

August 31, 2020

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Subject: Transmission of Second Quarterly Report for the period
Ended June 30, 2020.

Dear Sir,

We have to inform you that the Second Quarterly Report of the Company for the Quarter ended June 30, 2020 have been transmitted through PUCARS and is also available on Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.



Altaf Qamruddin Gokal
Chief Financial Officer

Yours faithfully,



Amin Raza Junjani
Company Secretary

EFU General Insurance Ltd

EFU House, M.A. Jinnah Road, P.O. Box 5005, Karachi-74000.
Phone: 92-21-32313471-90, Fax: 92-21-32310450, Email: info@efuinsurance.com

Report (Un-Audited)
Second Quarter 2020

Shaping The Future



EFU GENERAL INSURANCE LTD.



EFU GENERAL INSURANCE LTD
ISO 9001: 2015 Certified

 efuinsurance.com

Insurer Financial Strength

AA+
Outlook Stable
VIS

AA+
Outlook Stable
PACRA

B+
Outlook Positive
A.M.BEST
For the latest rating,
access www.ambest.com

Contents

- 03** Company Information
- 04** Directors' Review
- 05** Directors' Review Urdu
- 06** Independent Auditor's Review Report To the members of EFU General Insurance Limited Report on Review of Interim Financial Statements
- 07** Independent Auditor's Review Report To the members of EFU General Insurance Limited - Window Takaful Operations on Review of Interim Financial Statements
- 08** Unconsolidated Condensed Interim Statement of Financial Position
- 09** Unconsolidated Condensed Interim Profit and Loss Account
- 10** Unconsolidated Condensed Interim Statement of Comprehensive Income
- 11** Unconsolidated Condensed Interim Cash Flow Statement
- 12** Unconsolidated Condensed Interim Statement of Changes in Equity
- 13** Notes to the Unconsolidated Condensed Interim Financial Statements

Consolidated Condensed Interim Financial Statements

- 34** Directors' Review
- 35** Directors' Review Urdu
- 36** Consolidated Condensed Interim Statement of Financial Position
- 37** Consolidated Condensed Interim Profit and Loss Account
- 38** Consolidated Condensed Interim Statement of Comprehensive Income
- 39** Consolidated Condensed Interim Cash Flow Statement
- 40** Consolidated Condensed Interim Statement of Changes in Equity
- 41** Notes to the Consolidated Condensed Interim Financial Statements

Window Takaful Operations

- 64** Condensed Interim Statement of Financial Position
- 65** Condensed Interim Profit and Loss Account
- 66** Condensed Interim Statement of Comprehensive Income
- 67** Condensed Interim Cash Flow Statement
- 68** Condensed Interim Statement of Changes in Funds
- 69** Notes to the Condensed Interim Financial Statements

Company Information

Chairman

Saifuddin N. Zoomkawala

Managing Director & Chief Executive

Hasanali Abdullah

Directors

Saifuddin N. Zoomkawala
Hasanali Abdullah
Abdul Rehman Haji Habib
Rafique R. Bhimjee
Taher G. Sachak
Ali Raza Siddiqui
Mohammed Iqbal Mankani
Saad Bhimjee
Tanveer Sultan Moledina
Yasmin Hyder

Chief Financial Officer

Altaf Qamruddin Gokal, F.C.A.

Company Secretary

Amin Punjani, A.C.A., A.C.C.A., M.A.

Legal Advisor

Mohammad Ali Sayeed

Advisors

S.C. (Hamid) Subjally
Syed Mehdi Imam, M.A.

Shari'ah Advisor

Mufti Muhammad Ibrahim Essa

Audit Committee

Tanveer Sultan Moledina
Rafique R. Bhimjee
Ali Raza Siddiqui
Taher G. Sachak
Yasmin Hyder

Investment Committee

Rafique R. Bhimjee
Saifuddin N. Zoomkawala
Hasanali Abdullah
Taher G. Sachak
Altaf Gokal

Ethics, Human Resource & Remuneration Committee

Iqbal Mankani
Saifuddin N. Zoomkawala
Hasanali Abdullah

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi

Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block B
S.M.C.H.S., Shahra-e-Faisal
Karachi - 74400

Website

www.efuinsurance.com

Email

info@efuinsurance.com

Registered Office

Kamran Centre, 1st Floor
85, East, Jinnah Avenue
Blue Area
Islamabad

Main Offices

EFU House
M. A. Jinnah Road
Karachi

Co-operative Insurance Building
23, Shahrah-e-Quaid-e-Azam
Lahore

Window Takaful Operations

5th Floor, EFU House
M. A. Jinnah Road
Karachi

Directors' Review

We are pleased to present the unaudited financial statements for the six months period ended 30 June 2020.

Performance Review

The Written Premium (including Takaful) for the six months period grew by 2 % to Rs.10,245 million (Takaful Contribution Rs.1,073 million) as against Rs.10,083 million (Takaful Contribution Rs.1,102 million) for corresponding period of last year. The Net Premium Revenue for the six months period (including Takaful Net Contribution Revenue) was Rs.4,817 million as against Rs.4,242 million for the corresponding period of last year. The overall Claims ratio to Net Premium Revenue was 43 % as compared to 46 % for the corresponding period of last year.

Investment income (including rental income, profit on deposits and other income) for the six months period increased by 22 % to Rs.1,313 million compared to Rs. 1,079 million for the corresponding period of last year.

The after tax profit for the six months period was Rs.1,421 million compared to Rs.784 million in the corresponding period last year.

The earnings per share for the period were Rs. 7.11 against Rs. 3.92 in the corresponding period of last year.

Your Directors have pleasure in declaring second interim cash dividend of Rs. 1.50 (15.00 %) per share for the year 2020.

Outlook

The Government's policies of lock-down and smart lock-downs have been helpful in controlling human casualties. The economic activities have reasonably picked up. However, imports and exports have been impacted due to restrictive movement of cargoes and also passenger air traffic. We hope that with passage of time, economic activities should improve. Marine business has and will continue to be impacted due to lesser import and export and Motor Vehicle Insurance Business has and will be impacted due to lower production of vehicles and lesser volume of import of high value cars.

Acknowledgements

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

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

RAFIQUE R. BHIMJEE
Director

TAHER G. SACHAK
Director

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 22 August 2020

ڈائریکٹرز رپویو

(یہ انگریزی ڈائریکٹرز رپویو کا ترجمہ ہے)

ہم بمسرت آپ کی خدمت میں ۳۰ جون ۲۰۲۰ء کو ختم ہونے والی ششماہی مدت کیلئے غیر آڈٹ شدہ مالیاتی حسابات پیش کرتے ہیں۔

کارکردگی کا جائزہ

اس ششماہی مدت کے دوران تحریری پریمیم ۲ فیصد بڑھ کر ۱۰،۲۳۵ ملین روپے رہا (بشمول تکافل کنٹری بیوشن ۳،۰۷۳ ملین روپے) جبکہ گزشتہ سال کی اسی مدت کے دوران یہ حجم ۱۰،۰۸۳ ملین روپے (بشمول تکافل کنٹری بیوشن ۱،۱۰۲ ملین روپے) تھا۔ اس ششماہی مدت کے لئے خالص پریمیم آمدن (بشمول خالص تکافل کنٹری بیوشن آمدن) ۲،۸۱۷ ملین روپے رہے جو گزشتہ سال کی اسی مدت کے لئے ۲،۲۳۲ ملین روپے رہا تھا۔ مجموعی پریمیم ریونیو کیلئے مجموعی کلیمز کا تناسب ۴۳ فیصد رہا جو گزشتہ سال کی اسی مدت کے لئے ۴۶ فیصد تھا۔

سرمایہ کاری کی آمدنی (بشمول رینٹل آمدنی، ڈپازٹس پر منافع اور دیگر آمدنی) برائے ششماہی مدت ۲۲ فیصد بڑھ کر ۱،۳۱۳ ملین روپے ہو گئی جو اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران ۱،۰۷۹ ملین روپے تھی۔

اس ششماہی مدت کیلئے بعد از ٹیکس منافع ۱،۴۲۱ ملین روپے رہا، جبکہ گزشتہ سال اسی مدت میں ۷۸۴ ملین روپے تھا۔

اس مدت میں آمدنی فی شیئر ۱۱ روپے رہی جو گزشتہ سال اسی مدت میں ۳۶۹۲ روپے تھی۔

آپ کے ڈائریکٹرز بمسرت سال ۲۰۲۰ء کے لئے دوسرے عبوری نقد منافع منقسمہ بشرح ۵۰ء ۱۵۰۰ فیصد) فی شیئر کا اعلان کر رہے ہیں۔

آؤٹ لک

لاک ڈاؤن اور اسمارٹ لاک ڈاؤن پر حکومت کی پالیسیاں انسانی زندگی کو لاحق خطرات پر کنٹرول کرنے میں معاون رہی ہیں۔ معاشی و اقتصادی سرگرمیاں مناسب طور پر بحال ہوئی ہیں تاہم کارگو اور مسافر ایئر ٹریفک کی محدود نقل و حرکت کی وجہ سے درآمدات اور برآمدات متاثر ہو رہی ہیں۔ ہم امید کرتے ہیں کہ وقت گزرنے کے ساتھ اقتصادی سرگرمیوں میں بہتری آئے گی۔ میرین برنس متاثر ہوا ہے اور ہوتا رہے گا کیونکہ درآمد و برآمد کی مقدار کم ہو چکی ہے اور اسی طرح موٹر ویکل انشورنس برنس بھی متاثر ہوا ہے اور ہوتا رہے گا کیونکہ ملک میں گاڑیوں کی تیاری میں بھی کمی آئی ہے اور بیرون ملک سے مہنگی گاڑیوں کی درآمد بھی کم ہوئی ہے۔

اظہار تشکر

آپ کے ڈائریکٹرز کیلئے یہ امر نہایت اطمینان و خوشی کا باعث ہے کہ وہ اپنے افسران، فیلڈ فورس اور اسٹاف کی جانب سے کی جانے والی ان کاوشوں اور جدوجہد کو خراج تحسین پیش کرتے ہیں جو انہوں نے کمپنی کی کامیابی کے لئے اور اس کے امور کو مستقل بنیادوں پر کامیابی کے ساتھ چلانے کے ضمن میں کی ہیں۔

آپ کے ڈائریکٹرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان ری انشورنس کمپنی لمیٹڈ اور اپنے تمام ری انشوررز کا بھی ان کی مستقل رہنمائی اور معاونت کے لئے شکریہ ادا کرتے ہیں۔

سیف الدین این۔ زومکا والا
چیئر مین

حسن علی عبداللہ
ٹیچنگ ڈائریکٹر و چیف ایگزیکٹو

طاہر جی۔ ساچک
ڈائریکٹر

رفیق آر۔ بھیم جی
ڈائریکٹر

کراچی: ۲۲ اگست ۲۰۲۰ء

Independent Auditor's Review Report To the members of EFU General Insurance Limited Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of EFU General Insurance Limited ("the Company") as at 30 June 2020 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity, and notes to the unconsolidated condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other matter

The figures for the quarters ended 30 June 2020 and 30 June 2019 in the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

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

KPMG Taseer Hadi & Co.
Chartered Accountants

Muhammad Taufiq

Karachi 31 August 2020

Independent Auditor's Review Report To the members of EFU General Insurance Limited - Window Takaful Operations on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of EFU General Insurance Limited - Window Takaful Operations ("the Fund") as at 30 June 2020 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in fund, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other matter

The figures for the quarters ended 30 June 2020 and 30 June 2019 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

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

KPMG Taseer Hadi & Co.
Chartered Accountants

Muhammad Taufiq

Karachi 31 August 2020

Unconsolidated Condensed Interim Statement of Financial Position As at 30 June 2020 (Unaudited)

Rupees '000

	Note	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Assets			
Property and equipment	6	2 889 614	2 967 431
Investment property	7	2 343 823	2 341 470
Investment in subsidiary	8	9 277 257	10 169 336
Investments			
Equity securities	9	2 883 436	3 271 467
Debt securities	10	10 152 859	9 654 535
Term deposits		425 300	444 352
Loans and other receivables	11	340 091	258 679
Insurance / reinsurance receivables	12	3 250 107	4 012 732
Reinsurance recoveries against outstanding claims	19	4 141 093	4 081 849
Salvage recoveries accrued		57 531	44 550
Deferred commission expense	20	486 923	598 669
Retirement benefit		21 998	29 689
Taxation - payments less provision		-	22 371
Prepayments	13	4 731 969	5 850 686
Cash and bank	14	1 173 642	1 191 688
		<u>42 175 643</u>	<u>44 939 504</u>
Total assets of window takaful operations - Operator's Fund		818 911	759 742
Total assets		<u>42 994 554</u>	<u>45 699 246</u>
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		2 000 000	2 000 000
Reserves	15	15 573 215	15 765 886
Unappropriated profit		1 151 297	1 530 185
Total equity		18 724 512	19 296 071
Surplus on revaluation of property and equipment		1 000 401	1 000 414
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR	19	6 966 017	6 273 372
Unearned premium reserve	18	8 376 182	9 143 972
Unearned reinsurance commission	20	243 772	430 936
Deferred taxation		410 655	667 971
Premium received in advance		52 135	68 262
Insurance / reinsurance payables		4 373 095	6 067 883
Other creditors and accruals	16	2 332 855	2 356 205
Taxation - provision less payments		139 682	-
Total liabilities		<u>22 894 393</u>	<u>25 008 601</u>
		<u>42 619 306</u>	<u>45 305 086</u>
Total liabilities of window takaful operations - Operator's Fund		375 248	394 160
Total equity and liabilities		<u>42 994 554</u>	<u>45 699 246</u>
Contingencies and commitments	17		

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

RAFIQUE R. BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 22 August 2020

Unconsolidated Condensed Interim Profit and Loss Account For the six months period ended 30 June 2020 (Unaudited)

Rupees '000

	Note	Three months period ended		Six months period ended	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019
Net insurance premium	18	2 024 541	1 797 010	4 203 628	3 621 571
Net insurance claims	19	(900 950)	(895 564)	(1 807 438)	(1 674 450)
Net commission and other acquisition cost	20	(154 172)	(198 512)	(372 348)	(369 417)
Insurance claims and acquisition expenses		(1 055 122)	(1 094 076)	(2 179 786)	(2 043 867)
Management expenses		(636 818)	(756 330)	(1 332 200)	(1 423 146)
Underwriting results		332 601	(53 396)	691 642	154 558
Investment income	21	508 460	689 003	1 154 462	902 553
Rental income		30 546	23 908	62 812	53 351
Other income	22	40 027	74 273	95 302	122 939
Other expenses		(17 791)	(18 915)	(51 194)	(44 607)
		561 242	768 269	1 261 382	1 034 236
Results of operating activities		893 843	714 873	1 953 024	1 188 794
Profit from window takaful operations - Operator's Fund	23	49 358	35 071	108 185	88 216
Profit before tax		943 201	749 944	2 061 209	1 277 010
Income tax expense	24	(235 856)	(333 986)	(640 110)	(492 789)
Profit after tax		707 345	415 958	1 421 099	784 221
Earnings (after tax) per share - Rupees	25	3.54	2.08	7.11	3.92

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

RAFIQUE R. BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 22 August 2020

Unconsolidated Condensed Interim Statement of Comprehensive Income For the six months period ended 30 June 2020 (Unaudited)

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Profit after tax	707 345	415 958	1 421 099	784 221
Other comprehensive income				
Total items that may be reclassified subsequently to profit and loss account				
Unrealized gain / (loss) on available-for-sale investments during the period	598 724	(923 409)	81 552	(1 185 534)
Reclassification adjustments relating to available-for-sale investments disposed off during the period	5 278	–	10 357	2 543
Unrealized (loss) / gain on available-for-sale investments during the period of subsidiary company	(137 062)	(42 525)	(928 625)	90 747
Total unrealized gain / (loss) on available-for-sale investments	466 940	(965 934)	(836 716)	(1 092 244)
Deferred tax on available-for-sale investments	(175 162)	242 872	(26 655)	343 067
Deferred tax on available-for-sale investments of subsidiary company	39 749	125 506	269 302	92 188
Net unrealized gain / (loss) from window takaful operations - Operator's Fund (net of deferred tax)	(96)	(494)	1 398	(804)
	331 431	(598 050)	(592 671)	(657 793)
Item not to be reclassified to profit and loss account in subsequent periods:				
Effect of change in tax rates on actuarial losses on defined benefit plans	–	1 340	–	–
Effect of change in tax rates on balance of revaluation on property and equipment	–	(12 100)	–	–
	–	(10 760)	–	–
Other comprehensive income	331 431	(608 810)	(592 671)	(657 793)
Total comprehensive income for the period	1 038 776	(192 852)	828 428	126 428

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

RAFIQUE R. BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 22 August 2020

Unconsolidated Condensed Interim Cash Flow Statement For the six months period ended 30 June 2020 (Unaudited)

Rupees '000

	2020	2019
Operating cash flows		
a) Underwriting activities		
Insurance premium received	9 950 895	8 694 578
Reinsurance premium paid	(6 301 493)	(5 198 545)
Claims paid	(2 397 624)	(2 386 581)
Reinsurance and other recoveries received	1 177 760	943 219
Commission paid	(591 868)	(820 343)
Commission received	125 035	398 758
Management expenses paid	(1 188 891)	(1 299 668)
Net cash flow from underwriting activities	773 814	331 418
b) Other operating activities		
Income tax paid	(461 351)	(506 894)
Other operating payments	(24 988)	(113 874)
Other operating receipts	37 107	41 158
Loans advanced	(100)	(397)
Loans repayments received	1 088	1 299
Net cash flow used in other operating activities	(448 244)	(578 708)
Total cash flow from all operating activities	325 570	(247 290)
Investment activities		
Profit / return received	607 860	520 822
Dividend received	594 531	658 377
Rentals received	29 844	75 630
Payment for investments / investment properties	(7 095 385)	(20 730 748)
Proceeds from investments / investment properties	6 989 260	21 261 632
Fixed capital expenditures	(97 660)	(383 209)
Proceeds from sale of property and equipment	3 307	28 978
Total cash flow used in investing activities	1 031 757	1 431 482
Total cash flow used in financing activities - Dividends paid	(1 375 373)	(1 510 463)
Net cash flow used in all activities	(18 046)	(326 271)
Cash and cash equivalents at the beginning of period	1 191 688	1 266 562
Cash and cash equivalents at the end of period	1 173 642	940 291
Reconciliation to profit and loss account		
Operating cash flows	325 570	(247 290)
Depreciation / amortization expense	(175 406)	(178 676)
Profit on disposal of property and equipment	3 235	22 256
Profit on disposal of investments / investment properties	11 389	4 262
Rental income	62 812	53 351
Dividend Income	590 526	654 872
Other investment income	552 547	243 419
Profit on deposits	66 854	63 055
Other income	25 213	37 628
(Decrease) / increase in assets other than cash	(1 981 673)	986 511
Decrease / (increase) in liabilities other than borrowings	1 831 847	(943 383)
Profit after tax from conventional insurance operations	1 312 914	696 005
Profit from window takaful operations - Operator's Fund	108 185	88 216
Profit after tax	1 421 099	784 221

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

RAFIQUE R. BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAZ GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 22 August 2020

Unconsolidated Condensed Interim Statement of Changes in Equity For the six months period ended 30 June 2020 (Unaudited)

Rupees '000

	Attributable to equity holders of the Company						Total
	Share capital	Capital Reserve - Reserve for exceptional losses	General reserve	Revenue reserves		Unappropriated profit	
				Unrealized gain / (loss) on revaluation of available-for-sale investment-net	Unrealized gain on fair value of investment property		
Balance as at 01 January 2019	2 000 000	12 902	13 500 000	(269 657)	1 279 740	2 775 470	19 298 455
Total comprehensive income for the period ended 30 June 2019							
Profit after tax				(657 793)	(67 303)	851 524	784 221
Other comprehensive income				(657 793)	(67 303)	-	(657 793)
				(657 793)	(67 303)	851 524	126 428
Transactions with owners recorded directly in equity							
Final dividend for the year 2018 at the rate of Rs. 6.25 (62.50%) per share						(1 250 000)	(1 250 000)
1st Interim dividend paid for the year 2019 at the rate of Rs. 1.25 (12.50%) per share						(300 000)	(300 000)
Transferred from surplus on revaluation of property, and equipment on account of incremental depreciation- net of tax						13	13
Other transfer within equity							
Transfer to general reserve			1 500 000			(1 500 000)	-
Balance as at 30 June 2019	<u>2 000 000</u>	<u>12 902</u>	<u>15 000 000</u>	<u>(927 450)</u>	<u>1 212 437</u>	<u>577 007</u>	<u>17 874 896</u>
Balance as at 01 January 2020	2 000 000	12 902	15 000 000	(749 729)	1 502 713	1 530 185	19 296 071
Total comprehensive income for the period ended 30 June 2020							
Profit after tax				(592 671)	-	1 421 099	1 421 099
Other comprehensive income				(592 671)	-	-	(592 671)
				(592 671)	-	1 421 099	828 428
Transactions with owners recorded directly in equity							
Final dividend for the year 2019 at the rate of Rs. 5.50 (55.00%) per share						(1 100 000)	(1 100 000)
1st Interim dividend paid for the year 2020 at the rate of Rs. 1.50 (15.00%) per share						(300 000)	(300 000)
Transferred from surplus on revaluation of property, and equipment on account of incremental depreciation- net of tax						13	13
Other transfer within equity							
Transfer to general reserve			400 000			(400 000)	-
Balance as at 30 June 2020	<u>2 000 000</u>	<u>12 902</u>	<u>15 400 000</u>	<u>(1 342 400)</u>	<u>1 502 713</u>	<u>1 151 297</u>	<u>18 724 512</u>

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

RAFIQUE R. BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAZ GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 22 August 2020

Notes to the Unconsolidated Condensed Interim Financial Statements For the six months period ended 30 June 2020 (Unaudited)

1. Legal status and nature of business

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

The Registered Office of the Company is situated in Islamabad while the principal place of business is located at EFU House, M.A. Jinnah Road, Karachi. The Company commenced Window Takaful Operations from 16 April 2015 as per Securities and Exchange Commission of Pakistan (SECP) Takaful Rules, 2012. The Company operates through 53 (2019: 53) branches in Pakistan including a branch in Export Processing Zone (EPZ) and a branch in Gwadar Free Zone.

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

2. Basis of preparation and statement of compliance

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

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

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

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

Total assets, total liabilities and profit of the Window Takaful Operations of the Company referred to as the Operator's Fund has been presented in these unconsolidated condensed interim financial statements in accordance with the requirements of Circular 25 of 2015 dated 09 July 2015. A separate set of condensed interim financial statements of the General Window Takaful Operations has been reported which is annexed to these unconsolidated condensed interim financial statements as per the requirements of the SECP Takaful Rules, 2012, General Takaful Accounting Regulations, 2019.

These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual unconsolidated financial statements and should be read in conjunction with the Company's audited annual unconsolidated financial statements for the year ended 31 December 2019.

2.1 Basis of measurement

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

2.2 Functional and presentation currency

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

2.3 Standards, interpretations and amendments effective during the current period

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after 01 January 2020 but are considered not to be relevant or do not have any significant effect on the Company's operation and therefore not detailed in these unconsolidated condensed interim financial statements.

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2020.

Amendment to IFRS 3 'Business Combinations' - Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general-purpose financial statements in accordance with IFRS Standards.

On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process - this means that the overall impact on standard setting may take some time to crystallize. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 01 January 2020, unless the new guidance contains specific scope outs.

Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 01 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements of the Company.

Amendments to IFRS-16- IASB has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 01 June 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications. Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

1. the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
2. any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
3. there is no substantive change to the other terms and conditions of the lease.

Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after 01 January 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual period beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarify what comprise the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc, are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Annual Improvements to IFRS standards 2018-2020:

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 01 January 2022.

IFRS 9 - The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

IFRS 16 - The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

IAS 41 - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

Certain amendments and interpretations to approved accounting standards became effective during the period were not relevant to the Company's operation and do not have any impact on accounting policies of the Company.

IFRS 9 'Financial Instruments' is effective for reporting period / year ending on or after 30 June 2019. It replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments' with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from 01 July 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

The Company has determined that it is eligible for the temporary exemption option since the Company has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the company doesn't engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Company can defer the application of IFRS 9 until the application IFRS 17.

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI") i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest.

IFRS 9 defines the terms "principal" as being the fair value of the financial asset at initial recognition, and the "interest" as being compensation for (i) the time value of money, and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The tables below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

- a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and
- b) all other financial assets.

Rupees '000

	30 June 2020 (Unaudited)				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain / (loss) during the period	Carrying value	Cost less Impairment	Change in unrealized gain / (loss) during the period
Financial assets					
Investment in subsidiary - available-for-sale	9 277 257	(928 625)	-	-	-
Investments in equity securities - available-for-sale	2 883 436	(347 913)	-	-	-
Investments in debt securities - available-for-sale	-	-	10 152 859	-	439 822
Term Deposits *	-	-	425 300	-	-
Total	12 160 693	(1 276 538)	10 578 159	-	439 822

* The carrying amount of these financial assets measured applying IAS 39 are a reasonable approximation of their fair values.

	30 June 2020 (Unaudited)					
	Gross carrying amounts of debt instruments that pass the SPPI test					
	AAA	AA+	AA	AA-	A	Unrated
Investments in debt securities - available-for-sale	-	151 072	50 774	80 000	100 000	9 771 013
Term deposits	186 678	125 122	-	98 500	15 000	-
Total	186 678	276 194	50 774	178 500	115 000	9 771 013

2.5 During the period, the novel coronavirus (COVID 19) emerged and since then, the condition has continued to deteriorate. On 30 January 2020, the International Health Regulations Emergency Committee of the WHO declared the outbreak a "Public Health Emergency of International Concern". The COVID-19 pandemic has significantly impacted the market around the world to date and may continue to do so in the coming months of 2020. The scale and duration of this outbreak remains uncertain and as it evolves globally in 2020, the Company based on its current assessment considered that there would be no significant impact that will adversely affect its business, result of operations and financial condition of the Company.

3. Summary of significant accounting policies

The significant accounting policies and method of computation adopted in preparation of unconsolidated condensed interim financial statements are consistent with those followed in preparation of annual audited unconsolidated financial statements of the Company for the year ended 31 December 2019.

4. Accounting estimates and judgements

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

In preparation of these unconsolidated condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation, uncertainty were the same as those that applied to the audited unconsolidated financial statements as at and for the year ended 31 December 2019.

5. Management of insurance and financial risk

Insurance and financial risk management objectives and policies are consistent with those disclosed in the audited unconsolidated financial statements for the year ended 31 December 2019.

6. Property and equipment

The details of additions and disposals during the six months period ended 30 June 2020 are as follows:

Rupees '000					
	Note	Additions (at cost)		Disposals (at net book value)	
		30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Tangible					
Buildings		41 135	69 169	–	–
Right of use assets - buildings	6.1	15 897	173 482	–	–
Furniture and fixtures		8 233	30 835	–	–
Office equipment		7 237	3 131	–	–
Computer equipment		8 084	10 419	–	–
Vehicles		9 579	69 325	72	6 723
Tracker equipment		7 495	26 412	–	–
Capital work in progress		–	436	–	–
		<u>97 660</u>	<u>383 209</u>	<u>72</u>	<u>6 723</u>

6.1. Due to adoption of IFRS-16 in the year 2019, all rental commitments were capitalized and reported under "Right of use assets-building" on adoption date i.e. 01 January 2019.

7. Investment property

Rupees '000

	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Opening net book value	2 341 470	1 879 093
Additions and capital improvements	2 353	28 478
Unrealized fair value gain *	-	433 899
Closing net book value	<u>2 343 823</u>	<u>2 341 470</u>

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

8. Investment in subsidiary

Rupees '000

	30 June 2020 (Unaudited)			31 December 2019 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Subsidiary						
Listed shares	13 008 103	-	13 008 103	12 971 557	-	12 971 557
Deficit on revaluation	-	-	(3 730 846)	-	-	(2 802 221)
	<u>13 008 103</u>	<u>-</u>	<u>9 277 257</u>	<u>12 971 557</u>	<u>-</u>	<u>10 169 336</u>

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

	30 June 2020 (Unaudited)			31 December 2019 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Related Party *						
Listed shares	396 298	(113 772)	282 526	396 298	(93 998)	302 300
Others						
Listed shares	1 481 776	(139 680)	1 342 096	1 442 611	(96 385)	1 346 226
Unlisted shares	15 500	(15 500)	-	15 500	(15 500)	-
	1 497 276	(155 180)	1 342 096	1 458 111	(111 885)	1 346 226
Surplus on revaluation	-	-	1 258 814	-	-	1 622 941
	<u>1 893 574</u>	<u>(268 952)</u>	<u>2 883 436</u>	<u>1 854 409</u>	<u>(205 883)</u>	<u>3 271 467</u>

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

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

Rupees '000

	30 June 2020 (Unaudited)			31 December 2019 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Government securities	9 211 100	–	9 211 100	9 152 598	–	9 152 598
Term finance certificates	244 118	(44 118)	200 000	244 118	(44 118)	200 000
Corporate sukus	180 000	–	180 000	180 000	–	180 000
	9 635 218	(44 118)	9 591 100	9 576 716	(44 118)	9 532 598
Surplus on revaluation	–	–	561 759	–	–	121 937
	<u>9 635 218</u>	<u>(44 118)</u>	<u>10 152 859</u>	<u>9 576 716</u>	<u>(44 118)</u>	<u>9 654 535</u>

11. Loans and other receivables – considered good

	Note	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Loans to employees		1 801	2 789
Accrued investment income		268 668	156 635
Security deposits		17 401	16 949
Advances to suppliers		14 443	3 265
Advances to employees		4 674	4 772
Other receivables		33 104	74 269
		<u>340 091</u>	<u>258 679</u>

12. Insurance / reinsurance receivables – unsecured and considered good

Due from insurance contract holders	3 322 823	4 206 359
Provision for impairment of receivables from insurance contract holders	(121 721)	(209 784)
	<u>3 201 102</u>	<u>3 996 575</u>
Due from other insurer / reinsurers	49 005	16 157
	<u>3 250 107</u>	<u>4 012 732</u>

13. Prepayments

Prepaid reinsurance premium ceded	18	4 621 001	5 750 008
Software and hardware support services		5 529	801
Group health insurance premium		9 986	–
Group life insurance premium		4 673	–
Prepaid charges for vehicle tracking devices		70 699	92 983
Annual supervision fee		18 720	–
Others		1 361	6 894
		<u>4 731 969</u>	<u>5 850 686</u>

		Rupees '000
	Note	
		31 December 2019 (Audited)
		30 June 2020 (Unaudited)
14. Cash and bank		
Cash and cash equivalents		
Cash in hand		48
Policy and revenue stamps, bond papers		23 234
		23 282
Cash at bank		
Current accounts		233 119
Saving accounts		917 241
		1 150 360
		<u>1 173 642</u>
		<u>1 191 688</u>

15. Reserves

Capital reserve			
Reserve for exceptional losses	15.1	12 902	12 902
Revenue reserves			
General reserve		15 400 000	15 000 000
Revaluation reserve for unrealized loss on available-for-sale investments - net		(1 342 400)	(749 729)
Reserve for change in fair value of investment property - net		1 502 713	1 502 713
		<u>15 573 215</u>	<u>15 765 886</u>

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

16. Others creditors and accruals

		Rupees '000
		31 December 2019 (Audited)
		30 June 2020 (Unaudited)
Federal insurance fee payable		12 883
Sales tax payable		64 216
Accrued expenses		296 917
Agent commission payable		465 887
Unearned rentals		54 445
Other deposits		970 759
Unclaimed dividends		345 795
Lease liability		115 093
Others		6 860
		<u>2 332 855</u>
		<u>2 356 205</u>

17. Contingencies and commitments

17.1 The income tax assessment of the Company has been finalized upto tax year 2019.

The Income Tax Department has made an assessment order for assessment year 1999-2000 and 2000-2001 by adding back provision for bonus to staff, provision for gratuity and excess management expense. The Company had filed appeals before the Commissioner, Inland Revenue (Appeals). The appeals have been decided in the favour of the Income Tax Department. The Company had filed appeals before the Income Tax Appellate Tribunal (ITAT). If the appeals are decided against the Company a tax liability of Rs. 13 million would arise.

The Income Tax Department (Audit) has made an assessment order for assessment year 2002-2003 by adding certain items. The Company had filed an appeal before Commissioner Income Tax (Appeals). The appeal was decided in the favour of the Company. The Department had filed an appeal before the Income Tax Appellate Tribunal (ITAT) and the same has been decided in the favour of the Company. The Department has filed appeal before Honourable High Court of Sindh against the order of the Income Tax Appellate Tribunal (ITAT) in respect of estimated liability of claims, excess perquisites and retrocession commission. If the appeal is decided against the Company a tax liability of Rs. 76 million would arise.

The Commissioner Inland Revenue (Audit) has amended the tax assessment of the Company for tax year 2005 to 2007 by disallowing prorated expense. The Company has filed appeals before Commissioner Income Tax (Appeals). The appeals were decided in the favour of the Company. The Department then filed appeals before the Income Tax Appellate Tribunal (ITAT). The Income Tax Appellate Tribunal (ITAT) had passed an order in favour of the Company. The Department then filed reference before the Honourable High Court of Sindh. The Honourable High Court of Sindh maintained the decision of Income Tax Appellate Tribunal (ITAT). The Department has filed appeals for the tax year 2005 to 2007 before the Honourable Supreme Court of Pakistan against the decision of the Honourable High Court of Sindh in respect of proration of expenses and if the appeals are decided against the Company, a tax liability of Rs. 37 million would arise.

The Department has filed an appeal for tax year 2008 before the Honourable High Court of Sindh against the order of Income Tax Appellate Tribunal (ITAT) in respect of tax on reinsurance premium. If the appeal is decided against the Company, a tax liability of Rs. 5 million would arise.

The Department has filed an appeal for tax years 2014 to 2016 before the Income Tax Appellate Tribunal (ITAT) against the order of Commissioner (Appeal) in respect of Dividend Income taxed at reduced rate. If the appeal is decided against the Company, a tax liability of Rs. 355 million would arise.

The Commissioner Inland Revenue (Audit) has made an addition to the income of Tax years 2017 and 2019 on account of fair market value of motor vehicles. The Company has filed appeals before Commissioner Income Tax (Appeals). The Commissioner Income Tax (Appeals) has confirmed the action of the Commissioner, Inland Revenue (Audit). The Company then filed appeals before the Income Tax Appellate Tribunal (ITAT). If the appeal is decided against the Company, a tax liability of Rs. 2 million would arise.

No provision has been made in these unconsolidated condensed interim financial statements for the above contingencies, as the management, based on tax advisor's opinion, is confident that the decision in this respect will be received in favour of the Company.

17.2 In 2014, 2015, 2016, 2017 and 2018, the Searle Company Limited issued bonus shares (453 612, 312 993, 664 632, 472 284 and 443 697 shares, respectively) after withholding 5 percent of bonus shares (22 680, 15 650, 34 981, 24,857 and 21 360 shares respectively). In this regard, a constitutional petition had been filed by the Company in Honourable High Court of Sindh challenging the applicability of withholding tax provision on bonus shares received by the Company. The Honourable High Court of Sindh decided the case against the Company. Subsequently, the Company filed an appeal with a larger bench of the Honourable High Court of Sindh and in response; the Sindh High Court has suspended the earlier judgement until the next date of hearing, which has not yet been decided. Consequently, the Company has not paid / provided an amount of Rs.37 million being withholding tax on bonus shares.

17.3 There are no commitments as at 30 June 2020 (31 December 2019: Nil).

18. Net insurance premium

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Written gross premium	3 564 766	3 435 042	9 171 550	8 981 173
Unearned premium reserve - opening	9 756 634	9 283 962	9 143 972	8 354 109
Unearned premium reserve - closing	(8 376 182)	(8 065 880)	(8 376 182)	(8 065 880)
Premium earned	4 945 218	4 653 124	9 939 340	9 269 402
Less:				
Reinsurance premium ceded	2 096 081	2 299 374	4 606 705	5 653 746
Prepaid reinsurance premium - opening	5 445 597	5 635 936	5 750 008	5 073 281
Prepaid reinsurance premium - closing	(4 621 001)	(5 079 196)	(4 621 001)	(5 079 196)
Reinsurance expense	2 920 677	2 856 114	5 735 712	5 647 831
	<u>2 024 541</u>	<u>1 797 010</u>	<u>4 203 628</u>	<u>3 621 571</u>
19. Net insurance claim expense				
Claims Paid	1 383 052	1 195 170	2 384 645	2 371 776
Outstanding claims including IBNR - closing	6 966 017	5 732 258	6 966 017	5 732 258
Outstanding claims including IBNR - opening	(6 435 284)	(5 362 097)	(6 273 372)	(5 176 757)
Claim expense	1 913 785	1 565 331	3 077 290	2 927 277
Less:				
Reinsurance and other recoveries received	631 153	464 019	1 210 608	968 412
Reinsurance and other recoveries in respect of outstanding claims - opening	(3 759 411)	(3 442 106)	(4 081 849)	(3 363 439)
Reinsurance and other recoveries in respect of outstanding claims - closing	4 141 093	3 647 854	4 141 093	3 647 854
Reinsurance and other recoveries revenue	1 012 835	669 767	1 269 852	1 252 827
	<u>900 950</u>	<u>895 564</u>	<u>1 807 438</u>	<u>1 674 450</u>

20. Net commission expense

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Commission paid or payable	218 226	501 332	572 802	909 613
Deferred commission expense - opening	600 200	652 920	598 669	600 740
Deferred commission expense - closing	(486 923)	(739 174)	(486 923)	(739 174)
Net commission	331 503	415 078	684 548	771 179
Less:				
Commission received or recoverable	62 372	152 571	125 036	398 758
Unearned reinsurance commission - opening	358 731	455 839	430 936	394 848
Unearned reinsurance commission - closing	(243 772)	(391 844)	(243 772)	(391 844)
Commission from reinsurers	177 331	216 566	312 200	401 762
	154 172	198 512	372 348	369 417
21. Investment income				
Income from subsidiary - available-for-sale				
Dividend income	66 108	554 271	527 370	554 271
Income from equity securities - available-for-sale				
Dividend income	23 236	62 283	63 156	100 601
Income from debt securities - available-for-sale				
Return on debt securities	294 461	211 297	621 971	413 015
Income from term deposits Return on term deposits	4 756	4 011	10 059	8 090
	388 561	831 862	1 222 556	1 075 977
Net realized gains / (losses) on investments Available-for-sale financial assets				
Realized gains on:				
Equity securities	7 425	1 718	12 506	7 920
Realized losses on:				
Equity securities	-	-	(1 117)	(3 659)
	7 425	1 718	11 389	4 261
	395 986	833 580	1 233 945	1 080 238
Impairment in value of available-for-sale equity securities	112 674	(144 377)	(79 283)	(177 485)
Investment related expenses	(200)	(200)	(200)	(200)
	508 460	689 003	1 154 462	902 553

22. Other income

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Gain on sale of property and equipment	14	8 270	3 235	22 256
Return on loans to employees	33	74	77	161
Exchange gains	9 966	33 962	25 136	37 467
Return on bank balances	30 014	31 967	66 854	63 055
	<u>40 027</u>	<u>74 273</u>	<u>95 302</u>	<u>122 939</u>
23. Profit from window takaful operations – Operator's Fund				
Wakala fee	164 641	166 338	334 851	321 885
Commission expense	(60 026)	(57 707)	(120 838)	(111 942)
General, administrative and management expenses	(74 339)	(88 887)	(149 043)	(150 153)
Modarib's share of PTF investment income	7 644	6 245	16 561	12 072
Investment income	10 026	8 335	23 521	13 257
Direct expenses	(389)	(662)	(434)	(862)
Other income	1 801	1 409	3 567	3 959
	<u>49 358</u>	<u>35 071</u>	<u>108 185</u>	<u>88 216</u>
24. Income tax expense				
For current period				
Current	247 670	299 423	637 027	461 978
Deferred	(5 593)	34 563	(14 709)	30 811
	<u>242 077</u>	<u>333 986</u>	<u>622 318</u>	<u>492 789</u>
For prior year(s)				
Prior years tax	(6 221)	–	17 792	–
	<u>235 856</u>	<u>333 986</u>	<u>640 110</u>	<u>492 789</u>
25. Earnings per share - basic and diluted				
Profit (after tax) for the period (Rupees '000)	<u>707 345</u>	<u>415 958</u>	<u>1 421 099</u>	<u>784 221</u>
Weighted average number of ordinary shares (Numbers '000)	<u>200 000</u>	<u>200 000</u>	<u>200 000</u>	<u>200 000</u>
Earnings per share (Rupees)	<u>3.54</u>	<u>2.08</u>	<u>7.11</u>	<u>3.92</u>

26. Related party transactions

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

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Transactions				
Subsidiary company				
Premium written	1 607	1 569	24 070	39 543
Premium paid	26	–	9 355	9 059
Claims paid	980	3 326	3 306	7 398
Dividends received	66 108	554 271	527 370	554 271
Dividends paid	7 022	36 277	32 767	36 277
Profit commission	–	–	10 020	–
Associated companies				
Premium written	163 983	47 924	249 760	205 384
Premium paid	162	(651)	20 198	18 138
Claims paid	14 457	33 486	40 233	63 623
Dividends paid	98 665	89 136	460 436	460 381
Bank deposit withdrawn	–	(25 000)	–	(50 000)
Key management personnel				
Premium written	66	4	97	189
Dividends paid	1 609	6 577	6 300	6 577
Compensation	51 588	57 490	95 804	102 418
Others				
Premium written	193 545	154 059	220 792	171 902
Claims paid	31 576	11 966	33 535	13 043
Dividends paid	87 875	92 954	400 839	480 258
Brokerage paid	37	3	233	42
Employees' funds				
Contribution to provident fund	6 806	7 518	13 693	13 852
Contribution to gratuity fund	4 709	7 200	9 418	14 458
Contribution released to pension fund	(808)	(694)	(1 615)	(1 388)
Dividends paid	812	7 989	3 789	7 989
			30 June 2020 (Unaudited)	31 December 2019 (Audited)
Balances				
Others				
Balances receivable			160 981	69 979
Balances payable			(90)	(316)
Deposits maturing within 12 months			83 500	83 500
Bank balances			147 920	119 518
Employees' funds receivable / (payable)				
EFU gratuity fund			(7 334)	2 084
EFU pension fund			29 332	27 605

27. Segment Information

Rupees '000

For six months period ended 30 June 2020 (Unaudited)

	Fire and property damage	Marine, aviation and transport	Motor	Misce- llaneous	Treaty	Total
Current period						
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	6 644 481	1 285 611	1 658 981	1 069 299	-	10 658 372
Less: Sales tax	867 843	137 316	201 918	132 998	-	1 340 075
Stamp duty	179	53 984	639	241	-	55 043
Federal insurance fee	57 193	10 822	14 421	9 268	-	91 704
Gross written premium (inclusive of Administrative surcharge)	5 719 266	1 083 489	1 442 003	926 792	-	9 171 550
Gross direct premium	5 705 498	1 061 268	1 333 862	920 586	-	9 021 214
Facultative inward premium	-	1 238	-	-	-	1 238
Administrative surcharge	13 768	20 983	108 141	6 206	-	149 098
Insurance premium earned	6 183 533	1 225 087	1 683 911	846 809	-	9 939 340
Insurance premium ceded to reinsurers	(4 724 738)	(536 332)	(5 684)	(468 958)	-	(5 735 712)
Net insurance premium	1 458 795	688 755	1 678 227	377 851	-	4 203 628
Commission income	225 147	10 730	72	76 251	-	312 200
Net underwriting income	1 683 942	699 485	1 678 299	454 102	-	4 515 828
Insurance claims	(1 096 897)	(766 575)	(740 578)	(473 240)	-	(3 077 290)
Insurance claims recovered from reinsurers	500 245	455 562	480	313 565	-	1 269 852
Net insurance claims	(596 652)	(311 013)	(740 098)	(159 675)	-	(1 807 438)
Commission expense	(354 992)	(112 403)	(148 243)	(68 910)	-	(684 548)
Management expenses	(463 541)	(200 835)	(551 979)	(115 845)	-	(1 332 200)
Net insurance claims and expenses	(1 415 185)	(624 251)	(1 440 320)	(344 430)	-	(3 824 186)
Underwriting results	268 757	75 234	237 979	109 672	-	691 642
Investment income						1 154 462
Rental income						62 812
Other income						95 302
Other expenses						(51 194)
Profit from window takaful operations - Operator's Fund						108 185
Profit before tax						2 061 209
						As at 30 June 2020 (Unaudited)
Corporate segment assets	9 278 907	1 594 020	690 319	1 211 606	-	12 774 852
Corporate segment assets - Takaful OPF	33 491	4 812	187 275	611	-	226 189
Corporate unallocated assets						29 400 791
Corporate unallocated assets - Takaful OPF						592 722
Total assets						42 994 554
Corporate segment liabilities	13 381 254	2 592 948	2 275 918	3 197 727	-	21 447 847
Corporate segment liabilities - Takaful OPF	43 440	5 305	311 649	7 675	-	368 069
Corporate unallocated liabilities						1 446 546
Corporate unallocated liabilities - Takaful OPF						7 179
Total liabilities						23 269 641
						External premium less reinsurance by geographical segments 2020 (Unaudited)
<u>Location</u>						
Pakistan	4 192 663					
* EPZ	10 965					
Total	4 203 628					

* This represents US Dollar Equivalent in Pak Rupees

Rupees '000

For six months period ended 30 June 2019 (Unaudited)

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	5 681 510	1 789 470	1 900 411	1 007 229	-	10 378 620
Less: Sales tax	695 711	191 884	228 478	119 470	-	1 235 543
Stamp duty	219	70 591	638	655	-	72 103
Federal insurance fee	49 362	15 105	16 550	8 784	-	89 801
Gross written premium (inclusive of administrative surcharge)	4 936 218	1 511 890	1 654 745	878 320	-	8 981 173
Gross direct premium	4 920 820	1 485 975	1 506 454	866 843	-	8 780 092
Facultative inward premium	-	1 238	-	-	-	1 238
Administrative surcharge	15 398	24 677	148 291	11 477	-	199 843
Insurance premium earned	5 559 543	1 175 836	1 757 975	776 048	-	9 269 402
Insurance premium ceded to reinsurers	(4 702 399)	(438 367)	(4 968)	(502 097)	-	(5 647 831)
Net insurance premium	857 144	737 469	1 753 007	273 951	-	3 621 571
Commission income	290 117	6 812	-	104 833	-	401 762
Net underwriting income	1 147 261	744 281	1 753 007	378 784	-	4 023 333
Insurance claims	(1 063 527)	(621 314)	(962 619)	(279 817)	-	(2 927 277)
Insurance claims recovered from reinsurers	768 603	314 104	(12)	170 132	-	1 252 827
Net insurance claims	(294 924)	(307 210)	(962 631)	(109 685)	-	(1 674 450)
Commission expense	(426 506)	(129 106)	(150 796)	(64 771)	-	(771 179)
Management expenses	(376 666)	(263 518)	(674 406)	(108 556)	-	(1 423 146)
Net insurance claims and expenses	(1 098 096)	(699 834)	(1 787 833)	(283 012)	-	(3 868 775)
Underwriting results	49 165	44 447	(34 826)	95 772	-	154 558
Investment income						902 553
Rental income						53 351
Other income						122 939
Other expenses						(44 607)
Profit from window takaful operations - Operator's Fund						88 216
Profit before tax						1 277 010
						As at 31 December 2019 (Audited)
Corporate segment assets	11 117 939	1 417 980	757 556	1 470 076	-	14 763 551
Corporate segment assets - Takaful OPF	50 093	5 656	170 040	8 374	-	234 163
Corporate unallocated assets						30 175 953
Corporate unallocated assets - Takaful OPF						525 579
Total assets						45 699 246
Corporate segment liabilities	15 298 581	2 366 260	2 430 554	3 332 385	-	23 427 780
Corporate segment liabilities - Takaful OPF	57 216	6 641	321 788	6 913	-	392 558
Corporate unallocated liabilities						1 580 821
Corporate unallocated liabilities - Takaful OPF						1 602
Total liabilities						25 402 761
						External premium less reinsurance by geographical segments 2019
Location						
Pakistan	3 618 144					
* EPZ	3 427					
Total	3 621 571					

* This represents US Dollar Equivalent in Pak Rupees

For three months period ended 30 June 2020 (Unaudited)

Current period	Fire and property damage	Marine, aviation and transport	Motor	Misce-llaneous	Treaty	Total
Premium receivable (inclusive of sales tax, federal insurance fee and Administrative surcharge)	2 516 440	654 225	656 130	413 992	-	4 240 787
Less: Sales tax	414 021	70 464	79 816	51 354	-	615 655
Stamp duty	63	24 331	336	(13)	-	24 717
Federal insurance fee	20 816	5 539	5 703	3 591	-	35 649
Gross written premium (inclusive of Administrative surcharge)	2 081 540	553 891	570 275	359 060	-	3 564 766
Gross direct premium	2 076 086	544 643	520 802	357 219	-	3 498 750
Administrative surcharge	5 454	9 248	49 473	1 841	-	66 016
Insurance premium earned	3 148 491	555 506	823 268	417 953	-	4 945 218
Insurance premium ceded to reinsurers	(2 448 375)	(241 610)	(2 562)	(228 130)	-	(2 920 677)
Net insurance premium	700 116	313 896	820 706	189 823	-	2 024 541
Commission income	133 091	3 827	21	40 392	-	177 331
Net underwriting income	833 207	317 723	820 727	230 215	-	2 201 872
Insurance claims	(700 475)	(546 375)	(319 264)	(347 671)	-	(1 913 785)
Insurance claims recovered from reinsurers	433 597	327 720	-	251 518	-	1 012 835
Net insurance claims	(266 878)	(218 655)	(319 264)	(96 153)	-	(900 950)
Commission expense	(174 370)	(50 753)	(72 441)	(33 939)	-	(331 503)
Management expenses	(225 716)	(89 950)	(264 251)	(56 901)	-	(636 818)
Net insurance claims and expenses	(666 964)	(359 358)	(655 956)	(186 993)	-	(1 869 271)
Underwriting results	166 243	(41 635)	164 771	43 222	-	332 601
Investment income						508 460
Rental income						30 546
Other income						40 027
Other expenses						(17 791)
Profit from window takaful operations						49 358
- Operator's Fund						943 201
Profit before tax						943 201

Rupees '000

For three months period ended 30 June 2019 (Unaudited)

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Misce- llaneous	Treaty	Total
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	1 676 612	1 103 375	784 404	378 999	-	3 943 390
Less: Sales tax	176 965	121 614	94 321	46 212	-	439 112
Stamp duty	86	34 176	281	343	-	34 886
Federal insurance fee	14 847	9 381	6 831	3 291	-	34 350
Gross written premium (inclusive of administrative surcharge)	1 484 714	938 204	682 971	329 153	-	3 435 042
Gross direct premium	1 478 585	926 119	609 531	325 038	-	3 339 273
Administrative surcharge	6 129	12 085	73 440	4 115	-	95 769
Insurance premium earned	2 782 899	599 009	877 789	393 427	-	4 653 124
Insurance premium ceded to reinsurers	(2 364 290)	(237 243)	(2 083)	(252 498)	-	(2 856 114)
Net insurance premium	418 609	361 766	875 706	140 929	-	1 797 010
Commission income	161 363	3 138	-	52 065	-	216 566
Net underwriting income	579 972	364 904	875 706	192 994	-	2 013 576
Insurance claims	(573 725)	(366 685)	(488 060)	(136 861)	-	(1 565 331)
Insurance claims recovered from reinsurers	426 801	164 622	(12)	78 356	-	669 767
Net insurance claims	(146 924)	(202 063)	(488 072)	(58 505)	-	(895 564)
Commission expense	(240 306)	(65 207)	(76 406)	(33 159)	-	(415 078)
Management expenses	(208 607)	(138 378)	(351 363)	(57 982)	-	(756 330)
Net insurance claims and expenses	(595 837)	(405 648)	(915 841)	(149 646)	-	(2 066 972)
Underwriting results	(15 865)	(40 744)	(40 135)	43 348	-	(53 396)
Investment income						689 003
Rental income						23 908
Other income						74 273
Other expenses						(18 915)
Profit from window takaful operations						35 071
- Operator's Fund						35 071
Profit before tax						749 944

28. Movement in investment

Rupees '000

Name of investment	Held to maturity - term deposits	Available-for-sale - Subsidiary	Available-for-sale - Debt securities	Available-for-sale - Equity securities	Total
At beginning of previous year	506 607	9 897 937	8 228 784	4 970 478	23 603 806
Additions	1 892 481	110 995	36 594 954	32 203	38 630 633
Disposals (sale and redemptions)	(1 954 736)	-	(35 340 826)	(496 430)	(37 791 992)
Fair value net gains / (losses) (excluding net realized gains / (losses))	-	160 404	171 623	(1 174 771)	(842 744)
Impairment losses	-	-	-	(60 013)	(60 013)
At beginning of current year	444 352	10 169 336	9 654 535	3 271 467	23 539 690
Additions	1 287 612	36 546	5 649 554	119 320	7 093 032
Disposals (sale and redemptions)	(1 306 664)	-	(5 591 052)	(80 155)	(6 977 871)
Fair value net gains / (losses) (excluding net realized gains / (losses))	-	(928 625)	439 822	(347 913)	(836 716)
Impairment losses	-	-	-	(79 283)	(79 283)
At end of current period	425 300	9 277 257	10 152 859	2 883 436	22 738 852

29 Fair value

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

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

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

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

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

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

Rupees '000

As at 30 June 2020 (Unaudited)								
	Available- for-sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Investment in subsidiary	9 277 257				9 277 257	9 277 257		
Equity securities - quoted	2 883 436				2 883 436	2 883 436		
Debt securities	10 152 859				10 152 859		10 152 859	
Financial assets not measured at fair value								
Term deposits *			425 300		425 300			
Loans and other receivables *		340 091			340 091			
Insurance / reinsurance receivables *		3 250 107			3 250 107			
Reinsurance recoveries against outstanding claims *		4 141 093			4 141 093			
Cash and bank *			1 173 642		1 173 642			
Total assets of window takaful operations - Operator's fund *	211 174	142 204	352 064	-	705 442		211 174	
	22 524 726	7 873 495	1 951 006	-	32 349 227	12 160 693	10 364 033	-
Financial liabilities not measured at fair value								
Outstanding claims including IBNR *				(6 966 017)	(6 966 017)			
Premium received in advance *				(52 135)	(52 135)			
Insurance / reinsurance payables *				(4 373 095)	(4 373 095)			
Other creditors and accruals *				(2 332 855)	(2 332 855)			
Total liabilities of window takaful operations - Operator's Fund *				(67 675)	(67 675)			
	22 524 726	7 873 495	1 951 006	(13 791 777)	18 557 450	12 160 693	10 364 033	-

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

Rupees '000

As at 31 December 2019 (Audited)

	Available- for-sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Investment in subsidiary	10 169 336				10 169 336	10 169 336		
Equity securities - quoted	3 271 467				3 271 467	3 271 467		
Debt securities	9 654 535				9 654 535		9 654 535	
Financial assets not measured at fair value								
Term deposits *			444 352		444 352			
Loans and other receivables *		258 679			258 679			
Insurance / reinsurance receivables *		4 012 732			4 012 732			
Reinsurance recoveries against outstanding claims *		4 081 849			4 081 849			
Cash and bank *			1 191 688		1 191 688			
Total assets of window takaful operations - Operator's fund *	248 024	131 281	260 628		639 933		248 024	
	<u>23 343 362</u>	<u>8 484 541</u>	<u>1 896 668</u>	<u>-</u>	<u>33 724 571</u>	<u>13 440 803</u>	<u>9 902 559</u>	<u>-</u>
Financial liabilities not measured at fair value								
Outstanding claims including IBNR *				(6 273 372)	(6 273 372)			
Premium received in advance *				(68 262)	(68 262)			
Insurance / reinsurance payables *				(6 067 883)	(6 067 883)			
Other creditors and accruals *				(2 356 205)	(2 356 205)			
Total liabilities of window takaful operations - Operator's Fund *				(62 171)	(62 171)			
	<u>23 343 362</u>	<u>8 484 541</u>	<u>1 896 668</u>	<u>(14 827 893)</u>	<u>18 896 678</u>	<u>13 440 803</u>	<u>9 902 559</u>	<u>-</u>

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

30. Non-adjusting event after the unconsolidated condensed interim financial statement date

The Board of Directors in their meeting held on 22 August 2020 have announced a second interim cash dividend in respect of the year ended 31 December 2020 of Rs. 1.50 per share i.e. 15.00 % (2019: Rs. 1.50 per share i.e. 15.00 %). These unconsolidated condensed interim financial statements for the six months period ended 30 June 2020 do not include the effect of these appropriations, which will be accounted for subsequent to the period end.

31. Corresponding Figures

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

32. General

Figures have been rounded off to the nearest thousand rupees.

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

These unconsolidated condensed interim financial statements were authorized for issue by the Board of Directors in its meeting held on 22 August 2020.

RAFIQUE R. BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAFA GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 22 August 2020

Consolidated Condensed Interim Financial Statements (Unaudited)

For the six months period ended 30 June 2020

Directors' Review to the Members on Consolidated Condensed Interim Financial Information For the six months period ended 30 June 2020

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

Performance Review

Consolidated premium for the second quarter was impacted due to COVID-19 related lockdowns. The consolidated gross premium was less at Rs. 22.9 billion (2019: Rs. 24.2 billion) and consolidated net premium was Rs. 17.5 billion (2019: Rs. 18.5 billion) because new business activity in life insurance was significantly hampered due to lockdowns.

The consolidated after tax profit was Rs. 1,532 million as compared to Rs. 646 million for the corresponding period of last year. It was mainly due to improvement in investment income and better claims experience on overall basis. The consolidated total assets were Rs. 183 billion (31 December 2019: Rs. 174 billion) and total investments stood at Rs. 139 billion (31 December 2019: Rs. 129 billion).

Rupees '000

Movement of Reserves

30 June
2020
(Unaudited)

Unappropriated loss brought forward	(254 638)
Profit attributable to ordinary shares	1 168 090
Transferred from surplus on revaluation of property and equipment	2 038
Acquisition of Non-Controlling Interest without a change in control	(25 204)
	1 144 924
Profit available for appropriations	890 286
Earnings per share (Rupees)	5.84

Outlook

The Government's policies of lock-down and smart lock-downs have been helpful in controlling human casualties. The economic activities have reasonably picked up and with passage of time should improve further. Marine business has and will continue to be impacted due to lesser import and export and Motor Insurance Business has and will be impacted due to lower production of vehicles.

Acknowledgements

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

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

RAFIQUE R. BHIMJEE
Director

TAHER G. SACHAK
Director

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 22 August 2020

یکجا شدہ مجموعی کنڈینسڈ عبوری مالیاتی حسابات پر ممبران کیلئے ڈائریکٹرز کا جائزہ ۳۰ جون ۲۰۲۰ء کو ختم ہونے والی ششماہی کیلئے

ہم ہمسرت ای ایف یوجزل انشورنس لمیٹڈ اور اپنے ذیلی ادارے ای ایف یولائف انشورنس لمیٹڈ (ای ایف یولائف) کے مجموعی کنڈینسڈ عبوری مالیاتی حسابات یکجا کر کے پیش کر رہے ہیں۔

کارکردگی کا جائزہ

COVID-19 کے باعث لاک ڈاؤن کے سبب دوسری سہ ماہی کے لئے یکجا شدہ پریئم پر اثرات مرتب ہوئے۔ یکجا شدہ مجموعی پریئم ۲۲.۹ بلین روپے سے کم رہا (۲۰۱۹ء: ۲۲.۲ بلین روپے) اور یکجا شدہ خالص پریئم ۵.۵ بلین روپے تھا (۲۰۱۹ء: ۱۸.۵ بلین روپے) کیونکہ لاک ڈاؤن کے سبب لائف انشورنس میں نئی کاروباری سرگرمیاں متاثر ہوئی رہیں۔

یکجا شدہ بعد از ٹیکس منافع ۵۳۲.۱ بلین روپے رہا جو اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران ۶۳۶ بلین روپے تھا۔ اس کی بنیادی وجہ سرمایہ کاری سے آمدنی میں بہتری اور مجموعی طور پر بہترین کھیر کا تجربہ تھا۔ یکجا شدہ مجموعی اثاثہ جات ۱۸۳ بلین روپے (۳۱ دسمبر ۲۰۱۹ء: ۱۷۴ بلین روپے) اور مجموعی سرمایہ کاری ۱۳۹ بلین روپے رہی (۳۱ دسمبر ۲۰۱۹ء: ۱۲۹ بلین روپے)۔

روپے ہزاروں میں

۳۰ جون ۲۰۲۰ء
(غیر آڈٹ شدہ)

محفوظ اثاثہ جات کی منتقلی

غیر مختص کردہ خسارہ جو آئندہ شامل کیا جائے گا

عمومی شیئرز کیلئے قابل منسوب منافع

جائیداد اور ایکویٹی کی ری ویلیویشن پر اضافے سے منتقل شدہ کنٹرول

کسی تبدیلی کے بغیر نان۔ کنٹرولنگ انٹرسٹ کا حصول

تناسب کے تحت دستیاب منافع

آمدنی فی شیئر (روپے)

(۲۵۴ ۶۳۸)

۱ ۱۶۸ ۰۹۰

۲ ۰۳۸

(۲۵ ۲۰۳)

۱ ۱۴۴ ۹۴۴

۸۹۰ ۲۸۶

۵۷۸۴

آؤٹ لک

حکومت کی جانب سے لاک ڈاؤن اور اسٹارٹ لاک ڈاؤن کی پالیسیاں انسانی جانوں کے ضیاع کو روکنے میں مددگار ثابت ہوئیں۔ معاشی سرگرمیاں کافی حد تک بحال ہوئی ہیں اور وقت گزرنے کے ساتھ ان میں مزید بہتری آئے گی۔ میرین بزنس متاثر ہوا ہے اور ہوتا رہے گا کیونکہ درآمد و برآمد کی مقدار میں کمی ہوئی ہے اور اسی طرح موٹر انشورنس بزنس بھی متاثر ہوا ہے اور ہوتا رہے گا کیونکہ ملک میں گاڑیوں کی تیاری میں بھی کمی آئی ہے۔

اعتراف

آپ کے ڈائریکٹرز کیلئے یہ امر نہایت اطمینان و خوشی کا باعث ہے کہ وہ اپنے افسران، فیلڈ فورس اور اسٹاف کی جانب سے کی جانے والی ان کاوشوں اور جدوجہد کو خراج تحسین پیش کرتے ہیں جو انہوں نے کمپنی کی کامیابی کے لئے کی ہیں۔

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

سیف الدین این۔ زومکا والا
چیئرمین

حسن علی عبداللہ
میجنگ ڈائریکٹر و چیف ایگزیکٹو

طاہر جی۔ ساچک
ڈائریکٹر

رفیق آر۔ بھیم جی
ڈائریکٹر

کراچی: ۲۲ اگست ۲۰۲۰ء

Consolidated Condensed Interim Statement of Financial Position As at 30 June 2020 (Unaudited)

Rupees '000

	Note	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Assets			
Property and equipment	6	7 728 228	7 788 920
Intangible assets		8 018 790	8 005 650
Investment property	7	2 343 823	2 341 470
Investments			
Equity securities	8	26 735 233	13 638 413
Debt securities	9	95 527 428	95 177 568
Term deposits		16 867 590	20 103 352
Loans and other receivables	10	4 157 514	3 494 624
Insurance / reinsurance receivables	11	3 480 295	4 266 731
Reinsurance recoveries against outstanding claims		4 141 093	4 081 849
Salvage recoveries accrued		57 531	44 550
Deferred commission expense		486 923	598 669
Retirement benefit		21 998	29 689
Taxation - payments less provision		1 082 066	1 083 593
Prepayments	12	4 823 125	5 901 902
Cash and bank	13	6 282 979	6 905 236
		<u>181 754 616</u>	<u>173 462 216</u>
Total assets of window takaful operations - Operator's Fund		818 911	759 742
Total assets		<u>182 573 527</u>	<u>174 221 958</u>
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital		2 000 000	2 000 000
Reserves	14	18 173 116	17 726 840
Unappropriated profit		(909 714)	(254 638)
Capital and reserve attributable to Company's equity holders		19 263 402	19 472 202
Non-controlling interest		3 727 956	4 071 148
Total equity		<u>22 991 358</u>	<u>23 543 350</u>
Surplus on revaluation of property and equipment			
		1 188 992	1 193 610
Liabilities			
Insurance liabilities	15	129 839 645	118 487 133
Underwriting provisions			
Outstanding claims including IBNR		6 966 017	6 273 372
Unearned premium reserves		8 376 182	9 143 972
Unearned reinsurance commission		243 772	430 936
Deferred taxation		2 735 161	2 778 208
Premium received in advance		1 020 753	1 037 616
Insurance / reinsurance payables	16	4 541 769	6 325 914
Other creditors and accruals	17	4 294 630	4 613 687
		<u>28 178 284</u>	<u>30 603 705</u>
Total liabilities		<u>158 017 929</u>	<u>149 090 838</u>
		<u>182 198 279</u>	<u>173 827 798</u>
Total liabilities of window takaful operations - Operator's Fund		375 248	394 160
Total equity and liabilities		<u>182 573 527</u>	<u>174 221 958</u>
Contingencies and commitments			
	18		

The annexed notes 1 to 36 form an integral part of these consolidated condensed interim financial statements.

RAFIQUE R. BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAZ GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 22 August 2020

Consolidated Condensed Interim Profit and Loss Account For the six months period ended 30 June 2020 (Unaudited)

Rupees '000

	Note	Three months period ended		Six months period ended	
		30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Net insurance premium	19	8 312 085	9 421 290	17 487 834	18 491 395
Net insurance claims	20	(3 494 033)	(4 598 265)	(8 914 394)	(9 635 655)
Net commission and other acquisition costs	21	(1 419 143)	(2 001 698)	(3 179 259)	(3 814 275)
Insurance claims and acquisition expenses		(4 913 176)	(6 599 963)	(12 093 653)	(13 449 930)
Management expenses		(1 088 221)	(1 209 019)	(2 256 936)	(2 279 340)
Net change in insurance liabilities (other than outstanding claims)		(8 753 647)	(1 106 119)	(11 018 887)	(2 171 030)
Underwriting result		(6 442 959)	1 506 189	(7 881 642)	591 095
Investment income	22	3 806 535	2 734 548	6 823 590	5 168 257
Net realized fair value gain / (losses) on financial assets	23	1 125 882	(2 877 378)	1 222 820	(5 567 340)
Net fair value gain / (loss) on financial assets at fair value through profit and loss	24	2 539 738	(838 494)	2 047 474	1 019 971
Rental income		30 546	23 908	62 812	53 351
Other income	25	53 073	89 654	120 830	153 915
Other expenses		(27 081)	(29 877)	(71 281)	(58 027)
		<u>7 528 693</u>	<u>(897 639)</u>	<u>10 206 245</u>	<u>770 127</u>
Results of operating activities		1 085 734	608 550	2 324 603	1 361 222
Profit from window takaful operations - Operator's Fund	26	49 358	35 071	108 185	88 216
Profit before tax		1 135 092	643 621	2 432 788	1 449 438
Income tax expense	27	(347 410)	(578 778)	(900 409)	(803 005)
Profit after tax		<u>787 682</u>	<u>64 843</u>	<u>1 532 379</u>	<u>646 433</u>
Profit attributable to:					
Equity holders of the parent		705 388	(50 008)	1 168 090	410 902
Non-controlling interest		82 294	114 851	364 289	235 531
		<u>787 682</u>	<u>64 843</u>	<u>1 532 379</u>	<u>646 433</u>
Earnings (after tax) per share - Rupees	28	<u>3.53</u>	<u>(0.25)</u>	<u>5.84</u>	<u>2.05</u>

The annexed notes 1 to 36 form an integral part of these consolidated condensed interim financial statements.

RAFIQUE R. BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 22 August 2020

Consolidated Condensed Interim Statement of Comprehensive Income For the six months period ended 30 June 2020 (Unaudited)

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Profit after tax	787 682	64 843	1 532 379	646 433
Other comprehensive income				
Total items that may be reclassified subsequently to profit and loss account				
Unrealized gain / (loss) on available-for- sale investments during the period	622 541	(925 948)	14 254	(1 231 951)
Reclassification adjustments relating to available-for-sale investments disposed of during the period	5 278	–	10 357	2 543
Total unrealized gain / (loss) for the period	627 819	(925 948)	24 611	(1 229 408)
Deferred tax on available-for-sale investments	(180 752)	244 048	(5 822)	356 529
Net unrealized gain / (loss) from window takaful operations - Operator's Fund (net of deferred tax)	(96)	(494)	1 398	(804)
Total items that may be reclassified subsequently to profit and loss account	446 971	(682 394)	20 187	(873 683)
Item not to be reclassified to profit and loss account in subsequent periods:				
Effect of change in tax rates on defined benefit plans	–	1 340	–	–
Effect of change in tax rates on balance of revaluation on property and equipment	–	(13 656)	–	–
	–	(12 316)	–	–
Other comprehensive income for the period	446 971	(694 710)	20 187	(873 683)
Total comprehensive income for the period	1 234 653	(629 867)	1 552 566	(227 250)
Total comprehensive income attributable to:				
Equity holders of the parent	1 142 165	(743 067)	1 214 366	(444 138)
Non-controlling interest	92 488	113 200	338 200	216 888
	1 234 653	(629 867)	1 552 566	(227 250)

The annexed notes 1 to 36 form an integral part of these consolidated condensed interim financial statements.

RAFIQUE R. BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 22 August 2020

Consolidated Condensed Interim Cash Flow Statement For the six months period ended 30 June 2020 (Unaudited)

Rupees '000

	2020	2019
Operating cash flows		
a) Underwriting activities		
Insurance premium / contribution received	23 741 469	23 972 309
Reinsurance premium / retakaful contribution paid	(6 869 469)	(5 491 479)
Claims paid	(9 511 240)	(10 347 306)
Reinsurance and other recoveries received	1 523 545	1 160 113
Commission paid	(2 592 830)	(3 294 132)
Commission received	125 035	398 758
Management expenses paid	(3 347 983)	(3 351 725)
Net cash flow from underwriting activities	3 068 527	3 046 538
b) Other operating activities		
Income tax paid	(916 376)	(1 037 850)
Other operating payments	(526 123)	(113 874)
Other operating receipts	37 107	2 182 925
Loans advanced	(33 578)	(65 095)
Loans repayments received	26 950	52 428
Net cash flow (used in) / from other operating activities	(1 412 020)	1 018 534
Total cash flow from all operating activities	1 656 507	4 065 072
Investment activities		
Profit / return received	6 269 456	4 578 561
Dividend received	503 072	718 183
Rentals received	29 844	75 630
Payment for investments / investment properties	(95 279 790)	(223 857 562)
Proceeds from investments / investment properties	85 288 610	219 488 028
Fixed capital expenditures	(279 245)	(1 043 496)
Proceeds from sale of property and equipment	20 582	62 887
Total cash flow from investing activities	(3 447 471)	22 231
Total cash flow used in financing activities - Dividends paid	(2 048 003)	(2 231 192)
Net cash flow from all activities	(3 838 967)	1 856 111
Cash and cash equivalents at beginning of period	26 564 236	21 102 024
Cash and cash equivalents at end of period	22 725 269	22 958 135
Reconciliation to profit and loss account		
Operating cash flows	1 656 507	4 065 072
Depreciation / amortization expense	(503 578)	(446 150)
Profit on disposal of property and equipment	16 976	39 559
Gain / (loss) on disposal of investments / investment properties	1 234 209	(5 567 340)
Rental income	62 812	53 351
Dividend income	491 668	708 530
Other investment income	6 280 676	4 702 024
Profit on deposits	66 854	63 055
Other income	32 499	46 582
Appreciation in market value of investments	2 304 094	965 168
Impairment in the value of available-for-sale equity investments	(8 286)	(3 940)
Decrease in assets other than cash	(2 108 490)	(680 199)
Increase in liabilities other than running finance	(8 101 747)	(3 387 495)
Profit after tax from conventional insurance operations	1 424 194	558 217
Profit from window takaful operations - Operator's Fund	108 185	88 216
Profit after tax	1 532 379	646 433

The annexed notes 1 to 36 form an integral part of these consolidated condensed interim financial statements.

RAFIQUE R. BHIMJEE Director	TAHER G. SACHAK Director	ALTAf GOKAL Chief Financial Officer	HASANALI ABDULLAH Managing Director & Chief Executive	SAIFUDDIN N. ZOOMKAWALA Chairman
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Karachi 22 August 2020

Consolidated Condensed Interim Statement of Changes in Equity For the six months period ended 30 June 2020 (Unaudited)

Rupees '000

	Attributable to equity holders of the Company								Total
	Share capital	Capital Reserve - Reserve for exceptional losses	General reserve	Revenue reserves	Unrealized gain/(loss) on revaluation of available-for-sale investment - net	Unrealized gain on fair value of investment property	Unappropriated profit	Equity attributable to equity holder of parent	
Balance as at 01 January 2019	2 000 000	12 902	13 500 000	1 934 423	1 279 740	1 126 031	19 853 096	4 184 692	24 037 788
Total comprehensive income for the period ended 30 June 2019									
Profit after tax				(855 040)	(67 303)	478 205	410 902	235 531	646 433
Other comprehensive income				(855 040)	(67 303)	478 205	(855 040)	(18 643)	(873 683)
	-	-	-	(855 040)	(67 303)	478 205	(444 138)	216 888	(227 250)
Transfer from surplus on revaluation of property and equipment - net of tax						2 776	2 776	-	2 776
Acquisition of NCI without a change in control						(8 401)	(8 401)	(3 300)	(11 701)
Transactions with owners recorded directly in equity									
Final dividend for the year 2018 at the rate of Rs. 6.25 (62.50%) per share						(1 250 000)	(1 250 000)	-	(1 250 000)
Final dividend for the year 2018 at the rate of Rs. 6.25 (62.50%) per share						-	-	(635 937)	(635 937)
1st Interim dividend paid for the year 2019 at the rate of Rs. 1.50 (15.00%) per share						(300 000)	(300 000)	-	(300 000)
1st Interim dividend paid for the year 2018 at the rate of Rs. 1.50 (15.00%) per share						-	-	(84 792)	(84 792)
Other transfer within equity									
Transfer to general reserve			1 500 000			(1 500 000)	-	-	-
Balance as at 30 June 2019	2 000 000	12 902	15 000 000	1 079 383	1 212 437	(1 451 389)	17 853 333	3 677 551	21 530 884
Balance as at 01 January 2020	2 000 000	12 902	15 000 000	1 211 225	1 502 713	(254 638)	19 472 202	4 071 148	23 543 350
Total comprehensive income for the period ended 30 June 2020									
Profit after tax				46 276	-	1 168 090	1 168 090	364 289	1 532 379
Other comprehensive income				46 276	-	-	46 276	(26 089)	20 187
	-	-	-	46 276	-	1 168 090	1 214 366	338 200	1 552 566
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation - net of tax						2 038	2 038	2 580	4 618
Acquisition of NCI without a change in control						(25 204)	(25 204)	(11 342)	(36 546)
Transactions with owners recorded directly in equity									
Final dividend for the year 2019 at the rate of Rs. 5.50 (55.00%) per share						(1 100 000)	(1 100 000)	-	(1 100 000)
Final dividend for the year 2019 at the rate of Rs. 10.50 (105.00%) per share						-	-	(588 738)	(588 738)
1st Interim dividend paid for the year 2020 at the rate of Rs. 1.50 (15.00%) per share						(300 000)	(300 000)	-	(300 000)
1st Interim dividend paid for the year 2020 at the rate of Rs. 1.50 (5.00%) per share						-	-	(83 892)	(83 892)
Other transfer within equity									
Transfer to general reserve			400 000			(400 000)	-	-	-
Balance as at 30 June 2020	2 000 000	12 902	15 400 000	1 257 501	1 502 713	(909 714)	19 263 402	3 727 956	22 991 358

The annexed notes 1 to 36 form an integral part of these consolidated condensed interim financial statements.

RAFIQUE R. BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAZ GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 22 August 2020

Notes to the Consolidated Condensed Interim Financial Statements For the six months period ended 30 June 2020 (Unaudited)

1. Legal status and nature of business

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

1.2 The group comprises of:

1.2.1 EFU General Insurance Limited (Holding Company)

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

The Registered Office of the Holding Company is situated at Kamran Centre, 1st Floor 85, East, Jinnah Avenue Blue Area Islamabad while the principal place of business is located at EFU House, M.A. Jinnah Road, Karachi. The Holding Company commenced Window Takaful Operations from 16 April 2015 as per Securities and Exchange Commission of Pakistan (SECP) Takaful Rules, 2012. The Holding Company operates through 53 (2019: 53) branches in Pakistan including a branch in Export Processing Zone (EPZ) and a branch in Gwadar Free Zone.

1.2.2 EFU Life Assurance Limited (Subsidiary Company)

EFU Life Assurance Limited with 44.09 % effective holding was incorporated as public limited company on 09 August 1992 and started its operation from 18 November 1992. The Subsidiary Company is listed on Pakistan Stock Exchange Limited and is engaged in life assurance business comprising of ordinary life business, pension fund business and accident and health business and has established following funds, as required by the Insurance Ordinance, 2000.

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

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

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

2. Basis of preparation and statement of compliance

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

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

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

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

Total assets, total liabilities and profit of the Window Takaful Operations of the Company referred to as the Operator's Fund has been presented in these consolidated condensed interim financial statements in accordance with the requirements of Circular 25 of 2015 dated 09 July 2015. A separate set of condensed interim financial statements of the General Window Takaful Operations has been reported which is annexed to these consolidated condensed interim financial statements as per the requirements of the SECP Takaful Rules, 2012, General Takaful Accounting Regulations, 2019.

These consolidated condensed interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's audited annual consolidated financial statements for the year ended 31 December 2019.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Standards, interpretations and amendments effective in the current year

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 2020 but are considered not to be relevant or do not have any significant effect on the Company's operation and therefore not detailed in these unconsolidated condensed interim financial statements.

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2020:

Amendment to IFRS 3 'Business Combinations' - Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general-purpose financial statements in accordance with IFRS Standards.

On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process - this means that the overall impact on standard setting may take some time to crystallize. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.

Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A group shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements of the Group.

Amendments to IFRS-16 - IASB has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 01 June 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications. Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

1. the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
2. any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
3. there is no substantive change to the other terms and conditions of the lease.

Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after 01 January 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual period beginning on or after 01 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for the annual period beginning on or after 01 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc, are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Annual Improvements to IFRS standards 2018-2020:

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 01 January 2022.

IFRS 9 - The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability

IFRS 16 - The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

IAS 41 - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique

IFRS 9 'Financial Instruments' is effective for reporting period / year ending on or after 30 June 2019. It replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from 01 July 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

The Group has determined that it is eligible for the temporary exemption option since the Group has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the Group doesn't engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Group can defer the application of IFRS 9 until the application of IFRS 17.

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI") i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest.

IFRS 9 defines the terms "principal" as being the fair value of the financial asset at initial recognition, and the "interest" as being compensation for (i) the time value of money, and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The tables below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

- a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and
- b) all other financial assets.

Rupees '000

	As at 30 June 2020 (Unaudited)				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain / (loss) during the period	Carrying value	Cost less Impairment	Change in unrealized gain / (loss) during the period
Financial assets					
Investments in equity securities					
- available-for-sale	26 735 233	(415 211)	-	-	-
Investments in debt securities					
- available-for-sale	-	-	95 527 428	-	439 822
Term Deposits *	-	-	16 867 590	-	-
Total	26 735 233	(415 211)	112 395 018	-	439 822

* The carrying amount of these financial assets measured applying IAS 39 are a reasonable approximation of their fair values.

	As at 30 June 2020 (Unaudited)										
	Gross carrying amounts of debt instruments that pass the SPPI test										
	AAA	AA+	AA	A+	A	A-	AA-	A-1	A-1+	BBB+	Unrated
Investments in debt securities											
available-for-sale	2 269 885	501 072	4 102 977	264 796	600 000	10 838	303 009	-	-	52 720	9 795 881
Term deposits	186 678	125 122	-	600 000	15 000	-	98 500	3 350 000	12 492 290	-	210 000
Total	2 456 563	626 194	4 102 977	864 796	615 000	10 838	401 509	3 350 000	12 492 290	52 720	10 005 881

2.6 During the period, the novel coronavirus (COVID-19) emerged and since then, the condition has continued to deteriorate. On 30 January 2020, the International Health Regulations Emergency Committee of the WHO declared the outbreak a "Public Health Emergency of International Concern". The COVID-19 pandemic has significantly impacted the market around the world to date and may continue to do so in the coming months of 2020. The scale and duration of this outbreak remains uncertain and as it evolves globally in 2020, the Group based on its current assessment considered that there would be no significant impact that will adversely affect its business, result of operations and financial condition of the Group.

3. Summary of significant accounting policies

The significant accounting policies and method of computation adopted in preparation of consolidated condensed interim financial statements are consistent with those followed in preparation of audited annual consolidated financial statements of the Group for the year ended 31 December 2019.

4. Accounting estimates and judgements

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

In preparation of these consolidated condensed interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation, uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended 31 December 2019.

5. Management of insurance and financial risk

Insurance and financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended 31 December 2019.

6. Property and equipment

The details of additions and disposals during the six months period ended 30 June 2020 are as follows:

		Rupees '000			
		Additions (at cost)		Disposals (at net book value)	
Note	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	
Tangible					
		53 836	69 169	–	–
	6.1	15 897	594 989	–	–
		37 696	40 796	–	–
		14 622	12 754	16	–
		49 899	89 268	–	–
		60 966	172 512	3 590	23 328
		7 495	26 412	–	–
		15 224	37 160	–	–
		–	436	–	–
		23 610	–	–	–
		<u>279 245</u>	<u>1 043 496</u>	<u>3 606</u>	<u>23 328</u>

- 6.1. Due to adoption of IFRS-16 in the year 2019, all rental commitments were capitalized and reported under "Right of use assets-building" on adoption date i.e. 01 January 2019.

7. Investment property

Rupees '000

	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Opening net book value	2 341 470	1 879 093
Additions and capital improvements	2 353	28 478
Unrealized fair value gain *	–	433 899
Closing net book value	<u>2 343 823</u>	<u>2 341 470</u>

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

8. Investment in equity securities

Rupees '000

	30 June 2020 (Unaudited)			31 December 2019 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
At available-for-sale						
Related Party*						
Listed shares	702 768	(371 969)	330 799	702 768	(348 264)	354 504
Mutual funds	26 717	–	26 717	26 717	–	26 717
	729 485	(371 969)	357 516	729 485	(348 264)	381 221
Others						
Listed shares	1 622 093	(159 245)	1 462 848	1 582 928	(114 597)	1 468 331
Unlisted shares	31 508	(15 500)	508	31 508	(15 500)	508
Mutual funds	129 507	(14 202)	115 305	116 235	(11 200)	105 035
	1 783 108	(188 947)	1 578 661	1 730 671	(141 297)	1 573 874
Surplus on revaluation	–	–	1 280 680	–	–	1 712 119
	2 512 593	(560 916)	3 216 857	2 460 156	(489 561)	3 667 214
At fair value through profit and loss - designated upon initial recognition						
Related Party*						
Listed shares	8 557	–	73 220	8 557	–	70 976
Mutual funds	547	–	863	547	–	1 033
	9 104	–	74 083	9 104	–	72 009
Others						
Listed shares	24 599 351	–	22 250 563	9 514 742	–	9 634 376
Mutual funds	1 357 803	–	1 193 730	253 068	–	264 814
	25 957 154	–	23 444 293	9 767 810	–	9 899 190
	25 966 258	–	23 518 376	9 776 914	–	9 971 199
	28 478 851	(560 916)	26 735 233	12 237 070	(489 561)	13 638 413

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

9. Investment in debt securities

Rupees '000

	30 June 2020 (Unaudited)			31 December 2019 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Held to maturity						
Government Securities	5 988 006	–	5 988 006	5 350 047	–	5 350 047
Available-for-sale						
Government Securities	9 211 100	–	9 211 100	9 152 598	–	9 152 598
Term Finance Certificate	244 118	(44 118)	200 000	244 118	(44 118)	200 000
Corporate Sukuks	180 000	–	180 000	180 000	–	180 000
Surplus / (deficit) on revaluation	–	–	561 759	–	–	121 937
	9 635 218	(44 118)	10 152 859	9 576 716	(44 118)	9 654 535
Fair value through profit and loss (Designated-upon initial recognition)						
Government securities	65 923 451	–	71 428 244	70 853 495	–	70 853 495
Term Finance Certificates	3 683 691	–	3 683 691	3 796 562	–	3 796 562
Corporate Sukuks	4 039 760	–	4 039 760	4 677 570	–	4 677 570
Commercial papers	24 868	–	24 868	635 359	–	635 359
Certificates of investment	210 000	–	210 000	210 000	–	210 000
	73 881 770	–	79 386 563	80 172 986	–	80 172 986
	89 504 994	(44 118)	95 527 428	95 099 749	(44 118)	95 177 568

10. Loan and other receivables - considered good

Rupees '000

	Note	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Loans to employees		181 960	175 332
Accrued investment income		3 095 205	2 916 752
Security deposits		187 676	71 316
Advances to suppliers		148 347	42 346
Advances to employees		4 674	4 772
Other receivables		539 652	284 106
		<u>4 157 514</u>	<u>3 494 624</u>
11. Insurance / reinsurance receivables - unsecured and considered good			
Due from insurance contract holders		3 544 071	4 436 944
Provision for impairment of receivables from insurance contract holders		(121 721)	(209 784)
		<u>3 422 350</u>	<u>4 227 160</u>
Due from other insurer / reinsurers		57 945	39 571
		<u>3 480 295</u>	<u>4 266 731</u>
12. Prepayments			
Prepaid reinsurance premium ceded	19	4 621 001	5 750 008
Software and hardware support services		5 529	801
Group health insurance premium		9 986	-
Prepaid tracker expense		70 699	92 983
Annual supervision fee		18 720	-
Others		97 190	58 110
		<u>4 823 125</u>	<u>5 901 902</u>
13. Cash and Bank			
Cash and cash equivalents			
Cash in hand		1 571	41
Policy and revenue stamps, bond papers		29 197	24 642
		30 768	24 683
Cash at bank			
Current accounts		813 274	4 082 929
Saving accounts		5 438 937	2 797 624
		<u>6 252 211</u>	<u>6 880 553</u>
		<u>6 282 979</u>	<u>6 905 236</u>
14. Reserves			
Capital reserve			
Reserve for exceptional losses	14.1	12 902	12 902
Revenue reserves			
General reserve		15 400 000	15 000 000
Revaluation reserve for unrealized gain on available-for-sale investments - net		1 257 501	1 211 225
Reserve for change in fair value of investment property - net		1 502 713	1 502 713
		<u>18 173 116</u>	<u>17 726 840</u>

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

15. Insurance Liability

Rupees '000

	Note	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Reported outstanding claims	15.1	3 087 690	2 715 505
Incurring but not reported claims	15.2	756 626	734 895
Investment component of unit-linked and account value policies	15.3	124 365 338	113 717 100
Liabilities under individual conventional insurance contracts	15.4	942 324	763 786
Liabilities under group insurance contracts (other than investment linked)	15.5	423 352	383 053
Participant's Takaful Fund Balance		264 315	172 794
		<u>129 839 645</u>	<u>118 487 133</u>
15.1 Reported outstanding claims			
Gross of reinsurance			
Payable within one year		2 662 533	2 328 910
Payable over a period of time exceeding one year		730 148	648 115
		<u>3 392 681</u>	<u>2 977 025</u>
Recoverable from reinsurers			
Receivable over a period of time exceeding one year		(304 991)	(261 520)
		<u>(304 991)</u>	<u>(261 520)</u>
Net reported outstanding claims		<u>3 087 690</u>	<u>2 715 505</u>
15.2 Incurring but not reported claims			
Gross of reinsurance		889 109	863 010
Reinsurance recoveries		(132 483)	(128 115)
Net of reinsurance		<u>756 626</u>	<u>734 895</u>
15.3 Investment component of unit-linked and account Investment component of unit linked policies		<u>124 365 338</u>	<u>113 717 100</u>
		<u>124 365 338</u>	<u>113 717 100</u>
15.4 Liabilities under individual conventional insurance contracts			
Gross of reinsurance		1 104 227	941 275
Reinsurance credit		(161 903)	(177 489)
Net of reinsurance		<u>942 324</u>	<u>763 786</u>
15.5 Liabilities under group insurance contracts (other than investment linked)			
Gross of reinsurance		602 562	456 072
Reinsurance credit		(179 210)	(73 019)
Net of reinsurance		<u>423 352</u>	<u>383 053</u>
16. Insurance / reinsurance payables			
These amounts represent amount payable to other insurers and reinsurer			
17. Others creditors and accruals			
Federal insurance fee payable		12 883	10 563
Sales tax payable		64 216	113 617
Accrued expenses		879 343	1 010 171
Agent commission payable		951 421	1 280 167
Unearned rentals		54 445	89 169
Other deposits		970 759	958 402
Unclaimed / unpaid dividends		408 181	368 605
Lease liability		115 093	113 706
Others		838 289	669 287
		<u>4 294 630</u>	<u>4 613 687</u>

18. Contingencies and commitments

The income tax assessment of the Holding Company and its Subsidiary Company has been finalized up to tax year 2019.

18.1 Holding Company

The Income Tax Department has made an assessment order for assessment year 1999-2000 and 2000-2001 by adding back provision for bonus to staff, provision for gratuity and excess management expense. The Holding Company had filed appeals before the Commissioner, Inland Revenue (Appeals). The appeals have been decided in the favour of the Income Tax Department. The Holding Company had filed appeals before the Income Tax Appellate Tribunal (ITAT). If the appeals are decided against the Holding Company a tax liability of Rs. 13 million would arise.

The Income Tax Department (Audit) has made an assessment order for assessment year 2002-2003 by adding certain items. The Holding Company had filed an appeal before Commissioner Income Tax (Appeals). The appeal was decided in the favour of the Holding Company. The Department had filed an appeal before the Income Tax Appellate Tribunal (ITAT) and the same has been decided in the favour of the Holding Company. The Department has filed appeal before Honourable High Court of Sindh against the order of the Income Tax Appellate Tribunal (ITAT) in respect of estimated liability of claims, excess perquisites and retrocession commission. If the appeal is decided against the Holding Company a tax liability of Rs. 76 million would arise.

The Commissioner Inland Revenue (Audit) has amended the tax assessment of the Holding Company for tax year 2005 to 2007 by disallowing prorated expense. The Holding Company has filed appeals before Commissioner Income Tax (Appeals). The appeals were decided in the favour of the Holding Company. The Department then filed appeals before the Income Tax Appellate Tribunal (ITAT). The Income Tax Appellate Tribunal (ITAT) had passed an order in favour of the Holding Company. The Department then filed reference before the Honourable High Court of Sindh. The Honourable High Court of Sindh maintained the decision of Income Tax Appellate Tribunal (ITAT). The Department has filed appeals for the tax year 2005 to 2007 before the Honourable Supreme Court of Pakistan against the decision of the Honourable High Court of Sindh in respect of proration of expenses and if the appeals are decided against the Holding Company, a tax liability of Rs. 37 million would arise.

The Department has filed an appeal for tax year 2008 before the Honourable High Court of Sindh against the order of Income Tax Appellate Tribunal (ITAT) in respect of tax on reinsurance premium. If the appeal is decided against the Holding Company, a tax liability of Rs. 5 million would arise.

The Department has filed an appeal for tax years 2014 to 2016 before the Income Tax Appellate Tribunal (ITAT) against the order of Commissioner (Appeal) in respect of Dividend Income taxed at reduced rate. If the appeal is decided against the Holding Company, a tax liability of Rs. 355 million would arise.

The Commissioner Inland Revenue (Audit) has made an addition to the income of Tax years 2017 and 2019 on account of fair market value of motor vehicles. The Holding Company has filed appeals before Commissioner Income Tax (Appeals). The Commissioner Income Tax (Appeals) has confirmed the action of the Commissioner, Inland Revenue (Audit). The Holding Company then filed appeals before the Income Tax Appellate Tribunal (ITAT). If the appeal is decided against the Holding Company, a tax liability of Rs. 2 million would arise.

In 2014, 2015, 2016, 2017 and 2018, the Searle Company Limited issued bonus shares (453,612, 312,993, 664,632, 472,284 and 443,697 shares, respectively) after withholding 5 percent of bonus shares (22,680, 15,650, 34,981, 24,857 and 21,360 shares respectively). In this regard, a constitutional petition had been filed by the Holding Company in Honourable High Court of Sindh challenging the applicability of withholding tax provision on bonus shares received by the Holding Company. The Honourable High Court of Sindh decided the case against the Holding Company. Subsequently, the Holding Company filed an appeal with a larger bench of the Honourable High Court of Sindh and in response; the Sindh High Court has suspended the earlier judgement until the next date of hearing, which has not yet been decided. Consequently, the Holding Company has not paid / provided an amount of Rs. 37 million being withholding tax on bonus shares.

18.2 Subsidiary Company

In 2013, Income Tax Department imposed an additional tax demand under section 151(1)(d) on account of non-deduction of withholding tax on surrender and maturity amounting to Rs.14 million and Rs.15 million for Tax Years 2012 and 2013 respectively. The Subsidiary Company filed an appeal before Commissioner Inland Revenue (Appeals) and the

same was dismissed. The Subsidiary Company filed second appeal before the Appellate Tribunal against the order of CIT. The learned Appellate Tribunal Inland revenue has now decided the case in Subsidiary Company's favour. Subsequent to the period, the department has filed review application against the order in Honourable Court of Sindh. The decision is still pending. The Subsidiary Company expects a favourable decision.

In 2015 and 2016, The Searle Company Limited issued bonus shares (76,031 shares and 342,480 shares respectively) after withholding 5 percent of bonus shares (3,802 shares and 17,124 shares respectively) and the IBL Healthcare Ltd. issued bonus shares (46,625 shares and 80,311 shares respectively) after withholding 5 percent of bonus shares (2,331 shares and 4,016 shares respectively). In this regard, a constitutional petition had been filed by the Subsidiary Company in Sindh High Court challenging the applicability of withholding tax provision on bonus shares received by the Subsidiary Company. The honorable high court decided the case against the Subsidiary Company. Subsequently, the Subsidiary Company filed an appeal with a larger bench of the Sindh High Court and in response the Sindh High Court has suspended the earlier judgment until the next date of hearing, which has not yet been decided. The Subsidiary Company is of the view that the case will be decided in its favour and no provision has been made for the aforementioned tax. The amount involved is Rs 3 million.

During the year, Sindh Revenue Board (SRB) vide notification no. SRB 3-4/5/2019 dated 08 May 2019 extended the exemption on life insurance till 30 June 2019. Subsequent to it, life insurance has been made taxable from 01 July 2019 at the rate of 3% and group life insurance at the rate of 13%. Further, SRB extended exemption on health insurance till 30 June 2020. With effect from 1 November 2018, the Punjab Revenue Authority (PRA) withdrew its exemption on life and health insurance and made the same subject to Punjab Sales Tax (PST). The Subsidiary Company collectively through the forum of Insurance Association of Pakistan ("IAP") had filed a constitutive petition in the Lahore High Court (LHC) and in the High Court of Sindh at Karachi on 28 September 2019 and 28 November 2019 against PRA and SRB respectively.

According to the grounds of the petition and legal opinion obtained by the Subsidiary Company the insurance premium does not fall under the definition of service rather an insurance policy is a financial arrangement, which is in the nature of a contingent contract, and not a service upon which sales tax can be levied (and that an insurance company is not rendering a service). The opinion also mentions that vast majority of premium received from a policy holder, during the life of the policy, is in fact channeled it to the policy holder's investment account and as such this is critically important in exposing the legal fallacies embodied in the Rules.

In view of the above the Subsidiary Company has not started billing sales tax to its customers. The amount of sales tax involved is around Rs. 916 million computed on the basis of risk based premium, as per the advice of legal advisor, which nonetheless the Subsidiary Company maintains, based on the legal view, cannot be levied as the insurance is not a service.

Further subsequent to filing petition, all the provincial tax authorities i.e. SRB, PRA and BRA have called a meeting of the industry representatives on 11 January 2020 in Karachi to discuss the matters relating to sales Tax on premium. The matter was discussed in details and it was agreed to form a joint committee of the industry representatives as well as from all the provincial tax Authorities and agreed in the meeting that the sales tax on Life and Health be kept exempt till 30th June 2020 however a formal notification in this regard has not yet been issued. Further the committee formed met on 05 February 2020 in Lahore at PRA office to work out the way forward.

Based on the legal opinion obtained the Subsidiary Company considers that it has a reasonably strong case on the merits in the constitution petition and the writ petition filed in the High Courts.

Bank guarantees amounting to Rs. 58 million has been given in respect of Group Life coverage. These bank guarantees will expire by 19 February 2021 and 02 December 2023.

- 18.3 No provision has been made in these consolidated condensed interim financial statements for the above contingencies, as the management, based on tax advisor's opinion, is confident that the decision in this respect will be received in favour of the Group.
- 18.4 There are no commitments as at 30 June 2020 (31 December 2019: Nil).

19. Net insurance premium

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Written gross premium	10 062 962	11 253 588	22 948 849	24 209 930
Unearned premium reserve - opening	9 756 634	9 283 962	9 143 972	8 354 109
Unearned premium reserve - closing	(8 376 182)	(8 065 880)	(8 376 182)	(8 065 880)
Premium earned	11 443 414	12 471 670	23 716 639	24 498 159
Less:				
Reinsurance premium ceded	2 306 733	2 493 640	5 099 798	6 012 679
Prepaid reinsurance premium - opening	5 445 597	5 635 936	5 750 008	5 073 281
Prepaid reinsurance premium - closing	(4 621 001)	(5 079 196)	(4 621 001)	(5 079 196)
Reinsurance expense	3 131 329	3 050 380	6 228 805	6 006 764
	<u>8 312 085</u>	<u>9 421 290</u>	<u>17 487 834</u>	<u>18 491 395</u>
20. Net insurance claims expense				
Claims Paid	4 163 808	5 015 321	9 831 884	10 549 875
Outstanding claims including IBNR - closing	6 966 017	5 732 258	6 966 017	5 732 258
Outstanding claims including IBNR - opening	(6 435 284)	(5 362 097)	(6 273 372)	(5 176 757)
Claims expense	4 694 541	5 385 482	10 524 529	11 105 376
Less:				
Reinsurance and other recoveries received	818 826	581 469	1 550 891	1 185 306
Reinsurance and other recoveries in respect of outstanding claims - opening	(3 759 411)	(3 442 106)	(4 081 849)	(3 363 439)
Reinsurance and other recoveries in respect of outstanding claims - closing	4 141 093	3 647 854	4 141 093	3 647 854
Reinsurance and other recoveries revenue	1 200 508	787 217	1 610 135	1 469 721
	<u>3 494 033</u>	<u>4 598 265</u>	<u>8 914 394</u>	<u>9 635 655</u>
21. Net commission expense				
Commission paid or payable	1 296 921	2 070 529	3 001 141	3 938 476
Deferred commission expense - opening	600 200	652 920	598 669	600 740
Deferred commission expense - closing	(486 923)	(739 174)	(486 923)	(739 174)
Net commission	1 410 198	1 984 275	3 112 887	3 800 042
Less:				
Commission received or recoverable	62 372	152 571	125 036	398 758
Unearned reinsurance commission - opening	358 731	455 839	430 936	394 848
Unearned reinsurance commission - closing	(243 772)	(391 844)	(243 772)	(391 844)
Commission from reinsurers	177 331	216 566	312 200	401 762
Other acquisition cost	186 276	233 989	378 572	415 995
	<u>1 419 143</u>	<u>2 001 698</u>	<u>3 179 259</u>	<u>3 814 275</u>

22. Investment income

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Income from equity securities				
Available-for-sale				
Dividend income	28 436	69 254	73 961	111 160
Fair value through profit and loss				
Dividend income	115 954	183 240	425 106	603 518
Income from debt securities				
Available-for-sale				
Return on debt securities	294 461	211 297	621 971	413 015
Held to maturity				
On government securities	129 737	101 729	284 153	212 675
Fair value through profit and loss				
Return on debt securities	551 958	349 836	1 087 607	571 885
On government securities	2 196 995	1 440 280	3 524 588	2 576 553
Income from term deposits				
Return on term deposits	369 095	521 771	874 298	852 875
	<u>3 686 636</u>	<u>2 877 407</u>	<u>6 891 684</u>	<u>5 341 681</u>
Net realized gains / (losses) on investments				
Available-for-sale financial assets				
Realized gains on:				
Equity securities	7 425	1 718	12 506	7 920
Realized losses on:				
Equity securities	-	-	(1 117)	(3 659)
Net unrealized gains on investments	7 425	1 718	11 389	4 261
Impairment in value of				
available-for-sale equity securities	112 674	(144 377)	(79 283)	(177 485)
Investment related expenses	(200)	(200)	(200)	(200)
Total Investment income	<u>3 806 535</u>	<u>2 734 548</u>	<u>6 823 590</u>	<u>5 168 257</u>
23. Net realized fair value gains / (losses) on financial assets				
Available-for-sale financial assets				
Realized gain on:				
Equity securities	108 448	(127 727)	153 266	33 010
Government securities	1 017 434	-	1 069 554	-
Realized losses on:				
Equity securities	-	(2 749 651)	-	(5 600 350)
	<u>1 125 882</u>	<u>(2 877 378)</u>	<u>1 222 820</u>	<u>(5 567 340)</u>

24. Net fair value gains / (losses) on financial assets at fair value through profit or loss

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Net unrealized gains / (losses) on investments in financial assets - government securities and Debt Securities (designated upon initial recognition)	805 749	(132 403)	4 699 232	34 916
Net unrealized gains / (losses) on investments at fair value through profit or loss (Designated upon initial recognition) - Equity Securities	1 716 134	(701 031)	(2 654 396)	993 124
Total investment income	2 521 883	(833 434)	2 044 836	1 028 040
Exchange gain	4 111	-	12 933	-
Reversal / (impairment) in value of available-for-sale securities	14 511	(2 939)	(8 286)	(3 940)
Investment related expenses	(767)	(2 121)	(2 009)	(4 129)
	<u>2 539 738</u>	<u>(838 494)</u>	<u>2 047 474</u>	<u>1 019 971</u>
25. Other income				
Gain on sale of property and equipment	9 861	16 235	16 976	39 559
Return on loans to employees	1 954	4 785	7 363	9 115
Exchange difference	9 966	31 967	25 136	63 055
Return on bank balances	30 014	33 962	66 854	37 467
Others	1 278	2 705	4 501	4 719
	<u>53 073</u>	<u>89 654</u>	<u>120 830</u>	<u>153 915</u>
26. Window takaful operations - Operator's fund				
Wakala fee	164 641	166 338	334 851	321 885
Commission expense	(60 026)	(57 707)	(120 838)	(111 942)
General, administrative and management expense	(74 339)	(88 887)	(149 043)	(150 153)
Modarib's share of PTF investment income	7 644	6 245	16 561	12 072
Investment income	10 026	8 335	23 521	13 257
Direct expenses	(389)	(662)	(434)	(862)
Other income	1 801	1 409	3 567	3 959
	<u>49 358</u>	<u>35 071</u>	<u>108 185</u>	<u>88 216</u>
27. Taxation				
For current period				
Current	355 270	444 485	931 527	710 978
Deferred	(1 639)	134 293	(48 910)	92 027
	<u>353 631</u>	<u>578 778</u>	<u>882 617</u>	<u>803 005</u>
For prior period(s)				
Prior year tax	(6 221)	-	17 792	-
	<u>347 410</u>	<u>578 778</u>	<u>900 409</u>	<u>803 005</u>
28. Earnings per share - basic and diluted				
Profit after tax for the period (Rupees '000)	<u>705 388</u>	<u>(50 008)</u>	<u>1 168 090</u>	<u>410 902</u>
Weighted average number of ordinary shares (Numbers '000)	<u>200 000</u>	<u>200 000</u>	<u>200 000</u>	<u>200 000</u>
Earnings per share (Rupees)	<u>3.53</u>	<u>(0.25)</u>	<u>5.84</u>	<u>2.05</u>

29. Related party transactions

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

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Transactions				
Associated companies				
Premium written	177 352	56 912	337 671	279 330
Premium paid	1 767	1 500	44 532	40 662
Claims paid	21 734	42 336	52 246	73 653
Commission paid	27 663	44 380	101 745	127 253
Travelling expenses	–	434	1 412	434
Donation paid	627	994	2 216	1 531
Dividend paid	162 624	631 474	972 107	1 002 719
Interest on bank deposits	269 722	230 393	457 221	382 285
Purchase of vehicle	10 193	–	82 840	–
Investment sold	–	–	–	25 558
Bank deposit withdrawn	–	(25 000)	–	(50 000)
Key management personnel				
Premium written	391	168	836	512
Dividend paid	2 623	15 189	14 406	15 189
Loan to key employees	–	6 000	6 584	6 000
Loan recovered	1 257	1 700	2 364	2 600
Compensation	88 887	95 927	182 460	186 826
Others				
Premium written	193 576	154 059	220 792	171 902
Claims paid	31 576	11 966	33 535	13 043
Dividend paid	87 875	92 954	400 839	480 258
Brokerage paid	37	3	233	42
Employees' funds				
Contribution to provident fund	16 628	17 035	34 239	32 022
Contribution to gratuity fund	4 709	7 200	9 418	14 458
Contribution to pension fund	10 246	6 934	17 005	14 876
Dividend paid	812	7 989	3 789	7 989
			30 June 2020 (Unaudited)	31 December 2019 (Audited)
Balances				
Others				
Balances receivable			193 417	71 539
Balances payable			41 989	42 420
Bank Deposits			5 804 500	5 483 500
Investment in related party			728 532	653 525
Bank balances			300 775	375 797
Employees' funds receivable / (payable)				
EFU gratuity fund			(7 334)	2 084
EFU pension fund			29 332	27 605

30. Segment Information

Rupees '000

For the six months period ended 30 June 2020 (Unaudited)

Current period	General Insurance				Life Assurance		Aggregate Life Assurance	Total
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Shareholders' Fund		
Premium Receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	6 631 189	1 285 611	1 651 776	1 065 726	-	-	13 801 369	24 435 671
Less: Sales tax	867 843	137 316	201 918	132 998	-	-	-	1 340 075
Stamp duty	179	53 984	639	241	-	-	-	55 043
Federal insurance fee	57 193	10 822	14 421	9 268	-	-	-	91 704
Gross Written Premium (inclusive of administrative surcharge)	5 705 974	1 083 489	1 434 798	923 219	-	-	13 801 369	22 948 849
Gross direct premium	5 692 206	1 061 268	1 326 657	917 013	-	-	13 801 369	22 798 513
Facultative inward premium	-	1 238	-	-	-	-	-	1 238
Administrative surcharge	13 768	20 983	108 141	6 206	-	-	-	149 098
Insurance premium earned	6 170 241	1 225 087	1 676 706	843 236	-	-	13 801 369	23 716 639
Insurance premium ceded to reinsurers	(4 724 738)	(536 332)	(5 684)	(468 938)	-	-	(493 093)	(6 228 805)
Net insurance premium	1 445 503	688 755	1 671 022	374 278	-	-	13 308 276	17 487 834
Commission income	225 147	10 730	72	76 251	-	-	-	312 200
Net underwriting income	1 670 650	699 485	1 671 094	450 529	-	-	13 308 276	17 800 034
Insurance claims	(1 096 897)	(766 575)	(737 272)	(473 240)	-	-	(7 450 545)	(10 524 529)
Insurance claims recovered from reinsurers	500 245	455 562	480	313 565	-	-	340 283	1 610 135
Net claims	(596 652)	(311 013)	(736 792)	(159 675)	-	-	(7 110 262)	(8 914 394)
Commission expense	(354 992)	(112 403)	(148 243)	(68 910)	-	-	(2 806 911)	(3 491 459)
Management expenses	(456 974)	(199 531)	(550 194)	(114 947)	-	-	(935 290)	(2 256 936)
Net insurance claims and expenses	(1 408 618)	(622 947)	(1 435 229)	(343 532)	-	-	(10 852 463)	(14 662 789)
Net Change in Insurance Liabilities (Other than outstanding Claims)	-	-	-	-	-	-	(11 018 887)	(11 018 887)
Underwriting result	262 032	76 538	235 865	106 997	-	-	(8 563 074)	(7 881 642)
Net investment income	-	-	-	-	-	-	6 196 498	6 823 590
Net realized fair value gain on financial assets	-	-	-	-	-	-	1 222 820	1 222 820
Net fair value gain on financial assets at fair value through profit and loss	-	-	-	-	-	-	2 047 474	2 047 474
Rental income	-	-	-	-	-	-	-	62 812
Other income	-	-	-	-	-	-	-	120 830
Other expense	-	-	-	-	-	-	25 528	(20 087)
Profit before tax from takatful operations - OPF	-	-	-	-	-	-	-	108 185
Profit before tax	-	-	-	-	-	-	909 159	2 432 788
Corporate segment assets-conventional	9 278 907	1 594 020	690 319	1 211 606	-	-	136 808 862	149 583 714
Corporate segment assets - Takatful OPF	33 491	4 812	187 275	611	-	-	-	226 189
Corporate unallocated assets-conventional	-	-	-	-	-	4 210 806	-	32 170 902
Corporate unallocated assets - Takatful OPF	-	-	-	-	-	-	-	592 722
Consolidated total assets	9 312 398	1 598 832	877 594	1 212 217	-	4 210 806	136 808 862	182 573 527
Corporate segment liabilities	13 381 254	2 592 948	2 275 918	3 197 727	-	-	132 833 827	154 281 674
Corporate segment liabilities - Takatful OPF	43 440	5 305	311 649	7 675	-	-	-	368 069
Corporate unallocated liabilities	-	-	-	-	-	1 348 790	-	3 736 255
Corporate unallocated liabilities - Takatful OPF	-	-	-	-	-	-	-	7 179
Consolidated total liabilities	13 424 694	2 598 253	2 587 567	3 205 402	-	1 348 790	134 182 617	158 393 177
External premium less reinsurance by geographical segments 2020	17 476 869	10 965	-	-	-	-	-	-
Total	17 487 834	-	-	-	-	-	-	-

* This represents US Dollar Equivalent in Pak Rupees

Rupees '000

For the six months period ended 30 June 2019 (Unaudited)

	General Insurance			Life Assurance		Aggregate General Insurance	Treaty	Miscellaneous	Motor	Treaty	Shareholders' Fund	Statutory Funds	Aggregate Life Assurance	Total
	Fire and property damage	Marine, aviation and transport		Shareholders' Fund	Statutory Funds									
Premium Receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	5 669 483	1 789 470	1 876 708	1 003 477	-	10 339 138	-	-	-	-	-	15 268 299	15 268 299	25 607 437
Less: Sales tax	695 771	191 884	228 478	119 470	-	1 235 603	-	-	-	-	-	-	-	1 235 603
Stamp duty	219	70 591	638	655	-	72 103	-	-	-	-	-	-	-	72 103
Federal insurance fee	49 362	15 105	16 550	8 784	-	89 801	-	-	-	-	-	-	-	89 801
Gross Written Premium (inclusive of administrative surcharge)	4 924 131	1 511 890	1 631 042	874 568	-	8 941 631	-	-	-	-	-	15 268 299	15 268 299	24 209 930
Gross direct premium	4 908 733	1 485 975	1 482 751	863 091	-	8 740 550	-	-	-	-	-	15 268 299	15 268 299	24 008 849
Facultative inward premium	15 398	24 677	148 291	11 477	-	199 843	-	-	-	-	-	-	-	1 238
Administrative surcharge	5 547 456	1 175 836	1 734 272	772 296	-	9 229 860	-	-	-	-	-	15 268 299	15 268 299	24 498 159
Insurance premium ceded to reinsurers	(4 702 399)	(438 367)	(4 968)	(502 097)	-	(5 647 831)	-	-	-	-	-	(358 933)	(358 933)	(6 006 764)
Net insurance premium	845 057	737 469	1 729 304	270 199	-	3 582 029	-	-	-	-	-	14 909 366	14 909 366	18 491 395
Commission income	290 117	6 812	-	104 833	-	401 762	-	-	-	-	-	-	-	401 762
Net underwriting income	1 135 174	744 281	1 729 304	375 032	-	3 983 791	-	-	-	-	-	14 909 366	14 909 366	18 893 157
Insurance claims	(1 063 527)	(621 314)	(955 221)	(279 817)	-	(2 919 879)	-	-	-	-	-	(8 185 497)	(8 185 497)	(11 105 376)
Insurance claims recovered from reinsurers	768 603	314 104	(12)	170 132	-	1 232 827	-	-	-	-	-	216 894	216 894	1 469 721
Net claims	(294 924)	(307 210)	(955 233)	(109 685)	-	(1 667 052)	-	-	-	-	-	(7 968 603)	(7 968 603)	(9 635 655)
Commission expense	(426 506)	(129 106)	(150 796)	(64 771)	-	(771 179)	-	-	-	-	-	(3 444 858)	(3 444 858)	(4 216 037)
Management expenses	(357 386)	(259 440)	(688 310)	(105 865)	-	(1 391 001)	-	-	-	-	-	(888 339)	(888 339)	(2 279 340)
Net insurance claims and expenses	(1 078 816)	(695 756)	(1 774 339)	(280 321)	-	(3 829 232)	-	-	-	-	-	(12 301 800)	(12 301 800)	(16 131 032)
Net Change in Insurance Liabilities (Other than outstanding Claims)	-	-	-	-	-	-	-	-	-	-	-	(2 171 030)	(2 171 030)	(2 171 030)
Underwriting result	56 358	48 525	(45 035)	94 711	-	154 559	-	-	-	-	-	436 536	436 536	591 095
Net investment income	-	-	-	-	-	348 282	-	-	-	-	-	4 819 975	4 819 975	5 168 257
Net realized fair value losses on financial assets	-	-	-	-	-	-	-	-	-	-	-	(5 567 340)	(5 567 340)	(5 567 340)
Net fair value gain on financial assets at fair value through profit and loss	-	-	-	-	-	-	-	-	-	-	-	1 019 971	1 019 971	1 019 971
Rental income	-	-	-	-	-	53 351	-	-	-	-	-	-	-	53 351
Other income	-	-	-	-	-	122 939	-	-	-	-	-	30 976	30 976	153 915
Other expenses	-	-	-	-	-	(44 607)	-	-	-	-	-	(13 420)	(13 420)	(58 027)
Profit before tax from window takaful operations - Operator's Fund	-	-	-	-	-	88 216	-	-	-	-	-	-	-	88 216
Profit before tax	-	-	-	-	-	722 740	-	-	-	-	-	726 698	726 698	1 449 438
						As at 31 December 2019 (Audited)								As at 31 December 2019 (Audited)
Corporate segment assets-conventional	11 117 939	1 417 980	757 556	1 470 076	-	14 763 551	-	-	-	-	-	126 784 698	126 784 698	141 548 249
Corporate segment assets - Takaful OPF	50 093	5 656	170 040	8 374	-	234 163	-	-	-	-	-	-	-	234 163
Corporate unallocated assets-conventional	-	-	-	-	-	27 987 534	3 926 433	-	-	-	-	-	3 926 433	31 913 967
Corporate unallocated assets - Takaful OPF	-	-	-	-	-	525 579	-	-	-	-	-	-	-	525 579
Consolidated total assets	11 168 032	1 423 636	927 596	1 478 450	-	43 510 827	3 926 433	-	-	-	-	126 784 698	130 711 131	174 221 958
Corporate segment liabilities	15 298 581	2 366 260	2 430 554	3 332 385	-	23 427 780	-	-	-	-	-	122 033 355	122 033 355	145 461 135
Corporate segment liabilities - Takaful OPF	57 216	6 641	321 788	6 913	-	392 558	-	-	-	-	-	-	-	392 558
Corporate unallocated liabilities	-	-	-	-	-	2 392 120	1 237 583	-	-	-	-	-	1 237 583	3 629 703
Corporate unallocated liabilities - Takaful OPF	-	-	-	-	-	1 602	-	-	-	-	-	-	-	1 602
Consolidated total liabilities	15 355 797	2 372 901	2 752 342	3 339 298	-	26 214 060	1 237 583	-	-	-	-	122 033 355	123 270 938	149 484 998
External premium less reinsurance by geographical segments 2019	18 487 968	3 427	-	-	-	-	-	-	-	-	-	-	-	-
Total	18 491 395	-	-	-	-	-	-	-	-	-	-	-	-	-

* This represents US Dollar Equivalent in Pak Rupees

	For the three months period ended 30 June 2020 (Unaudited)										Rupees '000
	General Insurance					Life Assurance		Aggregate Life Assurance	Total		
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Aggregate General Insurance	Shareholders' Fund			Statutory Funds	
Premium Receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	2 515 309	654 342	656 569	414 014	-	4 240 234	-	6 499 803	6 499 803	10 740 037	
Less: Sales tax	414 021	70 464	79 816	51 354	-	615 655	-	-	-	615 655	
Stamp duty	63	24 331	336	(13)	-	24 717	-	-	-	24 717	
Federal insurance fee (inclusive of administrative surcharge)	21 018	5 656	6 360	3 669	-	36 703	-	-	-	36 703	
Gross Written Premium	2 080 207	553 891	570 057	359 004	-	3 563 159	-	6 499 803	6 499 803	10 062 962	
Gross direct premium	2 074 753	544 643	520 584	357 163	-	3 497 143	-	6 499 803	6 499 803	9 996 946	
Administrative surcharge	5 454	9 248	49 473	1 841	-	66 016	-	-	-	66 016	
Insurance premium earned	3 147 158	555 506	823 050	417 897	-	4 943 611	-	6 499 803	6 499 803	11 443 414	
Insurance premium ceded to reinsurers	(2 448 375)	(241 610)	(2 562)	(228 130)	-	(2 920 677)	-	(210 652)	(210 652)	(3 131 329)	
Net insurance premium	698 783	313 896	820 488	189 767	-	2 022 934	-	6 289 151	6 289 151	8 312 085	
Commission income	133 091	3 827	21	40 392	-	177 331	-	-	-	177 331	
Net underwriting income	831 874	317 723	820 509	230 159	-	2 200 265	-	6 289 151	6 289 151	8 489 416	
Insurance claims	(700 475)	(546 375)	(318 284)	(347 671)	-	(1 912 805)	-	(2 781 736)	(2 781 736)	(4 694 541)	
Insurance claims recovered from reinsurers	433 597	327 720	-	251 518	-	1 012 835	-	187 673	187 673	1 200 508	
Net claims	(266 878)	(218 655)	(318 284)	(96 153)	-	(899 970)	-	(2 594 063)	(2 594 063)	(3 494 033)	
Commission expense	(174 370)	(50 753)	(72 441)	(33 939)	-	(331 503)	-	(1 264 971)	(1 264 971)	(1 596 474)	
Management expenses	(225 608)	(90 077)	(264 290)	(56 912)	-	(636 887)	-	(451 334)	(451 334)	(1 088 221)	
Net insurance claims and expenses	(666 856)	(359 485)	(655 015)	(187 004)	-	(1 868 360)	-	(4 310 368)	(4 310 368)	(6 178 728)	
Net Change in Insurance Liabilities (Other than outstanding Claims)	-	-	-	-	-	-	-	(8 753 647)	(8 753 647)	(8 753 647)	
Underwriting result	165 018	(41 762)	165 494	43 155	-	331 905	-	(6 774 864)	(6 774 864)	(6 442 959)	
Net investment income	-	-	-	-	-	442 352	-	3 364 183	3 364 183	3 806 535	
Net realized fair value gains on financial assets	-	-	-	-	-	-	-	1 125 882	1 125 882	1 125 882	
Net fair value gain on financial assets at fair value through profit and loss	-	-	-	-	-	-	-	2 539 738	2 539 738	2 539 738	
Rental income	-	-	30 546	-	-	30 546	-	-	-	30 546	
Other income	-	40 027	-	13 046	-	53 073	-	13 046	13 046	66 119	
Other expense	-	(17 791)	-	(9 290)	-	(27 081)	-	(9 290)	(9 290)	(36 371)	
Profit before tax from takaful operations - OPF	-	49 358	-	49 358	-	98 716	-	-	-	98 716	
Profit before tax	-	876 397	-	876 397	-	1 752 794	-	258 695	258 695	1 135 092	

For the three months period ended 30 June 2019 (Unaudited) Rupees '000

	General Insurance			Life Assurance		Aggregate General Insurance	Shareholders' Fund	Statutory Funds	Aggregate Life Assurance	Total (Restated)
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty					
Premium Receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	1 676 612	1 103 375	784 404	378 999	-	3 943 390	-	7 818 546	7 818 546	11 761 936
Less: Sales tax	176 965	121 614	94 321	46 212	-	439 112	-	-	-	439 112
Stamp duty	86	34 176	281	343	-	34 886	-	-	-	34 886
Federal insurance fee	14 847	9 381	6 831	3 291	-	34 350	-	-	-	34 350
Gross Written Premium (inclusive of administrative surcharge)	1 484 714	938 204	682 971	329 153	-	3 435 042	-	7 818 546	7 818 546	11 253 588
Gross direct premium	1 478 585	926 119	609 531	325 038	-	3 339 273	-	7 818 546	7 818 546	11 157 819
Administrative surcharge	6 129	12 085	73 440	4 115	-	95 769	-	-	-	95 769
Insurance premium earned	2 782 899	599 009	876 201	393 381	-	4 651 490	-	7 820 180	7 820 180	12 471 670
Insurance premium ceded to reinsurers	(2 364 290)	(237 243)	(2 083)	(252 498)	-	(2 856 114)	-	(194 266)	(194 266)	(3 050 380)
Net insurance premium	418 609	361 766	874 118	140 883	-	1 795 376	-	7 625 914	7 625 914	9 421 290
Commission income	161 363	3 138	-	52 065	-	216 566	-	-	-	216 566
Net underwriting income	579 972	364 904	874 118	192 948	-	2 011 942	-	7 625 914	7 625 914	9 637 856
Insurance claims	(573 725)	(366 685)	(480 662)	(136 861)	-	(1 557 933)	-	(3 827 549)	(3 827 549)	(5 385 482)
Insurance claims recovered from reinsurers	426 801	164 622	(12)	78 356	-	669 767	-	117 450	117 450	787 217
Net claims	(146 924)	(202 063)	(480 674)	(58 505)	-	(888 166)	-	(3 710 099)	(3 710 099)	(4 598 265)
Commission expense	(240 306)	(65 207)	(76 406)	(33 159)	-	(415 078)	-	(1 803 186)	(1 803 186)	(2 218 264)
Management expenses	(208 607)	(138 378)	(345 465)	(57 982)	-	(750 432)	-	(458 587)	(458 587)	(1 209 019)
Net insurance claims and expenses	(595 837)	(405 648)	(902 545)	(149 646)	-	(2 053 676)	-	(5 971 872)	(5 971 872)	(8 025 548)
Net Change in Insurance Liabilities (Other than outstanding Claims)	-	-	-	-	-	-	-	(106 119)	(106 119)	(106 119)
Underwriting result	(15 865)	(40 744)	(28 427)	43 302	-	(41 734)	-	1 547 923	1 547 923	1 506 189
Net Investment income	-	-	-	-	-	134 732	-	2 599 816	2 599 816	2 734 548
Net realized fair value losses on financial assets at fair value through profit and loss	-	-	-	-	-	-	-	(2 877 378)	(2 877 378)	(2 877 378)
Net fair value loss on financial assets at fair value through profit and loss	-	-	-	-	-	-	-	(838 494)	(838 494)	(838 494)
Rental income	-	-	-	-	-	23 908	-	-	-	23 908
Other income	-	-	-	-	-	74 273	-	15 381	15 381	89 654
Other expense	-	-	-	-	-	(18 915)	-	(10 962)	(10 962)	(29 877)
Profit before tax from takaful operations - OPF	-	-	-	-	-	35 071	-	-	-	35 071
Profit before tax	-	-	-	-	-	207 335	-	436 286	436 286	643 621

31. Movement in investment

Rupees '000

Name of investment	Held to maturity	Available-for-sale	Fair value through P & L	Total
At beginning of previous year	19 296 405	13 646 056	86 115 949	119 058 410
Additions	178 393 104	43 274 559	214 467 886	436 135 549
Disposals (sale and redemptions)	(174 152 836)	(41 087 256)	(212 360 728)	(427 600 820)
Fair value net gains / (losses) (excluding net realized gains / (losses))	-	(1 037 975)	2 437 532	1 399 557
Impairment losses	-	(73 363)	-	(73 363)
At beginning of current year	23 536 673	14 722 021	90 660 639	128 919 333
Additions	46 794 550	8 228 893	45 952 563	100 976 006
Disposals (sale and redemptions)	(49 727 954)	(7 296 207)	(31 049 771)	(88 073 932)
Fair value net losses (excluding net realized gains / (losses))	-	24 611	(2 650 996)	(2 626 385)
Impairment losses	-	(64 771)	-	(64 771)
At end of current period	20 603 269	15 614 547	102 912 435	139 130 251

32. Fair value

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

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

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

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

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

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

Rupees '000

As at 30 June 2020 (Unaudited)										
	Available- for-sale	Fair value through profit and loss	HTM	Loan and receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
								Level 1	Level 2	Level 3
Financial assets measured at fair value										
Investments										
Equity securities - quoted	3 079 994	22 822 573					25 902 567	25 902 567		
Equity securities - unquoted	16 008						16 008			16 008
Mutual funds	136 863	1 194 593					1 331 456		1 331 456	
Sukuk Bonds		4 039 760					4 039 760		4 039 760	
Debt securities	10 152 859	75 332 746					85 485 605	75 332 746	10 152 859	
Financial assets not measured at fair value										
Term deposits *					425 300		425 300			
Government securities			5 792 063				5 792 063		6 231 896	
Loans and other receivables *				340 091			340 091			
Insurance / reinsurance receivables *				3 250 107			3 250 107			
Reinsurance recoveries against outstanding claims *				4 141 093			4 141 093			
Advances *				180 159			180 159			
Certificate of investment *		210 000					210 000			
Cash and bank *		21 551 627			1 173 642		22 725 269			
Total assets of window takaful operations - Operator's fund *	211 174			142 204	352 064		705 442		211 174	
Investment income accrued					2 826 537		2 826 537			
Other loans and receivables (excluding markup accrued) *					3 637 264		3 637 264			
	13 596 898	125 151 299	5 792 063	8 053 654	8 414 807	-	161 008 721	101 235 313	21 967 145	16 008
Financial liabilities not measured at fair value										
Outstanding claims including IBNR *						(6 966 017)	(6 966 017)			
Premium received in advance *						(1 025 426)	(1 025 426)			
Insurance / reinsurance payables *						(4 541 769)	(4 541 769)			
Other creditors and accruals *						(4 294 629)	(4 294 629)			
Total liabilities of window takaful operations - Operator's fund *						(67 675)	(67 675)			
Deferred taxation						(708 737)	(708 737)			
	13 596 898	125 151 299	5 792 063	8 053 654	8 414 807	(17 604 253)	143 404 468	101 235 313	21 967 145	16 008

Rupees '000

As at 31 December 2019 (Audited)

	Fair value		HTM	Loans and receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
	Available-for-sale	through profit and loss						Level 1	Level 2	Level 3
Financial assets measured at fair value										
Investments										
Equity securities - quoted	3 461 784	10 266 217					13 728 001	13 728 001		
Equity securities - unquoted		508					508			508
Government securities		70 853 495					70 853 495		70 853 495	
Mutual funds	144 867	265 847					410 714		410 714	
Sukuk Bonds		4 677 570					4 677 570		4 677 570	
Debt securities	9 654 535	4 431 921					14 086 456		14 086 456	
Financial assets not measured at fair value										
Term deposits *					444 352		444 352			
Government securities			5 350 047				5 350 047		5 340 466	
Loans and other receivables *				258 678			258 678			
Insurance / reinsurance receivables *				4 021 641	3 063 402		7 085 043			
Reinsurance recoveries against outstanding claims *				4 081 850			4 081 850			
Advances *				172 543	2 760 117		2 932 660			
Certificate of investment *		210 000					210 000			
Cash and bank *		25 372 548			1 191 688		26 564 236			
Total assets of window takaful operations - Operator's fund *	248 024			131 288	260 628		639 940		248 024	
	<u>13 509 210</u>	<u>116 078 106</u>	<u>5 350 047</u>	<u>8 666 000</u>	<u>7 720 187</u>	<u>-</u>	<u>151 323 550</u>	<u>13 728 001</u>	<u>95 616 725</u>	<u>508</u>
Financial liabilities not measured at fair value										
Outstanding claims including IBNR *						(6 273 372)	(6 273 372)			
Premium received in advance *						(68 262)	(68 262)			
Insurance / reinsurance payables *						(6 067 883)	(6 067 883)			
Other creditors and accruals *						(6 637 400)	(6 637 400)			
Total liabilities of window takaful operations - Operator's fund *						(62 298)	(62 298)			
	<u>13 509 210</u>	<u>116 078 106</u>	<u>5 350 047</u>	<u>8 666 000</u>	<u>7 720 187</u>	<u>(19 109 215)</u>	<u>132 214 335</u>	<u>13 728 001</u>	<u>95 616 725</u>	<u>508</u>

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

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

The Board of Directors in their meeting held on 22 August 2020 have announced a second interim cash dividend in respect of the year ended 31 December 2020 of Rs. 1.50 per share i.e. 15.00 % (2019: Rs. 1.50 per share i.e. 15.00 %). These consolidated condensed interim financial statements for the six months period ended 30 June 2020 do not include the effect of these appropriations, which will be accounted for subsequent to the period end.

34. Corresponding Figures

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

35. General

Figures have been rounded off to the nearest thousand rupees.

36. Date of authorization for issue of consolidated condensed interim financial statements

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors in its meeting held 22 August 2020.

RAFIQUE R. BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 22 August 2020

Window Takaful Operations

Condensed Interim Financial Statements

For the six months period ended 30 June 2020 (Unaudited)

EFU General Insurance Limited - Window Takaful Operations
Condensed Interim Statement of Financial Position
As at 30 June 2020 (Unaudited)

Rupees '000

	Note	Operator's Fund		Participants' Takaful Fund	
		30 June 2020 (Unaudited)	31 December 2019 (Audited)	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Assets					
Property and equipment	6	1 511	1 800	-	-
Investments					
Debt securities	7	211 174	248 024	299 220	721 066
Term deposits		254 500	150 000	570 000	440 000
Loans and other receivables	8	1 416	335	1 304	1 411
Takaful / retakaful receivables	9	8 715	8 365	224 015	209 969
Retakaful recoveries against outstanding claims / benefits	17	-	-	667 968	127 576
Salvage recoveries accrued		-	-	49 865	31 425
Deferred commission expense	18	109 736	117 290	-	-
Receivable from PTF	10	125 860	115 983	-	-
Accrued investment income		6 213	6 598	11 753	14 784
Deferred wakala fee		-	-	301 713	322 463
Deferred taxation		189	719	-	-
Prepayments	11	2 033	-	195 007	237 323
Cash and bank	12	97 564	110 628	774 287	343 552
Total assets		818 911	759 742	3 095 132	2 449 569
Funds and liabilities					
Operator's Fund					
Statutory fund		100 000	100 000	-	-
Revaluation reserve - available-for-sale investments		154	(1 244)	-	-
Accumulated profit		343 498	266 687	-	-
Total Operator's Fund		443 652	365 443	-	-
Participants' Takaful Fund (PTF)					
Cede money		-	-	500	500
Revaluation reserve - available-for-sale investments		-	-	1 972	(6 211)
Accumulated surplus		-	-	541 284	377 601
Balance of Participants' Takaful Fund		-	-	543 756	371 890
Liabilities					
PTF Underwriting provisions					
Outstanding claims / benefits including IBNR	17	-	-	1 218 098	615 868
Unearned contribution reserve		-	-	1 026 109	1 101 418
Reserve for unearned retakaful rebate	16	-	-	27 103	32 617
Contributions received in advance		-	-	3 269	3 190
Takaful / retakaful payables		2 748	2 416	147 684	192 209
Unearned wakala fee		301 713	322 463	-	-
Payable to OPF	10	-	-	125 860	115 983
Taxation - provision less payments		3 123	7 249	-	-
Other creditors and accruals	13	67 675	62 171	3 253	16 394
		375 259	394 299	2 551 376	2 077 679
Total liabilities		375 259	394 299	2 551 376	2 077 679
Total equity and liabilities		818 911	759 742	3 095 132	2 449 569
Contingencies and commitments	14				

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

RAFIQUE R. BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAZ GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 22 August 2020

EFU General Insurance Limited - Window Takaful Operations
Condensed Interim Profit and Loss Account
For the six months period ended 30 June 2020 (Unaudited)

Rupees '000

Note	Three months period ended		Six months period ended	
	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Participants' Takaful Fund - (PTF)				
	403 162	396 970	813 456	768 176
	(104 765)	(76 542)	(199 814)	(147 875)
15	298 397	320 428	613 642	620 301
16	15 828	6 167	33 750	20 082
	314 225	326 595	647 392	640 383
17	(209 597)	(308 157)	(458 402)	(566 413)
	(34 962)	(56 681)	(75 209)	(110 062)
	69 666	(38 243)	113 781	(36 092)
19	23 970	19 581	53 910	36 056
20	6 308	5 419	12 553	12 228
	(7 644)	(6 245)	(16 561)	(12 072)
	92 300	(19 488)	163 683	120
Operator's Fund - (OPF)				
	164 641	166 338	334 851	321 885
18	(60 026)	(57 707)	(120 838)	(111 942)
	(74 290)	(88 887)	(148 994)	(150 153)
	30 325	19 744	65 019	59 790
	7 644	6 245	16 561	12 072
19	10 026	8 335	23 521	13 257
	(438)	(662)	(483)	(862)
20	1 801	1 409	3 567	3 959
	49 358	35 071	108 185	88 216
21	(14 335)	(10 700)	(31 374)	(25 583)
	35 023	24 371	76 811	62 633

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

RAFIQUE R. BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 22 August 2020

EFU General Insurance Limited - Window Takaful Operations
Condensed Interim Statement of Comprehensive Income
For the six months period ended 30 June 2020 (Unaudited)

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Participants' Takaful Fund - (PTF)				
Surplus / (deficit) for the period	92 300	(19 488)	163 683	120
Other comprehensive income				
Unrealized gain / (loss) on available-for-sale investments during the period - net	1 776	(11 522)	8 183	(9 587)
Total items that may be reclassified subsequently to profit and loss account	1 776	(11 522)	8 183	(9 587)
Total comprehensive income for the period	<u>94 076</u>	<u>(31 010)</u>	<u>171 866</u>	<u>(9 467)</u>
Operator's Fund - (OPF)				
Profit after tax for the period	35 023	24 371	76 811	62 633
Other comprehensive income				
Fair value gain / (loss) on available for sale investments during the period	(136)	(722)	1 968	(1 132)
Deferred tax on available-for-sale investments	40	228	(570)	328
Total items that may be reclassified subsequently to profit and loss account	(96)	(494)	1 398	(804)
Total comprehensive income for the period	<u>34 927</u>	<u>23 877</u>	<u>78 209</u>	<u>61 829</u>

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

RAFIQUE R. BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 22 August 2020

EFU General Insurance Limited – Window Takaful Operations
Condensed Interim Cash Flow Statement
For the six months period ended 30 June 2020 (Unaudited)

Rupees '000

	Operator's Fund		Participants' Takaful Fund	
	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Operating cash flows				
a) Takaful activities				
Contributions received	–	–	1 055 391	1 128 835
Retakaful contributions paid	–	–	(208 718)	(185 591)
Claims / benefits paid	–	–	(523 076)	(487 267)
Retakaful and other recoveries received	–	–	111 713	38 767
Commission paid	(108 494)	(132 631)	–	–
Retakaful rebate received	–	–	28 235	13 150
Wakala fee received / (paid)	314 871	450 367	(314 871)	(450 367)
Modarib fee received / (paid)	5 914	11 113	(5 914)	(11 113)
Net cash flow from takaful activities	212 291	328 849	142 760	46 414
b) Other operating activities				
Income tax paid	(35 540)	(6 097)	–	–
General and other expenses paid	(149 571)	(149 234)	(75 209)	(110 062)
Other operating payments	(3 464)	(4 746)	6 801	(5 153)
Other operating receipts	1 445	18 291	(12 923)	(9 970)
Net cash flow used in other operating activities	(187 130)	(141 786)	(81 331)	(125 185)
Total cash flow from / (used in) all operating activities	25 161	187 063	61 429	(78 771)
Investment activities				
Profit / return received	27 473	16 268	69 277	45 771
Payment for investments	(534 165)	(373 351)	(931 735)	(749 613)
Proceeds from investments	468 483	219 046	1 231 764	831 589
Fixed capital expenditure	(16)	–	–	–
Total cash flow (used in) / from investing activities	(38 225)	(138 037)	369 306	127 747
Net cash flow (used in) / from all activities	(13 064)	49 026	430 735	48 976
Cash and cash equivalents at the beginning of the period	110 628	54 319	343 552	235 756
Cash and cash equivalents at the end of the period	97 564	103 345	774 287	284 732
Reconciliation to profit and loss account				
Operating cash flow	25 161	175 950	61 429	(78 771)
Depreciation expense	(306)	(486)	–	–
Other investment income	23 521	22 271	53 910	27 042
Other income	3 567	7 017	12 335	9 175
Increase / (decrease) in assets other than cash	5 828	(114 243)	509 705	(18 654)
(Increase) / decrease in liabilities other than borrowings	19 040	(27 876)	(473 696)	61 328
Profit / surplus after tax for the period	76 811	62 633	163 683	120
Attributed to				
Operator's Fund	76 811	62 633	–	–
Participants' Takaful Fund	–	–	163 683	120
	76 811	62 633	163 683	120

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

RAFIQUE R. BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAZ GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 22 August 2020

EFU General Insurance Limited – Window Takaful Operations
Condensed Interim Statement of Changes in Funds
For the six months period ended 30 June 2020 (Unaudited)

Rupees '000

	Operator's Fund			
	Statutory fund	Unrealized gain / (loss) on revaluation of available-for-sale investments-net	Accumulated profit	Total
Balance as at 01 January 2019	100 000	(1 015)	114 646	213 631
Total comprehensive income for the period ended 30 June 2019				
Profit for the period			62 633	62 633
Other comprehensive income		(804)		(804)
Balance as at 30 June 2019	<u>100 000</u>	<u>(1 819)</u>	<u>177 279</u>	<u>275 460</u>
Balance as at 01 January 2020	100 000	(1 244)	266 687	365 443
Total comprehensive income for the period ended 30 June 2020				
Profit for the period			76 811	76 811
Other Comprehensive Income		1 398		1 398
Balance as at 30 June 2020	<u>100 000</u>	<u>154</u>	<u>343 498</u>	<u>443 652</u>
	Participants' Takaful Fund			
	Cede money	Unrealized gain / (loss) on revaluation of available-for-sale investments-net	Accumulated surplus	Total
Balance as at 01 January 2019	500	(8 918)	294 859	286 441
Surplus for the period			120	120
Other comprehensive income		(9 587)		(9 587)
Balance as at 30 June 2019	<u>500</u>	<u>(18 505)</u>	<u>294 979</u>	<u>276 974</u>
Balance as at 01 January 2020	500	(6 211)	377 601	371 890
Surplus for the period			163 683	163 683
Other Comprehensive Income		8 183		8 183
Balance as at 30 June 2020	<u>500</u>	<u>1 972</u>	<u>541 284</u>	<u>543 756</u>

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

RAFIQUE R. BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 22 August 2020

EFU General Insurance Limited – Window Takaful Operations

Notes to the Condensed Interim Financial Statements

For the six months period ended 30 June 2020 (Unaudited)

1. Legal status and nature of business

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

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

2. Basis of preparation and statement of compliance

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

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

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

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

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

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Operators' annual financial statements for the year ended 31 December 2019.

2.1 Basis of measurement

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

2.2 Functional and presentation currency

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

3. Summary of significant accounting policies

The significant accounting policies and method of computation adopted in preparation of condensed interim financial statements are consistent with those followed in preparation of the annual financial statement of the Operator for the year ended 31 December 2019 except as stated in note 3.4.

3.1 Standards, interpretations and amendments effective during the current period

There are certain new and amended standards, interpretations and amendments that are mandatory for the Operator's accounting periods beginning on or after 01 January 2020 but are considered not to be relevant or do not have any significant effect on the Operator's operation and therefore not detailed in these condensed interim financial statements.

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2020.

Amendment to IFRS 3 'Business Combinations' - Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general-purpose financial statements in accordance with IFRS Standards.

On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process - this means that the overall impact on standard setting may take some time to crystallize. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 01 January 2020, unless the new guidance contains specific scope outs.

Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 01 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A Operator shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements of the Operator.

Amendments to IFRS-16- IASB has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications. Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

1. the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
2. any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
3. there is no substantive change to the other terms and conditions of the lease.

Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after 01 January 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual period beginning on or after 01 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for the annual period beginning on or after 01 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc, are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Annual Improvements to IFRS standards 2018-2020:

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 01 January 2022.

IFRS 9 - The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability

IFRS 16 - The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

IAS 41 - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique

IFRS 9 'Financial Instruments' is effective for reporting period / year ending on or after 30 June 2019. It replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments' with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from 01 July 2018 onwards to remove from profit or loss the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

The Operator has determined that it is eligible for the temporary exemption option since the Operator has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the Operator doesn't engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Operator can defer the application of IFRS 9 until the application IFRS 17.

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI") i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest.

IFRS 9 defines the terms "principal" as being the fair value of the financial asset at initial recognition, and the "interest" as being compensation for (i) the time value of money, and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The tables below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

- a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and

b) all other financial assets.

Operator's Fund

Rupees '000

Financial assets	30 June 2020 (Unaudited)				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain / (loss) during the period	Carrying value	Cost less impairment	Change in unrealized gain / (loss) during the period
Investments in debt securities - available-for-sale	-	-	211 174	-	1 398
Term deposits *	-	-	254 500	-	-
Total	-	-	465 674	-	1 398

* The carrying amount of these financial assets measured applying IAS-39 are a reasonable approximation of their carrying values.

	30 June 2020 (Unaudited)						
	Gross carrying amounts of debt instruments that pass the SPPI test						
	AAA	AA+	AA-	AA	A+	A	BBB-
Investments in debt securities - available-for-sale	29 240	26 414	61 002	-	82 172	-	12 346
Term deposits	-	44 500	-	155 000	-	55 000	-
Total	29 240	70 914	61 002	155 000	82 172	55 000	12 346

Participants' Takaful Fund

Financial assets	30 June 2020 (Unaudited)				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain / (loss) during the period	Carrying value	Cost less impairment	Change in unrealized gain / (loss) during the period
Investments in debt securities - available-for-sale	-	-	299 220	-	8 183
Term deposits *	-	-	570 000	-	-
Total	-	-	869 220	-	8 183

* The carrying amount of these financial assets measured applying IAS-39 are a reasonable approximation of their carrying values.

	30 June 2020 (Unaudited)						
	Gross carrying amounts of debt instruments that pass the SPPI test						
	AAA	AA+	AA-	AA	A+	A	BBB-
Investments in debt securities - available-for-sale	29 240	69 208	83 552	40 729	64 145	-	12 346
Term deposits	-	85 000	-	285 000	-	200 000	-
Total	29 240	154 208	83 552	325 729	64 145	200 000	12 346

3.3 During the period, the novel coronavirus (COVID 19) emerged and since then, the condition has continued to deteriorate. On 30 January 2020, the International Health Regulations Emergency Committee of the WHO declared the outbreak a "Public Health Emergency of International Concern". The COVID-19 pandemic has significantly impacted the market around the world to date and may continue to do so in the coming months of 2020. The scale and duration of this outbreak remains uncertain and as it evolves globally in 2020, the Operator based on its current assessment considered that there would be no significant impact that will adversely affect its business, result of operations and financial condition of the Operator.

3.4 Change in accounting policy

Securities and Exchange Commission of Pakistan (SECP) vide S.R.O. 1416(I)/2019 dated 20 November 2019 has issued General Takaful Accounting Regulations 2019. Accordingly, the Operator has changed format for preparation and presentation of the condensed interim financial statement to comply with requirement of the regulation. The application of these regulations for the purpose of preparation and presentation of the condensed interim financial statements are effective from 01 January 2020.

4. Accounting estimates and judgements

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

In preparation of these condensed interim financial statements, the significant judgments made by management in applying the Operator's accounting policies and the key sources of estimation, uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2019.

5. Management of takaful and financial risk

Takaful and financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2019.

6. Property and equipment

The details of additions and disposals during the six months period ended 30 June 2020 are as follows:

Rupees '000

	Additions (at cost)		Disposals (at net book value)	
	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Computers	16	–	–	–
	<u>16</u>	<u>–</u>	<u>–</u>	<u>–</u>

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

Rupees '000

7.1 Operator's Fund

	30 June 2020 (Unaudited)			31 December 2019 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Fixed Income Securities						
Ijara Sukuks	–	–	–	30 518	–	30 518
Corporate Sukuks	210 958	–	210 958	219 258	–	219 258
	<u>210 958</u>	<u>–</u>	<u>210 958</u>	<u>249 776</u>	<u>–</u>	<u>249 776</u>
Surplus / (deficit) on revaluation	–	–	216	–	–	(1 752)
	<u>210 958</u>	<u>–</u>	<u>211 174</u>	<u>249 776</u>	<u>–</u>	<u>248 024</u>

7.2 Participants' Takaful Fund

Rupees '000

	30 June 2020 (Unaudited)			31 December 2019 (Audited)		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Fixed Income Securities						
Ijara Sukuks	–	–	–	420 288	–	420 288
Corporate Sukuks	297 247	–	297 247	306 988	–	306 988
	297 247	–	297 247	727 276	–	727 276
Surplus / (deficit) on revaluation	–	–	1 973	–	–	(6 210)
	297 247	–	299 220	727 276	–	721 066

8. Loans and other receivables - considered good

Rupees '000

	Operator's Fund		Participants' Takaful Fund	
	30 June 2020 (Unaudited)	31 December 2019 (Audited)	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Security deposits	301	301	–	–
Other receivables	1 115	34	1 304	1 411
	1 416	335	1 304	1 411

9. Takaful / retakaful receivables - unsecured and considered good

Due from takaful participants' holders	–	–	223 754	206 068
Due from other takaful / retakaful operators	8 715	8 365	261	3 901
	8 715	8 365	224 015	209 969

10. Receivable (OPF) / Payable (PTF)

Wakala fee	107 738	108 508	107 738	108 508
Modarib fee	18 122	7 475	18 122	7 475
	125 860	115 983	125 860	115 983

11. Prepayments

Annual supervision fees	2 033	–	–	–
Prepaid retakaful contribution ceded	–	–	142 194	177 814
Prepaid charges for vehicle tracking devices	–	–	52 813	59 509
	2 033	–	195 007	237 323

12. Cash and bank balances

Rupees '000

	Operator's Fund		Participants' Takaful Fund	
	30 June 2020 (Unaudited)	31 December 2019 (Audited)	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Cash and cash equivalents				
Policy stamps	–	–	676	1 193
Cash at bank				
Current accounts	2 958	7 164	12 852	10 616
Saving accounts	94 606	103 464	760 759	331 743
	<u>97 564</u>	<u>110 628</u>	<u>774 287</u>	<u>343 552</u>

13. Other creditors and accruals

Federal insurance fee payable	–	–	1 384	1 669
Sales tax payable	993	404	472	14 001
Accrued expenses	2 209	2 432	–	–
Agent commission payable	63 608	59 149	–	–
Retirement benefit obligations	84	–	–	–
Payable to EFU General Insurance Limited *	11	139	–	–
Other creditors	770	47	1 397	724
	<u>67 675</u>	<u>62 171</u>	<u>3 253</u>	<u>16,394</u>

* This represents amount payable in respect of common expenses incurred by EFU General Insurance Limited on behalf of Operator's Fund.

14. Contingencies and commitments

There are no contingencies and commitments as at 30 June 2020 (31 December 2019: Nil).

15. Net contribution

Rupees '000

	Three months period ended		Six months period ended	
	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Written gross contribution	460 471	540 114	1 072 998	1 101 836
Wakala fee	(138 212)	(162 264)	(314 101)	(331 752)
Contribution net of wakala fee	322 259	377 850	758 897	770 084
Unearned contribution reserve - opening	805 299	762 028	778 955	741 000
Unearned contribution reserve - closing	(724 396)	(742 908)	(724 396)	(742 908)
Contribution earned	403 162	396 970	813 456	768 176
Less:				
Retakaful contribution ceded	50 166	51 366	164 194	103 418
Prepaid retakaful contribution - opening	196 793	110 125	177 814	129 406
Prepaid retakaful contribution - closing	(142 194)	(84 949)	(142 194)	(84 949)
Retakaful expense	104 765	76 542	199 814	147 875
	<u>298 397</u>	<u>320 428</u>	<u>613 642</u>	<u>620 301</u>

Rupees '000

16. Retakaful rebate

	Three months period ended		Six months period ended	
	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Rebate received or recoverable	8 128	1 889	28 236	13 150
Unearned retakaful rebate - opening	34 803	18 003	32 617	20 657
Unearned retakaful rebate - closing	(27 103)	(13 725)	(27 103)	(13 725)
	<u>15 828</u>	<u>6 167</u>	<u>33 750</u>	<u>20 082</u>

17. Takaful benefits / claims expense

Benefits / claims paid	241 298	299 626	504 637	494 526
Outstanding benefits / claims including IBNR - opening	(1 194 585)	(487 230)	(615 868)	(396 875)
Outstanding benefits / claims including IBNR - closing	1 218 098	548 101	1 218 098	548 101
Claim expense	264 811	360 497	1 106 867	645 752
Less:				
Retakaful and other recoveries received	80 028	31 764	108 073	43 946
Retakaful and other recoveries in respect of outstanding claims - opening	(692 782)	(119 420)	(127 576)	(104 603)
Retakaful and other recoveries in respect of outstanding claims - closing	667 968	139 996	667 968	139 996
Retakaful and other recoveries revenue	55 214	52 340	648 465	79 339
	<u>209 597</u>	<u>308 157</u>	<u>458 402</u>	<u>566 413</u>

18. Commission expense

Commission paid or payable	52 578	56 220	113 284	111 956
Deferred commission expense - opening	117 184	107 814	117 290	106 313
Deferred commission expense - closing	(109 736)	(106 327)	(109 736)	(106 327)
	<u>60 026</u>	<u>57 707</u>	<u>120 838</u>	<u>111 942</u>

19. Investment income

19.1 Operator's Fund				
Income from debt securities - available-for-sale - Return on debt securities (Sukuk)	6 636	6 022	14 520	10 163
Income from term deposits - Return on term deposits	3 390	2 313	9 001	3 094
	<u>10 026</u>	<u>8 335</u>	<u>23 521</u>	<u>13 257</u>
19.2 Participants' Takaful Fund				
Income from debt securities - available-for-sale - Return on debt securities (Sukuk)	14 242	14 392	30 313	27 494
Income from term deposits - Return on term deposits	9 728	5 189	23 597	8 562
	<u>23 970</u>	<u>19 581</u>	<u>53 910</u>	<u>36 056</u>

Rupees '000

20. Other income	Three months period ended		Six months period ended	
	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
20.1 Operator's Fund				
Other income				
Profit on bank deposits	1 801	1 409	3 567	3 959
	<u>1 801</u>	<u>1 409</u>	<u>3 567</u>	<u>3 959</u>
20.2 Participants' Takaful Fund				
Other income				
Profit on bank deposits	6 090	5 424	12 335	12 233
Exchange gain / (loss)	218	(5)	218	(5)
	<u>6 308</u>	<u>5 419</u>	<u>12 553</u>	<u>12 228</u>

21. Taxation

For current period				
current	14 346	10 740	31 415	25 656
Deferred	(11)	(40)	(41)	(73)
	<u>14 335</u>	<u>10 700</u>	<u>31 374</u>	<u>25 583</u>

22. Related party transactions

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

Rupees '000

22.1 Participants' Takaful Fund	Three months period ended		Six months period ended	
	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Other				
Contributions written	3 206	6 743	4 891	10 147
Claims paid	549	1 706	1 292	3 091
			<u>30 June 2020 (Unaudited)</u>	<u>31 December 2019 (Audited)</u>
Balances receivable			549	1 706

Rupees '000

23. Segment reporting**For the six months period ended 30 June 2020 (Unaudited)**

23.1 Operator's Fund

Current period

	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Wakala fee	36 078	9 382	283 906	5 485	–	334 851
Commission expense	(21 977)	(5 371)	(90 853)	(2 637)	–	(120 838)
General, administrative and management expenses	(3 334)	(1 741)	(140 727)	(3 192)	–	(148 994)
Net commission and expenses	(25 311)	(7 112)	(231 580)	(5 829)	–	(269 832)
	<u>10 767</u>	<u>2 270</u>	<u>52 326</u>	<u>(344)</u>	<u>–</u>	<u>65 019</u>
Modarib's share of PTF investment income						16 561
Investment income						23 521
Direct expenses						(483)
Other income						3 567
Profit before taxation						108 185
Taxation						(31 374)
Profit after taxation						<u>76 811</u>
						As at 30 June 2020 (Unaudited)
Corporate segment assets	33 491	4 812	187 275	611	–	226 189
Corporate unallocated assets						592 722
Total assets						<u>818 911</u>
Corporate segment liabilities	43 440	5 305	311 649	4 628	–	368 069
Corporate unallocated liabilities						7 190
Total liabilities						<u>375 259</u>

Rupees '000

Prior period	For the six months period ended 30 June 2019 (Unaudited)					
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Wakala fee	25 700	11 174	276 694	8 317	–	321 885
Commission expense	(15 038)	(6 307)	(90 033)	(564)	–	(111 942)
General, administrative and management expenses	(2 850)	(1 812)	(143 703)	(1 788)	–	(150 153)
Net commission and expenses	(17 888)	(8 119)	(233 736)	(2 352)	–	(262 095)
	<u>7 812</u>	<u>3 055</u>	<u>42 958</u>	<u>5 965</u>	<u>–</u>	<u>59 790</u>
Modarib's share of PTF investment income						12 072
Investment income						13 257
Direct expenses						(862)
Other income						3 959
Profit before taxation						88 216
Taxation						(25 583)
Profit after taxation						<u>62 633</u>
						As at 31 December 2019 (Audited)
Corporate segment assets	50 093	5 656	170 040	8 374	–	234 163
Corporate unallocated assets						525 579
Total assets						<u>759 742</u>
Corporate segment liabilities	57 216	6 641	321 788	6 913	–	392 558
Corporate unallocated liabilities						1 741
Total liabilities						<u>394 299</u>

Rupees '000

For the three months period ended 30 June 2020 (Unaudited)

Current period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Wakala fee	18 208	3 906	139 131	3 396	-	164 641
Commission expense	(11 100)	(2 216)	(45 284)	(1 426)	-	(60 026)
General, administrative and management expenses	(1 498)	(733)	(70 835)	(1 224)	-	(74 290)
Net commission and expenses	(12 598)	(2 949)	(116 119)	(2 650)	-	(134 316)
	5 610	957	23 012	746	-	30 325
Modarib's share of PTF investment income						7 644
Investment income						10 026
Direct expenses						(438)
Other income						1 801
Profit before taxation						49 358
Taxation						(14 335)
Profit after taxation						35 023

For the three months period ended 30 June 2019 (Unaudited)

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Wakala fee	13 062	5 254	144 124	3 898	-	166 338
Commission expense	(7 735)	(3 183)	(46 538)	(251)	-	(57 707)
General, administrative and management expenses	(1 647)	(911)	(85 270)	(1 059)	-	(88 887)
Net commission and expenses	(9 382)	(4 094)	(131 808)	(1 310)	-	(146 594)
	3 680	1 160	12 316	2 588	-	19 744
Modarib's share of PTF investment income						6 245
Investment income						8 335
Direct expenses						(662)
Other income						1 409
Profit before taxation						35 071
Taxation						(10 700)
Profit after taxation						24 371

23.2 Participants' Takaful Fund

Rupees '000

For the six months period ended 30 June 2020 (Unaudited)

Current period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Contribution receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	134 739	33 698	1 008 583	51 612	-	1 228 632
Less: Sales tax	16 320	3 388	117 407	5 916	-	143 031
Stamp duty	12	1 775	85	2	-	1 874
Federal insurance fee	1 172	282	8 823	452	-	10 729
Gross written contribution (inclusive of administrative surcharge)	117 235	28 253	882 268	45 242	-	1 072 998
Gross direct contribution	116 205	26 797	766 694	45 194	-	954 890
Administrative surcharge	1 030	1 456	115 574	48	-	118 108
Wakala fee	(26 019)	(7 770)	(273 525)	(6 787)	-	(314 101)
Contributions earned	126 741	23 707	631 882	31 126	-	813 456
Contributions ceded to retakaful	(149 429)	(25 162)	(4 435)	(20 788)	-	(199 814)
Net contribution revenue	(22 688)	(1 455)	627 447	10 338	-	613 642
Retakaful rebate earned	24 979	5 662	15	3 094	-	33 750
Net underwriting income	2 291	4 207	627 462	13 432	-	647 392
Takaful claims	(630 510)	(32 185)	(436 397)	(7 775)	-	(1 106 867)
Takaful claims recovered from retakaful	620 613	25 748	-	2 104	-	648 465
Net claims	(9 897)	(6 437)	(436 397)	(5 671)	-	(458 402)
Other direct expenses	(6)	(3)	(75 193)	(7)	-	(75 209)
Surplus / (deficit) before investment income	(7 612)	(2 233)	115 872	7 754	-	113 781
Investment income						53 910
Other income						12 553
Modarib share of investment income						(16 561)
Surplus transferred to accumulated surplus						163 683
						As at 30 June 2020 (Unaudited)
Corporate segment assets	790 549	34 702	495 857	66 880	-	1 387 988
Corporate unallocated assets						1 707 144
Total assets						3 095 132
Corporate segment liabilities	872 956	64 095	1 481 023	111 926	-	2 530 000
Corporate unallocated liabilities						21 376
Total liabilities						2 551 376

Rupees '000

For the six months period ended 30 June 2019 (Unaudited)

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Contribution receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	88 952	39 690	1 120 808	12 767	-	1 262 217
Less: Sales tax	11 182	4 163	130 166	1 470	-	146 981
Stamp duty	13	2 267	99	2	-	2 381
Federal insurance fee	770	329	9 808	112	-	11 019
Gross written contribution (inclusive of administrative surcharge)	76 987	32 931	980 735	11 183	-	1 101 836
Gross direct contribution	75 782	31 181	840 621	11 108	-	958 692
Administrative surcharge	1 205	1 750	140 114	75	-	143 144
Wakala fee	(16 992)	(9 056)	(304 027)	(1 677)	-	(331 752)
Contributions earned	78 698	26 276	636 413	26 789	-	768 176
Contributions ceded to retakaful	(92 158)	(28 553)	(2 674)	(24 490)	-	(147 875)
Net contribution revenue	(13 460)	(2 277)	633 739	2 299	-	620 301
Rebate from retakaful operator	10 525	6 424	-	3 133	-	20 082
Net underwriting income / (loss)	(2 935)	4 147	633 739	5 432	-	640 383
Takaful claims	(84 083)	(1 626)	(540 672)	(19 371)	-	(645 752)
Takaful claims recovered from retakaful	75 216	1 280	-	2 843	-	79 339
Net claims	(8 867)	(346)	(540 672)	(16 528)	-	(566 413)
Other direct expenses	(4)	(3)	(110 051)	(4)	-	(110 062)
Net insurance claims and expenses	(8 871)	(349)	(650 723)	(16 532)	-	(676 475)
Surplus / (deficit) before investment income	(11 806)	3 798	(16 984)	(11 100)	-	(36 092)
Investment income						36 056
Other income						12 228
Modarib share of investment income						(12 072)
Surplus transferred to accumulated surplus						120
						As at 31 December 2019 (Audited)
Corporate segment assets	332 940	22 583	452 121	64 140	-	871 784
Corporate unallocated assets						1 577 785
Total assets						2 449 569
Corporate segment liabilities	436 659	56 583	1 448 345	112 223	-	2 053 810
Corporate unallocated liabilities						23 869
Total liabilities						2 077 679

Rupees '000

For the three months period ended 30 June 2020 (Unaudited)

Current period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Contribution receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	42 635	13 946	465 468	5 174	–	527 223
Less: Sales tax	5 385	1 369	53 993	607	–	61 354
Stamp duty	4	751	38	1	–	794
Federal insurance fee	368	117	4 074	45	–	4 604
Gross written contribution (inclusive of administrative surcharge)	36 878	11 709	407 363	4 521	–	460 471
Gross direct contribution	36 479	11 098	357 262	4 512	–	409 351
Administrative surcharge	399	611	50 101	9	–	51 120
Wakala fee	(8 030)	(3 220)	(126 283)	(679)	–	(138 212)
Contributions earned	63 974	10 240	309 658	19 290	–	403 162
Contributions ceded to retakaful	(76 132)	(10 780)	(1 926)	(15 927)	–	(104 765)
Net contribution revenue	(12 158)	(540)	307 732	3 363	–	298 397
Rebate from retakaful operator	11 157	2 426	–	2 245	–	15 828
Net underwriting income	(1 001)	1 886	307 732	5 608	–	314 225
Takaful claims	(55 203)	(4 946)	(199 904)	(4 758)	–	(264 811)
Takaful claims recovered from retakaful	49 042	3 957	–	2 215	–	55 214
Net claims	(6 161)	(989)	(199 904)	(2 543)	–	(209 597)
Other direct expense	(1)	–	(34 960)	(1)	–	(34 962)
Surplus / (deficit) before investment income	(7 163)	897	72 868	3 064	–	69 666
Investment income						23 970
Other income						6 308
Modarib share of investment income						(7 644)
Surplus transferred to accumulated surplus						92 300

For the three months period ended 30 June 2019 (Unaudited)

Prior period	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
Contribution receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	39 877	17 082	551 008	10 982	–	618 949
Less: Sales tax	5 203	1 810	64 068	1 302	–	72 383
Stamp duty	5	998	47	1	–	1 051
Federal insurance fee	343	141	4 821	96	–	5 401
Gross written contribution (inclusive of administrative surcharge)	34 326	14 133	482 072	9 583	–	540 114
Gross direct contribution	33 871	13 325	418 746	9 549	–	475 491
Administrative surcharge	455	808	63 326	34	–	64 623
Wakala fee	(7 498)	(3 887)	(149 442)	(1 437)	–	(162 264)
Contributions earned	41 123	13 416	329 794	12 637	–	396 970
Contributions ceded to retakaful	(48 528)	(14 252)	(2 010)	(11 752)	–	(76 542)
Net contribution revenue	(7 405)	(836)	327 784	885	–	320 428
Rebate from retakaful operator	1 721	3 206	–	1 240	–	6 167
Net underwriting income	(5 684)	2 370	327 784	2 125	–	326 595
Takaful claims	(60 622)	(971)	(290 085)	(8 819)	–	(360 497)
Takaful claims recovered from retakaful	54 269	744	–	(2 673)	–	52 340
Net claims	(6 353)	(227)	(290 085)	(11 492)	–	(308 157)
Other direct expenses	(1)	(1)	(56 677)	(2)	–	(56 681)
Deficit / (surplus) before investment income	(12 038)	2 142	(18 978)	(9 369)	–	(38 243)
Investment income						19 581
Other income						5 419
Modarib share of investment income						(6 245)
Loss transferred to accumulated surplus						(19 488)

24. Movement in investment

24.1 Operator's Fund

Rupees '000

Name of investment	Available-for-sale debt securities	Held to maturity - term deposit	Total
At beginning of previous year	176 593	35 000	211 593
Additions	147 896	550 000	697 896
Disposals (sale and redemptions)	(76 143)	(435 000)	(511 143)
Fair value net losses (excluding net realized gains / (losses))	(322)	-	(322)
At beginning of current year	248 024	150 000	398 024
Additions	19 665	514 500	534 165
Disposals (sale and redemptions)	(58 483)	(410,000)	(468 483)
Fair value net losses (excluding net realized gains / (losses))	1 968	-	1 968
At end of current period	211 174	254 500	465 674

24.2 Participants' Takaful Fund

Name of investment	Available-for-sale debt securities	Held to maturity - term deposit	Total
At beginning of previous year	858 660	180 000	1 038 660
Additions	214 476	1 090 000	1 304 476
Disposals (sale and redemptions)	(354 777)	(830 000)	(1 184 777)
Fair value net losses (excluding net realized gains / (losses))	2 707	-	2 707
At beginning of current year	721 066	440 000	1 161 066
Additions	21 735	910 000	931 735
Disposals (sale and redemptions)	(451 764)	(780 000)	(1 231 764)
Fair value net losses (excluding net realized gains / (losses))	8 183	-	8 183
At end of current period	299 220	570 000	869 220

25 Fair value

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

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

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

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

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

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

25.3 Operator's Fund

Rupees '000

As at 30 June 2020 (Unaudited)

	Available-for-sale	Loan & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Corporate Sukuks	211 174				211 174		211 174	
Financial assets not measured at fair value								
Investments								
Term deposits *			254 500		254 500			
Loans and other receivables *		1 416			1 416			
Takaful / retakaful receivables *		8 715			8 715			
Receivable from PTF *		125 860			125 860			
Accrued investment income *		6 213			6 213			
Cash and bank balances *			97 564		97 564			
	211 174	142 204	352 064		705 442		211 174	
Financial liabilities not measured at fair value								
Other creditors and accruals *				(67 675)	(67 675)			
	211 174	142 204	352 064	(67 675)	637 767	-	211 174	-

As at 31 December 2019 (Audited)

	Available-for-sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Ijara Sukuk	30 195				30 195		30 195	
Corporate Sukuks	217 829				217 829		217 829	
Financial assets not measured at fair value								
Investments								
Term deposits *			150 000		150 000			
Loans and other receivables *		335			335			
Takaful / retakaful receivables *		8 365			8 365			
Receivable from PTF *		115 983			115 983			
Accrued investment income *		6 598			6 598			
Cash and bank balances *			110 628		110 628			
	248 024	131 281	260 628		639 933		248 024	
Financial liabilities not measured at fair value								
Other creditors and accruals*				(62 171)	(62 171)			
	248 024	131 281	260 628	(62 171)	577 762	-	248 024	-

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

25.4 Participants' Takaful Fund

Rupees '000

As at 30 June 2020 (Unaudited)								
	Available-for-sale	Loan & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Corporate Sukuk	299 220				299 220		299 220	
Financial assets not measured at fair value								
Investments								
Term deposits *			570 000		570 000			
Loans and other receivables *		1 304			1 304			
Takaful / retakaful receivables *		224 015			224 015			
Retakaful recoveries against outstanding claims *		667 968			667 968			
Accrued investment income *		11 753			11 753			
Cash and bank balances *			774 287		774 287			
	299 220	905 040	1 344 287		2 548 547		299 220	
Financial liabilities not measured at fair value								
Outstanding claims including IBNR *				(1 218 098)	(1 218 098)			
Contributions received in advance *				(3 269)	(3 269)			
Takaful / retakaful payable *				(147 684)	(147 684)			
Payable to OPF *				(125 860)	(125 860)			
Other creditors and accruals *				(3 253)	(3 253)			
	299 220	905 040	1 344 287	(1 498 164)	1 050 383	-	299 220	-

As at 31 December 2019 (Audited)								
	Available-for-sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using		
						Level 1	Level 2	Level 3
Financial assets measured at fair value								
Investments								
Ijara Sukuks	415 800				415 800		415 800	
Corporate Sukuks	305 266				305 266		305 266	
Financial assets not measured at fair value								
Investments								
Term deposits *			440 000		440 000			
Loans and other receivables *		1 411			1 411			
Takaful / retakaful receivables *		209 969			209 969			
Retakaful recoveries against outstanding claims *		127 576			127 576			
Accrued investment income *		14 784			14 784			
Cash and bank balances *			343 552		343 552			
	721 066	353 740	783 552		1 858 358		721 066	
Financial liabilities not measured at fair value								
Outstanding claims including IBNR *				(615 868)	(615 868)			
Contributions received in advance *				(3 190)	(3 190)			
Takaful / retakaful payable *				(192 209)	(192 209)			
Payable to OPF *				(115 983)	(115 983)			
Other creditors and accruals *				(16 394)	(16 394)			
	721 066	353 740	783 552	(943 644)	914 714	-	721 066	-

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

26. Corresponding Figures

The General Takaful Accounting Regulations 2019 have introduced certain presentation and classification requirements for the elements of condensed interim financial statements. Accordingly, the corresponding figures have been rearranged and reclassified wherever considered necessary to comply with the requirement of General Takaful Accounting Regulations 2019.

Following major reclassifications have been made during the period other than disclosed elsewhere in these condensed interim financial statements.

		Rupees'000	
Reclassified from	Reclassified to	OPF	PTF
Loans and other receivable	Accrued investment income	6 598	14 784
Modarib's fee receivable / payable Wakala fee receivable / payable	Receivable from PTF and payable to OPF	115 983	115 983

27. General

Figures have been rounded off to the nearest thousand rupees.

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

These condensed interim financial statements were authorized for issue by the Board of Directors in its meeting held on 22 August 2020.

RAFIQUE R. BHIMJEE
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Financial Officer

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 22 August 2020

