3 470 000	3 730 000
TDR matured	3 470 000	4 870 000
Employees' funds		
Contribution to provident fund	449	20
Contribution to pension fund	229	9
Key Management Personnel Transactions		
Premium written	15	168

(Rupees in '000)

	31 March 2024	31 December 2023
	Bank balances	572 371
Bank deposits	1 290 000	1 290 000
Premium payable	33	108
Premium receivable	31	8
Investment in Related Party	140 315	140 315
Claim outstandings -Related Parties	–	2 833

21. SEGMENTAL INFORMATION

21.1 Revenue Account by Statutory Fund

(Rupees in '000)

	Family Takaful Investment Linked Business	Family Takaful Protection Business	Aggregate Three months ended 31 March 2024
Income			
Contribution less retakaful	1 810 190	172 964	1 983 154
Policy transfer from other statutory funds	8 651	-	8 651
Bonus units transfer to statutory fund	12	-	12
Net investment income / wakala income	1 601 209	72 036	1 673 245
Total net income	<u>3 420 062</u>	<u>245 000</u>	<u>3 665 062</u>
Takaful Benefits and Expenditures			
Claims net of retakaful recoveries	948 896	66 937	1 015 833
Policy transfer from other statutory funds	-	-	-
Provision for doubtful debts	-	-	-
Management expenses less recoveries	806 676	116 617	923 293
Total takaful Benefits and Expenditures	<u>1 755 572</u>	<u>183 554</u>	<u>1 939 126</u>
Excess of income over takaful Benefits and Expenditures	1 664 490	61 446	1 725 936
Net Change in takaful Liabilities (Other than outstanding Claims)	<u>(1 621 543)</u>	<u>(11 984)</u>	<u>(1 633 527)</u>
Surplus before tax	42 947	49 462	92 409
Movement in takaful liabilities	1 621 543	11 984	1 633 527
Transfer to and from Shareholder's Fund			
Transfer of (surplus) / deficit to shareholders' fund	-	(10 567)	(10 567)
Capital contribution to / from share holders' fund	33 376	-	33 376
Net Transfer to / from shareholders' fund	33 376	(10 567)	22 809
Balance of statutory funds at beginning of the period	23 787 876	377 136	24 165 012
Balance of statutory funds at end of the period	<u><u>25 485 742</u></u>	<u><u>428 015</u></u>	<u><u>25 913 757</u></u>

	(Rupees in '000)		
	Aggregate		
	Family Takaful Investment Linked Business	Family Takaful Protection Business	Three months ended 31 March 2023
Income			
Contribution less retakaful	1 665 806	89 117	1 754 923
Policy transfer from other statutory funds	4 461	–	4 461
Bonus units transfer to statutory fund	5	–	5
Net investment income / wakala income	720 319	31 284	751 603
Total net income	2 390 591	120 401	2 510 992
Takaful Benefits and Expenditures			
Claims net of retakaful recoveries	561 772	47 153	608 925
Policy transfer from other statutory funds	–	–	–
Management expenses less recoveries	793 003	37 413	830 416
Total takaful benefits and expenditures	1 354 775	84 566	1 439 341
Excess of income over takaful benefits and expenditures	1 035 816	35 835	1 071 651
Net Change in takaful liabilities (Other than outstanding claims)	(1 065 987)	(2 042)	(1 068 029)
(Deficit) / Surplus before tax	(30 171)	33 793	3 622
Movement in takaful liabilities	1 065 987	2 042	1 068 029
Transfer to and from Shareholder's Fund			
Transfer of surplus to shareholders' fund	–	(29 462)	(29 462)
Capital contribution to / from share holders' fund	98 912	–	98 912
Net Transfer to / from shareholders' fund	98 912	(29 462)	69 450
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	18 050 388	235 855	18 286 243

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:

	31 March 2024										
	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)	16 391 474	-	-	-	-	-	16 391 474	-	16 391 474	-	16 391 474
Sukuk/Bonds (other than government)	523 476	-	-	-	-	-	523 476	-	523 476	-	523 476
Listed equity securities	3 219 423	-	-	-	-	-	3 219 423	3 219 423	-	-	3 219 423
Unlisted equity securities	-	-	-	-	-	-	-	-	-	-	-
Units of mutual funds	-	-	-	-	-	-	-	-	-	-	-
Debt securities (Listed TFCs)	1 262 200	-	-	-	-	-	1 262 200	1 262 200	-	-	1 262 200
Financial assets not measured at fair value											
- Government Securities (T-bills + PIBs + Sukuks)	-	-	1 175 223	-	-	-	1 175 223	-	-	-	1 175 223
- Balances with banks *	3 596 433	-	-	-	-	-	3 596 433	-	-	-	3 596 433
- Certificate of Investment	-	-	-	-	-	-	-	-	-	-	-
- Advances	-	-	-	-	-	-	-	-	-	-	-
- Investment income accrued	-	-	-	-	1 397 885	-	1 397 885	-	-	-	1 397 885
- Other loans and receivables (excluding markup accrued)*	24 993 006	-	1 175 223	-	2 968 476	-	2 968 476	-	-	-	2 968 476
							30 534 590				30 534 590
Financial liabilities not measured at fair value											
Deferred taxation	-	-	-	-	-	-	-	-	-	-	-
Premium received in advance	-	-	-	-	-	719 175	719 175	-	-	-	719 175
Insurance / reinsurance payables	-	-	-	-	-	173 956	173 956	-	-	-	173 956
Other creditors and accruals	-	-	-	-	-	1 842 907	1 842 907	-	-	-	1 842 907
						2 736 038	2 736 038				2 736 038
	24 993 006	-	1 175 223	-	4 366 361	(2 736 038)	27 798 552				27 798 552

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 25th April 2024.

MOHAMMED ALI AHMED
Managing Director &
Chief Executive

SYED SHAHID ABBAS
Chief Financial
Officer

SAIFUDDIN N. ZOOMKAWALA
Director

TAHER G. SACHAK
Director

RAFIQUE R. BHIMJEE
Chairman

Karachi 25 April, 2024

