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Company Information



Chairman Rafique R. Bhimjee

Managing Director & Chief Executive

Saifuddin N. Zoomkawala

Directors

Sultan Ahmad Abdul Rehman Haji Habib Jahangir Siddiqui Wolfram W. Karnowski Muneer R. Bhimjee Hasanali Abdullah Taher G.Sachak

Chief Financial Officer & Corporate Secretary

Altaf Qamruddin Gokal, F.C.A

Legal Advisor

Mohammad Ali Sayeed

Senior Advisor

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

Advisors

Akhtar K. Alavi, A.C.I.I. Naqi Zamin Ali Salim Rafik Sidiki, B. A. (Hons), M. A. Syed Ahmad A. Haq, M. Sc. Syed Mehdi Imam, M. A.

Audit Committee

Muneer R. Bhimjee Taher G. Sachak Abdul Rehman Haji Habib

Rating Agency: JCR-VIS

Insurer Financial Strength Rating : AA Outlook : Stable

Auditors

Hyder Bhimji & Co. Chartered Accountants Karachi

KPMG Taseer Hadi & Co. Chartered Accountants Karachi

Registrar

Technology Trade (Pvt.) Ltd. Dagia House 241-C Block-2, P.E.C.H.S. Off Shahra-e-Quaideen Karachi

Website

www.efuinsurance.com

Registered Office

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

Main Offices

EFU House M.A. Jinnah Road, Karachi.

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



Directors' Review

We are pleased to present the unaudited financial statements for the nine months period ended 30th September 2010.

The written premium for the nine months period was Rs. 7,923 million as against Rs. 7,797 million in the corresponding period of last year. The overall claim ratio on Net Premium Revenue was 67 % as against 71 % in the corresponding period of last year. The total underwriting profit for the nine months period was Rs. 126 million as compared to Rs. 97 million in corresponding period of 2009. The Property Department suffered an underwriting loss of Rs. 119 million mainly due to recent floods in Pakistan.

The Investment loss for the nine months period was Rs. 598 million compared to profit of Rs. 693 million in the corresponding period of last year. The loss is due to provision for impairment of Rs. 772 million due to decline in value of equity investments.

The after tax loss for the nine months was Rs. 686 million compared to profit of Rs. 675 million in the corresponding period of last year.

The Reserves and Retained earnings as at 30 September 2010 stand at Rs. 8.07 billion and the Break up value was Rs. 74.55.

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 in a difficult operating environment.

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.

HASANALI ABDULLAH JAHANGIR SIDDIQUI Director Director SAIFUDDIN N. ZOOMKAWALA Managing Director & Chief Executive RAFIQUE R. BHIMJEE Chairman

Karachi, 29 October 2010



Condensed Interim Balance Sheet As at 30 September 2010 (Unaudited)

	Note	30 September 2010 (Unaudited)	31 December 2009 (Audited)
Share capital and reserves			
Authorised capital			
150 000 000 (31 December 2009: 150 000 000)		1,500,000	1,500,000
Ordinary shares of Rs. 10 each			
Issued, subscribed and paid-up share capital	10	1,250,000	1,150,000
Reserves and retained earnings	11	8,068,873	9,314,492
		9,318,873	10,464,492
Underwriting provisions		[]	[]
Provision for outstanding claims (including IBNR)		6,248,779	5,508,917
Provision for unearned premium		4,717,094	4,004,955
Premium deficiency reserve		50,107	54,900
Commission income unearned		166,556	141,326
Total underwriting provisions		11,182,536	9,710,098
Deferred liabilities			
Staff retirement benefits		12,485	24,379
Creditors and accruals			
Premiums received in advance		12,178	16,562
Amounts due to other insurers / reinsurers		1,049,653	788,955
Accrued expenses		137,440	139,140
Agent balances		448,125	341,408
Unearned rentals		37,465	48,143
Other creditors and accruals		161,494	105,005
		1,846,355	1,439,213
Other liabilities			
Other deposits		339,225	260,238
Unclaimed dividends		48,759	40,530
Total liskilition		387,984	300,768
Total liabilities		13,429,360	11,474,458
Total equity and liabilities		22,748,233	21,938,950
Contingencies and commitments	8		



Rupees '000

		30 September 2010	31 December 2009
	Note	(Unaudited)	(Audited)
Cash and bank deposits			
Cash and other equivalent		3,246	2,734
Current and other accounts		826,717	654,639
Deposits maturing within 12 months		434,352	692,233
		1,264,315	1,349,606
Loans - secured considered good			
To employees		3,108	2,775
Investments	6	11,336,467	12,643,728
Investment properties		240,353	242,110
Deferred taxation		29,670	33,657
Other assets			
Premiums due but unpaid - net	7	2,631,936	1,788,272
Amounts due from other insurers / reinsurers		128,421	98,239
Salvage recoveries accrued		15,450	26,271
Accrued investment income		48,325	30,620
Reinsurance recoveries against outstanding claims		3,924,270	3,274,763
Taxation - payments less provision		184,821	199,379
Deferred commission expense		476,527	382,595
Prepayments		1,730,832	1,297,074
Security deposits		5,677	5,190
Other receivables		43,232	19,196
		9,189,491	7,121,599
Fixed assets-tangible & intangible			
Land and buildings		210,446	174,515
Furniture, fixtures and office equipment		219,067	197,518
Motor vehicles		135,490	138,330
Computer software		48,488	4,068
Capital work-in-progress		71,338	31,044
		684,829	545,475
Total assets		22,748,233	21,938,950

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

HASANALI ABDULLAH Director JAHANGIR SIDDIQUI Director SAIFUDDIN N. ZOOMKAWALA Managing Director & Chief Executive



Condensed Interim Profit And Loss Account for the nine months period ended 30 September 2010 (Unaudited)

Rupees '000

	Three months period ended 30 September							
-	Fire & property damage	Marine, aviation & transport	Motor	Others	Treaty	Aggr 2010	egate 2009	
Revenue account	<u>u</u>	<u> </u>						
Net premium revenue Net claims	541,382 (394,891)	246,943 (154,232)	725,880 (468,452)	74,623 (35,677)	245 452 -	1,589,073 (1,052,800)	1,440,324 (1,189,988)	
Change in premium deficiency reserve Management expenses	7,660 (85,597)	- (37,072)	- (141,255)	- (11,945)	-	7,660 (275,869)	- (255,237)	
Net commission	(82,504)	(39,982)	(48,855)	8,216	(58)	(163,183)	(107,661)	
Underwriting result	(13,950)	15,657	67,318	35,217	639	104,881	(112,562)	
Investment income						16,110	613,292	
Rental income						22,237	22,426	
Other income Share of profit of an associate						27,104 25,142	18,603 80,080	
Difference in exchange						25,142	(100)	
General and administration expenses						(123,275)	(111,168)	
						(32,400)	623,133	
Profit before tax						72,481	510,571	
Provision for taxation - current						(21,183)	(24,278)	
- deferred						(28,476)	48,977	
						(49,659)	24,699	
Profit after tax						22,822	535,270	
Earnings per share - basic and diluted	1			(Rupees)		0.18	4.28	
		Nin	e months pe	riad and ad	20 Sontom	hor		
Revenue account			e montins per		oo oeptem	bei		
Net premium revenue	1,240,569	746,022	2,294,179	157,548	(2,694)	4,435,624	4,229,628	
Net claims	(909,860)	(405,435)	(1,550,608)	(121,451)	5,349	(2,982,005)	(3,011,679)	
Change in premium deficiency reserve	4,793	-	-	-	-	4,793	-	
Management expenses	(213,684)	(128,500)	(487,903)	(27,137)	-	(857,224)	(798,168)	
Net commission	(240,716)	(127,178)	(151,161)	43,710	558	(474,787)	(322,988)	
Underwriting result Investment (loss) / income	(118,898)	84,909	104,507	52,670	3,213	126,401 (598,167)	96,793 692,713	
Rental income						62,235	66,111	
Other income						73,801	73,419	
Share of profit of an associate						47,727	118,371	
Difference in exchange						1,707	2,448	
General and administration expenses						(335,888)	(336,361)	
						(748,585)	616,701	
(Loss) / profit before tax						(622,184)	713,494	
Provision for taxation - current						(59,448)	(45,037)	
- deferred						(3,987)	6,697	
(Loss) / profit after tax						(63,435) (685,619)	<u>(38,340)</u> 675,154	
Profit and loss appropriation acco	unt					(003,013)	075,154	
Balance at commencement of period	-					801,590	(5,456,959)	
(Loss) / profit after tax						(685,619)	675,154	
Dividend 2009 @ 40% (2008 @ 32.5%)						(460,000)	(373,750)	
Issue of bonus shares						(100,000)	-	
Transfer (to) / from general reserve	of the name -					(150,000)	5,900,000	
Balance unappropriated profit at end	-			(D		(594,029)	744,445	
(Loss) / earnings per share - basic and				(Rupees)		(5.48)	5.40	
The annexed notes 1 to 15 form an integ	ral part of the	se condensed	interim financi	ial statement	S.			

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

HASANALI ABDULLAH JAHANGIR SIDDIQUI SAIFUDDIN N. ZOOMKAWALA Director Director Chief Executive

Condensed Interim Statement of Comprehensive Income for the nine months period ended 30 September 2010 (Unaudited)



Rupees '000

	2010	2009
(Loss) / profit for the period	(685,619)	675,154
Other comprehensive income	-	-
Total comprehensive (loss) / income for the period	(685,619)	675,154

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

HASANALI ABDULLAH Director JAHANGIR SIDDIQUI Director SAIFUDDIN N. ZOOMKAWALA Managing Director & Chief Executive



Condensed Interim Statement of Changes in Equity for the nine months period ended 30 September 2010 (Unaudited)

Rupees '000

	Share capital	General reserve	Unapprop- riated profit	Reserve for exceptional losses	Total
Balance as at 1 January 2009	1,150,000	14,400,000	(5,456,959)	12,902	10,105,943
Total comprehensive income for the period					
Profit for the period			675,154		675,154
Transactions with owners, recorded directly in equity					
Dividend paid for the year 2008 @ 32.50%			(373,750)		(373,750)
Transfer from general reserve		(5,900,000)	5,900,000		-
Balance as at 30 September 2009	1,150,000	8,500,000	744,445	12,902	10,407,347
Balance as at 1 January 2010	1,150,000	8,500,000	801,590	12,902	10,464,492
Total comprehensive loss for the period					
Loss for the period			(685,619)		(685,619)
Transactions with owners, recorded directly in equity					
Dividend paid for the year 2009 @ 40%			(460,000)		(460,000)
Issue of bonus shares	100,000		(100,000)		-
Transfer to general reserve		150,000	(150,000)		-
Balance as at 30 September 2010	1,250,000	8,650,000	(594,029)	12,902	9,318,873

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

HASANALI ABDULLAH Director JAHANGIR SIDDIQUI Director SAIFUDDIN N. ZOOMKAWALA Managing Director & Chief Executive

Condensed Interim Statement of Cash Flows for the nine months period ended 30 September 2010 (Unaudited)



Rupees '000

Operating cash flows 7,081,883 7,082,167 a) Underwriting activities 7,081,883 7,082,167 Reinsurance premiums paid (2,937,213) (2,937,213) Claims paid (4,022,005) (3,303,907) Reinsurance and other recoveries received (1,15,298 750,489 Commissions paid (705,450) (644,5987) Commissions received (28,678 225,557 Management expenses paid (24,633) (33,744) Net cash flow from underwriting activities 12,874 426,351 b) Other operating payments (34,6633) (33,749) (109,267) Loan repayments received (82,781) (41,295) (263,597) Total cash flow from all operating activities (263,059) (263,987) (263,987) Total cash flow received (95,157) Total cash flow received (95,157) (75,664) Proteceds from disposal of investments (100,802) (656,604) (95,6164) Proceeds from disposal of investments (10,08,02) (652,611) (11,237) Proceeds from disposal of inved assets		2010	2009
Premiums received 7.081.888 7.062.167 Reinsurance and other recoveries received (2.937.213) (2.937.213) (2.937.213) Claims paid (4.029.006) (3.03.907) Reinsurance and other recoveries received (7.05.167) Commissions paid (705.480) (64.5987) (264.5987) Commissions received (705.168) (724.454) Management expenses paid (761.221) (724.454) Net cash flow from underwriting activities (246.351) (331.764) b) Other operating payments (346.633) (331.764) Other operating received (862) 7.811 Net cash flow used in other operating activities (259.056) (263.597) Total cash flow used in other operating activities (246.384) 162.754 Investment activities (259.056) (263.597) Total cash flow toreal activities (259.058) (251.567) Investment activities (259.058) (251.561 Dividends received 266.33 271.51 (05.831) Proceeds from disposal of fixed assets 1.008.028 (6	Operating cash flows		
Reinsurance premiums paid (2, 937, 213) (2, 967, 523) (3, 033, 907) Claims paid (4029, 005) (4029, 005) (3, 033, 907) Commissions paid (705, 450) (645, 987) (265, 557) Management expenses paid (268, 78) (255, 557) Net cash flow from underwriting activities (724, 454) (724, 454) Other operating payments (346, 633) (317, 764) Other operating payments (346, 633) (317, 764) Other operating payments (246, 331) (11, 155) Loans advanced (11, 155) (268, 633) (281, 764) Loans radvanced (21, 754) (263, 567) (263, 567) Investment activities (246, 334) (162, 754) (165, 664) Profit / retur received (265, 604) (265, 604) (265, 604) Proceeds from disposal of investments (564, 634) (265, 604) (265, 604) Proceeds from disposal of fixed assets (14, 673) (73, 715) (73, 715) Dividends paid (451, 771) (373, 715) (682, 806) (683, 84	a) Underwriting activities		
Claims paid (4 029 005) (3 303 907) Reinsurance and other recoveries received (1115,298) (3 303 907) Commissions paid (206,4987) (208,678) (206,4987) Commissions paid (208,678) (208,678) (255,557) Management expenses paid (278,122) (724,454) (428,987) Net cash flow from underwriting activities (212,674 426,331) (313,764) b) Other operating payments (34,633) (313,764) (323,779) (109,267) Loan repayments received (262,089) (263,597) (263,597) (263,597) Investment activities (259,068) (263,597) (263,597) (264,584) (62,754) Investment activities (266,604) (265,604) (66,604)	Premiums received	7,081,888	7,062,167
Reinsurance and other recoveries received1.115.288750.498Commissions paid(705,450)(645,987)Commissions received2268,678(744,454)Net cash flow from underwriting activities12.674426,351b) Other operating activities(244,831)(41,295)Other operating payments(346,633)(31,764)Other operating receipts(346,633)(243,597)Lcans advanced(11,195)(566)Lcans advanced(263,597)(263,597)Total cash flow used in other operating activities(263,597)(263,597)Total cash flow used in other operating activities(246,384)162,754Investment activities(246,384)162,754Investment activities(246,384)162,754Investment activities(265,697)(265,697)Dividends received51,55767,460Payments for investments(564,634)(652,610)Fixed capital expenditure(258,308)(766,434)Protit / return received612,86429,676Financing activities(652,911)(373,715)Dividends paid(451,771)(373,715)Net cash outflow from all activities(263,331)Dividends paid(246,333)(11,223)Cash at the end of the period(245,331)(12,754)Reconcillation to profit and loss account(246,331)(14,274)Operating cash flows(35,331)(13,744)Operating cash flows(35,331)(13,3364)Cash at th	Reinsurance premiums paid	(2,937,213)	(2,967,523)
Commissions paid (705,450) (64,987) Commissions received (724,454) (724,454) Net cash flow from underwriting activities 12,674 426,351 b) Other operating pactivities 12,674 426,331 commissions received (44,891) (41,295) Other operating received 132,799 (33,764) Coans advanced (269,058) (263,597) Loan repayments received 862 781 Net cash flow used in other operating activities (259,058) (263,597) Total cash flow used in other operating activities (264,384) 162,754 Investment activities (259,058) (263,597) Total cash flow from all operating activities (264,384) (95,604) Proceeds from disposal of investments (564,834) (955,604) Proceeds from disposal of investments (108,028 622,806 Froaceds from disposal of fixed assets 12,864 28,676 Total cash flow from inlactivities (21,284 29,676 Dividends paid (451,771) (373,715) Net cas	Claims paid	(4,029,005)	(3,303,907)
Commissions received 288.672 285.557 Management expenses paid 12.674 426.351 Net cash flow from underwriting activities 12.674 426.351 b) Other operating payments (44.891) (41.295) Other operating payments (34.633) (31.764) Other operating receipts 132.799 109.267 Loans advanced (1.195) (264.384) (265.057) Total cash flow from all operating activities (264.384) 182.799 109.267 Investment activities (264.384) 182.757 781 Profit / return received 265.657 (781.322) 781 Dividends received 266.333 221.561 105.891 Protecets from disposal of investments (164.634) (652.610) 652.610 Fixed capital expenditure (264.038) (274.602) 783.716 Proceeds from disposal of fixed assets 14.673 7.604 95.215 105.891 Dividends paid (45.771) (373.715) (161.285) 612.884 29.676 Financin	Reinsurance and other recoveries received	1,115,298	750,498
Management expenses paid (781,522) (724,454) Net cash flow from underwriting activities 12,674 426,351 Income tax paid (44,891) (41,295) Other operating payments (341,764) (31,764) Other operating numbers (263,097) 109,267 Loan repayments received (263,097) (263,597) Total cash flow used in other operating activities (250,058) (2263,597) Total cash flow used in other operating activities (264,034) 162,754 Investment activities (95,215) 105,891 Profit / return received 95,215 105,891 Proitid return received (95,644) (955,644) Proceeds from disposal of investments (1,008,028 (69,846) Proceeds from disposal of fixed assets 14,673 7,604 Total cash flow from all activities 612,864 29,676 Financing activities 612,864 29,676 Dividends paid (451,771) (373,715) Net cash outflow from all activities 612,864 132,896 Dividendos paid </td <td>Commissions paid</td> <td>(705,450)</td> <td>(645,987)</td>	Commissions paid	(705,450)	(645,987)
Net cash flow from underwriting activities12,674426,351b) Other operating activities(44,891)(41,295)Income tax paid(33,764)(33,764)Other operating receipts(13,1764)(14,295)Loans advanced(19,195)(566)Loan repayments received862781Net cash flow used in other operating activities(259,056)(263,597)Total cash flow from all operating activities(246,384)162,754Investment activities(246,384)162,754Investment activities(256,056)(265,056)Profit / return received95,215(05,604)Dividends received(564,653)(271,661)Payments for investments(564,653)(69,846)Proceeds from disposal of investments(100,028)(652,610)Fixae capital expenditure(14,677)(373,715)Proceeds from disposal of fixed assets1,026,604(163,291)Total cash flow from all activities(451,771)(373,715)Cash at the end of the period(14,617)(373,715)Reconciliation to profit and loss account(246,383)(12,754)Operating cash flows(246,383)(73,419)Share of profit of an associate(14,727)(138,371)Increase in assets other than running finance(19,57,51)(10,680)(11,60,61)(130,61)(130,754)(10,62,61)(10,62,61)(10,27,42)(138,393)(73,824)Operating cash flows consists of:(246,383)(75,54) </td <td>Commissions received</td> <td>268,678</td> <td>255,557</td>	Commissions received	268,678	255,557
b) Other operating activities Income tax paid Other operating payments Other operating payments Other operating receipts Loan repayments received Net cash flow used in other operating activities Profit / return received Profit / return received Proceeds from disposal of investments Fixed capital expenditure Proceeds from disposal of investments Fixed capital expenditure Dividends paid Cash end ther period Recall expenditure Proceeds from disposal of fixed assets Total cash flow from all activities Proceeds from disposal of fixed assets Total cash flow from all activities Dividends paid Cash at the beginning of the year Cash at the end of the period Recall an ental (loss) / income Operating cash flows Depreciation to profit and loss account Operating cash flows Dividends paid Cash at the end of the period Recall an ental (loss) / income Operating cash flows Depreciation expense (14,613) Cash at the equivalent cash Increase in liabilities other than cash flows consists of: Cash and other equivalent Cash and other accounts Base of profit and cash flows consists of: Cash and other equivalent Cash and other equivalent Cash for the purposes of the statement of cash flows consists of: Cash and other equivalent Cash and other equivalent Cash and other equivalent C	Management expenses paid	(781,522)	(724,454)
Income tax paid(44,891)(41,295)Other operating payments(33,1764)(346,633)(331,764)Other operating receipts132,799109,267(568)Loan repayments received862781Net cash flow used in other operating activities(245,084)(263,597)Total cash flow from all operating activities(246,384)162,754Investment activities95,215105,881Dividends received95,215105,881Dividends received95,215105,881Profit / return received95,215105,881Dividends received95,215105,881Payments for investments(564,634)(955,604)Proceeds from disposal of investments1,008,028(652,610)Proceeds from disposal of fixed assets14,6737,604Total cash flow from all activities(451,771)(373,715)Dividends paid(451,771)(373,715)Net cash outflow from all activities(452,910)(112,285)Dividends paid(451,771)(373,715)Net cash outflow from all activities(246,333)(114,014)Operating cash flows(246,333)(114,014)Operating cash flows(246,333)(114,014)Operating cash flows(246,333)(114,014)Operating cash flows(246,333)(114,014)Operating cash flows(246,333)(114,014)Operating cash flows(246,333)(114,014)Operating cash flows(246,333)(114,014)<	Net cash flow from underwriting activities	12,674	426,351
Other operating payments (346,633) (331,764) Other operating receipts 132,799 109,267 Loans advanced (1155) (586) Loan repayments received 862 781 Net cash flow used in other operating activities (259,058) (263,597) Total cash flow from all operating activities (264,384) 162,754 Investment activities 95,215 (105,881) Profit / return received 95,215 (364,633) (21,561) Net cash flow from all operating activities (95,604) (95,604) Proceeds from disposal of investments (564,634) (99,846) (98,846) Proceeds from disposal of fixed assets 14,673 7,604 7,604 Total cash flow from investing activities 612,864 29,676 114,225) (268,331) 21,349,606 1,303,684 Cash at the beginning of the year 1,349,606 1,303,684 11,223,99 11,223,99 Reconciliation to profit and loss account (85,591) (65,893) 758,824 11,122,399 Operating cash flows (246,383) <td>b) Other operating activities</td> <td></td> <td></td>	b) Other operating activities		
Other operating receipts132,799109,267Loans advanced(1,195)(566)Loan repayments received862781Net cash flow used in other operating activities(259,058)(263,597)Total cash flow from all operating activities(246,384)162,774Investment activities95,215(266,833)221,551Profit / return received96,215(564,634)(955,604)Proceeds from disposal of investments(564,634)(955,604)Proceeds from disposal of fixed assets14,6737,604Proceeds from disposal of fixed assets14,6737,604Proceeds from disposal of fixed assets14,6737,604Proceeds from disposal of fixed assets14,6731,033,084Cash at the beginning of the year1,349,6061,303,884Cash at the beginning of the year1,349,6061,303,884Cash at the beginning of the year1,243,315112,754Operating cash flows(246,383)112,754Operating cash flows(246,383)112,754Operating cash flows(246,383)112,754Operating cash flows(246,351)1,22,399Cash at the beginning of the year1,349,6061,303,884Cash at the beginning of the acash(1,957,350)(1,368,936)Increase in assets other than cash(685,617)788,824Other Income(3,274(13,8715)(13,68,936)Cash other perposes of the statement of cash flows consists of:3,2464,712Cash and	Income tax paid	(44,891)	(41,295)
Loans advanced(1,195)(586)Loan repayments received862781Net cash flow used in other operating activities(263,597)Total cash flow received95,215Profit / return received95,215Dividends received266,833Payments for investments51,557Forda capital expenditure(258,808)Proceeds from disposal of investments(1,4673)Proceeds from disposal of investments(1,4673)Proceeds from disposal of investments(1,4673)Proceeds from disposal of fixed assets(14,673)Total cash flow from investing activities612,864Proceeds from disposal of fixed assets(14,673)Total cash flow from all activities(11,212)Dividends paid(451,771)Net cash outflow from all activities(85,291)Cash at the end of the period(11,213)Depreciation to profit and loss account(246,383)Operating cash flows(246,383)Other Income(13,23,01)Net cash flows ther than cash(14,014)Operating cash flows(246,383)Other Income(13,37,11)Increase in liabilities other than cash(1,957,350)Increase in associate(1,957,350)Cash and other equivalent(265,619)Cash for the purposes of the statement of cash flows consists of:Cash and other equivalent(265,610)Current and other accounts(265,610)Depisits maturing within 12 months(32,64)A,712(246,833	Other operating payments	(346,633)	(331,764)
Loan repayments received862781Net cash flow used in other operating activities(259,058)(263,597)Total cash flow used in other operating activities(246,384)162,754Investment activities95,215(268,633)221,561Dividends received268,633221,561221,561Payments for investments(564,634)(955,604)100,8020652,610Proceeds from disposal of investments(1,008,002)652,610(258,808)14,6737,604Proceeds from disposal of fixed assets1,46737,6047,604101,2861,303,684Total cash flow from investing activities(85,291)(181,285)1,303,6841,303,6841,303,684Dividends paid(451,771)(373,715)(373,715)1,303,6841,303,6841,303,6841,303,684Cash at the beginning of the year1,349,6061,303,6841,303,6841,322,399162,754Operating cash flows(246,383)(162,754)(96,690)1,722,399Reconciliation to profit and loss account(246,383)(162,754)(96,690)Operating cash flows(246,335)(1,27,741)(13,8711)(373,715)Depreciation expense(1,197,350)(1,368,936)(1,27,412)Increase in assets other than cash(2,06,531)(1,27,412)(1,368,936)Increase in assets other than cash(685,619)(655,614)(1,27,5154)Definition of cash(285,619)(275,154)(1,368,936)(1,368,936)Ca	Other operating receipts	132,799	109,267
Net cash flow used in other operating activities(259,058)(263,597)Total cash flow from all operating activities(246,384)162,754Investment activities95,215(105,891)Dividends received95,215(105,891)Payments for investments(564,634)(695,604)Proceeds from disposal of investments(1008,028)(652,610)Fixed capital expenditure(258,809)(69,846)Proceeds from disposal of fixed assets1,008,028(69,846)Proceeds from disposal of fixed assets(14,673)7,604Proceeds from disposal of fixed assets(451,771)(373,715)Investing activities(452,810)(18,281)Dividends paid(451,771)(373,715)Net cash outflow from all activities(85,291)(181,285)Cash at the end of the period(246,383)(122,399)Reconciliation to profit and loss account(246,383)(122,754)Operating cash flows(246,383)(112,754)Increase in assets other than cash(246,383)(162,754)Increase in assets other than cash(246,383)(162,754)Increase in assets other than cash(246,383)(162,754)Increase in assets other than running finance(114,014)(96,690)(Loss) / profit after taxation(685,619)675,154Definition of cash(246,383)(13,38,96)Cash for the purposes of the statement of cash flows consists of:(246,381)(1,957,350)Cash for the purposes of the statement of cash flows	Loans advanced	(1,195)	(586)
Total cash flow from all operating activities (246,384) 162,754 Investment activities 95,215 266,833 221,561 Profit / return received 266,833 221,561 67,460 Payments for investments (564,634) (955,604) (955,604) Proceeds from disposal of investments 1,008,028 652,610 (69,846) Fixed capital expenditure (258,808) (69,846) 7,604 Proceeds from disposal of fixed assets 612,864 29,676 Financing activities (451,771) (373,715) Dividends paid (451,771) (373,715) Net cash outflow from all activities (452,810 (18,285) Dividends paid (451,771) (373,715) Cash at the beginning of the year 1,349,606 1,303,864 Cash at the end of the period 1,264,315 1,122,399 Reconciliation to profit and loss account (246,383) (246,383) Other Income 73,801 73,801 73,813 Share of profit of an associate 2,046,531 1,027,412 (1,368,936)	Loan repayments received	862	781
Investment activities95,215105,891Dividends received266,833221,561Rentals received51,55767,460Payments for investments(564,634)(955,604)Proceeds from disposal of investments(258,808)(69,846)Proceeds from disposal of fixed assets14,6737,604Total cash flow from investing activities612,86429,676Financing activities612,86429,676Dividends paid(451,771)(373,715)Net cash outflow from all activities(85,291)(181,285)Cash at the beginning of the year1,349,6061,303,684Cash at the end of the period1,264,3151,122,399Reconciliation to profit and loss account(246,383)(62,754)Operating cash flows(246,383)(162,754)Other Income73,80173,819Share of profit of an associate47,727118,371Increase in liabilities other than running finance(19,57,300)(1,368,936)(Loss) / profit after taxation(685,619)675,154Definition of cash2,246,531(1,27,412)Cash for the purposes of the statement of cash flows consists of:3,2464,712Cash for the purposes of the statement of cash flows consists of:3,2464,712Cash and other equivalent3,2464,712Deposits maturing within 12 months434,352283,106	Net cash flow used in other operating activities	(259,058)	(263,597)
Profit / return received 95,215 105,891 Dividends received 266,833 67,460 Payments for investments 1,008,028 655,061 Proceeds from disposal of investments 1,008,028 652,610 Fixed capital expenditure (258,808) (69,846) Proceeds from disposal of fixed assets 14,673 7,604 Total cash flow from investing activities 612,864 29,676 Financing activities (451,771) (373,715) Net cash outflow from all activities (85,291) (181,285) Cash at the beginning of the year 1,349,606 1,303,684 Cash at the end of the period 12264,315 1122,399 Reconciliation to profit and loss account (246,383) 162,754 Operating cash flows (246,383) 162,754 Depreciation expense (114,014) (96,690) Increase in assets other than cash 2,046,531 1,027,412 Increase in liabilities other than cash 2,046,531 1,027,412 Increase in liabilities other than cash flows consists of: 3,246 4,712	Total cash flow from all operating activities	(246,384)	162,754
Dividends received 266,833 221,561 Rentals received 51,557 67,460 Payments for investments (564,634) (955,604) Proceeds from disposal of investments (258,808) (69,846) Proceeds from disposal of fixed assets 14,673 7,604 Total cash flow from investing activities 612,864 29,676 Financing activities (451,771) (373,715) Net cash outflow from all activities (85,291) (181,285) Cash at the beginning of the year 1,349,606 1,303,684 Cash at the beginning of the year 1,224,315 1,122,399 Reconciliation to profit and loss account (246,383) 162,754 Operating cash flows (246,383) 162,754 Depreciation expense (114,014) (96,690) Increase in assets other than cash 2,046,531 1,027,412 Increase in liabilities other than cash 2,046,531 1,027,412 Increase in liabilities other than cash flows consists of: Cash at the purposes of the statement of cash flows consists of: 3,246 4,712 Cash for the p	Investment activities		
Rentals received 51,557 67,460 Payments for investments (564,634) (955,604) Proceeds from disposal of investments 1,008,028 652,610 Fixed capital expenditure (258,808) (14,673) 7,604 Total cash flow from investing activities 612,864 29,676 Financing activities 012,864 29,676 Dividends paid (451,771) (373,715) Net cash outflow from all activities (85,291) (181,285) Cash at the end of the period 1,244,315 1,122,399 Reconciliation to profit and loss account (246,383) 162,754 Operating cash flows (246,383) 162,754 Depreciation expense (14,014) (96,690) Increase in associate 47,727 118,371 Increase in associate 1,027,412 11,323,814 Increase in assets other than running finance (1,947,350) (1388,936) (Loss) / profit after taxation (685,619) 675,154 Definition of cash 3,246 4,712 Cash for the puivalent	Profit / return received	95,215	105,891
Payments for investments (564,634) (955,604) Proceeds from disposal of investments 1,008,028 (258,808) (69,846) Proceeds from disposal of fixed assets 14,673 7,604 7,604 Total cash flow from investing activities 612,864 29,676 29,676 Financing activities (451,771) (373,715) (373,715) Net cash outflow from all activities (85,291) (181,285) Cash at the beginning of the year 1,349,606 1,303,684 Cash at the end of the period 1,264,315 1,122,399 Reconciliation to profit and loss account (246,383) 162,754 Operating cash flows (246,383) 162,754 Other Income (353,931) 758,824 Other Income (14,014) (96,690) Investment and rental (loss) / income (246,383) 1,027,412 Increase in assets other than cash 2,046,531 1,027,412 Increase in liabilities other than running finance (1,957,350) (1,368,936) (Loss) / profit after taxation (685,619) 675,154	Dividends received	266,833	221,561
Proceeds from disposal of investments 1,008,028 652,610 Fixed capital expenditure (258,808) (4,673) 7,604 Proceeds from disposal of fixed assets 612,864 29,676 Financing activities (451,771) (373,715) Dividends paid (451,771) (373,715) Net cash outflow from all activities (85,291) (181,285) Cash at the beginning of the year 1,349,606 1,303,684 Cash at the end of the period 1,264,315 1,122,399 Reconciliation to profit and loss account (246,383) 162,754 Operating cash flows (246,383) 162,754 Depreciation expense (114,014) (96,690) Investment and rental (loss) / income (535,931) 758,824 Other Income 73,801 73,419 Share of profit of an associate 47,727 118,371 Increase in liabilities other than running finance (1,957,350) (136,8936) (Loss) / profit after taxation (685,619) 675,154 Definition of cash 3,246 4,712 <	Rentals received	51,557	67,460
Fixed capital expenditure (258,808) (69,846) Proceeds from disposal of fixed assets 14,673 7,604 Total cash flow from investing activities 612,864 29,676 Financing activities (85,291) (181,285) Dividends paid (451,771) (373,715) Net cash outflow from all activities (85,291) (181,285) Cash at the end of the period 1,349,606 1,303,684 Cash at the end of the period 1,224,315 1,122,399 Reconciliation to profit and loss account (246,383) 162,754 Operating cash flows (246,383) 162,754 Operating cash flows (246,383) 173,801 73,801 Other Income 73,801 73,801 73,419 Share of profit of an associate 47,727 118,371 Increase in assets other than cash (685,619) 675,154 Definition of cash (685,619) 675,154 Definition of cash 3,246 4,712 Cash and other equivalent 3,246 4,712 Cash and other equivalent <td>Payments for investments</td> <td>(564,634)</td> <td>(955,604)</td>	Payments for investments	(564,634)	(955,604)
Proceeds from disposal of fixed assets14,6737,604Total cash flow from investing activities612,86429,676Financing activities(451,771)(373,715)Net cash outflow from all activities(85,291)(181,285)Cash at the beginning of the year1,349,6061,303,684Cash at the end of the period1,264,3151,122,399Reconciliation to profit and loss account(246,383)162,754Operating cash flows(246,383)162,754Other Income(353,931)758,824Other Income73,80173,419Share of profit of an associate1,027,412Increase in assets other than cash2,046,5311,027,412Increase in liabilities other than cash(685,619)675,154Definition of cash(685,619)675,154Cash and other equivalent3,2464,712Current and other accounts826,717834,581Deposits maturing within 12 months434,352283,106	Proceeds from disposal of investments	1,008,028	652,610
Total cash flow from investing activities 612,864 29,676 Financing activities (451,771) (373,715) Net cash outflow from all activities (85,291) (181,285) Cash at the beginning of the year 1,349,606 1,303,684 Cash at the end of the period 1,264,315 1,122,399 Reconciliation to profit and loss account (246,383) 162,754 Operating cash flows (246,383) 162,754 Depreciation expense (114,014) (96,690) Investment and rental (loss) / income (535,931) 758,824 Other Income 73,801 73,419 Share of profit of an associate 47,727 118,371 Increase in assets other than cash 2,046,531 1,027,412 Increase in liabilities other than cash (685,619) 675,154 Definition of cash (685,619) 675,154 Other purposes of the statement of cash flows consists of: 3,246 4,712 Cash for the purposes of the statement of cash flows consists of: 3,246 4,712 Cash and other accounts 826,717 834,581 <td>Fixed capital expenditure</td> <td>(258,808)</td> <td>(69,846)</td>	Fixed capital expenditure	(258,808)	(69,846)
Financing activities(451,771)(373,715)Net cash outflow from all activities(451,771)(373,715)Cash at the beginning of the year1,349,6061,303,684Cash at the end of the period1,264,3151,122,399Reconciliation to profit and loss account(246,383)(162,754)Operating cash flows(246,383)(162,754)Depreciation expense(114,014)(96,690)Investment and rental (loss) / income(535,931)758,824Other Income73,80173,419Share of profit of an associate47,727118,371Increase in assets other than cash(1,957,350)(1,368,936)Increase in liabilities other than running finance(685,619)675,154Oefinition of cash3,2464,712Cash for the purposes of the statement of cash flows consists of:3,2464,712Cash and other equivalent3,2464,712Current and other accounts826,717834,581Deposits maturing within 12 months434,352283,106	Proceeds from disposal of fixed assets	14,673	7,604
Dividends paid (451,771) (373,715) Net cash outflow from all activities (85,291) (181,285) Cash at the beginning of the year 1,349,606 1,303,684 Cash at the end of the period 1,264,315 1,122,399 Reconciliation to profit and loss account (246,383) 162,754 Operating cash flows (246,383) 162,754 Depreciation expense (114,014) (96,690) Investment and rental (loss) / income (535,931) 758,824 Other Income 73,801 73,419 Share of profit of an associate 47,727 118,371 Increase in assets other than cash (246,531) 1,027,412 Increase in liabilities other than running finance (1,957,350) (1,368,936) (Loss) / profit after taxation (685,619) 675,154 Definition of cash (284,617) 834,581 Cash and other equivalent 3,246 4,712 Cash and other accounts 826,717 834,581 Deposits maturing within 12 months 434,352 283,106	Total cash flow from investing activities	612,864	29,676
Net cash outflow from all activities(85,291)(181,285)Cash at the beginning of the year1,349,6061,303,684Cash at the end of the period1,264,3151,122,399Reconciliation to profit and loss account(246,383)162,754Operating cash flows(246,383)162,754Depreciation expense(114,014)(96,600)Investment and rental (loss) / income(535,931)758,824Other Income73,80173,419Share of profit of an associate47,727118,371Increase in assets other than cash(1,957,350)(1,368,936)(Loss) / profit after taxation(685,619)675,154Definition of cash(264,717834,581Cash and other equivalent3,2464,712Current and other accounts826,717834,581Deposits maturing within 12 months434,352283,106	Financing activities		
Cash at the beginning of the year1,349,6061,303,684Cash at the end of the period1,264,3151,122,399Reconciliation to profit and loss account(246,383)162,754Operating cash flows(246,383)162,754Depreciation expense(114,014)(96,690)Investment and rental (loss) / income(355,931)758,824Other Income73,80173,419Share of profit of an associate47,727118,371Increase in assets other than cash2,046,5311,027,412Increase in liabilities other than running finance(685,619)675,154Definition of cash3,2464,712Cash and other equivalent3,2464,712Current and other accounts826,717834,581Deposits maturing within 12 months434,352283,106	Dividends paid	(451,771)	(373,715)
Cash at the end of the period1,264,3151,122,399Reconciliation to profit and loss account(246,383)162,754Operating cash flows(246,383)162,754Depreciation expense(114,014)(96,690)Investment and rental (loss) / income(535,931)758,824Other Income73,80173,419Share of profit of an associate47,727118,371Increase in assets other than cash2,046,5311,027,412Increase in liabilities other than running finance(1,957,350)(1,368,936)(Loss) / profit after taxation(685,619)675,154Definition of cash3,2464,712Cash and other equivalent3,2464,712Current and other accounts826,717834,581Deposits maturing within 12 months434,352283,106	Net cash outflow from all activities	(85,291)	(181,285)
Reconciliation to profit and loss accountOperating cash flows(246,383)162,754Depreciation expense(114,014)(96,690)Investment and rental (loss) / income(535,931)758,824Other Income73,80173,419Share of profit of an associate47,727118,371Increase in assets other than cash2,046,5311,027,412Increase in liabilities other than running finance(1,957,350)(1,368,936)(Loss) / profit after taxation(685,619)675,154Definition of cash3,2464,712Cash for the purposes of the statement of cash flows consists of:3,2464,712Current and other equivalent3,2464,712Current and other accounts826,717834,581Deposits maturing within 12 months434,352283,106	Cash at the beginning of the year	1,349,606	1,303,684
Operating cash flows (246,383) 162,754 Depreciation expense (114,014) (96,690) Investment and rental (loss) / income (535,931) 758,824 Other Income 73,801 73,419 Share of profit of an associate 47,727 118,371 Increase in assets other than cash 2,046,531 1,027,412 Increase in liabilities other than running finance (1,957,350) (1,368,936) (Loss) / profit after taxation (685,619) 675,154 Definition of cash	Cash at the end of the period	1,264,315	1,122,399
Depreciation expense (114,014) (96,690) Investment and rental (loss) / income (535,931) 758,824 Other Income 73,801 73,419 Share of profit of an associate 47,727 118,371 Increase in assets other than cash 2,046,531 1,027,412 Increase in liabilities other than running finance (1,957,350) (1,368,936) (Loss) / profit after taxation (685,619) 675,154 Definition of cash (2,3246) 4,712 Cash and other equivalent 3,246 4,712 Current and other accounts 826,717 834,581 Deposits maturing within 12 months 434,352 283,106	Reconciliation to profit and loss account		
Investment and rental (loss) / income(535,931)758,824Other Income73,80173,419Share of profit of an associate47,727118,371Increase in assets other than cash2,046,5311,027,412Increase in liabilities other than running finance(1,957,350)(1,368,936)(Loss) / profit after taxation(685,619)675,154Definition of cash3,2464,712Cash and other equivalent3,2464,712Current and other accounts826,717834,581Deposits maturing within 12 months434,352283,106	Operating cash flows	(246,383)	162,754
Other Income 73,801 73,419 Share of profit of an associate 47,727 118,371 Increase in assets other than cash 2,046,531 1,027,412 Increase in liabilities other than running finance (1,957,350) (1,368,936) (Loss) / profit after taxation (685,619) 675,154 Definition of cash	Depreciation expense	(114,014)	(96,690)
Other Income 73,801 73,419 Share of profit of an associate 47,727 118,371 Increase in assets other than cash 2,046,531 1,027,412 Increase in liabilities other than running finance (1,957,350) (1,368,936) (Loss) / profit after taxation (685,619) 675,154 Definition of cash	Investment and rental (loss) / income	(535,931)	758,824
Increase in assets other than cash2,046,5311,027,412Increase in liabilities other than running finance(1,957,350)(1,368,936)(Loss) / profit after taxation(685,619)675,154Definition of cash(685,619)675,154Cash for the purposes of the statement of cash flows consists of: Cash and other equivalent3,2464,712Current and other accounts826,717834,581Deposits maturing within 12 months434,352283,106	Other Income	73,801	
Increase in liabilities other than running finance(1,957,350)(1,368,936)(Loss) / profit after taxation(685,619)675,154Definition of cash(685,619)675,154Cash for the purposes of the statement of cash flows consists of: Cash and other equivalent3,2464,712Current and other accounts826,717834,581Deposits maturing within 12 months434,352283,106	Share of profit of an associate	47,727	118,371
(Loss) / profit after taxation(685,619)675,154Definition of cash(685,619)675,154Cash for the purposes of the statement of cash flows consists of: Cash and other equivalent3,2464,712Current and other accounts826,717834,581Deposits maturing within 12 months434,352283,106	Increase in assets other than cash	2,046,531	1,027,412
Definition of cashCash for the purposes of the statement of cash flows consists of: Cash and other equivalentCash and other equivalentCurrent and other accountsB26,717B34,581Deposits maturing within 12 months434,352283,106	Increase in liabilities other than running finance	(1,957,350)	(1,368,936)
Definition of cashCash for the purposes of the statement of cash flows consists of: Cash and other equivalentCash and other equivalentCurrent and other accountsB26,717B34,581Deposits maturing within 12 months434,352283,106	(Loss) / profit after taxation	(685.619)	675.154
Cash and other equivalent3,2464,712Current and other accounts826,717834,581Deposits maturing within 12 months434,352283,106			
Cash and other equivalent3,2464,712Current and other accounts826,717834,581Deposits maturing within 12 months434,352283,106	Cash for the purposes of the statement of cash flows consists of:		
Current and other accounts826,717834,581Deposits maturing within 12 months434,352283,106		3,246	4,712
Deposits maturing within 12 months 434,352 283,106	•	,	,
	Deposits maturing within 12 months	434,352	,
	. •		

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

HASANALI ABDULLAH Director JAHANGIR SIDDIQUI Director SAIFUDDIN N. ZOOMKAWALA Managing Director & Chief Executive



Condensed Interim Statement of Premiums for the nine months period ended 30 September 2010 (Unaudited)

Rupees '000

	Three months period ended 30 September											
		Premi	ums			Reins	urance		١	Vet		
Class	Written	Unearned premium reserve		Earned	Reinsurance	•	einsurance n ceded	Reinsurance		premium revenue		
		Opening	Closing		ceded	Opening	Closing	expense	2010	2009		
Direct and facultative												
Fire and property damage	1,451,722	1,992,445	2,368,960	1,075,207	690,056	995,447	1,151,678	533,825	541,382	300,997		
Marine, aviation and transport	414,078	418,195	456,212	376,061	148,632	226,381	245,895	129,118	246,943	206,324		
Motor	786,375	1,418,743	1,476,072	729,046	3,084	233	151	3,166	725,880	885,424		
Miscellaneous	170,722	460,018	415,850	214,890	92,046	344,507	296,286	140,267	74,623	32,179		
Total	2,822,897	4,289,401	4,717,094	2,395,204	933,818	1,566,568	1,694,010	806,376	1,588,828	1,424,924		
Treaty - proportional	245	-	-	245	-	-	-	-	245	15,400		
Grand Total	2,823,142	4,289,401	4,717,094	2,395,449	933,818	1,566,568	1,694,010	806,376	1,589,073	1,440,324		

-	Nine months period ended 30 September										
Direct and facultative											
Fire and property damage	3,695,351	1,828,651	2,368,960	3,155,042	2,195,388	870,763	1,151,678	1,914,473	1,240,569	710,094	
Marine, aviation and transport	1,266,393	335,275	456,212	1,145,456	490,164	155,165	245,895	399,434	746,022	586,204	
Motor	2,276,051	1,503,549	1,476,072	2,303,528	9,267	233	151	9,349	2,294,179	2,736,189	
Miscellaneous	687,757	337,480	415,850	609,387	503,092	245,033	296,286	451,839	157,548	94,460	
Total	7,925,552	4,004,955	4,717,094	7,213,413	3,197,911	1,271,194	1,694,010	2,775,095	4,438,318	4,126,947	
Treaty - proportional	(2,694)	-	-	(2,694)	-	-	-	-	(2,694)	102,681	
Grand Total	7,922,858	4,004,955	4,717,094	7,210,719	3,197,911	1,271,194	1,694,010	2,775,095	4,435,624	4,229,628	

Note: Premium written includes administrative surcharge of Rs. 214.97 million (2009: Rs. 250.21 million)

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

HASANALI ABDULLAH Director JAHANGIR SIDDIQUI Director SAIFUDDIN N. ZOOMKAWALA Managing Director & Chief Executive

Condensed Interim Statement of Claims for the nine months period ended 30 September 2010 (Unaudited)



Rupees '000

	Three months period ended 30 September									
	Claims Reinsurance									
Class	Paid	Outst	Outstanding		Reinsurance and other recoveries	recoveries in	Reinsurance and other recoveries in respect of outstanding claims		Net claims expense	
		Opening	Closing	expense	received	Opening	Closing	revenue	2010	2009
Direct and facultative										
Fire and property damage	496,483	1,955,633	2,513,602	1,054,452	253,782	1,336,281	1,742,060	659,561	394,891	369,829
Marine, aviation and transport	145,740	1,006,968	2,178,015	1,316,787	41,998	716,082	1,836,639	1,162,555	154,232	124,816
Motor	512,389	1,228,246	1,184,090	468,233	(208)	50,788	50,777	(219)	468,452	660,593
Miscellaneous	59,762	320,972	369,516	108,306	35,750	257,915	294,794	72,629	35,677	15,709
Total	1,214,374	4,511,819	6,245,223	2,947,778	331,322	2,361,066	3,924,270	1,894,526	1,053,252	1,170,947
Treaty - proportional	(5)	4,003	3,556	(452)	-	-	-	-	(452)	19,041
Grand Total	1,214,369	4,515,822	6,248,779	2,947,326	331,322	2,361,066	3,924,270	1,894,526	1,052,800	1,189,988
				Nine m	onths period	ended 30 S	September			
Direct and facultative										
Fire and property damage	1,633,874	2,905,488	2,513,602	1,241,988	871,474	2,281,406	1,742,060	332,128	909,860	644,899
Marine, aviation and transport	404,374	915,746	2,178,015	1,666,643	84,798	660,229	1,836,639	1,261,208	405,435	290,465
Motor	1,702,732	1,336,973	1,184,090	1,549,849	1,608	53,144	50,777	(759)	1,550,608	1,923,530
Miscellaneous	298,845	339,977	369,516	328,384	192,123	279,984	294,794	206,933	121,451	44,624
Total	4,039,825	5,498,184	6,245,223	4,786,864	1,150,003	3,274,763	3,924,270	1,799,510	2,987,354	2,903,518
Treaty - proportional	1,828	10,733	3,556	(5,349)	-	-	-	-	(5,349)	108,161
Grand Total	4,041,653	5,508,917	6,248,779	4,781,515	1,150,003	3,274,763	3,924,270	1,799,510	2,982,005	3,011,679

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

HASANALI ABDULLAH Director JAHANGIR SIDDIQUI Director SAIFUDDIN N. ZOOMKAWALA Managing Director & Chief Executive



Condensed Interim Statement of Expenses for the nine months period ended 30 September 2010 (Unaudited)

Rupees '000

	Three months period ended 30 September											
		Comm	ission					N	et			
	Paid			Other			Commissions	under	writing			
Class	or	Defe		Net	management	Underwriting	from	expe				
	payable	Opening	Closing	expense	expenses	expenses	reinsurers	2010	2009			
Direct and facultative												
Fire and property damage	192,689	207,574	281,010	119,253	85,597	204,850	36,749	168,101	81,385			
Marine, aviation and transport	52,225	43,824	45,236	50,813	37,072	87,885	10,831	77,054	66,403			
Motor	58,761	92,366	102,248	48,879	141,255	190,134	24	190,110	221,328			
Miscellaneous	22,494	48,648	48,033	23,109	11,945	35,054	31,325	3,729	(8,833)			
Total	326,169	392,412	476,527	242,054	275,869	517,923	78,929	438,994	360,283			
Treaty - proportional	58	-	-	58	-	58	-	58	2,615			
Grand Total	326,227	392,412	476,527	242,112	275,869	517,981	78,929	439,052	362,898			
			١	line month	s period ende	d 30 Septemi	ber					
			-									
Direct and facultative												
Fire and property damage	423,138	200,735	281,010	342,863	213,684	556,547	102,147	454,400	224,581			
Marine, aviation and transport	155,543	47,610	45,236	157,917	128,500	286,417	30,739	255,678	199,489			
Motor	157,887	95,597	102,248	151,236	487,903	639,139	75	639,064	731,435			
Miscellaneous	76,157	38,653	48,033	66,777	27,137	93,914	110,487	(16,573)	(32,193)			
Total	812,725	382,595	476,527	718,793	857,224	1,576,017	243,448	1,332,569	1,123,312			
Treaty - proportional	(558)	-	-	(558)	-	(558)	-	(558)	(2,156)			
Grand Total	812,167	382,595	476,527	718,235	857,224	1,575,459	243,448	1,332,011	1,121,156			

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

HASANALI ABDULLAH Director JAHANGIR SIDDIQUI Director SAIFUDDIN N. ZOOMKAWALA Managing Director & Chief Executive

Condensed Interim Statement of Investment Income for the nine months period ended 30 September 2010 (Unaudited)



Rupees '000

	Nine mont ended 30 S 2010	•	Three months period ended 30 September 2010 2009		
Income from trading investments					
Gain on sale of trading investments	377	1,132	12	30	
Return on fixed income securities	-	2,579	-	-	
	377	3,711	12	30	
Income from non-trading investments					
Return on government securities	10,785	22,187	3,611	11,355	
Return on other fixed income securities and deposits	27,305	28,004	9,028	8,815	
Amortisation of premium relative to par	(3,084)	(2,870)	(1,053)	(985)	
Dividend income	108,285	92,094	21,300	26,155	
Gain on sale of non-trading investments	31,632	131,113	30,424	53,163	
	174,923	270,528	63,310	98,503	
Provision for impairment - available for sale - net	(772,422)	420,145	(47,012)	515,187	
Investment related expenses	(1,045)	(1,671)	(200)	(428)	
Net investment (loss) / income	(598,167)	692,713	16,110	613,292	

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

HASANALI ABDULLAH Director JAHANGIR SIDDIQUI Director SAIFUDDIN N. ZOOMKAWALA Managing Director & Chief Executive



Notes to the Condensed Interim Financial Statements for the nine months period ended 30 September 2010 (Unaudited)

Status and nature of business 1.

EFU General Insurance Limited (the Company) was incorporated as a public limited company on 2 September 1932. The Company is listed on the Karachi and Lahore Stock Exchanges and is engaged in non-life insurance business comprising of fire and property, marine, motor, etc.

The registered office of the Company is situated in Peshawar while the principal place of business is located at EFU House. M.A. Jinnah Road, Karachi,

2 Basis of preparation

These condensed interim financial statements are unaudited and are being circulated to the shareholders in accordance with the listing regulations of Karachi and Lahore Stock Exchanges and section 245 of the Companies Ordinance, 1984 and being prepared in condensed form in accordance with the requirements of approved accounting standards as applicable to insurance companies in Pakistan for interim financial reporting and in the format prescribed under SEC (Insurance) Rules, 2002. They do not include all of the information required for the annual financial statements, and should be read in conjunction with the annual financial statements for the year ended 31 December 2009.

Significant accounting policies 3

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are same as those applied by the company in its financial statements for the year ended 31 December 2009.

4. Accounting estimates and judgements

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

In preparing these condensed interim financial statement, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2009.

5. Management of insurance and financial risk

Insurance and financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2009.

Investments 6

		Rupees '000
Note	30 September 2010	31 December 2009
6.1	10 576 054 (1 987 000) 8 589 054	10 690 884 (1 987 000) 8 703 884
6.1		
		2 570 504
	30 463	36 685
	2 573 279	2 607 189
	2 483 194	2 858 788
6.2	347 032	357 537
	2 830 226	3 216 325
	(2 656 092)	(1 883 670)
	2 747 413	3 939 844
	11 336 467	12 643 728
	6.1	$ \begin{array}{c} $

6.1 The market value of investments in associates and available for sale investments as on 30 September 2010 was Rs.4 732 million (31 December 2009: Rs. 8 203 million). The carrying amount of the investment in EFU Life Assurance Limited was tested for impairment based on value in use, in accordance with IAS 36, Impairment of Assets.

6.2 The fixed income securities includes Pakistan Investment Bonds amounting to Rs. 132 million deposited with the State Bank of Pakistan as required by section 29 of the Insurance Ordinance. 2000.

Rupees '000
31 December 2009
1 788 272
1 093
1 789 365
(1 093)
1 788 272

8. Taxation

The income tax assessments of the Company have been finalised up to and including Tax Year 2007 (Financial year ending 31 December 2006), Tax Year 2009 (Financial year ended 31 December 2008) and Tax Year 2010 (Financial year ended 31 December 2009). The Tax Year 2008 (Financial year ending 31 December 2007) has been selected by the taxation authorities for the audit purpose and the proceedings thereof are underway.

The Company has filed appeal for the Tax year 2009 with Commissioner of Income Tax (appeals) in respect of disallowances for management expenses and interest on loans to employees.



The Company has filed appeals with Income Tax Appellate Tribunal (ITAT) in respect of assessment years 1999-2000 and 2000-01 in respect of disallowance of provision for gratuity and bonus.

The Company has also filed a writ petition in the honourable High Court of Sindh against the order of Collector of Customs, Sales Tax and Central Excise on account of central excise duty on commission. If the case is decided against the Company, the tax liability of Rs. 31 million may arise.

The department has filed an appeal in the supreme court of Pakistan against the decision of High Court of Sindh regarding withholding tax payment on reinsurance premium to overseas reinsurance companies. In case the appeal is decided against the company additional tax liability of Rs.61 million may arise.

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

9. Fixed assets - tangible and intangible

The details of additions and disposals during the nine months period ended 30 September 2010 are as follows:

					Additions (at cost)				Disposals (at net b			book value)	
					30 Sep	otember 20)10 30 Sep	tember 200	9 30			30 Septe	
	Tangibles Buildings Furniture and fixture Vehicles Office equipments Computers	S				45 215 22 449 44 225 5 538 28 911) 5 8	11 701 27 732 14 659 4 498 8 135		7	- 41 7 116 40		- 25 2 262 74
	Intangibles Computer softwares					60 258	,	2 146					
	Computer soltwares					206 596		68 871		7	7 197		2,361
0.	Share capital Issued, subscribed and	d paid-up r of share :	e.			200 000	<u> </u>		_	,	101	R	upees '00
	30 September 2010		s cember 20	09					30	Septemb	per 2010	31 Decen	ber 2009
	250 000		250 0	Ord 00 fully	inary shares paid in cash inary shares	n					2 500		2 500
	124 750 000		114 750 0		ied as fully p					1	247 500	1	147 500
	125 000 000		115 000 0	00						1	250 000	1	150 000
2.	Reserve for exception Retained earnings Operating segments	00000									12 902 594 029) 068 873		12 902 801 590 314 492
		Fire insurar			tion & transport								Rupees '00
						M	otor	Miecolla		Treaty k	nueinnee	Te	
		2010	2009	Marine, avia 2010	2009	2010 M	otor 2009	Miscella 2010	2009	Treaty t 2010	2009	Tc 2010	
	Corporate segment assets Corporate unallocated assets												tal 2009 6,841,3
		2010	2009	2010	2009	2010	2009	2010	2009			2010 8,870,614	tal
	Corporate unallocated assets	2010 4,358,820 -	2009 4,180,441 -	2010 2,641,941 -	2009	2010 611,012 -	2009 487,103 -	2010 1,258,840 -	2009 1,018,131 -	2010		2010 8,870,614 13,877,619	ttal 2009 6,841,3 15,097,6 21,938,9 11,117,2
	Corporate unallocated assets Total assets Corporate segment liabilities	2010 4,358,820 - 4,358,820	2009 4,180,441 - 4,180,441	2010 2,641,941 - 2,641,941	2009 1,155,659 - 1,155,659	2010 611,012 - 611,012	2009 487,103 - 487,103	2010 1,258,840 - 1,258,840	2009 1,018,131 - 1,018,131	2010	-	2010 8,870,614 13,877,619 22,748,233 12,736,778	6,841,33 15,097,61
	Corporate unallocated assets Total assets Corporate segment liabilities Corporate unallocated liabilities Total liabilities Capital expenditure	2010 4,358,820 - 4,358,820 5,899,946 -	2009 4,180,441 - 4,180,441 5,392,163 -	2010 2,641,941 - 2,641,941 2,964,342 -	2009 1,155,659 - 1,155,659 1,185,311 -	2010 611,012 - 611,012 2,718,103 -	2009 487,103 - 487,103 3,195,401 -	2010 1,258,840 - 1,258,840 1,150,833 -	2009 1,018,131 - 1,018,131 676,687 -	2010 - - - 3,556 -	2009 - - 153,467	2010 8,870,614 13,877,619 22,748,233 12,736,778 692,582	tal 2009 6,841,3 15,097,6 21,938,9 11,117,2 357,2 11,474,4
	Corporate unallocated assets Total assets Corporate segment liabilities Corporate unallocated liabilities Total liabilities Capital expenditure Segment depreciation	2010 4,358,820 - 4,358,820 5,899,946 -	2009 4,180,441 - 4,180,441 5,392,163 -	2010 2,641,941 - 2,641,941 2,964,342 -	2009 1,155,659 - 1,155,659 1,185,311 -	2010 611,012 - 611,012 2,718,103 -	2009 487,103 - 487,103 3,195,401 -	2010 1,258,840 - 1,258,840 1,150,833 -	2009 1,018,131 - 1,018,131 676,687 - 676,687	2010 - - - - - - - - - - - - - - - - - -	2009 - 153,467 - 153,467 -	2010 8,870,614 13,877,619 22,748,233 12,736,778 692,582 13,429,360 206,596	tal 2009 6,841,3: 15,097,6 21,938,98 11,117,20 357,2? 11,474,48 127,12
	Corporate unallocated assets Total assets Corporate segment liabilities Corporate unallocated liabilities Total liabilities Capital expenditure Segment depreciation Unallocated depreciation	2010 4,358,820 - 4,358,820 5,899,946 -	2009 4,180,441 - 4,180,441 5,392,163 -	2010 2,641,941 - 2,641,941 2,964,342 -	2009 1,155,659 - 1,155,659 1,185,311 -	2010 611,012 - 611,012 2,718,103 -	2009 487,103 - 487,103 3,195,401 -	2010 1,258,840 - 1,258,840 1,150,833 -	2009 1,018,131 - 1,018,131 676,687 -	2010 - - - 3,556 -	2009 - - 153,467	2010 8,870,614 13,877,619 22,748,233 12,736,778 692,582 13,429,360 206,596 - 114,014	tal 2009 6,841,33 15,097,6 21,938,94 11,117,24 357,24 11,474,44 127,12 130,24
	Corporate unallocated assets Total assets Corporate segment liabilities Corporate unallocated liabilities Total liabilities Capital expenditure Segment depreciation Unallocated depreciation Total depreciation	2010 4,358,820 - 4,358,820 5,899,946 -	2009 4,180,441 - 4,180,441 5,392,163 -	2010 2,641,941 2,641,941 2,964,342 2,964,342 - - - - - - - - - - - - - - - - - - -	2009 1,155,659 - 1,155,659 1,185,311 -	2010 611,012 - 611,012 2,718,103 -	2009 487,103 - 487,103 3,195,401 -	2010 1,258,840 	2009 1,018,131 - 1,018,131 676,687 - 676,687	2010	2009 - 153,467 - 153,467 -	2010 8,870,614 13,877,619 22,748,233 12,736,778 692,582 13,429,360 206,596	tal 2009 6,841,3 15,097,6 21,938,9 11,117,2 357,2 11,474,4 127,1

22,748,233 21,938,950

4,435,624

4,229,628

14

Total

127,724

206,596



13. Related party transactions

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

		Rupees '000
	30 September 2010	30 September 2009
Transactions		
Associated company Premium written	8 064	6 007
		6 237
Premium paid	7 747 3 927	6 688 3 870
Claims paid	5 927 2 442	
Claims lodged		1 687
Investment made	8 611 4 150	15 809
Bonus shares received Dividend received	4 150 171 168	- 137 178
Bonus Shares issued	6 812	13/ 1/0
Dividend paid	31 336	- 25 441
Key management personnel		20
Premium written	646	483
Claims Paid	36	-
Bonus share issued	30 042	-
Dividend paid	138 202	112 135
Compensation	76 391	76 714
Others		
Premium written	88 814	68 538
Premium paid	2 488	4 101
Claims paid	17 732	-
Claims lodged	2 943	1 712
Commission earned / paid	155	1 8126
Investment made	11 606	10 793
Sale of investment	38 180	-
Bonus shares issued	20 515	-
Bonus shares received	964	-
Dividend paid	94 370	74 825
Dividend received	9 519	16 418
Expenses paid	44	302
Brokerage paid	1 074	1 782
Donation paid	530	1 750
Employees' funds		
Contribution to provident fund	12 372	11 186
Contribution to gratuity fund	24 379	20 960
Contribution to pension fund	239	257
Bonus shares issued	514	-
Dividend paid	2 366	1 923
	30 September 2010	31 December 2009
Balances		
Associated company Balances receivable	2 110	362
Key management personnel Balances receivable	47	-
Others		
Balance receivable	46 624	33 807
Balance payable	(40)	(108 663)
Employees' funds receivable / (payable)		· · · · · · · · · · · · · · · · · · ·
EFU gratuity fund	(10 468)	(12 786)
EFU pension fund	5 233	36 464
•	0 200	00 101
Non-Adjusting event after balance sheet date		

14. Non-Adjusting event after balance sheet date

Subsequent to the period end, several parts of the country are effected by the flood due to which various claims have been reported to date, however the quantum of such claims are unknown at the date of authorization.

15. Date of authorisation for issue

These condensed interim financial statements were authorised for issue by the Board of Directors in the meeting held on 29 October 2010.

HASANALI ABDULLAH	JAHANGIR SIDDIQUI	SAIFUDDIN N. ZOOMKAWALA	RAFIQUE R. BHIMJEE
Director	Director	Managing Director & Chief Executive	Chairman