



GENERAL

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Report (Un-Audited)
Second Quarter 2017





EFU GENERAL INSURANCE LTD.
INSURER FINANCIAL STRENGTH AA+

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Company Information

Chairman

Saifuddin N. Zoomkawala

Managing Director & Chief Executive

Hasanali Abdullah

Directors

Abdul Rehman Haji Habib
Muneer R. Bhimjee
Taher G. Sachak
Ali Raza Siddiqui
Mohammed Iqbal Mankani
Mahmood Lotia
Saad Ali Bhimjee

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

Muneer R. Bhimjee
Taher G. Sachak
Ali Raza Siddiqui
Mohammed Iqbal Mankani

Investment Committee

Saifuddin N. Zoomkawala
Hasanali Abdullah
Muneer R. Bhimjee

Ethics, Human Resource & Remuneration Committee

Saifuddin N. Zoomkawala
Muneer 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

Registered Office

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

Main Offices

EFU House
M. A. Jinnah Road
Karachi

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

Window Takaful Operations

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

Directors' Review

We are pleased to present the unaudited financial statements for the six months period ended 30 June 2017.

The Written Premium for the six months period grew by 17 % to Rs. 9,873 million (including Takaful Contribution of Rs. 688 million) as against Rs. 8,445 million (including Takaful Contribution of Rs. 539 million) for corresponding period of last year. The Net Premium Revenue for the six months period (including Takaful Net Contribution Revenue) was Rs. 4,242 million as against Rs. 3,951 million for the corresponding period of last year. The overall Claims ratio to Net Premium Revenue has improved to 40 % as compared to 42 % for the corresponding period of last year. The underwriting profit for the six months period was Rs. 848 million as compared to Rs. 784 million in corresponding period of last year that is an increase of 8 %.

The profit before tax for the period under review was Rs. 1,733 million compared to Rs. 1,678 million in the corresponding period last year. The after tax profit for the six months period was Rs. 1,119 million compared to Rs. 972 million in the corresponding period last year. (i.e. an increase by 15 %)

The earnings per share for the period were Rs. 5.59 against Rs. 4.86 in the corresponding period of last year.

Your Directors have pleasure in declaring second interim cash dividend of Rs. 1.25 (12.5 %) per share for the period ended 30 June 2017.

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

TAHER G. SACHAK
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 16 August 2017

ڈائریکٹرز ریویو

(یہ انگریزی ڈائریکٹرز ریویو کا ترجمہ ہے)

ہم بمسرت آپ کی خدمت میں ۳۰ جون ۲۰۱۷ء کو ختم ہونے والی ششماہی مدت کے لئے غیر آڈٹ شدہ مالیاتی حسابات پیش کرتے ہیں۔

اس ششماہی مدت کے دوران تحریری پریمیم ۷ فیصد اضافہ کے ساتھ ۳،۸۷۹،۸۷۹،۸۷۹ روپے رہا (بشمول تکافل کنٹریبیوشن ۶۸۸ ملین روپے)، جبکہ گزشتہ سال اسی مدت میں ۸،۴۴۵،۴۴۵،۴۴۵ روپے (بشمول تکافل کنٹریبیوشن ۵۳۹ ملین روپے) تھا۔ اس ششماہی مدت کے دوران خالص پریمیم آمدن (بشمول خالص تکافل کنٹریبیوشن) ۴،۲۴۲،۲۴۲،۲۴۲ روپے رہے، جبکہ گزشتہ سال اسی مدت میں ۳،۹۵۱،۹۵۱،۹۵۱ روپے تھا۔ مجموعی کلیز اور خالص پریمیم آمدن کے درمیان عمومی تناسب بہتر ہو کر ۴۰ فیصد رہا، جبکہ گزشتہ سال اسی مدت کے دوران ۴۲ فیصد تھا۔ اسی ششماہی مدت کے دوران انڈر رائٹنگ سے کل منافع ۸۴۸،۸۴۸،۸۴۸ روپے رہا۔ جبکہ گزشتہ سال اسی مدت میں یہ رقم ۷۸۴،۷۸۴،۷۸۴ روپے تھی یعنی اس میں ۸ فیصد اضافہ ہوا۔

زیر جائزہ مدت کے دوران منافع قبل از ٹیکس ۷۳۳،۷۳۳،۷۳۳ روپے رہا جبکہ گزشتہ سال اسی مدت میں ۶۷۸،۶۷۸،۶۷۸ روپے تھا۔ اس ششماہی کی مدت کیلئے بعد از ٹیکس منافع ۱،۱۱۹،۱۱۹،۱۱۹ روپے رہا، جبکہ گزشتہ سال اسی مدت میں ۹۷۲،۹۷۲،۹۷۲ روپے تھا (یعنی ۱۵ فیصد کا اضافہ ہوا)۔

اس مدت کے لئے آمدنی فی شیئر ۵۹،۵۹،۵۹ روپے رہی جبکہ گزشتہ سال اسی مدت کے دوران ۸۶،۸۶،۸۶ روپے تھی۔

آپ کے ڈائریکٹرز ۳۰ جون ۲۰۱۷ء کو ختم ہونے والی مدت کے لئے بمسرت ۲۵،۲۵،۲۵ روپے (۱۴،۱۴،۱۴ فیصد) فی شیئر کے حساب سے دوسرا عبوری نقد منافع منقسمہ کا اعلان کرتے ہیں۔

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

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

سیف الدین این۔ زومکا والا
چیرمین

حسن علی عبداللہ
ٹیچنگ ڈائریکٹر و چیف ایگزیکٹو

طاہر جی۔ ساچک
ڈائریکٹر

محمود لوٹیا
ڈائریکٹر

کراچی ۱۶ اگست ۲۰۱۷ء

Auditors' Report to Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying

- i) condensed interim balance sheet;
- ii) condensed interim profit and loss account;
- iii) condensed interim statement of comprehensive income;
- iv) condensed interim statement cash flows;
- v) condensed interim statement of changes in equity;
- vi) condensed interim statement of premiums;
- vii) condensed interim statement of claims;
- viii) condensed interim statement of expenses; and
- ix) condensed interim statement of investment income

of EFU General Insurance Limited (the Company) together with notes to the accounts for the six-months period then ended 30 June 2017 (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of the condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on the condensed interim financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

Other matter

The figures for the three months period ended 30 June 2017 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

The financial statements of the Company for the half year ended 30 June 2016 and for the year ended 31 December 2016 were reviewed and audited respectively by another firm of chartered accountants who had expressed an unmodified conclusion and opinion thereon dated 20 August 2016 and 14 February 2017, respectively.

KPMG Taseer Hadi & Co.
Chartered Accountants

Muhammad Taufiq

Karachi 16 August, 2017

Condensed Interim Balance Sheet As at 30 June 2017 (Unaudited)

	Note	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Share capital and reserves			
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	14 369 639	14 901 071
		16 369 639	16 901 071
Underwriting provisions			
Provision for outstanding claims (including IBNR)		6 056 515	5 415 030
Provision for unearned premium		8 220 943	7 388 680
Commission income unearned		395 348	343 977
Total underwriting provisions		14 672 806	13 147 687
Deferred liabilities			
Deferred taxation		292 003	380 062
Creditors and accruals			
Premiums received in advance		165 317	4 597
Amounts due to other insurers / reinsurers		4 028 675	3 584 545
Accrued expenses		176 402	235 112
Agent balances		583 518	573 490
Unearned rentals		55 367	55 642
Taxation - provision less payments		344 669	208 186
Other creditors and accruals		109 290	237 785
		5 463 238	4 899 357
Other liabilities			
Other deposits		572 282	583 291
Unclaimed dividends		189 095	159 020
		761 377	742 311
Total liabilities		21 189 424	19 169 417
Total equity and liabilities		37 559 063	36 070 488
Total liabilities of takaful operations - OPF		188 549	133 715
Total equity and liabilities		37 747 612	36 204 203
Contingencies	6		

Rupees '000

	Note	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Cash and bank deposits			
Cash and other equivalents		6 903	7 730
Current and other accounts		1 465 787	1 187 856
Deposits maturing within 12 months		507 483	671 880
		1 980 173	1 867 466
Loans - secured considered good			
To employees		2 930	2 258
Investments	7	20 508 556	20 336 529
Investment properties		161 446	174 081
Current assets - others			
Premiums due but unpaid - net	8	3 402 203	3 980 010
Amounts due from other insurers / reinsurers		21 326	17 862
Salvage recoveries accrued		53 564	36 627
Accrued investment income		146 811	173 970
Reinsurance recoveries against outstanding claims		4 029 952	3 424 617
Deferred commission expense		684 922	564 645
Prepayments		5 195 433	4 207 314
Security deposits		8 480	8 758
Sundry receivables		54 216	57 802
		13 596 907	12 471 605
Fixed assets - tangible and intangible	9		
Buildings		428 196	416 045
Furniture, fixtures and office equipments		282 649	299 653
Vehicles		266 623	231 276
Motor tracking devices		167 072	135 187
Capital work-in-progress		5 220	2 750
		1 149 760	1 084 911
Total assets		37 399 772	35 936 850
Total assets of takaful operations - OPF		347 840	267 353
Total assets		37 747 612	36 204 203

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

MAHMOOD LOTIA
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Finance Officer &
Corporate Secretary

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 16 August 2017

Condensed Interim Profit and Loss Account For the six months period ended 30 June 2017 (Unaudited)

Rupees '000

	Note	Three months period ended 30 June					Aggregate 2017	Aggregate 2016
		Fire & property damage	Marine, aviation & transport	Motor	Others	Treaty		
Revenue account								
Net premium revenue		528 712	399 221	850 794	158 190	–	1 936 917	1 949 015
Net claims		(189 831)	(106 572)	(392 871)	(46 087)	–	(735 361)	(786 339)
Management expenses		(166 874)	(113 463)	(263 084)	(48 744)	–	(592 165)	(532 247)
Net commission		(10 704)	(54 652)	(70 357)	20 898	–	(114 815)	(132 568)
Underwriting result		161 303	124 534	124 482	84 257	–	494 576	497 861
Investment income							261 135	353 115
Rental income							36 527	34 427
Profit on deposits							20 662	14 573
Other income	13						13 239	2 892
Share of profit of associate							89 853	121 196
General and administration expenses							(31 547)	(51 783)
							389 869	474 420
Profit / (loss) before tax from takaful operations - OPF	10						8 513	(24 483)
Profit before tax							892 958	947 798
Provision for taxation	11						(374 593)	(532 359)
Profit after tax							518 365	415 439
Earnings per share - basic and diluted						(Rupees)	2.59	2.08
Six months period ended 30 June								
Revenue account								
Net premium revenue		989 105	739 424	1 703 343	324 836	–	3 756 708	3 760 948
Net claims		(291 688)	(214 834)	(866 446)	(88 011)	–	(1 460 979)	(1 577 137)
Management expenses		(321 956)	(215 301)	(531 830)	(101 060)	–	(1 170 147)	(1 098 055)
Net commission		(68 428)	(111 000)	(142 213)	43 634	–	(278 007)	(301 733)
Underwriting result		307 033	198 289	162 854	179 399	–	847 575	784 023
Investment income							468 345	590 380
Rental income							69 213	68 732
Profit on deposits							39 274	31 568
Other income	13						22 337	10 998
Share of profit of associate							333 448	293 568
General and administration expenses							(65 686)	(92 024)
							866 931	903 222
Profit / (loss) before tax from takaful operations - OPF	10						18 611	(9 500)
Profit before tax							1 733 117	1 677 745
Provision for taxation	11						(614 549)	(705 705)
Profit after tax							1 118 568	972 040
Profit and loss appropriation account								
Balance at commencement of the period							2 388 169	3 734 110
Profit after tax							1 118 568	972 040
Issuance of bonus shares							–	(400 000)
Final dividend for the year 2016 Rs. 7.00 (70%) per share (2015: Rs. 4.50 (45%) per share)							(1 400 000)	(720 000)
1st Interim dividend for the year 2017 Rs. 1.25 (12.5%) per share (2016: Re. 1.00 (10%) per share)							(250 000)	(200 000)
Transfers to general reserve							(500 000)	(2 000 000)
Balance unappropriated profit at end of the period							1 356 737	1 386 150
Earnings per share - basic and diluted						(Rupees)	5.59	4.86

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

MAHMOOD LOTIA Director	TAHER G. SACHAK Director	ALTAf GOKAL Chief Finance Officer & Corporate Secretary	HASANALI ABDULLAH Managing Director & Chief Executive	SAIFUDDIN N. ZOOMKAWALA Chairman
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Condensed Interim Statement of Comprehensive Income
For the six months period ended 30 June 2017 (Unaudited)

Rupees '000

	Three months period ended 30 June		Six months period ended 30 June	
	2017	2016	2017	2016
Profit after tax	518 365	415 439	1 118 568	972 040
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>518 365</u>	<u>415 439</u>	<u>1 118 568</u>	<u>972 040</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

MAHMOOD LOTIA
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Finance Officer &
Corporate Secretary

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 16 August 2017

Condensed Interim Statement of Changes in Equity For the six months period ended 30 June 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
Total comprehensive income for the period ended 30 June 2016					
Profit after tax	–	–	–	972 040	972 040
Transactions with owners, recorded directly in equity					
Issuance of bonus shares	400 000	–	–	(400 000)	–
Final dividend for the year 2015 Rs. 7.50 (75%) per share (2014: Rs. 5.00 (50%) per share)	–	–	–	(720 000)	(720 000)
1st Interim dividend paid for the year 2016 Re. 1.00 per share (2015: Re. 1.00 per share)	–	–	–	(200 000)	(200 000)
Other transfer within equity					
Transfer to general reserve	–	2 000 000	–	(2 000 000)	–
Balance as at 30 June 2016	<u>2 000 000</u>	<u>12 500 000</u>	<u>12 902</u>	<u>1 386 150</u>	<u>15 899 052</u>
Balance as at 1 January 2017	2 000 000	12 500 000	12 902	2 388 169	16 901 071
Total comprehensive income for the period ended 30 June 2017					
Profit after tax	–	–	–	1 118 568	1 118 568
Transactions with owners, recorded directly in equity					
Final dividend for the year 2016 Rs. 7.00 (70%) per share (2015: Rs. 4.50 (45%) per share)	–	–	–	(1 400 000)	(1 400 000)
1st Interim dividend paid for the year 2017 Rs. 1.25 per share (2016: Re. 1.00 per share)	–	–	–	(250 000)	(250 000)
Other transfer within equity					
Transfer to general reserve	–	500 000	–	(500 000)	–
Balance as at 30 June 2017	<u>2 000 000</u>	<u>13 000 000</u>	<u>12 902</u>	<u>1 356 737</u>	<u>16 369 639</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

MAHMOOD LOTIA
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Finance Officer &
Corporate Secretary

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 16 August 2017

Condensed Interim Statement of Cash Flows For the six months period ended 30 June 2017 (Unaudited)

Rupees '000

	2017	2016
Operating activities		
a) Underwriting activities		
Insurance premium received	9 923 191	7 601 079
Reinsurance premium paid	(5 076 995)	(4 007 744)
Claims paid	(2 568 417)	(2 172 612)
Reinsurance and other recoveries received	1 123 188	673 653
Commissions paid	(823 653)	(659 827)
Commissions received	486 769	397 226
Management expenses paid	(1 109 769)	(720 206)
Net cash inflow from underwriting activities	1 954 314	1 111 569
b) Other operating activities		
Income tax paid	(566 125)	(404 419)
General and administration expenses	(65 686)	(430 601)
Other operating payments	(66 453)	(144 826)
Other operating receipts	(138 924)	295 145
Loans advanced	(778)	(1 779)
Loans repayments received	105	1 344
Net cash outflow from other operating activities	(837 861)	(685 136)
Total cash inflow from all operating activities	1 116 453	426 433
Investment activities		
Profit / return received	299 302	193 787
Dividends received	719 554	462 726
Rental received	81 541	115 144
Payment for investments / investment properties	(4 628 160)	(6 911 106)
Proceed from investments / investment properties	4 305 507	6 864 955
Fixed capital expenditures	(186 967)	(115 439)
Proceeds from sale of property, plant and equipment	25 402	11 345
Total cash inflow from investing activities	616 179	621 412
Financing activities		
Dividends paid	(1 619 925)	(902 640)
Net cash inflow from all activities	112 707	145 205
Cash and cash equivalents at beginning of the year	1 867 466	1 748 996
Cash and cash equivalents at end of the period	1 980 173	1 894 201
Reconciliation to profit and loss account		
Operating cash flows	1 116 453	426 433
Depreciation / amortisation expense	(119 089)	(121 221)
Investment and rentals income	537 558	701 353
Profit on deposits	39 274	31 568
Share of profit of associate	333 448	293 568
Other income	22 346	11 006
Increase in assets other than cash	1 024 281	1 175 744
Increase in liabilities other than running finance	(1 854 314)	(1 536 911)
Profit after tax from conventional insurance operations	1 099 957	981 540
Profit / (loss) from takaful operations - OPF	18 611	(9 500)
Profit after tax at the end of the period	1 118 568	972 040
Definition of cash		
Cash for the purposes of the statement of cash flows consists of:		
Cash and other equivalents	6 903	3 096
Current and other accounts	1 465 787	1 341 322
Deposits maturing within 12 months	507 483	549 783
	1 980 173	1 894 201

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

MAHMOOD LOTIA
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Finance Officer &
Corporate Secretary

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 16 August 2017

Condensed Interim Statement of Premiums For the six months period ended 30 June 2017 (Unaudited)

Rupees '000

Class	Three months period ended 30 June								Net premium revenue 2017	Net premium revenue 2016
	Premiums				Reinsurance					
	Written	Unearned premium reserve		Earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense		
		Opening	Closing			Opening	Closing			
Direct and facultative										
Fire and property damage	2 481 799	5 247 039	5 173 561	2 555 277	2 216 766	4 056 561	4 246 762	2 026 565	528 712	534 373
Marine, aviation and transport	778 487	531 977	758 380	552 084	453 733	138 648	439 518	152 863	399 221	447 615
Motor	675 214	1 778 172	1 599 110	854 276	3 482	-	-	3 482	850 794	830 947
Miscellaneous	287 088	757 497	689 892	354 693	158 761	428 569	390 827	196 503	158 190	136 080
Total	4 222 588	8 314 685	8 220 943	4 316 330	2 832 742	4 623 778	5 077 107	2 379 413	1 936 917	1 949 015
Treaty - proportional	-	-	-	-	-	-	-	-	-	-
Grand total	4 222 588	8 314 685	8 220 943	4 316 330	2 832 742	4 623 778	5 077 107	2 379 413	1 936 917	1 949 015

Class	Six months period ended 30 June								Net premium revenue 2017	Net premium revenue 2016
	Premiums				Reinsurance					
	Written	Unearned premium reserve		Earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense		
		Opening	Closing			Opening	Closing			
Direct and facultative										
Fire and property damage	5 359 152	4 679 957	5 173 561	4 865 548	4 520 282	3 602 923	4 246 762	3 876 443	989 105	985 823
Marine, aviation and transport	1 302 394	529 897	758 380	1 073 911	553 555	220 450	439 518	334 487	739 424	842 139
Motor	1 729 564	1 581 063	1 599 110	1 711 517	8 174	-	-	8 174	1 703 343	1 646 674
Miscellaneous	793 554	597 763	689 892	701 425	439 115	328 301	390 827	376 589	324 836	286 312
Total	9 184 664	7 388 680	8 220 943	8 352 401	5 521 126	4 151 674	5 077 107	4 595 693	3 756 708	3 760 948
Treaty - proportional	-	-	-	-	-	-	-	-	-	-
Grand total	9 184 664	7 388 680	8 220 943	8 352 401	5 521 126	4 151 674	5 077 107	4 595 693	3 756 708	3 760 948

Note: Premiums written includes administrative surcharge of Rs. 248 million (30 June 2016: Rs. 221 million).

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 16 August 2017

Condensed Interim Statement of Claims For the six months period ended 30 June 2017 (Unaudited)

Rupees '000

Class	Three months period ended 30 June									Net claims expense 2017	Net claims expense 2016
	Claims				Reinsurance						
	Paid	Outstanding		Claims	Reinsurance	Reinsurance and other		Reinsurance			
	Opening	Closing	expense	and other recoveries received	recoveries in respect of outstanding claims		and other recoveries	revenue			
					Opening	Closing					
Direct and facultative											
Fire and property damage	501 096	3 265 556	3 905 069	1 140 609	380 890	2 686 958	3 256 846	950 778		189 831	58 778
Marine, aviation and transport	170 083	801 609	737 193	105 667	53 371	359 915	305 639	(905)		106 572	168 350
Motor	420 675	853 432	825 618	392 861	(10)	3 800	3 800	(10)		392 871	514 089
Miscellaneous	87 529	552 858	588 635	123 306	44 197	430 645	463 667	77 219		46 087	45 122
Total	<u>1 179 383</u>	<u>5 473 455</u>	<u>6 056 515</u>	<u>1 762 443</u>	<u>478 448</u>	<u>3 481 318</u>	<u>4 029 952</u>	<u>1 027 082</u>		<u>735 361</u>	<u>786 339</u>
Treaty - proportional	-	-	-	-	-	-	-	-		-	-
Grand total	<u>1 179 383</u>	<u>5 473 455</u>	<u>6 056 515</u>	<u>1 762 443</u>	<u>478 448</u>	<u>3 481 318</u>	<u>4 029 952</u>	<u>1 027 082</u>		<u>735 361</u>	<u>786 339</u>
	Six months period ended 30 June										
Direct and facultative											
Fire and property damage	1 165 383	3 179 851	3 905 069	1 890 601	922 879	2 580 812	3 256 846	1 598 913		291 688	156 355
Marine, aviation and transport	342 955	852 211	737 193	227 937	111 602	404 138	305 639	13 103		214 834	304 712
Motor	865 844	825 109	825 618	866 353	(93)	3 800	3 800	(93)		866 446	1 008 482
Miscellaneous	177 299	557 859	588 635	208 075	92 264	435 867	463 667	120 064		88 011	107 588
Total	<u>2 551 481</u>	<u>5 415 030</u>	<u>6 056 515</u>	<u>3 192 966</u>	<u>1 126 652</u>	<u>3 424 617</u>	<u>4 029 952</u>	<u>1 731 987</u>		<u>1 460 979</u>	<u>1 577 137</u>
Treaty - proportional	-	-	-	-	-	-	-	-		-	-
Grand total	<u>2 551 481</u>	<u>5 415 030</u>	<u>6 056 515</u>	<u>3 192 966</u>	<u>1 126 652</u>	<u>3 424 617</u>	<u>4 029 952</u>	<u>1 731 987</u>		<u>1 460 979</u>	<u>1 577 137</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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Chairman

Karachi 16 August 2017

Condensed Interim Statement of Expenses For the six months period ended 30 June 2017 (Unaudited)

Rupees '000

Class	Three months period ended 30 June							Net	Net
	Paid or payable	Commission		Net expense	Other management expenses	Underwriting expenses	Commission from reinsurers	underwriting expenses	underwriting expenses
		Opening	Closing					2017	2016
Direct and facultative									
Fire and property damage	276 742	373 733	444 192	206 283	166 874	373 157	195 579	177 578	198 015
Marine, aviation and transport	73 454	53 536	60 851	66 139	113 463	179 602	11 487	168 115	177 855
Motor	53 036	143 473	126 152	70 357	263 084	333 441	–	333 441	272 628
Miscellaneous	20 127	61 469	53 727	27 869	48 744	76 613	48 767	27 846	16 317
Total	423 359	632 211	684 922	370 648	592 165	962 813	255 833	706 980	664 815
Treaty - proportional	–	–	–	–	–	–	–	–	–
Grand total	423 359	632 211	684 922	370 648	592 165	962 813	255 833	706 980	664 815
Six months period ended 30 June									
Direct and facultative									
Fire and property damage	498 201	333 386	444 192	387 395	321 956	709 351	318 967	390 384	398 033
Marine, aviation and transport	137 574	51 549	60 851	128 272	215 301	343 573	17 272	326 301	359 278
Motor	134 211	134 154	126 152	142 213	531 830	674 043	–	674 043	607 694
Miscellaneous	63 695	45 556	53 727	55 524	101 060	156 584	99 158	57 426	34 783
Total	833 681	564 645	684 922	713 404	1 170 147	1 883 551	435 397	1 448 154	1 399 788
Treaty - proportional	–	–	–	–	–	–	–	–	–
Grand total	833 681	564 645	684 922	713 404	1 170 147	1 883 551	435 397	1 448 154	1 399 788

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

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Karachi 16 August 2017

Condensed Interim Statement of Investment Income For the six months period ended 30 June 2017 (Unaudited)

Rupees '000

	Three months period ended 30 June		Six months period ended 30 June	
	2017	2016	2017	2016
Income from non - trading investments				
Return on government securities	127 419	85 364	249 978	162 531
Return on other fixed income securities and deposits	-	500	-	500
Amortisation of discount relative to par	(7 726)	2 377	(14 975)	7 523
Dividend income	82 714	54 095	147 259	117 614
Gain on sale of non - trading investments - net	99 606	212 003	116 133	305 341
	302 013	354 339	498 395	593 509
Provision for impairment - available for sale investments - net	(40 463)	(815)	(29 235)	(2 296)
Investment related expenses	(415)	(409)	(815)	(833)
Net investment income	261 135	353 115	468 345	590 380

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Chairman

Karachi 16 August 2017

Notes to the Condensed Interim Financial Statements

For the six months period ended 30 June 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 (SECP) 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 six months period ended 30 June 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 SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012. In case where requirements differ, the provisions or directives issued under the Companies Ordinance, 1984, Insurance Ordinance, 2000, SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012 have been followed.

During the period, Securities and Exchange Commission of Pakistan (SECP) has issued Insurance Accounting Regulations, 2017, which were applicable with effect from 9 February 2017. However, the Company applied for the extension relating to the applicability of the said regulations for preparation of the half-yearly condensed interim financial statements for the period ended 30 June 2017 which was allowed by SECP vide letter ID/OSM/EFU/2017/10536, dated 8 August 2017. Hence, the condensed interim financial statements for the period ended 30 June 2017 are prepared in accordance with the requirements of SEC (Insurance) Rules, 2002.

Major impact in accordance with the format prescribed by SEC Insurance Rules, 2017 is on presentation and disclosure of financial statements as per Annexure II of SEC Insurance Rules, 2017 and on valuation of available-for-sale investments the impact of which has been disclosed in note 7.3.

- 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 condensed interim financial statements of the General Takaful Operations has been annexed to these condensed interim financial statements as per the requirements of the Takaful Rules, 2012.
- 2.4 Total assets, total liabilities and profit / (loss) of the Window Takaful Operations of the Company referred to as the Operator's Fund has been presented in these condensed interim financial information as per the requirement of the SECP Takaful Rules, 2012.
- 2.5 The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the SECP vide its press release dated July 20, 2017, these condensed interim financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

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 condensed interim 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 statement, 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	30 June 2017 (Unaudited)	31 December 2016 (Audited)
General reserve		13 000 000	12 500 000
Reserve for exceptional losses	5.1	12 902	12 902
Retained earnings		1 356 737	2 388 169
		<u>14 369 639</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 Commissioner Inland Revenue (ITAT). The Company has 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.

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

- 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	30 June 2017 (Unaudited)	31 December 2016 (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		333 448	802 361
Dividend received		(570 970)	(430 592)
		11 711 963	11 949 485
Reversal of provision for impairment		–	–
		11 711 963	11 949 485
Available for sale	7.1 & 7.3		
In related parties			
Mutual funds		150 000	175 000
Ordinary shares - net of provision		396 298	396 298
		546 298	571 298
Others - quoted			
Mutual funds		527 157	333 513
Ordinary shares - net of provision		2 135 661	2 290 723
Fixed income securities	7.2 & 7.3		
Government securities		5 587 477	5 191 510
Term finance certificates		44 118	44 118
		8 294 413	7 859 864
Net provision for impairment		(44 118)	(44 118)
		8 796 593	8 387 044
		20 508 556	20 336 529

- 7.1 The market value of investment in associate and available for sale investments as on 30 June 2017 was Rs. 11,850 million (31 December 2016: Rs. 9,285 million) and Rs. 14,399 million (31 December 2016: Rs. 14,758 million) respectively.
- 7.2 The fixed income securities includes Government Securities amounting to Rs. 233 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 30 June 2017 would have been higher by Rs. 5,602 million (31 December 2016: higher by Rs. 6,371 million).

8. Premiums due but unpaid – net – unsecured

Rupees '000

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Considered good	3 402 203	3 980 010
Considered doubtful	30 395	27 100
	<u>3 432 598</u>	<u>4 007 110</u>
Provision for doubtful balances	(30 395)	(27 100)
	<u><u>3 402 203</u></u>	<u><u>3 980 010</u></u>

9. Fixed assets – tangible and intangible

The details of additions and disposals during the six months period ended 30 June 2017 are as follows:

Rupees '000

	Additions (at cost)		Disposals (at net book value)	
	30 June 2017 (Unaudited)	30 June 2016 (Unaudited)	30 June 2017 (Unaudited)	30 June 2016 (Unaudited)
Tangible				
Buildings	28 138	23 669	–	–
Furniture and fixtures	10 516	8 045	–	–
Office equipments	2 250	8 281	–	–
Tracker equipments	52 397	25 378	–	–
Computers	4 104	6 997	–	–
Vehicles	87 092	41 699	3 334	426
	<u>184 497</u>	<u>114 069</u>	<u>3 334</u>	<u>426</u>

10. General takaful operations - OPF

	Three months period ended 30 June		Six months period ended 30 June	
	2017	2016	2017	2016
Wakala fee	67 858	37 399	128 520	60 943
Management expenses	(42 416)	(56 161)	(75 271)	(60 403)
Commission expenses	(22 305)	(9 253)	(41 997)	(14 366)
Investment income	4 412	2 756	5 278	2 756
Profit on deposits	699	519	1 256	1 245
Mudarib's share of PTF profit on deposits	675	407	1 245	625
General and administration expenses	(410)	(150)	(420)	(300)
Profit / loss for taxation	<u>8 513</u>	<u>(24 483)</u>	<u>18 611</u>	<u>(9 500)</u>

11. Provision for taxation

Rupees '000

	Three months period ended 30 June		Six months period ended 30 June	
	2017	2016	2017	2016
For the period				
Current	427 061	325 380	603 842	509 158
Prior year	98 766	68 942	98 766	68 942
Deferred	(151 234)	138 037	(88 059)	127 605
	<u>374 593</u>	<u>532 359</u>	<u>614 549</u>	<u>705 705</u>

12. Operating segments

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Treaty		Total	
	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)
Corporate segment assets - conventional	9 756 758	9 177 937	1 715 025	1 322 684	819 640	640 298	1 097 821	1 034 515	-	-	13 389 244	12 175 434
Corporate segment assets - Takaful OPF	17 137	15 457	3 614	3 096	130 712	73 348	6 560	4 623	-	-	158 023	96 524
Corporate unallocated assets - conventional											24 010 528	23 761 416
Corporate unallocated assets - Takaful OPF											189 817	170 829
Consolidated total assets											<u>37 747 612</u>	<u>36 204 203</u>
Corporate segment liabilities	12 955 005	11 382 450	2 048 255	1 794 889	2 503 468	2 490 835	2 335 830	2 225 437	-	-	19 842 558	17 893 611
Corporate segment liabilities - Takaful OPF	15 401	16 411	2 577	2 781	159 440	99 027	9 835	14 003	-	-	187 253	132 222
Corporate unallocated liabilities											1 346 866	1 275 806
Corporate unallocated liabilities - Takaful OPF											1 296	1 493
Consolidated total liabilities											<u>21 377 973</u>	<u>19 303 132</u>
											<u>2017 (Unaudited)</u>	<u>2016 (Unaudited)</u>
Capital expenditures											186 967	115 439
Capital expenditures - Takaful OPF											21	1 306
Corporate segment depreciation - conventional	-	-	-	-	20 512	-	-	-	-	-	20 512	13 423
Unallocated depreciation - conventional											98 577	107 798
Unallocated depreciation - Takaful OPF											513	389
Total depreciation											<u>119 602</u>	<u>121 610</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 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Unaudited)
Pakistan - Conventional	3 748 176	3 747 732	37 493 435	35 987 101	21 267 967	19 220 639	186 967	115 439
*EPZ - Conventional	8 532	13 216	254 177	217 102	110 006	82 493	-	-
Total	<u>3 756 708</u>	<u>3 760 948</u>	<u>37 747 612</u>	<u>36 204 203</u>	<u>21 377 973</u>	<u>19 303 132</u>	<u>186 967</u>	<u>115 439</u>

* This represents US Dollar equivalent in Pak Rupees

Rupees '000

13. Other Income

	Three months period ended 30 June		Six months period ended 30 June	
	2017	2016	2017	2016
Gain on sale of fixed assets - net	13 010	3 024	22 067	10 919
Interest on loans to employees	35	37	70	70
Exchange (loss) / gain	194	(169)	200	9
	<u>13 239</u>	<u>2 892</u>	<u>22 337</u>	<u>10 998</u>

14. Related party transactions

Related parties comprise of directors, major shareholders, 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 other than those which have been specifically disclosed elsewhere in these condensed interim financial statements are as follows:

	Three months period ended 30 June		Six months period ended 30 June	
	2017	2016	2017	2016
14.1 Transactions				
Associated company				
Premiums written	44 025	15 415	146 076	64 347
Premiums paid	-	14 726	13 187	14 726
Claims paid	23 451	8 658	40 628	15 983
Dividends received	570 970	43 059	570 970	344 473
Dividends paid	179 198	81 718	179 198	81 718
Bonus shares issued - face value	-	27 252	-	27 252
Key management personnel				
Premiums written	434	200	555	368
Claims paid	127	97	202	97
Dividends paid	6 916	3 875	6 916	3 875
Bonus shares issued - face value	-	1 667	-	1 667
Compensation	46 361	41 988	85 123	77 069
Others				
Premiums written	1 182	3 538	4 217	15 240
Premiums paid / (refund)	-	(14)	17 262	14 424
Claims paid	1 564	869	179	3 787
Investments made	150 000	110 000	200 000	220 000
Investments sold	103 179	110 000	225 000	315 000
Dividends paid	839 971	485 888	839 971	485 888
Expenses paid	590	864	1 057	1 331
Bonus shares issued - face value	-	219 402	-	219 402
Bank deposits made	-	100 000	-	25 000
Brokerage paid	92	243	98	329
Employees' funds				
Contributions to provident fund	6 244	5 220	11 634	10 316
Contributions to gratuity fund	3 874	3 159	7 697	6 301
Contributions (released) / made - pension fund	302	(92)	603	(183)
Dividends paid	8 505	4 742	8 505	4 742
Bonus shares issued - face value	-	2 062	-	2 062

Rupees '000

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
14.2 Balances		
Others		
Balances receivable	21 937	7 846
Balances payable	(1 184)	(316)
Deposits maturing within 12 months	79 000	229 000
Bank balances	372 107	259 753
Employees' funds receivable		
EFU gratuity fund	(9 454)	(1 849)
EFU pension fund	673	1 187

15. Fair value

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

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

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

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

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

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

Rupees '000

	Six months period ended 30 June 2017 (Unaudited)								
	Available for sale	Loan & Receivable	Other financial assets	Other financial liabilities	Total	Fair value measurement using			Total
						Level 1	Level 2	Level 3	
Financial assets not measured at fair value									
Cash and bank balances*	-	-	1 980 173	-	1 980 173	-	-	-	-
Loans to employees	-	2 930	-	-	2 930	-	-	-	-
Investments									
Investment in associate	11 711 963	-	-	-	11 711 963	11 850 311	-	-	11 850 311
Government Securities	5 587 477	-	-	-	5 587 477	-	5 593 556	-	5 593 556
Quoted equity securities / mutual funds	3 209 116	-	-	-	3 209 116	8 805 383	-	-	8 805 383
Unquoted equity shares	-	-	-	-	-	-	-	-	-
Premium due but unpaid*	-	3 402 203	-	-	3 402 203	-	-	-	-
Amount due from other insurers / reinsurers*	-	21 326	-	-	21 326	-	-	-	-
Accrued investment income*	-	146 811	-	-	146 811	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	4 029 952	-	-	4 029 952	-	-	-	-
Security deposits	-	8 480	-	-	8 480	-	-	-	-
Sundry receivables*	-	54 216	-	-	54 216	-	-	-	-
Total assets of Window Takaful Operations - Operator's Fund*	21 397	113 386	72 813	-	207 596	20 754	-	-	20 754
	20 529 953	7 779 304	2 052 986	-	30 362 243	20 676 448	5 593 556	-	26 270 004

Rupees '000

	Six months period ended 30 June 2017 (Unaudited)								
	Available for sale	Loan & Receivable	Other financial assets	Other financial liabilities	Total	Fair value measurement using			Total
						Level 1	Level 2	Level 3	
Financial liabilities not measured at fair value									
Premium received in advance	-	-	-	(165 317)	(165 317)	-	-	-	-
Provision for outstanding claims including (IBNR)*	-	-	-	(6 056 515)	(6 056 515)	-	-	-	-
Amount due to other insurers / reinsurers*	-	-	-	(4 028 675)	(4 028 675)	-	-	-	-
Accrued expenses*	-	-	-	(176 402)	(176 402)	-	-	-	-
Agent balances	-	-	-	(583 518)	(583 518)	-	-	-	-
Other creditors and accruals*	-	-	-	(310 924)	(310 924)	-	-	-	-
Other deposits * unclaimed dividend*	-	-	-	(572 282)	(572 282)	-	-	-	-
Total liabilities of Window Takaful Operations - Operator's Fund*	-	-	-	(30 608)	(30 608)	-	-	-	-
	20 529 953	7 779 304	2 052 986	(12 113 336)	18 248 907	20 676 448	5 593 556	-	26 270 004

Rupees '000

	For the year ended 31 December 2016 (Audited)								
	Available for sale	Loan & Receivable	Other financial assets	Other financial liabilities	Total	Fair value measurement using			Total
						Level 1	Level 2	Level 3	
Financial assets not measured at fair value									
Cash and bank balances*	-	-	1 867 466	-	1 867 466	-	-	-	-
Loans to employees*	-	2 258	-	-	2 258	-	-	-	-
Investments									
Investment in associates	11 949 485	-	-	-	11 949 485	9 285 042	-	-	9 285 042
Government securities	5 191 510	-	-	-	5 191 510	-	5 264 392	-	5 264 392
Quoted equity securities / mutual funds	3 195 534	-	-	-	3 195 534	9 493 420	-	-	9 493 420
Premium due but unpaid*	-	3 980 010	-	-	3 980 010	-	-	-	-
Amount due from other insurers / reinsurers*	-	17 862	-	-	17 862	-	-	-	-
Accrued investment income*	-	173 970	-	-	173 970	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	3 424 617	-	-	3 424 617	-	-	-	-
Security deposits*	-	8 758	-	-	8 758	-	-	-	-
Sundry receivables*	-	57 802	-	-	57 802	-	-	-	-
Total assets of Window Takaful Operations - Operator's Fund*	20 590	61 213	56 350	-	138 153	20 447	-	-	20 447
	20 357 119	7 726 490	1 923 816	-	30 007 425	18 798 909	5 264 392	-	24 063 301

Rupees '000

For the year ended 31 December 2016 (Audited)

	Available for sale	Loan & Receivable	Other financial assets	Other financial liabilities	Total	Fair value measurement using			
						Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value									
Premium received in advance	-	-	-	(4 597)	(4 597)	-	-	-	-
Provision for outstanding claims including (IBNR)*	-	-	-	(5 415 030)	(5 415 030)	-	-	-	-
Amount due to other insurers / reinsurers*	-	-	-	(3 584 545)	(3 584 545)	-	-	-	-
Accrued expenses*	-	-	-	(235 112)	(235 112)	-	-	-	-
Agent balances*	-	-	-	(573 490)	(573 490)	-	-	-	-
Other creditors and accruals*	-	-	-	(237 785)	(237 785)	-	-	-	-
Other deposits *	-	-	-	(583 291)	(583 291)	-	-	-	-
unclaimed dividend*	-	-	-	(159 020)	(159 020)	-	-	-	-
Total liabilities of Window Takaful Operations - Operator's Fund*	-	-	-	(21 038)	(21 038)	-	-	-	-
	<u>20 357 119</u>	<u>7 726 490</u>	<u>1 923 816</u>	<u>(10 813 908)</u>	<u>19 193 517</u>	<u>18 798 909</u>	<u>5 264 392</u>	<u>-</u>	<u>24 063 301</u>

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

16. General

16.1 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	294 601

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

16.3 Figures in these condensed interim financial statements for the quarters ended 30 June 2017 and 30 June 2016 have not been subjected to limited scope review of the auditors.

17. Date of authorisation for issue of condensed interim financial statements

These condensed interim financial statements were authorised for issue by the Board of Directors in its meeting held on 16 August 2017.

MAHMOOD LOTIA
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Finance Officer &
Corporate Secretary

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 16 August 2017








Condensed Interim Financial Statements
Window Takaful Operations
For the six months period ended 30 June 2017 (Unaudited)










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Auditors' Report to Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying

- i) condensed interim balance sheet;
- ii) condensed interim profit and loss account;
- iii) condensed interim statement of comprehensive income;
- iv) condensed interim statement cash flows;
- v) condensed interim statement of changes in funds;
- vi) condensed interim statement of contributions;
- vii) condensed interim statement of claims;
- viii) condensed interim statement of expenses; and
- ix) condensed interim statement of investment income

of EFU General Insurance Limited - Window Takaful Operations together with notes to the accounts for the six-month period then ended 30 June 2017 (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of the condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on the condensed interim financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

Other matter

The figures for the three months period ended 30 June 2017 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

The financial statements of the Company for the half year ended 30 June 2016 and for the year ended 31 December 2016 were reviewed and audited respectively by another firm of chartered accountants who had expressed an unmodified conclusion and opinion thereon dated 20 August 2016 and 14 February 2017, respectively.

KPMG Taseer Hadi & Co.
Chartered Accountants

Muhammad Taufiq

Karachi 16 August, 2017

EFU General Insurance Limited – Window Takaful Operations
Condensed Interim Balance Sheet
As at 30 June 2017 (Unaudited)

Note	30 June 2017 (Unaudited)			31 December 2016 (Audited) Aggregate
	Operator's Fund	Participants' Takaful Fund	Aggregate	
Operator's Fund				
Statutory Fund	100 000	–	100 000	100 000
Accumulated Profit	21 401	–	21 401	2 790
	121 401	–	121 401	102 790
Waqf / Participants' Takaful Fund				
Cede money	–	500	500	500
Accumulated surplus	–	103 483	103 483	28 309
	–	103 983	103 983	28 809
Qard-e-hasna	–	85 000	85 000	85 000
Underwriting provisions				
Provision for outstanding claims (including IBNR)	–	215 724	215 724	210 412
Provision for unearned contribution	–	651 618	651 618	537 429
Unearned retakaful rebate	–	11 258	11 258	12 360
Total underwriting provisions	–	878 600	878 600	760 201
Creditors and accruals				
Contributions received in advance	–	1 193	1 193	596
Amounts due to other takaful / retakaful operator	–	53 282	53 282	42 311
Unearned wakala fees	157 941	–	157 941	112 677
Wakala fees payable	–	109 775	109 775	58 047
Modarib fees payable	–	1 215	1 215	1 117
Accrued expenses	1 093	–	1 093	1 325
Agent balances	29 312	–	29 312	19 547
Other creditors and accruals	203	19 212	19 415	18 742
Payable to EFU General Insurance Limited 5	37 890	–	37 890	30 848
	226 439	184 677	411 116	285 210
Total liabilities	226 439	1 148 277	1 374 716	1 130 411
Total equity and liabilities	347 840	1 252 260	1 600 100	1 262 010

Rupees '000

30 June 2017 (Unaudited)				
Note	Operator's Fund	Participants' Takaful Fund	Aggregate	31 December 2016 (Audited) Aggregate
Cash and bank deposits				
	–	825	825	468
	42 873	96 434	139 307	151 153
	30 000	120 000	150 000	109 000
	72 873	217 259	290 132	260 621
Investments	21 397	391 961	413 358	400 620
Qard-e-hasna	85 000	–	85 000	85 000
Current assets - others				
	–	299 371	299 371	167 944
	–	667	667	89
	–	11 838	11 838	5 195
	141	2 575	2 716	2 874
	–	45 200	45 200	38 780
	48 248	–	48 248	38 477
	109 775	–	109 775	58 047
	1 215	–	1 215	1 117
	–	157 941	157 941	112 677
	2 395	3 859	6 254	2 088
	423	121 589	122 012	81 856
	301	–	301	301
	1 954	–	1 954	1 715
	164 452	643 040	807 492	511 160
Fixed assets - tangible				
	1 780	–	1 780	1 934
	2 338	–	2 338	2 675
	4 118	–	4 118	4 609
Total assets	347 840	1 252 260	1 600 100	1 262 010

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

MAHMOOD LOTIA
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Finance Officer &
Corporate Secretary

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 16 August 2017

EFU General Insurance Limited – Window Takaful Operations
Condensed Interim Statement of Comprehensive Income
For the six months period ended 30 June 2017 (Unaudited)

2017
SECOND QUARTER

Rupees '000

	Three months period ended 30 June		Six months period ended 30 June	
	2017	2016	2017	2016
Operator's Fund				
Profit / (loss) for the period	8 513	(24 483)	18 611	(9 500)
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income / (loss) for the period	<u>8 513</u>	<u>(24 483)</u>	<u>18 611</u>	<u>(9 500)</u>

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

MAHMOOD LOTIA
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Finance Officer &
Corporate Secretary

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 16 August 2017

EFU General Insurance Limited – Window Takaful Operations
Condensed Interim Statement of Changes in Funds
For the six months period ended 30 June 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
Contribution made during the period	50 000	–	50 000
Total comprehensive income / (loss) for the period ended 30 June 2016			
Loss for the period	–	(9 500)	(9 500)
Balance as at 30 June 2016	<u>100 000</u>	<u>(12 627)</u>	<u>87 373</u>
Balance as at 1 January 2017	100 000	2 790	102 790
Total comprehensive income / (loss) for the period ended 30 June 2017			
Profit for the period	–	18 611	18 611
Balance as at 30 June 2017	<u>100 000</u>	<u>21 401</u>	<u>121 401</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	–	(17 277)	(17 277)
Balance as at 30 June 2016	<u>500</u>	<u>(9 238)</u>	<u>(8 738)</u>
Balance as at 1 January 2017	500	28 309	28 809
Surplus for the period	–	75 174	75 174
Balance as at 30 June 2017	<u>500</u>	<u>103 483</u>	<u>103 983</u>

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

MAHMOOD LOTIA
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Finance Officer &
Corporate Secretary

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 16 August 2017

EFU General Insurance Limited – Window Takaful Operations
Condensed Interim Statement of Cash Flows
For the six months period ended 30 June 2017 (Unaudited)

Rupees '000
(Restated)

	Operator's Fund	Participants' Takaful Fund	Aggregate 2017	Aggregate 2016
Operating activities				
a) Takaful activities				
Contributions received	–	557 568	557 568	500 523
Retakaful contributions paid	–	(68 529)	(68 529)	(57 233)
Claims paid	–	(253 521)	(253 521)	(36 010)
Retakaful and other recoveries received	–	23 052	23 052	6 397
Commissions paid	(42 002)	–	(42 002)	(23 785)
Retakaful rebate received	–	12 214	12 214	7 537
Wakala fees received / (paid)	122 057	(122 057)	–	–
Management expenses	(74 991)	(88 512)	(163 503)	(137 242)
Net cash inflow from takaful activities	5 064	60 215	65 279	260 187
b) Other operating activities				
Income tax paid	(1 281)	(2 885)	(4 166)	(1 009)
General and administration expenses	(421)	–	(421)	(76)
Other operating payments	(662)	(49 749)	(50 411)	(14 091)
Other operating receipts	7 077	630	7 707	57 709
Net cash inflow / (outflow) from other operating activities	4 713	(52 004)	(47 291)	42 533
Total cash inflow from all operating activities	9 777	8 211	17 988	302 720
Investment activities				
Profit / return received	1 148	7 947	9 095	3 633
Dividends received	1 076	12 079	13 155	2 281
Modarib fee received / (paid)	5 350	(5 350)	–	–
Payments for investments	(807)	(130 031)	(130 838)	(546 305)
Proceeds from disposal of investments	–	120 132	120 132	280 848
Fixed capital expenditures	(21)	–	(21)	(1 306)
Total cash inflow / (outflow) from investing activities	6 746	4 777	11 523	(260 849)
Financing activities				
Contribution to the operator's fund	–	–	–	50 000
Net cash inflow from all activities	16 523	12 988	29 511	91 871
Cash at the beginning of the period	56 350	204 271	260 621	138 351
Cash at the end of the period	72 873	217 259	290 132	230 222
Reconciliation to profit and loss account				
Operating cash flows	9 777	8 211	17 988	302 720
Depreciation expense	(513)	–	(513)	(389)
Investment income	5 278	12 606	17 884	3 935
Profit on deposits	2 501	3 737	6 238	3 746
Increase in assets other than cash	63 444	232 953	296 397	162 360
Increase in liabilities other than running finance	(61 876)	(182 333)	(244 209)	(499 149)
Profit / (loss) for the period	18 611	75 174	93 785	(26 777)
Attributed to				
Operator's Fund	18 611	–	18 611	(9 500)
Participants' Takaful Fund	–	75 174	75 174	(17 277)
	18 611	75 174	93 785	(26 777)
Definition of cash				
Cash for the purposes of the statement of cash flows consists of:				
Cash and other equivalents	–	825	825	477
Current and other accounts	42 873	96 434	139 307	154 745
Deposits maturing within 12 months	30 000	120 000	150 000	75 000
	72 873	217 259	290 132	230 222

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

MAHMOOD LOTIA
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Finance Officer &
Corporate Secretary

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 16 August 2017

EFU General Insurance Limited – Window Takaful Operations
Condensed Interim Statement of Contributions
For the six months period ended 30 June 2017 (Unaudited)

Rupees '000

Class	Three months period ended 30 June									Net contribution revenue 2017	Net contribution revenue 2016
	Contribution				Retakaful				Retakaful expense		
	Written	Unearned contribution reserve		Earned	Retakaful ceded	Prepaid retakaful contribution ceded					
	Opening	Closing		Opening	Closing						
Direct and facultative											
Fire and property damage	24 745	46 775	45 457	26 063	22 705	40 963	40 213	23 455	2 608	1 699	
Marine, aviation and transport	5 993	4 120	3 866	6 247	5 106	3 543	3 337	5 312	935	435	
Motor	330 341	482 328	572 170	240 499	5 005	-	-	5 005	235 494	119 165	
Miscellaneous	18 936	33 804	30 125	22 615	11 159	20 977	19 232	12 904	9 711	8 000	
Total	380 015	567 027	651 618	295 424	43 975	65 483	62 782	46 676	248 748	129 299	
Treaty - proportional	-	-	-	-	-	-	-	-	-	-	
Grand total	380 015	567 027	651 618	295 424	43 975	65 483	62 782	46 676	248 748	129 299	

Class	Six months period ended 30 June									Net contribution revenue 2017	Net contribution revenue 2016
	Contribution				Retakaful				Retakaful expense		
	Written	Unearned contribution reserve		Earned	Retakaful ceded	Prepaid retakaful contribution ceded					
	Opening	Closing		Opening	Closing						
Direct and facultative											
Fire and property damage	48 117	47 065	45 457	49 725	42 923	41 475	40 213	44 185	5 540	2 877	
Marine, aviation and transport	11 090	4 102	3 866	11 326	9 412	3 560	3 337	9 635	1 691	660	
Motor	599 714	437 536	572 170	465 080	8 845	-	-	8 845	456 235	172 380	
Miscellaneous	29 477	48 726	30 125	48 078	18 320	27 762	19 232	26 850	21 228	13 948	
Total	688 398	537 429	651 618	574 209	79 500	72 797	62 782	89 515	484 694	189 865	
Treaty - proportional	-	-	-	-	-	-	-	-	-	-	
Grand total	688 398	537 429	651 618	574 209	79 500	72 797	62 782	89 515	484 694	189 865	

Note: Contributions written includes administrative surcharge of Rs. 135 million (30 June 2016 : Rs. 124 million).

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

MAHMOOD LOTIA
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Finance Officer &
Corporate Secretary

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 16 August 2017

EFU General Insurance Limited – Window Takaful Operations
Condensed Interim Statement of Claims
For the six months period ended 30 June 2017 (Unaudited)

2017
SECOND QUARTER

Rupees '000

Class	Three months period ended 30 June								Net Claims expense 2017	Net Claims expense 2016
	Claims				Retakaful					
	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			
Direct and facultative										
Fire and property damage	21 461	20 169	25 412	26 704	19 308	18 082	22 793	24 019	2 685	1 129
Marine, aviation and transport	140	5 310	5 357	187	126	4 779	4 822	169	18	7
Motor	119 728	190 043	165 414	95 099	–	3 448	–	(3 448)	98 547	60 065
Miscellaneous	2 069	19 928	19 541	1 682	765	17 134	17 585	1 216	466	48
Total	143 398	235 450	215 724	123 672	20 199	43 443	45 200	21 956	101 716	61 249
Treaty - proportional	–	–	–	–	–	–	–	–	–	–
Grand total	143 398	235 450	215 724	123 672	20 199	43 443	45 200	21 956	101 716	61 249
	Six months period ended 30 June									
Direct and facultative										
Fire and property damage	22 308	20 447	25 412	27 273	20 063	18 356	22 793	24 500	2 773	1 509
Marine, aviation and transport	1 725	7 187	5 357	(105)	1 552	6 468	4 822	(94)	(11)	65
Motor	219 359	167 454	165 414	217 319	–	–	–	–	217 319	76 026
Miscellaneous	3 487	15 324	19 541	7 704	2 015	13 956	17 585	5 644	2 060	558
Total	246 879	210 412	215 724	252 191	23 630	38 780	45 200	30 050	222 141	78 158
Treaty - proportional	–	–	–	–	–	–	–	–	–	–
Grand total	246 879	210 412	215 724	252 191	23 630	38 780	45 200	30 050	222 141	78 158

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

MAHMOOD LOTIA
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Finance Officer &
Corporate Secretary

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 16 August 2017

EFU General Insurance Limited – Window Takaful Operations
Condensed Interim Statement of Expenses - OPF
For the six months period ended 30 June 2017 (Unaudited)

Rupees '000

Class	Three months period ended 30 June					Net OPF expenses 2017	Net OPF expenses 2016
	Paid or payable	Commission		Net expense	Other management expenses		
		Opening	Closing				
Direct and facultative							
Fire and property damage	2 943	6 388	5 890	3 441	7 221	10 662	13 144
Marine, aviation and transport	974	697	628	1 043	2 392	3 435	2 693
Motor	22 725	34 378	40 366	16 737	28 965	45 702	42 880
Miscellaneous	961	1 487	1 364	1 084	3 838	4 922	6 697
Total	27 603	42 950	48 248	22 305	42 416	64 721	65 414
Treaty - proportional	–	–	–	–	–	–	–
Grand total	27 603	42 950	48 248	22 305	42 416	64 721	65 414

Class	Six months period ended 30 June					Net OPF expenses 2017	Net OPF expenses 2016
	Paid or payable	Commission		Net expense	Other management expenses		
		Opening	Closing				
Direct and facultative							
Fire and property damage	6 194	6 306	5 890	6 610	10 425	17 035	15 167
Marine, aviation and transport	1 809	685	628	1 866	3 355	5 221	3 073
Motor	42 582	28 979	40 366	31 195	54 205	85 400	48 796
Miscellaneous	1 183	2 507	1 364	2 326	7 286	9 612	7 733
Total	51 768	38 477	48 248	41 997	75 271	117 268	74 769
Treaty - proportional	–	–	–	–	–	–	–
Grand total	51 768	38 477	48 248	41 997	75 271	117 268	74 769

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

MAHMOOD LOTIA
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Finance Officer &
Corporate Secretary

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 16 August 2017

EFU General Insurance Limited – Window Takaful Operations
Condensed Interim Statement of Expenses - PTF
For the six months period ended 30 June 2017 (Unaudited)

2017
SECOND QUARTER

Rupees '000
(Restated)

Class	Three months period ended 30 June						Net PTF expenses	Net PTF expenses
	Gross wakala fee	Deferred wakala fee		Net expense	PTF Direct expenses	Rebate from retakaful operators	2017	2016
		Opening	Closing					
Direct and facultative								
Fire and property damage	6 186	11 694	11 364	6 516	2	3 733	2 785	1 457
Marine aviation and transport	2 097	1 442	1 353	2 186	1	1 195	992	465
Motor	82 821	108 375	137 693	53 503	50 465	–	103 968	54 532
Miscellaneous	4 733	8 451	7 531	5 653	8	1 759	3 902	3 213
Total	95 837	129 962	157 941	67 858	50 476	6 687	111 647	59 667
Treaty - proportional	–	–	–	–	–	–	–	–
Grand total	95 837	129 962	157 941	67 858	50 476	6 687	111 647	59 667

Six months period ended 30 June								
Direct and facultative								
Fire and property damage	12 029	11 766	11 364	12 431	3	8 146	4 288	2 082
Marine aviation and transport	3 881	1 436	1 353	3 964	1	2 168	1 797	679
Motor	150 505	87 293	137 693	100 105	88 498	–	188 603	123 458
Miscellaneous	7 369	12 182	7 531	12 020	11	3 002	9 029	5 820
Total	173 784	112 677	157 941	128 520	88 513	13 316	203 717	132 039
Treaty - proportional	–	–	–	–	–	–	–	–
Grand total	173 784	112 677	157 941	128 520	88 513	13 316	203 717	132 039

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

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

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Chairman

Karachi 16 August 2017

EFU General Insurance Limited – Window Takaful Operations
Condensed Interim Statement of Investment Income
For the six months period ended 30 June 2017 (Unaudited)

Rupees '000

	Three months period ended 30 June		Six months period ended 30 June	
	2017	2016	2017	2016
Participants' Takaful Fund				
Return on government securities - Ijara sukuk	1 587	36	3 083	36
Amortisation of premium relative to par	(225)	(4)	(384)	(4)
Dividend income	12 079	469	12 079	469
Gain on sale of non - trading investments	(97)	1 071	2 030	1 071
	13 344	1 572	16 808	1 572
Modarib's share on investment income	(3 336)	(393)	(4 202)	(393)
Net investment income	10 008	1 179	12 606	1 179
Operator's Fund				
Gain on sale of non - trading investments	–	551	–	551
Dividend income	1 076	1 812	1 076	1 812
Modarib's share of PTF investment income	3 336	393	4 202	393
Net investment income	4 412	2 756	5 278	2 756

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

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Chairman

Karachi 16 August 2017

EFU General Insurance Limited – Window Takaful Operations

Notes to the Condensed Interim Financial Statements

For the six months period ended 30 June 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 six months period ended 30 June 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 SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012 have been followed.

During the period, Securities and Exchange Commission of Pakistan ("SECP") has issued Insurance Accounting Regulations, 2017 which were applicable with effect from 9 February 2017. However, the Operator applied for the extension relating to the applicability of the said regulations for preparation of the half-yearly condensed interim financial statements for the period ended 30 June 2017 which was allowed by SECP vide letter ID/OSM/EFU/2017/10536, dated 8 August 2017. Hence, the condensed interim financial statements for the period ended 30 June 2017 are prepared in accordance with the requirements of SEC (Insurance) Rules, 2002.

Major impact in accordance with the format prescribed by SEC Insurance Rules, 2017 is on presentation and disclosure of financial statements as per Annexure II of SEC Insurance Rules, 2017 and on valuation of available-for-sale investments the impact of which has been disclosed in note 6.1.2 and 6.2.2.

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.

2.3. The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the SECP vide its press release dated July 20, 2017, these condensed interim financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

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 condensed interim 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 statement, 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	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Available for sale	6.1.1 & 6.1.2		
Mutual funds		21 397	20 590
		<u>21 397</u>	<u>20 590</u>

6.1.1 The market value of available for sale investments as on 30 June 2017 was Rs. 20.75 million (31 December 2016: Rs. 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 30 June 2017 would have been lower by Rs. 0.64 million (31 December 2016: lower by Rs. 0.14 million).

6.2 Participants' Takaful Funds

Rupees '000

	Note	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Available for sale	6.2.1 & 6.2.2		
Mutual funds		291 327	279 085
Fixed income securities			
Government securities - Ijara sukuk XVII		100 634	100 945
		<u>391 961</u>	<u>380 030</u>

6.2.1 The market value of available for sale investments as on 30 June 2017 was Rs. 390.26 million (31 December 2016: Rs. 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 30 June 2017 would have been lower by Rs. 1.70 million (31 December 2016: higher by Rs. 5.64 million).

7. Fixed assets - tangible - OPF

The details of additions and disposals during the six months period ended 30 June 2017 are as follows:

Rupees '000

	Additions (at cost)		Disposals (at net book value)	
	30 June 2017 (Unaudited)	30 June 2016 (Unaudited)	30 June 2017 (Unaudited)	30 June 2016 (Unaudited)
Tangible				
Furniture and fixtures	21	-	-	-
Computers	-	195	-	-
Vehicles	-	1 111	-	-
	<u>21</u>	<u>1 306</u>	<u>-</u>	<u>-</u>

8. Operating segment

8.1 Operator's Fund

Rupees '000

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Treaty		Total	
	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)
Corporate segment assets	17 137	15 457	3 614	3 096	130 712	73 348	6 560	4 623	-	-	158 023	96 524
Corporate unallocated assets											189 817	170 829
Total assets											<u>347 840</u>	<u>267 353</u>
Corporate segment liabilities	15 401	16 411	2 577	2 781	159 440	99 027	9 835	14 003	-	-	187 253	132 222
Corporate unallocated liabilities											39 186	32 341
Total liabilities											<u>226 439</u>	<u>164 563</u>
											<u>2017 (Unaudited)</u>	<u>2016 (Audited)</u>
Capital expenditures											21	1 306
Unallocated depreciation											513	389
Total depreciation											<u>513</u>	<u>389</u>

8.2 Participants' Takaful Fund

Rupees '000

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Treaty		Total	
	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)
Corporate segment assets	103 350	91 393	14 567	16 346	394 874	321 205	65 007	60 640	-	-	577 798	489 584
Corporate unallocated assets											674 462	505 073
Total assets											<u>1 252 260</u>	<u>994 657</u>
Corporate segment liabilities	110 908	92 371	20 520	18 670	844 274	659 000	67 149	78 755	-	-	1 042 851	848 796
Corporate unallocated liabilities											105 426	117 052
Total liabilities											<u>1 148 277</u>	<u>965 848</u>

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

		Three months period ended 30 June		Six months period ended 30 June	
		2017	2016	2017	2016
9.1	Operator's Fund				
	Transactions				
	Others				
	Expenses paid	2	–	2	–
9.2	Participants' Takaful Funds				
	Transactions				
	Key management personnel				
	Contributions written	32	3	70	43
	Claim paid	3	–	3	54
	Others				
	Investments made	29 944	–	29 944	–
	Investments sold	30 000	–	30 000	–

10. Fair value

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

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

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

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

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

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

10.2.1 Operator's Fund

Rupees '000

	Six months period ended 30 June 2017 (Unaudited)								
	Available for sale	Loan & Receivable	Other financial assets	Other financial liabilities	Total	Fair value measurement using			Total
						Level 1	Level 2	Level 3	
Financial assets not measured at fair value									
Cash and bank balances*	–	–	72 873	–	72 873	–	–	–	–
Investments									
Mutual funds	21 397	–	–	–	21 397	20 754	–	–	20 754
Accrued investment income*	–	141	–	–	141	–	–	–	–
Wakala fees receivable*	–	109 775	–	–	109 775	–	–	–	–
Modarib fees receivable*	–	1 215	–	–	1 215	–	–	–	–
Security deposits*	–	301	–	–	301	–	–	–	–
Sundry receivables*	–	1 954	–	–	1 954	–	–	–	–
	21 397	113 386	72 873	–	207 656	20 754	–	–	20 754
Financial liabilities not measured at fair value									
Accrued expenses*	–	–	–	(1 093)	(1 093)	–	–	–	–
Agent balances*	–	–	–	(29 312)	(29 312)	–	–	–	–
Other creditors and accruals*	–	–	–	(203)	(203)	–	–	–	–
	21 397	113 386	72 873	(30 608)	177 048	20 754	–	–	20 754

Rupees '000

For the year ended 31 December 2016 (Audited)

	Available for sale	Loan & Receivable	Other financial assets	Other financial liabilities	Total	Fair value measurement using			
						Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value									
Cash and bank balances*	-	-	56 350	-	56 350	-	-	-	-
Investments									
Mutual funds	20 590	-	-	-	20 590	20 447	-	-	20 447
Accrued investment income*	-	33	-	-	33	-	-	-	-
Wakala fees receivable*	-	58 047	-	-	58 047	-	-	-	-
Modarib fees receivable*	-	1 117	-	-	1 117	-	-	-	-
Security deposits*	-	301	-	-	301	-	-	-	-
Sundry receivables*	-	1 715	-	-	1 715	-	-	-	-
	<u>20 590</u>	<u>61 213</u>	<u>56 350</u>	<u>-</u>	<u>138 153</u>	<u>20 447</u>	<u>-</u>	<u>-</u>	<u>20 447</u>
Financial liabilities not measured at fair value									
Accrued expenses*	-	-	-	(1 325)	(1 325)	-	-	-	-
Agent balances*	-	-	-	(19 547)	(19 547)	-	-	-	-
Other creditors and accruals*	-	-	-	(166)	(166)	-	-	-	-
	<u>20 590</u>	<u>61 213</u>	<u>56 350</u>	<u>(21 038)</u>	<u>117 115</u>	<u>20 447</u>	<u>-</u>	<u>-</u>	<u>20 447</u>

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

10.2.2 Participants' Takaful Fund

Rupees '000

	Six months period ended 30 June 2017 (Unaudited)								
	Available for sale	Loan & Receivable	Other financial assets	Other financial liabilities	Total	Fair value measurement using			Total
						Level 1	Level 2	Level 3	
Financial assets not measured at fair value									
Cash and bank balances*	-	-	217 259	-	217 259	-	-	-	-
Investments									
Mutual funds	291 327	-	-	-	291 327	287 845	-	-	287 845
Ijara Sukuk	100 634	-	-	-	100 634	-	102 415	-	102 415
Contribution due but unpaid - net*	-	299 371	-	-	299 371	-	-	-	-
Amount due from other takaful / retakaful operator*	-	667	-	-	667	-	-	-	-
Accrued investment income*	-	2 575	-	-	2 575	-	-	-	-
Retakaful recoveries against outstanding claims*	-	45 200	-	-	45 200	-	-	-	-
	<u>391 961</u>	<u>347 813</u>	<u>217 259</u>	<u>-</u>	<u>957 033</u>	<u>287 845</u>	<u>102 415</u>	<u>-</u>	<u>390 260</u>
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*	-	-	-	(215 724)	(215 724)	-	-	-	-
Contributions received in advance*	-	-	-	(1 193)	(1 193)	-	-	-	-
Amounts due to other takaful / retakaful operator*	-	-	-	(53 282)	(53 282)	-	-	-	-
Wakala fees payable*	-	-	-	(109 775)	(109 775)	-	-	-	-
Modarib fees payable*	-	-	-	(1 215)	(1 215)	-	-	-	-
Other creditors and accruals*	-	-	-	(19 212)	(19 212)	-	-	-	-
	<u>391 961</u>	<u>347 813</u>	<u>217 259</u>	<u>(400 401)</u>	<u>556 632</u>	<u>287 845</u>	<u>102 415</u>	<u>-</u>	<u>390 260</u>

Rupees '000

For the year ended 31 December 2016 (Audited)

	Available for sale	Loan & Receivable	Other financial assets	Other financial liabilities	Total	Fair value measurement using			
						Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value									
Cash and bank balances*	-	-	204 271	-	204 271	-	-	-	-
Investments									
Mutual funds	279 085	-	-	-	279 085	283 954	-	-	283 954
Ijara Sukuk	100 945	-	-	-	100 945	-	101 719	-	101 719
Contributions due but unpaid - net*	-	167 944	-	-	167 944	-	-	-	-
Amount due from other takaful / retakaful operator*	-	89	-	-	89	-	-	-	-
Accrued investment income*	-	2 841	-	-	2 841	-	-	-	-
Retakaful recoveries against outstanding claims*	-	38 780	-	-	38 780	-	-	-	-
	<u>380 030</u>	<u>209 654</u>	<u>204 271</u>	<u>-</u>	<u>793 955</u>	<u>283 954</u>	<u>101 719</u>	<u>-</u>	<u>385 673</u>
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*	-	-	-	(210 412)	(210 412)	-	-	-	-
Contributions received in advance*	-	-	-	(596)	(596)	-	-	-	-
Amounts due to other takaful / retakaful operator*	-	-	-	(42 311)	(42 311)	-	-	-	-
Wakala fees payable*	-	-	-	(58 047)	(58 047)	-	-	-	-
Modarib fees payable*	-	-	-	(1 117)	(1 117)	-	-	-	-
Other creditors and accruals*	-	-	-	(18 576)	(18 576)	-	-	-	-
	<u>380 030</u>	<u>209 654</u>	<u>204 271</u>	<u>(331 059)</u>	<u>462 896</u>	<u>283 954</u>	<u>101 719</u>	<u>-</u>	<u>385 673</u>

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

11. General

11.1 Corresponding figures have been rearranged 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	15 650

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

11.3 Figures in these condensed interim financial statements for the quarters ended 30 June 2017 and 30 June 2016 have not been subjected to limited scope review of the auditors.

12. Date of authorisation for issue of condensed interim financial statements

These condensed interim financial statements were authorised for issue by the Board of Directors in its meeting held on 16 August 2017.

MAHMOOD LOTIA
Director

TAHER G. SACHAK
Director

ALTAF GOKAL
Chief Finance Officer &
Corporate Secretary

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 16 August 2017

