



Report (Un-audited)  
First Quarter 2008



**GENERAL**

E F U GENERAL INSURANCE LTD.

## Company Information

### Chairman

Rafique R. Bhimjee

### Managing Director & Chief Executive

Saifuddin N. Zoomkawala

### Directors

Sultan Ahmad

Abdul Rehman Haji Habib

Jahangir Siddiqui

Wolfram W. Karnowski

Muneer R. Bhimjee

Hasanali Abdullah

Taher G. Sachak

### Chief Financial Officer & Corporate Secretary

Altaf Qamruddin Gokal, F.C.A.

### Legal Advisor

Mohammad Ali Sayeed

### Senior Advisor

S.C. (Hamid) Subjally, A.C.I.I.

### Advisors

Akhtar K. Alavi, A.C.I.I.

Naqi Zamin Ali

### Audit Committee

Muneer R. Bhimjee

Taher G. Sachak

Abdul Rehman Haji Habib

### Rating Agency: JCR-VIS

Insurer Financial Strength Rating: AA  
Outlook Stable

### Auditors

Hyder Bhimji & Co.

Chartered Accountants

Karachi

KPMG Taseer Hadi & Co.,

Chartered Accountants

Karachi

### Registrar

Technology Trade (Pvt.) Ltd.

Dagia House 241-C

Block-2, P.E.C.H.S.

Off Shahra-e-Quaideen

Ph: (92-21) 4391316-17

Fax: (92-21) 4391318

### Website

[www.efuinsurance.com](http://www.efuinsurance.com)

### Registered Office

11/4, Shahrah-e-Pehlavi, Peshawar.

### Main Offices

EFU House

M.A. Jinnah Road, Karachi.

Co-operative Insurance Building

23-Shahrah-e-Quaid-e-Azam, Lahore.

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We are pleased to present the unaudited financial statements for the three months period ended 31 March 2008.

The Written Premium for the three months period was Rs. 2,615 million as against Rs. 2,190 million in the corresponding period of last year i.e. growth of Rs. 425 million (19%). The overall Claims ratio was 70% showing improvement of 1% over corresponding period of last year. The total Underwriting Profit for the three months period was Rs. 158 million compared to Rs. 178 million in corresponding period of 2007.

The investment income increased by 46% to Rs. 286 million compared to Rs. 196 million in corresponding period of last year.

The pre-tax profit for the three months was Rs. 384 million compared to Rs. 317 million in the corresponding period of last year

The appreciation in the market value of investments in shares and securities was Rs. 8,281 million as on 31 March 2008 as against Rs. 2,007 million as on 31 December 2007.

Your Directors would like to place on record their highest appreciation to the field force, officers and staff of the Company for the dedicated contribution.

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

TAHER G. SACHAK  
*Director*

MUNEER R. BHIMJEE  
*Director*

SAIFUDDIN N. ZOOMKAWALA  
*Managing Director & Chief Executive*

RAFIQUE R. BHIMJEE  
*Chairman*

Karachi 28 April 2008

**Condensed Interim Balance Sheet  
As At 31 March 2008 (Unaudited)**



	<u>Note</u>	AS AT	
		<u>31-03-2008</u>	<u>31-12-2007</u>
<b>Share Capital and Reserves</b>			
Authorised capital		2,000,000	2,000,000
200 000 000 Ordinary shares of Rs. 10 each			
Issued, subscribed and paid-up share capital	9	1,000,000	1,000,000
Retained earnings		14,819,535	14,564,267
Reserves		600,000	600,000
Reserve for exceptional losses		12,902	12,902
		15,432,437	15,177,169
		16,432,437	16,177,169
<b>Underwriting Provisions</b>			
Provision for outstanding claims (including IBNR)		5,523,054	5,335,723
Provision for unearned premium		4,280,935	3,984,881
Additional reserve for unexpired risks		24,178	32,308
Commission income unearned		278,265	276,831
Total underwriting provisions		10,106,432	9,629,743
<b>Deferred Liabilities</b>			
Deferred taxation		34,275	-
<b>Creditors and Accruals</b>			
Premiums received in advance		23,195	43,226
Amounts due to other insurers/reinsurers		468,495	818,289
Accrued expenses		129,229	112,646
Agent balances		321,090	298,101
Unearned rentals		58,845	46,693
Other creditors		70,011	110,818
		1,070,865	1,429,773
<b>Other Liabilities</b>			
Other deposits		145,110	134,819
Unclaimed dividend		18,456	18,471
		163,566	153,290
<b>Total Liabilities</b>		11,375,138	11,212,806
<b>Total Equity and Liabilities</b>		27,807,575	27,389,975
<b>Contingencies and Commitments</b>	6 & 8		

**GENERAL**

Rupees '000

	<u>Note</u>	<u>AS AT</u>	
		<u>31-03-2008</u>	<u>31-12-2007</u>
<b>Cash and Bank Deposits</b>			
Cash and other equivalent		9,861	1,862
Current and other accounts		377,305	939,204
Deposits maturing within 12 months		204,289	221,810
		591,455	1,162,876
<b>Loans-secured considered good</b>			
To employees		3,453	3,770
<b>Investments</b>	4	18,006,068	18,595,362
<b>Investment properties</b>		268,105	272,494
<b>Deferred taxation</b>		-	84,183
<b>Other Assets</b>			
Premiums due but unpaid - net		2,000,610	1,546,814
Amounts due from other insurers/reinsurers		659,467	63,753
Salvage recoveries accrued		39,236	34,319
Accrued investment income		114,183	29,205
Reinsurance recoveries against outstanding claims		3,326,047	2,980,797
Taxation-payments less provision		147,046	140,334
Deferred commission expense		447,970	420,389
Prepayments		1,572,894	1,532,766
Security deposits		13,279	13,899
Other receivables		185,283	83,975
		8,506,015	6,846,251
<b>Fixed Assets-Tangible &amp; Intangible</b>			
Land and buildings		124,835	113,767
Furniture, fixtures and office equipment		152,130	148,388
Motor vehicles		149,838	156,716
Computer Software		5,676	6,168
		432,479	425,039
<b>Total Assets</b>		<u>27,807,575</u>	<u>27,389,975</u>

The annexed notes 1 to 12 form an integral part of these financial statements.

TAHER G. SACHAK  
Director

MUNEER R. BHIMJEE  
Director

SAIFUDDIN N. ZOOMKAWALA  
Managing Director & Chief Executive

RAFIQUE R. BHIMJEE  
Chairman

**Condensed Interim Profit & Loss Account  
for the three months period ended 31 March (Unaudited)**



Rupees '000

	<b>Fire &amp; Property Damage</b>	<b>Marine, Aviation &amp; Transport</b>	<b>Motor</b>	<b>Others</b>	<b>Treaty</b>	<b>Aggregate</b>	
						<b>2008</b>	<b>2007</b>
<b>Revenue Account</b>							
Net premium revenue	169,783	206,890	1,059,986	22,656	62,172	1,521,487	1,517,441
Add: Premium deficiency income	-	-	8,130	-	-	8,130	-
Less: Net claims	82,047	45,099	879,993	7,074	48,908	1,063,121	1,081,236
Less: Expenses	70,275	35,559	102,497	17,093	-	225,424	176,809
Less: Net commission	(16,575)	38,328	65,474	(13,551)	9,652	83,328	81,087
<b>Underwriting result</b>	<b>34,036</b>	<b>87,904</b>	<b>20,152</b>	<b>12,040</b>	<b>3,612</b>	<b>157,744</b>	<b>178,309</b>
Investment income						286,124	196,541
Rental income						19,972	18,382
Other income						13,896	11,034
Difference in exchange						1,076	337
General and administration expenses						(94,472)	(87,401)
						226,596	138,893
<b>Profit before tax</b>						<b>384,340</b>	<b>317,202</b>
Provision for taxation - current						10,614	59,500
- deferred						118,458	922
						129,072	60,422
<b>Profit after tax</b>						<b>255,268</b>	<b>256,780</b>
<b>Profit and loss appropriation account</b>							
<b>Balance at commencement of period</b>						14,564,267	777,958
Profit after tax for the period						255,268	256,780
<b>Balance unappropriated profit at end of the period</b>						<b>14,819,535</b>	<b>1,034,738</b>
						Rupees	Rupees
<b>Earnings per share - basic and diluted</b>						<b>2.55</b>	<b>2.57</b>

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Director

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Managing Director & Chief Executive

RAFIQUE R. BHIMJEE  
Chairman

**Condensed Interim Statement of Changes in Equity  
for the three months period ended 31 March 2008 (Unaudited)**



Rupees '000

	<u>Share Capital</u>	<u>General Reserve</u>	<u>Unappropriated Profit</u>	<u>Reserve for exceptional losses</u>	<u>Total</u>
Balance as at 1 January 2007	500,000	500,000	777,958	12,902	1,790,860
Profit for the period			256,780	-	256,780
Balance as at 31 March 2007	<u>500,000</u>	<u>500,000</u>	<u>1,034,738</u>	<u>12,902</u>	<u>2,047,640</u>
Balance as at 1 January 2008	1,000,000	600,000	14,564,267	12,902	16,177,169
Profit for the period			255,268	-	255,268
Balance as at 31 March 2008	<u>1,000,000</u>	<u>600,000</u>	<u>14,819,535</u>	<u>12,902</u>	<u>16,432,437</u>

The annexed notes 1 to 12 form an integral part of these financial statements.

TAHER G. SACHAK  
*Director*

MUNEER R. BHIMJEE  
*Director*

SAIFUDDIN N. ZOOMKAWALA  
*Managing Director & Chief Executive*

RAFIQUE R. BHIMJEE  
*Chairman*



**Condensed Interim Statement of Cash Flows**  
**for the three months period ended 31 March 2008 (Unaudited)**



**GENERAL**

Rupees '000

	<b>2008</b>	<b>2007</b>
<b>Operating Cash Flows</b>		
a) Underwriting activities		
Premiums received	2,080,458	1,901,035
Reinsurance premiums paid	(1,154,797)	(603,692)
Claims paid	(2,382,136)	(1,274,196)
Reinsurance and other recoveries received	641,441	194,449
Commissions paid	(226,363)	(190,129)
Commissions received	139,877	120,770
Management expenses paid	(212,978)	(159,315)
Net cash flow from underwriting activities	(1,114,498)	(11,078)
b) Other operating activities		
Income tax paid	(17,326)	(30,484)
Other operating payments	(247,182)	(96,709)
Other operating receipts	-	102,399
Loans advanced	(10)	(50)
Loan repayments received	327	444
Net cash flow from other operating activities	(264,191)	(24,400)
<b>Total cash flow from all operating activities</b>	<b>(1,378,689)</b>	<b>(35,478)</b>
<b>Investment activities</b>		
Profit / return received	27,143	35,236
Dividends received	14,883	15,439
Rentals received	32,123	6,076
Payments for investments	(1,257,352)	(1,320,401)
Proceeds from disposal of investments	2,017,771	1,019,456
Fixed capital expenditure	(31,539)	(43,798)
Proceeds from disposal of fixed assets	4,254	4,452
<b>Total cash flow from investing activities</b>	<b>807,283</b>	<b>(283,540)</b>
<b>Financing activities</b>		
Dividends paid	(15)	(46)
<b>Net cash (outflow) from all activities</b>	<b>(571,421)</b>	<b>(319,064)</b>
Cash at the beginning of the year	1,162,876	1,135,916
<b>Cash at the end of the period</b>	<b>591,455</b>	<b>816,852</b>
<b>Reconciliation to Profit and Loss Account</b>		
Operating cash flows	(1,378,689)	(35,478)
Depreciation / amortisation expense	(26,126)	(20,830)
Investment and rental income	306,096	214,923
Other income	13,896	11,034
Increase in assets other than cash	1,460,695	433,352
(Increase) in liabilities other than running finance	(120,604)	(346,221)
<b>Profit after taxation</b>	<b>255,268</b>	<b>256,780</b>
<b>Definition of cash</b>		
Cash for the purposes of the statement of cash flows consists of:		
Cash and other equivalent	9,861	8,939
Current and other accounts	377,305	638,885
Deposits maturing within 12 months	204,289	169,028
	<b>591,455</b>	<b>816,852</b>

The annexed notes 1 to 12 form an integral part of these financial statements.

TAHER G. SACHAK  
*Director*

MUNEER R. BHIMJEE  
*Director*

SAIFUDDIN N. ZOOMKAWALA  
*Managing Director & Chief Executive*

RAFIQUE R. BHIMJEE  
*Chairman*

**Condensed Interim Statement of Premiums  
for the three months period ended 31 March 2008 (Unaudited)**



Rupees '000

Class	Premiums			Reinsurance				Net Premium Revenue		
	Written	Unearned Premium Reserve		Earned	Reinsurance ceded	Prepaid Reinsurance Premium ceded		Reinsurance expense	2008	2007
		Opening	Closing			Opening	Closing			
<u>Direct and Facultative</u>										
Fire and Property Damage	791,638	1,407,375	1,455,399	743,614	585,187	1,211,334	1,222,690	573,831	169,783	139,021
Marine, Aviation and Transport	311,408	266,406	242,746	335,068	102,151	98,496	72,469	128,178	206,890	196,521
Motor	1,277,657	1,986,555	2,202,562	1,061,650	1,627	-	(37)	1,664	1,059,986	1,121,825
Miscellaneous	153,551	222,373	259,252	116,672	116,037	190,316	212,337	94,016	22,656	11,697
<b>Total</b>	<b>2,534,254</b>	<b>3,882,709</b>	<b>4,159,959</b>	<b>2,257,004</b>	<b>805,002</b>	<b>1,500,146</b>	<b>1,507,459</b>	<b>797,689</b>	<b>1,459,315</b>	<b>1,469,064</b>
Treaty - proportional	80,976	102,172	120,976	62,172	-	-	-	-	62,172	48,377
<b>Grand Total</b>	<b>2,615,230</b>	<b>3,984,881</b>	<b>4,280,935</b>	<b>2,319,176</b>	<b>805,002</b>	<b>1,500,146</b>	<b>1,507,459</b>	<b>797,689</b>	<b>1,521,487</b>	<b>1,517,441</b>

The annexed notes 1 to 12 form an integral part of these financial statements.

TAHER G. SACHAK  
Director

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Director

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Managing Director & Chief Executive

RAFIQUE R. BHIMJEE  
Chairman

**Condensed Interim Statement of Claims  
for the three months period ended 31 March 2008 (Unaudited)**



Rupees '000

Class	Claims				Reinsurance				Net Claims Expense	
	Paid	Outstanding		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	2008	2007
		Opening	Closing			Opening	Closing			
<u>Direct and Facultative</u>										
Fire and Property Damage	1,181,197	2,695,377	3,044,033	1,529,853	1,106,604	2,378,236	2,719,438	1,447,806	82,047	19,309
Marine, Aviation and Transport	132,486	641,777	586,844	77,553	39,036	372,520	365,938	32,454	45,099	44,614
Motor	1,028,030	1,794,223	1,645,901	879,708	26,361	82,722	56,076	(285)	879,993	980,345
Miscellaneous	35,506	164,270	203,449	74,685	30,335	147,319	184,595	67,611	7,074	9,533
Total	2,377,219	5,295,647	5,480,227	2,561,799	1,202,336	2,980,797	3,326,047	1,547,586	1,014,213	1,053,801
Treaty - proportional	46,157	40,076	42,827	48,908	-	-	-	-	48,908	27,435
Grand Total	2,423,376	5,335,723	5,523,054	2,610,707	1,202,336	2,980,797	3,326,047	1,547,586	1,063,121	1,081,236

The annexed notes 1 to 12 form an integral part of these financial statements.

TAHER G. SACHAK  
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Director

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Managing Director & Chief Executive

RAFIQUE R. BHIMJEE  
Chairman

**Condensed Interim Statement of Expenses  
for the three months period ended 31 March 2008 (Unaudited)**



Rupees '000

Class	Commission			Net expense	Other management expenses	Underwriting expenses	Commissions from reinsurers	Net Underwriting Expenses	
	Paid or Payable	Deferred						2008	2007
		Opening	Closing						
<u>Direct and Facultative</u>									
Fire and Property Damage	93,004	172,606	172,159	93,451	70,275	163,726	110,026	53,700	42,639
Marine, Aviation and Transport	45,312	83,360	85,846	42,826	35,559	78,385	4,498	73,887	60,155
Motor	82,439	114,009	130,984	65,464	102,497	167,961	(10)	167,971	139,649
Miscellaneous	16,036	19,091	24,749	10,378	17,093	27,471	23,929	3,542	4,775
Total	236,791	389,066	413,738	212,119	225,424	437,543	138,443	299,100	247,218
Treaty - proportional	12,561	31,323	34,232	9,652	-	9,652	-	9,652	10,678
Grand Total	249,352	420,389	447,970	221,771	225,424	447,195	138,443	308,752	257,896

Note: Commission from reinsurer is arrived at after taking impact of opening and closing unearned commission.

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Chairman

**Condensed Interim Statement of Investment Income  
for the three months period ended 31 March 2008 (Unaudited)**



Rupees '000

	<u>2008</u>	<u>2007</u>
<b>Income from Trading Investments</b>		
Gain on Sale of Trading Investments	12,034	43,119
Dividend Income	4,495	14,371
	16,529	57,490
<b>Income from Non-Trading Investments</b>		
<b>Held to maturity</b>		
Return on Government Securities	3,590	12,197
Return on Other Fixed Income Securities and Deposits	9,319	17,787
Amortisation of premium relative to par	(784)	(3,382)
	12,125	26,602
<b>Available for sale</b>		
Dividend Income	101,641	34,434
<b>Gain on Sale of Non-Trading Investments</b>	130,685	60,595
	244,451	121,631
<b>Gain on Revaluation of Trading Investments</b>	28,408	19,850
<b>Less: Investment Related Expenses</b>	3,264	2,430
<b>Net Investment Income</b>	<u>286,124</u>	<u>196,541</u>

The annexed notes 1 to 12 form an integral part of these financial statements.

TAHER G. SACHAK  
*Director*

MUNEER R. BHIMJEE  
*Director*

SAIFUDDIN N. ZOOMKAWALA  
*Managing Director & Chief Executive*

RAFIQUE R. BHIMJEE  
*Chairman*

### 1. Status and nature of business

The Company was incorporated as a Public Limited Company on 2 September 1932 and is engaged in general insurance business comprising of fire and property, marine, motor, etc. The shares of the Company are quoted on Karachi and Lahore Stock Exchanges.

The principal place of business is located at EFU House, M.A. Jinnah Road, Karachi.

### 2. Summary of significant accounting policies

The accounting policies adopted for the preparation of these financial statements are consistent with the policies applied in the preparation of the preceding annual financial statements of the Company.

These financial statements are unaudited and are being presented in terms of Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the format prescribed under SEC (Insurance) Rules, 2002 and with the requirements of the International Accounting Standard 34, "Interim Financial Reporting".

### 3. Premium deficiency reserve

The Company maintains a provision in respect of premium deficiency reserve to meet expected future liability after reinsurance from claims and other expenses including reinsurance expense, commission and other underwriting expenses, expected to be incurred after balance sheet date in respect of policies in that class of business in force at balance sheet date. The movement in the premium deficiency reserve is recorded as an expense / income in the profit and loss account for the period.

### 4. Investments

All investments are initially recognised at the fair value of the consideration given and include transaction costs except for held for trading in which case transaction costs are charged to the profit and loss account. All purchases and sales of investments that require delivery within the time frame established by regulations or market convention are accounted for at the trade date. Trade date is the date when the Company commits to purchase or sell the investments.

#### *Held for trading*

Investments which are acquired with the intention to trade by taking advantage of short term market / interest rate movements are considered as held for trading. After initial recognition, these are remeasured at fair values with any resulting gains or losses recognised directly in the profit and loss account.

#### *Available for sale*

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are considered as available for sale. After initial recognition, these are stated at lower of cost or market value determined on an aggregate portfolio basis at the balance sheet date.

#### *Held to maturity*

Investments with fixed or determinable payments and fixed maturity, where management has both the positive intent and the ability to hold to maturity are classified as held to maturity. These are valued at amortised cost. Amortised cost is calculated by taking into account any discount or premium on acquisitions by using effective interest rate method.

#### *Investment in associates*

Available for sale investments include investment in EFU Life Assurance Limited, an associated company, where the Company has significant influence. The investment in EFU Life Assurance Limited is carried at a value of Rs. 10 603 million (31 December 2007: Rs. 10 600 million) at cost. International Accounting Standard 28, "Investment in Associate", requires that an investment in associate in which the investor has significant influence shall be accounted for under the equity method. The Company considers that accounting for these investments at a value above cost would result in complications similar to those related to the adoption of International Accounting Standard 39, "Financial Instruments – Recognition and Measurement". Had this investment been valued using equity method, the carrying amount of investment would have been higher by Rs. 54 million (31 December 2007: Rs. 5.4 million) and profit for the period would have been higher by Rs. 49 million (31 December 2007: Rs. 5.4 million).

	Rupees '000	
	31 March 2008	31 December 2007
Held for trading – at market value		
Mutual funds – open ended	-	50 101
Mutual funds – closed end	-	4 261
Ordinary shares of companies – listed	152 149	324 148
	152 149	378 510
Available for sale – at cost		
Mutual funds – open ended	10 000	10 000
Mutual funds – closed end	51 707	51 706
Preference shares of companies – listed	20 000	20 000
Equity investment in associated undertakings – listed	10 602 572	10 600 438
Ordinary shares of other companies – listed	6 716 883	7 073 198
	17 401 162	17 755 342
Held to maturity		
Certificate of Investments	32 500	32 500
Pakistan Investment Bonds	141 126	141 883
Term Finance Certificates	279 131	287 127
	452 757	461 510
	<u>18 006 068</u>	<u>18 595 362</u>

The market value of investments in shares and securities including investments in associates as on 31 March 2008 was Rs. 26 288 million (31 December 2007: Rs. 20 603 million).

## 5. Operating leases

Rental for vehicles, office equipments and computers under operating leases are charged to income currently.

## 6. Taxation

The income tax assessments of the Company have been finalised upto and including Tax Year 2007 (Financial year ending 31 December 2006). The appeals relating to assessment years 1962-63 to 1975-76 have been decided in Company's favour. However, the department has filed references with the Supreme Court of Pakistan and with the High Court of Sindh for assessment years 1962-63 to 1971-72. Consequently there is a contingent tax liability of Rs. 5.33 million which may arise if the reference petitions are decided against the Company.

The tax department has filed appeals with Income Tax Appellate Tribunal (ITAT) in respect of accounting years 1998 to 2001 and 2003. In case appeals are decided against the Company additional tax liability of Rs. 125 million may arise.

The Company has filed appeals for the Tax Years 2005 to 2007 before ITAT and there could arise a contingent tax liability of Rs. 37 million if the matters are decided against the Company.

No provision has been made in these financial statements for the above contingencies, as the management, based on tax advisor's opinion, considers that it has good arguable cases and there is remote possibility of future outflow of resources.

## 7. Fixed assets – tangible and intangible

The details of additions and disposals during the three months period ended 31 March 2008 are as follows:

	Rupees '000			
	Additions (at cost)		Disposals (at net book value)	
	31 March 2008	31 March 2007	31 March 2008	31 March 2007
<b>Tangibles</b>				
Buildings	13 055	755	-	-
Furniture and fixtures	8 377	7 250	519	1 252
Vehicles	6 567	26 091	-	4 548
Office equipments	1 056	3 317	-	149
Computers	2 209	6 318	-	33
<b>Intangibles</b>				
Computer softwares	275	66	-	-
	<u>31 539</u>	<u>43 797</u>	<u>519</u>	<u>5 982</u>

## 8. Commitments

Commitments under operating leases for vehicles, office equipments, and computers as at 31 March 2008 were Rs. 11 million (31 December 2007: Rs. 17 million).

## 9. Share capital

Issued, subscribed and paid-up		Rupees '000	
Number of shares			
31 March 2008	31 December 2007	31 March 2008	31 December 2007
250 000	250 000		
99 750 000	99 750 000	997 500	997 500
<u>100 000 000</u>	<u>100 000 000</u>	<u>1 000 000</u>	<u>1 000 000</u>

## 10. Related party transactions

The related parties comprise of directors, key management personnel, associated undertakings, entities with common directors and employees' funds.

	Rupees '000	
	31 March 2008	31 March 2007
<b>Associated companies</b>		
<b>Transactions</b>		
Premium written	95 982	79 992
Premium paid	2 404	2 669
Premium ceded	218 800	-
Commission paid	12 616	16 013
Commission earned on cession	31 931	-
Claims incurred	51 489	31 416
Claims lodged	494	3 471
Claims on cession	59 039	-
Investment made	2 135	21 472
Expenses paid	24	29
Donation paid	1 050	1 050



	31 March 2008	31 March 2007
		Rupees '000
<b>Balances</b>		
Balance receivable	165 473	28 704
Balance payable	-	24
<b>Employees' funds</b>		
<b>Transactions</b>		
Contribution to provident fund	3 918	3 278
Contribution to gratuity fund	4 656	4 069
Contribution to pension fund	105	85
<b>Balances receivable / (payable)</b>		
EFU pension fund	19 345	487
EFU gratuity fund	29 838	(4 069)
EFU provident fund	(3 918)	(89)

#### 10.1 Transactions with key management personnel

Key management personnel receive compensation in the form of short term employee benefits, use of company maintained cars and post employment benefits. Key management personnel received total compensation of Rs. 15.79 million for the three months period ended 31 March 2008 (31 March 2007: Rs. 16.86 million).

#### 11. General

11.1 Corresponding figures relating to certain items have been reclassified from "Management expenses" to "General and administration expenses" for the purpose of better classification and presentation.

11.2 Figures have been rounded off to the nearest thousands.

12. These accounts were authorised for issue by the Board of Directors in the meeting held on 28 April 2008.

TAHER G. SACHAK  
Director

MUNEER R. BHIMJEE  
Director

SAIFUDDIN N. ZOOMKAWALA  
Managing Director & Chief Executive

RAFIQUE R. BHIMJEE  
Chairman