



Directors' Review, 30 September 2022

The Directors of your Company are pleased to present the Condensed Interim Financial Statements (Un-audited) for the third quarter ended 30 September 2022.

Your Company's gross premium income was Rs. 26.96 billion during the nine months of 2022 (2021: Rs 25.58 billion), an increase of 5.4%. New individual life regular premium income was Rs. 4.81 billion (2021: Rs.5.05 billion). Renewal premium was Rs. 18.31 billion (2021: Rs.17.03 billion) an increase of 7.5%. Inclusive of renewal premium, the total individual life regular premium was Rs. 23.13 billion (2021: 22.09 billion), an increase of 4.7%. Single premium business was Rs.506 million (2021: Rs. 752 million). Group Benefits business increased by 26.4% and was Rs.3.57 billion (2021: Rs. 2.83 billion).

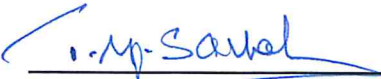
Your Company's total family takaful contribution was Rs. 5.89 billion (2021: 4.95 billion), a growth of 19.0%. Out of this, Rs. 5.42 billion (2021: Rs. 4.60 billion) was from Individual family takaful business (a growth of 18.0%) while Rs. 462 million (2021: Rs. 346 million) was from Group Family Takaful (a growth of 33.5%). The Company expects the Takaful line of business to continue its contribution to the overall topline during 2022.

Your Company had a Profit before Tax of Rs 1.92 billion (2021: 1.29 billion), an increase of 49%. The imposition of the indefinite 4% annual super tax under the Finance Act, 2022 for the tax year 2022 and 2023 resulted in a lower growth of 16% in the Profit after Tax compared to last nine months and stated at Rs 1.07 billion (2021: Rs 924 million). The Earnings per Share is Rs. 10.74 (2021: Rs. 9.24).

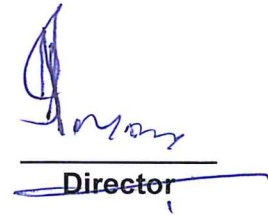
Interim Dividend:

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

We would like to thank our valued customers for their continued patronage and to the Securities and Exchange Commission of Pakistan for their guidance, and our main reinsurers, Munich Re and Hannover 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.


Managing Director &
Chief Executive Officer


Director


Director



ممبران کوڈائریکٹرز کی رپورٹ (۳۰ ستمبر ۲۰۲۲ء)

آپ کی کمپنی کے ڈائریکٹرز، سال ۲۰۲۲ء کی تیسری سہ ماہی جو ۳۰ ستمبر ۲۰۲۲ء کو اختتام پذیر ہوئی، کمپنی کے (غیر آڈٹ شدہ) مالیاتی گوشواروں کی مختصر مگر جامع عبوری معلومات کے ساتھ، تیسری سہ ماہی رپورٹ پیش کرنے میں مسرت محسوس کرتے ہیں۔

آپ کی کمپنی کی مجموعی پریٹیمم آمدنی ۲۰۲۲ء کی تیسری سہ ماہی کے دوران 26.96 بلین روپے (۲۰۲۱ء: 25.58 بلین روپے) رہی اور 5.4 فیصد کا اضافہ ہوا۔ نئی انفرادی لائف ریگولر پریٹیمم آمدنی 4.81 بلین روپے (۲۰۲۱ء: 5.05 بلین روپے) رہی۔ تجدیدی پریٹیمم 18.31 بلین روپے (۲۰۲۱ء: 17.03 بلین روپے) رہا اور 7.5 فیصد کا اضافہ ہوا۔ تجدیدی پریٹیمم کے ساتھ مجموعی انفرادی لائف ریگولر پریٹیمم 23.13 بلین روپے (۲۰۲۱ء: 22.09 بلین روپے) رہا اور 4.7 فیصد کا اضافہ ہوا۔ سٹیکل پریٹیمم برنس 506 بلین روپے تھا۔ (۲۰۲۱ء: 752 بلین روپے)۔ گروپ بنی فٹس برنس 26.4 فیصد تک بڑھ گیا اور 3.57 بلین روپے (۲۰۲۱ء: 2.83 بلین روپے)۔


آپ کی کمپنی کا مجموعی فیملی کنٹری بیوشن 5.89 بلین روپے رہا (۲۰۲۱ء: 4.95 بلین روپے) اور 19.0 فیصد کی شرح نمو حاصل ہوئی۔ اس کے علاوہ انفرادی فیملی کنٹری بیوشن 5.42 بلین روپے (۲۰۲۱ء: 4.60 بلین روپے) (18.0 فیصد کی شرح نمو) جبکہ گروپ فیملی کنٹری بیوشن سے 462 بلین روپے (۲۰۲۱ء: 346 بلین روپے) حاصل ہوئے (33.5 فیصد کی شرح نمو)۔ کمپنی توقع کرتی ہے کہ کاروبار کا کنٹری بیوشن ۲۰۲۲ء میں مجموعی ٹاپ لائن کی زیر نگرانی کا سلسلہ جاری رکھے گا۔


آپ کی کمپنی نے 1.92 بلین روپے کا منافع قبل از ٹیکس حاصل کیا (۲۰۲۱ء: 1.29 بلین روپے) جس سے 49 فیصد کا اضافہ ہوا۔ فنانس ایکٹ ۲۰۲۲ء کے تحت ٹیکس کے سال ۲۰۲۲ء اور ۲۰۲۳ء کیلئے غیر معینہ 4 فیصد سالانہ سپرنٹیکس کے نفاذ کے نتیجے میں منافع بعد از ٹیکس میں 16 فیصد کی کٹ گرتھ گزشتہ ۹ ماہ کے مقابلے میں حاصل ہوئی اور 1.07 بلین روپے ظاہر کی گئی (۲۰۲۱ء: 924 بلین روپے) آمدنی فی شیئر 10.74 روپے رہی (۲۰۲۱ء: 9.24 روپے)۔

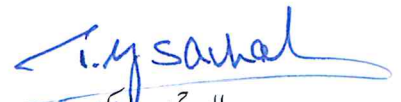
عبوری منافع مقسمہ

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

ہم اپنے معزز صارفین کا ان کی مستقل سرپرستی اور سکیورٹیز اینڈ ایڈیٹیجنگ کمیشن آف پاکستان کا ان کی رہنمائی اور ہمارے مرکزی ری انشورر میونخ ری اور بین اوورری کا ان کی معاونت کیلئے شکریہ ادا کرتے ہیں۔ آپ کے ڈائریکٹرز اپنے افسران، تمام ڈسٹری بیوشن چینلز اور اسٹاف کی جانب سے کی گئی کاوشوں اور جدوجہد پر تہہ دل سے ان کو خراج تحسین پیش کرتے ہیں جنہوں نے کمپنی کی ڈیولپمنٹ، فروغ اور مستقل کامیابی میں اپنا بھرپور کردار ادا کیا ہے۔


حسن علی عبداللہ
ڈائریکٹر


سیف الدین این۔ زومکادالا
ڈائریکٹر


طاہر جی۔ ساچک
ٹیچنگ ڈائریکٹر و چیف ایگزیکٹو آفیسر

کراچی: ۲۸ اکتوبر ۲۰۲۲ء

EFU LIFE ASSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Note	Aggregate	
		30 September 2022	31 December 2021
(Rupees in '000)			
Assets			
Properties and equipments		2,535,823	2,494,333
Right of use assets		572,347	569,603
Intangible assets		6,505	18,376
Investments			
Equity securities	6	22,140,776	31,864,098
Government securities	7	107,456,270	87,322,252
Debt securities	8	7,536,382	5,884,825
Term deposits	9	16,886,429	24,376,429
Open-ended mutual funds	10	369,836	1,454,576
Insurance / reinsurance receivables		616,224	457,120
Other loans and receivables		4,086,323	2,706,179
Taxation - payments less provision		1,249,291	1,289,170
Prepayments		166,579	134,869
Cash and bank	11	7,392,119	4,608,125
Total Assets		171,014,904	163,179,955
Equity and Liabilities			
Authorised share capital [150,000,000 ordinary shares (2022: 150,000,000) of Rs.10 each]		1,500,000	1,500,000
Ordinary share capital [100,000,000 ordinary shares (2021:100,000,000) 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	2,069,958	2,100,521
General reserves		1,980,000	2,100,000
Surplus on revaluation of available for sale investments - net of tax		3,864	33,404
Unappropriated profit		818,702	944,454
Total Equity		5,872,524	6,178,379
Liabilities			
Insurance liabilities	13	159,875,173	151,757,625
Deferred taxation		1,025,896	884,797
Premium received in advance		1,182,800	1,148,292
Insurance / reinsurance payables		470,345	76,238
Lease liabilities		672,691	649,581
Other creditors and accruals		1,915,475	2,485,043
		5,267,207	5,243,951
Total Liabilities		165,142,380	157,001,576
Total Equity and Liabilities		171,014,904	163,179,955

Contingency(ies) and commitment(s)


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The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.


**Managing Director &
Chief Executive Officer**


Chief Financial Officer


Director


Director

EFU LIFE ASSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022

Note	Aggregate		Aggregate	
	Nine months period ended		Three months period ended	
	30 September		September	
	2022	2021	2022	2021
----- (Rupees in '000) -----				
Premium / contribution revenue	26,960,190	25,577,691	8,580,509	8,196,433
Premium / retakaful ceded to reinsurers	(849,545)	(894,811)	(231,809)	(209,852)
Net premium / contribution revenue	26,110,645	24,682,880	8,348,700	7,986,581
Investment income	13,162,128	8,665,882	5,016,650	3,006,864
Net realised fair value (losses) / gains on financial assets	(278,251)	3,068,536	438,252	897,823
Net fair value (losses) on financial assets at fair value through profit or loss	(3,238,664)	(4,903,580)	(544,877)	(3,635,582)
Other income	70,953	69,992	32,200	26,300
Net income	9,716,166	6,900,830	4,942,225	295,405
	35,826,811	31,583,710	13,290,925	8,281,986
Insurance benefits	19,275,687	18,085,455	6,147,493	6,078,520
Recoveries from reinsurers	(546,485)	(680,036)	(188,456)	(177,764)
Claims related expenses	5,243	10,222	1,010	2,724
Net insurance benefits	18,734,445	17,415,641	5,960,047	5,903,480
Net change in insurance liabilities (other than outstanding claims)	7,858,864	5,775,079	4,239,297	(228,276)
Acquisition expenses	5,444,141	5,510,710	1,732,789	1,818,071
Marketing and administration expenses	1,837,420	1,567,017	657,594	558,797
Other expenses	30,418	27,163	7,307	4,696
Total expenses	15,170,843	12,879,969	6,636,987	2,153,288
Profit before tax (Refer note below)	1,921,523	1,288,100	693,891	225,218
Income tax expense	(847,838)	(364,289)	(240,498)	(59,904)
Profit after tax for the period	1,073,685	923,811	453,393	165,314
----- (Rupees) -----				
Earnings per share - Rupees	10.74	9.24	4.53	1.65

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

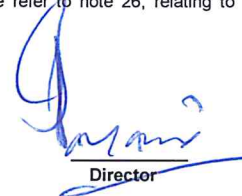
Note:

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. 1,693 million (2021: Rs.1,193 million), please refer to note 26, relating to segmental information - revenue account by statutory fund.


**Managing Director &
Chief Executive Officer**


Chief Financial Officer


Director


Director

EFU LIFE ASSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022


	Nine months period ended 30 September		Three months period ended 30 September	
	2022	2021	2022	2021
	(Rupees in '000)			
Profit after tax for the period- as per statement of profit and loss account	1,073,685	923,811	453,393	165,314
Other comprehensive income:				
<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>				
Change in unrealised (losses) / gains on available-for-sale financial assets	(41,280)	(11,775)	(32,757)	(18,080)
Reclassification adjustment relating to available-for-sale investments sold during the period	-	-	-	-
	(41,280)	(11,775)	(32,757)	(18,080)
Related deferred tax	11,741	3,415	8,928	5,243
Other comprehensive (loss) / income for the period - net of tax	(29,539)	(8,360)	(23,829)	(12,837)
Total comprehensive income for the period	1,044,146	915,451	429,564	152,477

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.


**Managing Director &
Chief Executive Officer**


Chief Financial Officer


Director


Director

EFU LIFE ASSURANCE LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022

	Attributable to the equity holders' of the Company					Total
	Share capital	General reserve	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 investments - net of tax	Unappropriated profit	
(Rupees in '000)						
Balance as at 1 January 2021	1,000,000	2,000,000	1,973,336	38,311	1,163,442	6,175,089
Comprehensive income for the period ended 30 September 2021						
Income for the period ended 30 September 2021	-	-	7,331	-	916,480	923,811
Capital contribution transferred to policyholder liability	-	-	(19,813)	-	-	(19,813)
Other comprehensive income	-	-	-	(8,360)	-	(8,360)
Total income for the period ended 30 September 2021	-	-	(12,482)	(8,360)	916,480	895,638
Contribution to increase solvency margin	-	-	157,271	-	(157,271)	-
Transfer to General Reserve	-	100,000	-	-	(100,000)	-
Transactions with shareholders						
Dividend for the year ended 31 December 2020	-	-	-	-	(1,050,000)	(1,050,000)
Interim Dividend - 1st Quarter 2021	-	-	-	-	(150,000)	(150,000)
Interim Dividend - 2nd Quarter 2021	-	-	-	-	(150,000)	(150,000)
	-	-	-	-	(1,350,000)	(1,350,000)
Balance as at 30 September 2021	1,000,000	2,100,000	2,118,125	29,951	472,651	5,720,727
Balance as at 1 January 2022	1,000,000	2,100,000	2,100,521	33,404	944,454	6,178,379
Comprehensive income for the period ended 30 September 2022						
Income for the period ended 30 September 2022	-	-	(33,416)	-	1,107,101	1,073,685
Other comprehensive loss	-	-	-	(29,540)	-	(29,540)
Total (loss) / income for the period ended 30 September 2022	-	-	(33,416)	(29,540)	1,107,101	1,044,145
Contribution to increase solvency margin	-	-	2,853	-	(2,853)	-
Transfer to general reserve	-	(120,000)	-	-	120,000	-
Transactions with shareholders						
Dividend for the year ended 31 December 2021	-	-	-	-	(1,050,000)	(1,050,000)
Interim Dividend - 1st Quarter 2022	-	-	-	-	(150,000)	(150,000)
Interim Dividend - 2nd Quarter 2022	-	-	-	-	(150,000)	(150,000)
	-	-	-	-	(1,350,000)	(1,350,000)
Balance as at 30 September 2022	1,000,000	1,980,000	2,069,958	3,864	818,702	5,872,524

*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.


**Managing Director &
 Chief Executive Officer**


Chief Financial Officer


Director


Director

EFU LIFE ASSURANCE LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022

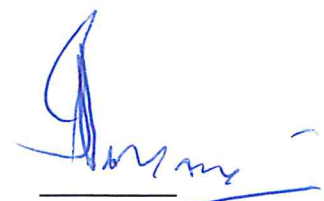
	30 September	
	2022	2021
Note	----- (Rupees in '000) -----	
Operating cash flows		
a) Underwriting activities		
Insurance premium / contribution received	27,197,753	25,756,374
Reinsurance premium / retakaful contribution paid	(23,303)	(1,215,979)
Claims paid	(19,264,784)	(18,192,968)
Reinsurance and other recoveries received	-	680,036
Commission paid	(3,512,713)	(3,787,527)
Marketing and administrative expenses paid	(1,837,420)	(1,567,017)
Other acquisition cost paid	(2,840,856)	(2,197,020)
Net cash flow from underwriting activities	(281,323)	(524,101)
b) Other operating activities		
Income tax paid	(655,124)	(481,136)
Other operating payments	(418,226)	(31,542)
Loans advanced	(49,747)	(232,665)
Loans repayments received	81,325	204,441
Net cash flow from other operating activities	(1,041,772)	(540,902)
Total cash flow from all operating activities	(1,323,095)	(1,065,003)
Investment activities		
Profit / return received	10,720,007	7,422,930
Dividends received	1,795,587	1,584,510
Payments for investments	(30,542,806)	(74,017,639)
Proceed from disposal of investments	16,397,541	69,228,416
Fixed capital expenditure	(341,282)	(360,690)
Proceeds from sale of property and equipment	70,717	72,648
Total cash flow from investing activities	(1,900,236)	3,930,175
Financing activities		
Dividends paid	(1,350,000)	(1,350,000)
Payment against lease liability	(132,675)	(112,826)
Total cash flow from financing activities	(1,482,675)	(1,462,826)
Net cash flow from all activities	(4,706,006)	1,402,346
Cash and cash equivalents at beginning of the period	28,984,554	24,397,091
Cash and cash equivalents at end of the period	11.2 24,278,548	25,799,437
Reconciliation to statement of profit and loss account		
Operating cash flows	(1,323,095)	(1,065,003)
Depreciation expense	(260,836)	(244,555)
Depreciation on right of use assets	(112,711)	(100,702)
Amortization expense	(11,871)	(14,895)
Profit on disposal of property and equipment	31,762	33,434
Other revenue	21,406	16,324
Profit on lease termination	4,408	7,642
Finance cost on lease liabilities	(44,738)	(36,796)
Profit on disposal of investments	(278,251)	3,068,536
Dividend income	1,786,807	1,572,692
Other investment income	11,643,813	7,092,944
(Depreciation) in market value of investments	(2,835,485)	(4,399,429)
(Provision) of impairment in the value of available for sale equity investments	(12,733)	(3,848)
Increase in assets other than cash	383,956	515,408
Increase in liabilities	(7,918,747)	(5,517,941)
Profit after tax for the period	1,073,685	923,811

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.


**Managing Director &
Chief Executive Officer**


Chief Financial Officer


Director


Director

EFU LIFE ASSURANCE LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022

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.

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
- 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. The condensed interim financial information does not include all the information required in the annual

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 in 2022

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after 01 January 2022 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these financial statements.

2.6 Standards, Interpretations and amendments not effective at year end

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:

Standard or Interpretation	Effective date (annual periods beginning on or after)
Classification of liabilities as current or non-current - Amendment to IAS 1	1-Jan-23
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	1-Jan-23
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement	1-Jan-23
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1-Jan-23
IFRS 17 - Insurance Contracts effective date 01 January 2023: The company has taken the benefit of temporary exemption of applying IFRS 9 "Financial Instruments" with IFRS 17 "Insurance Contract" as allowed under IFRS.	

The above standards and amendments are not expected to have any material impact on the Company's condensed interim financial statements in the period of initial application except IFRS 17 and IFRS 9 for which the impact is being assessed.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 financial statements in conformity with accounting and reporting standards as applicable in Pakistan 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 recognised in the period in which the estimate is revised and any future periods affected.

The outbreak of coronavirus in late 2019 has been officially announced as a global pandemic on 11 March 2020 by the World Health Organization. However, Pakistan witnessed its first case amidst February 2020, which subsequently increased exponentially throughout the country countered by several measures by both the Federal and Provincial governments including the imposition of lockdowns and restricting economic activities.

Although insurance industry has its impact on multiple fronts as a claim payer, as an employer and as investment manager, but for the Company the operational disruption, as indicated by outstanding claim inventories and development triangles, has been minimal. However, the significant uncertainty requires changes to methodologies and assumptions have been made to provide additional margins in the policyholder liabilities.

Change in assumptions

Conventional business / Family takaful protection business

Expected Loss Ratio (ELR) assumptions being used for IBNR claim reserve pertaining to conventional group life and family takaful protection business have been revised to provide for possible increase in incidence and delay in reporting of claims. Further, for family takaful protection business, the methodology for second last quarter have been moved from ELR to Chain ladder (CL). In addition, a premium / contribution deficiency reserve is no longer deemed necessary.

5 Properties, Equipments and Intangible Assets

	30 September 2022	31 December 2021
	Unaudited	Audited
	----- (Rupees in '000) -----	
Operating assets	2,535,823	2,494,333
Right of use asset	572,347	569,603
	<u>3,108,170</u>	<u>3,063,936</u>

5.1 Details of additions and disposals during the Six months period ended 30 September 2022 are as follows:

	Nine months ended - Unaudited			
	30 September 2022		30 September 2021	
	Additions	Disposals	Additions	Disposals
	Rupees in '000			
Furniture, fixture and fittings	12,136	-	12,103	-
Office equipment	17,820	720	12,522	597
Computer equipment	76,623	90	176,251	3,605
Motor Vehicle	202,162	90,857	136,479	85,559
Lease hold Improvements	32,541	-	22,793	-
	<u>341,282</u>	<u>91,667</u>	<u>360,148</u>	<u>89,761</u>

5.2 The market value of land and building is estimated at Rs. 4,183 million. The valuations have been carried out by independent valuer.

6 INVESTMENTS IN EQUITY SECURITIES

	Note	30 September 2022 (Unaudited)	31 December 2021 (Audited)
----- (Rupees in '000) -----			
Available for sale	6.1	112,092	199,711
At fair value through profit or loss (Designated - upon initial recognition)	6.2	22,028,684	31,664,387
		<u>22,140,776</u>	<u>31,864,098</u>

	Note	30 September 2022 (Unaudited)			31 December 2021 (Audited)		
		Cost	Impairment / (provision)	Carrying value	Cost	Impairment / (provision)	Carrying value
----- (Rupees in '000) -----							
6.1 Available for sale							
Related parties							
Listed shares		204,222	(173,082)	31,140	204,222	(166,433)	37,789
Others							
Listed shares		96,906	(17,842)	79,064	146,351	(28,110)	118,241
Unlisted shares		16,008	-	508	16,008	-	508
Surplus on revaluation		-	-	1,380	-	-	43,173
		<u>317,136</u>	<u>(190,924)</u>	<u>112,092</u>	<u>366,581</u>	<u>(194,543)</u>	<u>199,711</u>

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

	Note	30 September 2022 (Unaudited)	31 December 2021 (Audited)
----- (Rupees in '000) -----			
Related parties			
Listed shares		476,556	-
Unlisted shares		-	-
Others			
Listed shares		25,110,302	-
		<u>25,586,858</u>	<u>21,492,894</u>
			<u>32,104,150</u>

6.3 Reconciliation of provision for impairment

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
----- (Rupees in '000) -----		
Balance at the beginning of the period	194,543	219,904
Provision / (reversal) for impairment on available for sale investments	(3,619)	(25,361)
Balance at the end of the period	<u>190,924</u>	<u>194,543</u>

7 GOVERNMENT SECURITIES

	Note	30 September 2022 (Unaudited)	31 December 2021 (Audited)
----- (Rupees in '000) -----			
Held to maturity	7.1	8,697,950	7,903,248
Fair value through profit or loss (Designated - upon initial recognition)	7.2	98,758,320	79,419,004
		<u>107,456,270</u>	<u>87,322,252</u>

30 September 2022 (Unaudited)					
Maturity year	Effective yield	Amortised cost	Principal repayment	Carrying value	
	%		(Rupees in '000)		
7.1 Held to maturity					
02 years Pakistan investment bond	2023	7.64	249,123	250,000	249,123
02 years Pakistan investment bond	2022	9.25	49,971	50,000	49,971
03 years Pakistan investment bond	2023	7.64	2,564,926	2,575,000	2,564,926
10 years Pakistan investment bond	2028	11.62	12,551	15,000	12,551
20 years Pakistan investment bond	2024	12.36	53,890	53,700	53,890
03 months treasury bills	2022	13.94	326,816	340,125	326,816
06 months treasury bills	2022	12.13	4,507,125	4,645,000	4,507,125
03 years government ijara	2025	11.70	290,459	289,628	290,459
10 Years Pakistan Energy Sukuk I	2029	8.05	191,351	197,160	191,351
10 Years Pakistan Energy Sukuk II	2030	7.25	451,738	452,700	451,738
			<u>8,697,950</u>	<u>8,868,313</u>	<u>8,697,950</u>

31 December 2021 (Audited)					
Maturity year	Effective yield	Amortised cost	Principal repayment	Carrying value	
	%		(Rupees in '000)		
Held to maturity					
2 years Pakistan investment bond	2023	9.25	298,908	300,000	298,908
03 years Pakistan investment bond	2022	11.42	3,795,519	3,835,000	3,795,519
03 years Pakistan investment bond	2023	7.64	2,559,207	2,575,000	2,559,207
10 years Pakistan investment bond	2028	11.62	12,348	15,000	12,348
20 years Pakistan investment bond	2024	12.36	53,980	53,700	53,980
06 months treasury bills	2022	11	248,040	250,000	248,040
03 years government ijara	2025	6.27	290,101	289,628	290,101
10 Years Pakistan Energy Sukuk I	2029	8.05	193,004	197,160	193,004
10 Years Pakistan Energy Sukuk II	2030	7.25	452,141	452,700	452,141
			<u>7,903,248</u>	<u>7,968,188</u>	<u>7,903,248</u>

30 September 2022 (Unaudited)					
Maturity year	Effective yield	Amortized cost	Principal repayment	Carrying value	
	%		(Rupees in '000)		
7.2 Fair value through profit or loss (Designated - upon initial recognition)					
03 years Pakistan investment bond	2023	7.64	37,590,894	37,737,000	37,450,199
02 years Pakistan investment bond	2023	11.08	248,538	250,000	248,125
02 years Pakistan investment bond	2023	9.25	4,733,512	4,750,000	4,720,550
05 years Pakistan investment bond	2023	11.46	1,189,250	1,206,000	1,139,627
03 years Pakistan investment bond	2023	7.54	1,125,618	1,125,000	1,127,250
03 years Pakistan investment bond	2024	8.64	1,362,289	1,375,000	1,350,938
03 years Pakistan investment bond	2024	7.64	3,173,068	3,400,000	3,044,654
20 years Pakistan investment bond	2024	12.36	390,507	392,000	369,249
10 years Pakistan investment bond	2025	11.62	100,830	100,000	97,324
05 years Pakistan investment bond	2025	11.46	114,537	125,000	105,995
05 years Pakistan investment bond	2026	8.80	492,916	500,000	484,350
10 years Pakistan investment bond	2029	11.62	117,352	125,000	108,729
06 months treasury bills	2022	7.46	1,221,883	1,289,175	1,221,226
03 months treasury bills	2022	11.75	39,049,467	40,115,000	39,077,942
12 months treasury bills	2023	15.93	69,726	80,000	69,761
03 years government ijara sukuk	2025	12.14	7,392,837	7,398,991	7,262,401
10 years Pakistan energy sukuk I	2029	8.05	934,643	963,159	830,000
10 years Pakistan energy sukuk II	2030	7.25	50,193	50,300	50,000
			<u>99,358,060</u>	<u>100,981,625</u>	<u>98,758,320</u>

				30 September 2022 (Unaudited)	31 December 2021 (Audited)
----- (Rupees in '000) -----					
9 INVESTMENTS IN TERM DEPOSITS				16,886,429	24,376,429
Deposits maturing within 3 months				<u>16,886,429</u>	<u>24,376,429</u>
				30 September 2022 (Unaudited)	31 December 2021 (Audited)
				----- (Rupees in '000) -----	----- (Rupees in '000) -----
10 INVESTMENT IN OPEN ENDED MUTUAL FUNDS					
At fair value through profit or loss (Designated - upon initial recognition)	10.1			218,656	1,326,134
Available for sale	10.2			151,180	128,442
				<u>369,836</u>	<u>1,454,576</u>
				----- (Rupees in '000) -----	----- (Rupees in '000) -----
				30 September 2022	31 December 2021
				----- (Rupees in '000) -----	----- (Rupees in '000) -----
				Cost	Impairment / provision
				Carrying Value	Cost
				Impairment / provision	Carrying Value
				----- (Rupees in '000) -----	----- (Rupees in '000) -----
10.1 At fair value through profit or loss (Designated - upon initial recognition)					
Related parties					
Mutual funds		950	-	744	1,247
					-
					1,136
Others					
Mutual funds		227,081	-	217,912	1,174,048
					-
					1,324,998
		<u>228,031</u>	<u>-</u>	<u>218,656</u>	<u>1,175,295</u>
					<u>-</u>
					<u>1,326,134</u>
10.2 Available for sale					
Related parties					
Mutual funds		523	-	523	523
					-
					523
Others					
Mutual funds		181,153	(34,896)	146,257	127,075
Surplus on revaluation		-	-	4,400	-
		<u>181,676</u>	<u>(34,896)</u>	<u>151,180</u>	<u>127,598</u>
					<u>(18,544)</u>
					<u>108,531</u>
					<u>19,388</u>
					<u>128,442</u>
				30 September 2022 (Unaudited)	31 December 2021 (Audited)
				----- (Rupees in '000) -----	----- (Rupees in '000) -----
Reconciliation of provision for impairment					
Balance at the beginning of the period				18,544	10,754
Provision / (Reversal) for impairment on available for sale investments				16,352	7,790
Balance at the end of the period				<u>34,896</u>	<u>18,544</u>

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Note	----- (Rupees in '000) -----	
11 CASH AND BANK		
Cash and cash equivalent		
Cash in hand	1,865	173
Policy & revenue stamps	5,855	2,707
Cash at bank		
Current account	132,107	1,161,538
Savings account	7,252,292	3,443,707
	<u>7,392,119</u>	<u>4,608,125</u>
	30 September 2022 (Unaudited)	30 September 2021 (Audited)
	----- (Rupees in '000) -----	
11.2 Cash and cash equivalents for cash flow purpose comprise of the following:		
Cash and others	7,720	2,886
Cash at bank	7,384,399	6,545,122
Term deposits maturing within three months	16,886,429	19,251,429
	<u>24,278,548</u>	<u>25,799,437</u>
	30 September 2022 (Unaudited)	31 December 2021 (Audited)
	----- (Rupees in '000) -----	
12 RETAINED EARNINGS ARISING FROM BUSINESS OTHER THAN PARTICIPATING BUSINESS ATTRIBUTABLE TO SHAREHOLDERS (LEDGER ACCOUNT D)		
Opening balance	2,845,112	2,647,743
Contribution to / (Withdrawl from) solvency margin	2,853	(47,241)
Change in solvency margin through statement of profit and loss account	103,413	244,610
	<u>2,951,378</u>	<u>2,845,112</u>
Related deferred tax liability on:		
Opening balance	(744,591)	(674,407)
Charge to statement of profit and loss account	(136,829)	(70,184)
Closing balance	(881,420)	(744,591)
Net of tax	<u>2,069,958</u>	<u>2,100,521</u>
13 INSURANCE LIABILITIES		
Reported outstanding claims	13.1 3,647,922	3,378,978
Incurred but not reported claims	13.2 1,052,929	880,319
Investment component of unit-linked and account value policies	13.3 153,168,477	145,791,909
Liabilities under individual conventional insurance contracts	13.4 934,100	989,072
Liabilities under group insurance contracts (other than investment linked)	13.5 657,679	415,452
Participant takaful fund balance	13.6 414,066	301,895
	<u>159,875,173</u>	<u>151,757,625</u>
13.1 Reported outstanding claims		
Gross of reinsurance		
Payable within one year	3,132,141	2,873,458
Payable over a period of time exceeding one year	893,524	887,283
	<u>4,025,665</u>	<u>3,760,741</u>
Recoverable from reinsurers		
Receivable over a period of time exceeding one year	(377,743)	(381,763)
Net reported outstanding claims	<u>3,647,922</u>	<u>3,378,978</u>

13.2 Incurred but not reported claims		
Gross of reinsurance	1,280,343	1,054,712
Reinsurance recoveries	<u>(227,414)</u>	<u>(174,393)</u>
Net of reinsurance	<u>1,052,929</u>	<u>880,319</u>
13.3 Investment component of unit linked and account value policies		
Investment component of unit linked policies	153,168,477	145,791,909
Investment component of account value policies	<u>-</u>	<u>-</u>
	<u>153,168,477</u>	<u>145,791,909</u>
13.4 Liabilities under individual conventional insurance contracts		
Gross of reinsurance	1,135,792	1,197,514
Reinsurance credit	<u>(201,692)</u>	<u>(208,442)</u>
Net of reinsurance	<u>934,100</u>	<u>989,072</u>
13.5 Liabilities under group insurance contracts (other than investment linked)		
Gross of reinsurance	919,189	532,869
Reinsurance credit	<u>(261,510)</u>	<u>(117,417)</u>
Net of reinsurance	<u>657,679</u>	<u>415,452</u>
13.6 Participant takaful fund balance	<u>414,066</u>	<u>301,895</u>

14 CONTINGENCIES AND COMMITMENTS

14.1 The status of the contingencies remains unchanged as disclosed in the annual audited unconsolidated financial statements as at 31 December 2021, except for the following.

In the year 2010, an order under Section 133(5)(A) was passed by the Additional Commissioner(IR) for the Tax Year 2008 whereby, treatment of capital gain was challenged and additional tax was demanded amounting to Rs 183 million. The Company won the case at Commissioner Appeals and later on at Appellate Tribunal Level. Now the Income Tax Department has filed a reference application against the order of Appellate Tribunal Inland Revenue in the Honourable High Court of Sindh. No provision has been made since The Company is confident of favourable outcome.

14.2 The amount of sales tax involved is around Rs. 2,426 million (2021: Rs. 1,815.81 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. 56.97 million have been given in respect of Group Life coverage. These bank guarantees will expire on 30 December 2023.

14.4 There were no capital commitments at the period end.

	Aggregate (Unaudited)			
	Nine months ended		Three months ended	
	30 September		30 September	
	2022	2021	2022	2021
(Rupees in '000)				
15 NET INSURANCE PREMIUM / CONTRIBUTION REVENUE				
Gross premium / contribution				
Regular premium / contribution individual policies				
First year	4,813,730	5,053,031	1,508,659	1,555,503
Second year renewal	3,715,275	2,908,173	1,148,002	937,911
Subsequent year renewal	14,598,108	14,125,786	4,619,174	4,555,225
Single premium / contribution individual policies	506,082	751,997	169,547	302,015
Group policies with cash values	20,419	26,387	7,595	6,707
Group policies without cash values	3,554,355	2,801,501	1,262,243	895,197
Provision for experience refund	(247,779)	(89,184)	(134,711)	(56,125)
Total gross premium / contribution	26,960,190	25,577,691	8,580,509	8,196,433
Less: Reinsurance premium / retakaful contribution ceded				
On individual life first year business	34,612	63,267	2,500	18,868
On individual life second year business	29,406	36,102	4,822	8,581
On individual life renewal business	180,038	239,692	46,651	50,894
On group policies	731,874	586,359	236,355	136,561
Less: Experience refund from reinsurers	(112,346)	(4,953)	(57,899)	-
Less: Reinsurance commission on risk premium	(14,039)	(25,656)	(620)	(5,052)
Total reinsurance premium / retakaful contribution ceded	849,545	894,811	231,809	209,852
Net premium / contribution	26,110,645	24,682,880	8,348,700	7,986,581
16 INVESTMENT INCOME				
Income from equity securities				
At fair value through profit or loss				
(Designated upon initial recognition)				
Dividend income	1,777,581	1,564,462	421,690	638,621
Available for sale				
Dividend income	18,006	20,048	8,546	7,926
Income from debt securities				
At fair value through profit or loss				
(Designated upon initial recognition)				
Return on debt securities	823,028	766,535	351,479	199,425
On government securities	8,290,634	4,915,422	3,467,867	1,640,458
Held to maturity				
On government securities	447,997	418,239	11,390	143,084
On debt securities	135,627	134,463	49,884	99,014
Income from term deposits				
Return on term deposits	1,669,255	846,713	705,794	278,336
	13,162,128	8,665,882	5,016,650	3,006,864

	Aggregate		Aggregate	
	Nine months ended		Three months ended	
	30 September		30 September	
	2022	2021	2022	2021
----- (Rupees in '000) -----				
17 NET REALISED FAIR VALUE (LOSSES) / GAINS ON FINANCIAL ASSETS				
Available for sale				
Realised gains on:				
- Equity securities	1,177,415	3,701,601	686,439	975,115
- Government securities	-	-	-	-
Realised losses on:				
- Equity securities	(1,455,666)	(633,065)	(248,187)	(77,292)
	<u>(278,251)</u>	<u>3,068,536</u>	<u>438,252</u>	<u>897,823</u>
18 NET FAIR VALUE (LOSSES) / GAINS 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)	75,200	(933,677)	349,055	(347,854)
Net unrealised (losses) on investments at fair value through profit or loss (designated upon initial recognition) - Equity securities	(3,356,108)	(3,975,489)	(926,954)	(3,289,900)
Investment (loss)	<u>(3,280,908)</u>	<u>(4,909,166)</u>	<u>(577,899)</u>	<u>(3,637,754)</u>
Exchange gain / (loss)	55,131	11,078	25,964	13,950
(Provision) / reversal of impairment in value of available for sale securities	(12,733)	(3,848)	7,058	(10,896)
Less: Investment related expenses	(154)	(1,644)	-	(882)
	<u>(3,238,664)</u>	<u>(4,903,580)</u>	<u>(544,877)</u>	<u>(3,635,582)</u>
19 OTHER INCOME				
Gain on sale of fixed assets	31,762	33,434	19,731	10,845
Return on loans to employees	21,406	16,324	6,839	5,845
Fees charged to policyholders	13,347	12,592	4,366	4,412
Gain on sale of early termination of lease contracts'	4,408	7,642	1,254	5,198
Other income	30	-	10	-
	<u>70,953</u>	<u>69,992</u>	<u>32,200</u>	<u>26,300</u>
20 NET INSURANCE BENEFITS				
Gross claims				
Claims under individual policies				
by death	958,154	1,055,128	281,788	290,088
by insured event other than death	8,341	11,103	4,937	4,188
by maturity	2,921,313	2,805,104	919,950	1,156,531
by surrender	13,579,135	12,038,227	4,342,288	3,923,414
Total gross individual policy claims	<u>17,466,943</u>	<u>15,909,562</u>	<u>5,548,963</u>	<u>5,374,221</u>
Claims under group policies				
by death	1,702,982	2,034,408	540,079	647,393
by insured event other than death	83,306	80,953	48,716	15,534
by maturity	1,390	208	94	-
by surrender	21,067	60,324	9,642	41,373
Total gross group claims	<u>1,808,745</u>	<u>2,175,893</u>	<u>598,531</u>	<u>704,300</u>
Total gross claims	<u>19,275,688</u>	<u>18,085,455</u>	<u>6,147,494</u>	<u>6,078,521</u>
Less: Reinsurance / retakaful recoveries				
On individual life claims	126,073	144,715	25,740	8,422
On group life claims	420,413	535,321	162,717	169,343
Total reinsurance / retakaful recoveries	<u>546,486</u>	<u>680,036</u>	<u>188,457</u>	<u>177,765</u>
Add: Claims related expenses	5,243	10,222	1,010	2,724
Net insurance benefit	<u>18,734,445</u>	<u>17,415,641</u>	<u>5,960,047</u>	<u>5,903,480</u>

Note	Aggregate		Aggregate	
	Nine months ended		Three months ended	
	30 September		30 September	
	2022	2021	2022	2021
	(Rupees in '000)			
21 ACQUISITION EXPENSES				
Remuneration to insurance intermediaries on individual policies:				
- Commission to agent on first year premiums / contributions	1,806,823	2,050,311	554,776	624,012
- Commission to agent on second year premiums / contributions	245,266	269,718	82,698	87,148
- Commission to agent on subsequent renewal premiums / contributions	322,547	393,739	108,604	128,146
- Commission to agent on single premiums / contributions	14,460	21,115	4,849	8,608
- Override commission to supervisors	450,356	453,888	143,767	137,159
- Other benefits to insurance intermediaries salaries, allowances and other benefits	1,368,395	1,298,165	413,858	459,623
Remuneration to insurance intermediaries on group policies:				
- Commission	357,299	275,954	128,096	104,394
- Other benefits to insurance intermediaries	135,698	64,269	33,418	23,604
- Traveling expenses (including cost of contests, conventions etc.)	62,192	34,540	25,434	11,524
- Printing and stationery	17,291	18,174	6,039	6,809
- Depreciation	213,774	218,931	64,696	66,525
- Rent, rates and taxes	7,126	8,218	2,234	3,472
- Electricity, gas and water	66,817	47,535	37,194	25,844
- Entertainment	42,427	36,235	15,717	14,346
- Vehicle running expenses	4,718	5,799	1,196	1,875
- Office repairs & maintenance	22,142	39,775	9,711	24,754
- Postages, telegrams and telephone	32,750	31,944	10,787	10,322
- Medical fees	13,151	12,207	3,131	3,553
- Finance cost	44,738	36,804	16,255	11,642
- Policy stamps	88,851	101,808	24,815	35,894
- Others	127,320	91,581	45,514	28,817
	5,444,141	5,510,710	1,732,789	1,818,071
22 MARKETING AND ADMINISTRATION EXPENSES				
Employee benefit cost	821,505	679,195	256,088	223,900
Traveling expenses	49,058	19,223	11,549	9,583
Advertisements and sales promotion	50,852	37,132	32,511	10,539
Printing and stationery	83,250	84,990	28,093	31,429
Depreciation	159,774	126,594	71,157	48,605
Amortisation	11,871	14,894	3,956	3,704
Rent, rates and taxes	10,042	25,321	7,899	22,934
Legal and professional charges - business related	91,686	84,085	33,967	45,404
Electricity, gas and water	50,452	35,173	27,235	14,940
Entertainment	29,886	23,872	10,813	7,408
Vehicle running expenses	6,040	5,234	1,364	1,574
Office repair and maintenance	203,211	141,137	81,707	51,779
Appointed actuary fees	14,237	12,712	4,745	4,237
Bank charges	8,083	17,684	1,121	2,916
Postage, internet and telephone	60,276	61,110	18,150	15,956
Fees and subscription	37,596	35,405	14,716	6,786
Annual supervision fee SECP	43,532	41,067	13,945	13,178
Miscellaneous	106,069	122,189	38,578	43,925
	1,837,420	1,567,017	657,594	558,797
23 OTHER EXPENSES				
Directors' fee	4,925	3,208	1,575	950
Donation	24,493	22,676	5,473	3,748
Others	1,000	1,279	259	(2)
	30,418	27,163	7,307	4,696
24 TAXATION				
For the period				
Current	616,846	376,960	210,000	96,960
Deferred	152,838	6,289	30,498	(36,996)
For the prior year				
Current	78,154	(18,960)	-	(60)
Deferred	-	-	-	-
	847,838	364,289	240,498	59,904

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 year, other than those which have been specifically disclosed elsewhere in the financial statements are as follows:

	30 September 2022	30 September 2021
	----- (Rupees in '000) -----	
Transactions		
<i>Holding Company</i>		
Premium written	13,748	12,202
Premium paid	33,709	30,879
Claims paid	9,379	18,032
Claims received	76	-
Dividend paid	618,792	601,345
Dividend received	39,788	39,788
<i>Associated Companies / Related Parties</i>		
Premium written	115,362	110,434
Premium paid	44,583	33,374
Claims paid	28,254	60,917
Commission paid	106,106	152,755
Travelling expenses	3,379	2,943
Donation paid	11,198	12,756
Dividend paid	582,180	582,750
Interest received on bank deposit	889,568	730,160
Purchase of Vehicles (Pak Suzuki Motors)	138,416	89,465
Payment to K-Electric	73,913	49,255
Placement of TDR	8,028,429	2,600,000
Investment bought	450,000	335,915
Investment sold of related party	10,880,239	2,503,196
<i>Key management personnel</i>		
Premium written	5,152	10,300
Loan recovered	5,417	3,714
Compensation paid	152,805	136,069
Dividend Paid	934	2,026
<i>Employees' funds</i>		
Contribution to provident fund	37,826	33,804
Contribution to pension fund	32,732	29,186
	30 September 2022	31 December 2021
	----- (Rupees in '000) -----	
Balances		
Bank balances	1,361,762	1,165,967
Bank deposits	8,028,429	10,788,429
Premium payable	59	6,658
Premium receivable	1,187	741
Commission payable	4,945	-
Dividend Payable	525	-
Investment in EFU General Insurance Limited from designated unit fund	454,053	491,501
Investment in related party	797,480	566,153
Claims outstanding - Holding company	-	100
Claims outstanding - Related party	32,960	30,560
Loan receivable from key employees	25,344	30,761

26 SEGMENTAL INFORMATION

2022

26.1 Revenue account by Statutory Fund	Statutory Funds					Aggregate	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business	Family Takaful Protection Business	Nine months ended 30 September
Income							
Premium / contribution less reinsurance / retakaful	18,034,256	2,385,703	355	844	5,365,350	302,846	26,089,354
Policy transfer from other statutory funds	-	-	-	-	21,291	-	21,291
Special reinstatement fee	-	-	-	-	30	-	30
Bonus units transferred to statutory fund	-	-	-	-	125,581	-	125,581
Net investment income / wakala income	8,473,172	228,422	1,096	274	1,379,613	123,691	10,206,268
Total net income	26,507,428	2,614,125	1,451	1,118	6,891,865	426,537	36,442,524
Insurance benefits and expenditures							
Claims net of reinsurance recoveries	16,203,296	1,232,551	-	-	1,140,677	131,386	18,707,910
Policy transfer from other statutory funds	21,291	-	-	-	-	-	21,291
Bonus units transfer to statutory fund	-	-	-	-	125,581	-	125,581
Management expenses less recoveries	4,691,791	667,442	15	923	2,405,168	167,056	7,932,395
Total insurance benefits and expenditures	20,916,378	1,899,993	15	923	3,671,426	298,442	26,787,177
Excess of income over insurance benefits and expenditures	5,591,050	714,132	1,436	195	3,220,439	128,095	9,655,347
Net change in insurance liabilities (other than outstanding claims)	(4,197,453)	(393,620)	127	89	(3,131,298)	(24,537)	(7,746,692)
Surplus before tax	1,393,597	320,512	1,563	284	89,141	103,558	1,908,655
Movement in policyholders' liabilities							
Transfer to and from shareholder's fund	4,197,453	393,620	(127)	(89)	3,131,298	24,537	7,746,692
Transfer of surplus to shareholders' fund	(1,363,561)	(233,839)	(1,557)	(299)	-	(93,816)	(1,693,072)
Capital contribution from share holders' fund	-	-	-	-	2,853	-	2,853
Net transfer to / from shareholders' fund	(1,363,561)	(233,839)	(1,557)	(299)	2,853	(93,816)	(1,690,219)
Balance of statutory funds at beginning of the period	137,669,018	1,731,916	16,754	824	12,123,497	185,275	151,727,284
Balance of statutory funds at end of the period	141,896,507	2,212,209	16,633	720	15,346,789	219,554	159,692,412

2021

	Statutory Funds					Aggregate Nine months ended 30 September	
	Investment Linked Business	Conventional Business	Pension Business (Unit Linked)	Accident & Health Business	Family Takaful Investment Linked Business		Family Takaful Protection Business
				(Rupees in '000)			
Income							
Premium / contribution less reinsurances / retakaful Policy transfer from other statutory funds Bonus units transferred to statutory funds Net investment income Total net income	18,015,881 3,114 - 6,175,425 24,194,420	1,904,493 - - 173,337 2,077,830	333 - - 1,030 1,363	314 - - 115 429	4,520,661 16,539 5 834,776 5,371,981	224,659 - - 79,552 304,211	24,666,341 19,653 5 7,264,235 31,950,234
Insurance benefits and expenditures							
Claims net of reinsurance recoveries Policy transfer from other statutory funds Bonus units transferred to statutory funds Management expenses less recoveries Total insurance benefits and expenditures	14,913,398 16,750 4,678,092 19,608,240	1,427,515 - 520,512 1,948,027	938 3,114 23 4,075	15 - 397 412	894,486 - 2,254,214 3,148,700	152,317 - 122,176 274,493	17,388,669 19,864 7,575,414 24,983,947
Excess of income over insurance benefits and expenditures	4,586,180	129,803	(2,712)	17	2,223,281	29,718	6,966,287
Net change in insurance liabilities (other than outstanding claims)	(3,376,815)	(131,376)	5,223	132	(2,242,795)	(26,865)	(5,772,496)
Surplus / (deficit) before tax	1,209,365	(1,573)	2,511	149	(19,514)	2,853	1,193,791
Movement in policyholders' liabilities	3,376,815	131,376	(5,223)	(132)	2,242,795	26,865	5,772,496
Transfer to and from shareholder's fund	(1,190,137)	-	(2,592)	(173)	-	-	(1,192,902)
Transfer of surplus to shareholders' fund Capital contribution from shareholders' fund Net transfer to / from shareholders' fund	- (1,190,137)	58,223 58,223	- (2,592)	- (173)	64,134 64,134	34,913 34,913	157,270 (1,035,632)
Balance of statutory funds at beginning of the period	132,737,661	1,615,303	22,219	926	8,594,188	128,926	143,099,223
Balance of statutory funds at end of the period	136,133,704	1,803,329	16,915	770	10,881,603	193,557	149,029,878

FAIR VALUE

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

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

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

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

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

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

	30 September 2022 (Unaudited)						
	Fair value through profit or loss (designated upon initial recognition)	Available for sale	Held to maturity	Loans and receivables	Other financial assets	Other financial liabilities	Total
	Level 1	Level 2	Level 3	Fair value			Total
----- (Rupees in '000) -----							
Financial assets measured at fair value							
- Investments							
Government securities (T-bills + PIBs + Sukuks)	98,758,320	-	-	-	-	-	98,758,320
Sukuk bonds (other than government)	2,378,075	-	-	-	-	-	2,378,075
Listed equity securities	22,028,684	111,584	-	-	-	22,140,268	22,140,268
Unlisted equity securities	-	508	-	-	-	508	508
Units of mutual funds	218,656	151,180	-	-	-	369,836	369,836
Debt securities (Listed TFCs)	4,088,102	-	-	-	-	4,088,102	4,088,102
Financial assets not measured at fair value							
- Government securities (T-bills + PIBs + Sukuks)	-	-	8,697,950	-	-	-	8,697,950
- Balances with banks *	24,270,828	-	-	-	-	-	24,270,828
- Certificate of investment	-	-	1,070,205	-	-	-	1,070,205
- Advances to employees and agents	-	-	-	208,451	-	-	208,451
- Investment income accrued	-	-	-	-	3,003,382	-	3,003,382
- Other loans and receivables (excluding markup accrued)*	-	-	-	-	874,490	-	874,490
	151,742,665	263,272	9,768,155	208,451	3,877,872	-	165,860,415
Financial liabilities not measured at fair value							
Deferred taxation	-	-	-	-	-	1,025,896	1,025,896
Premium received in advance	-	-	-	-	-	1,182,800	1,182,800
Insurance / reinsurance payables	-	-	-	-	-	470,345	470,345
Lease liability	-	-	-	-	-	672,691	672,691
Other creditors and accruals	-	-	-	-	-	1,915,475	1,915,475
	151,742,665	263,272	9,768,155	208,451	3,877,872	(5,267,207)	160,593,208

On balance sheet financial instruments

31 December 2021 (Audited)

	Fair value through profit or 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		
(Rupees in '000)												
Financial assets measured at fair value												
- Investments												
Government securities (T-bills + PIBs + Sukuks)	79,419,004	-	-	-	-	-	79,419,004	-	79,419,004	-	-	79,419,004
Sukuk bonds (other than government)	2,482,032	-	-	-	-	-	2,482,032	-	2,482,032	-	-	2,482,032
Listed equity securities	31,664,212	199,203	-	-	-	-	31,863,415	31,863,415	-	-	-	31,863,415
Unlisted equity securities	-	683	-	-	-	-	683	-	-	683	-	683
Units of mutual funds	1,325,134	128,442	-	-	-	-	1,454,576	-	1,454,576	-	-	1,454,576
Debt securities (Listed TFCs)	2,992,793	-	-	-	-	-	2,992,793	-	2,328,330	664,463	-	2,992,793
Financial assets not measured at fair value												
- Government securities (T-bills + PIBs + Sukuks)												
- Balances with banks *	28,981,674	-	7,903,248	-	-	-	7,903,248	-	-	-	-	7,903,248
- Certificate of investment	-	-	410,000	-	-	-	410,000	-	-	-	-	410,000
- Advances to employees and agents	-	-	-	229,430	-	-	229,430	-	-	-	-	229,430
- Investment income accrued	-	-	-	-	2,066,950	-	2,066,950	-	-	-	-	2,066,950
- Other loans and receivables (excluding markup accrued)*	-	-	-	-	409,799	-	409,799	-	409,799	-	-	409,799
	146,865,849	328,328	8,313,248	229,430	2,476,749	-	158,213,604	-	158,213,604	-	-	158,213,604
Financial liabilities not measured at fair value												
Deferred taxation	-	-	-	-	-	884,797	884,797	-	-	-	-	884,797
Premium received in advance	-	-	-	-	-	1,148,292	1,148,292	-	-	-	-	1,148,292
Insurance / reinsurance payables	-	-	-	-	-	76,238	76,238	-	-	-	-	76,238
Lease liability	-	-	-	-	-	649,581	649,581	-	-	-	-	649,581
Other creditors and accruals	-	-	-	-	-	2,485,043	2,485,043	-	-	-	-	2,485,043
	146,865,849	328,328	8,313,248	229,430	2,476,749	(5,243,951)	152,969,653	(5,243,951)	152,969,653	-	-	152,969,653

*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.

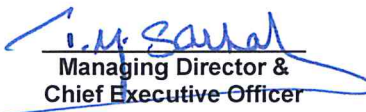

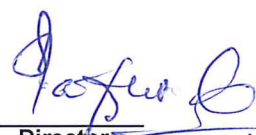
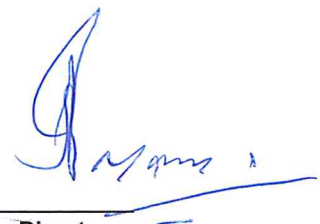
29 GENERAL

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 financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 28 October 2022.

 _____ Managing Director & Chief Executive Officer	 _____ Chief Financial Officer	 _____ Director	 _____ Director
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EFU LIFE ASSURANCE LIMITED-WINDOW TAKAFUL OPERATIONS (Un-audited / Un-reviewed)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 September 2022

	Note	Operator Sub Fund	Policyholder Fund	30 September 2022 Unaudited	31 December 2021 Audited
----- (Rupees in '000) -----					
Assets					
Investments					
Equity securities	5	-	1,814,100	1,814,100	2,218,911
Government securities	6	353,659	6,774,037	7,127,696	4,899,105
Debt securities	7	10,000	1,390,683	1,400,683	1,001,407
Term deposits	8	-	4,341,000	4,341,000	3,601,000
Takaful / retakaful receivables		-	70,005	70,005	65,076
Other loans and receivables		263,296	1,257,556	1,520,852	863,325
Deferred tax asset		(4,516)	-	(4,516)	17,586
Prepayments		9,021	-	9,021	8,560
Cash & Bank	9	136,409	1,449,575	1,585,984	1,746,021
Total Assets		767,869	17,096,956	17,864,825	14,420,991
Equity and Liabilities					
Cede Money		50,000	-	50,000	50,000
Capital contributed by shareholder's fund		78,249	-	78,249	102,220
Qard-e-Hasna		-	-	-	-
Retained Earning arising from business other than participating business attributable to shareholder's (Ledger account D)		179,239	-	179,239	148,089
Accumulated losses		11,047	-	11,047	(43,064)
Total Equity		318,535	-	318,535	257,245
Liabilities					
Insurance Liabilities	10	-	15,724,004	15,724,004	12,448,511
Takaful contribution received in advance		-	172,946	172,946	150,072
Takaful / retakaful payables		-	93,109	93,109	33,749
Deferred Tax Liability		-	-	-	-
Other creditors and accruals		449,334	1,106,897	1,556,231	1,531,414
Total Liabilities		449,334	17,096,956	17,546,290	14,163,746
Total Equity and Liabilities		767,869	17,096,956	17,864,825	14,420,991

Contingency(ies) and commitment(s) 11

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


**Managing Director &
Chief Executive Officer**


Chief Financial Officer



Director



Director

EFU LIFE ASSURANCE LIMITED-WINDOW TAKAFUL OPERATIONS (Un-audited / Un-reviewed)
Condensed Interim Profit And Loss Account
For The Nine Months Period Ended 30 September 2022

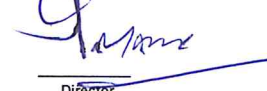
Note	Operator's Sub Fund		Policyholder's Fund		Aggregate			
	Nine Months Ended 30 September		Nine Months Ended 30 September		Nine Months Ended 30 September		Three months period ended 30 September	
	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in '000)							
Contribution Revenue	1,243,617	1,307,116	4,643,336	3,638,156	5,886,953	4,945,272	1,555,982	1,685,389
Contribution ceded to reinsurers	-	-	(197,465)	(188,366)	(197,465)	(188,366)	(43,559)	(59,336)
Net Contribution revenue	1,243,617	1,307,116	4,445,871	3,449,790	5,689,488	4,756,906	1,512,423	1,626,053
Wakalat-ul-Istismar - PIF	449,697	343,906	(449,697)	(343,906)	-	-	-	-
Wakala Fee - PTF	209,257	156,150	(209,257)	(156,150)	-	-	-	-
Special reinstatement fee	30	5	-	-	30	5	10	5
Mudarib Fee	24,568	-	(24,568)	-	-	-	-	-
Investment income	64,691	50,345	1,078,261	439,597	1,142,952	489,942	477,983	177,786
Net realised fair value gains on financial assets	(353)	2,217	(105,870)	449,605	(106,223)	451,822	(12,884)	132,119
Net fair value (losses) on financial assets at fair value through profit or loss	(638)	(2,588)	(191,730)	(524,905)	(192,368)	(527,493)	34,625	(343,855)
	747,252	550,035	97,139	(135,759)	844,391	414,276	499,734	(33,945)
Net income	1,990,869	1,857,151	4,543,010	3,314,031	6,533,879	5,171,182	2,012,157	1,592,108
Takaful benefits	-	-	1,400,384	1,157,647	1,400,384	1,157,647	503,765	449,837
Recoveries from retakaful	-	-	(129,705)	(115,858)	(129,705)	(115,858)	(62,996)	(43,414)
Qard-e-Hasna	-	-	45,891	-	45,891	-	23,349	-
Claims related expenses	-	-	-	-	-	-	-	-
Net Takaful Benefits	-	-	1,316,570	1,041,789	1,316,570	1,041,789	464,118	406,423
Net Change in Takaful Liabilities (other than outstanding claims)	-	-	3,226,440	2,272,242	3,226,440	2,272,242	1,287,518	620,234
Acquisition expenses	1,644,795	1,647,228	-	-	1,644,795	1,647,228	456,536	531,050
Exgratia-Surrender Expense	1,383	63	-	-	1,383	63	903	63
Marketing and administration expenses	268,478	229,106	-	-	268,478	229,106	95,239	82,383
Total Expenses	1,914,656	1,876,397	3,226,440	2,272,242	5,141,096	4,148,639	1,840,196	1,233,730
Income / (loss) before tax	76,213	(19,246)	-	-	76,213	(19,246)	(292,157)	(48,045)
Income tax	(22,102)	5,581	-	-	(22,102)	5,581	84,726	13,933
Income / (loss) for the period	54,111	(13,665)	-	-	54,111	(13,665)	(207,431)	(34,112)
Earnings per share - Rupees	0.54	(0.14)	-	-	0.54	(0.14)	(2.07)	(0.34)

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


Managing Director &
Chief Executive Officer


Chief Financial Officer


Director


Director

EFU LIFE ASSURANCE LIMITED-WINDOW TAKAFUL OPERATIONS (Un-audited / Un-reviewed)
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For The Nine Months Period Ended 30 September 2022

	Operator Sub Fund		Policyholder Funds		Aggregate			
	Nine Months Ended 30 September		Nine Months Ended 30 September		Nine Months Ended 30 September		Three months period ended 30 September	
	2022	2021	2022	2021	2022	2021	2022	2021
	----- (Rupees in '000) -----							
Income/ (loss) for the period - as per Profit and Loss Account	54,111	(13,665)	-	-	54,111	(13,665)	(207,431)	(34,112)
Other Comprehensive Income:								
Items that may be reclassified to profit and loss in subsequent periods:								
Change in unrealised gains / (losses) on available-for-sale financial assets	-	-	-	-	-	-	-	-
Reclassification adjustment relating to available-for-sale investments sold during the period	-	-	-	-	-	-	-	-
Related deferred tax	-	-	-	-	-	-	-	-
Other comprehensive income for the period- net of tax	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	54,111	(13,665)	-	-	54,111	(13,665)	(207,431)	(34,112)

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


 Managing Director &
 Chief Executive Officer


 Chief Financial Officer

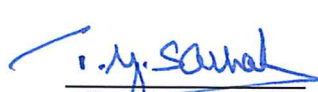

 Director

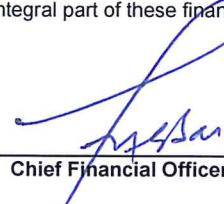

 Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS
Window Takaful Operations (Un-audited / Un-reviewed)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022

	Nine months ended	
	30 September	
	2022	2021
	----- (Rupees in '000) -----	
Operating cash flows		
a) Takaful activities		
Takaful contribution received	5,903,515	4,933,314
Retakaful contribution paid	(138,105)	(209,948)
Claims paid	(1,394,538)	(1,094,708)
Retakaful and other recoveries received	129,705	115,858
Commission paid	(1,077,021)	(1,106,348)
Marketing and Administrative expenses paid	(268,478)	(229,106)
Other acquisition cost paid	(637,366)	(541,222)
Net cash flow from underwriting activities	2,517,712	1,867,840
b) Other operating activities		
Other operating receipts	228,600	161,519
Other (payments) on operating assets	(359,448)	(128,575)
Net cash flow from other operating activities	(130,848)	32,944
Total cash flow from all operating activities	2,386,864	1,900,784
Investment activities		
Profit / Return received	688,371	408,399
Dividends received	110,465	66,091
Payments for investments	(3,172,724)	(2,627,405)
Proceed from disposal of investments	651,077	2,297,732
Total cash flow from investing activities	(1,722,811)	144,817
Financing activities		
Net Capital contributed from shareholder's fund	(84,090)	13,359
Surplus appropriated to shareholder's fund		
Total cash flow from financing activities	(84,090)	13,359
Net cash flow from all activities	579,963	2,058,960
Cash and cash equivalents at beginning of the period	5,347,021	4,613,868
Cash and cash equivalents at end of the period	5,926,984	6,672,828
Reconciliation to profit and loss account		
Operating cash flows	2,386,864	1,900,784
Depreciation expense	(85,404)	(75,815)
Amortization expense	(1,539)	(1,930)
Loss on disposal of investments	(106,223)	451,822
Dividend Income	110,465	66,091
Other investment income	1,046,126	422,605
Depreciation in market value of investments	(206,002)	(526,247)
Increase in assets other than cash	296,699	160,608
Increase in liabilities	(3,386,875)	(2,411,583)
Profit after taxation	54,111	(13,665)

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


**Managing Director &
Chief Executive Officer**


Chief Financial Officer


Director


Director

EFU LIFE ASSURANCE LIMITED-WINDOW TAKAFUL OPERATIONS (Un-audited / Un-reviewed)
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022

	Attributable to the equity holders' of the Company						Total
	Cede Money	Capital Contribution from main Shareholder Fund	General Reserve	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	
	----- (Rupees in '000) -----						
Balance as at 1 January 2021	50,000	216,469	-	89,024	-	(120,218)	235,275
Capital contribution from shareholder's fund	-	99,047	-	-	-	-	99,047
Profit transferred to main shareholder's fund	-	(7,943)	-	-	-	-	(7,943)
Loss for the period ended 30 September 2021	-	-	-	-	-	(13,665)	(13,665)
Other Comprehensive income/(loss)	-	-	-	-	-	-	-
Total loss for the period ended 30 September 2021	-	-	-	-	-	(13,665)	(13,665)
Contribution to increase solvency margin	-	(41,715)	-	41,715	-	-	-
Capital contribution transferred to policy holder liability	-	(19,813)	-	-	-	-	(19,813)
Balance as at 30 September 2021	50,000	246,045	-	130,739	-	(133,883)	292,901
Balance as at 1 January 2022	50,000	102,220	-	148,089	-	(43,064)	257,245
Capital contribution from shareholder's fund	-	2,853	-	-	-	-	2,853
Income for the period ended 30 September 2022	-	-	-	-	-	54,111	54,111
Other Comprehensive income/(loss)	-	-	-	-	-	-	-
	-	-	-	-	-	54,111	54,111
Contribution to increase solvency margin	-	(31,150)	-	31,150	-	-	-
Capital contribution transferred to policy holder liability	-	4,326	-	-	-	-	4,326
Balance as at 30 September 2022	50,000	78,249	-	179,239	-	11,047	318,535

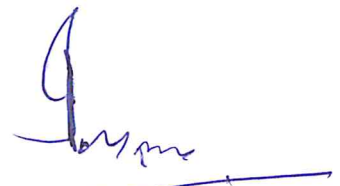
*This include balances maintained in accordance with the requirements of section 35 of the Insurance Ordinance ,2000 read with rule 14 of the Insurance Rules, 2017 to meet solvency margins, which are mandatorily maintained for the carrying on of the life insurance business.

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


**Managing Director &
 Chief Executive Officer**


Chief Financial Officer


Director


Director

EFU LIFE ASSURANCE LIMITED- Window Takaful Operations (Un-audited / Un-reviewed)
Notes To and forming part of Condensed Interim Financial Statement
For The Nine Months Period Ended 30 September 2022

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 2021.

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.

	Note	30 September 2022	31 December 2021
		Unaudited	Audited
----- (Rupees in '000) -----			
5 INVESTMENTS IN EQUITY SECURITIES			
At fair value through profit or loss (Designated - upon initial recognition)	5.1	1,814,100	2,218,911
		<u>1,814,100</u>	<u>2,218,911</u>

30 September 2022 (Unaudited)			31 December 2021 (Audited)		
Cost	Impairment/ provision	Carrying Value	Cost	Impairment/ provision	Carrying Value
----- (Rupees in '000) -----					

5.1 Fair Value through Profit and Loss (Designated - upon initial recognition)

Related Parties

Listed Shares

- - - - -

Others

Listed Shares

	1,982,030	1,814,100	2,273,819	-	2,218,911
	<u>1,982,030</u>	<u>-</u>	<u>1,814,100</u>	<u>2,273,819</u>	<u>-</u>
					<u>2,218,911</u>

6. GOVERNMENT SECURITIES

	Note	30 September 2022	31 December 2021
		Unaudited	Audited
----- (Rupees in '000) -----			
Held to Maturity	6.1	891,130	892,977
Fair value through profit and loss (designated - upon initial recognition)	6.2	6,236,566	4,006,128
		<u>7,127,696</u>	<u>4,899,105</u>

	Maturity Year	Effective Yield %	30 September 2022 (Unaudited)			31 December 2021 (Audited)		
			Amortised Cost	Principal Repayment	Carrying Value	Amortised Cost	Principal Repayment	Carrying Value
----- (Rupees in '000) -----								
6.1 Held to Maturity								
Government Ijara	2025-2026	11.7	248,041	247,639	248,041	247,833	247,639	247,833
Pakistan Energy Sukuk I	2029	8.05	191,351	197,160	191,351	193,004	197,160	193,004
Pakistan Energy Sukuk II	2030	7.25	451,738	452,700	451,738	452,141	452,700	452,140
			<u>891,130</u>	<u>897,499</u>	<u>891,130</u>	<u>892,978</u>	<u>897,499</u>	<u>892,977</u>

	Maturity Year	Effective Yield %	30 September 2022 (Unaudited)			31 December 2021 (Audited)		
			Amortised Cost	Principal Repayment	Carrying Value	Amortised Cost	Principal Repayment	Carrying Value
----- (Rupees in '000) -----								
6.2 Fair Value through profit and loss (Designated - upon initial recognition)								
Government Ijara	2025-2026	12.14	5,753,943	5,759,929	5,656,566	3,450,926	3,449,784	3,426,128
Pakistan Energy Sukuk 1	2029	8.05	601,272	620,840	530,000	606,815	620,840	530,000
Pakistan Energy Sukuk 11	2030	7.25	50,193	50,300	50,000	50,238	50,300	50,000
			<u>6,405,408</u>	<u>6,431,069</u>	<u>6,236,566</u>	<u>4,107,979</u>	<u>4,120,924</u>	<u>4,006,128</u>

7. INVESTMENT IN DEBT SECURITIES

	Note	30 September 2022 (Unaudited)			31 December 2021 (Audited)		
		Cost	Impairment/ Provision	Carrying Value	Cost	Impairment / Provision	Carrying Value
Others		----- (Rupees in '000) -----					
Corporate Sukuks	7.1	1,400,683	-	1,400,683	1,001,407	-	1,001,407
		<u>1,400,683</u>	<u>-</u>	<u>1,400,683</u>	<u>1,001,407</u>	<u>-</u>	<u>1,001,407</u>
Fair Value through Profit and Loss (Designated upon initial recognition)		No. Of Certificates			Carrying Amount		
		Maturity	30 September 2022	31 December 2021	Face Value	30 September 2022	31 December 2021
7.1 Corporate Sukuks		----- (Rupees in '000) -----					
K Electric		2022	25,000	25,000	5	240,000	12,612
HUBCO Sukuk		2023	2,000	2,000	100	102,500	207,229
Engro Polymer & Chemicals Ltd.		2026	1,850	1,850	100	186,258	199,070
Neelum Jehlum Hydropower		2026	1,250	1,250	100	59,610	72,181
Meezan Bank Ltd		Perpetual	250	250	1,000	250,000	250,000
Dubai Islamic Bank Limited		Perpetual	20,000	20,000	5	100,000	100,000
Bank Islami EHAD Sukuk		Perpetual	28,063	28,063	5	140,315	140,315
						<u>1,078,683</u>	<u>981,407</u>
Held to Maturity							
Engro Polymer & Chemicals Ltd.		2026	200	200	100	20,000	20,000
						<u>1,098,683</u>	<u>1,001,407</u>
Certificate of Investment							
First Habib Modarba		2022	1		102,000	302,000	-
						<u>302,000</u>	<u>-</u>
						<u>1,400,683</u>	<u>1,001,407</u>
8. INVESTMENTS IN TERM DEPOSITS						30 September 2022 (Unaudited)	31 December 2021 (Audited)
						----- (Rupees in '000) -----	
Deposit maturing within 12 months						<u>4,341,000</u>	<u>3,601,000</u>
9. CASH AND BANK							
Cash and Cash Equivalent							
Cash in hand						407	75
Cash at bank							
Current account						347,855	475,002
Saving account						1,237,722	1,270,944
						<u>1,585,984</u>	<u>1,746,021</u>
						30 September 2022	30 September 2021
						----- (Rupees in '000) -----	
9.1 Cash and cash equivalents for cash flow purpose comprise of the following:							
- Cash and others						407	402
- Cash at bank						1,585,577	2,871,426
- Term deposits maturing within three months						4,341,000	3,801,000
						<u>5,926,984</u>	<u>6,672,828</u>

		30 September 2022 (Unaudited)	31 December 2021 (Audited)
	Note	----- (Rupees in '000) -----	
10. TAKAFUL LIABILITIES			
Reported outstanding claims	10.1	310,329	301,129
Incurred but not reported claims	10.2	88,681	84,601
Investment component of unit-linked and account value policies	10.3	14,674,318	11,545,043
Liabilities under individual conventional insurance contracts	10.4	117,279	116,304
Liabilities under group insurance contracts (other than investment linked)	10.5	71,106	52,979
Other liabilities		48,225	46,560
Participant takaful fund balance	10.6	414,066	301,895
		<u>15,724,004</u>	<u>12,448,511</u>
10.1 Reported Outstanding Claims			
Gross of Retakaful			
Payable within one year		288,656	282,840
Payable over a period of time exceeding one year		54,570	49,057
		<u>343,226</u>	<u>331,897</u>
Recoverable from Retakaful			
Receivable over a period of time exceeding one year		(32,897)	(30,768)
		<u>(32,897)</u>	<u>(30,768)</u>
Net reported outstanding claims		<u>310,329</u>	<u>301,129</u>
10.2 Incurred But Not Reported Claims			
Gross of retakaful		140,560	126,400
Retakaful recoveries		(51,879)	(41,799)
Net of retakaful		<u>88,681</u>	<u>84,601</u>
10.3 Investment Component of Unit Linked and Account Value Policies			
Investment component of unit linked policies		14,674,318	11,545,043
Investment component of account value policies		-	-
		<u>14,674,318</u>	<u>11,545,043</u>
10.4 Liabilities under Individual Conventional takaful Contracts			
Gross of Retakaful		181,767	179,169
Retakaful Credit		(64,488)	(62,865)
Net of Reinsurance		<u>117,279</u>	<u>116,304</u>
10.5 Liabilities under Group Insurance Contracts (other than investment linked)			
Gross of Reinsurance		118,677	73,538
Reinsurance Credit		(47,571)	(20,559)
Net of Reinsurance		<u>71,106</u>	<u>52,979</u>
10.6 Participant Takaful Fund Balance		414,066	301,895
10.6			
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 Sub Fund 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, 2021. Out of the reported amount thereon, an amount of Rs.180.825 million pertains to Window Takaful Operations. There were no other material contingencies and commitments as at September 30, 2022.

	Aggregate		Aggregate	
	Nine months period ended		Three months period ended	
	30 September		30 September	
	2022	2021	2022	2021
----- (Rupees in '000) -----				
12. NET CONTRIBUTION REVENUE				
Gross contribution				
Regular contribution individual policies				
First year	1,790,748	1,730,256	549,873	535,498
Second year renewal	1,253,778	861,824	385,599	303,930
Subsequent year renewal	2,241,040	1,739,758	769,023	613,797
Single contribution individual policies	138,448	266,310	33,807	110,529
Group policies with cash values	610	688	15	28
Group policies without cash values	462,329	346,436	184,839	121,607
Total gross contribution	5,886,953	4,945,272	1,923,156	1,685,389
Less: Retakaful contribution ceded				
On individual life first year business	11,709	28,108	(4,512)	7,062
On individual life second year business	8,936	13,278	(1,044)	3,541
On individual life renewal business	22,374	37,259	(1,189)	7,318
On group policies	159,484	121,777	48,152	43,675
Less: Experience refund from reinsurers	(5,038)	(12,056)	2,152	(2,260)
Total reinsurance premium / retakaful contribution ceded	197,465	188,366	43,559	59,336
Net premium / contribution	5,689,488	4,756,906	1,879,597	1,626,053
13. INVESTMENT INCOME				
Income from equity securities				
At fair value through profit and loss (Designated upon initial recognition)				
Dividend income	110,465	66,091	30,839	25,935
Available for Sale				
Dividend income	-	-	-	-
Income from debt securities				
At fair value through profit and loss (Designated upon initial recognition)				
Return on debt securities	193,255	170,827	67,513	52,475
On government securities	152,353	(459,231)	1,778	(125,794)
Held to maturity				
On government securities	379,585	552,343	227,109	165,260
Income from term deposits				
Return on term deposits	307,294	159,912	150,744	59,910
	1,142,952	489,942	477,983	177,786

	Aggregate			
	Nine months period ended 30 September		Three months period ended 30 September	
	2022	2021	2022	2021
	(Rupees in '000)			
14. NET REALISED FAIR VALUE GAINS (LOSSES) ON FINANCIAL ASSETS				
Available for sale				
Realised gains on:				
- Equity securities	43,283	508,145	28,733	140,566
- Government securities	-	-	-	-
Realised losses on:				
- Equity securities	(149,506)	(56,323)	(41,617)	(8,447)
	<u>(106,223)</u>	<u>451,822</u>	<u>(12,884)</u>	<u>132,119</u>
15. NET FAIR VALUE GAINS (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNREALISED				
Net unrealised (losses) / gains on investments at fair value through profit or loss (designated upon initial recognition)- Equity Securities	(192,368)	(527,493)	34,625	(343,855)
Total investment income	(192,368)	(527,493)	34,625	(343,855)
	<u>(192,368)</u>	<u>(527,493)</u>	<u>34,625</u>	<u>(343,855)</u>
16. NET TAKAFUL BENEFITS				
Gross claims				
Claims under individual policies				
by death	88,713	104,110	35,516	26,943
by insured event other than death	-	-	-	-
by maturity	-	-	-	-
by surrender	1,057,922	832,383	361,693	334,588
Total gross individual policy claims	<u>1,146,635</u>	<u>936,493</u>	<u>397,209</u>	<u>361,531</u>
Claims under group policies				
by death	247,197	218,701	103,690	98,703
by insured event other than death	6,552	2,451	2,866	(10,399)
by maturity	-	-	-	-
by surrender	-	-	-	-
Total gross group claims	<u>253,749</u>	<u>221,152</u>	<u>106,556</u>	<u>88,304</u>
Total gross claims	<u>1,400,384</u>	<u>1,157,645</u>	<u>503,765</u>	<u>449,835</u>
Less: Retakaful recoveries				
On individual life claims	7,342	42,070	1,076	6,111
On group life claims	122,363	73,788	61,920	37,301
Total retakaful recoveries	<u>129,705</u>	<u>115,858</u>	<u>62,996</u>	<u>43,412</u>
Net takaful benefit expense	<u>1,270,679</u>	<u>1,041,787</u>	<u>440,769</u>	<u>406,423</u>

	Aggregate			
	Nine months period ended 30 September		Three months period ended 30 September	
	2022	2021	2022	2021
----- (Rupees in '000) -----				
17 ACQUISITION EXPENSES				
Remuneration to takaful intermediaries on individual policies:				
- Commission to agent on first year contributions	683,279	725,541	199,500	216,177
- Commission to agent on second year contributions	75,357	81,755	10,432	28,823
- Commission to agent on subsequent renewal contributions	45,542	55,816	10,182	19,434
- Commission to agent on single contributions	4,045	7,383	1,010	3,136
- Override commission to supervisors	146,249	131,897	46,185	41,550
- Other benefits to takaful intermediaries Salaries, allowances and other benefits	454,342	443,744	104,207	151,329
Remuneration to takaful intermediaries on group policies:				
- Commission	36,020	30,118	15,017	13,268
- Other benefits to takaful intermediaries	19,640	9,287	6,242	3,633
Other acquisition costs				
- Traveling expenses	6,659	4,291	2,111	1,354
- Printing and stationery	1,318	2,435	312	174
- Depreciation	64,423	58,895	20,614	16,810
- Rent, rates and taxes	3,347	3,608	870	1,386
- Electricity, gas and water	23,830	16,089	13,115	8,824
- Entertainment	8,282	7,808	3,255	3,039
- Vehicle running expenses	1,281	1,101	239	414
- Office repairs & maintenance	5,980	7,406	1,764	3,938
- Postages, telegrams and telephone	6,391	7,123	2,126	2,480
- Finance Cost	14,334	9,814	5,378	2,993
- Others	12,852	10,356	5,368	2,074
- Medical fees	2,652	2,901	519	820
- Policy stamps	28,972	29,860	8,090	9,394
	1,644,795	1,647,228	456,536	531,050
18. MARKETING AND ADMINISTRATION EXPENSES				
Employee benefit cost	116,894	100,686	37,535	35,321
Traveling expenses	9,021	3,845	2,110	1,723
Advertisements and sales promotion	6,867	2,225	1,820	737
Printing and stationery	13,646	16,673	4,129	5,820
Depreciation	20,981	16,919	9,285	6,495
Amortisation	1,539	1,930	513	557
Rent, rates and taxes	1,094	3,189	1,024	2,970
Legal and Professional charges	11,476	5,457	7,195	2,450
Electricity, gas and water	7,424	5,098	4,152	2,212
Entertainment	4,728	3,610	1,481	1,053
Vehicle running expenses	810	600	176	162
Office repair and maintenance	26,337	18,322	10,607	6,736
Appointed actuary fees	1,845	1,648	615	1,099
Bank charges	1,532	2,608	301	361
Postage, internet and telephone	10,597	9,695	2,946	2,485
Fees and subscription	4,913	4,560	1,900	330
Annual supervision fee SECP	9,419	7,912	3,077	2,696
Miscellaneous	19,355	24,129	6,373	9,176
	268,478	229,106	95,239	82,383

19. Tax for the year

	Aggregate			
	Nine months period ended 30 September		Three months period ended 30 September	
	2022	2021	2022	2021
Current	(22,102)	5,581	(21,755)	13,933
Deferred	-	-	-	-
	<u>(22,102)</u>	<u>5,581</u>	<u>(21,755)</u>	<u>13,933</u>

20. RELATED PARTY TRANSACTIONS

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

	30 September 2022	30 September 2021
	----- (Rupees in '000) -----	
Transactions		
Associated companies/ Related Party		
Premium written	3,310	2,751
Premium paid	4,526	3,406
Claims paid	822	2,478
Commission paid	28,410	40,798
Interest /profit received	258,672	155,905
Payment to K-Eelectric	171	-
Placement of TDR	2,290,000	1,300,000
Investment bought	240,000	-
TDR matured / Investment sold of Related Party	1,538,427	2,029,414
Employees' funds		
Contribution to provident fund	2,297	2,298
Contribution to pension fund	1,137	1,219
Key Management Personnel Transactions		
Premium written	501	7,518
	30 September 2022	31 December 2021
	(Unaudited)	(Audited)
	----- (Rupees in '000) -----	
Balances		
Bank balances	710,058	844,619
Bank deposits	2,290,000	1,450,000
Premium receivable	-	440
Commission payable	4,945	-
Investment in Related Party	380,315	152,928
Claim outstandings -Related Parties	-	822

21. SEGMENTAL INFORMATION

21.1 Revenue Account by Statutory Fund

	Family Takaful Investment Linked Business	Family Takaful Protection Business	Aggregate Period ended 30 September 2022
(Rupees in '000)			
Income			
Contribution less retakaful	5,365,350	302,846	5,668,196
Policy transfer from other statutory funds	21,291	-	21,291
Bonus units transfer to statutory fund	30	-	30
Net investment income / wakala income	1,379,613	123,691	1,503,304
Total net income	6,766,284	426,537	7,192,821
Takaful Benefits and Expenditures			
Claims net of retakaful recoveries	1,140,677	131,386	1,272,063
Policy transfer from other statutory funds	-	-	-
Management expenses less recoveries	2,405,168	167,056	2,572,224
Total takaful Benefits and Expenditures	3,545,845	298,442	3,844,287
Excess of income over takaful Benefits and Expenditures	3,220,439	128,095	3,348,534
Net Change in takaful Liabilities (Other than outstanding Claims)	(3,131,298)	(24,537)	(3,155,835)
Surplus before tax	89,141	103,558	192,699
Movement in takaful liabilities	3,131,298	24,537	3,155,835
Transfer to and from Shareholder's Fund			
Transfer of (surplus) / deficit to shareholders' fund	-	(93,816)	(93,816)
Capital contribution to / from share holders' fund	2,853	-	2,853
Net Transfer to / from shareholders' fund	2,853	(93,816)	(90,963)
Balance of statutory funds at beginning of the period	12,123,497	185,275	12,308,772
Balance of statutory funds at end of the period	15,346,789	219,554	15,566,343
			Aggregate
	Family Takaful Investment Linked Business	Family Takaful Protection Business	Period ended 30 September 2021
(Rupees in '000)			
Income			
Contribution less retakaful	4,520,661	224,659	4,745,320
Policy transfer from other statutory funds	16,539	-	16,539
Bonus units transferred to statutory funds	5	-	5
Net investment income	834,776	79,552	914,328
Total net income	5,371,981	304,211	5,676,192
Takaful Benefits and Expenditures			
Claims net of retakaful recoveries	894,486	152,317	1,046,803
Policy transfer from other statutory funds	-	-	-
Bonus units transferred to statutory funds	-	-	-
Management expenses less recoveries	2,254,214	122,176	2,376,390
Total Insurance Benefits and Expenditures	3,148,700	274,493	3,423,193
Excess of income over Takaful Benefits and Expenditures	2,223,281	29,718	2,252,999
Net Change in Takaful Liabilities (Other than outstanding Claims)	(2,242,795)	(26,865)	(2,269,660)
Deficit / Surplus before tax	(19,514)	2,853	(16,661)
Movement in takaful liabilities	2,242,795	26,865	2,269,660
Transfer to and from Shareholder's Fund			
Transfer of (surplus) / deficit to shareholders' fund	-	-	-
Capital contribution from share holders' fund	64,134	34,913	99,047
Net Transfer to/from shareholders' fund	64,134	34,913	99,047
Balance of statutory funds at beginning of the period	8,594,188	128,926	8,723,114
Balance of statutory funds at end of the period	10,881,603	193,557	11,075,160

FAIR VALUE

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

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

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

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

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

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

	30 September 2022 (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
----- (Rupees in '000) -----										
Financial assets measured at fair value										
- Investments										
Government Securities (T-bills + PIBs + Sukuks)	6,236,566	-	-	-	-	-	6,236,566	-	6,236,566	-
Sukuk Bonds (Other than government)	1,098,683	-	-	-	-	-	1,098,683	-	1,098,683	-
Listed equity securities	1,814,100	-	-	-	-	-	1,814,100	1,814,100	-	-
Unlisted equity securities	-	-	-	-	-	-	-	-	-	-
Units of mutual funds	-	-	-	-	-	-	-	-	-	-
Debt securities (Listed TFCs)	302,000	-	-	-	-	-	302,000	302,000	-	-
Financial assets not measured at fair value										
- Government Securities (T-bills + PIBs + Sukuks)	-	-	891,130	-	-	-	-	891,130	-	-
- Balances with banks *	5,926,984	-	-	-	-	-	5,926,984	-	866,391	-
- Certificate of Investment	-	-	-	-	-	-	-	-	-	-
- Advances	-	-	-	-	-	-	-	-	-	-
- Investment income accrued	-	-	-	-	490,551	-	490,551	-	-	-
- Other loans and receivables (excluding markup accrued)*	-	-	-	-	1,520,852	-	1,520,852	-	-	-
	15,378,333	-	891,130	-	2,011,403	-	18,280,866	-	-	-
Financial liabilities not measured at fair value										
Deferred taxation	-	-	-	-	-	-	-	-	-	-
Premium received in advance	-	-	-	-	-	172,946	172,946	-	-	-
Insurance / reinsurance payables	-	-	-	-	-	93,109	93,109	-	-	-
Other creditors and accruals	-	-	-	-	-	1,556,231	1,556,231	-	-	-
	-	-	-	-	-	1,822,286	1,822,286	-	-	-
	15,378,333	-	891,130	-	2,011,403	(1,822,286)	16,458,580	-	-	-

On balance sheet financial instruments

31 December 2021 (Audited)

	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	
(Rupees in '000)											
Financial assets measured at fair value											
- Investments											
Government Securities (T-bills + PIBs + Sukuk)	4,006,128	-	-	-	-	-	4,006,128	-	4,006,128	-	4,006,128
Sukuk Bonds (other than government)	981,407	-	-	-	-	-	981,407	-	981,407	-	981,407
Listed equity securities	2,218,911	-	-	-	-	-	2,218,911	2,218,911	-	-	2,218,911
Unlisted equity securities	-	-	-	-	-	-	-	-	-	-	-
Units of mutual funds	-	-	-	-	-	-	-	-	-	-	-
Debt securities (Listed TFCs)	20,000	-	-	-	-	-	20,000	20,000	-	-	20,000
Financial assets not measured at fair value											
- Government Securities (T-bills + PIBs + Sukuk)	-	-	892,977	-	-	-	-	-	892,977	-	892,977
- Balances with banks *	5,347,021	-	-	-	-	-	5,347,021	-	-	-	5,347,021
- Certificate of Investment	-	-	-	-	-	-	-	-	-	-	-
- Advances	-	-	-	-	-	-	-	-	-	-	-
- Investment income accrued	-	-	-	-	146,436	-	146,436	-	-	-	146,436
- Other loans and receivables (excluding markup accrued)*	-	-	-	-	863,325	-	863,325	-	-	-	863,325
	12,573,467	-	892,977	-	1,009,761	-	14,476,205	-	-	-	14,476,205
Financial liabilities not measured at fair value											
Deferred taxation	-	-	-	-	-	-	-	-	-	-	-
Premium received in advance	-	-	-	-	-	150,072	150,072	-	-	-	150,072
Insurance / reinsurance payables	-	-	-	-	-	33,749	33,749	-	-	-	33,749
Other creditors and accruals	-	-	-	-	-	1,531,414	1,531,414	-	-	-	1,531,414
	-	-	-	-	-	1,715,235	1,715,235	-	-	-	1,715,235
	12,573,467	-	892,977	-	1,009,761	(1,715,235)	12,760,970	-	-	-	12,760,970

*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 financial statement were authorized for issue by the Board of Directors of the Company in their meeting held on 28 October 2022.


 Managing Director &
 Chief Executive Officer


 Chief Financial Officer


 Director


 Director