



**GENERAL**

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Report (Un-Audited)  
First Quarter 2017



## Company Information

### **Chairman**

Saifuddin N. Zoomkawala

### **Managing Director & Chief Executive**

Hasanali Abdullah

### **Directors**

Rafique R. Bhimjee

Abdul Rehman Haji Habib

Muneer R. Bhimjee

Taher G. Sachak

Ali Raza Siddiqui

Mohammed Iqbal Mankani

Mahmood Lotia

### **Chief Financial Officer & Corporate Secretary**

Altaf Qamruddin Gokal, F.C.A.

### **Legal Advisor**

Mohammad Ali Sayeed

### **Advisors**

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

Salim Rafik Sidiki, B.A. (Hons), M.A.

S.C. (Hamid) Subjally

Syed Mehdi Imam, M.A.

### **Shari'ah Advisor**

Mufti Muhammad Ibrahim Essa

### **Audit Committee**

Rafique R. Bhimjee

Taher G. Sachak

Ali Raza Siddiqui

Mohammed Iqbal Mankani

### **Investment Committee**

Saifuddin N. Zoomkawala

Hasanali Abdullah

Rafique R. Bhimjee

### **Ethics, Human Resource & Remuneration Committee**

Saifuddin N. Zoomkawala

Rafique R. Bhimjee

Hasanali Abdullah

### **Auditors**

KPMG Taseer Hadi & Co.

Chartered Accountants

Sheikh Sultan Trust Building No. 2

Beaumont Road

Karachi

### **Registrar**

Technology Trade (Pvt.) Ltd.

Dagia House 241-C

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

Off Shahra-e-Quaideen

Karachi

### **Website**

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

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## Directors' Review

We are pleased to present the unaudited financial statements for the three months period ended 31 March 2017.

The Written Premium for the period was Rs. 5,270 million (including Takaful Contribution of Rs. 308 million) as against Rs. 4,698 million for corresponding period of last year (i.e. increase by 12 %). The Net Premium Revenue for the period (including Takaful Net Contribution Revenue) was Rs. 2,056 million as against Rs. 1,873 million for the corresponding period of last year. The overall Claims ratio to Net Premium Revenue was 41 % as compared to 43 % for the corresponding period of last year. The total underwriting profit for the period was Rs. 364 million as compared to Rs. 295 million in corresponding period of last year.

The profit before tax for the period under review was Rs. 840 million compared to Rs. 730 million in the corresponding period last year (i.e. an increase by 15 %). The after tax profit for the three months period was Rs. 600 million compared to Rs. 557 million in the corresponding period last year.

The earnings per share for the period was Rs. 3.00 against Rs. 2.78 in the corresponding period of last year.

Your Directors have pleasure in declaring first interim cash dividend of Rs. 1.25 (12.5 %) per share for the period ended 31 March 2017.

The total Market value of Properties, Equity (other than investment in associate), Fixed Income securities and Cash and Bank Balances as at 31 March 2017 stood at Rs. 21,223 million as compared to Rs. 19,756 million as on 31 December 2016.

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

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

MAHMOOD LOTIA  
Director

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 27 April 2017

## ڈائریکٹرز ریویو

(یہ انگریزی ڈائریکٹرز ریویو کا ترجمہ ہے)

ہم بمسرت آپ کی خدمت میں ۳۱ مارچ ۲۰۱۷ء کو ختم ہونے والی سہ ماہی کیلئے غیر آڈٹ شدہ مالیاتی حسابات پیش کرتے ہیں۔

اس مدت کے دوران تحریری پریمیم ۵،۲۷۰ ملین روپے رہا (بشمول تکافل کنٹری بیوشن ۳۰۸ ملین روپے)، جبکہ گزشتہ سال اسی مدت میں ۴،۶۹۸ ملین روپے تھا، (یعنی ۱۲ فیصد کا اضافہ)۔ اس مدت کے دوران خالص پریمیم آمدن (بشمول خالص تکافل کنٹری بیوشن) ۲،۰۵۶ ملین روپے رہے، جبکہ گزشتہ سال اسی مدت میں ۱،۸۷۳ ملین روپے تھا۔ مجموعی کلیمز اور خالص پریمیم آمدن کے درمیان عمومی تناسب ۴۱ فیصد رہا، جبکہ گزشتہ سال اسی مدت کے دوران ۴۳ فیصد تھا۔ اس مدت کے دوران مجموعی انڈر رائٹنگ سے گل منافع ۳۶۴ ملین روپے رہا۔ جبکہ گزشتہ سال اسی مدت میں یہ رقم ۲۹۵ ملین روپے تھی۔

ٹیکس سے پہلے کا منافع اس مدت کیلئے جس کا کہ جائزہ لیا جا رہا ہے ۸۴۰ ملین روپے رہا۔ جبکہ گزشتہ سال اسی مدت میں ۳۰۷ ملین روپے تھا (یعنی ۱۵ فیصد کا اضافہ)۔ اس سہ ماہی کی مدت کیلئے بعد از ٹیکس منافع ۶۰۰ ملین روپے رہا، جبکہ گزشتہ سال اسی مدت میں ۵۵۷ ملین روپے تھا۔

اس مدت کے دوران آمدنی فی شیئر ۳۰۰ روپے رہی، جبکہ گزشتہ سال اسی مدت میں ۲۷۸ روپے تھی۔

آپ کے ڈائریکٹرز بمسرت اعلان کرتے ہیں کہ ۳۱ مارچ ۲۰۱۷ء میں ختم ہونے والی سہ ماہی کے لئے پہلا نقد منافع منقسمہ بحساب ۱،۲۵ روپیہ فی شیئر (۱۲۵ فیصد) ہے۔

۳۱ مارچ ۲۰۱۷ء کو کمپنی کی ملکیتی جائیداد، ایکویٹیز، (علاوہ ایسوسی ایٹ میں سرمایہ کاری)، فکسڈ انکم سیکیورٹیز، نقد رقم اور بینک بیلنسز کی کل مارکیٹ ویلیو ۲۱،۲۲۳ ملین روپے رہے، جبکہ گزشتہ سال ۳۱ دسمبر ۲۰۱۶ء کی مدت میں ۱۹،۷۵۶ ملین روپے تھا۔

آپ کے ڈائریکٹرز کمپنی کے فیبلڈ فورس، آفیسرز اور اسٹاف کی لگن کیلئے از حد قدر دانی ریکارڈ پر لانا چاہتے ہیں۔

آپ کے ڈائریکٹرز سیکورٹیز اینڈ ایڈجسٹمنٹ 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 ابن زومکا والا  
چیئرمین

حسن علی عبداللہ  
ٹیچنگ ڈائریکٹر و چیف ایگزیکٹو

منیر آر۔ بھیم جی  
ڈائریکٹر

محمود لوڈیا  
ڈائریکٹر

کراچی ۲۷ اپریل ۲۰۱۷ء

## Condensed Interim Balance Sheet As at 31 March 2017 (Unaudited)

|  | Note | 31 March<br>2017<br>( Unaudited ) | 31 December<br>2016<br>( Audited ) |
|--|------|-----------------------------------|------------------------------------|
| <b>Share capital and reserves</b>                    |      |                                   |                                    |
| Authorised share capital                             |      |                                   |                                    |
| 200 000 000 (2016: 200 000 000)                      |      |                                   |                                    |
| ordinary shares of Rs.10 each                        |      | 2 000 000                         | 2 000 000                          |
| Issued, subscribed and paid-up share capital         |      | 2 000 000                         | 2 000 000                          |
| Reserves and retained earnings                       | 5    | 15 501 274                        | 14 901 071                         |
|  |      | 17 501 274                        | 16 901 071                         |
| <b>Underwriting provisions</b>                       |      |                                   |                                    |
| Provision for outstanding claims (including IBNR)    |      | 5 473 455                         | 5 415 030                          |
| Provision for unearned premium                       |      | 8 314 685                         | 7 388 680                          |
| Commission income unearned                           |      | 384 439                           | 343 977                            |
| Total underwriting provisions                        |      | 14 172 579                        | 13 147 687                         |
| <b>Deferred liabilities</b>                          |      |                                   |                                    |
| Deferred taxation                                    |      | 443 237                           | 380 062                            |
| <b>Creditors and accruals</b>                        |      |                                   |                                    |
| Premiums received in advance                         |      | 9 503                             | 4 597                              |
| Amounts due to other insurers / reinsurers           |      | 3 805 375                         | 3 584 545                          |
| Accrued expenses                                     |      | 179 871                           | 235 112                            |
| Agent balances                                       |      | 656 412                           | 573 490                            |
| Unearned rentals                                     |      | 59 700                            | 55 642                             |
| Taxation - provision less payments                   |      | 211 485                           | 208 186                            |
| Other creditors and accruals                         |      | 296 420                           | 237 785                            |
|  |      | 5 218 766                         | 4 899 357                          |
| <b>Other liabilities</b>                             |      |                                   |                                    |
| Other deposits                                       |      | 567 521                           | 583,291                            |
| Unclaimed dividends                                  |      | 161 125                           | 159 020                            |
|  |      | 728 646                           | 742 311                            |
| <b>Total liabilities</b>                             |      | 20 563 228                        | 19 169 417                         |
| <b>Total equity and liabilities</b>                  |      | 38 064 502                        | 36 070 488                         |
| <b>Total liabilities of takaful operations - OPF</b> |      | 159 032                           | 133 715                            |
| <b>Total equity and liabilities</b>                  |      | 38 223 534                        | 36 204 203                         |
| <b>Contingencies</b>                                 | 6    |                                   |                                    |

Rupees '000

|   | Note | 31 March<br>2017<br>( Unaudited ) | 31 December<br>2016<br>( Audited ) |
|---|------|-----------------------------------|------------------------------------|
| <b>Cash and bank deposits</b>                     |      |                                   |                                    |
| Cash and other equivalents                        |      | 7 410                             | 7 730                              |
| Current and other accounts                        |      | 1 800 908                         | 1 187 856                          |
| Deposits maturing within 12 months                |      | 371 400                           | 671 880                            |
|   |      | 2 179 718                         | 1 867 466                          |
| <b>Loans - secured considered good</b>            |      |                                   |                                    |
| To employees                                      |      | 2 171                             | 2 258                              |
| <b>Investments</b>                                | 7    | 21 653 638                        | 20 336 529                         |
| <b>Investment properties</b>                      |      | 167 763                           | 174 081                            |
| <b>Current assets - others</b>                    |      |                                   |                                    |
| Premiums due but unpaid - net                     | 8    | 3 671 275                         | 3 980 010                          |
| Amounts due from other insurers / reinsurers      |      | 14 947                            | 17 862                             |
| Salvage recoveries accrued                        |      | 58 776                            | 36 627                             |
| Accrued investment income                         |      | 102 399                           | 173 970                            |
| Reinsurance recoveries against outstanding claims |      | 3 481 318                         | 3 424 617                          |
| Deferred commission expense                       |      | 632 211                           | 564 645                            |
| Prepayments                                       |      | 4 758 827                         | 4 207 314                          |
| Security deposits                                 |      | 8 295                             | 8 758                              |
| Sundry receivables                                |      | 50 684                            | 57 802                             |
|   |      | 12 778 732                        | 12 471 605                         |
| <b>Fixed assets - tangible and intangible</b>     | 9    |                                   |                                    |
| Buildings   |      | 425 406                           | 416 045                            |
| Furniture, fixtures and office equipments         |      | 295 652                           | 299 653                            |
| Vehicles  |      | 267 788                           | 231 276                            |
| Motor tracking devices                            |      | 147 008                           | 135 187                            |
| Capital work-in-progress                          |      | 5 300                             | 2 750                              |
|   |      | 1 141 154                         | 1 084 911                          |
| <b>Total assets</b>                               |      | 37 923 176                        | 35 936 850                         |
| <b>Total assets from takaful operations - OPF</b> |      | 300 358                           | 267 353                            |
| <b>Total assets</b>                               |      | 38 223 534                        | 36 204 203                         |

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

MAHMOOD LOTIA  
Director

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 27 April 2017

## Condensed Interim Profit and Loss Account For the three months period ended 31 March 2017 (Unaudited)

Rupees '000

|   | Note | Fire & property damage | Marine, aviation & transport | Motor         | Others        | Treaty   | Aggregate 2017   | Aggregate 2016   |
|---|------|------------------------|------------------------------|---------------|---------------|----------|------------------|------------------|
| <b>Revenue account</b>                                    |      |                        |                              |               |               |          |                  |                  |
| Net premium revenue                                       |      | 460 393                | 340 203                      | 852 549       | 166 646       | –        | 1 819 791        | 1 811 933        |
| Net claims  |      | (101 857)              | (108 262)                    | (473 575)     | (41 924)      | –        | (725 618)        | (790 798)        |
| Management expenses                                       |      | (152 275)              | (99 764)                     | (263 882)     | (51 300)      | –        | (567 221)        | (556 484)        |
| Net commission  |      | (57 724)               | (56 348)                     | (71 856)      | 22 736        | –        | (163 192)        | (169 165)        |
| <b>Underwriting result</b>                                |      | <u>148 537</u>         | <u>75 829</u>                | <u>43 236</u> | <u>96 158</u> | <u>–</u> | <u>363 760</u>   | <u>295 486</u>   |
| <b>Investment income</b>                                  |      |                        |                              |               |               |          |                  |                  |
| Investment income   |      |                        |                              |               |               |          | 207 210          | 237 265          |
| Rental income   |      |                        |                              |               |               |          | 32 686           | 34 305           |
| Profit on deposits  |      |                        |                              |               |               |          | 18 612           | 16 995           |
| Other income  |      |                        |                              |               |               |          | 9 098            | 8 106            |
| Share of profit of associate                              |      |                        |                              |               |               |          | 243 595          | 172 372          |
| General and administration expenses                       |      |                        |                              |               |               |          | (44 900)         | (49 565)         |
|   |      |                        |                              |               |               |          | 466 301          | 419 478          |
| Profit before tax from takaful operations - OPF           | 10   |                        |                              |               |               |          | 10 098           | 14 983           |
| <b>Profit before tax</b>                                  |      |                        |                              |               |               |          | 840 159          | 729 947          |
| <b>Provision for taxation</b>                             | 11   |                        |                              |               |               |          | (239 956)        | (173 346)        |
| <b>Profit after tax</b>                                   |      |                        |                              |               |               |          | <u>600 203</u>   | <u>556 601</u>   |
| <b>Profit and loss appropriation account</b>              |      |                        |                              |               |               |          |                  |                  |
| Balance at commencement of the period                     |      |                        |                              |               |               |          | 2 388 169        | 3 734 110        |
| Profit after tax  |      |                        |                              |               |               |          | 600 203          | 556 601          |
| <b>Balance unappropriated profit at end of the period</b> |      |                        |                              |               |               |          | <u>2 988 372</u> | <u>4 290 711</u> |
|   |      |                        |                              |               |               |          |                  | Restated         |
| <b>Earnings per share - basic and diluted</b>             |      |                        |                              |               |               | (Rupees) | <u>3.00</u>      | <u>2.78</u>      |

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

MAHMOOD LOTIA  
Director

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman



Condensed Interim Statement of Comprehensive Income  
For the three months period ended 31 March 2017 (Unaudited)

Rupees '000

|  | 2017           | 2016           |
|--|----------------|----------------|
| Profit after tax for the period                      | 600 203        | 556 601        |
| Other comprehensive income / (loss)                  | –              | –              |
| <b>Total comprehensive income<br/>for the period</b> | <b>600 203</b> | <b>556 601</b> |

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

MAHMOOD LOTIA  
Director

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 27 April 2017

## Condensed Interim Statement of Changes in Equity For the three months period ended 31 March 2017 (Unaudited)

Rupees '000

|   | Share capital    | General reserve   | Reserve for exceptional losses | Unappropriated profit | Total             |
|---|------------------|-------------------|--------------------------------|-----------------------|-------------------|
| Balance as at 1 January 2016  | 1 600 000        | 10 500 000        | 12 902                         | 3 734 110             | 15 847 012        |
| <b>Total comprehensive income / (loss)<br/>for the period ended 31 March 2016</b> |                  |                   |                                |                       |                   |
| Profit after tax for the period   | –                | –                 | –                              | 556 601               | 556 601           |
| Balance as at 31 March 2016   | <u>1 600 000</u> | <u>10 500 000</u> | <u>12 902</u>                  | <u>4 290 711</u>      | <u>16 403 613</u> |
| Balance as at 1 January 2017  | 2 000 000        | 12 500 000        | 12 902                         | 2 388 169             | 16 901 071        |
| <b>Total comprehensive income / (loss)<br/>for the period ended 31 March 2017</b> |                  |                   |                                |                       |                   |
| Profit after tax for the period   | –                | –                 | –                              | 600 203               | 600 203           |
| Balance as at 31 March 2017   | <u>2 000 000</u> | <u>12 500 000</u> | <u>12 902</u>                  | <u>2 988 372</u>      | <u>17 501 274</u> |

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

MAHMOOD LOTIA  
Director

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 27 April 2017

## Condensed Interim Statement of Cash Flows For the three months period ended 31 March 2017 (Unaudited)

Rupees '000

|   | 2017             | 2016             |
|---|------------------|------------------|
| <b>Operating activities</b>                                       |                  |                  |
| a) Underwriting activities  |                  |                  |
| Premiums received   | 5 275 717        | 3 967 591        |
| Reinsurance premiums paid   | (2 467 555)      | (2 102 554)      |
| Claims paid   | (1 394 246)      | (1 183 167)      |
| Reinsurance and other recoveries received                         | 651 120          | 371 051          |
| Commissions paid  | (327 400)        | (294 826)        |
| Commissions received  | 220 025          | 225 560          |
| Management expenses paid  | (564 639)        | (467 068)        |
| Net cash inflow from underwriting activities                      | 1 393 022        | 516 587          |
| b) Other operating activities                                     |                  |                  |
| Income tax paid   | (173 482)        | (134 476)        |
| General and administration expenses                               | (24 159)         | (94 590)         |
| Other operating payments  | (69 415)         | (31 075)         |
| Other operating receipts  | 42 618           | 76 850           |
| Loans advanced  | (907)            | (1 382)          |
| Loans repayments received   | 994              | 1 069            |
| Net cash outflow from other operating activities                  | (224 351)        | (183 604)        |
| <b>Total cash inflow from all operating activities</b>            | <b>1 168 671</b> | <b>332 983</b>   |
| <b>Investment activities</b>                                      |                  |                  |
| Profit / return received  | 205 381          | 174 580          |
| Dividends received  | 64 545           | 39 493           |
| Rentals received  | 22 766           | 9 852            |
| Payments for investments  | (2 672 393)      | (3 056 024)      |
| Proceeds from disposal of investments                             | 1 626 634        | 2 634 181        |
| Fixed capital expenditures  | (117 388)        | (63 742)         |
| Proceeds from disposal of fixed assets                            | 11 932           | 7 897            |
| <b>Total cash outflow from investing activities</b>               | <b>(858 523)</b> | <b>(253 763)</b> |
| <b>Financing activities</b>                                       |                  |                  |
| Dividends paid / (adjustment)                                     | 2 105            | (23)             |
| <b>Net cash inflow from all activities</b>                        | <b>312 253</b>   | <b>79 197</b>    |
| Cash at the beginning of the period                               | 1 867 465        | 1 748 996        |
| <b>Cash at the end of the period</b>                              | <b>2 179 718</b> | <b>1 828 193</b> |
| <b>Reconciliation to profit and loss account</b>                  |                  |                  |
| Operating cash flows  | 1 168 671        | 332 983          |
| Depreciation / amortisation expense                               | (64 586)         | (60 181)         |
| Rentals and investment income                                     | 225 918          | 261 180          |
| Profit on deposits  | 18 612           | 16 995           |
| Other income  | 9 345            | 8 284            |
| Share of profit of associate                                      | 243 595          | 172 372          |
| Increase in assets other than cash                                | 376 199          | 933 701          |
| Increase in liabilities other than running finance                | (1 387 649)      | (1 123 716)      |
| <b>Profit after tax from conventional insurance operations</b>    | <b>590 105</b>   | <b>541 618</b>   |
| <b>Profit from takaful operations - OPF</b>                       | <b>10 098</b>    | <b>14 983</b>    |
| <b>Profit after tax at the end of the period</b>                  | <b>600 203</b>   | <b>556 601</b>   |
| <b>Definition of cash</b>   |                  |                  |
| Cash for the purposes of the statement of cash flows consists of: |                  |                  |
| Cash and other equivalents  | 7 410            | 5 873            |
| Current and other accounts  | 1 800 908        | 1 495 401        |
| Deposits maturing within 12 months                                | 371 400          | 326 919          |
|   | <b>2 179 718</b> | <b>1 828 193</b> |

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

MAHMOOD LOTIA  
Director

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 27 April 2017

## Condensed Interim Statement of Premiums For the three months period ended 31 March 2017 (Unaudited)

Rupees '000

| Class                          | Premiums  |                          |           |           | Reinsurance       |                                   |           |                     | Net premium revenue<br>2017 | Net premium revenue<br>2016 |
|--------------------------------|-----------|--------------------------|-----------|-----------|-------------------|-----------------------------------|-----------|---------------------|-----------------------------|-----------------------------|
|                                | Written   | Unearned premium reserve |           | Earned    | Reinsurance ceded | Prepaid reinsurance premium ceded |           | Reinsurance expense |                             |                             |
|                                |           | Opening                  | Closing   |           |                   | Opening                           | Closing   |                     |                             |                             |
| <b>Direct and facultative</b>  |           |                          |           |           |                   |                                   |           |                     |                             |                             |
| Fire and property damage       | 2 877 353 | 4 679 957                | 5 247 039 | 2 310 271 | 2 303 516         | 3 602 923                         | 4 056 561 | 1 849 878           | 460 393                     | 451 450                     |
| Marine, aviation and transport | 523 907   | 529 897                  | 531 977   | 521 827   | 99 822            | 220 450                           | 138 648   | 181 624             | 340 203                     | 394 524                     |
| Motor                          | 1 054 350 | 1 581 063                | 1 778 172 | 857 241   | 4 692             | -                                 | -         | 4 692               | 852 549                     | 815 727                     |
| Miscellaneous                  | 506 466   | 597 763                  | 757 497   | 346 732   | 280 354           | 328 301                           | 428 569   | 180 086             | 166 646                     | 150 232                     |
| Total                          | 4 962 076 | 7 388 680                | 8 314 685 | 4 036 071 | 2 688 384         | 4 151 674                         | 4 623 778 | 2 216 280           | 1 819 791                   | 1 811 933                   |
| <b>Treaty - proportional</b>   | -         | -                        | -         | -         | -                 | -                                 | -         | -                   | -                           | -                           |
| Grand total                    | 4 962 076 | 7 388 680                | 8 314 685 | 4 036 071 | 2 688 384         | 4 151 674                         | 4 623 778 | 2 216 280           | 1 819 791                   | 1 811 933                   |

**Note:** Premiums written includes administrative surcharge of Rs. 120 million (2016: Rs. 106 million).

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Karachi 27 April 2017

## Condensed Interim Statement of Claims For the three months period ended 31 March 2017 (Unaudited)

Rupees '000

| Class                          | Claims                  |                         |                         |                         | Reinsurance  |   |                         |   | Net<br>claims<br>expense<br>2017 | Net<br>claims<br>expense<br>2016 |
|--------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--|---|-------------------------|---|----------------------------------|----------------------------------|
|                                | Paid                    | Outstanding             |                         | Claims<br>expense       | Reinsurance<br>and other<br>recoveries<br>received | Reinsurance and other<br>recoveries in respect of<br>outstanding claims |                         | Reinsurance<br>and other<br>recoveries<br>revenue |                                  |                                  |
|                                |                         | Opening                 | Closing                 |                         |  | Opening   | Closing                 |   |                                  |                                  |
| <b>Direct and facultative</b>  |                         |                         |                         |                         |  |   |                         |   |                                  |                                  |
| Fire and property damage       | 664 287                 | 3 179 851               | 3 265 556               | 749 992                 | 541 989  | 2 580 812   | 2 686 958               | 648 135   | 101 857                          | 97 577                           |
| Marine, aviation and transport | 172 872                 | 852 211                 | 801 609                 | 122 270                 | 58 231   | 404 138   | 359 915                 | 14 008  | 108 262                          | 136 362                          |
| Motor                          | 445 169                 | 825 109                 | 853 432                 | 473 492                 | ( 83 )   | 3 800   | 3 800                   | ( 83 )  | 473 575                          | 494 393                          |
| Miscellaneous                  | 89 770                  | 557 859                 | 552 858                 | 84 769                  | 48 067   | 435 867   | 430 645                 | 42 845  | 41 924                           | 62 466                           |
| Total                          | <u>1 372 098</u>        | <u>5 415 030</u>        | <u>5 473 455</u>        | <u>1 430 523</u>        | <u>648 204</u>                                     | <u>3 424 617</u>  | <u>3 481 318</u>        | <u>704 905</u>                                    | <u>725 618</u>                   | <u>790 798</u>                   |
| <b>Treaty - proportional</b>   | -                       | -                       | -                       | -                       | -  | -   | -                       | -   | -                                | -                                |
| Grand total                    | <u><u>1 372 098</u></u> | <u><u>5 415 030</u></u> | <u><u>5 473 455</u></u> | <u><u>1 430 523</u></u> | <u><u>648 204</u></u>                              | <u><u>3 424 617</u></u>   | <u><u>3 481 318</u></u> | <u><u>704 905</u></u>                             | <u><u>725 618</u></u>            | <u><u>790 798</u></u>            |

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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Chairman

Karachi 27 April 2017

## Condensed Interim Statement of Expenses For the three months period ended 31 March 2017 (Unaudited)

Rupees '000

| Class                          | Paid or payable | Commission |         | Net expense | Other management expenses | Underwriting expenses | Commission from reinsurers | Net underwriting expenses | Net underwriting expenses |
|--------------------------------|-----------------|------------|---------|-------------|---------------------------|-----------------------|----------------------------|---------------------------|---------------------------|
|                                |                 | Opening    | Closing |             |                           |                       |                            | 2017                      | 2016                      |
| <b>Direct and facultative</b>  |                 |            |         |             |                           |                       |                            |                           |                           |
| Fire and property damage       | 221 459         | 333 386    | 373 733 | 181 112     | 152 275                   | 333 387               | 123 388                    | 209 999                   | 197 694                   |
| Marine, aviation and transport | 64 120          | 51 549     | 53 536  | 62 133      | 99 764                    | 161 897               | 5 785                      | 156 112                   | 179 393                   |
| Motor                          | 81 175          | 134 154    | 143 473 | 71 856      | 263 882                   | 335 738               | –                          | 335 738                   | 330 870                   |
| Miscellaneous                  | 43 568          | 45 556     | 61 469  | 27 655      | 51 300                    | 78 955                | 50 391                     | 28 564                    | 17 692                    |
| Total                          | 410 322         | 564 645    | 632 211 | 342 756     | 567 221                   | 909 977               | 179 564                    | 730 413                   | 725 649                   |
| <b>Treaty - proportional</b>   | –               | –          | –       | –           | –                         | –                     | –                          | –                         | –                         |
| Grand total                    | 410 322         | 564 645    | 632 211 | 342 756     | 567 221                   | 909 977               | 179 564                    | 730 413                   | 725 649                   |

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

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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Director

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Chairman

Karachi 27 April 2017

Condensed Interim Statement of Investment Income  
For the three months period ended 31 March 2017 (Unaudited)

Rupees '000

|  | 2017           | 2016           |
|--|----------------|----------------|
| <b>Income from non - trading investments</b>   |                |                |
| Return on government securities  | 122 559        | 77 167         |
| Amortisation of (premium) / discount relative to par                                   | ( 7 249 )      | 5 146          |
| Dividend income  | 64 545         | 63 519         |
| Gain on sale of non - trading investments  | 16 527         | 93 338         |
|  | 196 382        | 239 170        |
| <b>Reversal of provision for impairment - available<br/>for sale investments - net</b> | 11 228         | ( 1 481 )      |
| <b>Investment related expenses</b>   | ( 400 )        | ( 424 )        |
| <b>Net investment income</b>   | <u>207 210</u> | <u>237 265</u> |

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 27 April 2017

## Notes to the Condensed Interim Financial Statements For the three months period ended 31 March 2017 (Unaudited)

### 1. Status and nature of business

EFU General Insurance Limited (the Company) was incorporated as a public limited company on 2 September 1932. The Company is listed on the Pakistan Stock Exchange and is engaged in non-life insurance business comprising of fire and property, 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 has been allowed to work as Window Takaful Operator on 16 April 2015 by Securities and Exchange Commission of Pakistan under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan.

### 2. Statement of compliance

- 2.1 These condensed interim financial statements of the Company for the three months period ended 31 March 2017 have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and Insurance Rules, 2017 and SECP Takaful Rules, 2012. In case where requirements differ, the provisions or directives issued under the Companies Ordinance, 1984, Insurance Ordinance, 2000, Insurance Rules, 2017 and SECP Takaful Rules, 2012 have been followed.
- 2.2 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 Company's annual financial statements for the year ended 31 December 2016.
- 2.3 Separate set of financial statements of the General Takaful Operations has been annexed to these financial statements as per the requirements of the Takaful Rules, 2012.

### 3. Significant accounting policies

- 3.1 The accounting policies and the methods of computation adopted by the Company in the preparation of this condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended 31 December 2016.
- 3.2 During the period certain standards became effective; however, they do not have material effect on these financial statements of the Company.

### 4. Financial risk management / judgements and estimates

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended 31 December 2016.

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

In preparing these condensed interim financial statements, the significant judgements 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 financial statements as at and for the year ended 31 December 2016.

### 5. Reserves and retained earnings

Rupees '000

|                                | Note | 31 March<br>2017<br>( Unaudited ) | 31 December<br>2016<br>( Audited ) |
|--------------------------------|------|-----------------------------------|------------------------------------|
| General reserve                |      | 12 500 000                        | 12 500 000                         |
| Reserve for exceptional losses | 5.1  | 12 902                            | 12 902                             |
| Retained earnings              |      | <u>2 988 372</u>                  | <u>2 388 169</u>                   |
|                                |      | <u>15 501 274</u>                 | <u>14 901 071</u>                  |



- 5.1 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.

## 6. Contingencies

- 6.1 The income tax assessment of the Company has been finalised up to tax year 2016.

The Income Tax Department have made 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 has filed appeals before Commissioner Inland Revenue (Appeals). The appeals have been decided in the favour of the Company. The Department filed appeals before 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 assessment order for assessment year 2002-2003 by adding certain items. The Company filed appeal before Commissioner Income Tax (Appeals). The appeal decided in the favour of the Company. The Department has filed appeal to Income Tax Appellate Tribunal (ITAT) and the same has decided in the favour of the Company. The department has filed appeal before Honourable High Court against the order of 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 be payable.

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 have been decided in the favour of the Company. The Department then filed appeals before Income Tax Appellate Tribunal (ITAT). The Income Tax Appellate Tribunal (ITAT) passed order in favour of the Company. The Department then filed reference before Honourable High Court. The Honourable High Court maintained the decision of Income Tax Appellate Tribunal (ITAT). The department has filed appeals for the tax years 2005 to 2007 before Honourable Supreme Court against the decision of the Honourable High Court in respect of proration of expenses and if the appeals are decided against the Company, a tax liability of Rs. 37 million would be payable.

The Commissioner Inland Revenue (Audit) has amended the tax assessment of the Company for tax year 2008 by adding capital gain on investment, depreciation on leased asset, admissible expenses, reinsurance premium ceded, provision for leave encashment, amortization of premium relative to par and provision for outstanding claims (IBNR). The Company filed appeal before Commission Income Tax (Appeals) against the order of Income Tax Commissioner (Audit). The Appeal was decided in favour of the Company except addition made on account of reinsurance premium ceded. The Company has filed appeal before Income Tax Appellate Tribunal (ITAT) against the decision of Income Tax Commissioner (Appeals) for maintaining the decision of Income Tax Commissioner (Audit) with respect to confirming the addition made on account of reinsurance premium ceded. The Income Tax Appellate Tribunal (ITAT) decided the case in favour of the Company. The Department filed appeal in Income Tax Appellate Tribunal (ITAT) against the decision of Income Tax Commissioner (Appeals) for deletion of Capital Gain on Investment, Provision for Leave Encashment, and Depreciation on Leased Asset. If the appeals are decided against the Company, a tax liability of Rs. 5,094 million would be payable. The Income tax Appellate Tribunal (ITAT) has issued orders in favour of assesses on the identical cases.

The Commissioner Inland Revenue (Audit) has amended the tax assessment of the Company for tax year 2014 on the premise that dividend is taxable at corporate rate instead of reduced rate against which the Company filed appeal before Commissioner Inland Revenue (Appeals). The Commissioner Inland Revenue (Appeals) has issued order in favour of the Company. Subsequently, the Department has filed appeal before Income Tax Appellate Tribunal (ITAT) against order of Commissioner (Appeals) and is pending in Income Tax Appellate Tribunal (ITAT). If the appeal is decided against the Company a tax liability of 115 million would be payable.

The Commissioner Inland Revenue (Audit) has amended the assessment for tax year 2015 for which the Company has filed an appeal before Commissioner Inland Revenue (Appeals). If the appeal is decided against the Company a tax liability of 117 million would be payable.

The Tax Department has amended the assessment of the Company for the tax year 2016 by taxing the dividend income on full corporate tax rate as against the reduced tax rates applied by the Company. The Company has filed appeal against the order of the Commissioner Income Tax (Audit) in the office of Commissioner Income Tax (Appeals). If the appeal is decided against the Company, a tax liability of Rs. 128 million would be payable.

No provision has been made in these 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.

- 6.2 In 2014, 2015, 2016 and 2017, the Searle Company Limited issued bonus shares (453,612, 317,528, 484,839 and 234,877 shares respectively) after withholding 5 percent of bonus shares (22,680, 20,185, 35,864 and 19,223 shares respectively). In this regard, a constitutional petition had been filed by the Company in Sindh High Court challenging the applicability of withholding tax provision on bonus shares received by the Company. The Honourable High Court decided the case against the Company. Subsequently, the Company filed an appeal with a larger bench of the honourable Sindh High Court 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. 29.28 million being withholding tax on bonus shares.

## 7. Investments

Rupees '000

|  | Note      | 31 March<br>2017<br>( Unaudited ) | 31 December<br>2016<br>( Audited ) |
|--|-----------|-----------------------------------|------------------------------------|
| Investment in associate - EFU Life Assurance Limited | 7.1       |                                   |                                    |
| Opening balance                                      |           | 11 949 485                        | 11 570 646                         |
| Purchases during the period                          |           | –                                 | 7 070                              |
| Share in profit of associate                         |           | 243 595                           | 802 361                            |
| Dividend   |           | –                                 | ( 430 592 )                        |
|  |           | 12 193 080                        | 11 949 485                         |
| Provision for impairment                             |           | –                                 | –                                  |
|  |           | 12 193 080                        | 11 949 485                         |
| Available for sale                                   | 7.1 & 7.3 |                                   |                                    |
| In related parties                                   |           |                                   |                                    |
| Mutual funds   |           | 103 179                           | 175 000                            |
| Ordinary shares - net of provision                   |           | 396 298                           | 396 298                            |
|  |           | 499 477                           | 571 298                            |
| Others   |           |                                   |                                    |
| Mutual funds   |           | 291 497                           | 333 513                            |
| Ordinary shares - net of provision                   |           | 2 332 754                         | 2 290 723                          |
| Fixed income securities                              | 7.2 & 7.3 |                                   |                                    |
| Government securities                                |           | 6 336 830                         | 5 191 510                          |
| Term finance certificates                            |           | 44 118                            | 44 118                             |
|  |           | 9 005 199                         | 7 859 864                          |
| Provision for impairment – net of reversals          |           | ( 44 118 )                        | ( 44 118 )                         |
|  |           | 9 460 558                         | 8 387 044                          |
|  |           | 21 653 638                        | 20 336 529                         |

- 7.1 The market value of investment in associate and available for sale investments as on 31 March 2017 was Rs. 11,222 million (31 December 2016: Rs. 9,285 million) and Rs. 15,913 million (31 December 2016: Rs. 14,758 million) respectively.
- 7.2 The fixed income securities includes Government Securities amounting to Rs. 220 million (31 December 2016: Rs. 221 million) deposited with the State Bank of Pakistan as required by section 29 of the Insurance Ordinance, 2000.
- 7.3 As per the Company's accounting policy, available for sale investments are stated at lower of cost or market value. However, IAS 39 - Financial Instruments: Recognition and Measurement, requires that these instruments should be measured at their fair value. Accordingly, had these investments been measured at fair value, their carrying value as on 31 March 2017 would have been higher by Rs. 6,452 million (31 December 2016: higher by Rs. 6,371 million).

**8. Premiums due but unpaid – net – unsecured**

Rupees '000

|                                 | 31 March<br>2017<br>( Unaudited ) | 31 December<br>2016<br>( Audited ) |
|---------------------------------|-----------------------------------|------------------------------------|
| Considered good                 | 3 671 275                         | 3 980 010                          |
| Considered doubtful             | 28 334                            | 27 100                             |
|                                 | <u>3 699 609</u>                  | <u>4 007 110</u>                   |
| Provision for doubtful balances | ( 28 334 )                        | ( 27 100 )                         |
|                                 | <u><u>3 671 275</u></u>           | <u><u>3 980 010</u></u>            |

**9. Fixed assets – tangible and intangible**

The details of additions and disposals during the three months period ended 31 March 2017 are as follows:

Rupees '000

|   | Additions (at cost)               |                                   | Disposals (at net book value)     |                                   |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|   | 31 March<br>2017<br>( Unaudited ) | 31 March<br>2016<br>( Unaudited ) | 31 March<br>2017<br>( Unaudited ) | 31 March<br>2016<br>( Unaudited ) |
| <b>Tangible</b>                         |                                   |                                   |                                   |                                   |
| Buildings                               | 17 242                            | 9 565                             | –                                 | –                                 |
| Furniture and fixtures                  | 6 929                             | 4 963                             | –                                 | –                                 |
| Office equipments                       | 22 345                            | 13 200                            | –                                 | –                                 |
| Computers                               | 5 208                             | 4 579                             | –                                 | –                                 |
| Vehicles                                | 63 113                            | 29 784                            | 2 875                             | –                                 |
| Fixed assets<br>takaful operation (OPF) | –                                 | 1 221                             | –                                 | –                                 |
|   | <u>114 837</u>                    | <u>63 312</u>                     | <u>2 875</u>                      | <u>–</u>                          |

**10. General takaful operations - OPF**

Rupees '000

|                                       | 31 March<br>2017<br>( Unaudited ) | 31 March<br>2016<br>( Unaudited ) |
|---------------------------------------|-----------------------------------|-----------------------------------|
| Wakala fee                            | 60 662                            | 23 544                            |
| Management expenses                   | ( 32 386 )                        | ( 4 242 )                         |
| Commission expenses                   | ( 19 692 )                        | ( 5 113 )                         |
| Investment income                     | 866                               | –                                 |
| Profit on deposits                    | 557                               | 726                               |
| Modarib's share of profit on deposits | 570                               | 218                               |
| General and administration expenses   | ( 479 )                           | ( 150 )                           |
| Profit before tax                     | <u>10 098</u>                     | <u>14 983</u>                     |

## 11. Provision for taxation

Rupees '000

|                | 31 March<br>2017<br>(Unaudited) | 31 March<br>2016<br>(Unaudited) |
|----------------|---------------------------------|---------------------------------|
| For the period |                                 |                                 |
| Current        | 176 781                         | 183 778                         |
| Deferred       | 63 175                          | ( 10 432 )                      |
|                | <u>239 956</u>                  | <u>173 346</u>                  |

## 12. Operating segments

Rupees '000

|  | Fire and property damage |                   | Marine, aviation and transport |                   | Motor               |                   | Miscellaneous       |                   | Treaty              |                   | Total               |                   |
|--|--------------------------|-------------------|--------------------------------|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|-------------------|
|  | 2017<br>(Unaudited)      | 2016<br>(Audited) | 2017<br>(Unaudited)            | 2016<br>(Audited) | 2017<br>(Unaudited) | 2016<br>(Audited) | 2017<br>(Unaudited) | 2016<br>(Audited) | 2017<br>(Unaudited) | 2016<br>(Audited) | 2017<br>(Unaudited) | 2016<br>(Audited) |
| Corporate segment assets – conventional                | 9 164 219                | 9 177 937         | 1 245 597                      | 1 322 684         | 882 166             | 640 298           | 1 190 323           | 1 034 515         | –                   | –                 | 12 482 305          | 12 175 434        |
| Corporate segment assets – Takaful OPF                 | 17 339                   | 15 457            | 3 562                          | 3 096             | 100 245             | 73 348            | 3 409               | 4 623             | –                   | –                 | 124 555             | 96 524            |
| Corporate unallocated assets – conventional            |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | 25 440 871          | 23 761 416        |
| Corporate unallocated assets – Takaful OPF             |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | 175 803             | 170 829           |
| Consolidated total assets                              |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | <u>38 223 534</u>   | <u>36 204 203</u> |
| Corporate segment liabilities                          | 12 402 481               | 11 382 450        | 1 612 302                      | 1 794 889         | 2 737 199           | 2 490 835         | 2 459 408           | 2 225 437         | –                   | –                 | 19 211 390          | 17 893 611        |
| Corporate segment liabilities – Takaful OPF            | 16 369                   | 16 411            | 2 987                          | 2 781             | 128 355             | 99 027            | 10 320              | 14 003            | –                   | –                 | 158 031             | 132 222           |
| Corporate unallocated liabilities                      |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | 1 351 838           | 1 275 806         |
| Corporate unallocated liabilities – Takaful OPF        |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | 1 001               | 1 493             |
| Consolidated total liabilities                         |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | <u>20 722 260</u>   | <u>19 303 132</u> |
| Corporate segment capital expenditures                 | –                        | –                 | –                              | –                 | 21 448              | 56 631            | –                   | –                 | –                   | –                 | 21 448              | 56 631            |
| Segment unallocated capital expenditures-conventional  |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | 95 940              | 155 962           |
| Segment unallocated capital expenditures – Takaful OPF |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | –                   | 3 139             |
| Consolidated total capital expenditures                |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | <u>117 388</u>      | <u>215 732</u>    |
| Corporate segment depreciation                         | –                        | –                 | –                              | –                 | 9 627               | 29 663            | –                   | –                 | –                   | –                 | 9 627               | 29 663            |
| Unallocated depreciation – conventional                |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | 54 959              | 213 692           |
| Unallocated depreciation – Takaful OPF                 |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | 256                 | 882               |
| Total depreciation                                     |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | <u>64 842</u>       | <u>244 237</u>    |

| Location                | External premium less reinsurance by geographical segments |                     | Carrying amount of assets by geographical segments |                   | Carrying amount of liabilities excluding branch account by geographical segments |                   | Capital expenditures |                     |
|-------------------------|--|---------------------|--|-------------------|--|-------------------|----------------------|---------------------|
|                         | 2017<br>(Unaudited)  | 2016<br>(Unaudited) | 2017<br>(Unaudited)                                | 2016<br>(Audited) | 2017<br>(Unaudited)  | 2016<br>(Audited) | 2017<br>(Unaudited)  | 2016<br>(Unaudited) |
| Pakistan – Conventional | 1 816 536  | 1 781 134           | 37 664 744   | 35 719 748        | 20 415 055   | 19 056 076        | 117 388              | 63 742              |
| Pakistan – Takaful OPF  | –  | –                   | 300 358  | 267 353           | 187 470  | 164 563           | –                    | 1 221               |
| * EPZ – Conventional    | 3 255  | 7 255               | 258 432  | 217 102           | 119 735  | 82 493            | –                    | –                   |
| Total                   | <u>1 819 791</u>   | <u>1 788 389</u>    | <u>38 223 534</u>                                  | <u>36 204 203</u> | <u>20 722 260</u>  | <u>19 303 132</u> | <u>117 388</u>       | <u>64 963</u>       |

\* This represents US Dollar equivalent in Pak Rupees

### 13. Related party transactions

Related parties comprise of directors, major share holders key management personnel, associated companies 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 for the period with related parties are as follows:

Rupees '000

|                                     | 31 March<br>2017<br>( Unaudited )          | 31 March<br>2016<br>( Unaudited )           |
|-------------------------------------|--|---|
| <b>Transactions</b>                 |  |   |
| <b>Associated company</b>           |  |   |
| Premiums written                    | 19 052                                     | 18 872                                      |
| Premiums paid                       | 13 187                                     | –   |
| Claims paid                         | 2 528                                      | 1 228                                       |
| Dividends accrued                   | –  | 301 415                                     |
| <b>Key management personnel</b>     |  |   |
| Premiums written                    | 121  | 168   |
| Claims paid                         | 75   | –   |
| Compensation                        | 38 762                                     | 35 081                                      |
| <b>Others</b>                       |  |   |
| Premiums written                    | 86 561                                     | 41 962                                      |
| Premiums paid                       | 17 262                                     | 14 438                                      |
| Claims paid                         | 15 339                                     | 9 112                                       |
| Claims received                     | –  | 534   |
| Investments made                    | 50 000                                     | 110 000                                     |
| Investments sold                    | 121 821                                    | 205 000                                     |
| Bank deposits (withdrawn) / made    | –  | ( 75 000 )                                  |
| Brokerage paid                      | 6  | 86  |
| <b>Employees' funds</b>             |  |   |
| Contributions to provident fund     | 5 390                                      | 5 096                                       |
| Contributions to gratuity fund      | 3 823                                      | 3 142                                       |
| Contributions released pension fund | 301  | ( 91 )                                      |
|                                     | <b>31 March<br/>2017<br/>( Unaudited )</b> | <b>31 December<br/>2016<br/>( Audited )</b> |
| <b>Balances</b>                     |  |   |
| <b>Others</b>                       |  |   |
| Balances receivable                 | 17 345                                     | 7 846                                       |
| Balances payable                    | ( 428 )                                    | ( 316 )                                     |
| Deposits maturing within 12 months  | 79 000                                     | 229 000                                     |
| Bank balances                       | 336 754                                    | 259 753                                     |

Rupees '000

|                                    | 31 March<br>2017<br>( Unaudited ) | 31 December<br>2016<br>(Audited) |
|------------------------------------|-----------------------------------|----------------------------------|
| <b>Employees' funds receivable</b> |                                   |                                  |
| EFU gratuity fund                  | ( 5 597 )                         | ( 1 849 )                        |
| EFU pension fund                   | 929                               | 1 187                            |

#### 14. General

14.1 Corresponding figures have been re-arranged and reclassified, wherever necessary, to facilitate comparisons. No significant reclassifications were made during the current period except for following:

| Reclassified from                 | Reclassified to     | Rupees in '000 |
|-----------------------------------|---------------------|----------------|
| General & Administrative Expenses | Management Expenses | 147 019        |

14.2 Figures have been rounded off to the nearest thousand rupees.

#### 15. Date of authorisation for issue of financial statements

These condensed interim financial statements were authorised for issue by the Board of Directors in its meeting held on 27 April 2017.

MAHMOOD LOTIA  
Director

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 27 April 2017

Financial Statements  
Window Takaful Operations  
For the three months period ended 31 March 2017 (Unaudited)

EFU General Insurance Limited – Window Takaful Operations  
Condensed Interim Balance Sheet  
As at 31 March 2017 (Unaudited)

| Note  | 31 March 2017 (Unaudited) |                            |           | 31 December 2016 (Audited) Aggregate |
|---|---------------------------|----------------------------|-----------|--------------------------------------|
|   | Operator's Fund           | Participants' Takaful Fund | Aggregate |                                      |
| <b>Operator's Fund</b>                            |                           |                            |           |                                      |
| Statutory Fund                                    | 100 000                   | –                          | 100 000   | 100 000                              |
| Accumulated Profit                                | 12 888                    | –                          | 12 888    | 2 790                                |
|   | 112 888                   | –                          | 112 888   | 102 790                              |
| <b>Waqf / Participants' Takaful Fund</b>          |                           |                            |           |                                      |
| Cede money  | –                         | 500                        | 500       | 500                                  |
| Accumulated surplus                               | –                         | 56 069                     | 56 069    | 28 309                               |
|   | –                         | 56 569                     | 56 569    | 28 809                               |
| <b>Qard-e-hasna</b>                               | –                         | 85 000                     | 85 000    | 85 000                               |
| <b>Underwriting provisions</b>                    |                           |                            |           |                                      |
| Provision for outstanding claims (including IBNR) | –                         | 235 450                    | 235 450   | 210 412                              |
| Provision for unearned contribution               | –                         | 567 027                    | 567 027   | 537 429                              |
| Unearned retakaful rebate                         | –                         | 11 912                     | 11 912    | 12 360                               |
| Total underwriting provisions                     | –                         | 814 389                    | 814 389   | 760 201                              |
| <b>Creditors and accruals</b>                     |                           |                            |           |                                      |
| Contributions received in advance                 | –                         | 892                        | 892       | 596                                  |
| Amounts due to other takaful / retakaful operator | –                         | 42 300                     | 42 300    | 42 311                               |
| Unearned wakala fees                              | 129 962                   | –                          | 129 962   | 112 677                              |
| Wakala fees payable                               | –                         | 81 605                     | 81 605    | 58 047                               |
| Modarib fees payable                              | –                         | 437                        | 437       | 1 117                                |
| Accrued expenses                                  | 630                       | –                          | 630       | 1 325                                |
| Agent balances                                    | 28 070                    | –                          | 28 070    | 19 547                               |
| Other creditors and accruals                      | 370                       | 13 467                     | 13 837    | 18 742                               |
| Payable to EFU General Insurance Limited 5        | 28 438                    | –                          | 28 438    | 30 848                               |
|   | 187 470                   | 138 701                    | 326 171   | 285 210                              |
| <b>Total liabilities</b>                          | 187 470                   | 1 038 090                  | 1 225 560 | 1 130 411                            |
| <b>Total equity and liabilities</b>               | 300 358                   | 1 094 659                  | 1 395 017 | 1 262 010                            |



Rupees '000

| 31 March 2017 (Unaudited)      |                    |                               |           |  |
|--------------------------------|--------------------|-------------------------------|-----------|--|
| Note                           | Operator's<br>Fund | Participants'<br>Takaful Fund | Aggregate | 31 December<br>2016 (Audited)<br>Aggregate |
| <b>Cash and bank deposits</b>  |                    |                               |           |  |
|                                | 41                 | 1 167                         | 1 208     | 468  |
|                                | 46 291             | 151 574                       | 197 865   | 151 153                                    |
|                                | 15 000             | 105 000                       | 120 000   | 109 000                                    |
|                                | 61 332             | 257 741                       | 319 073   | 260 621                                    |
| <b>Investments</b>             | 20 590             | 363 073                       | 383 663   | 400 620                                    |
| <b>Qard-e-hasna</b>            | 85 000             | -                             | 85 000    | 85 000                                     |
| <b>Current assets - others</b> |                    |                               |           |  |
|                                | -                  | 185 553                       | 185 553   | 167 944                                    |
|                                | -                  | 43                            | 43        | 89   |
|                                | -                  | 14 220                        | 14 220    | 5 195                                      |
|                                | 114                | 993                           | 1 107     | 2 874                                      |
|                                | -                  | 43 443                        | 43 443    | 38 780                                     |
|                                | 42 950             | -                             | 42 950    | 38 477                                     |
|                                | 81 605             | -                             | 81 605    | 58 047                                     |
|                                | 437                | -                             | 437       | 1 117                                      |
|                                | -                  | 129 962                       | 129 962   | 112 677                                    |
|                                | 1 378              | 1 332                         | 2 710     | 2 088                                      |
|                                | 423                | 98 293                        | 98 716    | 81 856                                     |
|                                | 301                | -                             | 301       | 301  |
|                                | 1 875              | 6                             | 1 881     | 1 715                                      |
|                                | 129 083            | 473 845                       | 602 928   | 511 160                                    |
| <b>Fixed assets - tangible</b> |                    |                               |           |  |
|                                | 1 847              | -                             | 1 847     | 1 934                                      |
|                                | 2 506              | -                             | 2 506     | 2 675                                      |
|                                | 4 353              | -                             | 4 353     | 4 609                                      |
| <b>Total assets</b>            | 300 358            | 1 094 659                     | 1 395 017 | 1 262 010                                  |

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

MAHMOOD LOTIA  
Director

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 27 April 2017

EFU General Insurance Limited – Window Takaful Operations  
Condensed Interim Profit and Loss Account  
For the three months period ended 31 March 2017 (Unaudited)

Rupees '000  
(Restated)

|   | Fire & property damage | Marine, aviation & transport | Motor         | Others       | Treaty   | Aggregate 2017 | Aggregate 2016  |
|---|------------------------|------------------------------|---------------|--------------|----------|----------------|-----------------|
| <b>PTF Revenue Account</b>                |                        |                              |               |              |          |                |                 |
| Net contribution revenue                  | 2 932                  | 756                          | 220 741       | 11 518       | –        | 235 947        | 60 566          |
| Wakala expense                            | (5 915)                | (1 778)                      | (46 602)      | (6 367)      | –        | (60 662)       | (23 544)        |
| Net claims                                | (88)                   | 29                           | (118 772)     | (1 594)      | –        | (120 425)      | (16 909)        |
| Direct expenses                           | (1)                    | –                            | (38 033)      | (3)          | –        | (38 037)       | (51 610)        |
| Retakaful rebate                          | 4 413                  | 973                          | –             | 1 243        | –        | 6 629          | 2 782           |
| <b>Underwriting results</b>               | <u>1 341</u>           | <u>(20)</u>                  | <u>17 334</u> | <u>4 797</u> | <u>–</u> | <u>23 452</u>  | <u>(28 715)</u> |
| Investment income                         |                        |                              |               |              |          | 2 598          | –               |
| Profit on deposits                        |                        |                              |               |              |          | 2 280          | 872             |
| Modarib's share on profit on deposits     |                        |                              |               |              |          | (570)          | (218)           |
|   |                        |                              |               |              |          | 4 308          | 654             |
| <b>Surplus / (deficit) for the period</b> |                        |                              |               |              |          | <u>27 760</u>  | <u>(28 061)</u> |
| <b>Accumulated Surplus</b>                |                        |                              |               |              |          |                |                 |
| Balance at the beginning of the period    |                        |                              |               |              |          | 28 309         | 8 039           |
| Surplus / (deficit) for the period        |                        |                              |               |              |          | 27 760         | (28 061)        |
| Balance at the end of the period          |                        |                              |               |              |          | <u>56 069</u>  | <u>(20 022)</u> |
| <b>OPF Revenue Account</b>                |                        |                              |               |              |          |                |                 |
| Wakala fee                                | 5 915                  | 1 778                        | 46 602        | 6 367        | –        | 60 662         | 23 544          |
| Management expenses                       | (3 158)                | (949)                        | (24 880)      | (3 399)      | –        | (32 386)       | (4 242)         |
| Commission expense                        | (3 169)                | (823)                        | (14 458)      | (1 242)      | –        | (19 692)       | (5 113)         |
|   | <u>(412)</u>           | <u>6</u>                     | <u>7 264</u>  | <u>1 726</u> | <u>–</u> | <u>8 584</u>   | <u>14 189</u>   |
| Investment income                         |                        |                              |               |              |          | 866            | –               |
| Profit on deposits                        |                        |                              |               |              |          | 557            | 726             |
| Modarib's share of PTF profit on deposits |                        |                              |               |              |          | 570            | 218             |
| General and administration expenses       |                        |                              |               |              |          | (479)          | (150)           |
|   |                        |                              |               |              |          | 1 514          | 794             |
| <b>Profit for the period</b>              |                        |                              |               |              |          | <u>10 098</u>  | <u>14 983</u>   |

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

MAHMOOD LOTIA  
Director

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 27 April 2017

EFU General Insurance Limited – Window Takaful Operations  
 Condensed Interim Statement of Comprehensive Income  
 For the three months period ended 31 March 2017 (Unaudited)

2017  
 FIRST QUARTER

Rupees '000

|   | 2017          | 2016          |
|---|---------------|---------------|
| <b>Operator's Fund</b>                                    |               |               |
| Profit for the period                                     | 10 098        | 14 983        |
| Other comprehensive income / (loss)                       | -             | -             |
| <b>Total comprehensive income / (loss) for the period</b> | <b>10 098</b> | <b>14 983</b> |

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

MAHMOOD LOTIA  
 Director

MUNEER R. BHIMJEE  
 Director

HASANALI ABDULLAH  
 Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
 Chairman

Karachi 27 April 2017

EFU General Insurance Limited – Window Takaful Operations  
Condensed Interim Statement of Changes in Funds  
For the three months period ended 31 March 2017 (Unaudited)

Rupees '000

|   | Operator's Fund |                             |                |
|---|-----------------|-----------------------------|----------------|
|   | Statutory fund  | Accumulated profit / (loss) | Total          |
| Balance as at 1 January 2016  | 50 000          | ( 3 127 )                   | 46 873         |
| <b>Total comprehensive income / (loss) for the period ended 31 March 2016</b> |                 |                             |                |
| Profit for the period   | –               | 14 983                      | 14 983         |
| Balance as at 31 March 2016   | <u>50 000</u>   | <u>11 856</u>               | <u>61 856</u>  |
| Balance as at 1 January 2017  | 100 000         | 2 790                       | 102 790        |
| <b>Total comprehensive income / (loss) for the period ended 31 March 2017</b> |                 |                             |                |
| Profit for the period   | –               | 10 098                      | 10 098         |
| Balance as at 31 March 2017   | <u>100 000</u>  | <u>12 888</u>               | <u>112 888</u> |

|   | Participants' Takaful Fund |                                 |                   |
|---|----------------------------|---------------------------------|-------------------|
|   | Cede money                 | Accumulated surplus / (deficit) | Total             |
| Balance as at 1 January 2016 (Restated) | 500                        | 8 039                           | 8 539             |
| Deficit for the period                  | –                          | ( 28 061 )                      | ( 28 061 )        |
| Balance as at 31 March 2016             | <u>500</u>                 | <u>( 20 022 )</u>               | <u>( 19 522 )</u> |
| Balance as at 1 January 2017            | 500                        | 28 309                          | 28 809            |
| Surplus for the period                  | –                          | 27 760                          | 27 760            |
| Balance as at 31 March 2017             | <u>500</u>                 | <u>56 069</u>                   | <u>56 569</u>     |

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

MAHMOOD LOTIA  
Director

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 27 April 2017

EFU General Insurance Limited – Window Takaful Operations  
Condensed Interim Statement of Cash Flows  
For the three months period ended 31 March 2017 (Unaudited)

2017  
FIRST QUARTER

Rupees '000  
(Restated)

|   | Operator's Fund | Participants' Takaful Fund | 2017 Aggregate | 2016 Aggregate  |
|---|-----------------|----------------------------|----------------|-----------------|
| <b>Operating activities</b>                                       |                 |                            |                |                 |
| a) Takaful activities   |                 |                            |                |                 |
| Contributions received  | –               | 291 071                    | 291 071        | 243 697         |
| Retakaful contributions paid                                      | –               | (35 536)                   | (35 536)       | (43 578)        |
| Claims paid   | –               | (112 506)                  | (112 506)      | (13 573)        |
| Retakaful and other recoveries received                           | –               | 3 477                      | 3 477          | 4 335           |
| Commissions paid  | (15 642)        | –                          | (15 642)       | (7 345)         |
| Retakaful rebate received   | –               | 6 182                      | 6 182          | 3 414           |
| Wakala fees received / (paid)                                     | 54 389          | (54 389)                   | –              | –               |
| Management expenses   | (32 825)        | (38 038)                   | (70 863)       | (55 431)        |
| Net cash inflow from takaful activities                           | 5 922           | 60 261                     | 66 183         | 131 519         |
| b) Other operating activities                                     |                 |                            |                |                 |
| Income tax paid   | (264)           | (358)                      | (622)          | (203)           |
| General and administration expenses                               | (479)           | –                          | (479)          | (66)            |
| Other operating payments  | (2 790)         | (28 865)                   | (31 655)       | (3 526)         |
| Other operating receipts  | –               | –                          | –              | 2 901           |
| Net cash outflow from other operating activities                  | (3 533)         | (29 223)                   | (32 756)       | (894)           |
| <b>Total cash inflow from all operating activities</b>            | <b>2 389</b>    | <b>31 038</b>              | <b>33 427</b>  | <b>130 625</b>  |
| <b>Investment activities</b>                                      |                 |                            |                |                 |
| Profit / return received  | 476             | 5 465                      | 5 941          | 1 725           |
| Modarib fee received / (paid)                                     | 2 117           | (2 117)                    | –              | –               |
| Payments for investments  | –               | (70 000)                   | (70 000)       | (52 500)        |
| Proceeds from disposal of investments                             | –               | 89 084                     | 89 084         | –               |
| Fixed capital expenditures  | –               | –                          | –              | (1 221)         |
| <b>Total cash inflow / (outflow) from investing activities</b>    | <b>2 593</b>    | <b>22 432</b>              | <b>25 025</b>  | <b>(51 996)</b> |
| <b>Net cash inflow from all activities</b>                        | <b>4 982</b>    | <b>53 470</b>              | <b>58 452</b>  | <b>78 629</b>   |
| Cash at the beginning of the period                               | 56 350          | 204 271                    | 260 621        | 138 351         |
| <b>Cash at the end of the period</b>                              | <b>61 332</b>   | <b>257 741</b>             | <b>319 073</b> | <b>216 980</b>  |
| <b>Reconciliation to profit and loss account</b>                  |                 |                            |                |                 |
| Operating cash flows  | 2 389           | 31 038                     | 33 427         | 130 625         |
| Depreciation / amortisation expense                               | (256)           | –                          | (256)          | (174)           |
| Investment income   | 866             | 2 598                      | 3 464          | –               |
| Profit on deposits  | 1 127           | 1 710                      | 2 837          | 1 598           |
| Increase in assets other than cash                                | 28 878          | 65 336                     | 94 214         | 107 520         |
| Increase in liabilities other than running finance                | (22 906)        | (72 922)                   | (95 828)       | (252 647)       |
| <b>Surplus / (deficit) for the period</b>                         | <b>10 098</b>   | <b>27 760</b>              | <b>37 858</b>  | <b>(13 078)</b> |
| <b>Attributed to</b>  |                 |                            |                |                 |
| Operator's Fund   | 10 098          | –                          | 10 098         | 14 983          |
| Participants' Takaful Fund  | –               | 27 760                     | 27 760         | (28 061)        |
|   | 10 098          | 27 760                     | 37 858         | (13 078)        |
| <b>Definition of cash</b>   |                 |                            |                |                 |
| Cash for the purposes of the statement of cash flows consists of: |                 |                            |                |                 |
| Cash and other equivalents  | 41              | 1 167                      | 1 208          | 646             |
| Current and other accounts  | 46 291          | 151 574                    | 197 865        | 181 334         |
| Deposits maturing within 12 months                                | 15 000          | 105 000                    | 120 000        | 35 000          |
|   | 61 332          | 257 741                    | 319 073        | 216 980         |

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

MAHMOOD LOTIA  
Director

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 27 April 2017

EFU General Insurance Limited – Window Takaful Operations  
Condensed Interim Statement of Contributions  
For the three months period ended 31 March 2017 (Unaudited)

Rupees '000

| Class                          | Contribution |                               |         |         | Retakaful       |                                      |         |                   | Net contribution revenue | Net contribution revenue |
|--------------------------------|--------------|-------------------------------|---------|---------|-----------------|--------------------------------------|---------|-------------------|--------------------------|--------------------------|
|                                | Written      | Unearned contribution reserve |         | Earned  | Retakaful ceded | Prepaid retakaful contribution ceded |         | Retakaful expense |                          |                          |
|                                |              | Opening                       | Closing |         |                 | Opening                              | Closing |                   | 2017                     | 2016                     |
| <b>Direct and facultative</b>  |              |                               |         |         |                 |                                      |         |                   |                          |                          |
| Fire and property damage       | 23 372       | 47 065                        | 46 775  | 23 662  | 20 218          | 41 475                               | 40 963  | 20 730            | 2 932                    | 1 178                    |
| Marine, aviation and transport | 5 097        | 4 102                         | 4 120   | 5 079   | 4 306           | 3 560                                | 3 543   | 4 323             | 756                      | 225                      |
| Motor                          | 269 373      | 437 536                       | 482 328 | 224 581 | 3 840           | -                                    | -       | 3 840             | 220 741                  | 53 215                   |
| Miscellaneous                  | 10 542       | 48 726                        | 33 804  | 25 464  | 7 161           | 27 762                               | 20 977  | 13 946            | 11 518                   | 5 948                    |
| Total                          | 308 384      | 537 429                       | 567 027 | 278 786 | 35 525          | 72 797                               | 65 483  | 42 839            | 235 947                  | 60 566                   |
| <b>Treaty - proportional</b>   | -            | -                             | -       | -       | -               | -                                    | -       | -                 | -                        | -                        |
| Grand total                    | 308 384      | 537 429                       | 567 027 | 278 786 | 35 525          | 72 797                               | 65 483  | 42 839            | 235 947                  | 60 566                   |

**Note:** Contributions written includes administrative surcharge of Rs. 67 million (2016: Rs. 74 million).

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

MAHMOOD LOTIA  
Director

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 27 April 2017

EFU General Insurance Limited – Window Takaful Operations  
Condensed Interim Statement of Claims  
For the three months period ended 31 March 2017 (Unaudited)

2017  
FIRST QUARTER

Rupees '000

| Class                          | Claims  |             |         |                | Retakaful                               |   |         |  | Net claims expense<br>2017 | Net claims expense<br>2016 |
|--------------------------------|---------|-------------|---------|----------------|---|---|---------|--|----------------------------|----------------------------|
|                                | Paid    | Outstanding |         | Claims expense | Retakaful and other recoveries received | Retakaful and other recoveries in respect of outstanding claims |         | Retakaful and other recoveries revenue |                            |                            |
|                                |         | Opening     | Closing |                |   | Opening   | Closing |  |                            |                            |
| <b>Direct and facultative</b>  |         |             |         |                |   |   |         |  |                            |                            |
| Fire and property damage       | 847     | 20 447      | 20 169  | 569            | 755                                     | 18 356  | 18 082  | 481                                    | 88                         | 380                        |
| Marine, aviation and transport | 1 585   | 7 187       | 5 310   | (292)          | 1 426                                   | 6 468   | 4 779   | (263)                                  | (29)                       | 58                         |
| Motor                          | 99 631  | 167 454     | 190 043 | 122 220        | -                                       | -   | 3 448   | 3 448                                  | 118 772                    | 15 961                     |
| Miscellaneous                  | 1 418   | 15 324      | 19 928  | 6 022          | 1 250                                   | 13 956  | 17 134  | 4 428                                  | 1 594                      | 510                        |
| Total                          | 103 481 | 210 412     | 235 450 | 128 519        | 3 431                                   | 38 780  | 43 443  | 8 094                                  | 120 425                    | 16 909                     |
| <b>Treaty - proportional</b>   | -       | -           | -       | -              | -                                       | -   | -       | -                                      | -                          | -                          |
| Grand total                    | 103 481 | 210 412     | 235 450 | 128 519        | 3 431                                   | 38 780  | 43 443  | 8 094                                  | 120 425                    | 16 909                     |

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

MAHMOOD LOTIA  
Director

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 27 April 2017

EFU General Insurance Limited – Window Takaful Operations  
Condensed Interim Statement of Expenses - OPF  
For the three months period ended 31 March 2017 (Unaudited)

Rupees '000

| Class                          | Paid or payable | Commission |         | Net expense | Other management expenses | Net OPF expenses | Net OPF expenses |
|--------------------------------|-----------------|------------|---------|-------------|---------------------------|------------------|------------------|
|                                |                 | Deferred   |         |             |                           | 2017             | 2016             |
|                                |                 | Opening    | Closing |             |                           |                  |                  |
| <b>Direct and facultative</b>  |                 |            |         |             |                           |                  |                  |
| Fire and property damage       | 3 251           | 6 306      | 6 388   | 3 169       | 3 158                     | 6 327            | 2 023            |
| Marine, aviation and transport | 835             | 685        | 697     | 823         | 949                       | 1 772            | 380              |
| Motor                          | 19 857          | 28 979     | 34 378  | 14 458      | 24 880                    | 39 338           | 5 916            |
| Miscellaneous                  | 222             | 2 507      | 1 487   | 1 242       | 3 399                     | 4 641            | 1 036            |
| Total                          | 24 165          | 38 477     | 42 950  | 19 692      | 32 386                    | 52 078           | 9 355            |
| <b>Treaty - proportional</b>   | -               | -          | -       | -           | -                         | -                | -                |
| Grand total                    | 24 165          | 38 477     | 42 950  | 19 692      | 32 386                    | 52 078           | 9 355            |

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

MAHMOOD LOTIA  
Director

MUNEER R. BHIMJEE  
Director

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Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 27 April 2017



EFU General Insurance Limited – Window Takaful Operations  
Condensed Interim Statement of Expenses - PTF  
For the three months period ended 31 March 2017 (Unaudited)

2017  
FIRST QUARTER

Rupees '000

(Restated)

| Class                          | Gross wakala fee | Deferred wakala fee |         | Net expense | PTF Direct expense | Rebate from retakaful operators | Net PTF expenses | Net PTF expenses |
|--------------------------------|------------------|---------------------|---------|-------------|--------------------|---------------------------------|------------------|------------------|
|                                |                  | Opening             | Closing |             |                    |                                 | 2017             | 2016             |
| <b>Direct and facultative</b>  |                  |                     |         |             |                    |                                 |                  |                  |
| Fire and property damage       | 5 843            | 11 766              | 11 694  | 5 915       | 1                  | 4 413                           | 1 503            | 625              |
| Marine, aviation and transport | 1 784            | 1 436               | 1 442   | 1 778       | –                  | 973                             | 805              | 214              |
| Motor                          | 67 684           | 87 293              | 108 375 | 46 602      | 38 033             | –                               | 84 635           | 68 926           |
| Miscellaneous                  | 2 636            | 12 182              | 8 451   | 6 367       | 3                  | 1 243                           | 5 127            | 2 607            |
| Total                          | 77 947           | 112 677             | 129 962 | 60 662      | 38 037             | 6 629                           | 92 070           | 72 372           |
| <b>Treaty - proportional</b>   | –                | –                   | –       | –           | –                  | –                               | –                | –                |
| Grand total                    | 77 947           | 112 677             | 129 962 | 60 662      | 38 037             | 6 629                           | 92 070           | 72 372           |

**Note:** Rebate from retakaful operators is arrived at after taking impact of opening and closing unearned rebate.

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

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Chairman

Karachi 27 April 2017

EFU General Insurance Limited – Window Takaful Operations  
Condensed Interim Statement of Investment Income  
For the three months period ended 31 March 2017 (Unaudited)

Rupees '000

|   | 2017         | 2016     |
|---|--------------|----------|
| <b>Participants' Takaful Fund</b>             |              |          |
| Return on government securities - Ijara sukuk | 1 496        | -        |
| Amortisation of premium relative to par       | ( 159 )      | -        |
| Gain on sale of non - trading investments     | 2 127        | -        |
|   | 3 464        | -        |
| Modarib's share on investment income          | ( 866 )      | -        |
| <b>Net investment income</b>                  | <b>2 598</b> | <b>-</b> |
| <b>Operator's Fund</b>                        |              |          |
| Modarib's share of PTF investment income      | 866          | -        |
| <b>Net investment income</b>                  | <b>866</b>   | <b>-</b> |

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

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Director

MUNEER R. BHIMJEE  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 27 April 2017

EFU General Insurance Limited – Window Takaful Operations  
Notes to the Condensed Interim Financial Statements  
For the three months period ended 31 March 2017 (Unaudited)

**1. Status and nature of business**

EFU General Insurance Limited (the Operator) has been allowed to undertake Window Takaful Operations (WTO) 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 6 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**

These condensed interim financial statements have been prepared in line with the format issued by the SECP through Insurance Rules, 2017, and SECP circular no 25 of 2015 dated 9 July 2015.

These condensed interim financial statements reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participants' Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of the Operator and PTF remain separately identifiable.

**2.1. Statement of compliance**

These condensed interim financial statements of the WTO for the three months period ended 31 March 2017 have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000, the Insurance Rules, 2017 and SECP Takaful Rules, 2012. In case where requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000, the Insurance Rules, 2017 and SECP Takaful Rules, 2012 have been followed.

**2.2. 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 Operator's annual financial statements for the year ended 31 December 2016.**

**3. Significant accounting policies**

**3.1 The accounting policies and the methods of computation adopted by the Operator in the preparation of this condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Operator for the year ended 31 December 2016.**

**3.2 During the period certain standards became effective; however, they do not have material effect on these financial statements of the Operator.**

**4. Financial risk management / judgements and estimates**

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Operator for the year ended 31 December 2016.

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 expense. Actual results may differ from these estimates.

In preparing 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 2016.

**5. Payable to EFU General Insurance Limited**

This represents payable in respect of expenses incurred by EFU General Insurance Limited on behalf of Operator.

## 6. Investments

### 6.1 Investments - OPF

Rupees '000

|                                    | Note          | 31 March<br>2017<br>( Unaudited ) | 31 December<br>2016<br>( Audited ) |
|------------------------------------|---------------|-----------------------------------|------------------------------------|
| Available for sale<br>Mutual funds | 6.1.1 & 6.1.2 | 20 590                            | 20 590                             |
|                                    |               | <u>20 590</u>                     | <u>20 590</u>                      |

6.1.1 The market value of available for sale investments as on 31 March 2017 was Rs. 20.77 million (31 December 2016: 20.45 million).

6.1.2 As per the Operator's accounting policy, available for sale investments are stated at lower of cost or market value. However, IAS 39 - Financial Instruments: Recognition and Measurement, requires that these instruments should be measured at their fair value. Accordingly, had these investments been measured at fair value, their carrying value as on 31 March 2017 would have been higher by Rs. 0.18 million (31 December 2016: lower by Rs. 0.14 million).

### 6.2 Investments - PTF

Rupees '000

|   | Note          | 31 March<br>2017<br>( Unaudited ) | 31 December<br>2016<br>( Audited ) |
|---|---------------|-----------------------------------|------------------------------------|
| Available for sale<br>Mutual funds                                  | 6.2.1 & 6.2.2 | 262 287                           | 279 085                            |
| Fixed income securities<br>Government securities - Ijara sukuk XVII |               | 100 786                           | 100 945                            |
|   |               | <u>363 073</u>                    | <u>380 030</u>                     |

6.2.1 The market value of available for sale investments as on 31 March 2017 was Rs. 369.70 million (31 December 2016: 385.67 million).

6.2.2 As per the Operator's accounting policy, available for sale investments are stated at lower of cost or market value. However, IAS 39 - Financial Instruments: Recognition and Measurement, requires that these instruments should be measured at their fair value. Accordingly, had these investments been measured at fair value, their carrying value as on 31 March 2017 would have been higher by Rs. 6.63 million (31 December 2016: higher by Rs. 5.64 million).

## 7. Fixed assets - tangible - OPF

The details of additions and disposals during the three months period ended 31 March 2017 are as follows:

Rupees '000

|                 | Additions (at cost)             |                                 | Disposals (at net book value)   |                                 |
|-----------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|                 | 31 March<br>2017<br>(Unaudited) | 31 March<br>2016<br>(Unaudited) | 31 March<br>2017<br>(Unaudited) | 31 March<br>2016<br>(Unaudited) |
| <b>Tangible</b> |                                 |                                 |                                 |                                 |
| Computers       | -                               | 110                             | -                               | -                               |
| Vehicles        | -                               | 1 111                           | -                               | -                               |
|                 | <u>-</u>                        | <u>1 221</u>                    | <u>-</u>                        | <u>-</u>                        |

## 8. Operating segment

### 8.1 Operator's Fund

|                                   | Fire and property damage |                   | Marine, aviation and transport |                   | Motor               |                   | Miscellaneous       |                   | Treaty              |                   | Total                       |                             |
|-----------------------------------|--------------------------|-------------------|--------------------------------|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|-------------------|-----------------------------|-----------------------------|
|                                   | 2017<br>(Unaudited)      | 2016<br>(Audited) | 2017<br>(Unaudited)            | 2016<br>(Audited) | 2017<br>(Unaudited) | 2016<br>(Audited) | 2017<br>(Unaudited) | 2016<br>(Audited) | 2017<br>(Unaudited) | 2016<br>(Audited) | 2017<br>(Unaudited)         | 2016<br>(Audited)           |
| Corporate segment assets          | 17 339                   | 15 457            | 3 562                          | 3 096             | 100 245             | 73 348            | 3 409               | 4 623             | -                   | -                 | 124 555                     | 96 524                      |
| Corporate unallocated assets      |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | 175 803                     | 170 829                     |
| Total assets                      |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | <u>300 358</u>              | <u>267 353</u>              |
| Corporate segment liabilities     | 16 369                   | 16 411            | 2 987                          | 2 781             | 128 355             | 99 027            | 10 320              | 14 003            | -                   | -                 | 158 031                     | 132 222                     |
| Corporate unallocated liabilities |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | 29 439                      | 32 341                      |
| Total liabilities                 |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | <u>187 470</u>              | <u>164 563</u>              |
|                                   |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | <u>2017<br/>(Unaudited)</u> | <u>2016<br/>(Unaudited)</u> |
| Capital expenditures              |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | -                           | 1 221                       |
| Unallocated depreciation          |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | 256                         | 174                         |
| Total depreciation                |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | <u>256</u>                  | <u>174</u>                  |

## 8.2 Participants' Takaful Fund

Rupees '000

|                                   | Fire and property damage |                   | Marine, aviation and transport |                   | Motor               |                   | Miscellaneous       |                   | Treaty              |                   | Total               |                   |
|-----------------------------------|--------------------------|-------------------|--------------------------------|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|-------------------|
|                                   | 2017<br>(Unaudited)      | 2016<br>(Audited) | 2017<br>(Unaudited)            | 2016<br>(Audited) | 2017<br>(Unaudited) | 2016<br>(Audited) | 2017<br>(Unaudited) | 2016<br>(Audited) | 2017<br>(Unaudited) | 2016<br>(Audited) | 2017<br>(Unaudited) | 2016<br>(Audited) |
| Corporate segment assets          | 97 901                   | 91 393            | 15 785                         | 16 346            | 272 669             | 321 205           | 52 349              | 60 640            | -                   | -                 | 438 704             | 489 584           |
| Corporate unallocated assets      |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | 655 955             | 505 073           |
| Total assets                      |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | 1 094 659           | 994 657           |
| Corporate segment liabilities     | 96 508                   | 92 371            | 15 449                         | 18 670            | 753 257             | 659 000           | 62 060              | 78 755            | -                   | -                 | 927 274             | 848 796           |
| Corporate unallocated liabilities |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | 110 816             | 117 052           |
| Total liabilities                 |                          |                   |                                |                   |                     |                   |                     |                   |                     |                   | 1 038 090           | 965 848           |

## 9. Related party transactions

Related parties comprise of directors, major share holders, key management personnel, associated companies, 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 are as follows:

Rupees '000

|                                 | 31 March<br>2017<br>(Unaudited) | 31 March<br>2016<br>(Unaudited) |
|---------------------------------|---------------------------------|---------------------------------|
| <b>Transactions</b>             |                                 |                                 |
| <b>Key management personnel</b> |                                 |                                 |
| Contributions written           | 38                              | 40                              |
| Claims paid                     | -                               | 54                              |

## 10. General

10.1 Corresponding figures have been rearranged and reclassified, wherever necessary, to facilitate comparison. No significant reclassifications were made during the current period except for following:

| Reclassified from                 | Reclassified to     | Rupees in '000 |
|-----------------------------------|---------------------|----------------|
| General & Administrative Expenses | Management Expenses | 1 970          |

10.2 The Operator has changed its accounting policy for motor tracking devices during the year 2016 as disclosed in note 3.15.1 of Operator's annual financial statements. Corresponding figures have been restated to facilitate comparison.

10.3 Figures have been rounded off to the nearest thousand rupees.

## 11. Date of authorisation for issue of financial statements

These condensed interim financial statements were authorised for issue by the Board of Directors in its meeting held on 27 April 2017.

MAHMOOD LOTIA  
Director

MUNEER R. BHIMJEE  
Director


HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 27 April 2017



EFU GENERAL INSURANCE LTD.  
INSURER FINANCIAL STRENGTH AA+

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

