



# Defining excellence since 1932

Annual Report 2016





EFU GENERAL INSURANCE LTD.  
INSURER FINANCIAL STRENGTH AA+

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

## Defining excellence since 1932



Ever since we opened our doors for business over eight decades ago, we have been committed to excellence in all we do, to give customers an unparalleled insurance experience.

We believe excellence is an unending journey, not a destination, nothing but great suffices and great is a moving target.

We lead with strength, differentiate ourselves on excellence and surprise you with our refreshing personal touch. By honouring our history and carefully planning our future, we are dedicated to continue defining the standard of excellence in the insurance industry.



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Form of Proxy (English & Urdu)

Bank Mandate Form

## Vision & Mission



### Vision

To continue our journey to be better than the best.

### Mission

To provide services beyond expectation with a will to go an extra mile. In the process, continue to upgrade technology, human resource and reinsurance protection.

## Our Values

Our philosophy is to be the leading Company with service above par, with integrity, excellence and professionalism. Following are our core values:

### INTEGRITY & ETHICS

Conduct business with ethics, dignity, fairness and transparency.

### EXCELLENCE

We measure our performance by results but more by quality of service.

### PROFESSIONALISM

We believe professionalism is perfection. Business resources are utilized in a manner to achieve optimum returns on resources.

### OUR PEOPLE

In EFU we work like a family. Everyone is treated with respect and without any discrimination.

### CORPORATE SOCIAL RESPONSIBILITY

We donate to various institutions in health and education sectors, for improving the lifestyle of common man.

## Select Financial Highlights 2016

Net Premium  
Revenue  
**7 243**  
(Rupees in million)

Cash  
Dividend  
**2 000**  
(Rupees in million)

Investment &  
Properties  
**20 511**  
(Rupees in million)

Breakup  
Value  
**84.51**  
(Rupees)

Rating:  
Insurer Financial  
Strength  
**AA+**  
(JCR-VIS & PACRA)

Underwriting  
Result  
**1 860**  
(Rupees in million)



Claims Paid  
**2 694**  
(Rupees in million)

Profit After Tax  
**2 392**  
(Rupees in million)

Written  
Premium  
(including Takaful Contribution)  
**17 195**  
(Rupees in million)

Investment &  
Other Income  
**2 043**  
(Rupees in million)

Shareholders  
Equity  
**16 901**  
(Rupees in million)

Total Assets  
Book Value  
**36 204**  
(Rupees in million)

Defining excellence...since 1932



**Leading**  
**Insurer** 



With our leading position, our long experience and proven record of delivering on promises for eighty four years, we have earned worldwide acknowledgement as Pakistan's flagship insurance brand.

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**Insuring**  
**Progress** 



We take on the responsibility of risk so our clients can take on the responsibility of making things happen. We call this insuring progress.

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# Valuing Relationships



We go the extra mile by surpassing our clients' expectations. For us, long-term partnerships are more important than short-term success.

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**Winning**  
**Service** 





For us, customer service is a promise, a determination to do what is right for the customers. Every customer. Every day.

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**Earning**  
**Trust** 



We have earned the trust of customers with our dedication to their best interests and always delivering on our promises.

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**Multiplying**  
**Potential** 



The dedication and skill of each and every employee contributes to the success of the organization. Together, we make things happen.

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**Supporting  
Communities** 



The company has a corporate reputation for giving back to the society and routinely sponsors fund raising events and contributes to social and charitable causes.

Defining excellence...since 1932



**Promising**  
**Future** 





We are proud of our past accomplishments and remain firmly focused on the future. We are more determined and better equipped than ever for the journey ahead.

# Awards & Achievements



**Diplomatic Forum  
for Socio-economic  
Foundation**

Diplomatic & Foreign  
Investment Award 2016



**The Professionals  
Network (TPN) & Ethical  
Business Update (EBU)**

Environment, Health, Safety  
& Security Award 2016



**The Professionals  
Network (TPN)**

Corporate  
Social Responsibility  
Award 2016



**Brands  
Foundation**

Brands of the Year  
Award 2015 -16



**Consumers Association  
of Pakistan (CAP)**

Consumers Choice  
Award 2016



Institute of Chartered Accountant of Pakistan (ICAP) & Institute of Cost and Management Accountants of Pakistan (ICMAP)  
Best Corporate Report Award 2015



The Federation of Pakistan Chambers of Commerce & Industry, Karachi (FPCCI)  
FPCCI Achievement Award & Gold Medal 2015



Shaukat Khanum Cancer Hospital & Research Centre  
Social Responsibility Award 2015



South Asian Federation of Accountants (SAFA)  
SAFA Best Presented Annual Report 2015 (Certificate of Merit)

## Company Information

### Chairman

Saifuddin N. Zoomkawala

### Managing Director & Chief Executive

Hasanali Abdullah

### Directors

Rafique R. Bhimjee

Abdul Rehman Haji Habib

Muneer R. Bhimjee

Taher G. Sachak

Ali Raza Siddiqui

Mohammed Iqbal Mankani

Mahmood Lotia

### Chief Financial Officer & Corporate Secretary

Altaf Qamruddin Gokal, F.C.A.

### Legal Advisor

Mohammad Ali Sayeed

### Advisors

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

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

S.C. (Hamid) Subjally

Syed Mehdi Imam, M.A.

### Shari'ah Advisor

Mufti Muhammad Ibrahim Essa

### Audit Committee

Rafique R. Bhimjee

Taher G. Sachak

Ali Raza Siddiqui

Mohammed Iqbal Mankani

### Investment Committee

Saifuddin N. Zoomkawala

Hasanali Abdullah

Rafique R. Bhimjee

### Ethics, Human Resource & Remuneration Committee

Saifuddin N. Zoomkawala

Rafique R. Bhimjee

Hasanali Abdullah

### Auditors

EY Ford Rhodes

Chartered Accountants

601, 6th Floor

Progressive Plaza

Beaumont Road

Karachi

### Registrar

Technology Trade (Pvt.) Ltd.

Dagia House 241-C

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

Off Shahra-e-Quaideen

Karachi

### Website

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

### Registered Office

Kamran Centre, 1st Floor

85, East, Jinnah Avenue

Blue Area

Islamabad

### Main Offices

EFU House

M. A. Jinnah Road

Karachi

Co-operative Insurance Building

23, Shahrah-e-Quaid-e-Azam

Lahore

### Window Takaful Operations

5th Floor, EFU House

M. A. Jinnah Road

Karachi

## Company Profile ([www.efuinsurance.com](http://www.efuinsurance.com))

EFU is the largest insurer group in the country. The group structure comprises of EFU General Insurance Limited, EFU Life Assurance Limited and Allianz EFU Health Insurance Limited.

EFU General was incorporated on September 2, 1932. The Company provides a full range of insurance services to fulfill the needs of all of its customers being commercial and individual clients. Our product portfolio includes:

- Fire and Property Damage
- Marine, Aviation and Transport
- Motor
- Miscellaneous
- Value Added Services
- Takaful
- The shares of the Company are quoted on Pakistan Stock Exchange.
- EFU is one of the few Pakistani organizations run totally by professional management and highly motivated field force.
- Policies accepted by all institutions in the country.
- Rating: Insurer Financial Strength AA+, Outlook: Stable (Rating Agencies: JCR-VIS and PACRA).
- Client-base comprises of many leading business houses and multinational companies.
- EFU gave the emerging insurance industry the leadership, the manpower and the drive needed to grow in a situation where at one time, three-fourths of insurance was held by foreign companies.

We are in the business of providing a full range of non-life insurance products and services customized to meet the varied needs of a wide spectrum of businesses and industrial clients as well as individuals, providing Property, Marine/Aviation, Motor and other Miscellaneous products. In addition to this, Window Takaful operations have also been started since 6th May 2015. The most important aspect of our operation is that we have created a separate Risk Management Team and an Engineering Group who work closely with clients to identify various risk exposures and then provide specific insurance. This helps in loss prevention and reducing the cost of premium. Our market-driven team of inspired and technically qualified insurance personnel, specializing in civil, mechanical, metallurgy, electronics and having overseas linkages, is on-call for necessary professional advice at all times. It is our policy not only to provide protection and risk reduction but help clients develop preventive capabilities to avert major perils and calamities. Over the years we have developed a full range of insurance services for large infrastructure projects including the areas of oil/gas exploration field.

We are fully equipped with technical, marketing and managerial skills supported by reinsurance arrangements with a number of European firms of international repute to cater for all classes of specialized insurance and provide customer service of the highest quality. Our clients include both large and medium sized organizations in all sectors of the economy. We are committed to new product development and innovation, legendary customer service and a promise that everything we do, we do from the heart.

## Strategic Objectives

- Retain leadership position in the market.
- Explore opportunities by introducing new products and diversifying current product portfolio.
- Pursue continuous improvement and technological advancement.
- Enhance corporate capabilities and motivation through skill enhancement, management development and reward programs.

## Future Strategy

Our strategy for 2017 is designed to deliver sustainable, profitable growth in a changing and competitive business environment in order to maintain leading position in the industry.

To take EFU General to the greater height, we are focusing more closely on the markets and customers segments where we have a competitive edge, those where we can offer a superior value proposition to our customers.

The Company's Window Takaful Operations have grown manifold since its start in 2015. We see further penetration in Takaful market in 2017.

We continue to invest in our people and systems and processes to better understand our customer's needs, serve them in the way they require, increase collaboration and improve efficiency.

## Risk Identification, Evaluation and Management Opportunities

Risk is a multi-dimensional phenomenon and a constant feature of everyday life. Fires, accidents, thefts, explosions, natural calamities and terrorism are the more common types of risk the community faces.

The dimensions and effects of such loss events have since long assumed major significance for whole economies. The question of how to predict and prevent such risks is accordingly the subject of intensive discussion both in the political sphere and among the public at large.

The complex realities of modern economic life and the growing awareness of the public at large place increasing demand on companies to pursue appropriate and far-sighted policies about risk. The same applies to insurers indetermining their underwriting policies. The rapid development of new technologies and the changing nature of production processes necessitate a constant analysis of risk profiles. Both entrepreneurs and insurers therefore face enormously increased need for analytical and advisory services.

EFU works closely with clients to identify various risk exposures and then provide specific insurance proposals. This helps in loss prevention and reducing the cost of protection.

Our market-driven team of inspired and technically qualified insurance personnel, comprises specialists in civil and mechanical engineering, metallurgy, electronics, and other disciplines. They are on call for necessary professional advice at all times. Our linkages with overseas specialists are of major value to our clients. In addition to insurance protection, it is our practice to provide risk reduction advice to clients and assist them in developing preventive capabilities to avert mishaps and disasters.

### **BUSINESS RISKS**

The Company continuously monitors and controls the risks to the business. The following are the major risks faced by the Company:

#### **Economic and Political Risk**

Volatile economic, political and financial market conditions coupled with power shortage in the country may cause hurdle in overall business scenario of the country. The Company has cautious underwriting approach to deal with such risks and increase market share without compromising profitability.

#### **Insurance Risk**

The principal risk the Company faces under insurance contracts is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claims. The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy aims to minimize insurance risks with a balanced mix and spread of business classes and by observing underwriting guidelines and limits.

#### **Credit Risk**

The Company monitors exposure to credit risk through regular review of credit exposure, undertaking transactions with a large number of counter parties in several industries and by continually assessing the credit worthiness of counter parties.

#### **Liquidity Risk**

The Company manages it's liquidity by ensuring it has sufficient liquidity to meet its claim and other liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation. It includes measuring and monitoring the future cash flows on daily, monthly and quarterly basis, maintaining sufficient cash reserves in bank accounts and a portfolio of highly marketable financial assets that can be easily liquidated in the event of an unforeseen interruption to cash flows.

### **Market Risk**

The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in government securities, equity and term finance certificate markets. In addition, the Company actively monitors the key factors that affect the underlying value of these securities.

### **Interest Rate Risk**

The Company limits interest rate risk by monitoring changes in interest rates in the currencies in which its financial assets are denominated.

### **Investment Risk**

The Company manages its market price risk by maintaining a diversified investment portfolio and monitors developments in equity and term finance certificate and money markets.

### **Reinsurance Risk**

The Company's arrangement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor the operations of the Company are substantially dependent upon any single reinsurance contract. The Company obtains reinsurance cover only from companies with sound financial health. Reinsurance arrangements in place include treaty and facultative arrangements, including catastrophe cover. The effect of such reinsurance arrangements is that the Company may not suffer ultimate net insurance losses beyond the Company's risk appetite in any one year.

### **IT Risk**

To meet the challenges of changing business environment, EFU has successfully migrated its Enterprise Information on to its in house developed IT system in Oracle environment. The Company also implemented Business Intelligence Tool for better decision making, meeting business challenges, enhance controls and providing better services to customers.

## **OPPORTUNITIES**

As a leading insurance company of the country, the Company is in a position to avail and exploit a number of opportunities. Following is the summary of significant opportunities present to the Company:

- Expand general takaful solutions through window operations;
- Increasing reach to all parts of the country through expanding distribution network;
- Develop microinsurance solutions for the socio economic group at the bottom of the pyramid;
- Focus on insurance awareness through continuous investments in communication channels and market education; and
- With increasing mobile penetration amongst the masses, utilize such platforms for customer interaction, awareness, marketing and sales.

## **MATERIALITY APPROACH**

Management believes materiality as a key component of an effective communication with stakeholders. In general, matters are considered to be material if, individually or in aggregate, they are expected to significantly affect the performance and profitability of the Company.



## Product Portfolio

EFU General provides a full range of insurance services to fulfill the needs of all of its customers being commercial and individual clients. Our product portfolio includes:

### **FIRE AND PROPERTY DAMAGE**

Our portfolio comprises of a broad spread of quality business ranging from simple residential property to very large sophisticated industrial risks. These would include activities involving complex risks relating to Oil & Gas exploration / development, petrochemicals and other major industrial risks. The fire portfolio in the main comprises of operational risks other than power generating industry.

The engineering part of the portfolio would include in the main construction risks be it simple civil work or major infrastructure projects like dams, highways etc. Other engineering risks would include coverage for breakdown of plant / machinery.

The insurance covers include both material damage as well as loss of revenue due to business interruption following the material damage.

### **MARINE, AVIATION AND TRANSPORT**

Insurance coverage is provided for goods in transit from all over the world to Pakistan and vice versa by all means of conveyance i.e. sea, air and land. Special insurance products are also offered for large project cargoes and this class also includes for such projects, loss of revenue insurance.

Coverage is also provided for the insurances of ships, other vessels and aircraft ranging from small single general aviation to airlines. Aviation insurance includes both physical damage as well as liabilities to third parties and passengers and cargo.

### **MOTOR**

EFU provides a full range of products for all kinds of vehicles being either private or commercial and the coverage includes physical damage including theft and liabilities as required under law. Ancillary products are also offered for personal accident to drivers, passengers, and the like.

### **MISCELLANEOUS**

All other insurance products of various types i.e. Bankers Blanket Bond, Plastic Card, Electronic & Computer Crime, Safe Deposit Box, Money, Professional Indemnity, Directors & Officers Liability, Public & Product Liability, Crop, Livestock, Travel Insurance and all such insurances.

### **VALUE ADDED SERVICES**

Our Company is continuously improving its systems and getting a competitive edge by introducing various online services to facilitate our customers, like e-Verify for verification of policies and certificates and online e-Cover for marine cargo cover notes. In addition, travel insurance policies are now being sold on line through the Company website.

We also provide SMS confirmation of Claim, SMS claim guidance and electronic survey reporting services to our customers in respect of Motor Insurance.

Moreover, our qualified engineers provide recommendations and guidance to our Property Insurance clients on various aspects of industrial safety including protection measures as well as sharing of information on latest techniques as per international standards.

### **TAKAFUL**

Takaful is a community-pooling system based on the principles of brotherhood and mutual help wherein participants contribute in a fund to help those who need it most in times of financial difficulties.

#### **The Modus Operandi of Takaful**

Different models are in practice in different parts of the world. All Takaful models are based on mutuality and Shari'ah concept of Tabbaru.

The model used in Pakistan is known as Wakala-Waqf Model. In this model the pool is formed as a Waqf. All the contributions are deposited in this Waqf pool known as Participants' Takaful Fund based on the terms and conditions of Participant Membership Document, claims are paid from the same pool to the participants.

#### **The Role of the Operator in Takaful System**

The Operator serves as the Wakeel of the Waqf Fund and charges a 'Wakala fee' for it. The fee is paid from the Waqf Fund. As the Wakeel, the Operator invests the funds available in the Waqf Pool in Shari'ah-compliant investments for profits. Since the Operator is the Mudarib and the Waqf Fund is the Rabul-ul-Maal, any profits made from the investments are shared between the two on pre-defined percentages.

## Policy and Procedure for Stakeholder Engagement

### Institutional Investors

The Company convenes Annual General Meeting in accordance with the Companies Ordinance, 1984. The Company's financial reports are published every quarter and are also placed on Company's website for the shareholders and potential investors.

In compliance with the Code of Corporate Governance under the listing regulations of the stock exchange, the Company notifies information to the Stock Exchange from time to time. This helps the shareholders remain connected with the Company. The dates of Board of Directors meetings and financial results are notified to Stock Exchange.

### Customers

We believe in customer trust and satisfaction being our strength over the years. To help improve customer service and meet their needs and expectation, feedback from customers is sought. In this regard, the Company's website has dedicated customer feedback section for an ongoing relationship with them.

### Banks

We understand the importance of these stakeholders and ensure continuous interaction with them and manage our relationships.

### Media

We continuously engage with media through issuing press releases, briefings and advertisements campaigns. We have also dedicated section on our Company's website for public relations. The website may be accessed at [www.efuinsurance.com](http://www.efuinsurance.com).

### Regulators

To maintain compliance with applicable laws and regulations, the applicable statutory returns and forms are filed with various regulatory bodies and federal and provincial taxation authorities.

## Share Price Sensitivity Analysis

**Company news and performance:** Company - specific factors that can affect the share price are:

- **Earnings** - News releases on earnings and profits and future estimated earnings develop investor interest in the stock of a Company.
- **Announcement of dividends** - Expected distribution from earning could increase the share prices in expectation of realisation of profit on investment.
- **Introduction of a new insurance product** - This could lead to positive earnings growth which in return affects share prices.
- **Industry performance** - Government policies specific to industry like Takaful business could result in movement of stock price.
- **Investor sentiments / confidence** - Positive economic reforms can attract investors.
- **Economic and other shocks** - An economic outlook could include expectations for inflation, productivity growth, unemployment and balance of trade. Changes around the world can affect both the economy and stock prices. An act of terrorism can also lead to a downturn in economic activity and a fall in stock prices.
- **Change in government policies** - Government policies could be perceived as positive or negative for businesses. The policies may lead to changes in inflation and interest rates, which in turn may affect stock prices.

## Investors Grievance Policy

EFU General Insurance Limited believes that relations with investors are vital for the financial lifeline and substantial growth of the organization. Relations with investors also reflect on the goodwill of the organization. It is therefore, imperative to place an efficient and effective mechanism in the organization for providing services to the investors and to re-dress their grievances in accordance with law.

The Company has accordingly provided on its website, the necessary information about the Company, the directors, auditors, share registrars, the financial data for the current period and for the last six years and daily stock update showing daily rates of the Company's shares quoted at the Pakistan Stock Exchange.

The Chief Financial Officer and Corporate Secretary of the Company is the primary contact on behalf of the Company to whom the investors can contact to re-dress their grievances and resolve their issues.

The management endeavors to investigate and resolve all the complaints and queries of the investors to their utmost satisfaction. An investor who is not satisfied can also approach the Securities & Exchange Commission of Pakistan (SECP) complaint cell through interactive link provided on our website.

Our investor grievance policy is broadly based on the following principles:

- Investors calling us in person, telephone, fax or email are received and their complaints are dealt in timely manner.
- Each and every investor is treated fairly at all the times.
- Prompt, efficient and fair treatment is given to all the complaints and queries of the investors.

## Whistle Blowing Policy

In compliance with the Code of Corporate Governance the Company has adopted a Whistle Blowing Policy. The Company has an established Code of Ethics which sets out the standards of conduct expected in the management of its business. All employees are expected to carry out their duties in a manner that is consistent with the Code. If employees become aware of circumstances which are not in compliance with the Code, they may communicate their concerns to the Managing Director.

## SWOT Analysis

### Strengths

- With over 84 years of experience EFU is a brand name of Insurance in Pakistan.
- We are a Company with broad customer base.
- We work as a family, with employee loyalty and commitment to the Company and generations of families are associated with us.
- We own two prominent buildings in Karachi and Lahore.
- We have team of highly skilled personnel, both in technical and marketing areas, equipped with the latest knowledge and considered as the best in the country.

### Opportunities

- We expect expansion in Window Takaful Operations in coming years.
- New business particularly related to CPEC.

### Threats

- Increased competition
- Shortage of technical personnel

## Procedures Adopted for Quality Assurance of Products / Services

EFU General believes that meeting customer expectations comes from consistently meeting standards and delivering consistent results is at the core of quality assurance procedures. It is our responsibility to ensure that every employee understands the quality definitions and how he / she is to make certain those standards are met. Measuring the quality that is delivered is critical for consistent results. Department / Branch Heads monitor work processes and maintain quality standards.

As per ISO 9001:2008 standards, EFU General has established procedures for quality assurance of services by continually improving the effectiveness of the quality management system through the use of:

- the quality policy,
- quality objectives,
- audit results,
- analysis of data,
- corrective and preventive actions,
- regular management reviews,
- trainings,
- customer feedback system and
- monitoring / measurement activities.

The old expression, "There is always room for improvement," rings true when it comes to quality assurance. To keep our business on the cutting edge, we always ask the question, "How can we make this better?" By tweaking the process where required or by raising standards each year, we will see our overall business quality improve to levels higher than ever before.

## Decisions taken at the last Annual General Meeting held on April 2, 2016

The following matters taken up in the meeting as per Agenda were approved unanimously and the decisions taken were implemented in due course:

1. Approval of minutes of the last Annual General Meeting.
2. Approval of Audited Accounts and Report for the year ended December 31, 2015.
3. Approval of Final dividend @ Rs. 4.50 per share in addition a total of Rs. 3 per share was paid for three interim dividends for the year 2015 details as under:
  - The First Interim dividend was paid on May 20, 2015.
  - The Second Interim dividend was paid on September 21, 2015.
  - The Third Interim dividend was paid on November 26, 2015.
  - Final dividend was paid to the Shareholders on April 12, 2016.
4. Approval for the Issue of 40,000,000 fully paid Bonus shares of Rs. 10 each to the existing shareholders in the ratio of one new share for every four existing Ordinary Shares. 95% of the entitlement of Bonus Shares for shareholders having their shares deposited in CDS the Central Depository Company of Pakistan Ltd. (CDC) was credited to their respective accounts in CDS on April 8, 2016 and the balance 5% was credited to their account on May 9, 2016 after the tax on Bonus Shares was finalized. Dispatch of Bonus Shares to Physical Shareholders was completed by April 28, 2016.
5. Approval for amendment in Articles of Association of the Company by inserting new clause numbering 80 to introduce E-Voting as prescribed by Securities & Exchange Commission of Pakistan.
6. Approval of Transfer to General Reserve of Rs. 2,000 million.
7. Appointment of EY Ford Rhodes as Auditors for the year 2016.
8. Approval to further extend the period of Investment in shares of EFU Life Assurance Ltd., an Associated Company, within next 3 years was approved by the shareholders in the Meeting. This was earlier approved at Annual General Meeting of April 5, 2014.

## Access to Reports and Enquiries

### Annual Report

Annual report can be downloaded from the Company's website: [www.efuinsurance.com](http://www.efuinsurance.com); or printed copies obtained by writing to:

The Company Secretary  
EFU General Insurance Limited  
EFU House  
M.A. Jinnah Road  
Karachi 74000  
Pakistan

### Quarterly Reports

The Company publishes interim reports at the end of first, second and third quarters of the financial year. The interim reports can be accessed at website: [www.efuinsurance.com](http://www.efuinsurance.com); or printed copies can be obtained from the Company Secretary.

### Shareholders' Enquiries

Shareholders' enquiries about their holding, dividends or share

certificates etc. can be directed to Share Registrar at the following address:

Technology Trade (Pvt.) Ltd.  
Dagia House 241 - C  
Block-2, P.E.C.H.S.  
Off Shakra-e-Quaideen  
Karachi  
Tel: 34391316 - 7  
Fax: 34391318

### Stock Exchange Listing

The shares of the Company are listed on Pakistan Stock Exchange. The symbol code is EFUG.

### Annual Report & Accounts and Notice of Meeting by E-mail

If any member intends to receive the above through e-mail, he may provide us or to our Share Registrar, his consent on the consent form as available on Company's website, duly filled and signed.

## The Role of Chairman and Managing Director

The roles of the Chairman and Managing Director is stated setting out a clear division of responsibilities, but is not intended to provide a definitive list of their individual responsibilities.

**Chairman** is responsible for leadership of the Board. In particular, he presides over meetings of the Board and ensures effective operation of the Board and its committees in conformity with the standards of corporate governance.

The Chairman sets the agenda, style and tone of Board discussions to promote constructive debate and effective decision making. The Chairman supports the Managing Director in the development of strategy.

**Managing Director** is responsible for leadership of the business and managing it within the authorities delegated by the Board and the Articles of Association of the Company. He develops strategy proposals for recommendation to the Board and ensures that agreed strategies are reflected in the business, develop annual plans, consistent with agreed strategies, for presentation to the Board for support, plan human resourcing to ensure that the Company has the capabilities and resources required to achieve its plans.

The Managing Director develops an organisational structure and establishes processes and systems to ensure the efficient organisation of resources. He is responsible to the Board for the performance of the business consistent with agreed plans, strategies and policies, leads the executive team, including the development of performance contracts and appraisals and ensures that financial results are communicated to all the stakeholders.

The Managing Director develops and maintains an effective framework of internal controls over risk in relation to all business activities including the Group's trading activities, ensures that the flow of information to the Board is accurate, timely and clear, establishes a close relationship of trust with the Chairman, reporting key developments to him in a timely manner and seeking advice and support as appropriate.

The Chairman and Managing Director meet regularly to review issues, opportunities and problems.

## Annual Evaluation of Board's Performance

The Board has placed a mechanism to evaluate its performance annually as required by the Code of Corporate Governance. The mechanism devised is based on the emerging and leading trends on the functioning of the Board and improving its effectiveness. The placement and functioning of evaluation mechanism is out sourced to Pakistan Institute of Corporate Governance.

## MD's Performance Review

Managing Director's performance is monitored and evaluated by the Board against the objectives and performance targets set by the Board.

## Avoiding Actual and Perceived Conflict of Interest

The Company is committed to the transparent disclosure, management and monitoring of existing and potential conflicts of interest. The Company's Board is also cognizant of its obligations as required under the Code of Corporate Governance, 2012 (COCG) to ensure that Directors avoid conflicts of interest between their responsibilities and their other interests. All Board members have a duty to avoid actual or perceived conflicts of interest.

Every director of the Company who is in any way interested in any contract or arrangement to be entered by the Company is required to disclose the nature of his concern or interest to the Board and shall not take part in the discussion or vote on the matter.

Every year in conformity with the section 187 of Companies Ordinance, 1984, COCG and Insurance Companies (Sound and Prudent Management) Regulations, 2012, the Directors of the Company are required to provide a signed Statement of Compliance. The statement requires all the Directors to disclose the names of the companies, firms and businesses where they are associated and that they comply with all legal requirements to hold the position as Directors.

## Policy for Safety of Records of the Company

The Company abides by the requirement of Section 230 of the Companies Ordinance, 1984, for the maintenance of books of accounts. In addition to this, retention of the Company's records is also based on their administrative and operational requirement. The Company has implemented a comprehensive plan for maintenance of its physical and electronic data.

In line with this, a proper record room has been maintained at its Head Office for safe custody of the various physical documents; where the records are stacked on pre-numbered racks. All records along with rack number have been entered in the record management system from where any record can be traced by entering the particular of record required.

For timely recovery of its soft data on the Cloud, on-site and remote Data Recovery (DR) site is available with the Company.

## TORs of Audit Committee

The committee comprises of four members, including the Chairman of the committee, three of them are non-executive Directors and one is an independent director. The Committee focus is to oversee the effectiveness of internal controls, internal audit function, compliance, and other responsibilities assigned by the Board of Directors.

The terms of reference of the Audit Committee as determined by Board of Directors are as follows:

- (a) determination of appropriate measures to safeguard the Company's assets;
- (b) review of preliminary results prior to its publication;
- (c) review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
  - major judgmental areas,
  - significant adjustments resulting from the audit,
  - the going concern assumptions,
  - any changes in accounting policies and practices,
  - compliance with applicable accounting standards and;
  - compliance with statutory and regulatory requirements .
- (d) review of related party transactions entered in to during the year and recommending approval of the Board of Directors thereon;
- (e) facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- (f) review of management letter issued by external auditors and management's response thereto;
- (g) ensuring coordination between the internal and external auditors of the Company;
- (h) review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- (i) consideration of major findings of internal investigations and management's response thereto;
- (j) ascertaining that the internal control systems including financial and operational controls, accounting systems and the reporting structure are adequate and effective;
- (k) review of Company's statement on internal control systems prior to endorsement by the Board of Directors;
- (l) institute special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body;
- (m) determination of compliance with relevant statutory requirements;
- (n) monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and
- (o) consideration of any other issue or matter as may be assigned by the Board of Directors.

<u>Sr. No.</u>	<u>Name of Directors</u>	<u>Number of Meetings attended</u>
1.	Mr. Rafique R. Bhimjee	3 meetings attended (Non-Executive Director)
2.	Mr. Taher G. Sachak	4 meetings attended (Non-Executive Director)
3.	Mr. Ali Raza Siddiqui	4 meetings attended (Non-Executive Director)
4.	Mr. Mohammad Iqbal Mankani	2 meetings attended (Independent Director)



## Report of the Board Audit Committee For the year ended December 31,2016

The Audit Committee comprises of three non-executive directors and one independent director. Four meetings of the Committee were held during the year 2016. Based on reviews and discussions in these meetings, the Committee reports that:

1. The Committee reviewed and approved the quarterly, half yearly and annual financial statements of the Company and recommended them for approval of the Board of Directors.
2. The Company issued a Statement of Compliance with the Code of Corporate Governance which has also been reviewed by the external auditors of the Company.
3. The Chief Executive Officer and the Chief Financial Officer have endorsed the financial statements of the Company and the Directors' Report. They acknowledge their responsibility for true and fair presentation of the financial statements and compliance with regulations and applicable accounting standards.
4. The financial statements have been prepared in accordance with approved accounting standards comprise of such International Financial Reporting Standards (IFRS) as applicable in Pakistan.
5. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment. The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
6. Proper books of accounts have been maintained by the Company.
7. The Committee reviewed and approved all related party transactions and recommended them for approval of the Board of Directors.
8. The Company's system of internal control established at all levels is sound in design and is continually evaluated for effectiveness and adequacy. The Company internal control system consists of: Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring. These components work to establish and implement sound internal control within the Company through directed leadership, risk management function, financial control and internal audit and compliance.
9. For appraisal of internal controls and monitoring compliance, the Company has in place an appropriately staffed Internal Audit department. The Committee reviewed the resources of the Internal Audit department to ensure that they were adequate for the planned scope of the Internal Audit function.
10. The role of Internal Audit is to review the adequacy of control activities as well as to ensure implementation of and compliance with the defined policies and procedures. The department also ensures timely follow-up on audit findings to ensure that corrective actions are taken in a timely manner.
11. The Committee on the basis of the internal audit reports reviewed the adequacy of controls and compliance shortcomings in areas audited and discussed corrective actions in the light of management responses. This has ensured the continual evaluation of controls and improved compliance.
12. The Internal Auditor has full access to the Chairman of the Board Audit Committee, further internal auditor meets senior management to discuss internal audit reports and is fully independent to access the management any time to discuss audit issues in order to make the audit process transparent and effective.
13. The external auditors EY Ford Rhodes, Chartered Accountants had direct access to the Committee and necessary coordination with internal auditors was ensured. Major findings arising from audits were also discussed.
14. The Committee reviewed the Covering Letter issued by the external auditors.
15. Appointment of new external auditors was reviewed in place of existing auditors (EY Ford Rhodes, Chartered Accountants) who have completed their 5 years and are no longer eligible for appointment and the Committee following this review recommended to the Board of Directors for appointment of KPMG Taseer Hadi & Co, Chartered Accountants as external auditors and their remuneration for the year ending December 31, 2017.

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Chairman

## Notice of Meeting

Notice is hereby given that the 84th Annual General Meeting of the Shareholders of EFU General Insurance Limited will be held at the Registered Office of the Company at Kamran Centre, 1st Floor, 85 East, Jinnah Avenue, Blue Area, Islamabad on Saturday April 15, 2017 at 10:30 a.m. to:

### A. ORDINARY BUSINESS:

1. confirm the minutes of the 83rd Annual General Meeting held on April 02, 2016.
2. receive, consider and approve the Audited Financial Statements for the year ended December 31, 2016 together with the Directors' and Auditors' reports thereon.
3. consider and if thought fit to approve the payment of Final Dividend at the rate of Rs. 7 per share as recommended by the Board of Directors and also approve the 30 % Interim Cash Dividends already paid to the Shareholders for the year ended December 31, 2016.
4. appoint Auditors for the year 2017 and fix their remuneration. The retiring Auditors, Messrs EY Ford Rhodes, Chartered Accountants have completed five years as Auditors of the Company and are no longer eligible for appointment. The Board of Directors recommends the appointment of Messrs KPMG Taseer Hadi & Co., Chartered Accountants for the year 2017 who have indicated their consent to act as Auditors.

### B. SPECIAL BUSINESS:

5. consider and if thought fit to pass the following Ordinary Resolution with or without modification(s):  
"RESOLVED that transmission of annual audited financial statements, auditors' report and directors' report etc to the members of the Company at their registered addresses in soft form i.e. through CD/DVD/USB instead of transmitting the same in hard copies from the year ending December 31, 2017 in terms of SRO No. 470(1)/2016 dated May 31, 2016 be and is hereby approved.  
FURTHER RESOLVED that the Chief Executive Officer and the Company Secretary of the Company be and are hereby severally authorized to give effect to this resolution and to do or cause to do all acts, deeds and things that may be necessary or required and to sign such documents and take such steps from time to time, as and when necessary for the purposes of implementing this resolution."  
6. transact any other matter with the permission of the chair.

Attached to this notice of meeting being sent to the members is a statement under Section 160(1) (b) of the Companies Ordinance, 1984 setting forth:

- a. all material facts concerning the resolutions contained in items 5 of the notice.
- b. status of previous approval of investments in associated company.

By Order of the Board

ALTAF QAMRUDDIN GOKAL  
Chief Financial Officer  
& Corporate Secretary

Karachi: 14 February 2017

### NOTES

1. A member entitled to attend and vote at the General Meeting is entitled to appoint another member as a proxy to attend and vote in respect of him. Form of proxy must be deposited at the Company's Registered Office not later than 48 hours before the time appointed for the meeting.
2. CDC Account holders are advised to follow the following guidelines of the Securities and Exchange Commission of Pakistan.

**A. For attending the meeting:**

- (i) In case of individuals, the account holder and or sub-account holder and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- (ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

**B. For appointing proxies:**

- (i) In case of individuals, the account holder and or sub-account holder and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.
- (v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

3. The Share Transfer Books of the Company will be closed from April 08, 2017 to April 15, 2017 (both days inclusive). Transfers received in order by our Share Registrar, M/s. Technology Trade (Pvt) Ltd., Dagia House, 241-C, Block-2, P.E.C.H.S., Off: Shahrah-e-Quaideen, Karachi at the close of business on April 07, 2017 will be considered in time to attend and vote at the meeting and for the entitlement of Dividend.
4. Members are requested to notify / submit the following, in case of book entry securities in CDC to respective CDC participants and in case of physical shares, to the Company's Share Registrar, if not earlier provided / notified:
  - a. Change in their addresses;
  - b. Valid and legible photocopies of Computerized National Identity Card (CNIC) for Individuals and National Tax Number (NTN) both for individual & corporate entities.

**5. ELECTRONIC TRANSMISSION OF ANNUAL FINANCIAL STATEMENTS AND NOTICES**

Securities and Exchange Commission of Pakistan (SECP) vide SRO.787 (1)/2014 of September 08, 2014, has directed to facilitate the members of the Company receiving Annual Financial Statements and Notices through electronic mail system (e-mail). We are pleased to offer this facility to our members who desire to receive Annual Financial Statements and Notices of the Company through email in future. In this respect members are hereby requested to convey their consent via email on a standard request form which is available at the Company website i.e. [www.efuinsurance.com](http://www.efuinsurance.com). Please ensure that your email has sufficient rights and space available to receive such email which may be larger than 1 MB file in size. Further, it is the responsibility of the member to timely update the Share Registrar of any change in the registered email address.

**6. MANDATE FOR DIVIDEND (OPTIONAL) / E-DIVIDEND**

Under section 250 of the Companies Ordinance, 1984 shareholders, if they so desire, may elect to have their cash dividend warrants deposited directly in their bank accounts by giving bank mandate. The shareholders holding physical shares can request to the Company for direct deposit of their dividend warrants into their bank accounts by submitting their requests to the Company's Share Registrar on the Bank Mandate Form placed at the end of Annual Report. CDC Account Holders are required to kindly contact their Participants / Brokers / Investor Account Services Department for record of Bank Mandate.

As per the Circular No. 18 dated June 05, 2012 of SECP and its Notice No. 8(4) SM/CDC 2008 dated April 05, 2013 listed Companies are advised to encourage their shareholders to provide dividend mandate for payment of cash dividend electronically to make the process of dividend payment more efficient, the Company is making required arrangements for providing this facility in phased manner.

#### **7. SUBMISSION OF VALID CNIC (MANDATORY)**

As per SECP directives the dividend warrants of the shareholders whose valid CNICs, are not available with the Share Registrar could be withheld. All shareholders having physical shareholding are therefore advised to submit a photocopy of their valid CNICs immediately, if already not provided, to the Company's Share Registrar at the following address, M/s. Technology Trade (Pvt) Ltd. Dagia House, 241-C, Block-2, P.E.C.H.S., Off: Shahrah-e-Quaideen, Karachi without any further delay.

#### **8. DEDUCTION OF WITHHOLDING TAX ON THE AMOUNT OF DIVIDEND**

Pursuant to SECP directives vide Circular No.19/2014 dated October 24, 2014 SECP has directed all companies to inform shareholders about changes made in the section 150 of the Income Tax Ordinance, we hereby advise shareholder as under;

(i) The Government of Pakistan through Finance Act, 2016 has made certain amendments in section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:

- a. for filers of income tax returns: 12.5 %
- b. for non-filers of income tax returns: 20 %

To enable the Company to make tax deduction on the amount of cash dividend @ 12.5% instead of 20%, all the shareholders whose names are not entered into the Active Tax Payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date for payment of the cash dividend otherwise tax on their cash dividend will be deducted @20% instead @12.5%.

(ii) In the case of shares registered in the name of two or more shareholders, each joint-holder is to be treated individually as either a filer or non-filer and tax be deducted by the Company on the basis of shareholding of each joint-holder as may be notified to the Company in writing. The joint-holders are, therefore, requested to submit their shareholdings otherwise each joint-holder shall be presumed to have an equal number of shares.

(iii) For any query / problem / information, the investors may contact the Company and / or the Share Registrar at the following phone numbers & email address. The contact number of Company Secretary is 021-32313471-90 & email: [altaf.gokal@efuinsurance.com](mailto:altaf.gokal@efuinsurance.com) and the contact numbers of Share Registrar, Technology Trade (Pvt.) Limited is 021-34391316-7 & 19 & email: [mail@ttpl.com.pk](mailto:mail@ttpl.com.pk).

(iv) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or its Share Registrar, M/s. Technology Trade (Pvt.) Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

#### **Statement under section 160 of the Companies Ordinance, 1984 pertaining to the Special business:**

This statement sets out the material facts pertaining to the Special Business to be transacted at the Annual General Meeting of the Company to be held on April 15, 2017.

#### **Item 5 Circulations of Annual Reports through CD/DVD/USB**

Securities and Exchange Commission of Pakistan has vide S.R.O 470(1)/2016 dated 31 May 2016 allowed the companies to circulate the annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company to its members through CD/DVD/USB subject to consent of the shareholders in the general meeting.

After approval of the shareholders, the Company will place a Standard Request Form on its website to communicate their need of hard copies of the documents along with postal and email address of the Company Secretary/Share Registrar to whom such requests shall be made. The Company shall supply the hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand.

Accordingly, the directors have placed the matter before the shareholders for their approval and to pass the ordinary resolution as proposed in the notice of meeting. This is in compliance to the above mentioned notification of Securities and Exchange Commission of Pakistan and the Directors and Shareholders are interested to this as Directors & Shareholders.

**Status of previous approval for investment in associated company.**

As required under clause 4(2) of SRO No. 27(1) / 2012 dated January 16, 2012 the status of investment in our associated Company EFU Life Assurance Ltd., against approval obtained by the Company in Annual General Meeting held on April 5, 2014 for two years and further extended it for next three years by a Special Resolution passed at Annual General Meeting on April 2, 2016 is as under:

**a) total investment approved;**

Rs. 100 million approved by the shareholders at Annual General Meeting of April 05, 2014 to be invested within a period of two years which was revalidated by a Special Resolution on April 2, 2016 to extend the period of investment up to next three years.

**b) amount of investment made to date;**

Rs. 21.52 million.

**c) reasons for not having made complete investment so far where resolution required it to be implemented in specified time;**

The period in which the investment is to be made as approved by the shareholders is up to April 4, 2019.

**d) and material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company.**

Since the date of passing the initial resolution by the shareholders of the Company on April 05, 2014 the shareholders equity of the investee company has increased to Rs. 4,193 million from Rs. 2,533 million due to increase in Reserves and un-appropriated profits of Rs. 1,660 million.

## Board of Directors



Saifuddin N. Zoomkawala  
Chairman



Hasanali Abdullah  
Managing Director  
& Chief Executive

Rafique R. Bhimjee  
Director



Abdul Rehman Haji Habib  
Director

Mahmood Lotia  
Director



Muneer R. Bhimjee  
Director

Taher G. Sachak  
Director



Ali Raza Siddiqui  
Director

Mohammed Iqbal Mankani  
Director

## Directors Profile

### SAIFUDDIN N. ZOOMKAWALA

#### Chairman

Mr. Saifuddin N. Zoomkawala has been associated with EFU Group since 1964. He also worked as General Manager for Credit & Commerce Insurance Company at UAE, an insurance company of EFU group. He served as Managing Director of EFU General Insurance Limited from July 10, 1990 till July 2011 when he was elected Chairman of the Company.

He is Chairman of Allianz EFU Health Insurance Limited, EFU Services (Pvt.) Limited and Director of EFU Life Assurance Limited, all being EFU Group Companies. He was Chairman of EFU Life Assurance Limited from February 1999 to July 2011.

He is Director on the Board of German Pakistan Chamber of Commerce and Industry and is on the Board of Governors of:

Shaukat Khanum Memorial Trust and Research Centre  
Burhani Hospital  
Sindh Institute of Urology and Transplantation  
Fakhr-e-Imdad Foundation

### HASANALI ABDULLAH

#### Managing Director & Chief Executive

Mr. Hasanali Abdullah is Chartered Accountant and Certified Director from Pakistan Institute of Corporate Governance (PICG).

He has been associated with EFU General Insurance Limited since 1979 and is Managing Director & Chief Executive of the Company from 2011. He is Director of EFU Life Assurance Ltd., Allianz EFU Health Insurance Ltd, EFU Services (Private) Ltd., Tourism Promotion Services (Pakistan) Ltd (owners of Serena Hotels), Honorary Treasurer of Aga Khan Hospital & Medical College Foundation, Member of National Committee of Aga Khan University Foundation (Pakistan Branch) Geneva. He has served on the Boards, Council and Committees of various Aga Khan Development Network institutions from 1976 to 2002. He has been Director of PICG in 2011, Executive Committee Member of Federation of Pakistan Chambers of Commerce and Industries for 2011, Chairman of Pakistan Insurance Institute 2014-15. He is presently Chairman of Insurance Association of Pakistan. He was also Chairman of Insurance Association of Pakistan for the years 2008 and 2010-11.

### RAFIQUE R. BHIMJEE

#### Director

Mr. Rafique R. Bhimjee has a B.Sc. (Hons) in Management Science from the University of Warwick and an MBA in Finance from Cass Business School at City University in London. He is a Certified Director from Pakistan Institute of Corporate Governance.

Mr. Rafique Bhimjee has worked overseas in New York at Merrill Lynch Asset Management and with Abu Dhabi Investment Authority in Abu Dhabi.

He is associated with EFU group since August 22, 1991 when he was co-opted as Director on the Board of Directors of EFU General Insurance Limited. He was the Chairman of EFU General Insurance Limited from February 1999 to July 2011 and was elected Chairman of EFU Life Assurance Limited in July 2011. Mr. Rafique Bhimjee is also Director of Allianz EFU Health Insurance Limited, EFU Services (Pvt.) Limited and International Foundation & Garments (Pakistan) (Pvt.) Limited.



### **ABDUL REHMAN HAJI HABIB**

Director

Mr. Abdul Rehman Haji Habib belongs to Business community. He was Chairman of Arag Group. In 1971-72 he was President of Karachi Chamber of Commerce & Industry and in 1976-77 he was President of the Federation of Pakistan Chamber of Commerce & Industry.

He is associated with EFU for the last 33 years.

### **MAHMOOD LOTIA**

Director

Mr Lotia is a BSc from Punjab University and an Associate of the Chartered Insurance Institute of UK (ACII). He started his insurance career in April 1974 then trained at the M&G Reinsurance Company, UK. From April 1977 he worked with Adamjee Insurance Company Ltd and Commercial Union Assurance Pakistan Branch and overseas with Abu Dhabi National Insurance Company. On return to Pakistan in August 1991 joined EFU General Insurance Ltd and currently is in-charge of the Company's technical operations including underwriting, claims and reinsurance. He is the Senior Deputy Managing Director.

Mr Lotia has remained associated with Insurance Association of Pakistan in various capacities since 1980 and served on nearly all technical committees. He was Chairman for the year 2014-2015.

He is a certified director by PICG and currently is a Director on the boards of EFU Life Assurance Ltd and Allianz-EFU Health Insurance Ltd.

### **MUNEER R. BHIMJEE**

Director

Mr. Muneer R. Bhimjee, Director is a Graduate (Hons) in Social Science, London. He is also a Director of International Foundation Garments (Pakistan) (Pvt.) Limited, EFU Life Assurance Limited and Allianz EFU Health Insurance Limited.

He is associated with EFU since July 1993.



**TAHER G. SACHAK**  
Director

Mr. Taher G. Sachak has studied in UK and is a graduate in Business Studies from Bournemouth University, and also has a post-graduate Diploma in Management Studies from Liverpool University. Following his studies he joined the British Civil Service and after 5 years decided to pursue a career in life assurance. He held executive positions in major UK Life Assurance Companies, Allied Dunbar, Trident Life and finally Century Life before coming to Pakistan in 1994 to join EFU Life.

He is also Managing Director of EFU Life; Vice Chairman of Allianz EFU Health; current Chairman of Pakistan Insurance Institute; and a "Certified Director" from Pakistan Institute of Corporate Governance.

**ALI RAZA SIDDIQUI**  
Director

Mr. Ali Raza Siddiqui is a Partner at JS Private Equity. From 2005 - 2010, he was an Executive Director at JS Investments Limited. Prior to joining JS Group he was Assistant Vice President at AIM Investments in Houston, a wholly owned subsidiary of INVESCO plc. (formerly known as AMVESCAP plc). At AIM, Mr. Siddiqui was part of a team responsible for the management of USD 60 billion in fixed income assets.

Mr. Siddiqui also serves on the Boards of Bank Islami Pakistan Limited, Pakistan International Bulk Terminals Limited, the Mahvash & Jahangir Siddiqui Foundation, Fakhre-Imdad Foundation and Future Trust. He holds a Bachelors Degree from Cornell University with double majors in Economics and Government.

**MOHAMMED IQBAL MANKANI**  
Director

Mr. Mohammed Iqbal Mankani started his career with Eastern Federal Union Insurance Co. in 1968 as Junior Officer. In 1970 he helped set up the first Branch of EFU in SITE Karachi.

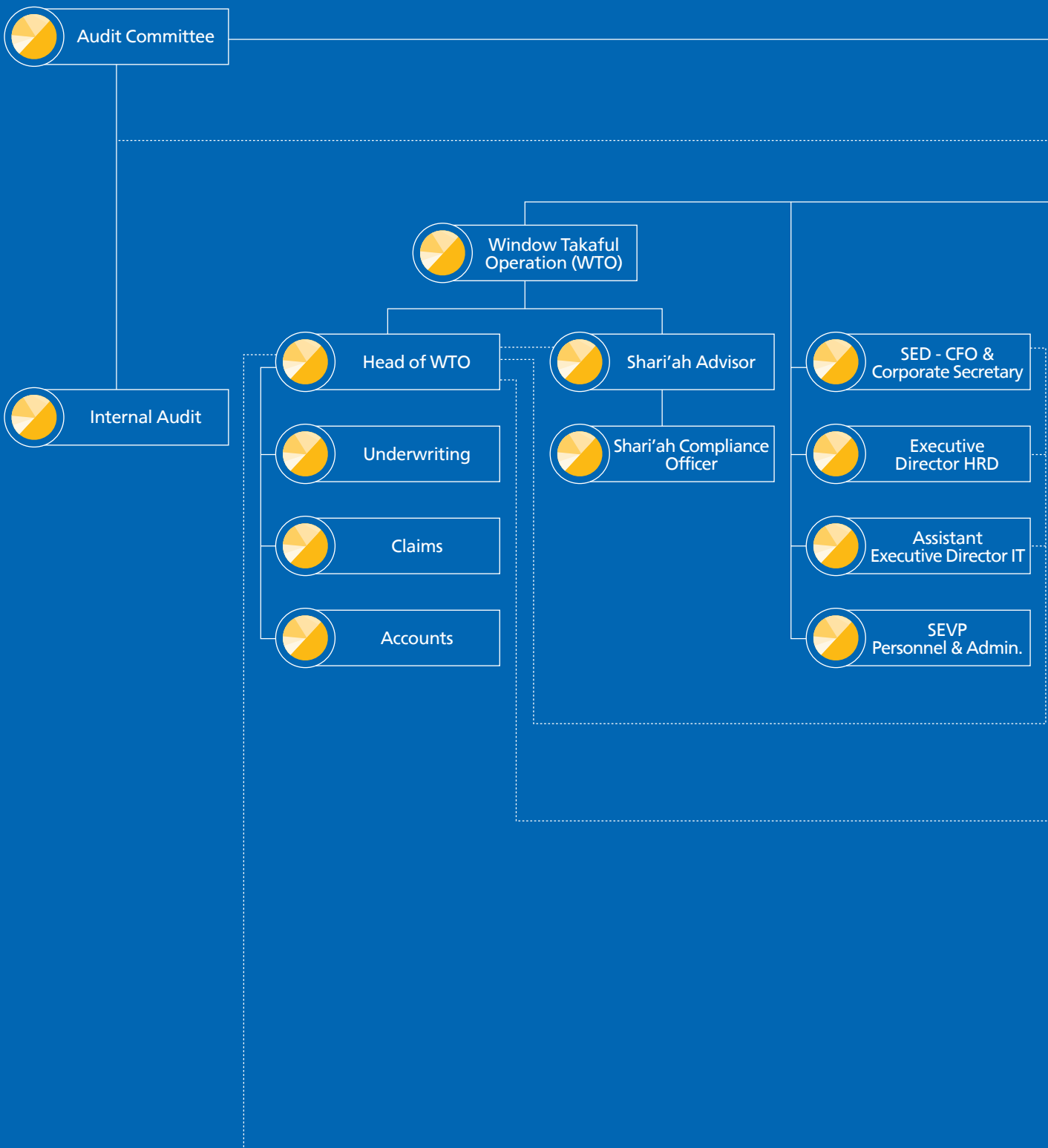
Mr. Mankani was sent on deputation to Credit & Commerce Insurance Co., Dubai, a joint venture of EFU where he worked in various Senior Positions.

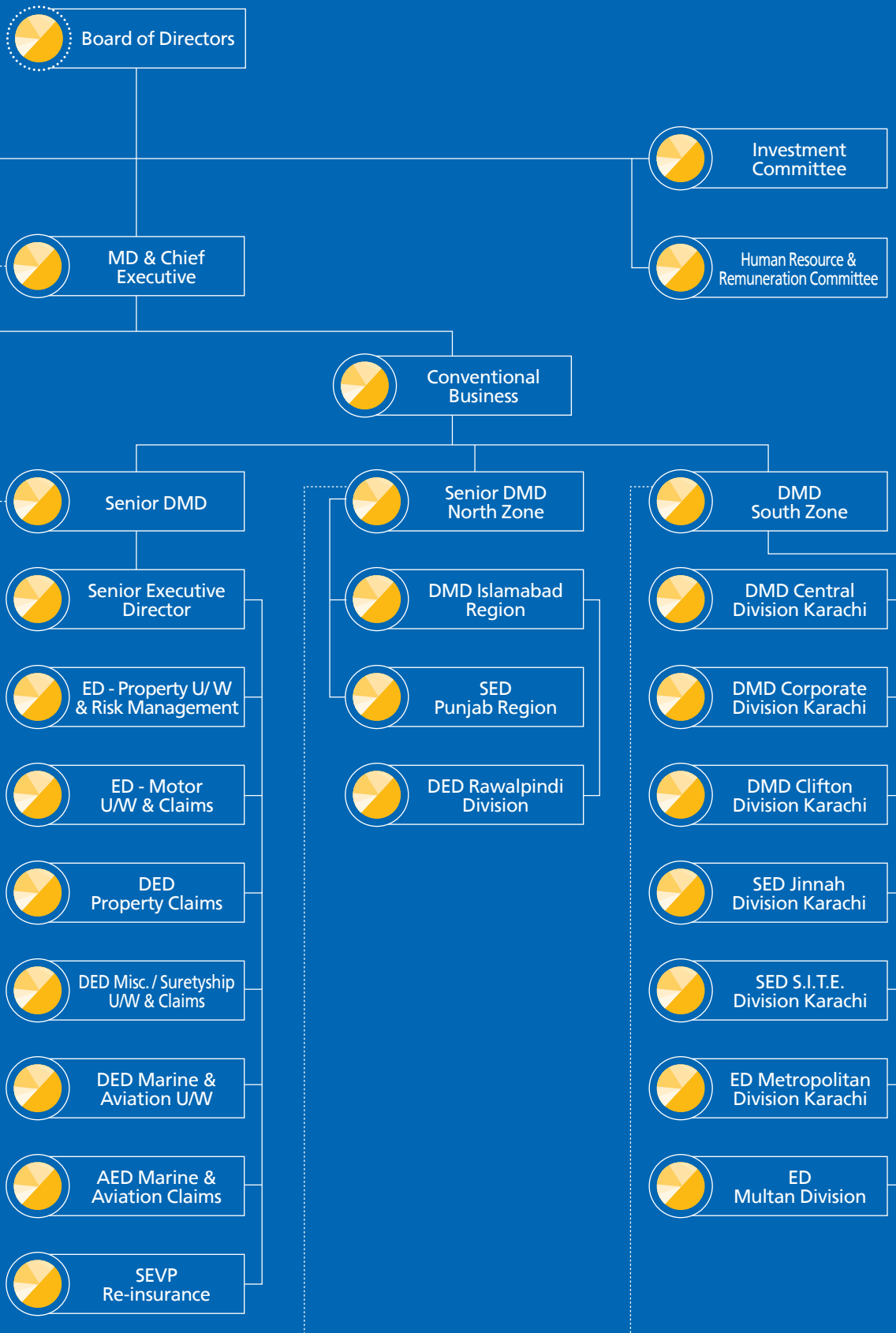
In 2001, Mr. Mankani was requested by the Executive Office of His Highness, Ruler of Dubai and Dubai Islamic Bank to help set up the first local Takaful company Dubai Islamic Insurance & Reinsurance Co. On behalf of this company, Mr. Mankani helped set up a Takaful company in Kuwait in 2009. He was also a Board Member of Amity Health, a joint venture between Dubai Islamic Insurance and AGILITY Health of South Africa. He remained with Dubai Islamic Insurance as the General Manager and Chief Operating Officer until 2012. He then set up his own Consulting Company M.I.M. Business Consultants.

Mr. Mankani has been part of the UAE Insurance industry for the last 42 years and has been twice elected member of the UAE Insurance Business Group under the Dubai Chamber of Commerce representing the Takaful industry until 2012.

He has been a frequent speaker at many insurance seminars in Malaysia, UAE etc. Mr. Mankani is a director in Hyatt-e-Tayabah, Iran and an active member of the Canadian Business Council in Dubai, Institute of Insurance and Risk Management Canada and Canadian Marketing Association.

# Organogram





## Financial Calendar

### Results

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First quarter ended 31 March 2016	Announcement Date	April 25, 2016
Half year ended 30 June 2016	Announcement Date	August 22, 2016
Third quarter ended 30 September 2016	Announcement Date	October 24, 2016
Year ended 31 December 2016	Announcement Date	February 15, 2017

### Dividends

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Final Cash 2016	Announcement Date	February 15, 2017
	Entitlement Date	April 07, 2017
	Statutory limit upto which payable	May 14, 2017

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First Interim Cash 2016	Announcement Date	April 25, 2016
	Entitlement Date	May 09, 2016
	Paid on	May 21, 2016
	Statutory limit upto which payable	June 07, 2016

Second Interim Cash 2016	Announcement Date	August 22, 2016
	Entitlement Date	September 05, 2016
	Paid on	September 21, 2016
	Statutory limit upto which payable	October 04, 2016

Third Interim Cash 2016	Announcement Date	October 24, 2016
	Entitlement Date	November 07, 2016
	Paid on	November 16, 2016
	Statutory limit upto which payable	December 06, 2016

<b>Date of Issuance of Annual Report 2016</b>	<b>March 15, 2017</b>
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<b>Date of Annual General Meeting</b>	<b>April 15, 2017</b>
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## Management

### Managing Director

Hasanali Abdullah, F.C.A.

### Senior Deputy Managing Director

Mahmood Lotia, A.C.I.I.  
Qamber Hamid, LL.B., LL.M.

### Deputy Managing Director

Abdur Rahman Khandia, A.C.I.I.  
Jaffer Dossa  
M. Akbar Awan  
Nudrat Ali  
S. Salman Rashid

### Senior Executive Directors

Altaf Qamruddin Gokal, F.C.A.  
Khurram Ali Khan, B.E.  
Muhammad Iqbal Lodhia  
Shaukat Saeed Ahmed  
Syed Muhammad Haider, M.Sc.

### Executive Directors

Darius H. Sidhwa, F.C.I.I.  
Imran Ahmed, M.B.A., B.E., A.C.I.I.  
K. M. Anwer Pasha, B.B.A.  
Kamran Arshad Inam, M.B.A., B.E.  
M. Shehzad Habib  
Mohammad Iqbal Dada, M.A., A.C.I.I.  
Salim Razzak Bramchari, A.C.I.I.  
Syed Kamran Rashid  
Syed Rizwan Hussain, M.B.A.

### Deputy Executive Directors

Abdul Hameed Qureshi, M.Sc.  
Abdul Sattar Baloch  
Abdul Wahid  
Aftab Fakhruddin, B.E., Dip C.I.I.  
Ali Kausar  
Javed Iqbal Barry, M.B.A., LL.B., F.C.I.I.  
Khalid Usman  
Khurram Nasim, B.S. (Ins. Mgmt)  
M. Shoaib Razzak Bramchari  
Muhammad Sohail Nazir, M.Sc., A.C.I.I.  
Musakhar-uz-Zaman, B.E.

S. Aftab Hussain Zaidi, M.A., M.B.A.  
Satwat Mahmood Butt, M.B.A.

### Assistant Executive Directors

Babar A. Sheikh  
Badar Amin Sissodia  
Javed Akhtar Shaikh, B.B.A.  
Kausar Ali Zuberi  
Khalid Ashfaq Ahmed  
Muhammad Naeem M. Hanif  
Muhammad Sheeraz, M.B.A.  
Ross Masood M.B.E.  
Syed Amir Aftab  
Syed Asim Iqbal, M.B.A.  
Syed Basit Hussain

### Senior Executive Vice Presidents

Abdul Majeed  
Abdul Qadir Memon, M.Sc.  
Arshad Ali Khan, F.C.M.A.  
Aslam A. Ghole, F.C.I.S.  
Atif Anwar, F.C.C.A., M.B.A.  
Faisal Gulzar  
Farrukh Aamir Beg, M.B.A.  
Irfan Raja Jagirani  
Liaquat Ali Khan, F.C.I.I., A.M.P.I.M.  
Mansoor Abbas Abbasi, B.E.  
Masroor Hussain  
Mazhar H. Qureshi  
Mohammad Afzal Khan, E.M.B.A.  
Mohammad Amin Sattar, M.Com  
Mohammad Arif, M.A.  
Mohammad Kamil Khan, M.A.  
Mohammad Naeem Shaikh, A.C.I.I.  
Mohammad Shoaib, M.A.  
Muhammad Arif Khan  
Muhammad Najeeb Anwar  
Muhammad Rashid Akmal, M.B.A.  
Muhammad Shakil Khan, M.B.A., B.E.  
Muhammad Sohail  
Muhammad Yousuf Jagirani, M.A.  
Murtaza Noorani, F.C.C.A, C.A.T.  
Nadeem Ahmad Khan  
Pervez Ahmad, M.B.A.  
Shaharyar Jalees, M.A.  
Shahzad Zakaria

Shamim Pervez, M.B.A.  
Shazim Altaf Kothawala  
Syed Abid Raza Rizvi, M.Com  
Syed Ahmad Hassan, M.B.A.  
Syed Shahid Hussain, LL.B.  
Usman Ali Khan  
Zarar Ibn Zahoor Bandey  
Zia Mahmood

### Executive Vice Presidents

Abdul Bari  
Abdul Hameed  
Abdul Mateen Farooqui, M.Sc.  
Abdul Rashid  
Ali Asghar, B.E.  
Ali Ghulam Ali, A.C.A.  
Ali Raza  
Anjum Kamal Khan, M.B.A.  
Asghar Ali  
Fakhruddin Saifee  
Farman Ali Afridi, B.E.  
Fatima Bano, M.B.A., A.C.I.I.  
Ghulam Haider, M.Sc.  
Iftikharuddin, LL.B.  
Imran Saleem, M.B.A., M.C.S.  
Javed Iqbal Khan  
Kamran Bashir, M.B.A.  
Kashif Gul, B.E.  
M. A. Qayum, M.Com  
Malik Firdaus Alam  
Mohammad Haji Hashim, LL.B.  
Ms. Ansa Azhar, A.C.I.I.  
Muhammad Arshad Khan  
Muhammad Azhar Ali  
Muhammad Hussain  
Muhammad Ilyas Khan, A.C.I.I.  
Muhammad Mujtaba  
Muhammad Razaq Chaudhry  
Muhammad Tawheed Alam, M.B.A., B.E.  
Nadeemuddin Farooqi, LL.B.  
Quaid Jauhar  
Rao Abdul Hafeez Khan  
Riaz Ahmad  
Rizwan Ahmed, M.B.A.  
S. Anwar Hasnain, M.B.A.  
S. M. Aamir Kazmi, LL.B.

S. Tayyab Hassan Gardezi, M.Sc.  
Shah Asghar Abbas, M.B.A.  
Shahab Khan  
Syed Farhan Ali Bokhari, M.B.A.  
Syed Nazish Ali, A.C.I.I.  
Umair Ali Khan, M.A.  
Usman Ali, L.L.B.  
Waseem Ahmed  
Zia Ur Rehman  
Zulfiqar Ali Khan, M.Sc., F.C.I.I.

#### Senior Vice Presidents

Aamer Ali Khan  
Abdul Aziz  
Abdul Shakoor Piracha  
Agha Ali Khan  
Amanullah Khan  
Amir Arif Bhatti  
Asadullah Khan  
Ashfaq Ahmed  
Asif Mehmood  
Atif Haider Khan, M.B.A.  
Dr. Ghulam Jaffar, Ph.D.  
Ejaz Ahmed Khan, M.B.A.  
Farhat Iqbal  
Hasan Riaz, M.B.A.  
Haseeb Ahmad Bajwa, L.L.B.  
Imran Yasin, M.B.E., A.C.I.I.  
Kaleem Imtiaz, M.A.  
Khalid Rafiq, M.B.A.  
Liaquat Imran  
M. Asif Ehtesam, M.B.A.  
Mansoor Ahmed  
Mansoor Hassan Khan  
Mirza Mutahir Hussain  
Mohammad Adil Khan  
Mohammad Hanif  
Mohammad Idrees Abbasi  
Mohammad Saleem  
Muhammad Ikram, M.B.A.  
Muhammad Khalid Ahmed Khan, M.B.A.  
Muhammad Naeem Ahsan  
Muhammad Naseem  
Muhammad Salahuddin  
Muhammad Shahjahan Khan  
Muhammad Sirajuddin

Muhammad Taufiq  
Muhammad Usman  
Nadeem Ahmed  
Quaid Johar  
Riazuddin, M.A.  
S. Asim Ijaz  
S. M. Adnan Ashraf Jelani, A.C.I.I.  
S. M. Shamim  
Saifullah  
Salimullah Khan, M.Com.  
Salma Altaf, M.B.A.  
Shah Hussain, L.L.B.  
Shahab Saleem  
Shahzeb Lodhi  
Sikandar Kasbati  
Tariq Mahmood  
Wahaj ur Rehman, M.B.A.  
Waheed Yousuf, M.B.A.  
Waqar Ahmed, M.Sc.  
Zahid Hussain, A.C.I.I.  
Zohaib A. Khan, M.B.A., L.L.B.  
Zohair Sharih

#### Vice Presidents

Aftab Ahmed, L.L.B.  
Amjad Irshad, B.B.A.  
Arshad Aziz Siddiqui  
Aziz Ahmed  
Farkhanda Jabeen, A.C.I.I.  
Farrukh Ahmad Qureshi  
Fouzia Naz  
Habib Ali  
Ikramul Ghani, M.A.  
Imran Ahmed Siddiqui, LL.B.  
Imran Qasim  
Intikhab Ahmed  
Irfan Ahmad, A.C.M.A., C.I.A.  
Israr Gul, M.A.  
Kausar Hamad, M.B.A.  
Khawaja Samiullah  
M. Saghiruddin, M.Com  
Mazhar Ali  
Mohammad Amin Memon  
Mohammad Shoaib  
Mohsin Ali Baig  
Muhammad Ahmer Siddiqui

Muhammad Ali  
Muhammad Ali  
Muhammad Asif  
Muhammad Kashif  
Muhammad Maroof Chaudhry  
Muhammad Mubeen  
Muhammad Saleem Gaho  
Muhammad Sarwar  
Naseem Ahmed  
Naseer Ahmad  
Nausherwan Haji  
Nayyar Sultana, L.L.B.  
Noman Mehboob, M.B.A.  
Noman Shahid, M.B.A.  
Onaib-ur-Rehman, M.B.A.  
Rahim Khowaja, M.A.  
Raja Azhar Rafique  
Rana Zafar Iqbal  
Rao Nafees Murtaza  
Reaz Hussain Siddiqui, L.L.B.  
S. Ferozuddin Haider  
S. Hussain Alam Kazmi, B.Sc. (Ins.)  
S. Khaliluddin  
S. M. Farhan Asfi  
Sabiha Zehra, M.B.A.  
Saeed Ahmed  
Saima Morkas, F.C.C.A.  
Sarfaraz Mehmood Khan  
Sarfaraz Mohammad Khan  
Shadab Mohammad Khan  
Shahbaz Khan  
Syed Ishaq Kamal Hashimi, M.B.A.  
Syed Mohammad Saleem  
Syed Mudassar Ali  
Zainul Abedin

#### Assistant Vice Presidents

Abdul Rashid Yaqoob  
Ali Farman, M.A.  
Aliya Jaffer Dossa  
Altaf Hussain  
Amir Alvi  
Anwer Mahmood  
Arif Hussain  
Arshad Hameed  
Arshad Hussain

Asif Ahmed Butt  
Dr. Aftab Ali, M.B.B.S.  
Faiz Muhammad  
Farhan Qamar Siddiqui  
Farooq Shaukat  
Fazal Hussain  
Fazal-Ur-Rehman Butt  
Fiaz Ahmed, M.B.A.  
Ghulam Abbas, M.B.A.  
Ijaz Anwar Chughtai  
Imran Ahmed, M.Sc  
Imran Siddiq  
Imtiaz Ahmed  
Jahangir Khan  
Kashif Karim Gilani, A.C.M.A.  
Kashif, M.Sc  
Khalid Akhtar, M.B.A.  
M. Saeed, M.A.  
Mahmooda Bano  
Mansoor Anwar  
Mansoor Hassan Siddiqi, M.Sc.  
Maqsood Ahmed  
Masud Akhter  
Mehboob Ahmed, M.A.  
Mian Ali Raza  
Mohammad Mustafa  
Mohammad Mustafa Ismail  
Mohammad Rashid Salim Siddiqi  
Mudassar Raza  
Muhammad Allauddin  
Muhammad Anwar Amdani  
Muhammad Arshad Siddiqi  
Muhammad Asif, M.A.  
Muhammad Attaullah Khan  
Muhammad Farhan Rasheed  
Muhammad Kashif Sheikh  
Muhammad Moosa  
Muhammad Mushtaq  
Muhammad Rafique Khawaja, M.A.  
Muhammad Rashid  
Muhammad Saeed  
Muhammad Shoaib Naziruddin  
Muhammad Tariq  
Muhammad Tauseef

Muhammad Yamin  
Mumtaz Ahmed  
Naif Javaid, M.B.A.  
Najma Riaz, M.A.  
Navaid Ahmed  
Nida Muazzam, B.E.  
Nimra Inam, M.A  
Noor Asghar Khan  
Noushad Alam Siddiqui, M.B.A.  
Qazi Maqsood Ahmed  
Rafiullah Khan  
Rashid Saeed Butt  
Rizwan Jalees  
Rizwana Iftikhar  
S. Arshad Sajjad Rizvi, M.B.A.  
S. Imran Raza Jafri  
S. Mahmood Razi  
S. Sajjad Haider  
Saeed Iqbal  
Saifuddin  
Saleem Hameed Qureshi, M.A.  
Sana Atif  
Shabbir Hussain  
Shaheena Ashfaq, M.A.  
Shaikh Muhammad Khurram  
Shazia Hussain, M.A.  
Syed Kamal Ahmed  
Syed Sajjad Haider Zaidi  
Syed Shabeeh Hyder Shah  
Syed Zee Waqar  
Waqas Younas, A.C.M.A.  
Zahid Qureshi, M.B.A.

#### Medical Officer

Dr. Aftab Ali, M.B.B.S.

#### Window Takaful Operations

##### Assistant Executive Director

M. Vaqaruddin, M.B.A., A.C.I.I.

##### Senior Executive Vice President

Kashif Masood, M.B.A, A.C.I.I.

#### Marketing Executives

##### Senior Executive Directors

Altaf Kothawala  
Jahangir Anwar Shaikh

##### Executive Directors

Abdul Wahab Polani  
Ali Safdar  
Muhammad Khalid Saleem, M.A.  
Saleem Tariq Ahmed

##### Deputy Executive Directors

Agha S. U. Khan  
Haroon Haji Sattar Dada  
Khuzema T. Haider Mota  
Mahmood Ali Khan, M.A.  
Mir Babar Ali, M.B.A.

##### Assistant Executive Directors

Aamir Ali Khan  
Abdul Wahab  
Adeel Ahmed  
Akhtar Kothawala  
Ali Rafiq Chinoy  
Khalid Mehmood Mirza  
Muhammad Hussain  
S. Ashad H. Rizvi  
S. Shahid Mahmood, M.A.  
Saad Anwer  
Shahab Khan, B.C.S.  
Shahid Younus  
Syed Imran Zaidi, M.B.A.  
Syed Jaweed Envor, L.L.B.  
Syed Saad Jafri  
Tauqir Hussain Abdullah  
Yousuf Alavi

##### Senior Executive Vice Presidents

Anis Mehmood  
Asif Elahi  
Azmat Maqbool, M.B.A.  
Imran Ali Khan  
Mohammad Rizwanul Haq  
Mrs. Nargis Mehmood

Muhammad Aamir Khadeli, M.B.A.  
Muhammad Farooq  
Muhammad Imran Naeem, A.C.A.  
Muhammad Shakeel, M.B.A.  
Muhammad Memon  
Muhammad Younus  
Muhammad Younus Khadeli  
Rashid Habib, M.A.  
Rizwan Siddiqui  
Syed Iftikhar Haider Zaidi, M.A.  
Syed Muhammad Iftikhar  
Syed Sadiq Ali Jafri  
Syed Shahid Raza

#### **Executive Vice Presidents**

A. Ghaffar A. Karim  
Azharul Hassan Chishty  
Ejaz Ahmed  
Faisal Khalid, M.Sc.  
Imdadullah Awan  
Jameel Masood  
M. Arif Bhatti  
Malik Akhtar Rafique  
Mian Abdul Razak Raza, M.A.  
Ms. Shazia Rahil Razzak  
Muhammad Arfeen  
Muhammad Javed  
Muhammad Mushtaq Najam Butt  
Muneeb Farooq Kothawala  
Seema N. Jagirani  
Shahid Abdullah Godil, M.B.A.  
Syed Baqar Hasan, M.A.  
Tahir Ali Zuberi

#### **Senior Vice Presidents**

Bashir Ahmed Sangi  
Faisal Hassan  
Faisal Mahmood Jaffery  
Faraz Javed  
Farid Khan  
Inayatullah Khalil  
Javed Aslam Awan  
Kayomarz H. Sethna  
Kh. Zulqarnain Rasheed  
M. Anis-ur-Rehman

Mahnoor Atif  
Ms. Shela Farooq Kothawala  
Mubashir Saleem  
Muhammad Asif Jawed, M.A.  
Muhammad Haroon Akbar, M.B.A.  
Muhammad Rehan Iqbal Booti  
Muhammad Saleem Babar, M.B.A.  
Muhammad Shamim Siddiqui  
Qasim Ayub  
Ramesh Malraj Bherwani  
Rana Khalid Manzoor  
Rashid A. Islam  
S. Sohail Haider Abidi  
Saad Wahid  
Shahid Raza Kazmi  
Shakil Wahid  
Somia Ali  
Tariq Mahmood  
Waleed Polani  
Wasif Mubeen, L.L.B.  
Wasim Ahmed  
Zakaullah Khan

#### **Vice Presidents**

Abul Nasar  
Ahmed Saeed Khan  
Ali Hasnain Shah  
Ashiq Hussain Bhatti  
Babar Zeeshan  
Hamid-Us-Salam  
Hassan Abbas Shigri  
Imran Ghaffar  
M. Ashraf Samana  
M. Nadeem Shaikh  
Ms. Fauzia Khawja  
Ms. Sadia Khanum  
Ms. Shahida Aslam  
Muhammad Aamir Hanif  
Muhammad Awais Memon  
Muhammad Azim Hanif  
Muhammad Iftikhar Siddiqui  
Muhammad Ilyas  
Muhammad Iqbal  
Muhammad Niamatullah  
Muhammad Siddiq

Muhammad Tayyab Nazir  
Muhammad Zia-ul-Haq  
Raja Jamil  
Rashid Umer Burney  
Shehzad Ali Shivjani  
Sohail Raza  
Syed Abid Raza  
Syed Mobin A. Niazi  
Syed Rashid Ali  
Syed Rizwan Haider, M.Sc.  
Tanveer Ahmed  
Tariq Jamil, M.B.E  
Tauseef Hussain Khan

#### **Assistant Vice Presidents**

Ahmed Nawaz, M.A.  
Aman Nazar Muhammad  
Arshad Iqbal, M.B.A.  
Jalaluddin Ahmed  
Javed Iqbal Cheema  
Khurram Younas  
M.A. Qayyum Khan  
Mrs. Shagufta Asrar Ahmed  
Muhammad Mujahid Ali  
Muhammad Murtaza Ispahani  
Muhammad Musarat Hussain, M.Sc.  
Muhammad Naveed Asghar  
Nadeem A. Siddiqui  
Qamar Aziz  
S. Shakeel Hassan Bakhtiar  
Shahid Iqbal  
Syed Ali Haider Rizvi  
Syed Mojiz Hasan  
Syed Muhammad Waseem  
Syed Nisar Ahmed, M.A.  
Syed Zulfiqar Mehdi  
Tahir Ali, M.B.A.  
Taimoor Zaib  
Uzair Ahmed Khan



















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## Report of the Directors to Members

The Directors of your Company are pleased to present the Eighty Fourth Annual Report of the Company for the year ended December 31, 2016.

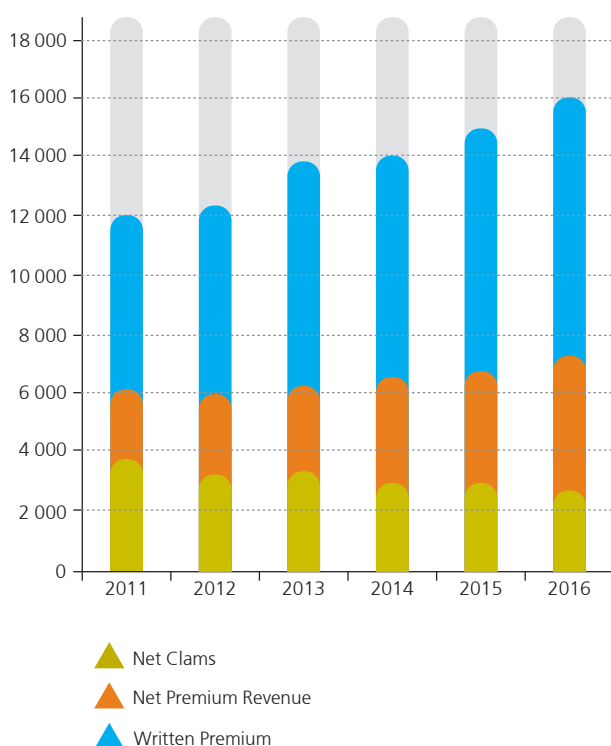
Your Company's profit after tax for the year 2016 was Rs. 2.39 billion as compared to Rs. 4.03 billion in 2015. The earnings per share was Rs. 11.96 as against Rs. 20.17 (restated) last year. The previous year's restated earnings per share was inclusive of one time reversal of impairment Rs. 9.94 per share.

The written premium for the year rose to Rs. 17.2 billion (inclusive of Rs. 1,095 million of takaful contribution) as compared to Rs. 15.2 billion (inclusive of Rs. 206 million of takaful contribution) in 2015, overall growth of 13 % was recorded during the year, while the Net Premium Revenue was Rs. 7.2 billion as compared to Rs. 6.7 billion in 2015. Underwriting result increased by 77% to Rs. 1.86 billion from Rs. 1.05 billion in 2015.

The general insurance sector's performance is strongly correlated to economic growth. Economic activities remained more or less the same during the year. Although, with relatively stable law and order situation in the country, the gross domestic product (GDP) grew by 4.7 per cent in the last fiscal year.

### WRITTEN PREMIUM, NET PREMIUM REVENUE AND NET CLAIMS

(Rupees in Million)



Standard & Poor's have upgraded Pakistan's credit rating from B- to B with stable outlook.

The insurance industry faced harsh tax regime in the year 2016 owing to change in the tax structure of insurance companies. Income from all sources of income are now taxed @ 31 %, whereas up till December 2015 Dividend Income was taxed at 12.5 % and tax on Capital Gains were at various slabs minimum was zero and maximum was 15 % depending on holding period of securities. The insurance companies generally are long term investors and this incidence of tax on capital gain was low depending on holding period, even the highest was 15 % which now is heavy at 31 %.

In this regard, the Insurance Association of Pakistan has appealed to the Prime Minister, Finance Minister and Special Assistant to the Prime Minister for Revenue and will continue its effort directly and also through Federation of Pakistan Chambers of Commerce and Industry and other institutions and think tanks.

The segment wise performance was as follows:

#### FIRE AND PROPERTY

The written premium increased by 12 % to Rs. 9,101 million compared to Rs. 8,132 million in 2015 and constituted 57 % of the total written premium of the Company. Claims as percentage of net premium revenue were 21 % as against 31 % in 2015. The underwriting profit for the year increased by Rs. 249 million to Rs. 758 million compared to Rs. 509 million in 2015.

#### MARINE, AVIATION AND TRANSPORT

The written premium was Rs. 2,176 million compared to Rs. 2,288 million in 2015 and constituted 13 % of the total written premium of the Company. Claims as a percentage of net premium revenue were 35 % as against 44 % in 2015 and the underwriting profit increased by Rs. 191 million to Rs. 346 million compared to Rs. 155 million in 2015.

#### MOTOR

The written premium increased by 4 % to Rs. 3,374 million compared to Rs. 3,255 million in 2015. The written premium of this segment constitutes 21 % of the total written premium of the Company. Claims as percentage of net premium revenue reduced to 47 % as against 52 % in 2015 mainly due to improved law and order situation. The underwriting profit was Rs. 463 million compared to Rs. 260 million in 2015.

#### OTHERS

The written premium increased by 9 % to Rs. 1,449 million compared to Rs. 1,333 million in 2015. The written premium of this segment constitutes 9 % of the total written premium of the Company. Claims as percentage of net premium revenue were 36 % as against 61 % in 2015. The underwriting profit for the year was Rs. 293 million compared to Rs. 128 million in 2015.

### Window Takaful Operations

The written contribution for the year was Rs. 1,095 million as against Rs. 206 million from May to December last year; while net contribution revenue was Rs. 583 million compared to Rs. 28 million in 2015. Participants' Takaful Fund Surplus for the year was Rs. 20 million compared to Rs. 8 million in 2015 (restated) and profit from Operator's Funds (for shareholders) for the year was Rs. 6 million as against loss of Rs. 3 million last year.

### Investment Income

Your Company realized capital gains of Rs. 356 million in 2016 as against Rs. 602 million in the previous year and earned dividend income of Rs. 252 million in 2016 as against Rs. 217 million in 2015. The total investment income for 2016 was Rs. 1,009 million, as against Rs. 1,202 million in 2015. The market value of investment in equities and mutual funds was Rs. 9.5 billion as on 31 December 2016. Share of profit from EFU Life Assurance Limited, an associate company, for the year was Rs. 802 million compared to Rs. 640 million in 2015.

The Company's investment in EFU Life Assurance Limited (EFU Life), is being accounted for using equity method of accounting in accordance with the requirements of IAS 28. The carrying amount of investment in EFU Life was tested for impairment based on value in use by independent actuary and as certified by him, the recoverable amount is higher than the gross carrying value.

### Information Technology

The Company continues to invest in technology not only to maintain a competitive edge but also to offer state of the

art service to our customers. Other initiatives include Optimization of Data Center, improve network and network security by deploying state-of-the-art firewall, enhance email security by deploying firewalls and enhance MIS to improve controls over the operations.

### Earnings per share

Your Company has reported earnings per share of Rs. 11.96 for the year as compared to Rs. 20.17 (restated) in 2015.

### Appropriation and Dividend

The profit after tax was Rs. 2,392 million as compared to Rs. 4,034 million in 2015. Your Directors have recommended a final cash dividend of Rs. 7 per share (70 %) to the shareholders whose names appear in the share register of the Company at the close of business on April 7, 2017. This cash dividend is in addition to interim cash dividends of Rs. 3 per share (30 %) declared during the year.

		Rupees '000
Balance at commencement of the year		4 214 110
Interim cash dividends 2015 @ 30 %	480 000	
Final cash dividend 2015 @ 45 %	720 000	
Issue of bonus shares 2015 @ 25 %	400 000	
Transfer to general reserve - 2015	2 000 000	<u>3 600 000</u>
Balance brought forward from previous year		614 110
Profit after tax for the year		2 392 442
Other Comprehensive Loss		( 18 383 )
Amount available for appropriation		<u>2 988 169</u>

The Directors recommend that this amount be appropriated in the following manner:

#### Less: Appropriation

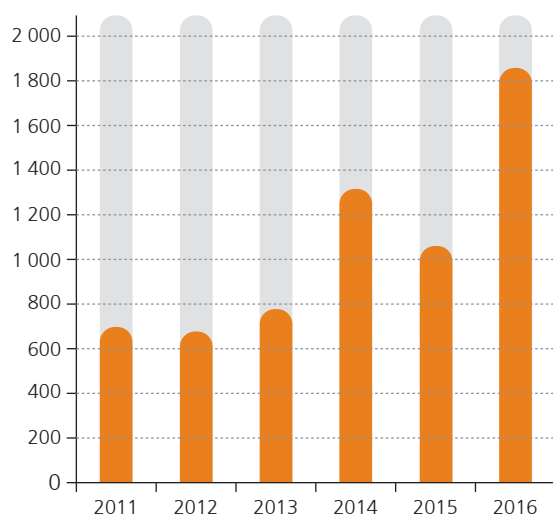
Interim cash dividends 2016 @ 30 % (2015: 30 %)	600 000	
Proposed final cash dividend 2016 @ 70 % (2015: 45 %)	1 400 000	
Transfer to General Reserve	500 000	<u>2 500 000</u>
Carry forward to next year		<u>488 169</u>

### Market Share

Based on the available published financial information as of 30 September 2016, your Company has market share of

## UNDERWRITING RESULTS

(Rupees in Million)



24.82 % of the private non-life insurance sector business in Pakistan. The statistics are compiled and published by The Insurance Association of Pakistan.

### Credit Rating

Your Company is rated by JCR-VIS and PACRA. Both the rating agencies have assigned rating of AA+ with stable outlook.

### Human Resource

Success of our business lies in the hands of professional and motivated staff members.

We give them opportunities to groom their professional career by enhancing their individual skills by training, ensuring high level of knowledge and the application of best practices.

We believe in equality, irrespective of cast, creed and gender. We promote individual growth by regularly agreeing objectives and appraising performance. We cater for stress free working environment, so they may lead comfortable balance life and enjoy fruits of their efforts with their families.

We offer attractive employment opportunities to professionals, and young graduates to build their careers with us, by investing in their development.

To promote this cause, we encourage and support our employees to pursue and progress toward ACII, the world wide acceptable professional insurance qualification from Chartered Insurance Institute of UK.

We have a competent taskforce comprising of professionals from diversified fields and in particular we have capable 24

Chartered Insurers, 16 Professional Engineers, 13 Professional Accountants and Certified HR Professional in our work force.

Family and career are compatible; therefore EFU aims to actively balance its interests with the individual needs of our staff members.

### Other Accreditations

EFU General received following nine awards during 2016.

Awards	Period	Organizer
FPCCI Achievement Award and Gold Medal	2015	Federation of Pakistan Chambers of Commerce & Industry (FPCCI)
Diplomatic & Foreign Investment Award	2016	Diplomatic Forum for Socio-economic Foundation
Corporate Social Responsibility Award	2016	The Professionals Network (TPN)
Social Responsibility Award	2015	Shaukat Khanum Memorial Trust
Environment, Health, Safety and Security Award	2016	The Professionals Network (TPN) and Ethical Business Update (EBU)
Consumers Choice Award	2016	Consumers Association of Pakistan (CAP)
Best Corporate Report Award	2015	Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountants of Pakistan (ICMAP)
SAFA Best Presented Annual Report 2015 (Certificate of Merit)	2015	South Asian Federation of Accountants (SAFA)
Brands of the Year Award	2015-16	Brands Foundation

### Significant Entity's Objectives

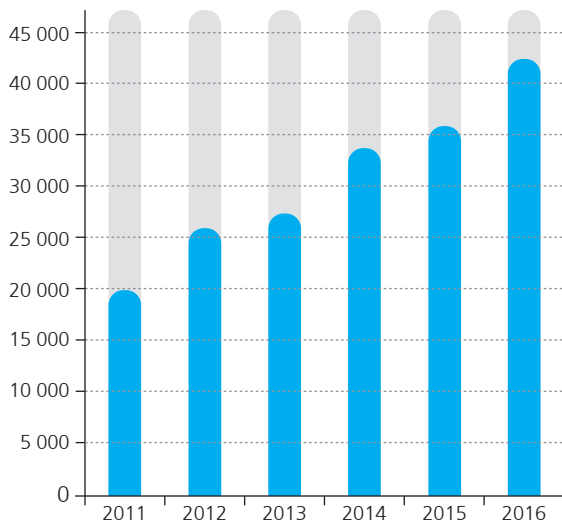
Your Company will continue to lay emphasis on being the preferred insurer as well as maintaining its leadership in the industry.

### Critical Performance Indicators

The critical performance indicators against stated objectives of the Company are stated as under:

### TOTAL ADJUSTED ASSETS

(Rupees in Million)



- Improving underwriting results
- Improved overheads
- Continue to be market leader
- Customer satisfaction
- Increasing shareholders wealth

#### **Analysis of How the Entity's Performance Met / Exceeded Short of Forward-Looking Disclosures made in Prior Periods**

Your Company had set financial targets for 2016 of being the largest and the best Company in the insurance sector and pleased to report that your Company continues to maintain the lead position. Your Company registered business growth of 13 % for the year 2016. Your Company's market share upto 30 September 2016 was 24.82 % as against 24 % upto the corresponding period of 2015 based on figures compiled by Insurance Association of Pakistan. The Company's reserves and retained earnings increased to Rs. 14.9 billion from Rs. 14.3 billion in 2015.

#### **Analysis of the Prospects of the Company including Targets for Financial and Non-Financial Measures**

The Company believes its strength lies in customer trust and satisfaction. Over eighty four years of the Company's existence points towards the fact that, the quality of service, customer satisfaction and employees motivation are the key areas where management has always taken necessary measures for improvement. During the year, management carried out various training courses for the growth and development of employees at various levels.

The key performance indicators devised for achieving the management objective remains to be maximization of customer satisfaction, improvement in underwriting results, controlling overhead costs, increasing shareholders wealth and continue to be market leader.

#### **Prospects for 2017**

The China-Pakistan Economic Corridor (CPEC) is a game changer for the region and over the years China has invested in the country in mega projects including power plants. Construction of Gwadar deep sea port is yet another example of this friendship.

Pakistan has not been able to exploit real potential of Gwadar port due to the lack of supporting infrastructure i.e. roads and railway track. This is evident from number of ships anchoring at Gwadar since commencement of its commercial operations. CPEC is aimed at exploiting real potential of Gwadar port that will help in increasing transit trade without putting additional load on two of the sea ports located in Karachi.

The insurance market in Pakistan is poised for rapid growth as the economy expands and diversifies, leading to greater demand for insurance products. That being said, structural challenges will continue to hamper the market from reaching its full potential.

The non-life sector remains heavily reliant upon basic lines and in a fragmented and disjointed marketplace there is downwards pressure on pricing. Moving forward the market would benefit from foreign expertise and investment, though Pakistan remains a challenging operating environment.

Like 2016, it is expected that the banks will continue to lease finance due to reduced mark-up rates which will maintain the upward drive in Motor insurance business and your company being the market leader in leased vehicle insurance would increase this portfolio further.

The Window Takaful Business has expanded and has also shown growth which is expected to continue in the years to come.

On the other hand the decline / stabilization in oil prices is not providing growth in Marine business.

Our strategy for 2017 is designed to deliver sustainable, profitable growth in a changing and competitive business environment in order to maintain leading position in the industry.

The Company intends to continue investing in people and making EFU General the best place to build career, invest in systems and processes to further improve service to customers and increase collaboration with them and improve efficiency. The way to continuous success will be the persistent execution of our strategic plan to build a more competitive and successful business and improved results and maintain the lead position in the insurance industry.

#### **Reinsurance**

Your Company continues to enjoy very sound reinsurance arrangements with leading international (securities), like SCOR Global P&C, Swiss Reinsurance Company, Allianz SE Reinsurance, Korean Reinsurance Company, Aspen Reinsurance Company, Malaysian Reinsurance Company and Lloyds of London all of them being A rated.

#### **Related Party Transactions**

At each board meeting the Board of Directors approves Company's transactions with Associated Companies / Related parties. All the transactions executed with related parties are on arm's length basis.

#### **Capital Management and Liquidity**

The Company maintains strong financial base. Your Company carefully administers its liquidity to ensure its ability to meet all its obligations efficiently. The Company operates and honours its obligations through the cash flow generated from its core business as well as investment and other income.

#### **Enterprise Risk Management (ERM)**

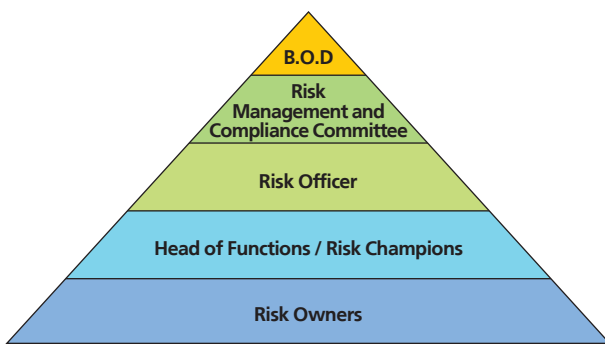
Your Company has recently established an ERM system overseen by Risk Management Committee to identify and monitor risks associated with various operations of the Company.



EFU General is committed to enhancing its overall profitability through optimization of value added activities, while maintaining a strong risk-adjusted capitalization. The Company plans to further strengthen its risk management culture within its processes and decisions.

The Risk management functions will be overseen by the Risk Management and Compliance Committee who will report on the activities to the Board quarterly.

Hierarchical chart depicting the risk reporting structure:



### Board Committees

Your Company maintains following four board committees:

#### Audit Committee

The Board is responsible for effective implementation of sound internal control system including compliance with control procedures. The Audit Committee is assisted by the Internal Auditor in reviewing the adequacy of operational controls and in monitoring and managing risks so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively in the Company and to add value and improve the Company's operations by providing independent and objective assurance. The principle responsibility of the Internal Auditors is to conduct periodic audits to ensure adequacy in operational controls, consistency in application of policies and procedures, compliance with laws and regulations. The Board's Audit Committee comprises of the following members:

1. Mr. Rafique R. Bhimjee
2. Mr. Taher G. Sachak
3. Mr. Ali Raza Siddiqui
4. Mr. Mohammed Iqbal Mankani

#### Investment Committee

The Company has a Board level investment committee that meets on quarterly basis to review the investment portfolio. The committee is also responsible for developing the investment policy for the Company. The Board's Investment Committee comprises of the following members:

1. Mr. Saifuddin N. Zoomkawala
2. Mr. Hasanali Abdullah
3. Mr. Rafique R. Bhimjee

#### Ethics, Human Resources and Remuneration Committee

The committee is responsible for recommending to the Board human resource management policies of the Company as well as the selection, evaluation and compensation of key officers of the Company. The Board's Human Resource and Remuneration Committee comprises of the following members:

1. Mr. Saifuddin N. Zoomkawala
2. Mr. Rafique R. Bhimjee
3. Mr. Hasanali Abdullah

#### Management Committee

As part of the Corporate Governance, your Company maintains following three management committees which meet at least once every quarter:

#### Underwriting Committee

The underwriting committee formulates the underwriting policy of your Company. It sets out the criteria for assessing various types of insurance risks and determines the premium policy of different insurance covers. The committee regularly reviews the underwriting and premium policies of the Company with due regard to relevant factors such as its business portfolio and the market development.

#### Claims Settlement Committee

This committee devises the claims settling policy of the Company. It oversees the claims position of the Company and ensures that adequate claims reserves are maintained. Particular attention is paid to significant claims cases or events, which give rise to a series of claims. The Claims Settlement Committee determines the circumstances under which the claims dispute to be brought to its attention and decides how to deal with such claims disputes. It also oversees the implementation of the measures for combating fraudulent claims cases. The Committee also oversees the newly established Grievance Function of the Company.

#### Reinsurance and Coinsurance Committee

This committee ensures that adequate reinsurance arrangements are made for the insurance company's businesses. It peruses the proposed reinsurance arrangements prior to their execution, reviews the arrangements from time to time and subject to the consent of the participating reinsurers, makes appropriate adjustments to those arrangements in the light of the market development. It also assesses the effectiveness of the reinsurance program for future reference.

#### Risk Management and Compliance Committee

The risk management and compliance committee oversees the activities of the risk management function of the Company and makes appropriate recommendations to the Board to mitigate probable risks falling within the purview of the risk management function.

The committee is also responsible for monitoring the compliance function and the insurer's risk profile in respect of compliance

with the laws applicable to it as well as the internal policies and procedures.

#### **Risks to Business**

Business risks and mitigation factors are described in detail on page 29 of this Annual Report.

#### **Corporate Social Responsibility**

The impact of our presence in society is both direct and indirect. The impact flows from the resources we consistently mobilize and the investments we make.

#### **Energy conservation**

Energy conservation is viewed as an important component in the fight against global warming. The Company is committed to energy conservation. For the very same reason we have installed energy savers to conserve energy. At the same time we minimize the use of lights during lunch break. We also consider conservation of energy while procurement of the electronic equipments.

#### **Environmental protection measures**

The Company is well aware of its social responsibility in regard to environmental protection. Therefore, we encourage healthy environment and take steps which could add value to our belief. At office level, we promote waste reduction, recycling and a clean and fresh environment by placing green beautiful plant pots on all floors and even inside the office.

#### **Community investment & welfare schemes**

We donate to different institutions in health and education sectors to support various under privileged classes of our country.

#### **Consumer protection measures**

Emphasis on earning the trust of the customers is the keystone of EFU's corporate culture. It is the first thing that we inculcate in new inductees in our human resource. "Keep delivering on promises and customers will keep coming back" was our credo when we opened for business, it is our credo now, and will remain so for the future.

With protection from EFU, business houses have grown and diversified, enhancing the country's economic progress and our business portfolio. It is no surprise that with many customers the status of EFU is that of a "family insurer". It is also gratifying that every year a noteworthy part of our new business comes from referrals by our existing customers, some of whom have been insuring with us for generations.

JCR-VIS and PACRA rate us AA+ but the more valuable reflection for us is the way customers perceive us. Most often this is expressed in just three words; "My Insurance Company." This is the reason why we have slogan of "EFU - Your Insurance Company."

#### **Company's relations with stakeholders**

We have very positive and practical approach towards relations

with various stake holders particularly with regulatory authorities i.e. Securities and Exchange Commission of Pakistan (SECP), Federal Board of Revenue (FBR), State Bank of Pakistan (SBP), Employees Old-Age Benefits Institution (EOBI) etc., other Insurance Companies, the Insurers, and the Insurance Association of Pakistan (IAP).

The Company Secretary is responsible for adhering and implementing all the applicable laws, regulations and conventions in order to keep the organization at its highest professional standards.

#### **Employment of special persons**

The Company is an equal opportunity employer, irrespective of their physical disability in compliance with government regulations.

#### **Occupational safety & health**

Fire extinguishers have been installed at various points within the working premises. Further, the Company has a dedicated medical facility which includes clinic and a Chief Medical Officer at Karachi to take care of employees and their families' health matters and also advise on preventive health care.

#### **Sports activities**

To encourage healthy activities, the Company maintains an in-house sports facility which includes Table Tennis, Snooker, Chess and other board games for male and female employees. In addition, gym facilities have also been provided for male and female employees. The Company also has a Cricket team and participates in various tournaments. All these sporting facilities are used by employees of all cadres and well appreciated.

#### **Business ethics & anti-corruption measures**

The Board has adopted the Statement of Ethics and Business Practices. All employees are informed of this and are required to observe these rules of conduct in relation to business and regulations. Statement of Ethics and Business Practices are based on integrity, dignity, culture of excellence and ethical dealing with clients, peers and the public.

#### **National cause donations**

Your Company, being a responsible corporate citizen, donates generously every year. In 2016, the Company donated Rs. 11.4 million to various organizations including, Institute of Business Administration, The Aga Khan Hospital and Medical College Foundation, Fakhr-e-Imdad Foundation, Sindh Institute of Urology and Transplantation, The Kidney Centre, Shaukat Khanum Memorial Trust, Burhani Medical Welfare Association, Chiniot Anjuman Islamia, Memon Medical Institute amongst others.

#### **Contribution to National Exchequer**

Your Company contributes substantially to the national economy in terms of taxes and duties and the contribution is increasing as the Company is growing. This year the

Company contributed Rs. 4.2 billion to the National Exchequer in the form of Federal Excise Duty, Sales Tax, Income Tax, Federal Insurance Fee, Custom Duties, Policy Stamps, etc.

#### **Relationship with other Stakeholders**

Your Company continues to maintain good relationship with:

- Its employees by providing good working environment;
- Its clients through building trust and providing quality service;
- The business community through honest and fair dealing;
- The government through promoting free enterprise along with competitive market system and complying with applicable laws; and
- The society in general through providing safe and healthy workplace and provide employees the opportunity to improve their skills.

#### **Key Sources of Estimating Uncertainty**

The preparation of financial statements requires management and the Board of Directors to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses and related disclosures of contingencies. These estimates are based on experience and various other assumptions that management and the Board believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The key areas of estimating uncertainty, which may have a significant effect on the amounts recognized in the financial statements, are discussed below:

#### **Provision for unearned premiums**

The unearned premium reserve is the unexpired portion of the premium which relates to business in force at the balance sheet date. Unearned premiums have been calculated by applying 1/24th method as specified in the SEC (Insurance) Rules, 2002.

#### **Premium deficiency reserve (liability adequacy test)**

The expected future liability is estimated by reference to the experience during the expired period of the contracts, adjusted for significant individual losses which are not expected to recur during the remaining period of the policies, and expectations of future events that are believed to be reasonable.

The movement in the premium deficiency reserve is recognized as an expense or income in the profit and loss account for the year.

#### **Provision for outstanding claims (including IBNR)**

A liability for outstanding claims (including actuarial IBNR valuation) is recognized in respect of all claims incurred up to the balance sheet date which is measured at the undiscounted value of expected future payments.

#### **Employees' retirement benefits**

Your Company operates defined benefit pension fund and defined benefit gratuity fund for its eligible employees. The accounting treatment is carried out in accordance with International Accounting Standard (IAS) 19 - Employee Benefits. The amounts recognized in respect of the above schemes represent the present value of defined obligations adjusted for re-measured gains and losses as reduced by the fair value of plan assets.

#### **Deferred taxation**

Deferred tax is recognized using the balance sheet liability method for all temporary differences between the amounts attributed to assets and liabilities for financial reporting and taxation purposes. The amount of deferred tax recognized is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted at the balance sheet date.

#### **Impairment in value of investments**

All impairment losses are recognized in the profit and loss account. Provisions for impairment are reviewed at each balance sheet date and are adjusted to reflect the current best estimates. Changes in the provisions are recognized as income or expense.

#### **Investment properties**

The investment properties are accounted for under the cost model in accordance with IAS 40 - Investment Property.

Valuation of investment properties are also carried out by an independent valuer having relevant professional qualifications. The fair value is determined on the basis of professional assessment of the current prices in an active market for similar properties in the same location and condition.

#### **Useful lives of fixed assets**

The assets' residual values, useful lives and method for depreciation are reviewed at each financial year end and adjusted if impact on depreciation is significant.

#### **Premium due but unpaid**

A financial asset is assessed at each balance sheet date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if there is objective evidence that one or more events have had a negative effect on the estimated future cash flows of that asset.

#### **Compliance with Code of Corporate Governance**

The requirements of the Code of Corporate Governance set out by the regulatory authorities have been duly complied with. A statement to this effect is annexed with the report.

The Directors of your Company were elected at the Extraordinary General Meeting held on July 9, 2014 for a term of three years expiring on July 9, 2017.



During the year, four meetings of the Board were held. The attendance at the meetings were as under:

Sr. no.	Name of Directors	Number of meetings attended
1	Saifuddin N. Zoomkawala <i>(Non-Executive Director)</i>	4
2	Hasanali Abdullah <i>(Executive Director)</i>	4
3	Rafique R. Bhimjee <i>(Non-Executive Director)</i>	4
4	Abdul Rehman Haji Habib <i>(Non-Executive Director)</i>	4
5	Muneer R. Bhimjee <i>(Non-Executive Director)</i>	3
6	Taher G. Sachak <i>(Non-Executive Director)</i>	4
7	Ali Raza Siddiqui <i>(Non-Executive Director)</i>	3
8	Mohammad Iqbal Mankani <i>(Independent Director)</i>	2
9	Mahmood Lotia <i>(Executive Director)</i>	4

Leave of absence was granted to the Directors who could not attend board meetings.

#### Statement of Ethics and Business Practices

The Board has adopted the Statement of Ethics and Business Practices. All employees are informed of this statement and are required to observe these rules of conduct in relation to business and regulations.

#### Corporate and Financial Reporting Framework

- The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flow and changes in equity.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.

- The International Financial Reporting Standards (IFRS) as applicable in Pakistan, have been followed in preparation of financial statement and any departure from there has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- The key operating and financial data for the last six years is annexed.
- The value of investments of provident, gratuity and pension funds based on their audited accounts as on December 31, 2016 were:
 

Provident Fund	Rs. 772 million
Gratuity Fund	Rs. 328 million
Pension Fund	Rs. 279 million
- The statement of pattern of shareholding in the Company as at 31 December 2016 is included with the Report.

The Board of Directors recommends the appointment of KPMG Taseer Hadi & Co., Chartered Accountants as Auditors of the Company for the year 2017 as suggested by Audit Committee in place of retiring auditors Messrs EY Ford Rhodes, Chartered Accountants as they have completed five years and in accordance with the requirements of Code of Corporate Governance cannot continue.

We would like to thank our valued customers for their continued patronage and support and to Pakistan Reinsurance Company Limited, Securities and Exchange Commission of Pakistan and State Bank of Pakistan for their guidance and assistance.

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

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 14 February 2017

آپ کی کمپنی کے ڈائریکٹرز غیر معمولی اجلاس عام منعقدہ 9 جولائی 2014 میں 3 سالہ مدت کے لئے منتخب کئے گئے ہیں یہ مدت 9 جولائی 2017 کو ختم ہو جائے گی۔  
ہر ایک ڈائریکٹرز کی جانب سے اجلاسوں میں شرکت کی تعداد مندرجہ ذیل میں دی گئی ہے:

نمبر شمار	ڈائریکٹرز کے نام	شرکت کردہ اجلاس کی تعداد
۱-	سیف الدین این۔ زومکا والا (نان ایگزیکٹو ڈائریکٹر)	4 میں سے 4
۲-	حسن علی عبداللہ (ایگزیکٹو ڈائریکٹر)	4 میں سے 4
۳-	رفیق آر۔ عظیم جی (نان ایگزیکٹو ڈائریکٹر)	4 میں سے 4
۴-	عبدالرحمن حاجی حبیب (نان ایگزیکٹو ڈائریکٹر)	4 میں سے 4
۵-	منیر آر۔ عظیم جی (نان ایگزیکٹو ڈائریکٹر)	4 میں سے 3
۶-	طاہر جی ساچک (نان ایگزیکٹو ڈائریکٹر)	4 میں سے 4
۷-	علی رضا صدیقی (نان ایگزیکٹو ڈائریکٹر)	4 میں سے 3
۸-	محمد اقبال مکانی (انڈیپنڈنٹ ڈائریکٹر)	4 میں سے 2
۹-	محمود لوہیا (ایگزیکٹو ڈائریکٹر)	4 میں سے 4

جو ڈائریکٹرز بورڈ کے اجلاسوں میں شریک نہیں ہوئے تھے ان ڈائریکٹرز کے لئے غیر حاضری کی چھٹی منظور کر لی گئی تھی۔

#### ضابطہ اخلاق اور کاروباری طریقہ کار

بورڈ نے ضابطہ اخلاق اور کاروباری طریقہ کار کا اسٹیٹمنٹ اپنایا ہے۔ تمام اہلکاروں کو اس اسٹیٹمنٹ سے آگاہ کیا گیا ہوا ہے اور ان کے لئے ضروری ہے کہ وہ کاروباری اور قواعد و ضوابط سے متعلق ضابطہ اخلاق اور کاروبار کے طریقہ کار اور قواعد پر عملدرآمد کریں۔

#### کارپوریٹ اور فنانشل رپورٹنگ فریم ورک

۱۔ کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی اسٹیٹمنٹ اس کی تمام معلومات کو صاف و شفاف انداز میں واضح کرنے کے ساتھ اس کے آپریشنز کے نتائج، نقد کی آمدورفت اور ایکویٹی میں تبدیلیاں شامل ہیں۔

رفیق آر۔ عظیم جی  
ڈائریکٹر

محمود لوہیا  
ڈائریکٹر

حسن علی عبداللہ  
ٹیٹنگ ڈائریکٹر و چیف ایگزیکٹو

سیف الدین این۔ زومکا والا  
چیئر مین

کراچی 14 فروری 2017

ب۔ اکاؤنٹس کی کتابیں کمپنی کی جانب سے قواعد و ضوابط کے مطابق تیار کی گئی ہیں۔  
سی۔ موزوں اکاؤنٹنگ پالیسیوں پر مالیاتی اسٹیٹمنٹ اور اکاؤنٹنگ تخمینہ جات کی تیاری کے لئے مستقل اپنائی جاتی ہیں جو موزوں اور محتاط اندازوں پر منحصر ہوتی ہیں۔

ڈی۔ انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) پر، جیسا کہ پاکستان میں نافذ العمل ہے، مالیاتی اسٹیٹمنٹ کی تیاری کی جاتی ہے اور کہیں اس سے انحراف کیا گیا ہو تو اس کو واضح طور پر ظاہر کر دیا جاتا ہے۔

ای۔ داخلی کنٹرول کا نظام مستحکم طور پر ترتیب دیا گیا ہے اور موثر طور پر عملدرآمد کے ساتھ اس کی نگرانی بھی کی جاتی ہے۔

ایف۔ کمپنی کی اس صلاحیت پر کسی قسم کے شکوک و شبہات نہیں کہ یہ پلتے رہنے والا ادارہ ہے۔

جی۔ کارپوریٹ گورننس کے بہترین طریقہ کار سے جیسا کہ لسٹنگ ریگولیشنز میں درج ہے کوئی قابل اثر اندازی انحراف نہیں کیا گیا۔

ایچ۔ گزشتہ 6 سال کیلئے نمایاں آپریٹنگ اور فنانشل اعداد و شمار منسلک ہیں۔

آئی۔ پراویڈنٹ فنڈ، گریجویٹ اور پینشن فنڈز کی سرمایہ کاریوں کی مالیت 31 دسمبر 2016 کے مطابق ان کے آڈٹ شدہ حسابات پر مبنی ہیں، ان کی تفصیل یہ ہے:

پراویڈنٹ فنڈ	772 ملین روپے
گریجویٹ فنڈ	328 ملین روپے
پینشن فنڈ	279 ملین روپے

جے۔ کمپنی میں 31 دسمبر 2016 کو شیئر ہولڈنگ کی جو صورتحال تھی اس کا اسٹیٹمنٹ رپورٹ میں شامل ہے۔

بورڈ کے ڈائریکٹرز نے سال 2017 کے لئے کمپنی کے آڈیٹرز کی حیثیت سے کے بی ایم جی تا شیر ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی ہے جیسا کہ آڈٹ کمیٹی نے سبکدوش ہونے والے آڈیٹرز میسرز ای وائے فورڈ رھوڈز، چارٹرڈ اکاؤنٹنٹس کی جگہ ان کا نام تجویز کیا ہے جو کہ اپنے پانچ سال پورے کر چکے ہیں اور کوڈ آف کارپوریٹ گورننس کی شرائط کے مطابق وہ مزید بحیثیت آڈیٹرز ذمہ داری جاری نہیں رکھ سکتے۔

ہم اپنے معزز کسٹمرز کی مسلسل سرپرستی اور حمایت کے لئے ان کا شکریہ ادا کرنا چاہیں گے جبکہ پاکستان ری انشورنس کمپنی لمیٹڈ، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی جانب سے ان کی رہنمائی اور معاونت پر بھی شکر گزار ہیں۔

آپ کے ڈائریکٹرز تمہارے دل سے یہ امر یاد رکھتے ہیں کہ ہمارے آفیسرز، فیلڈ فورس اور دیگر اسٹاف نے نہایت جانفشانی سے کمپنی کی ترقی کے لئے محنت کی ہے اور کاروبار کے اضافے اور کامیابیوں کے تسلسل کو برقرار رکھنے میں مثالی کردار ادا کیا ہے۔

### اشاف کی ریٹائرمنٹ پینشنس

آپ کی کمپنی اپنے تمام اہل اشاف کے لئے صراحت شدہ پینشن فنڈ اور صراحت شدہ گریجویٹ فنڈ پینشنس فراہم کرتی ہے۔ اس کا تخمینہ انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز IAS-19 ایپلائی پینشنس کے مطابق لگایا جاتا ہے۔ مذکورہ بالا اسکیموں کے سلسلے میں ظاہری ہوئی رقمات طے کردہ مالی ذمہ داریوں کی موجودہ قدر و قیمت کی نمائندگی کرتی ہیں اور ان کو حاصل شدہ فوائد اور نقصانات کے مطابق دوبارہ جانچا جاتا ہے۔

### ڈیفروڈیکسیشن

ڈیفروڈیکس کا اظہار بیننس شیٹ لائبلٹی میٹھ کے حساب سے ان تمام وقتی تقابلوں کو پیش نظر رکھتے ہوئے مالیاتی رپورٹنگ اور ڈیکسیشن مقاصد کے لئے اثاثوں اور واجب الادا ذمہ داریوں کی رقم کے طور پر ظاہر کی جاتی ہے۔ ڈیفروڈیکس کی رقم کا تعین بیننس شیٹ کی تاریخ ریگیس کی موثر شرح کے مطابق آگے لائے ہوئے اثاثوں اور ذمہ داریوں کی وصولی یا ادائیگی کے متوقع طریقے کار پر منحصر ہوتا ہے۔

### سرمایہ کاریوں کی مالیت میں ممکنہ نقص

سرمایہ کاری میں نقصانات کو پرافٹ اینڈ لاس اکاؤنٹ میں ظاہر کیا جاتا ہے۔ ایسے نقصانات کے لئے مختص کی گئی گنجائش پر ہر بیننس شیٹ کی تاریخ پر نظر ثانی کی جاتی ہے اور اس میں اس وقت کے بہترین تخمینوں کے مطابق ردوبدل کیا جاتا ہے۔ اس گنجائش میں ردوبدل آمدن یا اخراجات کی شکل میں ظاہر کیا جاتا ہے۔

### انویسٹمنٹ پراپرٹیز

انویسٹمنٹ پراپرٹیز کا حساب کتاب IAS-40 انویسٹمنٹ پراپرٹی کے مطابق کاسٹ ماڈل کے تحت لگایا جاتا ہے۔

انویسٹمنٹ پراپرٹیز کی مالیت کا تعین متعلقہ پیشہ ورانہ قابلیت کے حامل ویلیویٹرز کے ذریعے بھی کرایا جاتا ہے۔ موزوں مالیت کا تعین ان پراپرٹیز کے مواقعوں میں موجود ویسی ہی حالت میں دیسی ہی پراپرٹیز کی بیننس شیٹ کے وقت پیشہ ورانہ جانچ کی بنیاد پر کیا جاتا ہے۔

### فکسڈ اثاثہ جات کی کارآمد مدت

اثاثوں کی باقی ماندہ مالیت، کارآمد مدت، اور اس مدت میں کمی کا تخمینہ لگانے کے طریقہ کار پر ہر مالی سال کے اختتام پر نظر ثانی کی جاتی ہے اور اگر اس کارآمد مدت میں کمی کا اثر نمایاں ہو تو اس میں ردوبدل کیا جاتا ہے۔

### غیر موصول واجب الادا پر بیمہ

ہر مالیاتی اثاثے کی قیمت کا اندازہ ہر بیننس شیٹ کی تاریخ پر لگایا جاتا ہے تاکہ اس بات کا تعین کیا جاسکے کہ آیا کوئی معروضی شواہد موجود ہیں کہ یہ نقصان زدہ ہے۔ مالیاتی اثاثے اس وقت نقصان زدہ سمجھے جاتے ہیں جب معروضی شواہد موجود ہوں کہ کسی ایک یا ایک سے زائد واقعات نے اس اثاثے کے مستقبل میں ہونے والے کیش فلو پر منفی اثر ڈالا ہے۔

### کوڈ آف کارپوریٹ گورننس پر عملدرآمد

ریگولٹری اتھارٹیز کی جانب سے جاری شدہ کوڈ آف کارپوریٹ گورننس کے تقاضوں کو پورا کیا گیا ہے۔ اس رپورٹ میں اس مفہوم کا ایک بیان شامل ہے۔

اور یہ شراکت کمپنی کی ترقی کے ساتھ مسلسل بڑھ رہی ہے۔ اس سال کمپنی نے فیڈرل ایکسٹریڈیٹری، سیلز ٹیکس، انکم ٹیکس، فیڈرل انشورنس فیس، کسٹم ڈیوٹیز، پالیسی اسٹیٹس وغیرہ کی شکل میں سرکاری خزانے میں 4.2 بلین روپے جمع کرائے۔

### دیگر اسٹیک ہولڈرز کے ساتھ تعلقات

آپ کی کمپنی تمام اسٹیک ہولڈرز کے ساتھ خوشگوار تعلقات قائم رکھتی ہے:

- اپنے ملازمین کو کام کرنے کا بہترین ماحول فراہم کرتی ہے۔
- اپنے کسٹمرز کو بہترین معیار کی سروس فراہم کرنے کے لیے کمپنی پر ان کے اعتماد میں روز افزوں اضافہ کرتے ہیں۔
- کاروباری دنیا سے دیا نندارہ معاملات سے۔
- حکومت سے تجارتی آزادی اور مسابقتی عمل کو فروغ دے کر اور متعلقہ قوانین کی پابندی سے اور
- عمومی طور پر سوسائٹی میں محفوظ اور صحت مند جانے کا فراہم کرنے اور اپنے ملازمین کو اپنی صلاحیتیں آگے لگانے کے مواقع فراہم کرتے ہیں۔

### مکنہ غیر یقینی صورت حالات کے تعین کے ماخذ

مالیاتی اسٹیٹمنٹ کی تیاری میں بنیٹ اور بورڈ آف ڈائریکٹرز کے ایسے تخمینہ جات اور اندازوں کی متقاضی ہوتی ہے جو کہ اثاثہ جات، مالی ذمہ داریوں، ریویوز اور اخراجات اور منسلک اتفاقی اخراجات کی رقمات کے حوالے ہوتے ہیں۔ یہ تخمینہ جات، سابق تجربات اور دیگر مختلف مشاہدوں پر منحصر ہوتے ہیں جن کے بارے میں انتظامیہ اور بورڈ کو حالات کے تحت مناسب ہونے کا یقین ہوتا ہے جن کے نتائج اثاثہ جات کی آگے لائی ہوئی قدر و قیمت اور مالی ذمہ داریوں کے بارے میں اندازے تشکیل دینے کی بنیاد فراہم کرتے ہیں جو کہ دیگر وسائل سے حاصل نہیں ہوتے۔ اصل نتائج مختلف مشاہدوں اور صورتحال کے تحت ان تخمینہ جات سے مختلف ہو سکتے ہیں۔ تخمینہ کردہ غیر یقینی صورتحال کے اہم شعبے جو مالیاتی اسٹیٹمنٹس میں ظاہر کردہ شدہ رقمات پر اثر انداز ہو سکتے ہیں، ان پر ذیل میں روشنی ڈالی جا رہی ہے۔

### ان ارنڈ (Unearned) پر بیمہ کے لئے مختص کردہ گنجائش

ان ارنڈ پر بیمہ ریزو، حاصل شدہ پر بیمہ کے اس حصے کے لئے رکھا جاتا ہے جس کا تعلق ایسی پالیسی سے ہوتا ہے جن کی معیاد بیننس شیٹ کی تاریخ تک پوری نہیں ہوئی۔ ان ارنڈ پر بیمہ کا حساب (Insurance Rules, 2002) SEC میں بیان کردہ 1/24 کے طریقہ کار کے مطابق لگایا گیا ہے۔

### پر بیمہ ڈیفینیشن ریزو (لائبلٹی ایڈیکوسیٹی شیٹ)

مستقبل میں متوقع ذمہ داری کا تخمینہ معاہدے کے اس حصے کے دوران تجربے کے حوالے سے لگایا جاتا ہے جو کہ پورا ہو چکا ہو اور اس میں ان نمایاں نقصانات کو بھی پیش نظر رکھا جاتا ہے جن کی پالیسی کی بقیہ مدت کے دوران پھر واقع ہونے کی توقع نہیں ہوتی، معہ مستقبل میں ایسے ممکنات کی توقع جن کا مقول امکان ہو۔ پر بیمہ ڈیفینیشن ریزو زہد پیلوں کو زیر نظر سال کے پرافٹ اینڈ لاس اکاؤنٹ میں اخراجات یا آمدن کے طور پر ظاہر کیا جاتا ہے۔

### واجب الادا اکیمر کے لئے گنجائش (بشمول IBNR)

واجب الادا اکیمر بیننس شیٹ کی تاریخ تک واقع ہونے والے ان تمام اکیمر (بشمول اکیمر ریل آئی بی این آر ویو ایٹمنٹ) کے ضمن میں ہوتی ہے اور اس کو مستقبل میں متوقع ادائیگیوں کی غیر تخفیف شدہ مالیت کے طور پر ظاہر کیا جاتا ہے۔



کمپنی عملدرآمد کے فنکشن کے امور کی نگرانی کیلئے بھی ذمہ دار ہے اور کمپلائنس کے سلسلے میں بیمہ شدہ فرد کے پروفائل کے ساتھ قابل عمل قوانین نیز اندرونی پالیسیوں اور طریقہ کار کی نگرانی بھی کرتی ہے۔

کمپنی (My Insurance Compny) کے ذریعے اس کا اظہار کرتے ہیں یہ وہ وجہ ہے جس کی وجہ سے ہمارا نعرہ ہے کہ ”ای ایف یو۔ آپ کی بیمہ کمپنی“۔

### حصہ داروں کے ساتھ کمپنی کے تعلقات کار

ہم پیشتر اسٹیک ہولڈرز خصوصاً ریگولیٹری اتھارٹیز یعنی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی)، فیڈرل بورڈ آف ریونیو (ایف بی آر)، اسٹیٹ بینک آف پاکستان (ایس بی پی)، ایسٹیمینٹس اینڈ سٹیٹسٹس انسٹی ٹیوشن (ای او بی آئی) وغیرہ سمیت دیگر بیمہ کمپنیوں، بیمہ کاروں اور انشورنس ایسوسی ایشن آف پاکستان (آئی اے بی) کے ساتھ تعلقات کے ضمن میں ایک انتہائی مثبت اور عملی رویہ رکھتے ہیں۔

کمپنی سیکرٹری تمام قابل نفاذ قوانین، ضوابط اور کنٹریکٹس کی نگرانی اور اس پر عمل درآمد کیلئے ذمہ دار ہیں جو ادارے کو بلند ترین پیشہ ورانہ معیار پر برقرار رکھنے کے لئے ضروری ہے۔

### خصوصی افراد کیلئے روزگار

کمپنی ملازمتوں کے مساوی مواقع فراہم کرتی ہے اور خصوصی افراد کو ان کی طبی معذوری سے بالاتر ہو کر سرکاری قوانین اور ضوابط پر عمل کرتے ہوئے انہیں ملازمت دی جاتی ہے۔

### دوران کار تحفظ اور صحت

کمپنی کے دفاتر میں آگ بجھانے کے مختلف آلات موجود ہیں۔ مزید برآں کمپنی نے کراچی اسٹاف کے لئے ایک کلینک بھی قائم کر رکھی ہے جس میں ایک کل وقتی چیف میڈیکل آفیسر موجود ہے تاکہ اہلکاروں اور ان کے اہل خانہ کے صحت سے متعلق مسائل کی دیکھ بھال کے ساتھ انہیں صحت کے بارے میں مشورے بھی دیئے جاسکیں۔

### اسپورٹس کی ایکٹیوٹی

صحت مند اندازہ سرگرمیوں کی حوصلہ افزائی کے لئے کمپنی نے اپنے احاطے میں اسپورٹس کلب موجود ہے جس میں ٹیبل ٹینس، اسنوکر، شطرنج اور دیگر بورڈ گیمز تمام مرد و خواتین ملازمین کے لئے موجود ہیں۔ اس کے علاوہ مرد و خواتین اسٹاف کو جم تیزیم کی سہولیات بھی فراہم کی گئی ہیں۔ کمپنی کی اپنی کرکٹ ٹیم بھی ہے جو کہ مختلف ٹورنامنٹس میں حصہ لیتی رہی ہے۔ کھیلوں کی یہ تمام سرگرمیاں ہر سطح کے ملازمین کو میسر ہیں اور یہ عموماً لائق تحسین مانی جاتی ہیں۔

### کاروباری اقدار اور انسداد بدعنوانی اقدامات

بورڈ نے اقدار اور کاروباری طریقہ کار کے بارے میں ایک بیان تیار کر رکھا ہے۔ تمام ملازمین کو اس سے آگاہ کر دیا گیا ہے اور ان کیلئے یہ ضروری ہے کہ وہ کاروبار اور ضوابط سے متعلق ان قوانین پر مکمل عمل درآمد کریں اقدار اور کاروباری طریقہ کار کے بارے میں بیان سلیس، وقار، کھجراور عزت و احترام کے ساتھ صارفین، ساتھیوں اور عوام الناس کے ساتھ اخلاقی معاملات پر مبنی ہے۔

### عطیات برائے قومی مقاصد

آپ کی کمپنی ایک ذمہ دار کارپوریٹ شہری ہونے کی حیثیت سے ہر سال عطیات دیتی ہے۔ 2016 میں کمپنی نے مختلف اداروں کو 11.4 ملین روپے عطیات دئے۔ عطیات دئے جانے والے اداروں میں انسٹی ٹیوٹ آف بزنس اینڈ مینجمنٹ، دی آغا خان اسپتال اور میڈیکل کالج فاؤنڈیشن، فخر امداد فاؤنڈیشن، سندھ انسٹی ٹیوٹ آف یورولوجی اینڈ ٹرانسپلانٹیشن، دی کڈنی سینٹر، شوکت خانم میموریل ٹرسٹ، برہانی میڈیکل ویلفیئر ایسوسی ایشن، چنیوٹ انجمن اسلامیہ، میمن میڈیکل انسٹی ٹیوٹ وغیرہ شامل ہیں۔

### قومی خزانے میں ادائیگی

آپ کی کمپنی ٹیکسوں اور ڈیوٹیوں کی مد میں قومی معیشت کے لئے مستقل بنیادوں پر شریک کار ہے

### کاروبار کے لئے خطرات

کاروبار میں ممکنہ طور پر پیش آنے والے خطرات اور ان سے منسلک عناصر کی تفصیل سے وضاحت اس سالانہ رپورٹ کے صفحہ نمبر 29 پر کی گئی ہے۔

### کارپوریٹ سوشل ریسپانسیبلیٹی

سماج میں ہماری موجودگی کے اثرات بلاواسطہ اور بلاواسطہ دونوں طرح موجود ہیں ان وسائل کے ذریعے اثرات جن کا ہم مستقبل استعمال کر رہے ہیں اور وہ سرمایہ کاریاں بھی جن کی ہم مختلف کاروبار کے ذریعے کرتے ہیں۔

### توانائی کا تحفظ

توانائی کو بچانا گلوبل وارمنگ (global warming) کے خلاف جدوجہد کا ایک انتہائی اہم جزو ہے۔ کمپنی توانائی کے تحفظ کے عزم پر کاربند ہے اسی وجہ کے تحت ہم نے انرجی سیورٹی نصب کرائے ہیں تاکہ توانائی کو بچایا جاسکے۔ اس کے ساتھ ساتھ ہم کھانے کے وقت کے دوران روشنیوں کا استعمال کم سے کم کر دیتے ہیں۔ ہم برقی آلات کے حصول کے وقت بھی توانائی کے تحفظ پر خصوصی خیال رکھتے ہیں۔

### ماحولیاتی تحفظ کے اقدامات

کمپنی ماحولیاتی تحفظ کے سلسلے میں اپنی سماجی ذمہ داری سے بخوبی آگاہ ہے لہذا ہم صحت مند ماحول کی حوصلہ افزائی کرتے ہیں اور وہ اقدامات کرتے ہیں جو ہمارے اس یقین میں اضافہ کرتا رہے۔ دفتری سطح پر ہم کم سے کم پتھر، تمام فلوز اور آفس کے اندر بھی خوبصورت پودوں کے گلوں کے ذریعے ماحول سبز بنانے کی کوشش کرتے ہوئے ماحول کو صاف ستھرا اور صحت مند بنانے کو فروغ دے رہے ہیں۔

### کمپنی انویسٹمنٹ اور سماجی، بہبودی اسکیمیں

ہم صحت و تعلیم کے شعبوں میں مختلف اداروں کو عطیات دیتے ہیں تاکہ ہمارے ملک کے پسماندہ طبقات کی ہر ممکن معاونت کی جاسکے۔

### صارف کے تحفظ کے اقدامات

صارفین کے اعتماد کو حاصل کرنے پر زور ای ایف یو کے کارپوریٹ کلچر کا بنیادی حصہ ہے۔ یہ وہ پہلی چیز ہے جس میں ہم اپنے انسانی وسائل میں نئے لوگوں کو شامل کرتے ہیں ”اپنے وعدوں کی تکمیل اور صارفین کو اپنے پاس برقرار رکھنا“ ہمارا وہ عقیدہ تھا جس پر ہم نے اپنے کاروبار کا آغاز کیا تھا اور اب بھی ہمارا یہی عقیدہ ہے اور ہم اسے مستقبل میں بھی برقرار رکھیں گے۔

ای ایف یو سے تحفظ کے ساتھ کاروبار باری ادارے بھل بھول رہے ہیں اور مختلف شعبوں میں کام کر کے ملک کی اقتصادی ترقی اور ہمارے کاروبار پر پورٹ فولیو میں بھی اضافہ کر رہے ہیں۔ یہ امر حیرت انگیز نہیں ہے کہ بیشتر صارفین کو ای ایف یو کے ”فجلی انشور“ کا درجہ حاصل ہے۔ یہ امر بھی باعث تعجبیت ہے کہ ہر سال ہمارے موجودہ صارفین کے ذریعے حاصل کردہ حوالوں سے ایک قابل قدر تعداد میں نئے افراد ہمارے کاروبار کا حصہ بن رہے ہیں جن میں سے کچھ ہمارے ساتھ جزییشن کے لئے بیمہ حاصل کر چکے ہیں۔

JCR-VIS اور PACRA نے ہمیں AA+ ریٹنگ دی ہے تاکہ ہمارے لئے زیادہ اہمیت صارفین کے اعتماد سے ملتی ہے جن میں سے بہتر صرف 3 الفاظ ہیں ”بیمہ کمپنی“

### ضابطہ اخلاق، ہیومن ریسورس اور ریویو نیشن کمیٹی

یہ کمیٹی بورڈ کو کمیٹی کی ہیومن ریسورس مینجمنٹ پالیسیوں کے لئے سفارشات دینے کے ساتھ سٹیک ہولڈرز، جائزہ لینے اور کمیٹی کے اہم افسران کے مشاہدوں کے تعین کی ذمہ دار ہے۔ بورڈ کی ہیومن ریسورس اور ریویو نیشن کمیٹی میں مندرجہ ذیل ارکان شامل ہیں:

- ۱ جناب سیف الدین این۔ زومکا والا
- ۲ جناب رفیق آر۔ بھیم جی
- ۳ جناب حسن علی عبداللہ

### مینجمنٹ کمیٹی

کارپوریٹ گورننس کے حوالے سے آپ کی کمیٹی نے درج ذیل تین انتظامی کمیٹیوں قائم کی ہیں جو ہر سہ ماہی میں کم از کم ایک بار اجلاس منعقد کرتی ہیں۔

### انڈر رائٹنگ کمیٹی

انڈر رائٹنگ کمیٹی آپ کی کمیٹی کی انڈر رائٹنگ پالیسی تشکیل دیتی ہے۔ یہ انشورنس میں ممکنہ طور پر پیش آنے والے مختلف اقسام کے خطرات کا جائزہ لیتی ہے، اس کے لئے معیارات کا تعین کرتی ہے اور مختلف انشورنس کوریج پر پیمائش پالیسی طے کرتی ہے، کمیٹی باقاعدگی سے کمیٹی کی انڈر رائٹنگ اور پیمائش پالیسیوں کا جائزہ، متعلقہ عناصر مثلاً کاروباری پورٹ فولیو اور مارکیٹ میں ہونے والی تبدیلیوں کو مد نظر رکھتے ہوئے لیتی ہے۔

### کلیمز سٹیلٹ کمیٹی

یہ کمیٹی کمیٹی کے کلیمز کو نمٹانے کی پالیسی تشکیل دیتی ہے۔ یہ کمیٹی کے کلیمز کی پوزیشن پر نگاہ رکھنے کے ساتھ اس امر کو یقینی بناتی ہے کہ کلیمز کیلئے مناسب ریویو موجود ہوں۔ خاص نوعیت کے کلیمز کے کیسز یا ایسے واقعات جن کی بدولت کلیمز کا ایک مخصوص سلسلہ شروع ہو جائے یا خصوصی توجہ دی جاتی ہے، اسے دیکھنا بھی اس کمیٹی کی ذمہ داری ہے۔ کلیمز سٹیلٹ کمیٹی ان حالات کا بھی تعین کرتی ہے جس کے تحت کلیمز کا تنازع اس کے علم میں لایا گیا ہو اور فیصلہ کرتی ہے کہ ایسے کلیمز کے تنازعات سے کس طرح نمٹا جائے۔ دھوکے پر مبنی کلیمز کے کیسز سے نمٹنے کیلئے بھی اقدامات کی نگرانی کرتی ہے۔ کمیٹی کیلئے قائم شدہ گریوئنس فنکشن (Grievance Function) کی نگرانی بھی کرتی ہے۔

### ری انشورنس اور گوانشورنس کمیٹی

یہ کمیٹی اس امر کو یقینی بناتی ہے کہ کمیٹی کے انشورنس کاروبار کے لئے ری انشورنس کیلئے مناسب انتظامات کئے گئے ہیں۔ یہ مجوزہ ری انشورنس کے معاہدوں سے قبل ان کا تہدید نگاہ سے مشاہدہ کرتی ہے، وقتاً فوقتاً کئے جانے والے انتظامات کا جائزہ لیتی رہتی ہے اور شرکت کرنے والے ری انشوررز سے اتفاق رائے حاصل کرنے کی ذمہ دار ہوتی ہے اس کے علاوہ مارکیٹ کے آثار چڑھاؤ کی روشنی میں ان انتظامات کے لئے مجوزہ ترین اقدامات کرتی ہے۔ علاوہ ازیں مستقبل کے حوالے سے ری انشورنس پروگرام کے موثر ہونے کی جانچ بھی کرتی رہتی ہے۔

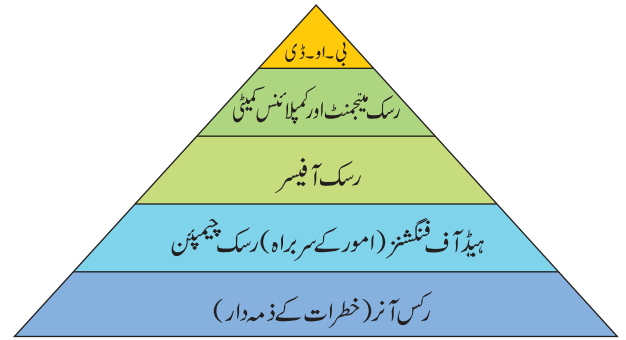
### رسک مینجمنٹ اور کمپلائنس کمیٹی

رسک مینجمنٹ اور کمپلائنس کمیٹی کمیٹی کے رسک مینجمنٹ فنکشن (خطرات کے بندوبست) کے امور کی سرگرمیوں کی نگرانی کرتی ہے اور بورڈ کو خطرات کے بندوبست کے امور کے دائرے کے اندر آنے والے ممکنہ خطرات سے نمٹنے کے موزوں سفارشات پیش کرتی ہے۔

ای ایف یو جنرل ویلیو ایڈ سروس پر خصوصی نگاہ رکھتے ہوئے اپنے مجموعی منافع جات میں اضافے کیلئے پرعزم ہے جبکہ رسک گوانڈ جسٹ کرنے کیلئے ایک مستحکم سرمایہ کاری بنیاد کی حامل ہے۔ کمیٹی اپنے کاروباری عمل اور فیصلوں کے اندر خطرات سے نمٹنے اور اس کے انتظام کو مزید مستحکم بنانے کا منصوبہ بنا رہی ہے۔

خطرات سے نمٹنے کے انتظامات رسک مینجمنٹ اور کمپلائنس کمیٹی کے فرائض میں شامل ہیں جو بورڈ کو سرگرمیوں کی سہ ماہی رپورٹ پیش کرتی ہے۔

فرائض کا چارٹ خطرات کے رپورٹ کرنے کے ڈھانچے کی نشاندہی کرتا ہے۔



### بورڈ کمیٹی

آپ کی کمیٹی نے مندرجہ ذیل چار بورڈ کمیٹیوں قائم کی ہیں:

### آڈٹ کمیٹی

بورڈ داخلی کنٹرول کے ایک مستحکم نظام کے موثر نفاذ بشمول کنٹرول کے تمام طریقہ کار پر عمل درآمد کا ذمہ دار ہے۔ آڈٹ کمیٹی کو انتظامی کنٹرول کی موثریت کے جائزہ اور ممکنہ خطرات پر نظر رکھنے اور ان کو سنبھالنے میں انٹرنل آڈیٹر کی معاونت حاصل ہے تاکہ کمیٹی کی وقعت میں اضافہ ہو اور کمیٹی کے آپریشنز غیر جانبدار اور معروضی یقین دہانی میسر رہے۔ انٹرنل آڈیٹر کی بنیادی ذمہ داری وقتاً فوقتاً آپریشنل کنٹرولز کی موثریت آڈٹ کرنا پالیسیز اور طریقہ کار کا توازن سے نفاذ چاہیے رہنا، قوانین اور ریگولیشنز سے مطابقت کو پرکھتے رہنا ہے۔ بورڈ کی آڈٹ کمیٹی میں مندرجہ ذیل ارکان شامل ہیں:

- ۱ جناب رفیق آر۔ بھیم جی
- ۲ جناب طاہر جی۔ ساپک
- ۳ جناب علی رضا صدیقی
- ۴ جناب محمد اقبال منگانی

### انویسٹمنٹ کمیٹی

کمیٹی کے پاس بورڈ کی سطح کی ایک انویسٹمنٹ کمیٹی ہے جو کہ انویسٹمنٹ پورٹ فولیو کا جائزہ لینے کے لئے سہ ماہی بنیاد پر اجلاس بلاتی ہے۔ کمیٹی کمیٹی کے لئے سرمایہ کاری کی پالیسی تیار کرنے کی بھی ذمہ دار ہے۔ بورڈ کی انویسٹمنٹ کمیٹی درج ذیل ارکان پر مشتمل ہے:

- ۱ جناب سیف الدین این۔ زومکا والا
- ۲ جناب حسن علی عبداللہ
- ۳ جناب رفیق آر۔ بھیم جی



● انڈر رائٹنگ کے نتائج میں بہتری

● اوور ہیڈز میں بہتری

● مارکیٹ لیڈر شپ برقرار رکھنا

● ادارے پر کسٹمرز کے اطمینان میں روز افزوں اضافہ

● شیئرز ہولڈرز کے سرمائے میں اضافہ

نان لائف سیکٹرز کا بدستور بڑے پیمانے پر بنیادی خطوط پر انحصار ہے اور یہ مارکیٹ میں اس حیثیت اور غیر منسلک شدہ جگہ کا حامل ہے جہاں پرائسنگ پر چٹائی جانب دباؤ رہتا ہے۔ آگے بڑھتے ہوئے مارکیٹ کو غیر منگی مہارت اور سرمایہ کاری سے فائدہ حاصل ہوگا اگرچہ پاکستان کو ایک چیلنجنگ آپریٹنگ صورتحال درپیش ہے۔

2016 کی طرح یہ توقع ہے کہ پیک کم کئے گئے مارک اپ ریش کے باعث فنانس کا سلسلہ جاری رکھیں گے جس سے موثر انشورنس کے کاروبار میں تیزی برقرار رہے گی اور آپ کی کمپنی لیز شدہ گاڑیوں کے کاروبار میں مارکیٹ لیڈر کی حیثیت برقرار رکھے گی اور اس کی پورٹ فولیو میں مزید اضافہ ہوگا۔

ونڈ وٹا کل کاروبار بھی توسیع پا رہا ہے اور مزید ترقی ظاہر کر رہا ہے جس سے توقع ہے کہ آنے والے سالوں میں بھی یہ بہتری جاری رہے گی۔

دوسری جانب تیل کے نرخوں میں کمی / استحکام میرین بنس میں ترقی فراہم نہیں کر رہا۔

2017 کے لئے ہماری حکمت عملی ایک تبدیل ہوتے ہوئے اور مسابقتی کاروبار میں مستحکم اور منافع بخش گرتھ کیلئے تیار کی گئی ہے جو صنعت میں ہماری مرکزی حیثیت برقرار رکھے گی۔

کمپنی کی خواہش ہے کہ سرمایہ کاری جاری رکھے اور ای ایف یو جزل کیریئر بنانے، سسٹمز میں سرمایہ لگانے اور صارفین کیلئے مزید بہتر خدمات کے طریقہ کار کے ساتھ ان کے ساتھ اشتراک کار بڑھانے اور بہترین کارکردگی کیلئے سب سے شاندار مقام بن جائے۔ مستقل کامیابی کا راستہ ہمارا اسٹریٹجک پلان ہوگا تاکہ مزید مسابقتی اور کامیاب کاروبار تشکیل دیا جائے اور بہترین نتائج حاصل کرنے کے ساتھ بیک کی صنعت میں اپنی مرکزی حیثیت برقرار رکھیں۔

### ری انشورنس

آپ کی کمپنی کے ری انشورنس انتظامات نہایت مستحکم ہیں۔ سرکردہ بین الاقوامی سیکورٹیز مثلاً SCOR گلوبل P&C، سوکس ری انشورنس کمپنی، آلیانز SE ری انشورنس، کوڈین ری انشورنس کمپنی، اسپین ری انشورنس، ملائیشیا ری انشورنس کمپنی اور لائیوڈ آف لندن جن سب کو 'A' ریٹنگ حاصل ہے۔

### متعلقہ پارٹی ٹرانزیکشنز

منسلک کمپنیوں / متعلقہ پارٹیوں کے ساتھ کمپنی کی ٹرانزیکشنز کی منظوری ہر بورڈ میٹنگ میں دی جاتی ہے۔ متعلقہ پارٹیوں کے ساتھ طے پانے والی تمام ٹرانزیکشنز آرمر لینتھ (Arm's Length) کی بنیاد پر کئے جاتے ہیں۔

### کیپٹل منجمنٹ اور لیکویڈیٹی

کمپنی سرمائے کی مستحکم پوزیشن برقرار رکھتی ہے۔ آپ کی کمپنی لیکویڈیٹی کے بارے میں مستقل محتاط رہتی ہے تاکہ اپنی تمام ذمہ داریوں کو فی الفور انجام دے سکے۔ کمپنی اپنے بنیادی کاروبار، سرمایہ کاری اور دیگر آمدنی سے حاصل ہونے والے نقد وسائل سے اپنے روزمرہ کے اخراجات اور اپنی انشورنس کی ذمہ داریوں سے عہدہ براہ ہوتی ہے۔

### انٹرنیٹل رسک منجمنٹ (ERM)

آپ کی کمپنی نے حال ہی میں ای آر ایم سسٹم قائم کیا ہے جس کے ذریعے رسک منجمنٹ کمپنی کے مختلف آپریٹنگز سے منسلک خطرات کی نشاندہی اور ان کی نگرانی کرتی ہے۔

اس امر کا تجزیہ کہ ادارے کی کارکردگی کس طرح آنے والی مدتوں کے ضمن میں اظہارات کے مطابق رہی / ان سے تجاوز ہوئی / ان سے کم رہی۔

آپ کی کمپنی نے انشورنس کے شعبے کی وسیع ترین اور بہترین کمپنی ہونے کی حیثیت سے 2016 کے لئے مالیاتی اہداف طے کئے تھے اور ہمسرت اطلاع دیتے ہیں کہ آپ کی کمپنی کی اولین پوزیشن برقرار ہے۔ آپ کی کمپنی نے سال 2016 میں کاروبار میں 13 فیصد اضافہ حاصل کیا۔ آپ کی کمپنی کا مارکیٹ شیئر انشورنس ایسوسی ایشن آف پاکستان کے مرتب کردہ اعداد و شمار کے مطابق ستمبر 2016 تک 24.82 فیصد تھا جو 2015 کی اس مدت کے دوران 24 فیصد رہا تھا کمپنی کا محفوظ سرمایہ اور قابل تصرف آمدن بڑھ کر 14.9 بلین روپے رہی بمقابلہ 2015 میں 14.3 بلین روپے۔

اس امر کا تجزیہ کہ آنے والے وقت میں کمپنی کے لئے امکانات بشمول مالی اور غیر مالی امور میں کارکردگی

کمپنی اس امر پر یقین رکھتی ہے کہ اس کا استحکام صارفین کے اعتماد اور اطمینان کی بدولت ہے۔ کمپنی کی موجودگی کے 84 سے زائد سال اس حقیقت کو واضح کرتے ہیں کہ سروس کا معیار، صارف کا اطمینان اور ملازمین کی کاوشیں وہ بنیادی عناصر ہیں جہاں انتظامیہ ہمیشہ بہتری کیلئے ضروری اقدامات کرتی رہتی ہے۔ اس سال کے دوران بھی انتظامیہ نے مختلف سطحوں کے اہل کاروں کی کارکردگی اور ان کی صلاحیتوں کی مزید تعمیر و ترقی کیلئے مختلف تربیتی کورسز کا انعقاد کیا۔

کارکردگی کے کلیدی اشاریے انتظامیہ کے مقاصد کے حصول کیلئے ضروری ہوتے ہیں جیسا کہ کسٹمرز کے اطمینان کو مزید مستحکم بنانا، انڈر رائٹنگ کے نتائج میں بہتری، اخراجات پر کنٹرول کرنا، شیئرز ہولڈرز کے منافع میں اضافہ اور مارکیٹ لیڈر کی حیثیت سے اپنی پوزیشن برقرار رکھنا۔

### 2017 کے لئے امکانات

چین۔ پاکستان اقتصادی راہداری (سی پیک) خطے کا نقشہ بدل دینے والا منصوبہ ہے اور گزشتہ کئی سالوں سے چین پاور پلانٹس سمیت ملک کے کئی اہم منصوبوں میں سرمایہ کاری کر رہا ہے۔ گوادر ڈیپ سی پورٹ اس دوستی کی ایک اور شاندار مثال ہے۔

پاکستان معاون انفراسٹرکچر مثلاً روڈ ز اور ریلوے ٹریک کے فقدان کے باعث گوادر پورٹ کے اصل فوائد حاصل کرنے سے محروم تھا۔ گوادر پورٹ پر اس کے کمرشل آپریٹنگز کے آغاز سے لنگر انداز ہونے والے بحری جہازوں کی تعداد سے واضح ہے۔ سی پیک کا مقصد گوادر پورٹ کی اصل طاقت اور استحکام سے مستفید ہونا ہے جس سے کراچی میں واقع 2 بحری بندرگاہوں پر اضافی لوڈ والے بغیر ٹرانزٹ ٹریڈ بڑھانے میں مدد ملے گی۔

پاکستان میں انشورنس مارکیٹ تیزی سے ترقی کی جانب گامزن ہے کیونکہ معیشت میں توسیع اور مختلف سسٹموں میں پھیلاؤ جاری ہے اور اس کے نتیجے میں انشورنس پروڈکٹس کیلئے طلب میں بڑا اضافہ ہوا ہے۔ اس لحاظ سے اسٹریٹجکل چیلنجوں کا جاری رہنا مارکیٹ کے مکمل عروج تک پہنچنے میں رکاوٹ ہے۔

اس مقصد کو آگے بڑھانے کیلئے ہم اپنے ملازمین کی حوصلہ افزائی اور سپورٹ کرتے ہیں کہ وہ ACII جو کہ برطانیہ کے چارٹرڈ انشورنس انسٹی ٹیوٹ سے عالمگیر سطح پر قابل قبول پیشہ ورانہ انشورنس کو ایفکیشن تسلیم کی جاتی ہے، کے ضمن میں کوشش کریں اور ترقی حاصل کریں۔

ہم مختلف شعبوں سے پروفیشنلز پر مشتمل ایک ماہر ٹاسک فورس کے حامل ہیں اور مخصوص ہماری ورک فورس میں 24 چارٹرڈ انشوررز، 16 پروفیشنل انجینئرز، 13 پروفیشنل اکاؤنٹنٹس اور سرٹیفائیڈ ایچ آر پروفیشنل شامل ہیں۔

فیملی اور کیریئر دونوں ہی لازم و ملزوم ہیں لہذا ای ایف یو کا مقصد ہمارے اسٹاف ممبران کی انفرادی ضروریات کے ساتھ ان کے مفادات میں بھی موثر طور پر توازن برقرار رکھنا ہے۔

#### دیگر اسناد

ای ایف یو جنرل انشورنس نے 2016 کے دوران مندرجہ ذیل 8 ایوارڈز حاصل کیے:

ایوارڈ	سال	آرگنائزر
IFPCCI ایجوکیشن ایوارڈ اور گولڈ میڈل	2015	فیڈریشن آف پاکستان چیئرمین آف کامرس اینڈ انڈسٹری (FPCCI)
ڈیولپمنٹ ایڈ فارن انوینٹ ایوارڈ	2016	ڈیولپمنٹ فورم فار سوسیو-اکنامک فاؤنڈیشن
کارپوریٹ سوشل ریسپانسیبلٹی ایوارڈ	2016	دی پروفیشنل نیٹ ورک (TPN)
سوشل ریسپانسیبلٹی ایوارڈ	2015	شوکت خانم میموریل ٹرسٹ
ایڈوائزمنٹ، ہیلتھ، سٹیٹی ایڈسٹیبلشمنٹ اور ای ایف یو ایوارڈ	2016	دی پروفیشنل نیٹ ورک (TPN) اور ای ایف یو ایڈسٹیبلشمنٹ برنس اپ ڈیٹ (EBU)
کنزرویٹرز چوائس ایوارڈ	2016	کنزرویٹرز ایسوسی ایشن آف پاکستان (CAP)
بیسٹ کارپوریٹ رپورٹ ایوارڈ	2015	انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) اور انسٹی ٹیوٹ آف کاسٹ اینڈ مینجمنٹ اکاؤنٹنٹس آف پاکستان (ICMAP)
SAFA بیسٹ پریزنٹنگ ایڈیٹریل رپورٹ 2015 (سرٹیفکیٹ آف میرٹ)	2015	سائٹھ ایسوسی ایشن فاؤنڈیشن آف اکاؤنٹنٹس (SAFA)
براؤنڈ آف ڈی ایٹز ایوارڈ	2015-16	براؤنڈ فاؤنڈیشن

#### ادارے کے اہم مقاصد

آپ کی کمپنی انشورنس کرانے والوں کا پسندیدہ انشورر بننے اور اس صنعت میں اپنی لیڈرشپ برقرار رکھنے کے لئے مستقل سرگرم رہتی ہے۔

#### کارگزاری کے اہم اشاریے

کمپنی کے اعلان کردہ مقاصد کے مطابق کارگزاری کے اہم اشاریے درج ذیل ہیں:

اعداد و شمار انشورنس ایسوسی ایشن آف پاکستان کی جانب سے اکٹھے کر کے شائع کیے جاتے ہیں۔

#### کریڈٹ ریٹنگ

آپ کی کمپنی کو JCR-VIS اور PACRA کی ریٹنگ دی گئی ہے۔ دونوں ریٹنگ ایجنسیز نے آپ کی کمپنی کو AA+ کی ریٹنگ مستحکم آؤٹ لک (stable outlook) کے ساتھ نوازا ہے۔

#### ہیومن ریسورس

ہمارے کاروبار کی کامیابی پیشہ ورانہ اور پُر عزم و محنتک اسٹاف ممبران کی جدوجہد کی مرہون منت ہے۔

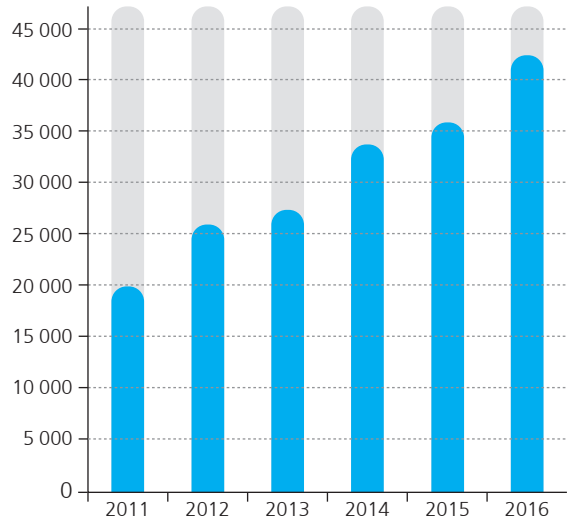
ہم انہیں تربیت، معلومات اور علم کی بلند ترین سطح کے حصول اور بہترین طریقہ کار اور ماحول کے ذریعے ان کی انفرادی صلاحیتوں میں اضافے اور ان کے پیشہ ورانہ کیریئر کو آگے بڑھانے کے بھرپور مواقع فراہم کرتے ہیں۔

ہم ذات پات، عقائد اور مذہبی امتیاز کے بغیر یکساں سلوک اور رویے پر یقین رکھتے ہیں۔ ہم باقاعدگی سے طے شدہ اغراض و مقاصد اور صلاحیتوں کو تسلیم کرنے کے ذریعے انفرادی ترقی کو فروغ دیتے ہیں۔ ہم کام کرنے کے دباؤ سے آزاد ماحول فراہم کرتے ہیں تاکہ ہمارے ملازمین سہل و متوازن طرز زندگی گزاریں اور اپنے اہل خانہ کے ساتھ اپنی محنت کے پھل سے مستفید ہوں۔

ہم پیشہ ور ماہرین اور نوجوان گریجویٹس کو ہمارے ساتھ اپنے کیریئر کو پروان چڑھانے کیلئے ان کو آگے بڑھنے کے بھرپور مواقع فراہم کرتے ہوئے پُر کوشش ملازمت کی پیشکش کرتے ہیں۔

#### TOTAL ADJUSTED ASSETS

(Rupees in Million)





## ونڈ وکافل آپریشن

کر رہی ہے۔ دیگر اقدامات بشمول ڈیٹا سینٹر کی اصلاح، جدید ترین فائر وال کی تعیناتی کے ذریعے نیٹ ورک اور نیٹ ورک سکیورٹی کی بہتری، فائر والز کی تعیناتی کے ذریعے ای میل سکیورٹی میں اضافہ اور آپریشنز پر کنٹرول بہتر بنانے کیلئے ایم آئی ایس کو بڑھایا گیا۔

## آمدنی فی شیئر

آپ کی کمپنی نے اس سال فی شیئر آمدن 11.96 روپے ظاہر کی ہے جبکہ 2015 میں یہ آمدن 20.17 روپے (دوبارہ بیان کردہ) تھی۔

## مختص رقوم اور منافع منقسمہ

بعد از ٹیکس منافع 2,392 ملین روپے رہا جبکہ 2015 میں 4,034 ملین روپے تھا۔ آپ کے ڈائریکٹرز نے حتمی نقد منافع منقسمہ بحساب 7 روپے فی شیئر (70%) ادا کرنے جو کہ شیئر ہولڈر کے نام پر 17 اپریل 2017 کو کاروباری اوقات کے اختتام پر کمپنی کے شیئر رجسٹر میں موجود ہوں کیلئے اجراء کی سفارش کی ہے۔ یہ نقد منافع منقسمہ سال کے دوران اعلان کردہ 3 روپیہ فی شیئر یعنی (30%) کے عبوری نقد منافع منقسمہ کے علاوہ ہے۔

روپے '000

4 214 110

سال کی ابتداء میں بیلنس

480 000 @ 30% 2015 عبوری نقد منافع منقسمہ

720 000 @ 45% 2015 حتمی نقد منافع منقسمہ

400 000 @ 25% 2015 بونس شیئر کا اجراء

3 600 000 2 000 000 2015 میں جنرل ریزرو کوٹرانسفر

614 110

گزشتہ سال سے آگے لایا گیا بیلنس

2 392 442

اس سال کیلئے بعد از ٹیکس منافع

(18 383)

دیگر کمپری ہینسو نقصان

2 988 169

مختص کرنے کے لئے دستیاب رقم

ڈائریکٹرز سفارش کرتے ہیں کہ یہ رقم حسب ذیل

حساب سے مختص کی جائے:

منہا: مختص رقوم

600 000 @ 30% 2016 عبوری نقد منافع منقسمہ

600 000 (@ 30% : 2015) کہ ادا کیا جا چکا ہے

مجوزہ حتمی نقد منافع منقسمہ 2016

1 400 000 (@ 70% (2015) @ 45%)

2 500 000 500 000 جنرل ریزرو کوٹرانسفر

488 169

آئندہ سال کے لئے آگے لیجا یا گیا

مارکیٹ شیئر

30 ستمبر 2016 تک کے دستیاب شائع شدہ مالیاتی معلومات کے مطابق آپ کی کمپنی کا مارکیٹ شیئر پاکستان میں فنی ٹان لائف انشورنس شعبے کے کاروبار کا کل 24.82 فیصد ہے۔ یہ

اس سال کیلئے تحریری کنٹریبیوشن مبلغ 1,095 ملین روپے رہی جبکہ گزشتہ سال مئی سے دسمبر میں 206 ملین روپے تھی۔ خالص کنٹریبیوشن مبلغ 583 ملین روپے رہی جبکہ 2015 میں 28 ملین روپے تھی۔ پارٹنر شپس ہیکافل فنڈ کا سرپلس مبلغ 20 ملین روپے رہا جبکہ 2015 میں 8 ملین روپے تھا اور آپریٹرز فنڈز (برائے شیئر ہولڈرز) بڑھ کر مبلغ 6 ملین روپے رہا جبکہ گزشتہ سال 3 ملین روپے کا خسارہ تھا۔

## سرمایہ کاری سے آمدن

آپ کی کمپنی کی اس سال سرمایہ پر پیشی (capital gains) 356 ملین روپے رہی جبکہ گزشتہ سال میں 602 ملین روپے تھی اور 2016 میں 252 ملین روپے ڈیویڈنڈ آمدن حاصل کی جبکہ 2015 میں 217 ملین روپے تھی۔ سرمایہ کاری سے کل آمدن 2016 میں 1,009 ملین روپے رہی جبکہ 2015 میں 1,202 ملین روپے تھی۔ ایکویٹی اور میچل فنڈز کے ترسکات میں کل سرمایہ کاری 31 دسمبر 2016 میں مارکیٹ قیمت کے مطابق 9.5 ملین روپے رہی۔ ای ایف یو لائف ایبٹورنس لمیٹڈ، جو ایک منسلک کمپنی ہے، کے منافع میں ہمارا حصہ اس سال 802 ملین روپے رہا جبکہ 2015 میں 640 ملین روپے تھا۔

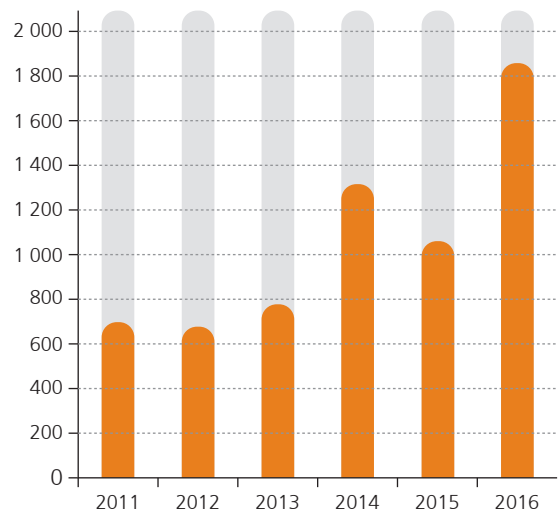
منسلک کمپنی ای ایف یو لائف ایبٹورنس لمیٹڈ (ای ایف یو لائف) میں آپ کی کمپنی کی سرمایہ کاری کا حساب IAS-28 کی شرائط کے مطابق اکاؤنٹنگ کے ایکویٹی طریقہ کار کے تحت کیا جا رہا ہے۔ ای ایف یو لائف میں سرمایہ کاری کی آگے لے جانی گئی قدر، غیر جانبدار ایکچوٹری کے ذریعے سرمایہ کاری کی زیر استعمال استعداد پر مبنی طریقہ کار کے مطابق جانچی گئی اور اس کی جانب سے تصدیق کی گئی کہ قابل وصول کل آگے لے جانی گئی قدر کی مقدار سے زیادہ ہے۔

## انفارمیشن ٹیکنالوجی

کمپنی مسلسل طور پر ٹیکنالوجی کے حصول میں سرمایہ لگا رہی ہے تاکہ سسٹمز میں بہتری آئے اور کسٹمرز کیلئے مختلف آن لائن سروسز متعارف کرانے کے ذریعے ایک بہتر مسابقتی سطح حاصل

## UNDERWRITING RESULTS

(Rupees in Million)





## ممبران کے لئے ڈائریکٹرز کی رپورٹ

(یہ انگریزی رپورٹ کا ترجمہ ہے)

بہتری ہوئی۔ اسٹینڈرڈ اینڈ پورز نے پاکستان کی کریڈٹ ریٹنگ مستحکم آؤٹ لگ (stable outlook) کے ساتھ B- سے بہتر بنا کر B کر دی۔

بیمہ کمپنیوں کے ٹیکس اسٹرکچر میں تبدیلی کے باعث سال 2016 میں بیمہ کی صنعت کو سخت ٹیکس نظام کا سامنا کرنا پڑا۔ آمدن کے تمام ذرائع سے آمدن اب شرح 31 فیصد ٹیکس شدہ سے جبکہ دسمبر 2015 تک منافع منقسمہ کی آمدن پر 12.5 فیصد ٹیکس ادا کیا جاتا تھا اور کمپنیل گینئر پر ٹیکس کے مختلف سلیبس تھے جو کم از کم زیر اور زیادہ سے زیادہ 15 فیصد تھے جن کا انحصار سیکورٹیز کی ہولڈنگ مدت پر تھا۔ بیمہ کمپنیاں مجموعی طور پر طویل مدتی سرمایہ کار ہیں اور کمپنیل گینئر پر ٹیکس کا یہ حصہ ہولڈنگ مدت کے مطابق کمتر تھا جبکہ یہ زیادہ سے زیادہ 15 فیصد تھا جو اب 31 فیصد کی بلند تر سطح پر ہے۔

اس سلسلے میں انشورنس ایسوسی ایشن آف پاکستان نے وزیر اعظم، وزیر خزانہ اور وزیر اعظم کے خصوصی مشیر برائے ریونیو سے ایپل کی اور اپنی براہ راست کوششیں بھی جاری رکھیں اور فیڈریشن آف پاکستان جیبر آف کامرس اینڈ انڈسٹری اور دیگر اداروں اور ٹھنک ٹیکس سے بھی رابطے کئے۔

مختلف شعبوں میں کارگزاری حسب ذیل رہی:

### قائمہ و پراپرٹی

تحریری پریمیئم 12 فیصد بڑھ کر 9,101 ملین روپے رہا جبکہ 2015 میں 8,132 ملین روپے تھا۔ اس شعبہ کا تحریری پریمیئم کمپنی کے کل تحریری پریمیئم کا 57 فیصد ہے۔ کلیمز کی شرح کمپنی کی خالص پریمیئم ریونیو کے تناسب سے 21 فیصد رہی جب کہ 2015 میں 31 فیصد تھی۔ اس سال انڈر رائٹنگ منافع 249 ملین روپے سے بڑھ کر 758 ملین روپے رہا جبکہ گزشتہ سال 2015 میں 509 ملین روپے تھا۔

### میرین، ایوی ایشن و ٹرانسپورٹ

تحریری پریمیئم 2,176 ملین روپے رہا جبکہ 2015 میں 2,288 ملین روپے تھا اور یہ کمپنی کے تحریری کل پریمیئم کا 13 فیصد ہے۔ کلیمز کی شرح کمپنی کے خالص پریمیئم ریونیو کا 35 فیصد رہی جو کہ 2015 میں 44 فیصد تھی اور اس سال انڈر رائٹنگ منافع 191 ملین روپے سے بڑھ کر 346 ملین روپے رہا جبکہ گزشتہ سال 2015 میں 155 ملین روپے تھا۔

### موٹر

تحریری پریمیئم 4 فیصد بڑھ کر 3,374 ملین روپے ہو گیا جبکہ 2015 میں 3,255 ملین روپے تھا۔ اس شعبہ میں تحریری پریمیئم کی شرح کمپنی کے کل تحریری پریمیئم کا 21 فیصد رہی۔ کلیمز کی صورت حال میں لاء اینڈ آرڈر کی وجہ سے کمی ہوئی اور کمپنی کے کل تحریری پریمیئم میں ان کی شرح 47 فیصد ہو گئی جبکہ 2015 میں 52 فیصد تھی۔ انڈر رائٹنگ سے منافع 463 ملین روپے رہا جبکہ 2015 میں 260 ملین روپے تھا۔

### دیگر شعبہ جات

تحریری پریمیئم 9 فیصد بڑھ کر 1,449 ملین روپے ہو گیا جو کہ 2015 میں 1,333 ملین روپے تھا۔ اس شعبہ کا تحریری پریمیئم کمپنی کے کل تحریری پریمیئم کا 9 فیصد رہا۔ کلیمز کی شرح کل کا تحریری پریمیئم ریونیو 2015 میں 61 فیصد کے مقابلے میں 36 فیصد رہی۔ انڈر رائٹنگ منافع اس سال 293 ملین روپے رہا جو کہ 2015 میں 128 ملین روپے تھا۔

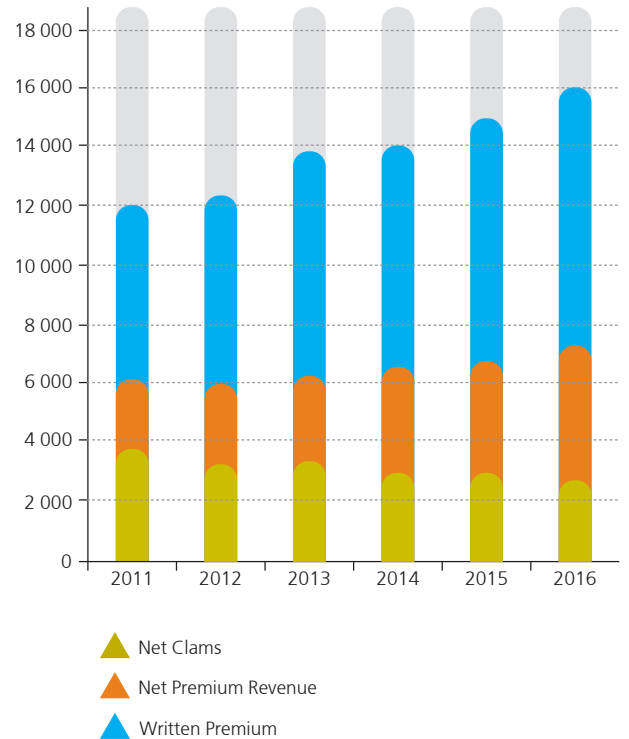
آپ کی کمپنی کے ڈائریکٹرز کو کمپنی کی 84 ویں سالانہ رپورٹ اختتام سال 31 دسمبر 2016 پیش کرتے ہوئے خوشی ہو رہی ہے۔

سال 2016 میں کمپنی کا منافع بعد از ٹیکس 2.39 بلین روپے رہا جبکہ 2015 میں یہ منافع 4.03 بلین روپے تھا۔ فی شیئر آمدن 11.96 روپے رہی جبکہ گزشتہ سال 20.17 روپے (دوبارہ بیان کردہ) تھی۔ گزشتہ سال کی دوبارہ بیان کردہ آمدن فی شیئر 9.94 روپے فی شیئر کی امپیرمنٹ کی ایک بارو ایسی بھی شامل تھی۔

اس سال کیلئے کل تحریری پریمیئم (written premium) بڑھ کر 17.2 بلین روپے (بشمول 1,095 ملین روپے کا نقل کنٹریبوٹن) ہو گیا جبکہ 2015 میں 15.2 بلین روپے (بشمول 206 ملین روپے کی نقل کنٹریبوٹن) تھا۔ اور اس طرح سال کے دوران مجموعی طور پر 13 فیصد کی بہتری ریکارڈ کی گئی اور خالص پریمیئم آمدن 7.2 بلین روپے جبکہ 2015 میں 6.7 بلین روپے تھی۔ انڈر رائٹنگ نتائج 77 فیصد تک بڑھ گئے اور اس سال 1.86 بلین روپے رہے جبکہ 2015 میں 1.05 بلین روپے تھے۔

مجموعی انشورنس کے شعبے کی کارکردگی کو اقتصادی ترقی کے ساتھ مضبوطی سے جوڑا جاتا ہے۔ اقتصادی سرگرمیاں سال کے دوران کم و بیش ایک جیسی ہی رہیں۔ اگرچہ ملک میں امن و امان کی صورتحال میں بہتری آئی اور اس سے اقتصادی صورتحال کو منسلک کیا جائے تو مجموعی ڈومسٹک پروڈکٹ (جی ڈی پی) گزشتہ سال کے مقابلے میں 4.7 فیصد

WRITTEN PREMIUM,  
NET PREMIUM REVENUE  
AND NET CLAIMS  
(Rupees in Million)



## Key Financial Data

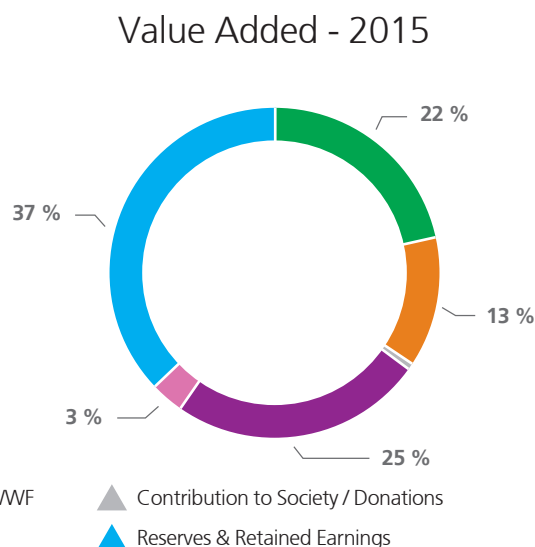
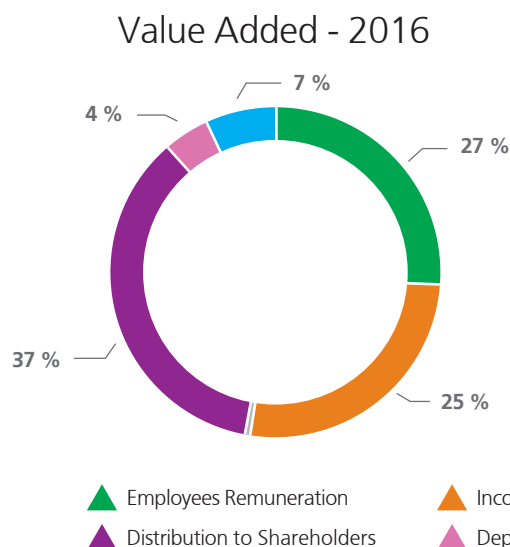
(Rupees in Million)

	2016	2015	2014	2013	2012	2011
Written Premium (including Takaful Contribution)	17 195	15 214	14 514	13 882	12 360	12 043
Earned Premium	15 435	14 648	14 269	13 270	12 001	11 433
Net Premium Revenue	7 243	6 677	6 532	6 342	6 009	6 224
Underwriting Result	1 860	1 053	1 316	772	679	693
Investment & Other Income	2 043	4 058	1 584	1 408	1 481	654
Profit / (Loss) before tax	3 781	4 809	2 262	1 623	1 614	842
Profit / (Loss) after tax	2 392	4 034	1 829	1 392	1 564	561
Paid-up Capital	2 000	1 600	1 600	1 250	1 250	1 250
Shareholders' Equity	16 901	15 847	13 111	11 908	11 131	9 996
Breakup Value per Share (Rs.)	84.51	99.04	81.94	95.26	89.05	79.97
Investments & Properties	20 511	19 357	15 860	15 002	13 611	12 552
Cash & Bank Balances	1 867	1 749	1 521	2 083	1 670	1 758
Total Assets Book Value	36 204	32 264	29 227	28 939	29 057	24 378
Dividend	% 100.00	75.00	60.00	50.00	50.00	27.50
Bonus	% –	25.00	–	28.00	–	–

## Statement of Value Added

Rupees in Million

	2016	2015
<b>Wealth generated</b>		
Net premium revenue	7 243	6 677
Investment income	1 812	1 843
Rental income	141	130
Profit on deposit	66	76
Other income	-	8
Non-recurring - reversal of provision for impairment of an associate (unrealised)	-	1 987
	9 262	10 721
Less: Claims, Commission & Expenses (excluding employees remuneration, depreciation and donations)	(3 804)	(4 197)
Profit / (loss) from general takaful operations - OPF	6	(3)
<b>Net wealth generated</b>	<b>5 464</b>	<b>6 521</b>
<b>Wealth distribution</b>		
Employees remuneration	1 447	1 406
Income tax and WWF	1 389	873
Contribution to society / donations	11	14
	2 847	2 293
<b>Distribution</b>		
Cash Dividend	2 000	1 200
Stock Dividend	-	400
	2 000	1 600
<b>Retained in equity</b>		
Depreciation	243	212
Retained earnings	374	2 416
	617	2 628
	5 464	6 521



## Vertical Analysis of Balance Sheet & Income Statement

	2016		2015	
	Rupees	%	Rupees	%
<b>Balance Sheet</b>				
Cash and Bank Deposits	1 867	5.16	1 749	5.42
Loans to Employees	2	0.01	2	0.01
Investments	20 337	56.17	19 166	59.40
Investment Properties	174	0.48	191	0.59
Current Assets	12 472	34.45	9 949	30.84
Fixed Assets	1 085	3.00	1 101	3.41
Total Assets	35 937	99.26	32 158	99.67
Total Assets from general takaful operations - OPF	267	0.74	106	0.33
<b>Total Assets</b>	<b>36 204</b>	<b>100.00</b>	<b>32 264</b>	<b>100.00</b>
Total Equity	16 901	46.68	15 847	49.12
Underwriting Provisions	13 148	36.32	11 529	35.73
Deferred Liabilities	380	1.05	127	0.39
Creditors and Accruals	4 899	13.53	4 034	12.50
Other Liabilities	742	2.05	668	2.08
Total Equity and Liabilities	36 070	99.63	32 205	99.82
Total liabilities from general takaful operations - OPF	134	0.37	59	0.18
<b>Total Equity and Liabilities</b>	<b>36 204</b>	<b>100.00</b>	<b>32 264</b>	<b>100.00</b>
<b>Profit and Loss Account</b>				
<b>Written Premium</b>	<b>16 100</b>		<b>15 008</b>	
<b>Net Premium Revenue</b>	<b>7 243</b>	<b>100.00</b>	<b>6 677</b>	<b>100.00</b>
Net Claims	2 694	37.19	2 998	44.90
Change in Premium Deficiency Reserve	-	-	-	-
Manangement Expenses	2 100	28.99	2 007	30.06
Net Commission	588	8.12	620	9.29
Investment Income	1 009	13.93	1 202	18.00
Rental Income	141	1.95	130	1.95
Profit on Deposits	66	0.91	76	1.14
Other Income	19	0.26	26	0.39
Share of Profit of Associate	802	11.07	640	9.59
Non-recurring - reversal of provision for impairment	-	-	1 987	29.76
General and Admnistration Expenses	122	1.68	302	4.53
Workers' Welfare Fund	-	-	-	-
Profit / (Loss) before tax from takaful operations - OPF	6	0.08	( 3 )	( 0.04 )
Profit Before Tax	3 781	52.22	4 809	72.03
Taxation - net	1 389	19.18	775	11.61
Profit After Tax	2 392	33.04	4 034	60.42

Rupees in Million

2014		2013		2012		2011	
Rupees	%	Rupees	%	Rupees	%	Rupees	%
1 521	5.20	2 084	7.20	1 670	5.75	1 758	7.21
3	0.01	2	0.01	3	0.01	2	0.01
15 647	53.54	14 771	51.04	13 405	46.13	12 333	50.59
213	0.73	231	0.80	206	0.71	219	0.90
10 923	37.37	10 991	37.98	12 902	44.40	9 306	38.17
920	3.15	860	2.97	871	3.00	760	3.12
29 227	100.00	28 939	100.00	29 057	100.00	24 378	100.00
-	-	-	-	-	-	-	-
<b>29 227</b>	<b>100.00</b>	<b>28 939</b>	<b>100.00</b>	<b>29 057</b>	<b>100.00</b>	<b>24 378</b>	<b>100.00</b>
13 111	44.86	11 908	41.15	11 131	38.31	9 996	41.00
12 313	42.13	13 028	45.02	14 598	50.24	11 684	47.93
117	0.40	86	0.30	88	0.30	59	0.24
3 078	10.53	3 349	11.57	2 709	9.32	2 205	9.05
608	2.08	568	1.96	531	1.83	434	1.78
29 227	100.00	28 939	100.00	29 057	100.00	24 378	100.00
-	-	-	-	-	-	-	-
<b>29 227</b>	<b>100.00</b>	<b>28 939</b>	<b>100.00</b>	<b>29 057</b>	<b>100.00</b>	<b>24 378</b>	<b>100.00</b>
<b>14 514</b>		<b>13 882</b>		<b>12 360</b>		<b>12 043</b>	
<b>6 532</b>	<b>100.00</b>	<b>6 342</b>	<b>100.00</b>	<b>6 009</b>	<b>100.00</b>	<b>6 224</b>	<b>100.00</b>
2 973	45.51	3 406	53.71	3 297	54.87	3 708	59.58
-	-	-	-	-	-	(57)	(0.92)
1 482	22.69	1 375	21.68	1 285	21.38	1 193	19.17
761	11.65	789	12.44	748	12.45	687	11.04
915	14.01	772	12.17	851	14.16	186	2.99
119	1.82	101	1.59	98	1.63	87	1.40
115	1.76	113	1.78	116	1.93	111	1.78
31	0.47	23	0.36	26	0.43	27	0.43
404	6.18	399	6.29	390	6.49	244	3.92
-	-	-	-	-	-	-	-
592	9.06	525	8.28	513	8.54	489	7.86
46	0.70	32	0.50	33	0.55	17	0.27
-	-	-	-	-	-	-	-
2 262	34.63	1 623	25.58	1 614	26.85	842	13.52
433	6.63	231	3.64	50	0.83	281	4.51
1 829	28.00	1 392	21.94	1 564	26.02	561	9.01

## Horizontal Analysis of Balance Sheet & Income Statement

	2016	2015	2014	2013
<b>Balance Sheet</b>				
Cash and Bank Deposits	1 867	1 749	1 521	2 084
Loans to Employees	2	2	3	2
Investments	20 337	19 166	15 647	14 771
Investment Properties	174	191	213	231
Other Assets	12 472	9 949	10 923	10 991
Fixed Assets	1 085	1 101	920	860
Total Assets	35 937	32 158	29 227	28 939
Total Assets from general takaful operations - OPF	267	106	-	-
<b>Total Assets</b>	<b>36 204</b>	<b>32 264</b>	<b>29 227</b>	<b>28 939</b>
Total Equity	16 901	15 847	13 111	11 908
Underwriting Provisions	13 148	11 529	12 313	13 028
Deferred Liabilities	380	127	117	86
Creditors and Accruals	4 899	4 034	3 078	3 349
Other Liabilities	742	668	608	568
Total Equity and Liabilities	36 070	32 205	29 227	28 939
Total liabilities from general takaful operations - OPF	134	59	-	-
<b>Total Equity and Liabilities</b>	<b>36 204</b>	<b>32 264</b>	<b>29 227</b>	<b>28 939</b>
<b>Profit and Loss Account</b>				
<b>Written Premium</b>	<b>16 100</b>	<b>15 008</b>	<b>14 514</b>	<b>13 882</b>
<b>Net Premium Revenue</b>	<b>7 243</b>	<b>6 677</b>	<b>6 532</b>	<b>6 342</b>
Net Claims	2 694	2 998	2 973	3 406
Change in premium deficiency reserve	-	-	-	-
Manangement Expenses	2 100	2 007	1 482	1 375
Net Commission	588	620	761	789
Investment Income / (Loss)	1 009	1 202	915	772
Rental Income	141	130	119	101
Profit on Deposits	66	76	115	113
Other Income	19	26	31	23
Share of Profit / (Loss) of Associate	802	640	404	399
Non-recurring - reversal of provision for impairment	-	1 987	-	-
General and Admnistration expenses	122	302	592	525
Worker's Welfare fund	-	-	46	32
Profit / (Loss) before tax from takaful operations - OPF	6	( 3 )	-	-
Profit / (Loss) before tax *	3 781	2 822	2 262	1 623
Taxation - net	1 389	775	433	231
Profit / (Loss) after tax *	2 392	2 047	1 829	1 392

\* For the purpose of comparative analysis only, non-recurring item of reversal of provision for impairment of Rs.1.99 billion in 2015 has been excluded.

Rupees in Million

% Increase / (decrease) over preceding year

2012	2011	2016	2015	2014	2013	2012	2011
1 670	1 758	6.75	14.99	(27.02)	24.79	(5.01)	2.99
3	2	-	(33.33)	50.00	(33.33)	50.00	(33.33)
13 405	12 333	6.11	22.49	5.93	10.19	8.69	5.74
206	219	(8.90)	(10.33)	(7.79)	12.14	(5.94)	(7.20)
12 902	9 306	25.36	(8.92)	(0.62)	(14.81)	38.64	(7.93)
871	760	(1.45)	19.67	6.98	(1.26)	14.61	7.19
29 057	24 378	11.75	10.03	1.00	(0.41)	19.19	(0.67)
-	-	151.89	100.00	-	-	-	-
<b>29 057</b>	<b>24 378</b>	<b>12.21</b>	<b>10.39</b>	<b>1.00</b>	<b>(0.41)</b>	<b>19.19</b>	<b>(0.67)</b>
11 131	9 996	6.65	20.87	10.10	6.98	11.35	4.22
14 598	11 684	14.04	(6.37)	(5.49)	(10.75)	24.94	(8.06)
88	59	199.21	8.55	36.05	(2.27)	49.15	43.90
2 709	2 205	21.44	31.06	(8.09)	23.62	22.86	20.49
531	434	11.08	9.87	7.04	6.97	22.35	16.67
29 057	24 378	12.00	10.19	1.00	(0.41)	19.19	(0.67)
-	-	127.12	100.00	-	-	-	-
<b>29 057</b>	<b>24 378</b>	<b>12.21</b>	<b>10.39</b>	<b>1.00</b>	<b>(0.41)</b>	<b>19.19</b>	<b>(0.67)</b>
<b>12 360</b>	<b>12 043</b>	<b>7.28</b>	<b>3.40</b>	<b>4.55</b>	<b>12.31</b>	<b>2.63</b>	<b>17.70</b>
<b>6 009</b>	<b>6 224</b>	<b>8.48</b>	<b>2.22</b>	<b>3.00</b>	<b>5.54</b>	<b>(3.45)</b>	<b>6.45</b>
3 297	3 708	(10.14)	0.84	(12.71)	3.31	(11.08)	(5.94)
-	(57)	-	-	-	-	100.00	(2 950.00)
1 285	1 193	4.63	35.43	7.78	7.00	7.71	5.11
748	687	(5.16)	(18.53)	(3.55)	5.48	8.88	4.73
851	186	(16.06)	31.37	18.52	(9.28)	357.53	151.96
98	87	8.46	9.24	17.82	3.06	12.64	3.57
116	111	(13.16)	(33.91)	1.77	(2.59)	4.50	27.59
26	27	(26.92)	(16.13)	34.78	(11.54)	(3.70)	(37.21)
390	244	25.31	58.42	1.25	2.31	59.84	61.59
-	-	(100.00)	100.00	-	-	-	-
513	489	(59.60)	(48.99)	12.76	2.34	4.91	2.09
33	17	-	(100.00)	43.75	(3.03)	94.12	100.00
-	-	300.00	(100.00)	-	-	-	-
1 614	842	33.98	24.76	39.37	0.56	91.69	333.89
50	281	79.23	78.98	87.45	362.00	(82.21)	430.19
1 564	561	16.85	11.92	31.39	(11.00)	178.79	235.84

## Cash Flow Summary

Rupees in Million

	2016	2015	2014	2013	2012	2011
<b>Cash Flow Summary</b>						
Operating Activities	826	1 342	(214)	1 219	292	434
Investing Activities	582	136	295	(194)	77	(231)
Financing Activities	(1 289)	(1 250)	(643)	(612)	(457)	(152)
Cash and Cash Equivalents at year end	1 867	1 749	1 521	2 083	1 670	1 758

## Financial Ratios

		2016	2015	2014	2013	2012	2011
<b>Profitability</b>							
Profit / (Loss) after Tax / Net Premium *	%	33.02	30.66	28.00	21.95	26.04	9.01
Profit / (Loss) before Tax / Net Premium *	%	52.20	42.26	34.63	25.59	26.86	13.52
Underwriting Result / Net Premium	%	25.68	15.77	20.15	12.17	11.30	11.14
Underwriting Result / Written Premium	%	11.55	7.02	9.07	5.56	5.49	5.76
Profit / (Loss) before Tax / Total Income *	%	40.72	32.25	27.87	20.94	21.55	12.24
Profit / (Loss) after Tax / Total Income *	%	25.76	23.39	22.54	17.96	20.88	8.16
Profit / (Loss) before Tax / Written Premium *	%	23.48	18.80	15.58	11.69	13.06	6.99
Profit / (Loss) after Tax / Written Premium *	%	14.86	13.63	12.60	10.03	12.66	4.66
Combined ratio	%	76.00	88.76	87.65	95.09	96.16	96.89
Net Claims / Net Premium	%	37.20	44.90	45.51	53.72	54.88	59.56
Net Commission / Net Premium	%	8.12	9.28	11.64	12.43	12.45	11.03
Management, General & Administration Expense / Net Premium	%	30.68	34.58	30.50	28.94	28.83	26.30
<b>Return to Shareholders</b>							
Return on Assets *	%	6.61	6.35	6.26	4.81	5.38	2.30
Return on Equity *	%	14.16	12.92	13.95	11.69	14.05	5.61
Earnings per Share *	%	11.96	12.79	11.43	11.14	12.52	4.49
Earnings per Share (Restated) *	%	11.96	12.79	11.43	8.70	9.78	3.51
Earnings Growth *	%	(6.49)	11.90	31.39	(11.00)	178.79	235.84
Price to Earnings Ratio *	Times	12.63	11.22	13.38	8.25	6.83	8.50
Dividend Yield	%	6.62	5.23	3.92	5.44	5.85	7.21
Breakup Value per Share	Rs.	84.51	99.04	81.94	95.26	89.05	79.97



		2016	2015	2014	2013	2012	2011
<b>Market Data</b>							
Face Value (per share)	Rs.	10.00	10.00	10.00	10.00	10.00	10.00
Market Price per share at the end of the year	Rs.	151.00	143.50	152.89	91.92	85.50	38.15
Market Price per share - Highest during the year	Rs.	179.21	168.06	159.48	99.20	100.56	45.00
Market Price per share - Lowest during the year	Rs.	116.71	133.78	92.22	77.32	36.51	29.01
Karachi Stock Exchange Index	Points	47 807	32 816	32 131	25 261	16 905	11 348
Market Capitalization	(Rs. M)	30 200	22 960	24 462	11 490	10 688	4 769
Price to Book Value	Times	1.79	1.45	1.87	0.96	0.96	0.48
Cash Dividend Per Share	Rs.	10.00	7.50	6.00	5.00	5.00	2.75
Cash Dividend	%	100.00	75.00	60.00	50.00	50.00	27.50
Stock Dividend	%	–	25.00	Nil	28.00	Nil	Nil
Dividend Pay out	%	83.62	49.59	52.49	44.88	39.94	61.25
Dividend Cover	Times	1.20	1.71	1.91	2.23	2.50	1.63
<b>Performance / Liquidity</b>							
Current Ratio	Times	1.22	1.19	1.17	1.10	1.06	1.02
Cash / Current Liabilities	%	9.87	10.74	9.51	12.29	9.36	12.27
Total Assets Turnover	Times	0.20	0.21	0.22	0.22	0.21	0.26
Fixed Assets Turnover	Times	6.66	6.04	7.10	7.37	6.90	8.19
Total Liabilities / Equity	Times	1.14	1.04	1.23	1.43	1.61	1.44
Paid-up capital / Total Assets	%	46.69	49.12	44.86	41.15	38.31	41.00
Earning Assets / Total Assets	%	56.66	60.00	54.28	51.85	46.85	51.50
Equity / Total Assets	%	46.69	49.12	44.86	41.15	38.31	41.00
Return on Capital Employed *	%	22.38	17.81	17.25	13.63	14.50	8.42

\* For the purpose of comparative analysis only, non-recurring item of reversal of provision for impairment of Rs. 1.99 billion in 2015 has been excluded.

The Company has improved underwriting over the last few years through improvement in underwriting ratios i.e.

- underwriting result to net premium ratio;
- underwriting result to written premium ratio;
- net claims to net premium ratio;

The Company has consistently paid dividends which has strengthened dividend yield over the last few years. Simultaneously, this has resulted in increase in shareholders' wealth through increased market capitalization.

## Comments on Key Financial Data

### Performance Ratios

- Profit after tax has improved 326 % during the last six years of the Company's operations. During the current year the after tax profit stood at Rs. 2.4 billion as compared to Rs. 561 million in 2011.
- The Company's Earnings per share has grown many folds in the past six years from Rs. 5.61 per share in 2011 to Rs. 11.96 per share in current year in spite of 60% increase in the number of shares issued as bonus shares.
- Cash Dividend per share to the shareholders ranges from 27.5 % to 75 % over the last six years reflecting a healthy dividend payout ratio over the years.
- There is continuous improvement in all the profitability ratios since 2011 reflecting Company's enhanced investment income and increased underwriting results year on year basis.

### Balance Sheet

- During the past six years the Company's assets have increased by 49% to Rs. 36.2 billion at the end of 2016 from Rs. 24.4 billion at the end of 2011.
- Investments have increased by 63% to Rs. 20.5 billion as at 31 December 2016 in comparison to Rs. 12.6 billion as at 31 December 2011.
- Shareholders' equity at the year-end stood at Rs. 16.9 billion in comparison to Rs. 9.9 billion at the end of 31 December 2011 depicting an increase of 70.7%.

### Profit and Loss Account

- The underwriting profit has increased by 162 % during the past six years to Rs. 17.2 billion.
- The profit before tax reached to Rs. 3.78 billion in 2016 in comparison to Rs. 842 million in 2011, which reflects a 349% increase over the period of six years.

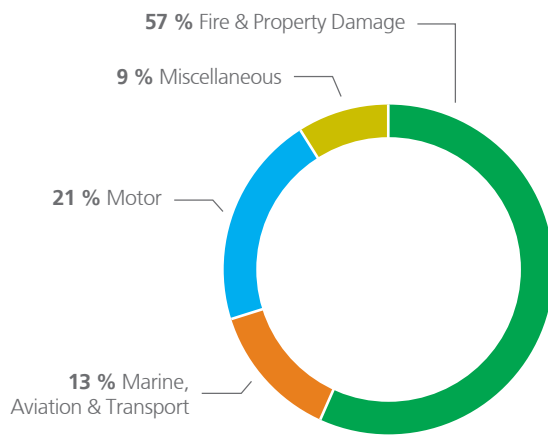
### Cash Flows

- Total cash payout over six years is Rs. 435 million and the shareholders' equity increased from Rs. 9.9 billion to Rs. 16.9 billion simultaneously.

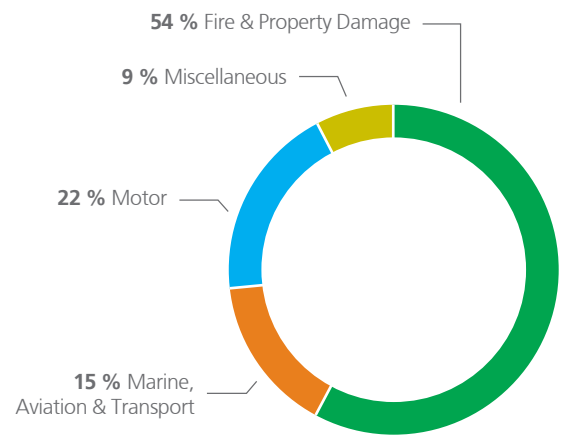
## Analysis of Financial Statements

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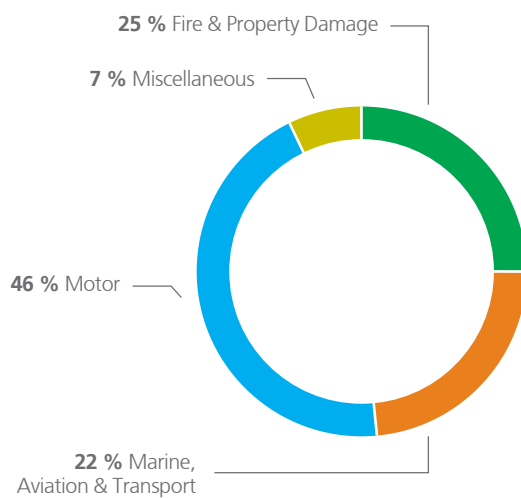
Gross Premium - 2016



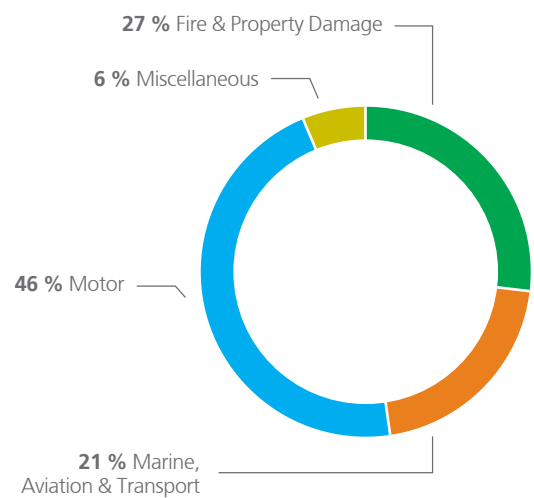
Gross Premium - 2015



Net Premium Revenue - 2016

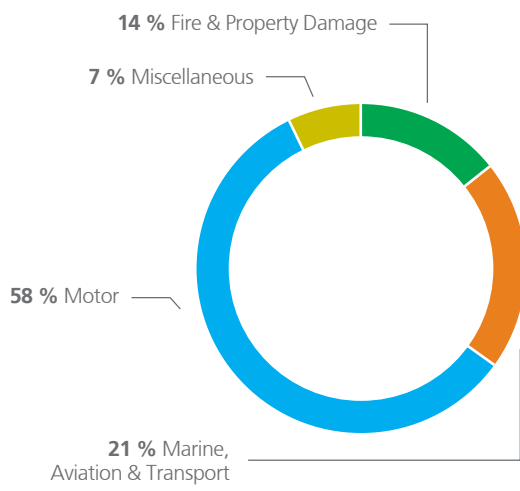


Net Premium Revenue - 2015

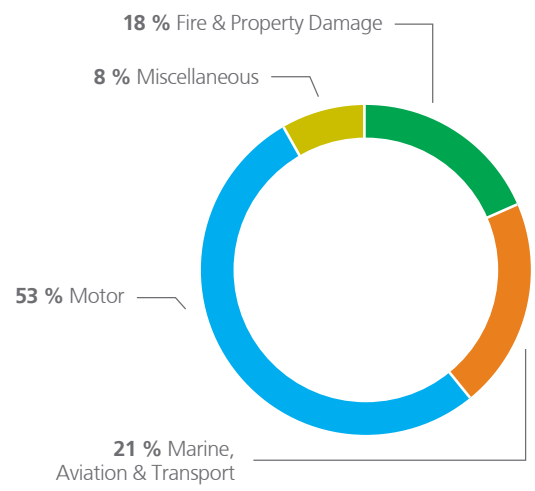


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## Net Claims - 2016

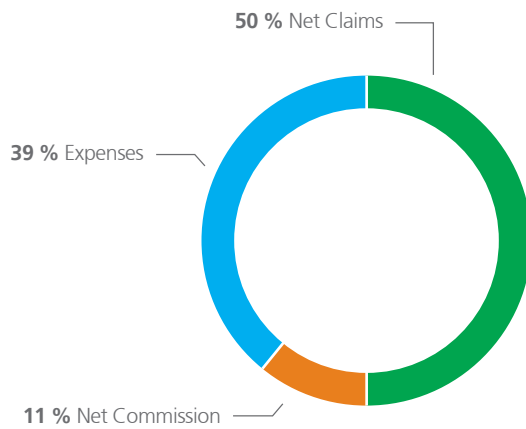


## Net Claims - 2015

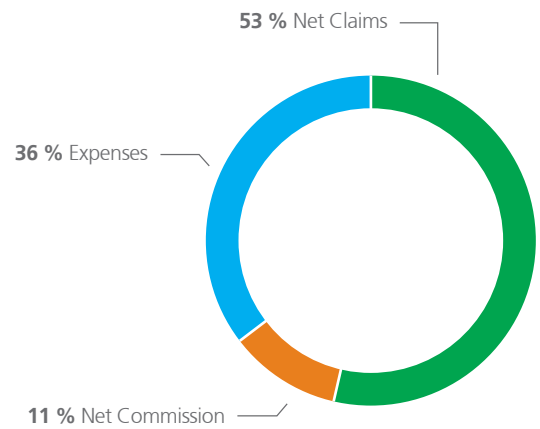


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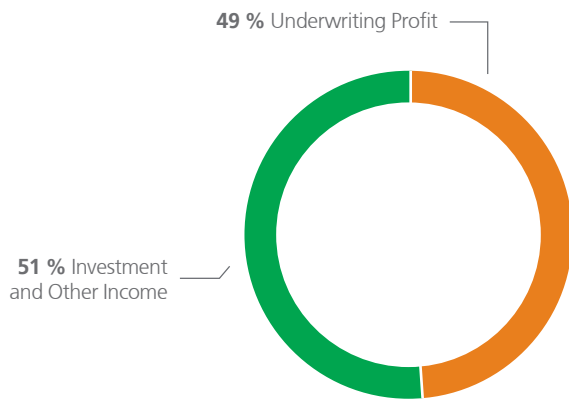
## Combined Expenses - 2016



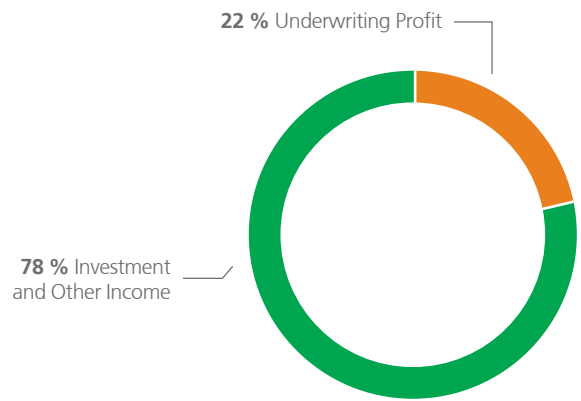
## Combined Expenses - 2015



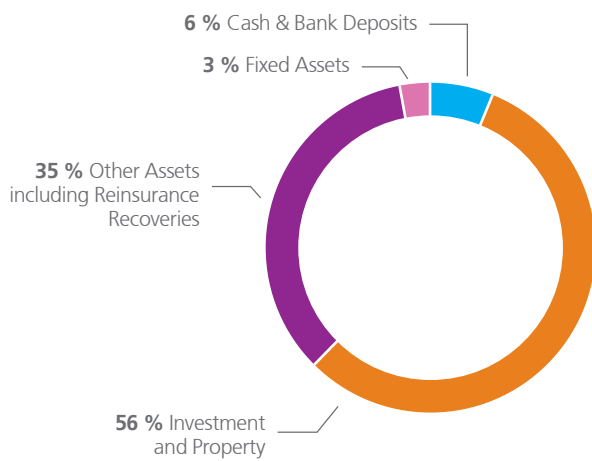
Analysis of Income - 2016



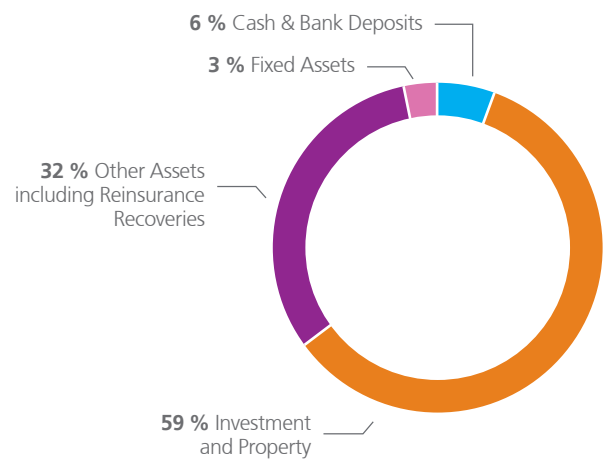
Analysis of Income - 2015



Total Assets - 2016

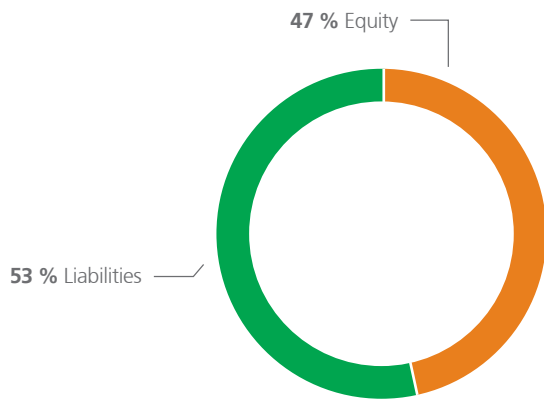


Total Assets - 2015

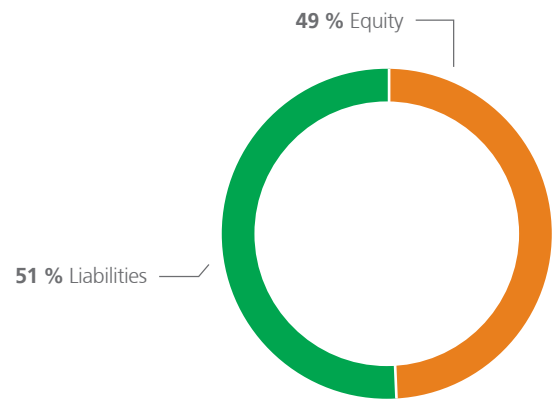


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### Total Equity and Liabilities - 2016

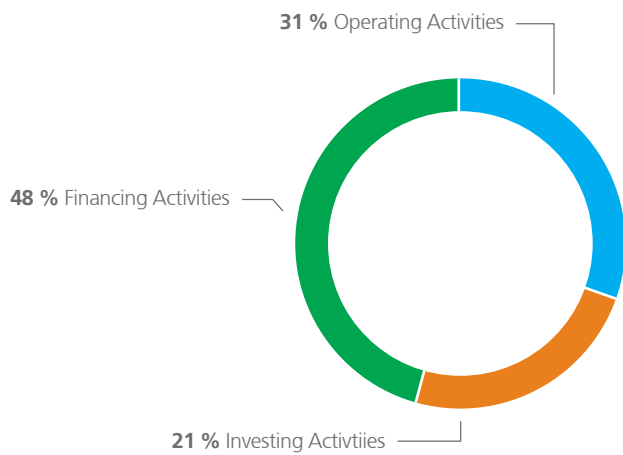


### Total Equity and Liabilities - 2015

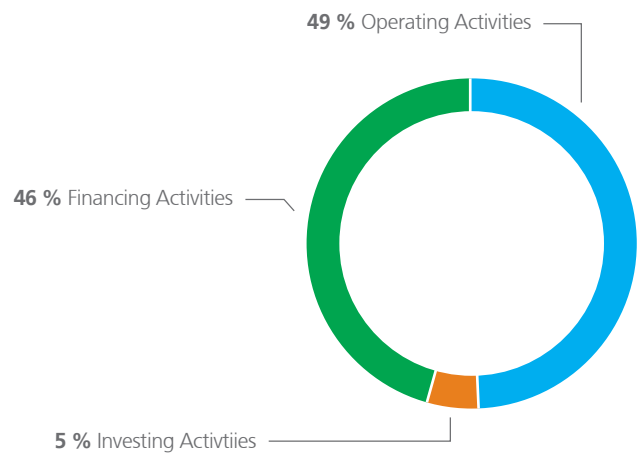


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### Cash Flow Analysis - 2016

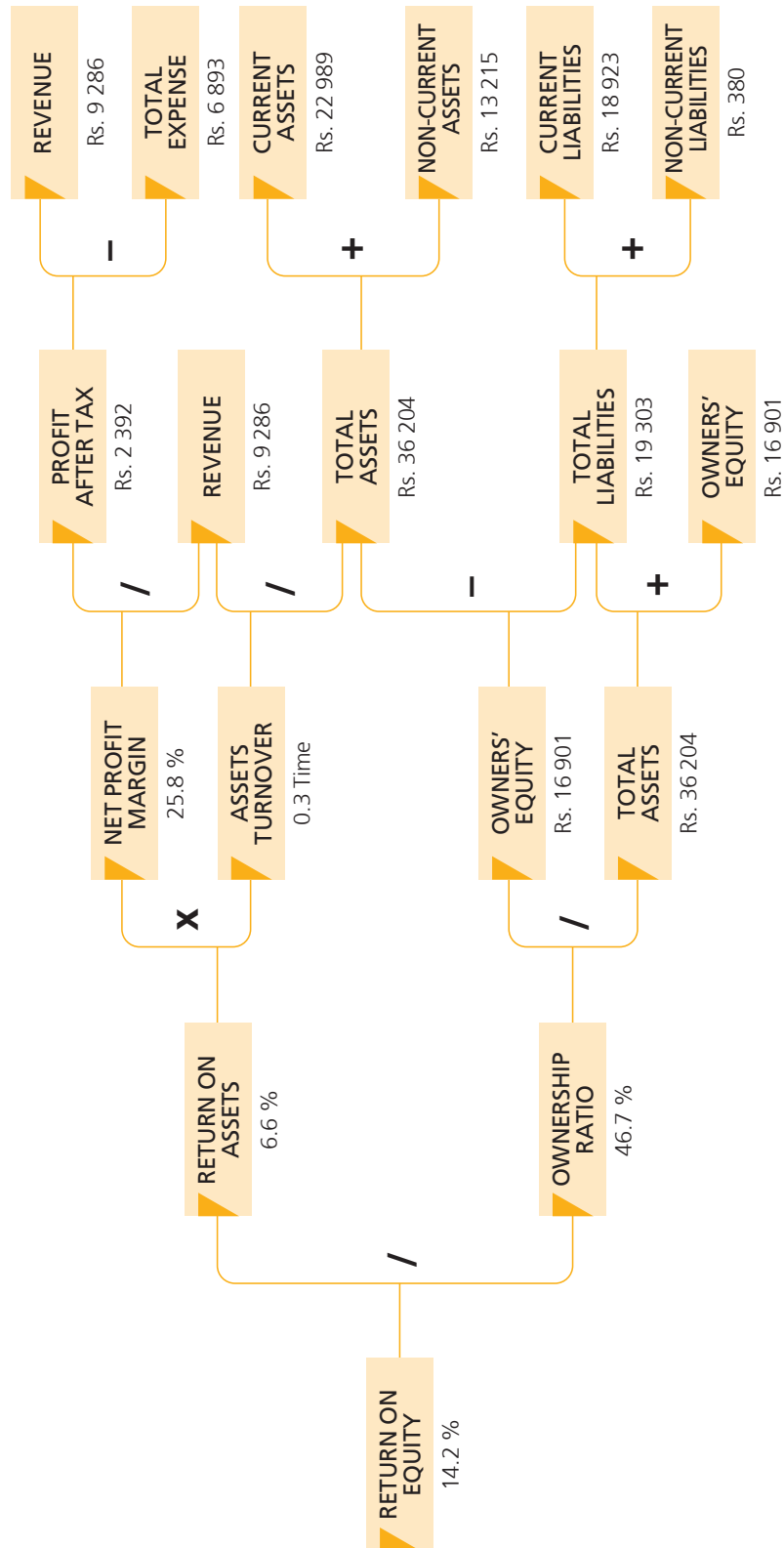


### Cash Flow Analysis - 2015

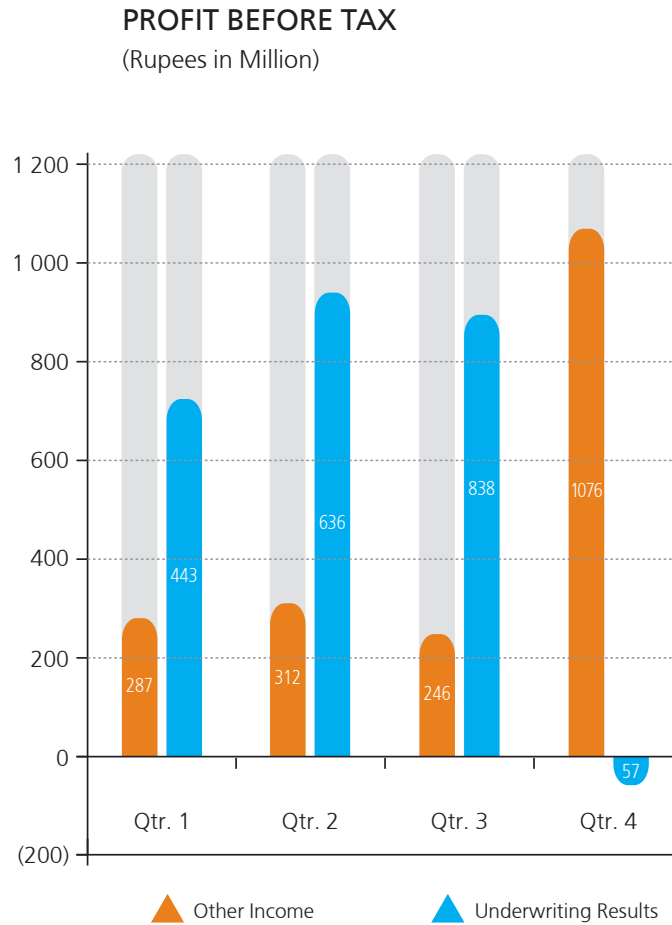


## DuPont Analysis 2016

Rupees in Million



## Analysis of Variation in Results Reported in Quarterly Accounts



- Qtr 1:** The Company reported Profit before tax of Rs. 730 million in the first quarter mainly due to overall improvement in underwriting results, investment income and share of profit from an associate.
- Qtr 2:** The quarter witnessed increase in Profit before tax of Rs. 948 million due to overall improvement in results.
- Qtr 3:** Increase in Profit before tax of Rs. 1,084 million mainly attributes to considerable increase in underwriting results.
- Qtr 4:** Increase in profit before tax of Rs. 1,019 million in the last quarter pertains mainly to investment income, other income and share of profit of an associate.



## Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 For the year ended December 31, 2016

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016 for the purpose of establishing a framework of good governance, whereby an insurer is managed in compliance with the best practices of corporate governance.

EFU General Insurance Ltd has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

<u>Category</u>	<u>Names</u>
Independent Director	Mr. Mohammed Iqbal Mankani
Executive Directors	Mr. Hasanali Abdullah Mr. Mahmood Lotia
Non-Executive Directors	Mr. Saifuddin N. Zoomkawala Mr. Rafique R. Bhimjee Mr. Abdul Rehman Haji Habib Mr. Muneer R. Bhimjee Mr. Taher G. Sachak Mr. Ali Raza Siddiqui

The Independent director meets the criteria of independence as laid down under the Code of Corporate Governance for Insurers, 2016.

2. The Directors have confirmed that none of them is serving as a director in more than seven listed companies including this Company.
3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company. A DFI or an NBFI or, being a member of stock exchange, has been declared as a defaulter by a stock exchange.
4. No casual vacancy occurred on the Board during the year.
5. The Company has prepared a "Statement of Ethics and Business Practices" as Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the insurer. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive directors and the key officers, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman. The Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meeting were appropriately recorded and circulated.
9. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company has adopted and complied with all the necessary aspects of internal controls given in the Code.
10. The management of the Company has submitted a Booklet to the Board of Directors on 22 October 2016 to consider it as an orientation course for its Directors and to apprise them of their duties and responsibilities. The course Booklet also apprised the Directors about changes in Code of Corporate Governance. Our eight directors are "Certified Directors" from Pakistan Institute of Corporate Governance while one director meets the criteria of eligibility as director of 15 years of experience on the Board of Listed Company and 14 years of Education as required under Code of Corporate Governance.

11. There was no new appointment of Chief Financial Officer (CFO) & Corporate Secretary or Head of Internal Audit during the year. The Board had however, approved the remuneration of CFO & Corporate Secretary and the Head of Internal Audit Department on the recommendation of Audit Committee.
12. The Directors' Report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance for Insurers, 2016 and fully describes the salient matters required to be disclosed.
13. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
14. The Directors, Chief Executive Officer and other executives do not hold any interest in the shares of the Company other than disclosed in the pattern of shareholding.
15. The Company has complied with all the corporate and financial reporting requirements of the Code.
16. The Board has formed the following Board Committees:

**Ethics, Human Resource and Remuneration Committee:**

<u>Name of the Member</u>	<u>Category</u>
Mr. Saifuddin N. Zoomkawala	Chairman - Non-Executive Director
Mr. Rafique R. Bhimjee	Member - Non-Executive Director
Mr. Hasanali Abdullah	Member - Executive Director

**Investment Committee:**

<u>Name of the Member</u>	<u>Category</u>
Mr. Saifuddin N. Zoomkawala	Chairman - Non-Executive Director
Mr. Hasanali Abdullah	Member - Executive Director
Mr. Rafique R. Bhimjee	Member - Non-Executive Director

17. The Board has formed an Audit Committee. It comprises of four members, of whom three are non-executive directors and one is an independent director. The chairman of the Committee is a non-executive director. The composition of the Audit Committee is as follows:

**Audit Committee:**

<u>Name of the Member</u>	<u>Category</u>
Mr. Rafique R. Bhimjee	Chairman - Non-Executive Director
Mr. Taher G. Sachak	Member - Non-Executive Director
Mr. Ali Raza Siddiqui	Member - Non-Executive Director
Mr. Mohammed Iqbal Mankani	Member - Independent Director

18. The Board has formed the following Management Committees:

**Underwriting Committee:**

<u>Name of the Member</u>	<u>Designation</u>	<u>Category</u>
Mr. Hasanali Abdullah	Managing Director & Chief Executive	Chairman
Mr. Mahmood Lotia	Senior Deputy Managing Director	Member
Mr. Khurram Ali Khan	Senior Executive Director	Member
Mr. Kamran Arshad Inam	Executive Director	Member
Mr. Imran Ahmed	Executive Director	Member - Secretary
Mr. Khurram Nasim	Deputy Executive Director	Member
Mr. Muhammad Sohail Nazir	Deputy Executive Director	Member

**Claim Settlement Committee:**

<u>Name of the Member</u>	<u>Designation</u>	<u>Category</u>
Mr. Hasanali Abdullah	Managing Director & Chief Executive	Chairman
Mr. Aftab Fakhruddin	Deputy Executive Director	Member - Secretary
Mr. Badar Amin Sissodia	Assistant Executive Director	Member
Mr. Farrukh Aamir Baig	Senior Executive Vice President	Member
Ms. Fatima Bano	Executive Vice President	Member

**Reinsurance & Co-insurance Committee:**

<u>Name of the Member</u>	<u>Designation</u>	<u>Category</u>
Mr. Hasanali Abdullah	Managing Director & Chief Executive	Chairman
Mr. Mahmood Lotia	Senior Deputy Managing Director	Member
Mr. Altaf Gokal	Chief Financial Officer, Corporate Secretary	Member
Mr. Khurram Ali Khan	Senior Executive Director	Member
Mr. Imran Ahmed	Executive Director	Member
Mr. Kamran Arshad Inam	Executive Director	Member
Mr. Darius H. Sidhwa	Executive Director	Member - Secretary
Mr. Khurram Nasim	Deputy Executive Director	Member
Mr. Muhammad Sohail Nazir	Deputy Executive Director	Member
Mr. Pervez Ahmed	Senior Executive Vice President	Member

**Risk Management & Compliance Committee:**

<u>Name of the Member</u>	<u>Designation</u>	<u>Category</u>
Mr. Mahmood Lotia	Senior Deputy Managing Director	Chairman
Mr. Altaf Gokal	Chief Financial Officer, Corporate Secretary	Member
Mr. Khurram Ali Khan	Senior Executive Director	Member
Mr. Darius H. Sidhwa	Executive Director	Member
Mr. Atif Anwar	Senior Executive Vice President	Member - Secretary

19. The meetings of the Committees, except Ethics, Human Resource and Remuneration Committee, were held at least once every quarter prior to approval of interim and final results of the Company and as required by this Code. The terms of references of the Committees have been formed and advised to the Committees for compliance. No meeting of Risk Management & Compliance Committee was conducted as it was formed on February 14, 2017.
20. The Board has set up an effective internal audit department which comprises of suitably qualified and experienced staff for the purpose and are conversant with the policies and procedures of the Company and are involved in the internal audit function on a regular basis.
21. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under this Code. Moreover, the persons heading the underwriting, claim,

reinsurance, risk management and grievance function possess qualification and experience of direct relevance to their respective functions, as required under section 12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000):

<u>Name of the Person</u>	<u>Designation</u>
Mr. Hasanali Abdullah	Chief Executive Officer
Mr. Mahmood Lotia	Head of Underwriting, Claims, Reinsurance and Risk Management
Mr. Altaf Gokal	Chief Financial Officer, Corporate Secretary and Compliance Officer
Mr. Ali Ghulam Ali	Head of Internal Audit
Mr. Aftab Fakhruddin	Head of Grievance Function

22. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of section 48 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the Quality Control Review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
23. The statutory auditors or the persons associated with them have not been appointed to provide other services and the auditors have confirmed that they have observed IFAC guidelines in this regard.
24. The Company has an Investment Policy, however the Company will align the policy with the requirements of new Code of Corporate Governance for Insurers, 2016 within the prescribed timeline.
25. The Company already has Risk Management function. The task of new Risk Management and Compliance function as covered under new Code of Corporate Governance for Insurers, 2016 approved on February 14, 2017.
26. The Company has been rated by PACRA and JCR-VIS and the rating assigned by these rating agencies on June 30, 2016 and July 11, 2016 respectively is AA+ with stable outlook.
27. The Company has set up Grievance function on February 06, 2017 in compliance with the requirement of the Code of Corporate Governance for Insurers, 2016.
28. The 'closed period', prior to the announcement of interim / final results and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.
29. Material / price sensitive information has been disseminated among all market participants at once through stock exchange.
30. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
31. The Company has not obtained any exemption(s) from the Securities and Exchange Commission of Pakistan in respect of the requirement of the Code of Corporate Governance for Insurers, 2016.
32. We confirm that all other material principles contained in this Code have been complied.

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 14 February 2017

## Review Report to the Members on Statement of Compliance with the Best Practices of the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance (the Statement) with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of EFU General Insurance Limited (the Company) for the year ended 31 December 2016 to comply with the requirements of Listing Regulations of the Stock Exchange, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 31 December 2016.

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EY FORD RHODES  
Chartered Accountants  
Audit Engagement Partner: Arslan Khalid

Karachi 14 February 2017

# Independent Assurance report to the Board of Directors and Shari'ah Advisor of EFU General Insurance Limited - Window Takaful Operations in respect of Operator's compliance with the Shari'ah rules and principles

We have performed an independent assurance engagement (Shari'ah Compliance Audit) of EFU General Insurance Limited - Window Takaful Operations (the Operator) to ensure that the Operator has complied with the Shari'ah rules and principles as prescribed by the Shari'ah Advisor / Shari'ah Board (prior to promulgation of Takaful Rules 2012) of the Operator and the Takaful Rules 2012, during the year ended 31 December 2016.

## 2. Management's responsibility for Shari'ah compliance

It is the responsibility of the Operator to ensure that the financial arrangements, contracts, products and transactions entered into by the Operator and EFU General Insurance Limited Waqf Fund (the Waqf) with participants, other financial institutions and stakeholders are, in substance and in their legal form, in compliance with the requirements of Shari'ah rules and principles as determined by the Shari'ah Advisor / Shari'ah Board and the Takaful Rules, 2012.

## 3. Our responsibility

3.1. Our responsibility in connection with this engagement is to express an opinion, based on the procedures performed on a sample basis, whether these financial arrangements, contracts, products and transactions are in compliance with the requirements of the Shari'ah rules and principles as prescribed by the Operator's Shari'ah Advisor / Shari'ah Board and the Takaful Rules, 2012.

3.2. The procedures selected by us for the engagement depended on our judgment, including the assessment of the risks of material non-compliance with the said Shari'ah rules and principles. In making those risk assessments, we considered such internal control procedures as were relevant to the Operator's compliance with Shari'ah rules and principles. Our engagement was, however, not intended for expressing opinion on the effectiveness of the Operator's internal controls for purposes of compliance with the Shari'ah rules and principles.

3.3. We believe that the evidence we have obtained through performing our procedures on a sample basis were sufficient and appropriate to provide a basis for our opinion.

3.4. In addition, interpretation and conclusion of the Shari'ah Advisor / Shari'ah Board of the Operator is considered final for the purpose of interpretation of the Shari'ah matters mentioned in the Takaful Rules, 2012.

## 4. Framework for the Engagement

We have conducted our engagement in accordance with International Standard for Assurance Engagements 3000 (ISAE 3000) issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants. This Standard requires that we comply with ethical requirements and plan and perform the engagement to obtain reasonable assurance regarding the subject-matter i.e. the Operator's compliance with the Shari'ah rules and principles as determined by the Shari'ah Advisor / Shari'ah Board and the Takaful Rules, 2012.

## 5. Our Opinion

In our opinion, based on the sample selected, the financial arrangements, contracts, products and transactions entered into by the Operator and the Waqf, as the case may be, for the year ended 31 December 2016, are in compliance with the requirements of the Shari'ah rules and principles as prescribed by the Shari'ah Advisor / Shari'ah Board and the Takaful Rules, 2012 in all material respects.

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EY FORD RHODES  
Chartered Accountants

Karachi 14 February 2017

## Profile of Shari'ah Advisor - Window Takaful Operations

Shari'ah Advisor of EFU General Insurance - Window Takaful Operations is Mufti Ibrahim Essa, a well-known recognized Shari'ah Scholar in field of Islamic Finance and Takaful. Mufti Ibrahim Essa has completed his Darse Nizami (Masters in Quran and Sunnah) and Takhassus Fil Ifta (Specialization in Islamic Jurisprudence) from Jamiah Darul Uloom Karachi.

Currently he is working as Teacher and Member of Darul Ifta Darul – Uloom Karachi, Mufti Ibrahim Essa is also associated as Chairman Shari'ah Supervisory Board - Sindh Bank Limited and Member Shari'ah Supervisory Board - Habib Metropolitan Bank Limited. He is also the Shari'ah Advisor of Equitable Financial Solutions (Australia), ORIX Leasing Pakistan Limited, EFU Life Assurance and Allianz EFU Health Insurance Limited. Number of Charitable Institutions including The Indus Hospital, TCF, LRBT, The Hunar Foundation, etc. take the Shari'ah Advices from Mufti Sahab on their Zakat and Donation matters. Mufti Ibrahim has also written more than Two thousand Fatawa on different topics.

Mufti Ibrahim Essa looks after the matters of Takaful in EFU General Insurance Limited.



## Shari'ah Advisory Report to the Board of Directors For the year ended December 31, 2016

### الحمد لله رب العالمين والعاقبة للمتقين والصلاة والسلام على اشرف الانبياء والمرسلين وعلى آله واصحابه اجمعين .امابعد

The Company, EFU General Insurance Limited started its Window Takaful Operations on 6th May 2015. By the grace of Allah, the year under review was the second successful year of Takaful in EFU General. In this year, the Management, sales personnel and Board of Directors shown their sincere efforts for the promotion of Takaful and underwritten good numbers in Takaful. Alhamdulillah, in this year, EFU General - Window Takaful Operations became the Industry leader of the Takaful and crossed the figure of one billion contribution which is actually the fastest one billion figure in general Takaful segment of the Industry as per my belief.

#### Progress of the Year:

During the period under review; EFU General Window Takaful Operations (EFU General-WTO) has achieved significant successes, details of which are as follow:

1. Alhamdulillah, EFU General- Window Takaful Operations became the Takaful Leader of the Industry.
2. Dedicated Window Takaful Branch of Head office successfully recorded the Takaful contracts executed during the year.
3. Under the guidance of the undersigned EFU General-WTO developed and offered the number of new Takaful Products to its Customers/Participants.
4. Divisions and Branches fully participated in the business of Takaful in the different locations of the Country. In this year, number of divisions were allowed to underwrite and record the business independently. By this way, the Divisions confidently underwritten the Takaful policies which increased the size of Takaful and they provided the excellent service of Takaful to their Participants.
5. Significant success has been achieved in the Takaful Agreements with Islamic Banks. At this stage, I am thankful to the Partners Banks for the confidence they have shown on EFU General-WTO's Takaful Products. During the year, number of Islamic Banks entered into MOU with EFU General-WTO.

#### Shari'ah Certification:

As Shari'ah Advisor of EFU General-WTO; I confirm that:

- I have carefully reviewed all the product documents of EFU General-WTO including Waqf Deed, PTF Policies, Takaful Policies, Brochures, MOU with Islamic Banks, and Retakaful Agreements etc. and Alhamdulillah I have found them in accordance with Shari'ah Principles. Further, I confirm that the Takaful Policies issued during the year under review are in accordance with the guidelines of Shari'ah.
- For the investment purpose of Takaful Funds, a Shari'ah Compliant Investment Policy has been drafted with the consultation of undersigned and all the investments of Takaful are undertaken in accordance with this Policy. Moreover, all Bank Accounts of Takaful are separate from the conventional insurance business and are maintained in Islamic Banks.

- Dedicated Window Takaful Branch and other related Departments of head office, before launching any Takaful Product, take guidance and advice of Shari'ah from the undersigned and always develop the Takaful Products in accordance with the guidelines provided by me as Shari'ah Advisor.
- Segregation of Window Takaful Operations is the essential part of valid Takaful contracts. I am pleased to state that EFU General has realized criticalities of this issue and from the day one, Alhamdulillah, all the Takaful Funds, Investments, Bank Accounts, Systems and other related issues are kept separate from its conventional insurance business, as per requirement of Shari'ah.
- Conducting Training and Development is an imperative for understanding the principles of Takaful and its practical outline. For this purpose EFU General fulfilled its responsibility and arranged classroom training sessions for takaful; from Head Office to the Distribution (Sales) force level working in their respective fields and I personally felt that participants gained significantly from these training sessions. I hope EFU General will continue this practice in the future.

While concluding; I state that the Shari'ah principles were followed in every aspect of practical implementation of EFU General-WTO in this year. I am grateful to the Board of Directors of EFU General, Management, Head of Window Takaful Operations, Divisional and Branch Heads and all relevant departments who cooperated with me and provided me every possible support to ensure Shari'ah Compliance in our Takaful practices.

In the end; I pray to Allah Almighty that the passion and dedication with which EFU General has launched its Window Takaful Operations; may Allah Almighty grant us success and help us at every step, keep us away from every hindrance and difficulty, and give financial success to EFU General Window Takaful Operations.

والسلام عليكم ورحمة الله وبركاته



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Muhammad Ibrahim Essa  
Shari'ah Advisor  
EFU General Window Takaful Operations

1st February, 2017

## Auditors' Report to the Members

We have audited the annexed financial statements comprising of:

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

of EFU General Insurance Limited (the Company) as at 31 December 2016 together with the notes forming part thereof, for the year then ended.

It is the responsibility of the Company's Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 (XXXIX of 2000) and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- (b) the financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Ordinance, 1984, and accurately reflect the books and records of the Company and are further in accordance with accounting policies consistently applied;
- (c) the financial statements together with the notes thereon present fairly, in all material respects, the state of the Company's affairs as at 31 December 2016 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended in accordance with approved accounting standards as applicable in Pakistan, and give the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984; and
- (d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of the Ordinance.

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EY FORD RHODES  
Chartered Accountants

Audit Engagement Partner: Arslan Khalid

Karachi 14 February 2017

## Auditors' Report to the Members - Window Takaful Operations

We have audited the annexed financial statements comprising of:

- (i) balance sheet;
- (ii) profit and loss account;
- (iii) statement of comprehensive income;
- (iv) statement of changes in fund;
- (v) statement of cash flows;
- (vi) statement of contributions;
- (vii) statement of claims;
- (viii) statement of expenses of operator's fund;
- (ix) statement of expenses of participants' takaful fund; and
- (x) statement of investment income

of EFU General Insurance Limited - Window Takaful Operations (the Operator) as at 31 December 2016 together with the notes forming part thereof, for the year then ended.

It is the responsibility of the Operator's Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 (XXXIX of 2000) and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) proper books of account have been kept by the Operator as required by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- (b) the financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Ordinance, 1984, and accurately reflect the books and records of the Operator and are further in accordance with accounting policies consistently applied except for the change, as stated in the note; 3.15.1, with which we concur;
- (c) the financial statements together with the notes thereon present fairly, in all material respects, the state of the Operator's affairs as at 31 December 2016 and of the loss, its comprehensive income, its cash flows and changes in fund for the period then ended in accordance with approved accounting standards as applicable in Pakistan, and give the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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EY FORD RHODES  
Chartered Accountants

Audit Engagement Partner: Arslan Khalid

Karachi 14 February 2017

## Balance Sheet As At 31 December 2016

	Note	2016	2015
<b>Share capital and reserves</b>			
Authorised share capital			
200 000 000 (2015: 200 000 000) ordinary shares of Rs. 10 each		2 000 000	2 000 000
Issued, subscribed and paid-up share capital	4	2 000 000	1 600 000
Reserves and retained earnings	5	14 901 071	14 247 012
		16 901 071	15 847 012
<b>Underwriting provisions</b>			
Provision for outstanding claims (including IBNR)		5 415 030	4 462 934
Provision for unearned premium		7 388 680	6 723 968
Commission income unearned	21	343 977	341 652
Total underwriting provisions		13 147 687	11 528 554
<b>Deferred liabilities</b>			
Deferred taxation	6	380 062	126 908
<b>Creditors and accruals</b>			
Premiums received in advance		4 597	5 350
Amounts due to other insurers / reinsurers		3 584 545	2 947 386
Accrued expenses		235 112	201 074
Agent balances		573 490	527 572
Unearned rentals		55 642	56 036
Taxation - provision less payments		208 186	107 183
Other creditors and accruals	7	237 785	189 443
		4 899 357	4 034 044
<b>Other liabilities</b>			
Other deposits		583 291	540 028
Unclaimed dividends		159 020	128 432
		742 311	668 460
<b>Total liabilities</b>		19 169 417	16 357 966
<b>Total equity and liabilities</b>		36 070 488	32 204 978
<b>Total liabilities of takaful operations - OPF</b>		133 715	59 057
<b>Total equity and liabilities</b>		36 204 203	32 264 035
<b>Contingencies</b>	8		

Rupees '000

	Note	2016	2015
<b>Cash and bank deposits</b>			
Cash and other equivalents	9	7 730	4 175
Current and other accounts	10	1 187 856	1 187 686
Deposits maturing within 12 months	11	671 880	557 135
		1 867 466	1 748 996
<b>Loans - secured considered good</b>			
To employees	12	2 258	2 114
<b>Investments</b>			
	13	20 336 529	19 166 228
<b>Investment properties</b>			
	14	174 081	190 646
<b>Current assets - others</b>			
Premiums due but unpaid - net	15	3 980 010	3 285 856
Amounts due from other insurers / reinsurers		17 862	15 839
Salvage recoveries accrued		36 627	41 999
Accrued investment income	16	173 970	141 689
Reinsurance recoveries against outstanding claims		3 424 617	2 232 473
Deferred commission expense		564 645	541 676
Prepayments	17	4 207 314	3 604 325
Security deposits		8 758	17 390
Sundry receivables	18	57 802	67 556
		12 471 605	9 948 803
<b>Fixed assets - tangible and intangible</b>			
Buildings	19	416 045	405 164
Furniture, fixtures and office equipments		299 653	334 638
Vehicles		231 276	248 959
Motor tracking devices		135 187	108 219
Capital work-in-progress	20	2 750	4 338
		1 084 911	1 101 318
<b>Total assets</b>		35 936 850	32 158 105
<b>Total assets of takaful operations - OPF</b>		267 353	105 930
<b>Total assets</b>		36 204 203	32 264 035

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

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 14 February 2017

# Profit and Loss Account

## For the year ended 31 December 2016

Rupees '000

	Note	Fire & property damage	Marine, aviation & transport	Motor	Others	Treaty	Aggregate 2016	Aggregate 2015
<b>Revenue account</b>								
Net premium revenue		1 822 429	1 573 459	3 311 545	535 388	–	7 242 821	6 676 862
Net claims		(390 350)	(556 969)	(1 552 609)	(194 170)	–	(2 694 098)	(2 998 060)
Management expenses	22	(502 678)	(434 005)	(1 015 771)	(147 676)	–	(2 100 130)	(2 006 553)
Net commission		(171 556)	(236 409)	(279 668)	99 493	–	(588 140)	(619 687)
<b>Underwriting result</b>		<u>757 845</u>	<u>346 076</u>	<u>463 497</u>	<u>293 035</u>	<u>–</u>	<u>1 860 453</u>	<u>1 052 562</u>
<b>Investment income</b>								
Rental income							1 009 428	1 202 481
Profit on deposits							140 626	129 910
Other income	23						65 650	76 283
Share of profit of associate	13.1.1						18 753	25 711
Reversal of provision for impairment in associate	13.1.2						802 361	640 068
General and administration expenses	24						–	1 987 000
							(121 904)	(301 757)
							1 914 914	3 759 696
Profit / (loss) before tax from takaful operations - OPF	25						5 917	(3 127)
<b>Profit before tax</b>							3 781 284	4 809 131
<b>Provision for taxation</b>	26						(1 388 842)	(775 229)
<b>Profit after tax</b>							<u>2 392 442</u>	<u>4 033 902</u>
<b>Profit and loss appropriation account</b>								
Balance at commencement of the year							3 734 110	1 998 197
Profit after tax							2 392 442	4 033 902
Other comprehensive income / (loss)							(18 383)	(17 989)
							2 374 059	4 015 913
Final dividend for the year 2015 Rs. 4.50 (45 %) per share (2014: Rs. 5.00 (50 %) per share)							(720 000)	(800 000)
Issuance of bonus shares for the year 2015 Rs. 2.5 (25 %) per share (2014: Nil)							(400 000)	–
First interim dividend for the year 2016 Re. 1.00 (10 %) per share (2015: Re. 1.00 (10 %) per share)							(200 000)	(160 000)
Second interim dividend for the year 2016 Re. 1.00 (10 %) per share (2015: Re. 1.00 (10 %) per share)							(200 000)	(160 000)
Third interim dividend for the year 2016 Re. 1.00 (10 %) per share (2015: Re. 1.00 (10 %) per share)							(200 000)	(160 000)
Transfer to general reserve							(2 000 000)	(1 000 000)
<b>Balance at end of the year</b>							<u>2 388 169</u>	<u>3 734 110</u>
<b>Earnings per share - basic and diluted</b>	27					(Rupees)	<u>11.96</u>	Restated <u>20.17</u>

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

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 14 February 2017

## Statement of Comprehensive Income For the year ended 31 December 2016

Rupees '000

	2016	2015
Profit after tax	2 392 442	4 033 902
<b>Other comprehensive income / (loss)</b>		
<i>Item not to be reclassified to profit and loss account in subsequent periods:</i>		
Actuarial losses on defined benefit plans	( 27 189 )	( 27 414 )
Related deferred tax	8 806	9 425
	( 18 383 )	( 17 989 )
<b>Total comprehensive income for the year</b>	<b>2 374 059</b>	<b>4 015 913</b>

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

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 14 February 2017



# Statement of Changes in Equity

## For the year ended 31 December 2016

Rupees '000

	Share capital	General reserve	Reserve for exceptional losses	Unappropriated profit	Total
Balance as at 1 January 2015	1 600 000	9 500 000	12 902	1 998 197	13 111 099
<b>Total comprehensive income for the year ended 31 December 2015</b>					
Profit after tax	-	-	-	4 033 902	4 033 902
Other comprehensive income / (loss)	-	-	-	(17 989)	(17 989)
	-	-	-	4 015 913	4 015 913
<b>Transactions with owners, recorded directly in equity</b>					
Final dividend for the year 2014 at the rate of Rs. 5.00 (50 %) per share	-	-	-	(800 000)	(800 000)
First interim dividend for the year 2015 at the rate of Re. 1.00 (10 %) per share	-	-	-	(160 000)	(160 000)
Second interim dividend for the year 2015 at the rate of Re. 1.00 (10 %) per share	-	-	-	(160 000)	(160 000)
Third interim dividend for the year 2015 at the rate of Re. 1.00 (10 %) per share	-	-	-	(160 000)	(160 000)
<b>Other transfer within equity</b>					
Transfer to general reserve	-	1 000 000	-	(1 000 000)	-
	-	1 000 000	-	(2 280 000)	(1 280 000)
Balance as at 31 December 2015	<u>1 600 000</u>	<u>10 500 000</u>	<u>12 902</u>	<u>3 734 110</u>	<u>15 847 012</u>
Balance as at 1 January 2016	1 600 000	10 500 000	12 902	3 734 110	15 847 012
<b>Total comprehensive income for the year ended 31 December 2016</b>					
Profit after tax	-	-	-	2 392 442	2 392 442
Other comprehensive income / (loss)	-	-	-	(18 383)	(18 383)
	-	-	-	2 374 059	2 374 059
<b>Transactions with owners, recorded directly in equity</b>					
Final dividend for the year 2015 at the rate of Rs. 4.50 (45 %) per share	-	-	-	(720 000)	(720 000)
Issuance of bonus shares for the year 2015 at the rate of Rs. 2.50 (25 %) per (2014: Nil)	400 000	-	-	(400 000)	-
First interim dividend for the year 2016 at the rate of Re. 1.00 (10 %) per share	-	-	-	(200 000)	(200 000)
Second interim dividend for the year 2016 at the rate of Re. 1.00 (10 %) per share	-	-	-	(200 000)	(200 000)
Third interim dividend for the year 2016 at the rate of Re. 1.00 (10 %) per share	-	-	-	(200 000)	(200 000)
<b>Other transfer within equity</b>					
Transfer to general reserve	-	2 000 000	-	(2 000 000)	-
	400 000	2 000 000	-	(3 720 000)	(1 320 000)
Balance as at 31 December 2016	<u>2 000 000</u>	<u>12 500 000</u>	<u>12 902</u>	<u>2 388 169</u>	<u>16 901 071</u>

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

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 14 February 2017

## Statement of Cash Flows For the year ended 31 December 2016

Rupees '000

	2016	2015
<b>Operating activities</b>		
a) Underwriting activities		
Premiums received	15 405 086	14 882 009
Reinsurance premiums paid	( 8 144 932 )	( 7 166 759 )
Claims paid	( 4 341 904 )	( 5 343 473 )
Reinsurance and other recoveries received	1 411 106	2 308 945
Commissions paid	( 1 298 194 )	( 1 329 887 )
Commissions received	735 329	751 553
Management expenses paid	( 1 855 246 )	( 1 395 991 )
Net cash inflow from underwriting activities	1 911 245	2 706 397
b) Other operating activities		
Income tax paid	( 1 053 066 )	( 707 092 )
General and administration expenses	( 47 336 )	( 645 299 )
Other operating payments	( 75 233 )	( 62 248 )
Other operating receipts	90 768	49 788
Loans advanced	( 1 874 )	( 1 704 )
Loans repayments received	1 731	2 167
Net cash outflow from other operating activities	( 1 085 010 )	( 1 364 388 )
<b>Total cash inflow from all operating activities</b>	<b>826 235</b>	<b>1 342 009</b>
<b>Investment activities</b>		
Profit / return received	430 477	402 737
Dividends received	675 116	610 947
Rentals received	98 173	93 396
Payments for investments	( 10 247 159 )	( 9 064 016 )
Proceeds from disposal of investments	9 817 061	8 441 338
Fixed capital expenditures	( 212 593 )	( 376 175 )
Proceeds from disposal of fixed assets	20 572	27 756
<b>Total cash inflow from investing activities</b>	<b>581 647</b>	<b>135 983</b>
<b>Financing activities</b>		
Dividends paid	( 1 289 412 )	( 1 249 791 )
<b>Net cash inflow from all activities</b>	<b>118 470</b>	<b>228 201</b>
Cash at the beginning of the year	1 748 996	1 520 795
<b>Cash at the end of the year</b>	<b>1 867 466</b>	<b>1 748 996</b>
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	826 235	1 342 009
Depreciation / amortisation expense	( 243 355 )	( 212 055 )
Rentals and investment income	1 107 995	1 294 525
Reversal of provision for impairment in associate	-	1 987 000
Profit on deposits	65 650	76 283
Other income	19 000	30 818
Share of profit of associate	802 361	640 068
Increase / (decrease) in assets other than cash	2 488 305	( 970 176 )
Increase in liabilities other than running finance	( 2 679 666 )	( 151 443 )
<b>Profit after tax from conventional insurance operations</b>	<b>2 386 525</b>	<b>4 037 029</b>
<b>Profit / (loss) from takaful operations - OPF</b>	<b>5 917</b>	<b>( 3 127 )</b>
<b>Profit after tax at the end of the year</b>	<b>2 392 442</b>	<b>4 033 902</b>
<b>Definition of cash</b>		
Cash for the purposes of the statement of cash flows consists of:		
Cash and other equivalents	7 730	4 175
Current and other accounts	1 187 856	1 187 686
Deposits maturing within 12 months	671 880	557 135
	<b>1 867 466</b>	<b>1 748 996</b>

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

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 14 February 2017

## Statement of Premiums For the year ended 31 December 2016

Rupees '000

Class	Premiums				Reinsurance				Net premium revenue 2016	Net premium revenue 2015
	Written	Unearned premium reserve		Earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense		
		Opening	Closing			Opening	Closing			
<b>Direct and facultative</b>										
Fire and property damage	9 100 830	3 997 006	4 679 957	8 417 879	7 232 529	2 965 844	3 602 923	6 595 450	1 822 429	1 811 920
Marine, aviation and transport	2 175 980	645 817	529 897	2 291 900	700 397	238 494	220 450	718 441	1 573 459	1 419 350
Motor	3 374 126	1 535 166	1 581 063	3 328 229	16 684	-	-	16 684	3 311 545	3 031 109
Miscellaneous	1 449 057	545 979	597 763	1 397 273	832 481	357 704	328 300	861 885	535 388	414 483
<b>Total</b>	<b>16 099 993</b>	<b>6 723 968</b>	<b>7 388 680</b>	<b>15 435 281</b>	<b>8 782 091</b>	<b>3 562 042</b>	<b>4 151 673</b>	<b>8 192 460</b>	<b>7 242 821</b>	<b>6 676 862</b>
<b>Treaty - proportional</b>	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>16 099 993</b>	<b>6 723 968</b>	<b>7 388 680</b>	<b>15 435 281</b>	<b>8 782 091</b>	<b>3 562 042</b>	<b>4 151 673</b>	<b>8 192 460</b>	<b>7 242 821</b>	<b>6 676 862</b>

Note: Premiums written includes administrative surcharge of Rs. 431 million (2015: Rs. 409 million)

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

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 14 February 2017

## Statement of Claims For the year ended 31 December 2016

Rupees '000

Class	Claims				Reinsurance				Net claims expense 2016	Net claims expense 2015
	Paid	Outstanding		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue		
		Opening	Closing			Opening	Closing			
<b>Direct and facultative</b>										
Fire and property damage	1 577 045	2 025 050	3 179 851	2 731 846	1 099 566	1 338 882	2 580 812	2 341 496	390 350	552 916
Marine, aviation and transport	576 314	868 766	852 211	559 759	45 938	447 286	404 138	2 790	556 969	618 176
Motor	1 709 026	981 475	825 109	1 552 660	91	3 840	3 800	51	1 552 609	1 574 796
Miscellaneous	484 890	587 643	557 859	455 106	267 534	442 465	435 867	260 936	194 170	252 172
<b>Total</b>	<b>4 347 275</b>	<b>4 462 934</b>	<b>5 415 030</b>	<b>5 299 371</b>	<b>1 413 129</b>	<b>2 232 473</b>	<b>3 424 617</b>	<b>2 605 273</b>	<b>2 694 098</b>	<b>2 998 060</b>
<b>Treaty - proportional</b>	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>4 347 275</b>	<b>4 462 934</b>	<b>5 415 030</b>	<b>5 299 371</b>	<b>1 413 129</b>	<b>2 232 473</b>	<b>3 424 617</b>	<b>2 605 273</b>	<b>2 694 098</b>	<b>2 998 060</b>

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

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Karachi 14 February 2017

## Statement of Expenses For the year ended 31 December 2016

Rupees '000

Class	Paid or payable	Commission		Net expense	Other management expenses	Underwriting expense	Commission from reinsurers (Note 21)	Net underwriting	Net underwriting
		Opening	Closing					expenses	expenses
								2016	2015
<b>Direct and facultative</b>									
Fire and property damage	690 178	315 351	333 386	672 143	502 678	1 174 821	500 587	674 234	749 926
Marine, aviation and transport	260 644	55 272	51 549	264 367	434 005	698 372	27 958	670 414	646 585
Motor	283 370	130 452	134 154	279 668	1 015 771	1 295 439	-	1 295 439	1 195 899
Miscellaneous	109 920	40 601	45 556	104 965	147 676	252 641	204 458	48 183	33 830
<b>Total</b>	<b>1 344 112</b>	<b>541 676</b>	<b>564 645</b>	<b>1 321 143</b>	<b>2 100 130</b>	<b>3 421 273</b>	<b>733 003</b>	<b>2 688 270</b>	<b>2 626 240</b>
<b>Treaty - proportional</b>	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>1 344 112</b>	<b>541 676</b>	<b>564 645</b>	<b>1 321 143</b>	<b>2 100 130</b>	<b>3 421 273</b>	<b>733 003</b>	<b>2 688 270</b>	<b>2 626 240</b>

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

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Karachi 14 February 2017

## Statement of Investment Income For the year ended 31 December 2016

Rupees '000

	2016	2015
<b>Income from non - trading investments</b>		
Return on government securities	395 233	307 089
Return on other fixed income securities and deposits	500	1 953
Amortisation of (premium) / discount relative to par	( 5 163 )	20 913
Dividend income	252 126	216 993
Gain on sale of non - trading investments	355 630	601 987
	998 326	1 148 935
<b>Reversal of provision for impairment - available for sale investments - net</b>	12 805	54 792
<b>Investment related expenses</b>	( 1 703 )	( 1 246 )
<b>Net investment income</b>	<u>1 009 428</u>	<u>1 202 481</u>

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

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Director

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SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 14 February 2017

# Notes to the Financial Statements

## For the year ended 31 December 2016

### 1. Status and nature of business

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

The registered office of the Company is situated in Islamabad while the principal place of business is located at EFU House, M.A. Jinnah Road, Karachi. The Company commenced Window Takaful Operations from 16 April 2015 as per SECP Takaful Rules, 2012. The Company operates through 54 (2015: 53) branches in Pakistan including a branch in Export Processing Zone (EPZ).

### 2. Basis of preparation

These financial statements have been prepared in accordance with the format prescribed under Securities and Exchange Commission (Insurance) Rules, 2002 [SEC (Insurance) Rules, 2002].

#### 2.1 Statement of compliance

These financial statements 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 and SEC (Insurance) Rules, 2002. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 shall prevail.

In terms of the requirements of the Takaful Rules 2012, read with SECP Circular 25 of 2015 dated 09 July 2015, the assets, liabilities and profit and loss of the Operator Fund of the General Takaful operations of the Company have been presented as a single line item in the balance sheet and profit and loss account of the Company respectively.

A separate set of financial statements of the General Takaful operations has been annexed to these financial statements as per the requirements of the Takaful Rules 2012.

#### 2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for obligation under certain employee retirement benefits, which are measured at present value.

#### 2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency. All financial information presented in Pakistani Rupees has been rounded to the nearest thousand.

#### 2.4 Use of judgments and estimates

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The judgments, estimates and assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the revision and future periods if the revision affects both current and future periods.

In particular, the matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

	<u>Note</u>
– Provision for unearned premiums	3.3
– Premium deficiency reserve (liability adequacy test)	3.4
– Provision for outstanding claims (including IBNR)	3.6
– Employees' retirement benefits	3.10 & 7.1
– Taxation	3.11 & 26
– Receivables and payables related to insurance contracts	3.15 & 15
– Fixed assets	3.16 & 19
– Impairment in value of investments	3.21 & 13.1.2

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

2.5.1 The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

<u>Standard or Interpretation</u>	<u>Effective date (annual periods beginning)</u>
IFRS 2 – Share-based Payments - Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IAS 7 – Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	01 January 2017
IAS 12 – Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	01 January 2017
IFRS 4 – Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - (Amendments)	01 January 2018
IAS 40 – Investment Property: Transfers of Investment Property (Amendments)	01 January 2018
IFRIC 22 – Foreign Currency Transactions and Advance Consideration	01 January 2018

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016. Such improvements are generally effective for accounting periods beginning on or after 01 January 2017. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.



2.5.2 Further, following new standards have been issued by IASB, which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

<u>Standard</u>	<u>IASB Effective date (annual periods beginning on or after)</u>
IFRS 9 – Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 15 – Revenue from Contracts with Customers	01 January 2018
IFRS 16 – Leases	01 January 2019

### 3. Summary of significant accounting policies

#### i) New, revised and amended standards and interpretations

The Company has adopted the following accounting standard and the amendments of IFRSs which became effective for the current year:

IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements - Investment Entities: Applying the Consolidation Exception (Amendment)
IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)
IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)
IAS 16 – Property, Plant and Equipment and IAS 38 Intangible Assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
IAS 16 – Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)
IAS 27 – Separate Financial Statements - Equity Method in Separate Financial Statements (Amendment)

#### ii) Improvements to Accounting Standards Issued by the IASB in September 2014

IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal
IFRS 7 – Financial Instruments: Disclosures - Servicing contracts
IFRS 7 – Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements
IAS 19 – Employee Benefits - Discount rate: regional market issue
IAS 34 – Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

The adoption of the above standards, amendment and improvement to accounting standards did not have any effect on the Company's financial statements

#### 3.1 Insurance contracts

Insurance contracts are those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

The Company underwrites non-life insurance contracts that can be categorised into Fire and Property Damage, Marine, Aviation and Transport, Motor and Miscellaneous contracts. Contracts may be concluded for a fixed term of one year, for less than one year and in some cases for more than one year. However, most of the contracts are for twelve months duration. Insurance contracts entered into by the Company under which the contract holder is another insurer (inwards

reinsurance) of a facultative nature are included within the individual category of insurance contracts, other than those which fall under Treaty. The insurance risk involved in these contracts is similar to the contracts undertaken by the Company as insurer.

Fire and Property insurance contracts mainly compensate the customers for damage suffered to their property. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

Marine, Aviation and Transport class of business provides coverage against loss and damage to goods in transit by any means of conveyance, physical loss or damage to aircraft, ships and liabilities to third parties and passengers arising from their use.

Motor insurance covers physical loss or damage to the vehicle and liabilities to third parties as provided under the requirements of the Motor Vehicle Ordinance, 1965.

All other insurances like cash in hand, cash in transit, personal accident, infidelity, public liabilities, health, crop, livestock, travel, bankers and other financial institutions packages, product liabilities, professional indemnity, mobilization and performance bonds, workers compensation etc. are included under Miscellaneous Insurance cover.

### 3.2 Premium

For all the insurance contracts, premiums including administrative surcharge received / receivable under a policy are recognized as written at the time of issuance of policy. Where premiums for a policy are payable in installments, full premium for the duration of the policy is recognized as written at the inception of the policy and related assets set up for premiums receivable at a later date. Premiums are stated gross of commission payable to intermediaries and exclusive of taxes and duties levied on premiums.

### 3.3 Provision for unearned premiums

The unearned premium reserve is the unexpired portion of the premium including administrative surcharge which relates to business in force at the balance sheet date. Unearned premiums have been calculated by applying 1/24th method as specified in the SEC (Insurance) Rules, 2002.

### 3.4 Premium deficiency reserve (liability adequacy test)

At each balance sheet date, liability adequacy tests are performed separately for each class of business to ensure the adequacy of the unearned premium liability for that class. It is performed by comparing the expected future liability, after reinsurance, from claims and other expenses, including reinsurance expense, commissions and other underwriting expenses, expected to be incurred after balance sheet date in respect of policies in force at balance sheet date with the carrying amount of unearned premium liability. Any deficiency is recognized by establishing a provision (premium deficiency reserve) to meet the deficit.

The expected future liability is estimated with reference to the experience during the expired period of the contracts, adjusted for significant individual losses which are not expected to recur during the remaining period of the policies and expectations of future events that are believed to be reasonable.

The movement in the premium deficiency reserve is recognized as an expense or income in the profit and loss account for the year.

The expected ultimate net claim ratios for the unexpired periods of policies in force at balance sheet date for each class of business is as follows:

	<u>2016</u>	<u>2015</u>
– Fire and property damage	27 %	36 %
– Marine, aviation and transport	39 %	45 %
– Motor	51 %	55 %
– Miscellaneous	51 %	62 %

### 3.5 Claims

Claims are charged to income as incurred based on estimated liability for compensation owed under the insurance contracts. It includes claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

### 3.6 Provision for outstanding claims (including IBNR)

A liability for outstanding claims is recognized in respect of all claims incurred up to the balance sheet date which is measured at the undiscounted value of expected future payments. Provision for outstanding claims include amounts in relation to claims reported but not settled, claims incurred but not reported (IBNR) and expected claims settlement costs.

Reinsurance recoveries against outstanding claims are recognized as an asset and measured at the amount expected to be received.

#### 3.6.1 Claims reported but not settled

Provision for liability in respect of claims reported but not settled at the balance sheet date is made on the basis of individual case estimates. The case estimates are based on the assessed amounts of individual losses and where loss assessments have not been carried out, the estimates are established in light of currently available information, past experience of similar claims and in some cases in relation to the sums insured. Case estimates are reviewed periodically to ensure that the recognized outstanding claim amounts are adequate to cover expected future payments including expected claims settlement costs and are updated as and when new information becomes available.

#### 3.6.2 Claims incurred but not reported

The provision for claims incurred but not reported (IBNR) is made at the balance sheet date. In accordance with SECP Circular no. 9 of 2016, the Company has changed its method of estimation of IBNR. The Company now takes actuarial advice for the determination of IBNR claims. IBNR claim have been estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level.

Upto previous year the provision for IBNR was accounted for on the basis whereby all claims incurred before the year end but reported subsequently were aggregated and the ratio of such claims to outstanding claims was applied to outstanding claims at the reporting date (except exceptional losses) to arrive at liability for IBNR. The analysis was carried out separately for each class of business.

Had the method for estimating IBNR claims, not been changed, the provision for claims and reinsurance recoveries against outstanding claims would have been lower by Rs. 62.87 million and Rs. 31.95 million respectively and the profit for the year would have been higher by Rs. 21.33 million.

### 3.7 Reinsurance contracts

Contracts entered into by the Company with reinsurers under which the Company cedes insurance risks assumed during normal course of its business and according to which the Company is compensated for losses on insurance contracts issued by the Company are classified as reinsurance contracts held.

Reinsurance premium is recognized as an expense at the time the reinsurance is ceded. Commission on reinsurance cessions are recognized in accordance with the policy of recognizing premium revenue.

Reinsurance assets represent balances due from reinsurance companies and reinsurance recoveries against outstanding claims. Reinsurance recoveries are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Reinsurance liabilities represent balances due to reinsurance companies and are primarily premiums payable for reinsurance contracts and are recognized at the same time when reinsurance premiums are recognized as an expense.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expired.

An impairment review of reinsurance assets is performed at each balance sheet date. If there is objective evidence that the asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes that impairment loss in the profit and loss account.

### 3.8 Commission

#### 3.8.1 Commission expense

Commission expenses incurred in obtaining and recording policies is deferred and recognized as an expense in accordance with pattern of recognition of premium revenue by applying the 1/24th method.

#### 3.8.2 Commission income

Commission from reinsurers is deferred and recognized as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates. Profit / commission, if any, under the terms of reinsurance arrangements is recognized when the Company's right to receive the same is established.

### 3.9 Revenue recognition

#### 3.9.1 Premium

The revenue recognition policy for premiums is given under note 3.2.

#### 3.9.2 Investment income

Return on investments, profit and loss sharing accounts and bank deposits are recognized using effective interest rate method.

Profit or loss on sale of investments is recognized at the time of sale.

Dividend income is recognized when right to receive such dividend is established.

#### 3.9.3 Rental income

Rental income on investment properties is recognized over the term of lease.

#### 3.9.4 Commission from reinsurers

The revenue recognition policy for commission from reinsurer is given under note 3.8.

### 3.10 Employees' retirement benefits

#### 3.10.1 Defined benefit plans

The Company operates the following employee defined benefit plans:

- Funded gratuity scheme  
The Company operates an approved gratuity fund for all employees who complete qualifying period of service.
- Funded pension scheme  
Defined benefit funded pension for all eligible officers.

These funds are administered by trustees. The pension plan is a career average salary plan and the gratuity plan is a final basic salary plan. The actuarial valuation of both the plans is carried out on a yearly basis using the Projected Unit Credit Method and contributions to the plans are made accordingly.

Actuarial gains and losses are recognized in other comprehensive income in the year in which they arise.

#### 3.10.2 Defined contribution plan

The Company contributes to a provident fund scheme which covers all permanent employees. Equal contributions are made both by the Company and the employees to the fund at the rate of 8.33 % of basic salary.

### 3.11 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the profit and loss account, except to the extent that it relates to items recognized directly in other comprehensive income or below equity, in which case it is recognized in other comprehensive income or below equity.

### 3.11.1 Current

Provision for current taxation is based on taxable income determined in accordance with the prevailing law for taxation of income and is calculated using enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for the current taxation also includes adjustments where considered necessary, relating to prior years which arise from assessments framed / finalized during the year or required by any other reason.

### 3.11.2 Deferred

Deferred tax is recognized using the balance sheet liability method for all temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax recognized is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is provided on temporary differences arising on investments in associates stated under equity method of accounting.

### 3.12 Creditors, accruals and provisions

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and services received, whether or not billed to the Company.

Provisions are recognized when the Company has a legal or constructive obligation as a result of a past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, the provisions are reviewed at balance sheet date and adjusted to reflect current best estimates.

### 3.13 Investments

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

#### 3.13.1 Fair value through profit or loss - held for trading

Investments which are acquired with the intention to trade by taking advantage of short term market / interest rate movements are considered as held for trading. After initial recognition, these are measured at fair values with any resulting gains or losses recognized directly in the profit and loss account. Subsequent to initial recognition these are measured at fair value by reference to quoted market prices with the resulting gain or loss being included in net profit or loss for the year in which it arises.

Dividend income and entitlement of bonus shares are recognized when the Company's right to receive such dividend and bonus shares is established.

#### 3.13.2 Available for sale

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are considered as available for sale. After initial recognition, these are stated at lower of cost or market value (if the fall in market value is other than temporary) in accordance with the requirements of SEC (Insurance) Rules, 2002.

A fall in market value is treated as other than temporary if there is a significant or prolonged decline in fair value of security below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Company evaluates among other factors, the normal volatility in share prices.

In case of fixed income securities where the cost is different from the redemption value, such difference is amortised uniformly between the date of acquisition and the date of maturity in determining "cost".

### 3.13.3 Investment in associates

Entities in which the Company has significant influence but not control and which are neither its subsidiary nor joint ventures are associates and are accounted for by using the equity method of accounting.

Under equity method of accounting, the investments are initially recognized at cost; thereafter its carrying amount is increased or decreased for the Company's share of post acquisition changes in the net assets of the associate and dividend distributions. Goodwill relating to an associate is included in carrying amount of the investment and is not amortised. The Company's share of the profit and loss of the associate is accounted for in the Company's profit and loss account, whereas changes in the associate's equity which has not been recognized in the associates' profit and loss account are recognized directly in other comprehensive income of the Company.

After application of equity method, the carrying amount of investment in associate is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount and loss, if any, is recognized in profit and loss account.

### 3.13.4 Derivatives

Derivative instruments held by the Company primarily comprise of future contracts in the capital market. These are initially recognized at fair value and are subsequently remeasured at fair value. The fair value of future contracts is calculated as being the net difference between the contract price and the closing price reported on the primary exchange of the future contracts. Derivatives with positive market values (unrealized gains) are included in assets and derivatives with negative market values (unrealized losses) are included in liabilities in the balance sheet. The resultant gains and losses are included in the profit and loss account.

### 3.14 Investment properties

The investment properties are accounted for under the cost model in accordance with International Accounting Standard (IAS) 40, Investment Property, where;

- Leasehold land is stated at cost.
- Building on leasehold land is depreciated to its estimated salvage value on straight line basis over its useful life at the rate of 5 %.
- Installations forming a part of building on leasehold land but having separate useful lives are depreciated to their estimated salvage values on straight line basis over their useful lives at the rate of 10 %.

Subsequent capital expenditures on existing properties and gains or losses on disposals are accounted for in the same manner as operating fixed assets.

### 3.15 Receivables and payables related to insurance contracts

Receivables and payables related to insurance contracts are recognized when due at cost which is the fair value of the consideration given less provision for impairment, if any. If there is objective evidence that the insurance receivable is impaired, as a result of one or more events that occurred after the initial recognition, the Company reduces the carrying amount of the insurance receivable accordingly and recognizes that impairment loss in the profit and loss account.

Provision for impairment in premium receivables is estimated on a systematic basis after analysing the receivables as per their ageing.

### 3.16 Fixed assets

#### 3.16.1 Tangibles

Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is calculated on the Straight Line Basis at the rates specified in note 19 to these financial statements.

The assets' residual values, useful lives and method for depreciation are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Depreciation on additions to fixed assets is charged from the month in which an asset is available for use, while no depreciation is charged for the month in which the asset is disposed off.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefit associated with the item will flow to the Company and the cost of the

item can be measured reliably. Normal repairs and maintenance are charged to profit and loss account.

Gains or losses on disposal of fixed assets are included in profit and loss account.

### 3.16.2 Intangibles

Material computer software licenses acquired are capitalised on the basis of cost incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three years using the straight line method. Impairment losses, if any, are deducted from the carrying amount of the intangible assets.

Amortisation on additions to intangibles is charged from the month in which an asset is available for use, while no amortisation is charged for the month in which the asset is disposed off.

Cost associated with maintaining computer software programmes are recognized as an expense when incurred.

The assets' residual values, useful lives and method for amortisation are reviewed at each financial year end and adjusted if impact on amortisation is significant.

### 3.16.3 Capital work in progress

Capital work in progress is stated at cost less any impairment in value. It consists of advances made to suppliers in respect of tangible and intangible fixed assets.

### 3.17 Expenses of management

Expenses of management have been allocated to various revenue accounts on equitable basis.

### 3.18 Compensated absences

The liability towards compensated absences accumulated by the employees is provided in the period in which they are earned.

### 3.19 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents include cash at bank in current and saving accounts, cash and stamps in hand and bank deposits.

### 3.20 Foreign currencies

Revenue transactions in foreign currencies are recorded at the rates prevailing on the date of the transactions. Income and expense amounts relating to foreign branches have been translated at the applicable exchange rates. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange prevailing on the balance sheet date. Exchange gains or losses, if any, are taken into profit and loss account.

### 3.21 Impairment

A financial asset is assessed at each balance sheet date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if there is objective evidence that one or more events have had a negative effect on the estimated future cash flows of that asset.

The carrying amount of non financial assets is reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or a group of assets. If such indication exists, the recoverable amount of such asset is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

All impairment losses are recognized in the profit and loss account. Provisions for impairment are reviewed at each balance sheet date and are adjusted to reflect the current best estimates. Changes in the provisions are recognized as income or expense.

### 3.22 Financial instruments

Financial instruments include cash and bank balances, loans to employees, investments, premiums due but unpaid, amount due from other insurers / reinsurers, accrued investment income, reinsurance recoveries against outstanding claims, security deposits, other receivables, outstanding claim liabilities, amount due to other insurers / reinsurers, accrued expenses, agents balances, other creditors, deposits and unclaimed dividends.

All the financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is taken to income directly.

### 3.23 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the financial statements only when there is legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or realise the assets and settle the liabilities simultaneously.

### 3.24 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

### 3.25 Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. The Company presents segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the SEC (Insurance) Rules, 2002 as the primary reporting format.

The Company has four primary business segments for reporting purposes namely, fire and property, marine, motor and miscellaneous. The nature and business activities of these segments are disclosed in note no. 3.1.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them while the carrying amount of certain assets used jointly by two or more segments have been allocated to segments on a reasonable basis. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.

### 3.26 Dividend and bonus shares

Dividend to shareholders is recognized as liability in the period in which it is approved. Similarly, reserve for issue of bonus shares is recognized in the year in which such issue is approved.

## 4. Share capital

### 4.1 Issued, subscribed and paid-up share capital

Number of shares '000			Rupees '000	
2016	2015		2016	2015
250	250	Ordinary shares of Rs. 10 each, fully paid in cash	2 500	2 500
199 750	159 750	Ordinary shares of Rs. 10 each, issued as fully paid bonus shares	1 997 500	1 597 500
<u>200 000</u>	<u>160 000</u>		<u>2 000 000</u>	<u>1 600 000</u>



4.1.1 As at 31 December 2016, EFU Life Assurance Limited, an associated undertaking, held 13,626,105 (2015: 10,900,884) ordinary shares of Rs. 10 each.

Rupees '000

	Note	2016	2015
<b>5. Reserves and retained earnings</b>			
General reserve	5.1	12 500 000	10 500 000
Reserve for exceptional losses	5.2	12 902	12 902
Retained earnings		2 388 169	3 734 110
		<u>14 901 071</u>	<u>14 247 012</u>
<b>5.1 General reserve</b>			
Balance at beginning of the year		10 500 000	9 500 000
Transfer from retained earnings		2 000 000	1 000 000
Balance at end of the year		<u>12 500 000</u>	<u>10 500 000</u>

5.2 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.

Rupees '000

	Note	2016	2015
<b>6. Deferred taxation</b>			
Deferred tax liability / (asset) arising in respect of:			
– accelerated tax depreciation		45 001	55 633
– provision for doubtful debts		( 8 401 )	( 9 786 )
– impairment on TFCs		( 13 676 )	( 14 278 )
– share of profit from associate		353 868	83 261
– defined benefit plans		3 270	12 078
		<u>380 062</u>	<u>126 908</u>
<b>7. Other creditors and accruals</b>			
Federal insurance fee payable		14 331	5 077
Federal excise duty and sales tax payable		214 730	69 269
Workers' welfare fund payable		–	97 496
Staff retirement benefits	7.1	588	–
Sundry creditors		8 136	17 601
		<u>237 785</u>	<u>189 443</u>

7.1. Staff retirement benefits

The latest actuarial valuation as at 31 December 2016 uses a discount rate of 8.10 % (2015: 9.00 %) for defined benefit obligation and plan assets. Basic salary and pension increases to average 5.10 % and 2.00 % (2015: 5.55 % and 0.85 %) respectively per annum in the long term.

Rupees '000

	2016		2015	
	Pension	Gratuity	Pension	Gratuity
<b>7.1.1 Reconciliation of the present value of defined benefit obligations</b>				
At the beginning of the year	229 022	286 272	208 786	268 232
Current service cost	1 961	14 601	1 828	13 481
Interest cost	19 643	24 759	20 931	26 457
Remeasurement loss due to:				
Change in financial assumptions	38 671	9 885	–	–
Experience	10 451	16 810	16 348	10 639
Benefits paid	(21 534)	(22 340)	(18 871)	(32 537)
At the end of the year	<u>278 214</u>	<u>329 987</u>	<u>229 022</u>	<u>286 272</u>
<b>7.1.2 Changes in fair value of plan assets</b>				
At the beginning of the year	245 209	308 587	242 916	306 545
Interest income	21 148	26 767	24 573	30 480
Remeasurement gain / (loss) due to:				
Investment return	33 506	15 124	(4 526)	4 099
Contributions paid by company	215	–	224	–
Contributions paid by employees	857	–	893	–
Benefits paid	(21 534)	(22 340)	(18 871)	(32 537)
At the end of the year	<u>279 401</u>	<u>328 138</u>	<u>245 209</u>	<u>308 587</u>
<b>7.1.3 Charge to profit and loss account</b>				
Service cost				
Current service cost	1 961	14 601	1 828	13 481
Employee contributions	(857)	–	(893)	–
Net interest (income) / cost	(1 505)	(2 008)	(3 642)	(4 023)
<b>Chargeable in profit and loss account</b>	<u>(401)</u>	<u>12 593</u>	<u>(2 707)</u>	<u>9 458</u>
<b>7.1.4 Remeasurements recognized in other comprehensive income</b>				
Change in financial assumptions	38 671	9 885	–	–
Experience on obligation	10 451	16 810	16 348	10 639
Investment return	(33 506)	(15 124)	4 526	(4 099)
<b>Chargeable in statement of comprehensive income</b>	<u>15 616</u>	<u>11 571</u>	<u>20 874</u>	<u>6 540</u>
<b>Total defined benefit cost</b>	<u>15 215</u>	<u>24 164</u>	<u>18 167</u>	<u>15 998</u>
<b>7.1.5 (Asset) / liability on balance sheet</b>				
At the beginning of the year	(16 187)	(22 315)	(34 130)	(38 313)
Defined benefit cost	15 215	24 164	18 167	15 998
Contributions paid by company	(215)	–	(224)	–
At the end of the year	<u>(1 187)</u>	<u>1 849</u>	<u>(16 187)</u>	<u>(22 315)</u>
<b>Reconciliation</b>				
Obligation	278 214	329 987	229 022	286 272
Plan assets	(279 401)	(328 138)	(245 209)	(308 587)
Net (asset) / liability on balance sheet	<u>(1 187)</u>	<u>1 849</u>	<u>(16 187)</u>	<u>(22 315)</u>

### 7.1.6 Historical data

Rupees '000

	2015	2014	2013	2012	2011
<b>Pension</b>					
Present value of defined benefit obligation	229 022	208 786	195 560	186 508	166 581
Fair value of plan assets	(245 209)	(242 916)	(199 090)	(178 842)	(149 514)
(Surplus) / deficit	(16 187)	(34 130)	(3 530)	7 666	17 067
Experience adjustment					
– Actuarial loss / (gain) on obligation	16 348	4 024	1 110	9 109	(561)
– Actuarial (loss) / gain on assets	(4 526)	34 439	13 206	21 062	(7 619)
	2015	2014	2013	2012	2011
<b>Gratuity</b>					
Present value of defined benefit obligation	286 272	268 232	268 728	243 486	240 330
Fair value of plan assets	(308 587)	(306 545)	(296 591)	(277 633)	(212 592)
(Surplus) / deficit	(22 315)	(38 313)	(27 863)	(34 147)	27 738
Remeasurements due to:					
- Actuarial loss / (gain) on obligation	10 639	4 073	(1 567)	(25 771)	7 154
- Actuarial gain / (loss) on assets	4 099	24 216	781	23 197	(5 285)

### 7.1.7 Composition of fair value of plan assets

Fund investments	Pension				Gratuity			
	2016		2015		2016		2015	
Debt	43%	119 803	54%	133 020	67%	219 680	69%	214 229
Equity	29%	80 512	22%	53 830	28%	91 875	27%	81 670
NIT	28%	77 918	23%	56 289	4%	14 191	3%	10 252
Cash	0%	1 169	1%	2 070	1%	2 392	1%	2 436
	100%	279 402	100%	245 209	100%	328 138	100%	308 587

The expected charge to pension and gratuity fund for the year 2017 amounts to Rs. 15.61 million.

### 7.1.8 Sensitivity analysis on significant actuarial assumptions: Actuarial liability

Impact on obligation of 1 % change in assumptions

Assumptions	1 % increase	1 % decrease
Discount rate	(38 940)	44 321
Salary increase	21 814	(19 826)
Pension increase	23 109	(20 387)

Weighted average duration of the plan is 7.6 years.

Projected payments	Pension	Gratuity
Company contributions 2017	836	15 473
Benefit payments:		
2017	25 256	51 870
2018	25 739	25 502
2019	26 751	34 727
2020	27 286	23 876
2021	27 092	24 445
2022 - 2026	147 947	245 772

## 8. Contingencies

### 8.1 The income tax assessment of the Company has been finalised up to tax year 2016.

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

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

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

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

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

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

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

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

- 8.2 In 2014, 2015 and 2016, the Searle Company Limited issued bonus shares (453,612, 312,993 and 472,607 shares respectively) after withholding 5 percent of bonus shares (22,680, 15,650 and 23,631 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. 22.15 million being withholding tax on bonus shares.

Rupees '000

	Note	2016	2015
<b>9. Cash and other equivalents</b>			
Policy stamps in hand and bond papers		7 730	4 175
<b>10. Current and other accounts</b>			
Current accounts		164 849	166 056
Saving accounts	10.1 & 10.2	1 023 007	1 021 630
		<u>1 187 856</u>	<u>1 187 686</u>

- 10.1 The rate of return on saving accounts from various banks ranges from 4.00% to 6.15% per annum (2015: 4.25 % to 9.75 % per annum) depending on the size of average deposits.

- 10.2 This includes an amount of Rs. 5 million under lien with a bank against a facility obtained.

Rupees '000

	Note	2016	2015
<b>11. Deposits maturing within 12 months</b>			
Term deposits certificates - local currency	11.1 & 11.3	501 498	413 224
Term deposits certificates - foreign currency	11.2	170 382	143 911
		<u>671 880</u>	<u>557 135</u>

11.1 The rate of return on term deposit certificates issued by various banks ranges from 4.15% to 6.90% per annum (2015: 5.75 % to 6.75 % per annum) depending on tenure. These term deposit certificates have maturities upto October 2017.

11.2 The rate of return on foreign currency term deposit certificates issued by various banks is 1.2 % per annum (2015: 1.2 % per annum) depending on tenure. These term deposit certificates have maturities upto January 2016.

11.3 This includes an amount of Rs. 28.5 million under lien with banks against guarantees issued in favour of the Company.  
Rupees '000

	Note	2016	2015
<b>12. Loans - secured considered good</b>			
Secured, considered good	12.1	3 036	3 096
Current portion	18	( 778 )	( 982 )
		<u>2 258</u>	<u>2 114</u>

12.1 This represents housing and vehicle loan to employees. These loans are recoverable over a period of one to ten years and are secured against documents of property / vehicles.

Rupees '000

	Note	2016	2015
<b>13. Investments</b>			
Investment in associate	13.1	11 949 485	11 570 646
Available for sale	13.2	8 387 044	7 595 582
		<u>20 336 529</u>	<u>19 166 228</u>

13.1 Investment in associate

EFU Life Assurance Limited is a listed public limited company and is engaged in life insurance business.

Number of shares		Face value per share (Rupees)	Name of associate	Note	Rupees '000	
2016	2015				2016	2015
43 092 040	43 059 240	Rs. 10	EFU Life Assurance Limited incorporated in Pakistan (Chief Executive: Taher G. Sachak)	13.1.1	11 949 485	11 570 646

Rupees '000

	Note	2016	2015
13.1.1 Movement of investment in associate during the year:			
Opening balance		11 570 646	9 324 920
Investment made		7 070	5 998
Share of profit		802 361	640 068
Dividend received		( 430 592 )	( 387 340 )
		<u>11 949 485</u>	<u>9 583 646</u>
Reversal of provision		–	1 987 000
Closing balance	13.1.2	<u>11 949 485</u>	<u>11 570 646</u>

13.1.2 The carrying amount of the investment in EFU Life Assurance Limited has been tested for impairment as at 31 December 2016 based on "value in use" methodology, in accordance with IAS 36 - Impairment of Assets. The "value in use" calculations were carried out by an independent actuary using cash flow projections which are based on the budget and forecasts approved by the management of the investee company up to five years. The following significant assumptions were used for the purpose of "value in use" computations:

	2016	2015
– Discount rate:	17.5 %	17.5 %
– Terminal growth rate:	11.5 %	12.5 %

Market value of investment and percentage of holding in associate are Rs. 9,285 million and 43.09 % respectively (2015: Rs. 8,569 million and 43.06 %)

13.1.3 Summarised financial information in respect of associate based on its financial statements as at 31 December 2016 and 31 December 2015 is set out below:

Rupees '000

	2016	2015
Total assets - shareholders' fund	4 358 151	3 614 663
Total liabilities - shareholders' fund	( 164 689 )	( 188 632 )
Net assets	<u>4 193 462</u>	<u>3 426 031</u>
Company's share of net assets of its associate	<u>1 807 046</u>	<u>1 475 249</u>
Total assets - statutory fund	102 092 662	87 655 994
Balance of statutory fund	( 97 774 294 )	( 83 825 307 )
Total liabilities - statutory fund	<u>4 318 368</u>	<u>3 830 687</u>
Total revenue - gross premium	<u>24 674 120</u>	<u>31 033 830</u>
Profit after tax	<u>1 872 977</u>	<u>1 486 483</u>

13.2 Available for sale

	Note	2016	2015
Available for sale	13.2.2		
In related parties	13.3.1		
Mutual funds		175 000	205 000
Ordinary shares		396 298	396 298
		571 298	601 298
Others - quoted	13.3.2		
Mutual funds		333 513	1 994 500
Ordinary shares - net of provision		2 290 723	2 288 907
Fixed income securities			
Government securities	13.3.3	5 191 510	2 710 877
Term finance certificates	13.3.3	44 118	44 618
		7 859 864	7 038 902
Provision for impairment – net of reversals			
Term finance certificates		(44 118)	(44 618)
		8 387 044	7 595 582

13.2.1 The fair value of available for sale - equity securities / mutual funds as at 31 December 2016 is Rs. 9,493 million (2015: Rs. 9,351 million) and fixed income securities as at 31 December 2016 is Rs. 5,264 million (2015: Rs. 2,904 million).

13.2.2 As per the Company's accounting policy, available for sale investments are stated at lower of cost or market value. However, IAS 39 - Financial Instruments: Recognition and Measurement, requires that these instruments should be measured at their fair value. Accordingly, had these investments been measured at fair value, their carrying value as on 31 December 2016 would have been higher by Rs. 6,371 million (2015: higher by Rs. 4,659 million).

13.3.1 In related parties - quoted

Number of shares / certificates / units		Face value per share / unit	Name of entity	Rupees '000	
2016	2015			2016	2015
<b>Mutual funds</b>					
<b>Open end mutual funds</b>					
17 785 706	2 114 037	100	JS Income Fund	175 000	205 000
<u>17 785 706</u>	<u>2 114 037</u>			<u>175 000</u>	<u>205 000</u>
<b>Ordinary shares</b>					
<b>Commercial banks</b>					
6 603 975	6 603 975	10	Bank Islami Pakistan Limited	76 797	76 797
<b>Financial services</b>					
19 711 876	19 711 876	10	Jahangir Siddiqui & Company Limited	319 501	319 501
<u>26 315 851</u>	<u>26 315 851</u>			<u>396 298</u>	<u>396 298</u>



### 13.3.2 Others - quoted

Number of certificates / units		Face value per unit	Name of entity	Rupees '000	
2016	2015			2016	2015
<b>Open end mutual funds</b>					
–	17 256 904	10	ABL Government Securities Fund	–	180 000
4 898 601	–	10	ABL Islamic Income Fund	50 210	–
–	1 524 827	100	Alfalah GHP Sovereign Fund	–	162 000
482 838	–	100	Al Ameen Islamic Sovereign Fund	50 000	–
–	1 926 366	100	Askari Sovereign Yield Enhancer Fund	–	205 000
–	118 042	500	Atlas Income Fund	–	62 500
245 017	–	100	Faysal Islamic Savings Growth Fund	25 320	–
–	1 038 520	100	Faysal Savings Growth Fund	–	110 000
–	781 076	100	First Habib Income Fund	–	82 000
–	1 262 413	100	HLB Income Fund	–	137 000
–	1 888 862	100	Lakson Income Fund	–	199 000
–	2 520 198	100	MCB Pakistan Sovereign Fund	–	139 000
19 392 561	17 184 011	10	NAFA Income Opportunity Fund	207 983	191 000
–	1 288 656	100	PICIC Income Fund	–	137 000
–	1 956 088	100	PIML Income Fund	–	210 000
–	1 613 829	100	UBL Government Securities Fund	–	180 000
<u>25 019 017</u>	<u>50 359 792</u>			<u>333 513</u>	<u>1 994 500</u>

Number of shares		Face value per share	Name of entity	Rupees '000	
2016	2015			2016	2015
<b>Ordinary shares</b>					
<b>Oil and Gas</b>					
550 000	550 000	10	Attock Petroleum Limited	189 556	189 556
250 000	350 000	10	National Refinery Limited	73 901	92 570
225 000	225 000	10	Oil & Gas Development Company Ltd.	32 438	32 438
510 000	500 000	10	Pakistan Oilfields Limited	164 753	162 590
100 000	–	10	Pakistan Petroleum Limited	12 219	–
1 500	–	10	Pakistan State Oil Company Limited	644	–
329 440	335 140	10	Shell (Pakistan) Limited	68 406	70 276
				<u>541 917</u>	<u>547 430</u>
<b>Chemicals</b>					
89 000	89 000	10	Archroma Pakistan Limited	8 916	8 916
20 200	25 000	10	Dawood Hercules Limited	3 032	3 292
100 000	80 000	10	Engro Corporation Limited	34 691	23 630
50 000	85 000	10	Fauji Fertilizer Bin Qasim Limited	2 653	5 136
1 500 700	1 500 700	10	Fauji Fertilizer Limited	174 941	174 941
50 000	50 000	10	ICI Pakistan Limited	8 077	8 077
300 000	300 000	10	Linde Pakistan Limited	38 702	38 702
				<u>271 012</u>	<u>262 694</u>

Number of shares		Face value per share	Name of entity	Rupees '000	
2016	2015			2016	2015
<b>Ordinary shares</b>					
			<b>Forestry and Paper</b>		
–	75 000	10	Century Paper & Board Mills Limited	–	5 127
			<b>Industrial Metals and Mining</b>		
1 242 240	1 242 240	10	International Industries Limited	63 110	63 110
1 000 000	–	10	TPL Properties Limited	12 500	–
				<u>75 610</u>	<u>63 110</u>
			<b>Construction and Materials</b>		
46 100	46 100	10	Akzo Nobel Pakistan Limited	9 091	3 385
–	25 000	10	Attock Cement Limited	–	5 043
–	300 000	10	Dewan Cement Limited	–	5 467
				<u>9 091</u>	<u>13 895</u>
			<b>General Industrials</b>		
1 024 125	1 024 125	10	Cherat Packaging Limited	93 398	93 398
350 000	350 000	10	Packages Limited	49 364	49 364
350 000	350 000	5	Thal Limited	20 644	20 644
				<u>163 406</u>	<u>163 406</u>
			<b>Electronic and Electrical Goods</b>		
–	50 000	10	Pak Electron Limited	–	4 232
122 540	122 540	10	Pakistan Cables Limited	11 084	11 084
				<u>11 084</u>	<u>15 316</u>
			<b>Automobile and Parts</b>		
230 100	230 100	10	General Tyre & Rubber Company Ltd.	8 094	8 094
55 140	55 140	10	Indus Motor Company Limited	11 284	11 284
				<u>19 378</u>	<u>19 378</u>
			<b>Beverages</b>		
531 659	531 659	10	Murree Brewery Pakistan Limited	40 487	40 487
			<b>Food Producers</b>		
10 000	10 000	100	Rafhan Maize Products Limited	100 110	100 110
78 800	78 800	10	Shahtaj Sugar Limited	9 112	5 343
				<u>109 222</u>	<u>105 453</u>
			<b>Household Goods</b>		
25 000	–	10	Tariq Glass Limited	2 610	–
			<b>Personal Goods</b>		
2 380 260	2 380 260	10	Azgard Nine Limited	19 613	10 521
309 776	309 776	10	Bata (Pakistan) Limited	279 875	279 875
854 000	854 000	10	Samin Textiles Limited	7 609	6 832
				<u>307 097</u>	<u>297 228</u>

Number of shares		Face value per share	Name of entity	Rupees '000	
2016	2015			2016	2015
<b>Ordinary shares</b>					
<b>Pharma and Bio tech</b>					
954 441	954 441	10	Ferozsons Laboratories Limited	97 736	97 736
330 000	330 000	10	Glaxosmithkline Pakistan Limited	21 090	21 090
99 000	–	10	Glaxosmithkline Consumer Healthcare Pakistan Limited	–	–
19 200	19 200	10	Sanofi Aventis Pakistan Limited	5 096	5 096
2 348 775	1 961 668	10	Searle Pakistan Limited	51 861	57 439
16 000	16 000	100	Wyeth Pakistan Limited	32 404	32 404
				<u>208 187</u>	<u>213 765</u>
<b>Media</b>					
–	9 440 400	10	Hum Network Limited	–	–
<b>Electricity</b>					
750 000	750 000	10	Hub Power Company Limited	76 182	76 182
500 000	500 000	10	Kot Addu Power Company Limited	28 018	28 018
500 000	500 000	10	Nishat Chunian Power Limited	9 467	9 467
206 000	206 000	10	Pakgen Power Limited	4 560	4 560
800 000	800 000	10	Saif Power Limited	30 635	30 635
				<u>148 862</u>	<u>148 862</u>
<b>Commercial Banks</b>					
120 000	120 000	10	Allied Bank Limited	5 171	5 171
350 000	350 000	10	Bank Al-Habib Limited	8 166	8 166
407 000	675 000	10	Habib Bank Limited	80 405	81 704
75 000	–	10	MCB Bank Limited	17 754	–
70 000	–	10	United Bank Limited	10 787	–
				<u>122 283</u>	<u>95 041</u>
<b>Non Life Insurance</b>					
–	1 314 661	10	Adamjee Insurance Company Limited	–	36 405
793 546	793 546	5	Habib Insurance Limited	15 078	15 911
172 500	172 500	10	Jubilee General Insurance Limited	11 310	11 310
6 500 000	6 500 000	10	Pakistan Reinsurance Company Limited	168 248	168 248
				<u>194 636</u>	<u>231 874</u>
<b>Life Insurance</b>					
1 063 709	1 063 709	10	Jubilee Life Insurance Limited	65 841	65 841
<u>28 760 751</u>	<u>38 591 705</u>		<b>Total</b>	<u>2 290 723</u>	<u>2 288 907</u>

13.3.3 Fixed income securities

Name of investment	Maturity year	Effective yield %	Profit payment	Face value	Rupees '000	
					2016	2015
<b>Government securities</b>						
3 Years Pakistan Investment Bonds	–	–	–	–	–	415 982
3 Years Pakistan Investment Bonds	2017	12.36	Half yearly	2 150 000	2 137 817	2 117 430
3 Years Pakistan Investment Bonds	2018	5.77 - 8.08	Half yearly	1 605 400	1 655 692	167 578
5 Years Pakistan Investment Bonds	–	–	–	–	–	8 939
5 Years Pakistan Investment Bonds	2019	6.52	Half yearly	256 600	286 137	–
10 Years Pakistan Investment Bonds	2017	13.24	Half yearly	1 000	978	948
6 Months Treasury Bills	2017	5.82 - 5.88	on maturity	965 000	961 676	–
3 Months Treasury Bills	2017	5.90	on maturity	150 000	149 210	–
					5 191 510	2 710 877
The amount of Pakistan Investment Bonds includes Rs. 221 million (2015: Rs. 165 million) deposited with the State Bank of Pakistan as required by Section 29 of the Insurance Ordinance, 2000.						
<b>Term Finance Certificates (TFCs) – quoted</b>						
New Allied Electronics Limited	2012	12.92	Quarterly	3 481	3 481	3 981
Agritech Limited – 3rd Issue (B)	2017	11.00	Half yearly	5 665	5 665	5 665
Agritech Limited – 3rd Issue (A)	2019	13.35	Quarterly	34 972	34 972	34 972
					44 118	44 618
					5 235 628	2 755 495

13.3.3.1 The term finance certificates are held under non-performing status and full provision has been made against these term finance certificates.

14. Investment properties

	2016							
	Cost			Rate %	Depreciation			Written down value
	As at 01 January	Addition	As at 31 December		As at 01 January	For the year	As at 31 December	
Leasehold land	47 468	–	47 468		–	–	–	47 468
Buildings	360 000	–	360 000	5	261 376	18 000	279 376	80 624
Lifts and other installations	64 702	8 296	72 998	10	20 148	6 861	27 009	45 989
	472 170	8 296	480 466		281 524	24 861	306 385	174 081

Rupees '000

2015

	Cost			Rate %	Depreciation			Written down value
	As at 01 January	Addition	As at 31 December		As at 01 January	For the year	As at 31 December	As at 31 December
Leasehold land	47 468	–	47 468		–	–	–	47 468
Buildings	359 072	928	360 000	5	243 380	17 996	261 376	98 624
Lifts and other installations	63 926	776	64 702	10	13 773	6 375	20 148	44 554
	<u>470 466</u>	<u>1 704</u>	<u>472 170</u>		<u>257 153</u>	<u>24 371</u>	<u>281 524</u>	<u>190 646</u>

- 14.1 The market value of land and buildings is estimated at Rs. 1,549 million (2015: Rs. 1,549 million). The valuations have been carried out by independent valuers. Rental income from these properties amounts to Rs. 139 million (2015: Rs. 130 million).

Rupees '000

	Note	2016	2015
<b>15. Premiums due but unpaid – net – unsecured</b>			
Considered good		3 980 010	3 285 856
Considered doubtful		27 100	30 580
		<u>4 007 110</u>	<u>3 316 436</u>
Provision for doubtful balances		(27 100)	(30 580)
		<u>3 980 010</u>	<u>3 285 856</u>
<b>16. Accrued investment income</b>			
Return accrued on fixed income securities		164 279	139 413
Dividend income		8 352	750
Return on bank deposits		1 339	1 526
		<u>173 970</u>	<u>141 689</u>
<b>17. Prepayments</b>			
Prepaid reinsurance premium ceded		4 151 673	3 562 042
Prepaid rent		12 206	8 646
Others		43 435	33 637
		<u>4 207 314</u>	<u>3 604 325</u>
<b>18. Sundry receivables</b>			
Advances to employees		3 311	2 566
Advances to suppliers and contractors		51 158	25 005
Current portion of loans to employees	12	778	982
Staff retirement benefits	7.1	–	38 522
Others		2 555	481
		<u>57 802</u>	<u>67 556</u>

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

Rupees '000

		2016									
		Cost				Depreciation / Amortisation				Written down value	
		As at 01 January	Additions	Disposals / Adjustments	As at 31 December	Rate %	As at 01 January	For the year	Disposals / Adjustments	As at 31 December	As at 31 December
<b>Tangible</b>											
Buildings		582 652	41 036	–	623 688	5	177 488	30 155	–	207 643	416 045
Furniture and fixtures		480 577	13 642	1 358	492 861	10	299 526	35 348	1 323	333 551	159 310
Office equipments		269 245	12 467	1 665	280 047	10	126 095	26 341	737	151 699	128 348
Computers		147 045	9 579	205	156 419	30	136 608	8 021	205	144 424	11 995
Vehicles		597 167	72 529	47 924	621 772	20	348 208	88 966	46 678	390 496	231 276
Tracker equipments		119 877	56 631	–	176 508	20	11 658	29 663	–	41 321	135 187
<b>Intangible</b>											
Computer softwares		74 796	–	–	74 796	33	74 796	–	–	74 796	–
		<u>2 271 359</u>	<u>205 884</u>	<u>51 152</u>	<u>2 426 091</u>		<u>1 174 379</u>	<u>218 494</u>	<u>48 943</u>	<u>1 343 930</u>	<u>1 082 161</u>
		2015									
		Cost				Depreciation / Amortisation				Written down value	
		As at 01 January	Additions	Disposals / Adjustments	As at 31 December	Rate %	As at 01 January	For the year	Disposals / Adjustments	As at 31 December	As at 31 December
<b>Tangible</b>											
Buildings		479 630	103 022	–	582 652	5	151 688	25 800	–	177 488	405 164
Furniture and fixtures		469 735	14 342	3 500	480 577	10	267 566	34 629	2 669	299 526	181 051
Office equipments		258 257	12 142	1 154	269 245	10	101 514	25 308	727	126 095	143 150
Computers		142 225	5 457	637	147 045	30	126 650	10 567	609	136 608	10 437
Vehicles		533 486	115 294	51 613	597 167	20	316 470	79 600	47 862	348 208	248 959
Tracker equipments		–	119 877	–	119 877	20	–	11 658	–	11 658	108 219
<b>Intangible</b>											
Computer softwares		74 796	–	–	74 796	33	74 675	121	–	74 796	–
		<u>1 958 129</u>	<u>370 134</u>	<u>56 904</u>	<u>2 271 359</u>		<u>1 038 563</u>	<u>187 683</u>	<u>51 867</u>	<u>1 174 379</u>	<u>1 096 980</u>

19.1 The market value of land and buildings is estimated at Rs. 1,582 million (2015: Rs. 1,526 million). The valuations have been carried out by independent valuers.

19.2 Details of tangible assets disposed off during the year are as follows:

Category of Assets (Mode of disposal)	Rupees '000				Sold to
	Original cost	Accumulated depreciation	Book value	Sale proceeds	
Furniture & Fixtures Written down value below Rs. 50,000	1 358	1 323	35	220	Various
	<u>1 358</u>	<u>1 323</u>	<u>35</u>	<u>220</u>	
Office equipments (Negotiation)	1 665	737	928	248	Multi Technologies
	<u>1 665</u>	<u>737</u>	<u>928</u>	<u>248</u>	
Computers Written down value below Rs. 50,000	205	205	–	9	Various
	<u>205</u>	<u>205</u>	<u>–</u>	<u>9</u>	
Vehicles (Negotiation)	692	312	380	–	Theft
	1 834	1 497	337	900	Mr. Ahmed Hussain Zuberi (ex-employee), Karachi
	621	528	93	300	Mr. Azim Hanif, Karachi
	<u>1 956</u>	<u>1 532</u>	<u>424</u>	<u>376</u>	Mr. Syed Mehdi Imam (employee), Karachi
Written down value below Rs. 50,000	42 821	42 809	12	18 519	Various
	<u>47 924</u>	<u>46 678</u>	<u>1 246</u>	<u>20 095</u>	

Rupees '000

	2016	2015
<b>20. Capital work-in-progress</b>		
Furniture and fixtures	–	1 000
Lifts and other installations	–	3 338
Advances to contractors and suppliers	2 750	–
	<u>2 750</u>	<u>4 338</u>

	2016		2015		
21. Commission from reinsurers	Commission received or receivable	Unearned Commission		Commission from reinsurers	Commission from reinsurers
		Opening	Closing		
Fire and property damage	511 235	243 395	254 043	500 587	480 415
Marine, aviation and transport	27 152	9 449	8 643	27 958	32 050
Motor	–	–	–	–	175
Miscellaneous	196 941	88 808	81 291	204 458	193 645
	<u>735 328</u>	<u>341 652</u>	<u>343 977</u>	<u>733 003</u>	<u>706 285</u>

Rupees '000

	Note	2016	2015
<b>22. Management expenses</b>			
Salaries, Wages and Benefits	22.1	1 319 854	1 283 938
Bonus		100 760	99 288
Gratuity		10 883	8 994
Rent, Rates and Taxes		35 573	37 451
Telephone		19 368	18 149
Postage		7 290	6 024
Gas and Electricity		44 883	44 894
Printing and Stationery		30 141	27 780
Travelling and Entertainment		98 862	98 160
Depreciation		208 889	185 487
Repairs and Maintenance		64 615	55 340
Publicity		52 668	53 841
Charges for vehicle tracking devices		72 689	31 531
Training		3 537	3 857
(Reversal) / provision for bad debts		( 3 480 )	1 180
Other expenses		33 598	50 639
		<u>2 100 130</u>	<u>2 006 553</u>

22.1 These include Rs. 21.90 million (2015: Rs. 20.46 million) being contribution for employees' provident fund.

Rupees '000

	2016	2015
<b>23. Other income</b>		
<b>Income from financial assets</b>		
Interest on loans to employees	143	142
<b>Income from non-financial assets</b>		
Gain on sale of fixed assets	18 363	22 719
Exchange gain	247	2 850
	<u>18 753</u>	<u>25 711</u>



Rupees '000

	Note	2016	2015
<b>24. General and administration expenses</b>			
Salaries, Wages and Benefits	24.1	23 323	20 504
Bonus		2 696	2 105
Gratuity		374	431
Rent, Rates and Taxes		2 895	2 841
Telephone		489	118
Postage		42	36
Gas and Electricity		1 925	1 886
Printing and Stationery		369	471
Travelling and Entertainment		1 301	1 461
Depreciation		2 020	1 496
Repairs and Maintenance		168	155
Auditors' Remuneration	24.2	3 505	3 402
Property Management Expenses		67 483	62 928
Donations	24.3	11 383	14 306
(Reversal) / charge for workers' welfare fund	24.4	(97 496)	98 145
Legal and professional charges		56 515	40 767
Statutory levies		30 334	29 042
Other expenses		14 578	21 663
		<u>121 904</u>	<u>301 757</u>

24.1 These include Rs. 0.41 million (2015: Rs. 0.40 million) being contribution for employees' provident fund.

Rupees '000

	2016	2015
<b>24.2 Auditors' remuneration</b>		
Audit fee	1 600	1 600
Interim review fee	500	500
Other professional fee	1 072	1 046
Out of pocket expenses	333	256
	<u>3 505</u>	<u>3 402</u>

24.3 Donations

Donations include the following in whom the directors are interested:

Rupees '000

Name of Director	Interest in donee	Name and address of donee	2016	2015
Saifuddin N. Zoomkawala	Board member	Shaukat Khanum Memorial Trust 7A Block R-3, M.A. Johar Town, Lahore.	1 000	1 000
Saifuddin N. Zoomkawala	Board member	Sindh Institute of Urology and Transplantation, Civil Hospital, Karachi, Pakistan.	500	500
Saifuddin N. Zoomkawala	Member	Institute of Business Administration, Garden, Kayani Shaheed Road, Karachi.	1 667	1 667
Saifuddin N. Zoomkawala and Ali Raza Siddiqui	Board Member	Fakhr-e-Imdad Foundation, Mirpurkhas Digri Road, Mirwah Gorchani, Mirpurkhas.	850	500
Hasanali Abdullah	Board Member	The Aga Khan Hospital and Medical College Foundation, Stadium Road, Karachi.	500	1 667

24.4 During the year, the Honourable Supreme Court of Pakistan (SCP) passed a judgement declaring the insertion of amendments introduced in the Finance Acts pertaining to Workers Welfare Fund Ordinance, 1971, as unlawful and thereby striking down such amendments. Pursuant to the SCP Judgement, the Company reversed the entire provision held for WWF for the year 2015, amounting to Rs. 97.49 million, as the Company is of the view that there is no basis to maintain such provision anymore.

Rupees '000

	Note	2016	2015
<b>25. Takaful operations - OPF</b>			
Wakala fee		168 623	13 326
Management expenses		( 123 760 )	( 13 031 )
Commission expense		( 45 537 )	( 3 167 )
Investment income		3 550	–
Profit on deposits		2 105	2 033
Modarib's share of PTF profit on deposits		1 720	–
Other income		12	–
General and administration expenses		( 796 )	( 2 288 )
Profit / (loss) before tax		<u>5 917</u>	<u>( 3 127 )</u>
<b>26. Provision for taxation</b>			
For the year			
– Current		1 018 043	517 802
– Prior year	26.1	108 839	238 177
		1 126 882	755 979
Deferred tax		261 960	19 250
		<u>1 388 842</u>	<u>775 229</u>

26.1 It includes Rs. 73 million onetime super tax at the rate of 3 % on income for the year ended 31 December 2015 (Tax Year 2016) imposed by the Federal Government vide Finance Act 2016. This tax has been levied for financing the rehabilitation of internally displaced persons affected by the ongoing war on terror. Accordingly, provisions for Super tax have been made for the prior year.

## 26.2 Reconciliation of tax charge

	Effective tax rate %		Rupees '000	
	2016	2015	2016	2015
Profit before taxation			3 781 284	4 809 131
Tax at the applicable rate	31.00	32.00	1 172 198	1 538 921
Tax effects of deductions not allowed	0.06	(0.27)	2 105	(12 831)
Tax effects of income taxed at reduced rates	–	(7.19)	–	(345 842)
Tax effects of change in tax rates	3.68	0.27	139 204	12 918
Tax effects of exempt income	(0.89)	(13.64)	(33 592)	(656 114)
Prior year tax	2.88	4.95	108 836	238 177
Average effective tax rate charged on income	36.73	16.12	1 388 751	775 229

26.3. The Finance Act, 2015 introduced a tax on every public company at the rate of 10 percent of such undistributed reserves which exceed the amount of its paid up capital. However, this tax shall not apply in case of a public company which distributes cash dividend equal to at least either 40 percent of its after tax profits or 50 percent of its paid up capital whichever is less, within the prescribed time after the end of the relevant tax year.

The final dividend proposed by the Board of Directors of the Company as disclosed in note 32 to the financial statements, along with interim dividends paid during the year, exceed the prescribed minimum dividend requirement as referred above. Accordingly no provision of income tax in this respect has been made in these financial statements.

## 27. Earnings per share

Rupees '000

		2016	2015
<b>27.1 Basic earnings per share</b>			
Profit after tax	(Rupees '000)	2 392 442	4 033 902
Weighted average number of ordinary shares	(Numbers '000)	200 000	200 000
Earnings per share	(Rupees)	11.96	20.17

## 27.2 Diluted earnings per share

No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

## 28. Remuneration of Chief Executive, Directors and Executives

The aggregate amount charged in the accounts for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

Rupees '000

	2016				2015			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
Managerial remuneration	28 080	12 768	209 178	250 026	25 380	3 568	196 861	225 809
Bonus	–	–	36 492	36 492	–	–	34 565	34 565
Retirement benefits	–	–	14 993	14 993	–	–	14 002	14 002
Utilities	397	162	17 400	17 959	301	59	15 624	15 984
Medical expenses	423	82	6 596	7 101	698	175	6 947	7 820
Leave passage	913	397	6 546	7 856	841	–	5 371	6 212
Total	29 813	13 409	291 205	334 427	27 220	3 802	273 370	304 392
Number of persons	1	1	124	126	1	1	120	122

28.1 Chief Executive Officer is provided with Company maintained cars, furniture accommodation and medical insurance cover. The Executives are provided with free use of Company cars, medical insurance cover and certain items of household furniture and fixtures in accordance with their entitlements. The Chief Executive is not given any rent allowance but is provided with maintained furnished accommodation. The Chairman is provided with free use of Company car, maintained furnished accommodation, medical insurance cover and residential utilities.

The Non Executive Directors were paid Directors meeting fee of Rs. 575,000. No other remuneration was paid to Non Executive Directors.

## 29. Segment reporting

Rupees '000

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Treaty		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Corporate segment assets-conventional	9 177 937	6 145 157	1 322 684	1 524 182	640 298	628 904	1 034 515	1 381 642	-	-	12 175 434	9 679 885
Corporate segment assets-Takaful OPF	15 457	8 801	3 096	823	73 348	32 674	4 623	2 269	-	-	96 524	44 567
Corporate unallocated assets-conventional											23 761 416	22 478 220
Corporate unallocated assets-Takaful OPF											170 829	61 363
Consolidated total assets											36 204 203	32 264 035
Corporate segment liabilities	11 382 450	8 814 324	1 794 889	1 928 162	2 490 835	2 597 296	2 225 437	2 209 108	-	-	17 893 611	15 548 890
Corporate segment liabilities-Takaful OPF	16 411	10 147	2 781	561	99 027	42 597	14 003	5 320	-	-	132 222	58 625
Corporate unallocated liabilities											1 275 806	809 076
Corporate unallocated liabilities-Takaful OPF											1 493	432
Consolidated total liabilities											19 303 132	16 417 023
Corporate segment capital expenditures	-	-	-	-	56 631	-	-	-	-	-	56 631	-
Segment unallocated capital expenditures-conventional											155 962	376 175
Segment unallocated capital expenditures-Takaful OPF											3 139	3 724
Consolidated total capital expenditures											215 732	379 899
Corporate segment depreciation	-	-	-	-	29 663	-	-	-	-	-	29 663	-
Unallocated depreciation - conventional											213 692	212 055
Unallocated depreciation - Takaful OPF											882	409
Total depreciation											244 237	212 464

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	
	2016	2015	2016	2015	2016	2015	2016	2015
Pakistan - conventional	7 218 687	6 650 644	35 719 748	31 961 960	19 056 076	16 275 574	212 593	376 175
Pakistan - Takaful OPF	-	-	267 353	105 930	164 563	59 057	3 139	3 724
* EPZ - conventional	24 134	26 218	217 102	196 145	82 493	82 392	-	-
Total	7 242 821	6 676 862	36 204 203	32 264 035	19 303 132	16 417 023	215 732	379 899

\* This represents US Dollar equivalent in Pak Rupees

## 30. Management of insurance and financial risk

### 30.1 Insurance risk

The principal risk the Company faces under insurance contracts is the possibility that the insured event occurs, the uncertainty of the amount of the resulting claims i.e. the frequency and severity of claims and that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy aims to minimise insurance risks with a balanced mix and spread of business classes and by observing underwriting guidelines and limits. The Company underwrites mainly property, motor, marine

cargo and transportation and other miscellaneous business. These classes of insurance are generally regarded as short-term insurance contracts where claims are normally intimated and settled within a short time span, usually one year. This helps to mitigate insurance risk.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Company has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. For large risks, particularly in property segment of business, risk inspections are carried out before accepting the risks. Similarly, in case of large risks, annual renewals are also preceded by on-site surveys. Where needed, risk mitigation measures are identified and communicated to the clients to improve the risk to an acceptable level.

Reinsurance arrangements in place include treaty and facultative arrangements, on proportional and non-proportional basis and also include catastrophe cover. The effect of such reinsurance arrangements is that the Company may not suffer ultimate net insurance losses beyond the Company's risk appetite in any one year.

The Company's arrangement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor the operations of the Company are substantially dependent upon any single reinsurance contract. The Company obtains reinsurance cover only from companies with sound financial health.

### 30.1.1 Frequency and severity of claims

The frequency and severity of claims can be affected by several factors like political violence, environmental and economical, atmospheric disturbances, natural disasters, concentration of risks, civil riots etc. The Company manages these risk through the measures described above. The Company has limited its exposure to catastrophic and riot events by use of reinsurance arrangements.

The Company monitors concentration of insurance risks primarily by class of business. The table below sets out the concentration of the claims and premium liabilities (in percentage terms) by class of business at balance sheet date:

Class	2016				2015			
	Gross claims liabilities	Net claims liabilities	Gross premium liabilities	Net premium liabilities	Gross claims liabilities	Net claims liabilities	Gross premium liabilities	Net premium liabilities
	%	%	%	%	%	%	%	%
Fire and property damage	59	30	63	33	45	31	59	33
Marine, aviation & transport	16	23	7	10	19	19	10	13
Motor	15	41	21	49	22	44	23	49
Miscellaneous	10	6	9	8	14	6	8	5
	100	100	100	100	100	100	100	100

The Company also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For fire and property risk a particular building and neighbouring buildings, which could be affected by a single claim incident, are considered as a single location. For earthquake risk, a complete city is classified as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage are considered as a single risk while assessing concentration of risk.

The Company evaluates the concentration of exposures to individual and cumulative insurance risks and establishes its reinsurance policy to reduce such exposures to levels acceptable to the Company.

The Company's class wise major gross risk exposure is as follows:

Class	Rupees '000	
	2016	2015
Fire and property damage	199 502 000	95 470 000
Marine, aviation and transport	104 800 000	86 984 000
Motor	46 500	47 000
Miscellaneous	11 058 000	7 210 000

Since the Company operates in Pakistan only, hence, all the insurance risks relate to policies written in Pakistan.

### 30.1.2 Sources of uncertainty in estimation of future claim payments

The key source of estimation uncertainty at the balance sheet date relates to valuation of outstanding claims, whether reported or not, and includes expected claims settlement costs. Considerable judgment by management is required in the estimation of amounts due to policyholders arising from claims made under insurance contracts. Such estimates are necessarily based on assumptions about several factors involving varying and possibly significant degrees of judgment and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities. Qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example one-off occurrence, changes in market factors such as public attitude to claiming and economic conditions. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

In particular, estimates have to be made both for the expected ultimate cost of claims reported at the balance sheet date and for the expected ultimate cost of claims incurred but not reported (IBNR) at the balance sheet date. The details of estimation of outstanding claims (including IBNR) are given under note 3.6.2.

### 30.1.3 Process used to decide on assumptions

The process used to determine the assumptions for calculating the outstanding claim reserve is intended to result in neutral estimates of the most likely or expected outcome. The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular claim and the ultimate cost of notified claims. Each notified claim is assessed on a separate, case by case basis with due regard to claim circumstances, information available from surveyors and historical evidence of the size of similar claims. Case estimates are reviewed regularly and are updated as and when new information is available.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, in which case information about the claim event is available. IBNR provisions are initially estimated at a gross level and a separate calculation is carried out to estimate the size of the reinsurance recoveries. The estimation process takes into account the past claims reporting pattern and details of reinsurance programs.

The premium liabilities have been determined such that the total premium liability provisions (unearned premium reserve and premium deficiency reserve) would be sufficient to service the future expected claims and expenses likely to occur on the unexpired policies as of balance sheet date. The expected future liability is determined using estimates and assumptions based on the experience during the expired period of the contracts and expectations of future events that are believed to be reasonable.

### 30.1.4 Sensitivity analysis

The Company believes that the claim liabilities under insurance contracts outstanding at the year end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the financial statements. The impact on the profit before tax and shareholders' equity of the changes in the claim liabilities net of reinsurance is analysed below. The sensitivity to changes in claim liabilities net of reinsurance is determined separately for each class of business while keeping all other assumptions constant.

Rupees '000

	Profit before tax		Shareholders' equity	
	2016	2015	2016	2015
<b>Impact of change in claim liabilities by + 10</b>				
Fire and property damage	( 59 904 )	( 68 617 )	( 41 334 )	( 46 660 )
Marine, aviation and transport	( 44 807 )	( 42 148 )	( 30 917 )	( 28 661 )
Motor	( 82 131 )	( 97 764 )	( 56 670 )	( 66 480 )
Miscellaneous	( 12 199 )	( 14 518 )	( 8 417 )	( 9 872 )
	<u>( 199 041 )</u>	<u>( 223 047 )</u>	<u>( 137 338 )</u>	<u>( 151 673 )</u>
<b>Impact of change in claim liabilities by - 10</b>				
Fire and property damage	59 904	68 617	41 334	46 660
Marine, aviation and transport	44 807	42 148	30 917	28 661
Motor	82 131	97 764	56 670	66 480
Miscellaneous	12 199	14 518	8 417	9 872
	<u>199 041</u>	<u>223 047</u>	<u>137 338</u>	<u>151 673</u>

### 30.1.5 Claim development

The Company maintains adequate reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved within one year.

Claims which involve litigation and, in the case of Marine general average adjustments take longer for the final amounts to be determined which exceed one year. All amounts are presented in gross numbers before reinsurance. Claims of last five years are given below:

Rupees '000

Accident year	2012	2013	2014	2015	2016
Estimate of ultimate claims costs:					
– At end of accident year	57 244	–	200 746	62 928	60 052
– One year later	22 848	7 769	213 387	59 103	–
– Two years later	57 513	7 661	211 873	–	–
– Three years later	52 488	10 381	–	–	–
– Four years later	44 591	–	–	–	–
Current estimate of cumulative claims	44 591	10 381	211 873	59 103	60 052
Cumulative payments to date	8 467	645	181 378	5 868	888
Liability recognized in balance sheet	36 124	9 736	30 495	53 235	59 164

### 30.2 Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (comprising of currency risk, interest rate risk and other price risk). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework. There are Board Committees and Management Committees for developing and monitoring the risk management policies.

#### 30.2.1 Credit risk

Credit risk is the risk, which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The management monitors exposure to credit risk through regular review of credit exposure, undertaking transactions with a large number of counter parties in various industries and by continually assessing the credit worthiness of counter parties.

Concentration of credit risk arises when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet contractual obligations in similar manner. Due to the nature of financial assets, the Company believes it is not exposed to any major concentration of credit risk.

The carrying amounts of the following financial assets represent the Company's maximum exposure to credit risk:

Rupees '000

	2016	2015
<b>Financial assets</b>		
Bank balances and deposits	1 859 736	1 744 821
Loans to employees	3 036	3 096
Premiums due but unpaid – net – unsecured	3 980 010	3 285 856
Amount due from other insurers / reinsurers	17 862	15 839
Investments	552 631	2 244 118
Accrued investment income	173 970	141 689
Reinsurance recoveries against outstanding claims	3 424 617	2 232 473
Security deposits	8 758	17 390
Sundry receivables	57 024	66 574
	<u>10 077 644</u>	<u>9 751 856</u>

The credit quality of Company's bank balances and deposits can be assessed with reference to external credit ratings as follows:

	Rupees '000	
Rating	2016	2015
AAA	611 892	281 126
AA+	582 963	739 970
AA	73 894	155 069
AA-	536 008	48 018
A+	47 082	504 411
A	7 897	16 227
	1 859 736	1 744 821

The credit quality of Company's investment in term finance certificates can be assessed with reference to external credit ratings as follows:

			Rupees '000	
Rating	Short Term	Rating Agency	2016	2015
Agritech Limited - 3rd Issue (B)	D	PACRA	5 665	5 665
Agritech Limited - 3rd Issue (A)	D	PACRA	34 972	34 972
New Allied Electronics Limited	N/A	-	3 481	3 981
			44 118	44 618

The management monitors exposure to credit risk in premium receivable from customers through regular review of credit exposure and prudent estimates of provisions for doubtful receivables. As at 31 December 2016, the premiums due but unpaid (other than impaired balances) includes amount receivable within one year and above one year amounting to Rs. 3,912 million (2015: Rs. 2,932 million) and Rs. 43 million (2015: Rs. 384 million) respectively.

The credit quality of amounts due from other insurers / reinsurers and claim recoveries from reinsurers can be assessed with reference to external credit ratings as follows:

					Rupees '000	
Rating	2016		2015			
	Amounts due from insurers / reinsurers	Reinsurance recoveries against outstanding claims	Amounts due from insurers / reinsurers	Reinsurance recoveries against outstanding claims		
A or above (including Pakistan Reinsurance Company Limited)	8 603	3 319 724	7 236	2 035 504		
B or above	9 259	103 292	8 603	183 876		
Others	-	1 601	-	13 093		
	17 862	3 424 617	15 839	2 232 473		

As at 31 December 2016, the amounts due from insurers / reinsurers includes amount receivable within one year and above one year amounting to Rs. 5.350 million (2015: Rs. 2.205 million) and Rs. 12.512 million (2015: Rs. 13.634 million) respectively.



### 30.2.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. In respect of major loss event, there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries.

The objective of the Company's liquidity management process is to ensure, as far as possible, that it will always have sufficient liquidity to meet its claim and other liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation. It includes measuring and monitoring the future cash flows on daily, monthly and quarterly basis, maintaining sufficient cash reserves in bank accounts and a portfolio of highly marketable financial assets that can be easily liquidated in the event of an unforeseen interruption to cash flows.

The table below provides the maturity analysis of the Company's liabilities as at balance sheet date. All liabilities are presented on a contractual cash flow basis except for the provision of outstanding claims (including IBNR), which are presented with their expected cash flows.

Rupees '000

	2016		
	Carrying amount	Up to one year	Greater than one year
<b>Financial liabilities</b>			
Provision for outstanding claims (including IBNR)	5 415 030	5 415 030	–
Amounts 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	8 136	8 136	–
Other deposits	583 291	583 291	–
Unclaimed dividends	159 020	159 020	–
	<u>10 558 624</u>	<u>10 558 624</u>	<u>–</u>
	2015		
	Carrying amount	Up to one year	Greater than one year
<b>Financial liabilities</b>			
Provision for outstanding claims (including IBNR)	4 462 934	4 462 934	–
Amounts due to other insurers / reinsurers	2 947 386	2 947 386	–
Accrued expenses	201 074	201 074	–
Agent balances	527 572	527 572	–
Other creditors and accruals	57 341	57 341	–
Other deposits	540 028	540 028	–
Unclaimed dividends	128 432	128 432	–
	<u>8 864 767</u>	<u>8 864 767</u>	<u>–</u>

### 30.2.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of change in market prices such as interest rates, foreign exchange rates and equity prices.

The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in Government securities, equity and term finance certificates markets. In addition, the Company actively monitors the key factors that affect the underlying value of these securities.

### 30.2.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company has securities and deposits that are subject to interest rate risk. The Company limits interest rate risk by monitoring changes in interest rates in the currencies in which its financial assets are denominated.

The information about Company's exposure to interest rate risk based on contractual reprising or maturity dates whichever is earlier is as follows:

Rupees '000

	2016						
	Effective yield %	Interest / mark-up bearing				Non-interest / mark-up bearing	Total
		Upto one year	Over one year to five years	Over five years	Sub total		
<b>Financial assets</b>							
Cash and bank deposits	4.00–6.90	1 694 887	–	–	1 694 887	172 579	1 867 466
Loans to employees	4.75	778	1 635	623	3 036	–	3 036
Investments	7.39	3 249 681	1 941 829	–	5 191 510	15 145 019	20 336 529
Premiums due but unpaid-net-unsecured		–	–	–	–	3 980 010	3 980 010
Premiums 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		–	–	–	–	57 024	57 024
		<u>4 945 346</u>	<u>1 943 464</u>	<u>623</u>	<u>6 889 433</u>	<u>22 979 839</u>	<u>29 869 272</u>
<b>Financial liabilities</b>							
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		–	–	–	–	8 136	8 136
Other deposits		–	–	–	–	583 291	583 291
Unclaimed dividends		–	–	–	–	159 020	159 020
		<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>10 558 624</u>	<u>10 558 624</u>
On–balance sheet sensitivity gap		<u>4 945 346</u>	<u>1 943 464</u>	<u>623</u>	<u>6 889 433</u>		
Total yield / mark-up rate risk sensitivity gap		<u>4 945 346</u>	<u>1 943 464</u>	<u>623</u>	<u>6 889 433</u>		

	2015						Total
	Interest / mark-up bearing				Sub total	Non-interest / mark-up bearing	
	Effective yield %	Upto one year	Over one year to five years	Over five years			
<b>Financial assets</b>							
Cash and bank deposits	4.25 - 9.75	1 578 765	–	–	1 578 765	170 231	1 748 996
Loans to employees	4.73	982	1 701	413	3 096	–	3 096
Investments	12.03	424 921	2 285 956	–	2 710 877	16 455 351	19 166 228
Premiums due but unpaid-net-unsecured		–	–	–	–	3 285 856	3 285 856
Premiums due from other insurers / reinsurers		–	–	–	–	15 839	15 839
Accrued investment income		–	–	–	–	141 689	141 689
Reinsurance recoveries against outstanding claims		–	–	–	–	2 232 473	2 232 473
Security deposits		–	–	–	–	17 390	17 390
Sundry receivables		–	–	–	–	66 574	66 574
		<u>2 004 668</u>	<u>2 287 657</u>	<u>413</u>	<u>4 292 738</u>	<u>22 385 403</u>	<u>26 678 141</u>
<b>Financial liabilities</b>							
Provision for outstanding claims (including IBNR)		–	–	–	–	4 462 934	4 462 934
Amount due to other insurers / reinsurers		–	–	–	–	2 947 386	2 947 386
Accrued expenses		–	–	–	–	201 074	201 074
Agent balances		–	–	–	–	527 572	527 572
Other creditors and accruals		–	–	–	–	57 341	57 341
Other deposits		–	–	–	–	540 028	540 028
Unclaimed dividends		–	–	–	–	128 432	128 432
		<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>8 864 767</u>	<u>8 864 767</u>
On-balance sheet sensitivity gap		<u>2 004 668</u>	<u>2 287 657</u>	<u>413</u>	<u>4 292 738</u>		
Total yield / mark-up rate risk sensitivity gap		<u>2 004 668</u>	<u>2 287 657</u>	<u>413</u>	<u>4 292 738</u>		

#### Sensitivity analysis

As on 31 December 2016, the Company had no financial instruments valued at fair value through profit or loss. For cash flow sensitivity analysis of variable rate instruments, a hypothetical change of 100 basis points in interest rates during the year would have decreased / increased profit for the year by the amounts shown below.

It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. Actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	Change in basis points	Effect on profit and loss before tax	Effect on shareholders' equity
31 December 2016	100	10 230	7 059
	( 100 )	( 10 230 )	( 7 059 )
31 December 2015	100	10 216	6 947
	( 100 )	( 10 216 )	( 6 947 )

Rupees '000

#### 30.2.3.2 Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Company, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pakistani Rupees.

### 30.2.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's equity investments amounting to Rs. 18,778 million are susceptible to market price risk arising from uncertainty about the future value of investment securities. The Company limits market risk by diversifying its equity investment portfolio and by actively monitoring the developments in equity and money markets.

The Company also has strategic equity investments in its associate amounting to Rs. 11,924 million which is held for long term. The management monitors these strategic investments based on the underlying business and economic characteristic of the investee rather than the short term price fluctuations.

The table below summarises Company's market price risk as of 31 December 2016 and 2015. It shows the effect of a 10 % increase and 10 % decrease in the market prices of equity investments as on those dates on Company's profit and equity.

Had all equity investments, other than associates, been measured at fair values as required by IAS 39, Financial Instruments: Recognition and Measurement, the impact of hypothetical change would be as follows:

	Fair value	Price change	Estimated fair value	Effect on profit and loss before tax	Rupees '000 Effect on shareholders' equity
31 December 2016	9 493 420	10 % increase	10 442 762	–	949 342
		10 % decrease	8 544 078	–	( 949 342 )
31 December 2015	9 350 565	10 % increase	10 285 622	–	935 057
		10 % decrease	8 415 509	–	( 935 057 )

### 30.3 Fair value

30.3.1 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.

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

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

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

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

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

	2016		
	Fair value measurement using		
	Level 1	Level 2	Level 3
Buildings	–	1 582	–
Investment properties	–	5 264	–
Investment in associates	9 285	–	–
Available-sale-investments	9 493	–	–

Rupees in million

	2015		
	Fair value measurement using		
	Level 1	Level 2	Level 3
Buildings	–	1 526	–
Investment properties	–	1 548	–
Investment in associates	8 569	–	–
Available-sale-investments	9 351	2 903	–

#### 30.4 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern and meet the regulatory, solvency and paid up capital requirements so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

#### 31. Provident Fund related disclosure

The following information is based on unaudited financial statements for the year ended 31 December 2016 and audited financial statements for the year ended 31 December 2015.

	2016	2015
Size of the Fund - Total assets	762 856	672 150
Cost of investments	728 904	639 582
Percentage of investments made	96%	95%
Fair value of investments	743 122	667 848

#### 31.1 The break-up of fair value of investments is as follows:

	Percentage (%)		Rupees '000	
	2016	2015	2016	2015
Deposits and bank balances	0.60	0.79	4 435	5 260
Pakistan Investment Bonds	60.72	67.76	451 280	452 501
Mutual Funds	21.07	18.71	156 545	124 978
Listed Securities	17.61	12.74	130 862	85 109
	<u>100.00</u>	<u>100.00</u>	<u>743 122</u>	<u>667 848</u>

31.2 The above investments / placement of funds in a special bank account has been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

#### 32. Non-adjusting event after the balance sheet date

The Board of Directors in its meeting held on 14 February 2017 have announced a final cash dividend in respect of the year ended 31 December 2016 of Rs. 7.00 per share, 70 % (2015: Rs. 4.50 per share, 45%). In addition, the Board of Directors have also approved the transfer to general reserve from un-appropriated profit amounting to Rs. 500 million (2015: Rs. 2,000 million). These financial statements for the year ended 31 December 2016 do not include the effect of these appropriations which will be accounted for subsequent to the year end.

### 33. 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 and compensation to key management personnel is on employment terms. The transactions and balances with related parties other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	2016	2015
		Rupees '000
<b>Transactions</b>		
<b>Associated company</b>		
Premiums written	23 993	19 584
Premiums paid	17 284	9 969
Claims paid	9 821	9 831
Claims lodged	15 562	2 405
Dividends received	430 592	387 339
Dividends paid	89 932	87 207
Bonus shares issued	27 252	–
<b>Key management personnel</b>		
Premiums written	782	924
Claims paid	124	395
Dividends paid	5 526	5 122
Bonus shares issued	1 667	–
Compensation	179 640	155 902
<b>Others</b>		
Premiums written	136 652	121 737
Premiums paid	14 683	13 106
Claims paid	57 052	77 402
Claims lodged	11 457	6 366
Claims received	10 542	–
Investments made	395 000	546 035
Investments sold	425 000	476 467
Dividends paid	722 209	694 809
Bonus shares issued	219 402	–
Bank deposits made	–	5 000
Brokerage paid	425	1 680
<b>Employees' funds</b>		
Contributions to provident fund	22 362	20 897
Contributions to gratuity fund	12 537	9 458
Contributions released - pension fund	( 401 )	( 2 708 )
Dividends paid	6 804	6 597
Bonus shares paid	2 062	–

Rupees '000

	2016	2015
<b>Balances</b>		
Others		
Balances receivable	7 846	1 170
Balances payable	(316)	(1 512)
Deposits maturing within 12 months	229 000	145 500
Bank balances	259 753	282 269
<b>Employees' funds (payable) / receivable</b>		
EFU gratuity fund	(1 849)	22 315
EFU pension fund	1 187	16 187

### 34. Number of employees

The total average number of employees during the year end as at 31 December 2016 and 2015, are as follows:

	2016	2015
At year end	1 248	1 284
Average during the year	1 192	1 289

### 35. General

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

Reclassified from	Reclassified to	Rupees in '000
General & Administrative Expenses	Management Expenses	382 953

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

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

These financial statements were authorised for issue by the Board of Directors in its meeting held on 14 February 2017.

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 14 February 2017



Annexure - A

# Window Takaful Operations

## Financial Statements

For the year ended 31 December 2016



EFU General Insurance Limited – Window Takaful Operations  
Balance Sheet  
As At 31 December 2016

(Restated)  
2015

	Note	2016			Aggregate
		Operator's Fund	Participants' Takaful Fund	Aggregate	
<b>Operator's Fund</b>					
Statutory Fund		100 000	–	100 000	50 000
Accumulated profit / (loss)		2 790	–	2 790	(3 127)
		102 790	–	102 790	46 873
<b>Waqf / Participants' Takaful Fund</b>					
Cede money		–	500	500	500
Accumulated surplus		–	28 309	28 309	8 039
		–	28 809	28 809	8 539
<b>Qard-e-hasna</b>		–	85 000	85 000	–
<b>Underwriting provisions</b>					
Provision for outstanding claims (including IBNR)		–	210 412	210 412	19 367
Provision for unearned contribution		–	537 429	537 429	148 902
Unearned retakaful rebate		–	12 360	12 360	7 206
Total underwriting provisions		–	760 201	760 201	175 475
<b>Creditors and accruals</b>					
Contributions received in advance		–	596	596	203
Amounts due to other takaful / retakaful operator		–	42 311	42 311	42 875
Unearned wakala fees		112 677	–	112 677	50 980
Wakala fees payable		–	58 047	58 047	34 411
Modarib fees payable		–	1 117	1 117	–
Accrued expenses		1 325	–	1 325	413
Agent balances		19 547	–	19 547	7 645
Other creditors and accruals	4	166	18 576	18 742	10 065
Payable to EFU General Insurance Limited	5	30 848	–	30 848	–
		164 563	120 647	285 210	146 592
<b>Total liabilities</b>		164 563	965 848	1 130 411	322 067
<b>Total equity and liabilities</b>		267 353	994 657	1 262 010	377 479

Rupees '000

(Restated)

		2016			2015
	Note	Operator's Fund	Participants' Takaful Fund	Aggregate	Aggregate
<b>Cash and bank deposits</b>					
Cash and other equivalents	6	–	468	468	262
Current and other accounts	7	41 350	109 803	151 153	48 089
Deposits maturing within 12 months	8	15 000	94 000	109 000	90 000
		56 350	204 271	260 621	138 351
<b>Investments</b>	9	20 590	380 030	400 620	–
<b>Qard-e-hasna</b>		85 000	–	85 000	–
<b>Current assets - others</b>					
Contributions due but unpaid - net		–	167 944	167 944	87 452
Amounts due from other takaful/ retakaful operator		–	89	89	–
Salvage recoveries accrued		–	5 195	5 195	–
Accrued investment income		33	2 841	2 874	334
Retakaful recoveries against outstanding claims		–	38 780	38 780	10 895
Deferred commission expense		38 477	–	38 477	10 156
Wakala fees receivable		58 047	–	58 047	34 411
Modarib fees receivable		1 117	–	1 117	–
Deferred Wakala fees		–	112 677	112 677	50 980
Taxation - payments less provision		1 114	974	2 088	265
Prepayments	10	–	81 856	81 856	40 904
Security deposits		301	–	301	300
Sundry receivables		1 715	–	1 715	116
		100 804	410 356	511 160	235 813
<b>Fixed assets - tangible</b>	11				
Furniture, fixtures and office equipments		1 934	–	1 934	1 915
Vehicles		2 675	–	2 675	1 400
		4 609	–	4 609	3 315
<b>Total assets</b>		<b>267 353</b>	<b>994 657</b>	<b>1 262 010</b>	<b>377 479</b>

The annexed notes 1 to 23 form an integral part of these financial statements.

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 14 February 2017

EFU General Insurance Limited – Window Takaful Operations  
Profit and Loss Account  
For the year ended 31 December 2016

Rupees '000

	Note	Fire & property damage	Marine, aviation & transport	Motor	Others	Treaty	Aggregate 2016	(Restated) Aggregate 2015
<b>PTF Revenue Account</b>								
Net contribution revenue		7 675	1 758	542 391	30 829	–	582 653	27 522
Wakala expense		(17 785)	(4 146)	(127 780)	(18 912)	–	(168 623)	(13 326)
Net claims		(4 264)	(1 019)	(300 652)	(2 040)	–	(307 975)	(9 199)
Direct expenses	12	(5)	(1)	(114 898)	(20)	–	(114 924)	(3 240)
Retakaful rebate	13	13 276	2 270	–	4 832	–	20 378	3 894
<b>Underwriting results</b>		<u>(1 103)</u>	<u>(1 138)</u>	<u>(939)</u>	<u>14 689</u>	<u>–</u>	<u>11 509</u>	<u>5 651</u>
Investment income							3 545	–
Profit on deposits							6 880	888
Modarib's share on profit on deposits							(1 720)	–
Other income	14						56	1 500
							<u>8 761</u>	<u>2 388</u>
<b>Surplus for the year</b>							<u>20 270</u>	<u>8 039</u>
<b>Accumulated Surplus</b>								
Balance at the beginning of the year							8 039	–
Surplus for the year							20 270	8 039
Balance at the end of the year							<u>28 309</u>	<u>8 039</u>
<b>OPF Revenue Account</b>								
Wakala fee		17 785	4 146	127 780	18 912	–	168 623	13 326
Management expenses	15	(13 053)	(3 043)	(93 784)	(13 880)	–	(123 760)	(13 031)
Commission expense		(9 189)	(2 009)	(30 458)	(3 881)	–	(45 537)	(3 167)
		<u>(4 457)</u>	<u>(906)</u>	<u>3 538</u>	<u>1 151</u>	<u>–</u>	<u>(674)</u>	<u>(2 872)</u>
Investment income							3 550	–
Profit on deposits							2 105	2 033
Modarib's share of PTF profit on deposits							1 720	–
Other income	14						12	–
General and administration expenses	16						(796)	(2 288)
							<u>6 591</u>	<u>(255)</u>
<b>Profit / (loss) for the year</b>							<u>5 917</u>	<u>(3 127)</u>

The annexed notes 1 to 23 form an integral part of these financial statements.

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Director

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Director

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Chairman

Karachi 14 February 2017

EFU General Insurance Limited – Window Takaful Operations  
Statement of Comprehensive Income  
For the year ended 31 December 2016

Rupees '000

	2016	2015
<b>Operator's Fund</b>		
Profit / (loss) for the year	5 917	(3 127)
Other comprehensive income	–	–
<b>Total comprehensive income / (loss) for the year</b>	<b>5 917</b>	<b>(3 127)</b>

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Chairman

Karachi 14 February 2017

EFU General Insurance Limited – Window Takaful Operations  
Statement of Changes in Funds  
For the year ended 31 December 2016

Rupees '000

	Operator's Fund		
	Statutory fund	Accumulated profit / (loss)	Total
Balance as at 6 May 2015	–	–	–
Contribution made during the period	50 000	–	50 000
<b>Total comprehensive loss for the period ended 31 December 2015</b>			
Loss for the period	–	(3 127)	(3 127)
Balance as at 31 December 2015	50 000	(3 127)	46 873
Balance as at 1 January 2016	50 000	(3 127)	46 873
Contribution made during the year	50 000	–	50 000
<b>Total comprehensive income for the year ended 31 December 2016</b>			
Profit for the year	–	5 917	5 917
Balance as at 31 December 2016	100 000	2 790	102 790

	Participants' Takaful Fund		
	Cede money	Accumulated surplus	Total
Balance as at 6 May 2015	–	–	–
Cede money	500	–	500
Surplus for the period	–	8 039	8 039
Balance as at 31 December 2015 (Restated)	500	8 039	8 539
Balance as at 1 January 2016 (Restated)	500	8 039	8 539
Surplus for the year	–	20 270	20 270
Balance as at 31 December 2016	500	28 309	28 809

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Karachi 14 February 2017

EFU General Insurance Limited – Window Takaful Operations  
Statement of Cash Flows  
For the year ended 31 December 2016

Rupees '000

(Restated)  
2015  
Aggregate

	Operator's Fund	Participants' Takaful Fund	2016 Aggregate	(Restated) 2015 Aggregate
<b>Operating activities</b>				
a) Takaful activities				
Contributions received	–	1 014 512	1 014 512	118 283
Retakaful contributions paid	–	(156 403)	(156 403)	(26 621)
Claims paid	–	(189 791)	(189 791)	(737)
Retakaful and other recoveries received	–	39 693	39 693	10
Commissions paid	(61 956)	–	(61 956)	(5 678)
Retakaful rebate received	–	25 533	25 533	11 099
Wakala fees received / (paid)	206 685	(206 685)	–	–
Management expenses	(121 967)	(114 924)	(236 891)	(6 133)
Net cash inflow from takaful activities	22 762	411 935	434 697	90 223
b) Other operating activities				
Income tax paid	(918)	(904)	(1 822)	(265)
General and administration expenses	(796)	–	(796)	(11 605)
Other operating payments	(1 600)	(8 544)	(10 144)	(931)
Other operating receipts	30 996	8 584	39 580	11 566
Net cash inflow / (outflow) from other operating activities	27 682	(864)	26 818	(1 235)
<b>Total cash inflow from all operating activities</b>	<b>50 444</b>	<b>411 071</b>	<b>461 515</b>	<b>88 988</b>
<b>Investment activities</b>				
Profit / return received	2 220	6 982	9 202	2 587
Modarib fee received / (paid)	1 784	(1 784)	–	–
Payments for investments	(142 703)	(609 243)	(751 946)	–
Proceeds from disposal of investments	124 481	231 182	355 663	–
Fixed capital expenditures	(3 139)	–	(3 139)	(3 724)
Proceeds from disposal / adjustment of fixed assets	975	–	975	–
<b>Total cash outflow from investing activities</b>	<b>(16 382)</b>	<b>(372 863)</b>	<b>(389 245)</b>	<b>(1 137)</b>
<b>Financing activities</b>				
Contribution to the operator's fund	50 000	–	50 000	50 000
Cede money	–	–	–	500
<b>Total cash inflow from financing activities</b>	<b>50 000</b>	<b>–</b>	<b>50 000</b>	<b>50 500</b>
<b>Net cash inflow from all activities</b>	<b>84 062</b>	<b>38 208</b>	<b>122 270</b>	<b>138 351</b>
Qard-e-hasna (paid) / received	(85 000)	85 000	–	–
Cash at the beginning of the year	57 288	81 063	138 351	–
<b>Cash at the end of the year</b>	<b>56 350</b>	<b>204 271</b>	<b>260 621</b>	<b>138 351</b>
<b>Reconciliation to profit and loss account</b>				
Operating cash flows	50 444	411 071	461 515	88 988
Depreciation / amortisation expense	(882)	–	(882)	(409)
Investment income	3 550	3 545	7 095	–
Profit on deposits	3 825	5 160	8 985	2 921
Other income	12	–	12	–
Increase in assets other than cash	54 475	217 214	271 689	235 479
Increase in liabilities other than running finance	(105 507)	(616 720)	(722 227)	(322 067)
<b>Surplus for the year</b>	<b>5 917</b>	<b>20 270</b>	<b>26 187</b>	<b>4 912</b>
<b>Attributed to</b>				
Operator's Fund	5 917	–	5 917	(3 127)
Participants' Takaful Fund	–	20 270	20 270	8 039
	5 917	20 270	26 187	4 912
<b>Definition of cash</b>				
Cash for the purposes of the statement of cash flows consists of:				
Cash and other equivalents	–	468	468	262
Current and other accounts	41 350	109 803	151 153	48 089
Deposits maturing within 12 months	15 000	94 000	109 000	90 000
	56 350	204 271	260 621	138 351

The annexed notes 1 to 23 form an integral part of these financial statements.

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Chairman

Karachi 14 February 2017

EFU General Insurance Limited – Window Takaful Operations  
Statement of Contributions  
For the year ended 31 December 2016

Rupees '000

Class	Contribution				Retakaful				Net contribution revenue	Net contribution revenue
	Written	Unearned contribution reserve		Earned	Retakaful ceded	Prepaid retakaful contribution ceded		Retakaful expense	2016	2015
		Opening	Closing			Opening	Closing			
<b>Direct and facultative</b>										
Fire and property damage	88 680	29 414	47 065	71 029	78 299	26 530	41 475	63 354	7 675	1 470
Marine, aviation and transport	15 096	853	4 102	11 847	12 937	712	3 560	10 089	1 758	299
Motor	886 578	98 541	437 536	547 583	5 192	-	-	5 192	542 391	21 139
Miscellaneous	104 257	20 094	48 726	75 625	59 412	13 146	27 762	44 796	30 829	4 614
Total	1 094 611	148 902	537 429	706 084	155 840	40 388	72 797	123 431	582 653	27 522
<b>Treaty - proportional</b>	-	-	-	-	-	-	-	-	-	-
Grand total	1 094 611	148 902	537 429	706 084	155 840	40 388	72 797	123 431	582 653	27 522

**Note:** Contributions written includes administrative surcharge of Rs. 229 million (2015: Rs. 0.003 million).

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Karachi 14 February 2017

EFU General Insurance Limited – Window Takaful Operations  
Statement of Claims  
For the year ended 31 December 2016

Rupees '000

Class	Claims			Claims expense	Retakaful			Retakaful and other recoveries revenue	Net claims expense	Net claims expense
	Paid	Outstanding			Retakaful and other recoveries received	Retakaful and other recoveries in respect of outstanding claims			2016	2015
		Opening	Closing			Opening	Closing			
<b>Direct and facultative</b>										
Fire and property damage	33 188	11 363	20 447	42 272	29 878	10 226	18 356	38 008	4 264	1 138
Marine, aviation and transport	3 019	25	7 187	10 181	2 717	23	6 468	9 162	1 019	2
Motor	140 307	7 755	167 454	300 006	–	646	–	(646)	300 652	7 835
Miscellaneous	8 083	224	15 324	23 183	7 187	–	13 956	21 143	2 040	224
<b>Total</b>	<b>184 597</b>	<b>19 367</b>	<b>210 412</b>	<b>375 642</b>	<b>39 782</b>	<b>10 895</b>	<b>38 780</b>	<b>67 667</b>	<b>307 975</b>	<b>9 199</b>
<b>Treaty - proportional</b>	–	–	–	–	–	–	–	–	–	–
<b>Grand total</b>	<b>184 597</b>	<b>19 367</b>	<b>210 412</b>	<b>375 642</b>	<b>39 782</b>	<b>10 895</b>	<b>38 780</b>	<b>67 667</b>	<b>307 975</b>	<b>9 199</b>

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Karachi 14 February 2017



EFU General Insurance Limited – Window Takaful Operations  
Statement of Expenses - OPF  
For the year ended 31 December 2016

Rupees '000

Class	Paid or payable	Commission		Net expense	Other management expenses	Net OPF expenses	Net OPF expenses
		Deferred				2016	2015
	Opening	Closing					
<b>Direct and facultative</b>							
Fire and property damage	11 815	3 680	6 306	9 189	13 053	22 242	4 597
Marine, aviation and transport	2 460	234	685	2 009	3 043	5 052	1 026
Motor	54 232	5 205	28 979	30 458	93 784	124 242	6 657
Miscellaneous	5 351	1 037	2 507	3 881	13 880	17 761	3 918
Total	73 858	10 156	38 477	45 537	123 760	169 297	16 198
<b>Treaty - proportional</b>	-	-	-	-	-	-	-
Grand total	73 858	10 156	38 477	45 537	123 760	169 297	16 198

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Karachi 14 February 2017

EFU General Insurance Limited – Window Takaful Operations  
Statement of Expenses - PTF  
For the year ended 31 December 2016

Rupees '000

Class	Gross wakala fee	Deferred wakala fee		Net expenses	PTF Direct expenses	Rebate from retakaful operators (Note 13)	Net PTF expenses	(Restated) Net PTF expenses
		Opening	Closing				2016	2015
<b>Direct and facultative</b>								
Fire and property damage	22 170	7 381	11 766	17 785	5	13 276	4 514	703
Marine, aviation and transport	5 284	298	1 436	4 146	1	2 270	1 877	360
Motor	176 802	38 271	87 293	127 780	114 898	–	242 678	9 092
Miscellaneous	26 064	5 030	12 182	18 912	20	4 832	14 100	2 517
<b>Total</b>	<b>230 320</b>	<b>50 980</b>	<b>112 677</b>	<b>168 623</b>	<b>114 924</b>	<b>20 378</b>	<b>263 169</b>	<b>12 672</b>
<b>Treaty - proportional</b>	–	–	–	–	–	–	–	–
<b>Grand total</b>	<b>230 320</b>	<b>50 980</b>	<b>112 677</b>	<b>168 623</b>	<b>114 924</b>	<b>20 378</b>	<b>263 169</b>	<b>12 672</b>

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

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Director

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Chairman

Karachi 14 February 2017

EFU General Insurance Limited – Window Takaful Operations  
Statement of Investment Income  
For the year ended 31 December 2016

Rupees '000

	2016	2015
<b>Participants' Takaful Fund</b>		
Return on government securities - Ijara sukuk	3 185	–
Amortisation of premium relative to par	( 427 )	–
Gain on sale of non - trading investments	1 969	–
	4 727	–
Modarib's share on investment income	( 1 182 )	–
<b>Net investment income</b>	<b>3 545</b>	<b>–</b>
<b>Operator's Fund</b>		
Gain on sale of non - trading investments	2 368	–
Modarib's share of PTF investment income	1 182	–
<b>Net investment income</b>	<b>3 550</b>	<b>–</b>

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Chairman

Karachi 14 February 2017

# EFU General Insurance Limited – Window Takaful Operations

## Notes to the Financial Statements

### For the year ended 31 December 2016

#### 1. Status and nature of business

EFU General Insurance Limited (the Operator) was 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 financial statements have been prepared in line with the format issued by the SECP through SEC (Insurance) Rules, 2002, and SECP circular no. 25 of 2015 dated 9 July 2015.

These 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 financial statements of the WTO 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 SEC (Insurance) Rules, 2002 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 shall prevail.

##### 2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis.

##### 2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the Operator's functional and presentation currency. All financial information presented in Pakistani Rupees has been rounded to the nearest thousand.

##### 2.4 Use of judgments and estimates

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The judgments, estimates and assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the revision and future periods if the revision affects both current and future periods.

In particular, the matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

	<u>Note</u>
– Provision for unearned contributions	3.3
– Contributions deficiency reserve	3.4
– Provision for outstanding claims (including IBNR)	3.6
– Receivables and payables related to takaful contracts	3.12
– Fixed assets	3.15 & 11

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

2.5.1 The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning)
IFRS 2 – Share-based Payments - Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IAS 7 – Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	01 January 2017
IAS 12 – Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	01 January 2017
IFRS 4 – Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - (Amendments)	01 January 2018
IAS 40 – Investment Property: Transfers of Investment Property (Amendments)	01 January 2018
IFRIC 22 – Foreign Currency Transactions and Advance Consideration	01 January 2018

The above standards and amendments are not expected to have any material impact on the Operator's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016. Such improvements are generally effective for accounting periods beginning on or after 01 January 2017. The Operator expects that such improvements to the standards will not have any impact on the Operator's financial statements in the period of initial application.

2.5.2 Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 15 – Revenue from Contracts with Customers	01 January 2018
IFRS 16 – Leases	01 January 2019

### 3. Summary of significant accounting policies

#### i) New, revised and amended standards and interpretations

The Operator has adopted the following accounting standard and the amendments of IFRSs which became effective for the current year:

IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements - Investment Entities: Applying the Consolidation Exception (Amendment)
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- IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)
- IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)
- IAS 16 – Property, Plant and Equipment and IAS 38 Intangible Assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
- IAS 16 – Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)
- IAS 27 – Separate Financial Statements - Equity Method in Separate Financial Statements (Amendment)

ii) **Improvements to Accounting Standards Issued by the IASB in September 2014**

- IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal
- IFRS 7 – Financial Instruments: Disclosures - Servicing contracts
- IFRS 7 – Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements
- IAS 19 – Employee Benefits - Discount rate: regional market issue
- IAS 34 – Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

The adoption of the above standards, amendment and improvement to accounting standards did not have any effect on the Company's financial statements.

3.1 Takaful contracts

Takaful contracts are those contracts where the Participants' Takaful Fund (PTF) has accepted significant Takaful risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event adversely affects the policyholders.

Once a contract has been classified as a takaful contract, it remains a takaful contract for the remainder of its lifetime, even if the Takaful risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

The Operator underwrites non-life takaful contracts that can be categorised into Fire and Property Damage, Marine, Aviation and Transport, Motor and Miscellaneous contracts. Contracts may be concluded for a fixed term of one year, for less than one year and in some cases for more than one year. However, most of the contracts are for twelve months duration. Takaful contracts entered into by the Operator under which the contract holder is another Takaful Operator (inwards retakaful) of a facultative nature are included within the individual category of takaful contracts, other than those which fall under Treaty. The takaful risk involved in these contracts is similar to the contracts undertaken by the Operator as takaful operator.

Fire and Property takaful contracts mainly compensate the customers for damage suffered to their property. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the covered properties in their business activities (business interruption cover).

Marine, Aviation and Transport class of business provides coverage against loss and damage to goods in transit by any means of conveyance, physical loss or damage to aircraft, ships and liabilities to third parties and passengers arising from their use.

Motor takaful covers physical loss or damage to the vehicle and liabilities to third parties as provided under the requirements of the Motor Vehicle Ordinance, 1965.

All other takaful contracts like cash in hand, cash in transit, personal accident, infidelity, public liabilities, health, crop, livestock, travel, bankers and other financial institutions packages, product liabilities, professional indemnity, workers compensation etc. are included under Miscellaneous takaful cover.

### 3.2 Contribution

For all the takaful contracts, contributions including administrative surcharge received / receivable under a policy are recognized as written at the time of issuance of policy. Where contributions for a policy are payable in installments, full contribution for the duration of the policy is recognized as written at the inception of the policy and related assets set up for contributions receivable at a later date. Contributions are stated on gross basis and exclusive of taxes and duties levied on contributions.

### 3.3 Provision for unearned contributions

The unearned contribution reserve is the unexpired portion of the contribution including administrative surcharge which relates to business in force at the balance sheet date. Unearned contribution has been calculated by applying 1/24th method as specified in the SEC (Insurance) Rules, 2002.

### 3.4 Contribution deficiency reserve (liability adequacy test)

At each balance sheet date, liability adequacy tests are performed separately for each class of business to ensure the adequacy of the unearned contribution liability for that class. It is performed by comparing the expected future liability, after retakaful, from claims and other expenses, including retakaful expense, wakala and other underwriting expenses expected to be incurred after balance sheet date in respect of policies in force at balance sheet date with the carrying amount of unearned contribution liability. Any deficiency is recognized by establishing a provision (contribution deficiency reserve) to meet the deficit.

The expected future liability is estimated with reference to the experience during the expired period of the contracts, adjusted for significant individual losses which are not expected to recur during the remaining period of the policies and expectations of future events that are believed to be reasonable.

The movement in the contribution deficiency reserve is recognized as an expense or income in the profit and loss account for the year.

The expected ultimate net claim ratios for the unexpired periods of policies in force at balance sheet date for each class of business is as follows:

	<u>2016</u>	<u>2015</u>
– Fire and property damage	30 %	38 %
– Marine, aviation and transport	39 %	46 %
– Motor	55 %	56 %
– Miscellaneous	57 %	62 %

### 3.5 Claims

Claims are charged to PTF as incurred based on estimated liability for compensation owed under the takaful contracts. It includes claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

### 3.6 Provision for outstanding claims (including IBNR)

A liability for outstanding claims is recognized in respect of all claims incurred up to the balance sheet date which is measured at the undiscounted value of expected future payments. Provision for outstanding claims include amounts in relation to claims reported but not settled, claims incurred but not reported (IBNR) and expected claims settlement costs.

Retakaful recoveries against outstanding claims are recognized as an asset and measured at the amount expected to be received.

#### 3.6.1 Claims reported but not settled

Provision for liability in respect of claims reported but not settled at the balance sheet date is made on the basis of individual case estimates. The case estimates are based on the assessed amounts of individual losses and where loss

assessments have not been carried out, the estimates are established in light of currently available information, past experience of similar claims and in some cases in relation to the sums insured. Case estimates are reviewed periodically to ensure that the recognized outstanding claim amounts are adequate to cover expected future payments including expected claims settlement costs and are updated as and when new information becomes available.

### 3.6.2 Claims incurred but not reported

The provision for claims incurred but not reported (IBNR) is made at the balance sheet date. In accordance with SECP Circular no. 9 of 2016, the Operator has changed its method of estimation of IBNR. The Operator now takes actuarial advice for the determination of IBNR claims. IBNR claim have been estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level.

Upto previous year the provision for IBNR was accounted for on the basis whereby all claims incurred before the year end but reported subsequently were aggregated and the ratio of such claims to outstanding claims was applied to outstanding claims at the reporting date (except exceptional losses) to arrive at liability for IBNR. The analysis was carried out separately for each class of business.

Had the method for estimating IBNR claims, not been changed, the provision for claims and reinsurance recoveries against outstanding claims would have been lower by Rs. 13.43 million and Rs. 6.88 million respectively and the surplus for the year would have been higher by Rs. 6.55 million.

### 3.7 Retakaful contracts

Contracts entered into by the Operator with retakaful operator under which the Operator arranges to cede takaful risks of PTF assumed during normal course of the business and according to which the PTF is compensated for losses on takaful contracts issued by the Operator are classified as retakaful contracts held.

Retakaful contribution is recognized as an expense at the time the retakaful is ceded. Commission on retakaful cessions are recognized in accordance with the policy of recognising contribution revenue.

Retakaful assets represent balances due from retakaful companies and retakaful recoveries against outstanding claims. Retakaful recoveries are estimated in a manner consistent with the outstanding claims provision and are in accordance with the retakaful contracts. Retakaful liabilities represent balances due to retakaful companies and are primarily contributions payable for retakaful contracts and are recognized at the same time when retakaful contributions are recognized as an expense.

Retakaful assets or liabilities are derecognized when the contractual rights are extinguished or expired.

An impairment review of retakaful assets is performed at each balance sheet date. If there is objective evidence that the asset is impaired, the Operator reduces the carrying amount of the retakaful asset to its recoverable amount and recognizes that impairment loss in the profit and loss account.

### 3.8 Commission

#### 3.8.1 Commission expense

Commission expenses incurred in obtaining and recording policies is deferred and recognized as an expense in accordance with pattern of recognition of contribution revenue by applying the 1/24th method.

#### 3.8.2 Rebate from retakaful operators

Rebate from retakaful operators is deferred and recognized as revenue in accordance with the pattern of recognition of the retakaful contribution to which it relates.

### 3.9 Wakala fees

The Operator manages the general takaful operations for the participants and charges 25 % for Fire and Property, 35 % for Marine, Aviation and Transport, 20 % for Motor, 25 % for Miscellaneous, of gross contribution written including administrative surcharge as wakala fee against the services.



Wakala fee is recognized on the same basis on which the related revenue is recognized. Unexpired portion of wakala fee is recognized as a liability of OPF and an asset of PTF.

### 3.10 Modarib's fee

The Operator also manages the participants' investment as modarib and charges 25 % of investment income and profit on profit and loss sharing accounts and bank deposits earned by the PTF as Modarib's fee. It is recognized on the same basis on which related revenue is recognized.

### 3.11 Revenue recognition

#### 3.11.1 PTF

##### 3.11.1.1 Contribution

The revenue recognition policy for Contributions is given under note 3.2.

##### 3.11.1.2 Rebate from retakaful operators

The revenue recognition policy for rebate from retakaful operator is given under note 3.8.2.

##### 3.11.2 OPF

The revenue recognition policy for wakala fee is given under note 3.9.

##### 3.11.3 PTF / OPF

##### 3.11.3.1 Investment Income

Profit on investments, profit on profit and loss sharing accounts and bank deposits are recognized on accrual basis.

### 3.12 Receivables and payables related to takaful contracts

Receivables and payables related to takaful contracts are recognized when due at cost which is the fair value of the consideration given less provision for impairment, if any. If there is objective evidence that the takaful receivable is impaired, as a result of one or more events that occurred after the initial recognition, the Operator reduces the carrying amount of the takaful receivable accordingly and recognizes that impairment loss in the profit and loss account.

Provision for impairment in contribution receivables is estimated on a systematic basis after analysing the receivables as per their ageing.

### 3.13 Creditors, accruals and provisions

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and or services received, whether or not billed to the Operator.

Provisions are recognized when the Operator has a legal or constructive obligation as a result of a past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, the provisions are reviewed at balance sheet date and adjusted to reflect current best estimates.

### 3.14 Investments

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

#### 3.14.1 Fair value through profit or loss - held for trading

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

measured at fair value by reference to quoted market prices with the resulting gain or loss being included in net profit or loss for the year in which it arises.

Dividend income and entitlement of bonus shares are recognized when the Operator's right to receive such dividend and bonus shares is established.

### 3.14.2 Available for sale

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in profit rates are considered as available for sale. After initial recognition, these are stated at lower of cost or market value (if the fall in market value is other than temporary) in accordance with the requirements of SEC (Insurance) Rules, 2002.

A fall in market value is treated as other than temporary if there is a significant or prolonged decline in fair value of security below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Operator evaluates among other factors, the normal volatility in share prices.

In case of fixed income securities where the cost is different from the redemption value, such difference is amortised uniformly between the date of acquisition and the date of maturity in determining "cost".

### 3.15 Fixed assets

#### 3.15.1 Tangible

Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is calculated on the straight line basis as specified in note 11 to these financial statements.

The assets' residual values, useful lives and method for depreciation are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Depreciation on additions to fixed assets is charged from the month in which an asset is available for use, while no depreciation is charged for the month in which the asset is disposed off.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefit associated with the item will flow to the Operator and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to profit and loss account.

Gains or losses on disposal of fixed assets are included in profit and loss account.

During the year, the Operator has changed its accounting policy for motor tracking devices. Under new policy, motor tracking devices are expensed in the period in which these are purchased. Previously tracking devices were depreciated over the period of five years. The management of the Operator believes that new policy is aligned to the peculiarities of the Participants' Takaful business. Had the policy of motor tracking devices not been changed, the surplus for the year would have been higher by Rs. 89.02 million, accumulated surplus as at 31 December 2016 would have been higher by Rs. 92.10 million, fixed assets as at 31 December 2016 would have been higher by Rs. 92.10 million, accumulated surplus as of 31 December 2015 and fixed assets as at 31 December 2015 would have been higher by Rs. 3.09 million.

#### 3.15.2 Capital work in progress

Capital work in progress is stated at cost less any impairment in value. It consists of advances made to suppliers in respect of tangible and intangible fixed assets.

### 3.16 Expenses of management

Expenses allocated to the PTF represent directly attributable expenses and these are allocated to various revenue accounts on equitable basis. Expenses not directly allocable to PTF are charged to OPF.

### 3.17 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents include cash at bank in current and saving accounts, cash and stamps in hand and bank deposits.

### 3.18 Foreign currencies

Revenue transactions in foreign currencies are recorded at the rates prevailing on the date of the transactions.

### 3.19 Impairment

A financial asset is assessed at each balance sheet date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if there is objective evidence that one or more events have had a negative effect on the estimated future cash flows of that asset.

The carrying amount of non financial assets is reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or a group of assets. If such indication exists, the recoverable amount of such asset is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

All impairment losses are recognized in the profit and loss account. Provisions for impairment are reviewed at each balance sheet date and are adjusted to reflect the current best estimates. Changes in the provisions are recognized as income or expense.

### 3.20 Financial instruments

Financial instruments include cash and bank balances, loans to employees, investments, contributions due but unpaid, amount due from other takaful operators / retakaful operators, accrued investment income, retakaful recoveries against outstanding claims, security deposits, other receivables, outstanding claim liabilities, amount due to other takaful operators / retakaful operators, accrued expenses, agents balances, other creditors, deposits and unclaimed dividends.

All the financial assets and liabilities are recognized at the time when the Operator or PTF becomes a party to the contractual provisions of the instrument and derecognized when the Operator or PTF loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is taken to income directly.

### 3.21 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the financial statements only when there is legally enforceable right to set off the recognized amount and the Operator intends either to settle on a net basis or realise the assets and settle the liabilities simultaneously.

### 3.22 Operating segments

An operating segment is a component of the Operator that engages in business activities from which it may earn revenues and incur expenses. The Operator presents segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000, Takaful Rules, 2012 and the SEC (Insurance) Rules, 2002 as the primary reporting format.

The Operator has four primary business segments for reporting purposes namely, fire and property, marine, motor and miscellaneous. The nature and business activities of these segments are disclosed in note no. 3.1.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them while the carrying amount of certain assets used jointly by two or more segments have been allocated to segments on a reasonable basis. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.

### 3.23 The profit of the Operator is taxed as part of total profit of the EFU General Insurance Limited as the Operator is not separately registered for tax purposes.

Rupees '000

	2016	2015
<b>4. Other creditors and accruals - PTF</b>		
Federal insurance fee payable	1 168	684
Federal excise duty payable	14 927	9 156
Sundry creditors	2 481	206
	<u>18 576</u>	<u>10 046</u>

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

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

Rupees '000

	Note	2016			2015		
		OPF	PTF	Aggregate	OPF	PTF	Aggregate
<b>6. Cash and other equivalents</b>							
Policy stamps in hand		–	468	468	–	262	262
		<u>–</u>	<u>468</u>	<u>468</u>	<u>–</u>	<u>262</u>	<u>262</u>
<b>7. Current and other accounts</b>							
Current accounts		21	21	42	5	5	10
Saving accounts	7.1	41 329	109 782	151 111	7 283	40 796	48 079
		<u>41 350</u>	<u>109 803</u>	<u>151 153</u>	<u>7 288</u>	<u>40 801</u>	<u>48 089</u>

7.1 The rate of profit on profit and loss sharing accounts from various banks range from 4.90 % to 5.50 % per annum depending on the size of average deposits.

Rupees '000

	Note	2016			2015		
		OPF	PTF	Aggregate	OPF	PTF	Aggregate
<b>8. Deposits maturing within 12 months</b>							
Terms deposit certificates - local currency	8.1	15 000	94 000	109 000	50 000	40 000	90 000
		<u>15 000</u>	<u>94 000</u>	<u>109 000</u>	<u>50 000</u>	<u>40 000</u>	<u>90 000</u>

8.1 The rate of profit on term deposit certificates issued by our banks range from 4.90 % to 5.65 % per annum depending on tenor. These term deposit certificates have maturities upto February 2017.

## 9. Investments

Rupees '000

	Note	2016	2015
<b>9.1 Investments - OPF</b>			
Available for sale	9.1.1 & 9.1.2		
Mutual funds		20 590	–
		<u>20 590</u>	<u>–</u>

9.1.1 The market value of available for sale investments as on 31 December 2016 was Rs. 20.45 million (31 December 2015: Nil).

9.1.2 As per the Operator's accounting policy, available for sale investments are stated at lower of cost or market value. However, IAS 39 - Financial Instruments: Recognition and Measurement, requires that these instruments should be measured at their fair value. Accordingly, had these investments been measured at fair value, their carrying value as on 31 December 2016 would have been lower by Rs. 0.14 million (31 December 2015: Nil).

Rupees '000

	Note	2016	2015
<b>9.2 Investments - PTF</b>			
Available for sale	9.2.1 & 9.2.2		
Mutual funds		279 085	–
Fixed income securities			
Government securities - Ijara sukuk XVII		100 945	–
		<u>380 030</u>	<u>–</u>

9.2.1 The market value of available for sale investments as on 31 December 2016 was Rs. 385.67 million (31 December 2015: Nil).

9.2.2 As per the Operator's accounting policy, available for sale investments are stated at lower of cost or market value. However, IAS 39 - Financial Instruments: Recognition and Measurement, requires that these instruments should be measured at their fair value. Accordingly, had these investments been measured at fair value, their carrying value as on 31 December 2016 would have been higher by Rs. 5.64 million (31 December 2015: Nil).

### 9.3 Detail of Investments

#### 9.3.1 Quoted Mutual Fund - OPF

Rupees '000

Number of units		Face value per unit	Name of entity	Rupees '000	
2016	2015			2016	2015
<b>Mutual funds</b>					
<b>Open end mutual funds</b>					
48 314	–	100	Faysal Islamic Savings Growth Fund	5 000	–
1 471 163	–	10	NAFA Riba Free Savings Fund	15 590	–
<u>1 519 477</u>	<u>–</u>			<u>20 590</u>	<u>–</u>

9.3.2 Quoted Mutual Fund - PTF (In related parties)

Number of units		Face value per unit	Name of entity	Rupees '000	
2016	2015			2016	2015
<b>Mutual funds</b>					
<b>Open end mutual funds</b>					
291 228	–	100	JS Islamic Government Securities Fund	30 000	–
<u>291 228</u>	<u>–</u>			<u>30 000</u>	<u>–</u>

9.3.3 Quoted Mutual Fund - PTF (Others)

Number of units		Face value per unit	Name of entity	Rupees '000	
2016	2015			2016	2015
<b>Mutual funds</b>					
<b>Open end mutual funds</b>					
3 961 106	–	10	ABL Islamic Income Fund	40 185	–
100 180	–	100	Alfalah GHP Islamic Income Fund	10 078	–
296 024	–	100	Al Ameen Islamic Sovereign Fund	30 132	–
39 264	–	500	Atlas Islamic Income Fund	20 000	–
484 247	–	100	Faysal Islamic Savings Growth Fund	50 352	–
641 936	–	50	Meezan Sovereign Fund	32 861	–
1 491 158	–	10	NAFA Riba Free Savings Fund	15 164	–
498 784	–	100	PIML Islamic Income Fund	50 313	–
<u>7 512 699</u>	<u>–</u>			<u>249 085</u>	<u>–</u>
Total				<u>299 675</u>	<u>–</u>

9.3.4 Fixed income securities - PTF

Name of investment	Maturity year	Effective yield %	Profit payment	Face value	Rupees '000	
					2016	2015
<b>Government securities</b>						
3 Years Ijarah Sukuk XVII	2019	5.39	Half yearly	58 000	58 822	–
3 Years Ijarah Sukuk XVII	2019	5.35	Half yearly	41 500	42 123	–
					<u>100 945</u>	<u>–</u>

Rupees '000

	2016	2015
<b>10. Prepayments</b>		
Prepaid retakaful contribution ceded	72 797	40 388
Prepaid charges for vehicle tracking devices	9 059	516
	<u>81 856</u>	<u>40 904</u>

Rupees '000

**11. Fixed assets - tangible and intangible****OPF - 2016**

	Cost				Rate %	Depreciation / amortisation				Written down value
	As at 01 January	Additions	Disposal	As at 31 December		As at 01 January	For the year	Disposal	As at 31 December	As at 31 December
<b>Tangible</b>										
Furniture & Fixtures	1 421	60	-	1 481	10	28	146	-	174	1 307
Office equipments	333	-	-	333	10	19	33	-	52	281
Computers	290	272	-	562	30	82	134	-	216	346
Vehicles	1 680	2 807	1 111	3 376	20	280	569	148	701	2 675
	<u>3 724</u>	<u>3 139</u>	<u>1 111</u>	<u>5 752</u>		<u>409</u>	<u>882</u>	<u>148</u>	<u>1 143</u>	<u>4 609</u>

**OPF - 2015**

	Cost				Rate %	Depreciation / amortisation				Written down value
	As at 06 May	Additions	Disposal	As at 31 December		As at 06 May	For the period	Disposal	As at 31 December	As at 31 December
<b>Tangible</b>										
Furniture & Fixtures	-	1 421	-	1 421	10	-	28	-	28	1 393
Office equipments	-	333	-	333	10	-	19	-	19	314
Computers	-	290	-	290	30	-	82	-	82	208
Vehicles	-	1 680	-	1 680	20	-	280	-	280	1 400
	<u>-</u>	<u>3 724</u>	<u>-</u>	<u>3 724</u>		<u>-</u>	<u>409</u>	<u>-</u>	<u>409</u>	<u>3 315</u>

11.1 Details of tangible assets disposed off during the year are as follows:

Mode of disposal	Rupees '000				Sold to
	Original cost	Accumulated depreciation	Book value	Sale proceeds	
Vehicles (Negotiation)	1 111	148	963	975	EFU General Insurance Limited
	<u>1 111</u>	<u>148</u>	<u>963</u>	<u>975</u>	

		2016	Rupees '000 (Restated) 2015
<b>12</b>	<b>Direct expenses - PTF</b>		
	Charges for Vehicle Tracking Devices	114 538	3 226
	Other Expenses	386	14
		<u>114 924</u>	<u>3 240</u>

		Rupees '000		2016	2015
<b>13.</b>	<b>Rebate from retakaful</b>				
		Rebate received or receivable	Unearned Rebate	Rebate from retakaful operators	Rebate from retakaful operators
			Opening		
			Closing		
	Fire and property damage	15 830	5 831	13 276	2 634
	Marine, aviation and transport	2 911	160	2 270	459
	Motor	–	–	–	–
	Miscellaneous	6 791	1 215	4 832	801
		<u>25 532</u>	<u>7 206</u>	<u>20 378</u>	<u>3 894</u>

		2016	Rupees '000 2015
<b>14</b>	<b>Other income</b>		
<b>14.1</b>	<b>Other income - OPF</b>		
	Gain on sale of fixed asset	12	–
		<u>12</u>	<u>–</u>
<b>14.2</b>	<b>Other income - PTF</b>		
	Donation from takaful operator	–	1 500
	Exchange gain	56	–
		<u>56</u>	<u>1 500</u>



Rupees '000

	Note	2016	2015
<b>15. Management Expenses - OPF</b>			
Salaries, wages and benefits	15.1	92 014	7 866
Bonus to staff		7 334	157
Gratuity		1 294	19
Rent, rates and taxes		4 081	462
Telephone		1 086	43
Postage		401	7
Gas and electricity		3 083	295
Printing and stationery		1 901	937
Travelling and entertainment		1 071	95
Depreciation		7 877	438
Repairs and maintenance		2 089	53
Publicity		15	1 963
Cede money		–	500
Other expenses		1 514	196
		<u>123 760</u>	<u>13 031</u>

15.1 These include Rs. 99 thousand (2015: Rs. 33 thousand) being contribution for employees' provident fund.

Rupees '000

	Note	2016	2015
<b>16. General and administration expenses</b>			
Audit remuneration	16.1	796	488
Legal and professional charges		–	300
Donation		–	1 500
		<u>796</u>	<u>2 288</u>
<b>16.1 Auditors' remuneration</b>			
Audit fee		300	300
Interim review		150	150
Shariah compliance audit fee		275	–
Professional fee for certifications		–	30
Out of pocket expenses		71	8
		<u>796</u>	<u>488</u>

## 17. Operating segments

### 17.1 Operator's Fund

Rupees '000

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Treaty		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Corporate segment assets	15 457	8 801	3 096	823	73 348	32 674	4 623	2 269	-	-	96 524	44 567
Corporate unallocated assets											170 829	61 363
Total assets											267 353	105 930
Corporate segment liabilities	16 411	10 147	2 781	561	99 027	42 597	14 003	5 320	-	-	132 222	58 625
Corporate unallocated liabilities											32 341	432
Total liabilities											164 563	59 057
Capital expenditures											3 139	3 724
Unallocated depreciation											882	409
Total despreciation											882	409

### 17.2 Participants' Takaful Fund

Rupees '000

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Treaty		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016 (Restated)	2015
Corporate segment assets	91 393	62 611	16 346	2 814	321 205	104 031	60 640	23 345	-	-	489 584	192 801
Corporate unallocated assets											505 073	78 748
Total assets											994 657	271 549
Corporate segment liabilities	92 371	81 006	18 670	3 951	659 000	137 311	78 755	30 696	-	-	848 796	252 964
Corporate unallocated liabilities											117 052	10 046
Total liabilities											965 848	263 010

## 18. Surplus distribution

Takaful surplus attributable to the participants' is calculated after charging all direct cost and setting aside various reserves.

## 19. Qard-e-Hasna

If there is a deficit of admissible assets over its liabilities in the PTF, the Operator from the Operator's fund may provide Qard-e-Hasna to the PTF so that the PTF may become solvent as per Takaful Rules, 2012.

Operator would be allowed to recover this qard from the PTF over any period without charging any profit.

## 20. Management of takaful and financial risk

### 20.1 Takaful risk

The principal risk that is faced under takaful contracts is the possibility that the covered event occurs, the uncertainty of the amount of the resulting claims i.e. the frequency and severity of claims and that the actual claims and benefit payments exceed the carrying amount of the takaful liabilities. By the very nature of the takaful contract, this risk is random and therefore unpredictable. The objective of the Operator is to ensure that sufficient reserves are available to cover these liabilities.

The Operator manages these risks through its underwriting strategy, adequate retakaful arrangements and proactive claims handling. The underwriting strategy aims to minimise takaful risks with a balanced mix and spread of business

classes and by observing underwriting guidelines and limits. The Operator underwrites mainly property, motor, marine cargo and transportation and other miscellaneous business. These classes of takaful are generally regarded as short-term takaful contracts where claims are normally intimated and settled within a short time span, usually one year. This helps to mitigate takaful risk.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Operator has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. For large risks, particularly in property segment of business, risk inspections are carried out before accepting the risks. Similarly, in case of large risks, annual renewals are also preceded by on-site surveys. Where needed, risk mitigation measures are identified and communicated to the clients to improve the risk to an acceptable level.

Retakaful arrangements in place include treaty and facultative arrangements, on proportional and non-proportional basis and also include catastrophe cover. The effect of such retakaful arrangements is that the PTF may not suffer ultimate net takaful losses beyond the PTF's risk appetite in any one year.

The Operator's arrangement of retakaful is diversified such that it is neither dependent on a single retakaful operator nor the operations of the Operator are substantially dependent upon any single retakaful contract. The Operator obtains retakaful cover only from companies with sound financial health.

#### 20.1.1 Frequency and severity of claims

The frequency and severity of claims can be affected by several factors like political violence, environmental and economical, atmospheric disturbances, natural disasters, concentration of risks, civil riots etc. The Operator manages these risk through the measures described above. The Operator has limited its exposure to catastrophic and riot events by use of retakaful arrangements.

The Operator monitors concentration of takaful risks primarily by class of business. The table below sets out the concentration of the claims and contribution liabilities (in percentage terms) by class of business at balance sheet date:

Class	2016				2015			
	Gross claims liabilities	Net claims liabilities	Gross contribution liabilities	Net contribution liabilities	Gross claims liabilities	Net claims liabilities	Gross premium liabilities	Net premium liabilities
	%	%	%	%	%	%	%	%
Fire and property damage	10	1	9	1	59	13	20	3
Marine, aviation and transport	3	–	1	–	–	–	1	–
Motor	80	98	81	94	40	84	66	91
Miscellaneous	7	1	9	5	1	3	13	6
	100	100	100	100	100	100	100	100

The Operator also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For fire and property risk a particular building and neighbouring buildings, which could be affected by a single claim incident, are considered as a single location. For earthquake risk, a complete city is classified as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage are considered as a single risk while assessing concentration of risk.

The Operator evaluates the concentration of exposures to individual and cumulative takaful risks and establishes its retakaful policy to reduce such exposures to levels acceptable to the Operator.

The Operator's class wise major gross risk exposure is as follows:

Class	Rupees '000	
	2016	2015
Fire and property damage	1 736 870	1 670 000
Marine, aviation and transport	206 800	87 290
Motor	18 900	8 800
Miscellaneous	1 000 000	500 000

Since the Operator operates in Pakistan only, hence, all the takaful risks relate to policies written in Pakistan.

#### 20.1.2 Sources of uncertainty in estimation of future claim payments

The key source of estimation uncertainty at the balance sheet date relates to valuation of outstanding claims, whether reported or not, and includes expected claims settlement costs. Considerable judgment by management is required in the estimation of amounts due to policyholders arising from claims made under takaful contracts. Such estimates are necessarily based on assumptions about several factors involving varying and possibly significant degrees of judgment and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities. Qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example one-off occurrence, changes in market factors such as public attitude to claiming and economic conditions. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

In particular, estimates have to be made both for the expected ultimate cost of claims reported at the balance sheet date and for the expected ultimate cost of claims incurred but not reported (IBNR) at the balance sheet date. The details of estimation of outstanding claims (including IBNR) are given under note 3.6.

#### 20.1.3 Process used to decide on assumptions

The process used to determine the assumptions for calculating the outstanding claim reserve is intended to result in neutral estimates of the most likely or expected outcome. The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular claim and the ultimate cost of notified claims. Each notified claim is assessed on a separate, case by case basis with due regard to claim circumstances, information available from surveyors and historical evidence of the size of similar claims. Case estimates are reviewed regularly and are updated as and when new information is available.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Operator, in which case information about the claim event is available. The Operator has taken actuarial advice for the determination of IBNR claims which has been estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level.

The contribution liabilities have been determined such that the total contribution liability provisions (unearned contribution reserve and contribution deficiency reserve) would be sufficient to service the future expected claims and expenses likely to occur on the unexpired policies as of balance sheet date. The expected future liability is determined using estimates and assumptions based on the experience during the expired period of the contracts and expectations of future events that are believed to be reasonable.

#### 20.1.4 Sensitivity analysis

The Operator believes that the claim liabilities under takaful contracts outstanding at the period end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the financial statements. The impact on the PTF surplus of the changes in the claim liabilities net of retakaful is analysed below. The sensitivity to changes in claim liabilities net of retakaful is determined separately for each class of business while keeping all other assumptions constant.

	Rupees '000			
	PTF Revenue	PTF Equity	PTF Revenue	PTF Equity
	2016	2016	2015	2015
<b>Impact of change in claim liabilities by + 10%</b>				
Fire and property damage	( 209 )	( 209 )	( 114 )	( 114 )
Marine, aviation and transport	( 72 )	( 72 )	-	-
Motor	( 16 745 )	( 16 745 )	( 711 )	( 711 )
Miscellaneous	( 137 )	( 137 )	( 22 )	( 22 )
	<u>( 17 163 )</u>	<u>( 17 163 )</u>	<u>( 847 )</u>	<u>( 847 )</u>

	Rupees '000			
	PTF Revenue	PTF Equity	PTF Revenue	PTF Equity
	2016	2016	2015	2015
<b>Impact of change in claim liabilities by - 10%</b>				
Fire and property damage	209	209	114	114
Marine, aviation and transport	72	72	-	-
Motor	16 745	16 745	711	711
Miscellaneous	137	137	22	22
	<u>17 163</u>	<u>17 163</u>	<u>847</u>	<u>847</u>

## 20.2 Financial risk

The Operator's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (comprising of currency risk, profit rate risk and other price risk). The Operator's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Operator's financial performance.

The Board of Directors has overall responsibility for establishment and over sight of the Operator's risk management framework. There are Board Committees and Management Committees for developing and monitoring the risk management policies.

### 20.2.1 Credit risk

Credit risk is the risk, which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The management monitors exposure to credit risk through regular review of credit exposure, undertaking transactions with a large number of counter parties in various industries and by continually assessing the credit worthiness of counter parties.

Concentration of credit risk arises when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet contractual obligations in similar manner. Due to the nature of financial assets, the Operator believes it is not exposed to any major concentration of credit risk.

The carrying amounts of the following financial assets represent the Operator's maximum exposure to credit risk:

	2016			2015		
Financial assets	OPF	PTF	Aggregate	OPF	PTF	Aggregate
Bank balances and deposits	56 350	203 803	260 153	57 288	80 801	138 089
Investments in mutual funds	20 590	279 085	299 675	-	-	-
Contributions due but unpaid - net	-	167 944	167 944	-	87 452	87 452
Amount due from other takaful / retakaful operator	-	89	89	-	-	-
Accrued investment income	33	2 841	2 874	149	185	334
Retakaful recoveries against outstanding claims	-	38 780	38 780	-	10 895	10 895
Wakala fees receivable	58 047	-	58 047	34 411	-	34 411
Modarib fees receivable	1 117	-	1 117	-	-	-
Security deposits	301	-	301	300	-	300
Other receivables	1 715	-	1 715	116	-	116
	<u>138 153</u>	<u>692 542</u>	<u>830 695</u>	<u>92 264</u>	<u>179 333</u>	<u>271 597</u>

The credit quality of Operator's bank balances and deposits can be assessed with reference to external credit ratings as follows:

Rupees '000

Rating	2016			2015		
	OPF	PTF	Aggregate	OPF	PTF	Aggregate
AAA	–	2 461	2 461	–	–	–
AA+	28 798	85 240	114 038	–	323	323
AA	1 652	8 719	10 371	–	–	–
A+	–	–	–	7 288	40 478	47 766
A	10 900	13 383	24 283	–	–	–
	<u>41 350</u>	<u>109 803</u>	<u>151 153</u>	<u>7 288</u>	<u>40 801</u>	<u>48 089</u>

The management monitors exposure to credit risk in contribution receivable from customers through regular review of credit exposure and prudent estimates of provisions for doubtful receivables.

The credit quality of claim recoveries from retakaful operators can be assessed with reference to external credit ratings as follows:

Rupees '000

Rating	2016		2015	
	Amounts due from takaful / retakaful	Retakaful recoveries against outstanding claims	Amounts due from takaful / retakaful	Retakaful recoveries against outstanding claims
A or above	89	38 780	–	10 895
	<u>89</u>	<u>38 780</u>	<u>–</u>	<u>10 895</u>

As at 31 December 2016, the amount of Rs. 89 thousand due from takaful / retakaful operator is receivable within one year.

#### 20.2.2 Liquidity risk

Liquidity risk is the risk that the Operator will encounter difficulty in meeting its obligations associated with financial liabilities. In respect of major loss event, there is also a liquidity risk associated with the timing differences between gross cash outflows and expected retakaful recoveries.

The objective of the Operator's liquidity management process is to ensure, as far as possible, that it will always have sufficient liquidity to meet its claim and other liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Operator's reputation. It includes measuring and monitoring the future cash flows on daily, monthly and quarterly basis, maintaining sufficient cash reserves in bank accounts and a portfolio of highly marketable financial assets that can be easily liquidated in the event of an unforeseen interruption to cash flows.

The table below provides the maturity analysis of the Operator's liabilities as at balance sheet date. All liabilities are presented on a contractual cash flow basis except for the provision of outstanding claims (including IBNR), which are presented with their expected cash flows.

Rupees '000

	OPF 2016		
	Carrying amount	Up to one year	Greater than one year
<b>Financial liabilities:</b>			
Accrued expenses	1 325	1 325	–
Agent balances	19 547	19 547	–
Other creditors and accruals	166	166	–
Payable to EFU General Insurance Limited	30 848	30 848	–
	<u>51 886</u>	<u>51 886</u>	<u>–</u>

Rupees '000

	PTF 2016		
	Carrying amount	Up to one year	Greater than one year
<b>Financial liabilities:</b>			
Provision for outstanding claims (including IBNR)	210 412	210 412	–
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>330 463</u>	<u>330 463</u>	<u>–</u>

Rupees '000

	OPF 2015		
	Carrying amount	Up to one year	Greater than one year
<b>Financial liabilities:</b>			
Accrued expenses	413	413	–
Agent balances	7 645	7 645	–
Other creditors and accruals	19	19	–
	<u>8 077</u>	<u>8 077</u>	<u>–</u>

Rupees '000

	PTF 2015		
	Carrying amount	Up to one year	Greater than one year
<b>Financial liabilities:</b>			
Provision for outstanding claims (including IBNR)	19 367	19 367	–
Amounts due to other takaful / retakaful operator	42 875	42 875	–
Wakala fees payable	34 411	34 411	–
Other creditors and accruals	206	206	–
	<u>96 859</u>	<u>96 859</u>	<u>–</u>

### 20.2.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of change in market prices such as profit rates, foreign exchange rates and equity prices.

The Operator limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in Government securities, equity and term finance certificates' markets. In addition, the Operator actively monitors the key factors that affect the underlying value of these securities.

#### 20.2.3.1 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market profit rates. The Operator has securities and deposits that are subject to profit rate risk. The Operator limits profit rate risk by monitoring changes in profit rates in the currencies in which its financial assets are denominated.

The information about Operator's exposure to profit rate risk based on contractual reprising or maturity dates whichever is earlier is as follows:

Rupees '000

	OPF 2016						
	Effective yield %	Profit / mark-up bearing			Sub total	Non-profit / mark-up bearing	Total
		Upto one year	Over one year to five years	Over five years			
<b>Financial assets</b>							
Cash and bank deposits	4.90-5.65	56 329	–	–	56 329	21	56 350
Investments		–	–	–	–	20 590	20 590
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>56 329</u>	<u>–</u>	<u>–</u>	<u>56 329</u>	<u>81 824</u>	<u>138 153</u>
<b>Financial liabilities</b>							
Accrued expenses		–	–	–	–	1 325	1 325
Agent balances		–	–	–	–	19 547	19 547
Other creditors and accruals		–	–	–	–	166	166
Payable to EFU General Insurance Limited		–	–	–	–	30 848	30 848
		<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>51 886</u>	<u>51 886</u>
On-balance sheet sensitivity gap							
Total yield / mark-up rate risk sensitivity gap		<u>56 329</u>	<u>–</u>	<u>–</u>	<u>56 329</u>		
		<u>56 329</u>	<u>–</u>	<u>–</u>	<u>56 329</u>		



	PTF 2016						
	Profit / mark-up bearing					Non-profit / mark-up bearing	Total
	Effective yield %	Upto one year	Over one year to five years	Over five years	Sub total		
<b>Financial assets</b>							
Cash and bank deposits	4.90-5.65	203 782	–	–	203 782	489	204 271
Investments	5.39	–	100 945	–	100 945	279 085	380 030
Contributions due but unpaid - net		–	–	–	–	167 944	167 944
Amounts 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>203 782</u>	<u>100 945</u>	<u>–</u>	<u>304 727</u>	<u>489 228</u>	<u>793 955</u>
<b>Financial liabilities</b>							
Provision for outstanding claims (including IBNR)		–	–	–	–	210 412	210 412
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>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>330 463</u>	<u>330 463</u>
On-balance sheet sensitivity gap							
Total yield / mark-up rate risk sensitivity gap		<u>203 782</u>	<u>100 945</u>	<u>–</u>	<u>304 727</u>		
		<u>203 782</u>	<u>100 945</u>	<u>–</u>	<u>304 727</u>		

Rupees '000

OPF 2015

	Profit / mark-up bearing					Non-profit / mark-up bearing	Total
	Effective yield %	Upto one year	Over one year to five years	Over five years	Sub total		
<b>Financial assets</b>							
Cash and bank deposits	5-6.5	57 283	-	-	57 283	5	57 288
Accrued investment income		-	-	-	-	149	149
Wakala fees receivable		-	-	-	-	34 411	34 411
Security deposits		-	-	-	-	300	300
Sundry receivables		-	-	-	-	116	116
		<u>57 283</u>	<u>-</u>	<u>-</u>	<u>57 283</u>	<u>34 981</u>	<u>92 264</u>
<b>Financial liabilities</b>							
Accrued expenses		-	-	-	-	413	413
Agent balances		-	-	-	-	7 645	7 645
Other creditors and accruals		-	-	-	-	19	19
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8 077</u>	<u>8 077</u>
On-balance sheet sensitivity gap							
Total yield / mark-up rate risk sensitivity gap		<u>57 283</u>	<u>-</u>	<u>-</u>	<u>57 283</u>		
		<u>57 283</u>	<u>-</u>	<u>-</u>	<u>57 283</u>		

Rupees '000

PTF 2015

	Profit / mark-up bearing					Non-profit / mark-up bearing	Total
	Effective yield %	Upto one year	Over one year to five years	Over five years	Sub total		
<b>Financial assets</b>							
Cash and bank deposits	5-6.5	80 796	-	-	80 796	267	81 063
Contributions due but unpaid - net		-	-	-	-	87 452	87 452
Accrued investment income		-	-	-	-	185	185
Retakaful recoveries against outstanding claims		-	-	-	-	10 895	10 895
		<u>80 796</u>	<u>-</u>	<u>-</u>	<u>80 796</u>	<u>98 799</u>	<u>179 595</u>
<b>Financial liabilities</b>							
Provision for outstanding claims (including IBNR)		-	-	-	-	19 367	19 367
Amounts due to other takaful / retakaful operator		-	-	-	-	42 875	42 875
Wakala fees payable		-	-	-	-	34 411	34 411
Other creditors and accruals		-	-	-	-	10 046	10 046
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106 699</u>	<u>106 699</u>
On-balance sheet sensitivity gap							
Total yield / mark-up rate risk sensitivity gap		<u>80 796</u>	<u>-</u>	<u>-</u>	<u>80 796</u>		
		<u>80 796</u>	<u>-</u>	<u>-</u>	<u>80 796</u>		

### Sensitivity analysis

As on 31 December 2016, the Window Takaful Operations had no financial instruments valued at fair value through profit or loss. For cash flow sensitivity analysis of variable rate instruments, a hypothetical change of 100 basis points in profit rates during the year would have decreased / increased profit for the year by the amounts shown below.

It is assumed that the changes occur immediately and uniformly to each category of instrument containing profit rate risk. Actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

#### Operator's Fund

	Change in basis points	Effect on profit and loss before tax	Operator's Fund
			Rupees '000
31 December 2016	{ 100	413	285
	{ ( 100 )	( 413 )	( 285 )
31 December 2015	{ 100	73	50
	{ ( 100 )	( 73 )	( 50 )

#### Participants' Takaful Fund

	Change in basis points	Effect on PTF Revenue	Participants' Takaful Fund
31 December 2016	{ 100	1 098	1 098
	{ ( 100 )	( 1 098 )	( 1 098 )
31 December 2015	{ 100	407	407
	{ ( 100 )	( 407 )	( 407 )

### 202.3.2 Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates. The Operator, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pakistani Rupees.

### 202.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Operator's Fund investments amounting to Rs. 20.45 million and the Participant's Fund investments amounting to Rs. 284 million are susceptible to market price risk arising from uncertainty about the future value of investment securities. The Funds limits market risk by diversifying its equity investment portfolio and by actively monitoring the developments in equity and money markets.

The table below summarises Funds market price risk as of 31 December 2016. It shows the effect of a 10 % increase and 10 % decrease in the market prices of equity investments as on those dates on Operator's profit and equity.

Had all equity investments been measured at fair values as required by IAS 39, Financial Instruments: Recognition and Measurement, the impact of hypothetical change would be as follows:

Operator's Fund					
					Rupees '000
	Fair value	Price change	Estimated fair value	Effect on profit and loss before tax	Operator's Fund
Mutual Fund	20 448	10 % increase	22 493	–	2 045
		10 % decrease	18 403	–	( 2 045 )

Participants' Takaful Fund					
					Rupees '000
	Fair value	Price change	Estimated fair value	Effect on PTF Revenue	Participants' Takaful Fund
Mutual Fund	283 954	10 % increase	312 349	–	28 395
		10 % decrease	255 559	–	( 28 395 )

### 20.3 Fair value

20.3.1 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.

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

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

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

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

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

				Rupees '000
				OPF
				Fair value measurement using
	Level 1	Level 2	Level 3	
Available-sale-investments	20 448	–	–	

				Rupees '000
				PTF
				Fair value measurement using
	Level 1	Level 2	Level 3	
Available-sale-investments	283 954	101 719	–	

## 21. 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 are as follows:

	Rupees '000	
Transactions	2016	2015
<b>Key management personnel</b>		
Contributions written	43	7
Claim paid	108	–

## 22. General

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

Reclassified from	Reclassified to	Rupees in '000
General & Administrative Expenses	Management Expenses	9 569

22.2 Comparative figures in these financial statements are for the period from 06 May 2015 to 31 December 2015.

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

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

These financial statements were authorised for issue by the Board of Directors in its meeting held on 14 February 2017.

RAFIQUE R. BHIMJEE  
Director

MAHMOOD LOTIA  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 14 February 2017

## Pattern of Shareholding as at 31 December 2016

Number of shareholders	Shareholdings		Shares held
	From	To	
331	1	100	12 057
371	101	500	100 535
229	501	1 000	175 865
371	1 001	5 000	919 662
128	5 001	10 000	944 786
62	10 001	15 000	782 136
44	15 001	20 000	776 133
28	20 001	25 000	634 990
19	25 001	30 000	518 670
10	30 001	35 000	325 380
16	35 001	40 000	626 295
5	40 001	45 000	219 630
9	45 001	50 000	433 816
7	50 001	55 000	360 260
9	55 001	60 000	521 724
4	65 001	70 000	268 768
6	70 001	75 000	432 665
13	75 001	80 000	1 022 773
1	85 001	90 000	88 000
3	90 001	95 000	278 853
11	95 001	100 000	1 082 840
4	100 001	105 000	409 285
2	105 001	110 000	214 337
2	110 001	115 000	223 634
5	115 001	120 000	592 696
1	120 001	125 000	123 187
1	125 001	130 000	128 729
1	135 001	140 000	135 258
1	145 001	150 000	150 000
2	150 001	155 000	302 514
2	155 001	160 000	318 397
1	160 001	165 000	162 162
2	165 001	170 000	336 400
1	170 001	175 000	171 528
2	195 001	200 000	400 000
3	200 001	205 000	604 032
1	220 001	225 000	224 261
1	235 001	240 000	237 600
1	265 001	270 000	269 775
1	275 001	280 000	277 992
1	305 001	310 000	306 813
1	315 001	320 000	316 800
2	365 001	370 000	737 523
1	370 001	375 000	374 704
2	390 001	395 000	785 658
5	395 001	400 000	1 996 000
1	455 001	460 000	456 393
1	520 001	525 000	521 114
1	530 001	535 000	530 684
2	595 001	600 000	1 196 607
1	600 001	605 000	604 992
1	620 001	625 000	623 610
1	700 001	705 000	700 200
1	730 001	735 000	731 075
3	790 001	795 000	2 376 181
1	950 001	955 000	951 336
1	1 010 001	1 015 000	1 011 392
1	1 260 001	1 265 000	1 263 600
1	1 340 001	1 345 000	1 343 972
1	1 595 001	1 600 000	1 600 000
1	2 280 001	2 285 000	2 281 075
1	2 355 001	2 360 000	2 358 205
1	2 490 001	2 495 000	2 491 760
1	2 700 001	2 705 000	2 704 126
1	3 940 001	3 945 000	3 943 875
1	4 315 001	4 320 000	4 315 676
1	5 285 001	5 290 000	5 287 485
1	6 380 001	6 385 000	6 381 987
1	10 745 001	10 750 000	10 748 498
1	13 625 001	13 630 000	13 626 105
1	13 845 001	13 850 000	13 845 355
1	15 965 001	15 970 000	15 965 743
1	16 575 001	16 580 000	16 579 935
1	24 040 001	24 045 000	24 042 744
1	41 190 001	41 195 000	41 191 152
<b>1 755</b>			<b>200 000 000</b>

Categories of shareholders	Shareholders	Shares held	Percentage
<b>Associated Companies, Undertakings and Related Parties</b>			
EFU Life Assurance Ltd		13 626 105	
J S Bank Limited		3 943 875	
JS Infocom Limited		700 200	
Jahangir Siddiqui & Co. Ltd.		41 191 152	
Jahangir Siddiqui & Sons Limited		5 287 485	
Jahangir Siddiqui Securities Services Limited		6 381 987	
Energy Infrastructure Holding (Private) Limited		2 281 075	
Trustee - Future Trust		1 263 600	
Trustee EFU General Insurance Limited, Staff Provident Fund		604 992	
Trustees EFU General Ins. Limited, Officer's Pension Fund		201 600	
Trustees EFU General Insurance Limited, Employees Gratuity Fund		224 261	
	<b>11</b>	<b>75 706 332</b>	<b>37.85</b>
<b>NIT</b>	-	-	-
<b>Directors, CEO, &amp; their spouses and minor children</b>			
Rafique R.Bhimjee		16 579 935	
Saifuddin N. Zoomkawala		316 800	
Abdul Rehman Haji Habib		8 323	
Muneer R.Bhimjee		15 965 743	
Hasanali Abdullah		369 758	
Taher G.Sachak		2 046	
Ali Raza Siddiqui		800	
Mohammed Iqbal Mankani		625	
Mahmood Lotia		1 328	
Naila Bhimjee		1 343 972	
Lulua Saifuddin Zoomkawala		792 000	
	<b>11</b>	<b>35 381 330</b>	<b>17.69</b>
<b>Executives</b>	<b>22</b>	<b>521 629</b>	<b>0.26</b>
<b>Public sector companies &amp; corporations</b>	<b>1</b>	<b>4 315 676</b>	<b>2.16</b>
<b>Joint Stock Companies</b>	<b>32</b>	<b>668 262</b>	<b>0.33</b>
<b>Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurers, Modarabas and Mutual Funds</b>	<b>15</b>	<b>2 922 797</b>	<b>1.46</b>
<b>Charitable Institutions</b>	<b>2</b>	<b>24 204 906</b>	<b>12.10</b>
<b>Individuals / Others</b>	<b>1 657</b>	<b>44 907 985</b>	<b>22.46</b>
<b>Foreign Investors (repatriable basis)</b>	<b>4</b>	<b>11 371 083</b>	<b>5.69</b>
<b>Total</b>	<b>1 755</b>	<b>200 000 000</b>	<b>100.00</b>
<b>Shareholders holding 5 % or more voting interest</b>			
Jahangir Siddiqui & Co Ltd.		41 191 152	20.60
Managing Committee of Ebrahim Alibhai Foundation		24 042 744	12.02
Rafique R. Bhimjee		16 579 935	8.29
Muneer R. Bhimjee		15 965 743	7.98
Bano R. Bhimjee		13 845 355	6.92
EFU Life Assurance Ltd.		13 626 105	6.81
Castle Hill Limited		10 748 498	5.37

## Glossary

- **Authorised Share Capital** - The maximum value of share that a Company can issue.
- **Bonus Shares** - Free shares given to current shareholders out of profit.
- **Book Value** - The value of an asset as entered in a company's books.
- **Capital Expenditure** - The cost of long-term improvements and fixed assets.
- **Capital Gain** - Portion of the total gain recognised on the sale of investments.
- **Claims** - The amount payable under a contract of insurance arising from occurrence of an insured event.
- **Claims Incurred** - The aggregate of all claims paid during the accounting period together with attributable claims handling expenses, where appropriate, adjusted by the gross claims reserve at the beginning and end of the accounting period.
- **Commission** - Remuneration to an intermediary for services such as selling and servicing an insurer's products.
- **Contribution** - The amount payable by a Participant to the Participants' Takaful Fund under a Takaful Contract for the purpose of mutual protection and assistance.
- **Corporate Social Responsibility** - Is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, and all other members of the public who may also be considered as stakeholders.
- **Deferred Commission** - Expenses which vary with and are primarily related to the acquisition of new insurance contracts and renewal of existing contracts, which are deferred as they relate to a period of risk subsequent to the Balance Sheet date.
- **Deferred Tax** - An accounting concept (also known as future income taxes), meaning a future tax liability or asset in respect of taxable temporary differences.
- **Defined Benefit Plans** - Are post-employment benefit plans.
- **Depreciation** - Is the systematic allocation of the cost of an asset over its useful life.
- **Doubtful Debts** - Is a debt where circumstances have rendered its ultimate recovery uncertain.
- **Earnings per Share** - Amounts of after tax profit or loss attributable to ordinary shareholders of the entity.
- **Equity Method** - Method of accounting whereby the investment is initially recognized at cost and adjusted periodically for the post-acquisition change in the investor's share of net assets of the investee.
- **Exchange Gain / (Loss)** - Difference resulting from translating a given number of units of one currency into another currency at different exchange rates.
- **Facultative Reinsurance** - The reinsurer assumes a share of selected individual risks. The primary insurer can offer an individual risk in reinsurance, which the reinsurer accepts on a case by case basis.
- **Fair Value** - The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing business partners in an arm's length transaction.
- **General Insurance** - All kinds of non-life Insurance i.e., Fire, Marine, Motor and all Other Insurance as defined in the Insurance Ordinance, 2000.
- **General Takaful** - Takaful other than Family Takaful.
- **Gross Premium** - Premium which an insurer is contractually entitled to receive from the insured in relation to contracts of insurance.
- **Group Health Insurance** - A single health policy covering a group of individuals, usually employees of the same company or members of the same association and their dependents.
- **Human Resource Development** - A framework for the expansion of within an organization through the development of both the organization and the individual to achieve performance improvement.



- **Impairment** - The amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount.
- **Incurred but not Reported (IBNR)** - Claim incurred but not reported to the insurer until the financial statements reporting date.
- **Inflation** - A general increase in prices and fall in the purchasing value of money.
- **Insurance Contract** - A contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder for a specified uncertain future event at an agreed consideration.
- **Insurer Financial Strength Rating** - Provides an assessment of the financial strength of an insurance company.
- **Intangible** - An identifiable non-monetary asset without physical substance.
- **Internal Control** - An accounting procedure or system designed to promote efficiency or assure the implementation of a policy or safeguard assets or avoid fraud and error etc.
- **Loss Ratio** - Percentage ratio of claims expenses to premium.
- **Market Share** - The portion of a market controlled by a particular company or product.
- **Market Value** - The highest estimated price that a buyer would pay and a seller would accept for an item in an open and competitive market.
- **Mudaraba** - A Mudaraba is an Investment partnership, whereby the investor (the Rab-ul-Mal) provides capital to another party / entrepreneur (the Mudarib) in order to undertake a business / investment activity. While profits are shared on a pre-agreed ratio, loss of investment is born by the investor only. The mudarib loses its share of the expected income.
- **Mudaraba Based Contract** - An investment Contract based on the principle of Mudaraba.
- **National Exchequer** - The account into which tax funds and other public funds are deposited.
- **Net Asset Value** - The value of all tangible and intangible assets of a company minus its liabilities.
- **Net Premium Revenue** - Gross earned premium less Reinsurance expense.
- **Non-Life Insurance** - Non Life Insurance and General Insurance have the same meaning.
- **Operator** - A Takaful Operator or a Window Takaful Operator, authorized under SECP Takaful Rules, 2012.
- **Operator Fund** - A fund set up by a General Takaful Operator which shall undertake all transactions which the Operator undertakes other than those which pertain to Participant Takaful Funds set up by the Operator.
- **Outstanding Claim** - A type of technical reserve or accounting provision in the financial statements of an insurer to provide for the future liability for claims.
- **Paid-up Capital** - The amount paid or contributed by shareholders in exchange for shares of a company's Stock.
- **Participant** - A Person who participates in a Takaful scheme and to whom a Takaful Contract is issued.
- **Participants' Membership Documents** - The documents detailing the benefits and obligations of a Participant under a Takaful Contract.
- **Participant Takaful Fund (PTF)** - A Separate Waqf Fund set up into which the Participant's Risk related contributions are paid and from which risk related benefits are paid out.
- **Period of Takaful or Policy Period** - The length of time for which the Takaful protection will be effective.
- **Premium** - The amount that has to be paid as consideration for the insurance cover provided by an insurer.
- **Present Value** - Future amounts that have been discounted to the present.
- **Proxy** - Power of attorney by which the shareholder transfers the voting rights to another shareholder.

- **Qard-e-Hasna** - An interest free loan to the PTF from the Operator's Fund, when the PTF is in deficit and insufficient to meet their all liabilities.
- **Quoted** - Being listed on a Stock Exchange.
- **Registered Office** - The registered office is an address which is registered with the government registrar as the official address of a company.
- **Reinsurance** - A method of insurance arranged by insurers to share the exposure of risks accepted.
- **Reinsurance Commission** - Commission received or receivable in respect of premium paid or payable to a reinsurer.
- **Reinsurance Premium** - The premium payable to the reinsurer in respect of reinsurance contract.
- **Related Party** - Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.
- **Retrocession** - Transfer of risk from a reinsurer to another reinsurer.
- **Revenue Reserves** - Reserve that is normally regarded as available for distribution through the profit and loss account, including general reserves and other specific reserves created out of profit and unappropriated profit.
- **Risk** - Condition in which there is a possibility of loss.
- **Risk Management** - Includes analyzing all exposures to gauge the likelihood of loss and choosing options to better manage or minimize loss.
- **Shariah Advisor** - Shariah Advisor of the Operator working in such capacity appointed by the Operator under Rule 26 of the SECP Takaful Rules, 2012.
- **Statutory Levies** - Fee charged (levied) by a government on a product, income, or activity.
- **Strategic Objective** - A broadly defined objective that an organization must achieve to make its strategy succeed.
- **Subsequent Event - Non Adjusting** - Are events concerning conditions which arose after the balance sheet date, but which may be of such materiality that their disclosure is required to ensure that the financial statements are not misleading.
- **Takaful** - Takaful is an arrangement based on the principles of brotherhood and mutual help wherein participants contribute in a fund to help those who need it most in times of financial difficulties.
- **Takaful Contract** - Any contract of Family Takaful or General Takaful.
- **Tangible** - An asset whose value depends on particular physical properties.
- **Term Finance Certificate** - A debt instrument issued by an entity to raise funds.
- **Underwriting Profit** - This is the profit generated purely from the General Insurance business without taking into account the investment income and other non-technical income and expenses.
- **Unearned Premium** - It represents the portion of premium already entered in the accounts as due but which relates to a period of risk subsequent to the Balance Sheet date.
- **Window Takaful Operator** - A Registered Insurer authorized under SECP Takaful Rules, 2012 to carry on Takaful business as Window Operations in addition to Conventional Insurance Business.
- **Wakala** - Agent-principal relationship, where a person nominates another to act on his behalf.
- **Wakala Based Contract** - A contract based on the principle of Wakala (agency).

## Branch Network

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Amanullah Khan  
Senior Vice President

Kaleem Imtiaz, M.A.  
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Nadeem Ahmed  
Senior Vice President

Shahab Saleem  
Senior Vice President

Aziz Ahmed  
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Kausar Hamad, M.B.A.  
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Asstt. Vice President

Faiz Muhammad  
Asstt. Vice President

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Vice President (Development)

Sohail Raza  
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Ali Raza  
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Riaz Ahmed  
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Asif Mehmood  
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Shahzeb Lodhi  
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Muhammad Kashif Sheikh  
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Senior Executive Director

Muhammad Sheeraz, M.B.A.  
Assistant Executive Director

Abdul Bari Khan  
Executive Vice President

Muhammad Mujtaba  
Executive Vice President

Zia-ur-Rahman  
Executive Vice President

Asadullah Khan  
Senior Vice President

Muhammad Saleem  
Senior Vice President

Mazhar Ali  
Vice President

Muhammad Rashid  
Asstt. Vice President

Muhammad Saeed  
Asstt. Vice President

Aamir Ali Khan  
Assistant Executive Director  
(Development)

Muhammad Hussain  
Assistant Executive Director  
(Development)

Muhammad Arfeen  
Executive Vice President  
(Development)

Javed Aslam Awan  
Senior Vice President (Development)

Ramesh Mulraj Bherwani  
Senior Vice President (Development)

Muhammad Aamir Hanif  
Vice President (Development)

Muhammad Azim Hanif  
Vice President (Development)

Muhammad Ilyas  
Vice President (Development)

Muhammad Iqbal  
Vice President (Development)

Jalaluddin Ahmed  
Asstt. Vice President (Development)

Syed Nisar Ahmed, M.A.  
Asstt. Vice President (Development)

Uzair Ahmed Khan  
Asstt. Vice President (Development)

Haseeb Khan  
Chief Manager (Development)

M. Jawed Farooqui  
Chief Manager (Development)

M. Usman Khan  
Chief Manager (Development)

Syed Athar Ali  
Chief Manager (Development)

Arif Farooq  
Dy. Chief Manager (Development)

Muhammad Mubeen Akram  
Manager (Development)

Muhammad Naseem Qureshi  
Manager (Development)

Muhammad Navid Farooqui  
Manager (Development)

Musarrat Zaman Shah  
Manager (Development)

Shah Sultan  
Manager (Development)

Shahid Naqvi  
Manager (Development)

### Jinnah Division (A.W.P. Unit)

1st Floor, EFU House  
M.A. Jinnah Road, Karachi  
32200599 - 32200623  
32313471-90. Fax: 32200571

Abdul Wahab Polani  
Executive Director (Development)

Abdul Aziz  
Senior Vice President

Arif Hussain  
Assistant Vice President

Navaid Ahmed  
Assistant Vice President

Waleed Polani  
Senior Vice President (Development)

### Mehran Branch

2nd Floor, EFU House  
M.A. Jinnah Road, Karachi  
32200151-32311764-32201715  
32313471-90 Fax: 32201538

Mazhar H. Qureshi  
Senior Executive Vice President

Waqar Ahmed, M.Sc  
Senior Vice President

Babar Zeeshan  
Vice President (Development)

Kirshan Lal  
Manager (Development)

Syed Kashif Ali  
Manager (Development)

### Metropolitan Division

6th Floor, E F U House  
M.A. Jinnah Road  
Karachi. 32313471-90  
Fax: 32203380

Muhammad Iqbal  
Dada, M. A., A.C.I.I.  
Executive Director

Shahzad Zakaria  
Senior Executive Vice President

Shazim Altaf Kothawala  
Senior Executive Vice President

Fakhruddin Saifee  
Executive Vice President

Altaf Kothawala  
Senior Executive Director  
(Development)

Akhtar Kothawala  
Assistant Executive Director  
(Development)

Muhammad Umer Memon  
Senior Executive Vice President  
(Development)

Ms. Shazia Rahil Razzak  
Executive Vice President  
(Development)

Muneeb Farooq Kothawala  
Executive Vice President  
(Development)

Shahid A. Godil, M.B.A.  
Executive Vice President  
(Development)

Ms. Shela Farooq Kothawala  
Senior Vice President  
(Development)

Ikram-ul-Haq  
Chief Manager (Development)

Shahida Khan  
Manager (Development)

### Metropolitan (A.K. Unit)

6th Floor, E F U House  
M.A. Jinnah Road, Karachi.  
32313471-90 - 32202897  
32202903-5  
Fax: 32201450 & 32202908

Syed Basit Hussain  
Asstt. Executive Director

Mohammad Shoaib, M.A.  
Senior Executive Vice President

Asgar Ali  
Executive Vice President

Habib Ali  
Vice President

Muhammad Mustafa Ismail  
Asstt. Vice President

M. Aamir Khadeli, M.B.A.  
Senior Executive Vice President  
(Development)

M. Younus Khadeli  
Senior Executive Vice President  
(Development)

Abul Nasar  
Vice President (Development)

### Port View Branch

6th Floor, EFU House  
M. A. Jinnah Road  
Karachi. 32201957-60  
32313471-90  
Ext.: 283. Fax: 32201961

Khalid Usman  
Deputy Executive Director

Muhammad Shoaib  
Vice President

Abdul Wahab  
Asstt. Executive Director  
(Development)

### S.I.T.E. Division

1st Floor, EFU House, Karachi  
32313471-90, 32315007-10

Syed Muhammad Haider, M.Sc.  
Senior Executive Director

Khalid Ashfaq Ahmed  
Assistant Executive Director

Syed Amir Aftab  
Assistant Executive Director

Syed Asim Iqbal, M.B.A.  
Assistant Executive Director

Irfan Raja Jagirani  
Senior Executive Vice President

Shah Asghar Abbas, M.B.A.  
Executive Vice President

Mohammad Idrees Abbasi  
Senior Vice President

Muhammad Naseem  
Senior Vice President

M. Saghiruddin  
Vice President

Noman Shahid, M.B.A.  
Vice President

S. Ferozuddin Haider  
Vice President

S. Khaliluddin  
Vice President

M. Farhan Rasheed, M.C.S.  
Asstt. Vice President

Muhammad Kashif  
Assistant Vice President

Muhammad Shoaib Naziruddin  
Assistant Vice President

Muhammad Yamin  
Asstt. Vice President

Mumtaz Ahmed  
Asstt. Vice President



Syed Sajjad Haider Zaidi  
Asstt. Vice President

Ali Safdar  
Executive Director (Development)

Mohammad Younus  
Senior Executive Vice President  
(Development)

Syed Shahid Raza  
Senior Executive Vice President  
(Development)

Seema N. Jagirani  
Executive Vice President  
(Development)

M. Anis-ur-Rehman  
Senior Vice President (Development)

Wasim Ahmed  
Senior Vice President (Development)

M. Ashraf Samana  
Vice President (Development)

M. Iftikhar Siddiqi  
Vice President (Development)

Mohammad Ziaul Haq  
Vice President (Development)

Syed Abid Raza  
Vice President (Development)

M. Murtaza Ispahani  
Asstt. Vice President (Development)

Syed Qamar Raza  
Dy. Chief Manager (Development)

Liaquat Imran  
Senior Vice President (Auto Leasing Unit)

S. Imran Raza Jafri  
Asstt. Vice President (Auto Leasing Unit)

Syed Sohail Haider Abidi  
Senior Vice President (Development)  
(Auto Leasing Unit)

Hassan Abbas Shigri  
Vice President (Development)  
(Auto Leasing Unit)

Shahida Aslam  
Vice President (Development)  
(Auto Leasing Unit)

Syed Mojiz Hassan  
Asstt. Vice President (Development)  
(Auto Leasing Unit)

Muhammad Tariq, M.Sc.  
Dy. Chief Manager (Development)  
(Auto Leasing Unit)

Zeeshan Ali  
Manager (Development)  
(Auto Leasing Unit)

#### **Tower Branch**

5th Floor, Dock Labour Board Building  
West Wharf, Karachi. 32311796  
32203555 - 32204021 32316186  
32311796. Fax: 32205028

Salim Razak Bramchari, ACII  
Executive Director

Muhammad Shoaib Razzak  
Bramchari  
Dy. Executive Director

Muhammad Rashid Akmal, M.B.A.  
Senior Executive Vice President

Sikandar Kasbati  
Senior Vice President

Syed Mudassar Ali  
Vice President

Zain ul Abedin  
Vice President

#### **HYDERABAD**

##### **Hyderabad Branch**

Al-Falah Chambers, Jinnah Road  
2611397 - 2631088  
Fax: 2615816

Muhammad Amin Sattar, M.Com  
Senior Executive Vice President

Muhammad Awais Memon  
Vice President (Development)

Saleem Hameed Qureshi  
Asstt. Vice President

#### **SUKKUR (Sub-Office)**

9, Glamour Centre, 1st Floor  
Mission Road, Sukkur  
P.O. Box No. 179  
5623936. Fax: 5626512

Mohammad Amin Memon  
Vice President

#### **MULTAN**

##### **Multan Division**

Rajput Commercial Centre  
Tareen Road. 4780372 - 45800901  
4513723 - 4580773 - 4510317  
Fax: 4573343 - 4580772

M. Shehzad Habib  
Executive Director

Muhammad Azhar Ali  
Executive Vice President

Mansoor Ahmed  
Senior Vice President

Mohammad Ikram  
Senior Vice President

Muhammad Usman  
Senior Vice President

Tariq Mahmood  
Senior Vice President

Muhammad Sarwar  
Vice President

Shahid Younus  
Assistant Executive Director  
(Development)

Rashid Habib  
Senior Executive Vice President  
(Development)

M. Mushtaq Najam Butt  
Executive Vice President  
(Development)

Ali Hasnain Shah  
Vice President  
(Development)

Tariq Jamil  
Vice President  
(Development)

Hammad Akhtar Sheikh  
Chief Manager  
(Development)

Malik Rashid Aziz  
Dy. Chief Manager  
(Development)

Babar Ali  
Manager (Development)

Muhammad Zubair  
Manager (Development)

**D. G. Khan (Sub-Office)**

House No. 59, Street No.2  
Block-Z, Model Town  
0642-469360 - 461895

Bashir Ahmad Sanghi  
Senior Vice President  
(Development)

**CHICHAWATNI (Sub-Office)**

44 Railway Road  
Fax: 040-5486848 - 5481742

Javed Iqbal Cheema  
Asstt. Vice President  
(Development)

**VEHARI (Sub-Office)**

56-B, Grain Market  
06733-62900. Fax: 06733-362900

**RAHIM YAR KHAN (Sub-Office)**

7-Shaheen Market, Shahi Road  
5873794. Fax: 5877194

Mian Abdul Razzak Raza, M.A.  
Executive Vice President  
(Development)

**BAHAWALPUR (Sub-Office)**

Circular Road  
2884624 - 2886371. Fax: 884624

Malik Akhtar Rafique  
Executive Vice President  
(Development)

**CHISTIAN (Sub-Office)**

105 - E, Chistian. 0632-503989

Shahid Iqbal  
Asstt. Vice President (Development)

**LAYYAH (Sub-Office)**

Opposite Bank of Punjab  
Chowbara Road, Layyah  
0606-410594

Amjad Ali  
Manager (Development)

**QUETTA (Sub-Office)**

42 - Regal Plaza, Circular Road  
2822926. Fax: 2837732

Martin Yaqoob

**NORTHERN ZONE**

Co-operative Insurance Building  
23 Shahrah-e-Quaid-e-Azam  
Lahore  
37352028 - 37353566  
37312166 - 37312196  
Fax: 37357966 - 37229604

Qamber Hamid, LL.B., LL.M.  
Senior Deputy Managing Director /  
Zonal Head

Zahid Hussain, A.C.I.I.  
Senior Vice President

Faiz Ahmed  
Asstt. Vice President

Ijaz Anwar Chughtai  
Asstt. Vice President

Nimra Inam  
Asstt. Vice President

**PUNJAB REGION**

Co-operative Insurance Building  
23 Shahrah-e-Quaid-e-Azam, Lahore  
37312166 - 37312196  
37244178 - 37243290  
Fax: 37357966 - 37229604

Shaukat Saeed Ahmed  
Senior Executive Director

Maqsood Ahmed  
Assistaant Vice President

**LAHORE**

**Al - Falah Branch**

306-7, Al-Falah Building  
Shahrah-e-Quaid-e-Azam, Lahore  
36285136-7. Fax: 36285138

Anjum Kamal Khan, M.B.A.  
Executive Vice President

Asif Ahmad Butt, A.C.I.I.  
Asstt. Vice President

Shahid Raza Kazmi  
Senior Vice President (Development)

Muhammad Imran  
Chief Manager (Development)

Mrs. Ghazala Ambreen  
Manager (Development)

Raja Zahid Asghar  
Manager (Development)

**Al Hamd Branch**

299/A, New Muslim Town, Lahore  
35889120, 35889121  
Fax: 35889122

Ross Masood, M.B.E.  
Asstt. Executive Director

Masud Akhtar  
Assistant Vice President

Mubashir Saleem  
Senior Vice President (Development)

Ahmed Saeed Khan  
Vice President (Development)

Saira Ahmad  
Manager (Development)

#### **Al-Muqet Branch**

1st Floor, Commercial G-29  
Phase I, DHA, Lahore Cantt.  
35691081-82  
Fax: 35691080

Muhammad Razzaq Chaudhry  
Executive Vice President

Qasim Ayub  
Senior Vice President  
(Development)

#### **Bank Square Branch**

Al - Khush Building  
Bank Square, Lahore  
37323081 - 37323640  
Fax: 37314244

Babar A. Sheikh  
Assistant Executive Director

#### **City Branch**

2nd Floor, Salam Chambers  
Patiala Ground, Link Mcleod Road  
Lahore. 37352934 - 37352938  
37313413. Fax: 37352941

Zarrar Ibn Zahoor Bandey  
Senior Executive Vice President

Muhammad Allauddin  
Assistant Vice President

#### **Gulberg Branch**

3rd Floor, Saadi Plaza,  
20-Civic Centre Barket Market,  
New Garden Town, Lahore  
35861276-78. Fax: 35861279

Javed Akhtar Sheikh, B.B.A.  
Assistant Executive Director

Imran Yasin, M.B.A, F.C.I.I.  
Senior Vice President

Naseer Ahmad  
Vice President

Maqsood Ahmed  
Assistant Vice President

Mian Ali Raza Shaukat  
Assistant Vice President

Muhammad Farooq  
Senior Executive Vice President  
(Development)

Muhammad Rizwan-ul-Haq  
Senior Executive Vice President  
(Development)

Mian Ikram Ellahi  
Manager (Development)

#### **Gulberg Arcade Unit**

401 Gulberg Arcade  
38G Gulberg II  
Lahore. 35788207-09  
Fax: 35788204

Satwat Mahmood Butt, M.B.A.  
Dy. Executive Director

Shazia Hussain, M.A.  
Assistant Vice President

Rana Khalid Manzoor  
Senior Vice President  
(Development)

Imran Ghaffar  
Vice President (Development)

Tanveer Ahmed  
Vice President (Development)

Muhammad Naveed Asghar  
Asstt. Vice President  
(Development)

Asim Ikram  
Manager (Development)

Ather Qureshi  
Manager (Development)

M. Haroon Hameed  
Manager (Development)

#### **Ichhra Branch**

204, 2nd Floor, Latif Center  
101 Ferozepur Road, Lahore  
37533732, 37427152  
Fax: 37585814

Javaid Iqbal Khan  
Executive Vice President

Ashiq Hussain Bhatti  
Vice President (Development)

M. Sanaullah  
Chief Manager (Development)

Mian Sikander Sheraz  
Deputy Chief Manager (Development)

#### **Lahore Division**

Co-operative Insurance Building  
23 Shahrah-e-Quaid-e-Azam  
Lahore. 37312166 - 37243290  
37244178 37350616 - 37312196  
37323130 - 37353566  
Fax: 37357966 - 37229604

Liaquat Ali Khan, F.C.I.I.  
Senior Executive Vice President

Rao Abdul Hafeez Khan  
Executive Vice President

S. Farhan Ali Bokhari, M.B.A.  
Executive Vice President

Usman Ali, L.L.B., M.B.A.  
Executive Vice President

Nausherwan Haji  
Vice President

Raja Azhar Rafique  
Vice President

Fazal Hussain  
Asstt. Vice President

Mansoor Anwar  
Asstt. Vice President

Rashid Saeed Butt  
Asstt. Vice President

Fauzia Khawaja  
Vice President (Development)

Muhammad Tayyab Nazir  
Vice President (Development)

Muhammad Ajmal, M.B.A.  
Chief Manager (Development)

Saqib Riaz  
Manager (Development)

#### Leeds Centre Branch

Room No. 15, 2nd Floor  
Leeds Centre, 11-E / 2  
Main Boulevard, Gulberg III, Lahore  
35784055-7  
Fax: 35784058 - 35874374

Iftikhar Uddin, L.L.B.  
Executive Vice President

Zulfiqar Ali Khan, M.Sc, M.B.E, F.C.I.I.  
Executive Vice President

Farooq Shaukat  
Asstt. Vice President

Azharul Hassan Chishty  
Executive Vice President  
(Development)

Muhammad Salim Babar, M.B.A.  
Senior Vice President (Development)

#### Model Branch

EFU House, 6-D, Jail Road, Lahore.  
35715616-8. Fax: 35715619

S. Tayyab Hassan Gardezi, M.Sc.  
Executive Vice President

Farkhanda Jabeen, A.C.I.I.  
Vice President

Akif Mukhtar Khan  
Manager (Development)

#### New Garden Town Branch

2nd Floor, Salaam Chambers,  
Patiala Ground, Link Macleod Road,  
Lahore  
37352934 - 37352938  
Fax: 37352941

Mohammad Sohail  
Senior Executive Vice President

Mudassar Raza  
Asstt. Vice President

#### New Unit Branch Lahore

112, Gulberg Arcade, 38-G  
(Adj.) Main Market Gulberg II  
Lahore  
35788411-13. Fax: 35788414

Muhammad Najeeb Anwar  
Senior Executive Vice President

Haji Muhammad Shakeel, M.B.A.  
Senior Executive Vice President  
(Development)

Mujahid Ali  
Assistant Vice President  
(Development)

Amer Saleem Khan  
Manager (Development)

Aizaz Ur Rehman  
Chief Manager (Development)

#### FAISALABAD

##### Faisalabad Main Branch

Ahmed Plaza, Bilal Road  
Faisalabad  
2610363 - 2610368 - 2610566  
2625001. Fax: 32611667

Usman Ali Khan  
Senior Executive Vice President

Ikram Ul Ghani, M.A.  
Vice President

Ghulam Abbas, M.B.A.  
Assistant Vice President

Zahid Qureshi  
Assistant Vice President

Mahmood Ali Khan, M.A.  
Dy. Executice Director  
(Development)

Shagufta Asrar Ahmad  
Asstt. Vice President  
(Development)

Tariq Nawaz Adil  
Chief Manager (Development)

Ch. Abdul Razzak  
Manager (Development)

#### City Branch

16 Chenab Market  
Susan Road, Madina Town  
Faisalabad  
8732902 - 8734649 - 8714642  
Fax: 8733402

Dr. Ghulam Jaffar, Ph.D  
Senior Vice President

#### GUJRANWALA

##### Gujranwala Branch

3rd Floor, Din Plaza  
G.T. Road, Gujranwala  
3845883-84 - 3842593  
Fax: 3859190

M. Amer Arif Bhatti  
Senior Vice President

Mohammad Arif Bhatti  
Executive Vice President  
(Development)

Sub Oiffce  
(Al-Muqheet)

3rd Floor, Din Plaza  
G.T. Road, Gujranwala  
3859290 Fax: 3859190

Qasim Ayub  
Senior Vice President  
(Development)

#### SAHIWAL

##### Sahiwal Branch

1st Floor, Sattar Complex  
Stadium Road, Sahiwal  
4220522 - 4221622  
Fax: 4220622

Muhammad Ashfaq  
Manager (Development)

## **SARGODHA**

### **Sargodha Branch**

43-44, 2nd Floor, Rehman Trade Center, University Road Sargodha  
3721381 - 3728253. Fax: 3729023

Abdul Shakoor Piracha  
Senior Vice President

## **SIALKOT**

### **Sialkot Branch**

1st Floor, Riaz Plaza, Paris Road Sialkot. 4267001-3  
Fax: 052-4292280

Mohammad Naeem Ahsan  
Senior Vice President

Fazal-Ur-Rehman Butt  
Assistant Vice President

Mudassir Atif Baig  
Manager (Development)

## **ISLAMABAD REGION**

2nd Floor, Ferozsons Building  
32 Saddar Road, Rawalpindi Cantt.,  
Rawalpindi. 5514323 - 5563065-  
5562024 - 5516085  
Fax: 5565406

M. Akbar Awan  
Deputy Managing Director /  
Regional Head

### **Islamabad Main Branch**

Kamran Center, 1st Floor, 85 East  
Jinnah Avenue, Blue Area,  
Islamabad. 2150375-8  
Fax: 2150379

Malik Firdaus Alam  
Executive Vice President

M. Maroof Chaudhry  
Vice President

Amir Alvi  
Assistant Vice President

Ejaz Ahmed

Executive Vice President (Development)

Imdadullah Awan  
Executive Vice President  
(Development)

Ms. Somia Ali  
Senior Vice President (Development)

Zaka Ullah Khan  
Senior Vice President (Development)

Atif Muzaffar  
Chief Manager (Development)

Qazi Altaf Hussain  
Chief Manager (Development)

Muhammad Ali Junaid  
Manager (Development)

Shahzad Munawar  
Manager (Development)

### **Rawalpindi Division**

2nd Floor, Ferozsons Building  
32 Saddar Road, Rawalpindi Cantt.  
Rawalpindi  
5794634 - 5563065 5562024  
5516085 - 5514323. Fax: 5565406

Syed Aftab Hussain Zaidi, M.A., M.B.A.  
Deputy Executive Director

Saifullah  
Senior Vice President

Muhammad Mobeen  
Vice President

Noman Mehboob, A.C.I.I.  
Vice President

Onaib-ur-Rehman, M.B.A.  
Vice President

Muhammad Haroon Akbar  
Senior Vice President (Development)

Akhtar Ali  
Manager (Development)

### **City Branch Rawalpindi**

2nd Floor, Ferozsons Building  
32 Saddar Road, Rawalpindi Cantt.  
Rawalpindi. 5584563 - 5516882  
5794684. Fax: 5794685

Agha Ali Khan  
Senior Vice President

Faraz Javed  
Senior Vice President  
(Development)

Shehzad Akhtar  
Chief Manager (Development)

Syed Zeeshan Abbas Abidi  
Chief Manager (Development)

## **ABBOTTABAD**

106 Iqbal Shopping Complex  
Mall Road. 336371

## **GOTH MACHI**

### **Goth Machi Branch**

6, Commercial Area, (F.F.C.)  
Distt. Rahim Yar Khan  
5954550, Ext: 5154  
Fax: 5954518

Altaf Hussain  
Assistant Vice President

### **Peshawar Branch**

2nd Floor, Mall Tower, 35,  
The Mall, Peshawar  
5608508 - 5608504- 5608507  
Fax: 5608503, 5608506

S. M. Aamir Kazmi, LL.B.  
Executive Vice President

Salimullah Khan, M.Com  
Senior Vice President

Ali Farman, M.A.  
Assistant Vice President

Najma Riaz, M.A.  
Assistant Vice President

Inayatullah Khalil  
Senior Vice President  
(Development)

Muhammad Riaz  
Chief Manager (Development)

Khyzar Hayat, M.A.  
Manager (Development)

Zia-ul-Hasan  
Manager (Development)

#### **Jamrud Road Branch**

7 -10, Upper Ground Floor  
Azam Tower, Jamrud Road  
Peshawar  
5846120 - 5850190  
Fax: 5846121

Farman Ali Afridi B.E.  
Executive Vice President

Taimoor Zaib  
Asstt. Vice President  
(Development)

#### **MARDAN (Sub Office)**

Dr. Zawar Hussain Building  
(Najeeb Clinic)  
337-B, The Mall, Mardan  
0937-862294  
Fax: 866096

Arshad Iqbal, M.B.A.  
Asstt. Vice President  
(Development)

#### **ABBOTTABAD (Sub-Office)**

Al-Asif Plaza, Mansehra Road  
334186

Ejaz Ali  
Manager (Development)

#### **Branch Network of Window Takaful Operations**

##### **Southern Zone**

Central Division  
Corporate Division  
Jinnah Division  
Multan Division  
SITE Division

##### **Northern Zone**

Lahore Division  
Rawalpindi Division



# E F U GENERAL INSURANCE LIMITED

## Form Of Proxy

I / We \_\_\_\_\_

of \_\_\_\_\_

being a member of E F U GENERAL INSURANCE LIMITED hereby appoint

Mr. \_\_\_\_\_

of \_\_\_\_\_

or failing him \_\_\_\_\_

of \_\_\_\_\_

as my / our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the 84th Annual General Meeting of the Company to be held on Saturday, 15 April 2017 at 10:30 a.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

### WITNESSES:

1. Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

CNIC Or  
Passport No: \_\_\_\_\_



Signature of Member(s)

2. Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

CNIC Or  
Passport No: \_\_\_\_\_

Shareholder's Folio No. \_\_\_\_\_

and / or CDC

Participant I.D.No. \_\_\_\_\_

and Sub Account No. \_\_\_\_\_

### Important:

This form of Proxy, duly completed, must be deposited at the Company's Registered Office at Kamran Centre, 1st Floor, 85 East, Jinnah Avenue, Blue Area Islamabad, not later than 48 hours before the time appointed for the meeting.

CDC Shareholders and their Proxies are each requested to attach attested photocopy of their Computerized National Identity Card (CNIC) or Passport with this proxy form before submission to the Company.

CDC Shareholders or their Proxies are requested to bring with them their Original Computerized National Identity Card or Passport along with the Participant's ID number and their account number at the time of attending the Annual General Meeting in order to facilitate their identification.

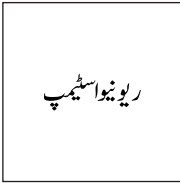


# ای ایف یو جنرل انشورنس لمیٹڈ پراکسی فارم

میں/ہم \_\_\_\_\_  
ساکن \_\_\_\_\_  
بحیثیت ممبر ای ایف یو جنرل انشورنس لمیٹڈ بذریعہ مذکورہ مسمی  
ساکن \_\_\_\_\_  
کو یا ان کی عدم دستیابی کی صورت میں مسمی  
ساکن \_\_\_\_\_  
کو اپنی / ہماری جانب سے پراکسی مقرر کر رہا / رہی ہوں تاکہ وہ ہفتہ ۱۵ اپریل ۲۰۱۷ء بوقت ۱۰:۳۰ بجے صبح منعقد ہونے والے ۸۴ ویں سالانہ اجلاس عام  
یا اس کے کسی بھی التواء میں میری / ہماری جگہ شرکت کرے اور ووٹ ڈالے۔

دستخط بروز \_\_\_\_\_ بتاریخ \_\_\_\_\_ ۲۰۱۷ء

## گواہان:



ریونیو اسٹیٹمپ

ممبر (ممبران) کے دستخط

۱- دستخط: \_\_\_\_\_  
نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_  
سی این آئی سی یا پاسپورٹ نمبر \_\_\_\_\_

۲- دستخط: \_\_\_\_\_  
نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_  
سی این آئی سی یا پاسپورٹ نمبر \_\_\_\_\_  
شیر ہولڈر کا فولیو نمبر اور / یا سی ڈی سی \_\_\_\_\_  
پارٹیشن کا آئی ڈی نمبر \_\_\_\_\_  
اور ذیلی اکاؤنٹ نمبر \_\_\_\_\_

## اہم نوٹ:

پراکسی کا یہ فارم جو ہر طرح سے مکمل ہو، لازماً کمپنی کے رجسٹرڈ آفس واقع کامران سینٹر، پہلی منزل، ۸۵ ایسٹ، جناح ایونیو، بلیو ایریا، اسلام آباد میں اجلاس کے  
طے شدہ وقت سے کم از کم ۴۸ گھنٹے قبل جمع کر دیا جائے۔

سی ڈی سی شیر ہولڈرز اور ان کے پراکسیز سے درخواست ہے کہ ہر ایک اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) یا پاسپورٹ کی مصدقہ نقل کمپنی کو پراکسی  
فارم جمع کرانے سے قبل اس کے ساتھ منسلک کرے۔

سی ڈی سی شیر ہولڈرز یا ان کے پراکسیز سے درخواست ہے کہ اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ بشمول پارٹیشن کا آئی ڈی نمبر اور ان کے  
اکاؤنٹ نمبر اپنی شناخت میں سہولت کی غرض سے سالانہ اجلاس عام میں شرکت کے وقت ہمراہ لائیں۔





## EFU GENERAL INSURANCE LIMITED

### **Bank Mandate Form**

To,  
The Share Registrar  
EFU General Insurance Ltd.  
M/s Technology Trade (Pvt.) Limited  
Dagja House, 241-C, Block-2, PECHS,  
Off: Shakra-e-Quaideen, Karachi.

#### **Sub: Bank Mandate for Dividend Warrants**

- 1) Mr. / Ms / Mrs. \_\_\_\_\_ S/o, D/o, W/o, Mr. \_\_\_\_\_ hereby authorize EFU General Insurance Ltd. to deposit my dividend warrant directly to my Bank Account when the cash dividend, if any, is declared by the Company in the below mentioned bank account. I hereby further authorize company to update my particulars mentioned below in the member register of the company.

<b>(i) Shareholder's detail</b>	
Name of the Shareholder	
Folio No. / CDC Participants ID A/C No.	
CNIC No. *	
Passport No. (in case of foreign shareholder) **	
Land Line Phone Number	
Cell Number	
E-mail address	

<b>(ii) Shareholder's bank detail</b>	
Title of the Bank Account	
Bank Account Number	
Bank's Name,	
Branch Name and Code No.	
Branch Address	

- 2) It is stated that the above-mentioned information is correct, that I will intimate the changes in the above-mentioned information to the company and the concerned Share Registrar as soon as these occur.

\_\_\_\_\_  
Signature of the Shareholder

\_\_\_\_\_  
Date

\*Please attach attested photocopy of the CNIC.

\*\*Please attach attested photocopy of the Passport.

