



Sustained Success



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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

Ataf 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.

Shariah 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

Human Resource & Remuneration Committee

Saifuddin N. Zoomkawala
Rafique R. Bhimjee
Hasanali Abdullah

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
601, 6th Floor
Progressive Plaza
Beaumont Road
Karachi

Registrar

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

Website

www.efuinsurance.com

Registered Office

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

Main Offices

EFU House
M. A. Jinnah Road
Karachi

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



Directors' Review

We are pleased to present the unaudited financial statements for the nine months period ended 30 September 2015.

The Written Premium for the nine months period (including Takaful Contribution of Rs. 86 million) was Rs. 12,201 million as against Rs. 11,853 million in corresponding period of last year. The Net Premium Revenue for the nine months period (including Takaful Net Contribution Revenue of Rs. 3 million) was Rs. 5,018 million as against Rs. 4,823 million in the corresponding period of last year. The overall ratio of Claims to Net Premium Revenue remained constant at 48 %. The total underwriting profit for the nine months period (including Takaful underwriting profit) was Rs. 1,006 million as compared to Rs. 988 million in corresponding period of last year.

The after tax profit for the nine months period was Rs. 1,495 million compared to Rs. 1,155 million in the corresponding period last year.

The earning per share for the nine months period was Rs. 9.35 against Rs. 7.22 in the corresponding period of last year.

Your Directors have pleasure in declaring third interim cash dividend of Rupee 1.00 per share for the period ended 30 September 2015.

The total Market value of Properties, Equity, Fixed Income securities and Cash and Bank Balances as at 30 September 2015 stood at Rs. 26,136 million as compared to Rs. 22,228 million as on 31 December 2014.

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

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

MUNEER R. BHIMJEE
Director

RAFIQUE R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 31 October 2015

Condensed Interim Balance Sheet

As at 30 September 2015 (Unaudited)



	Note	30 September 2015 (Unaudited)	31 December 2014 (Audited)
Share capital and reserves			
Authorised share capital			
200 000 000 (2014: 200 000 000)			
ordinary shares of Rs.10 each		2 000 000	2 000 000
Issued, subscribed and paid-up share capital		1 600 000	1 600 000
Reserves and retained earnings	6	11 886 552	11 511 099
		13 486 552	13 111 099
Underwriting provisions			
Provision for outstanding claims (including IBNR)		4 921 035	5 652 404
Provision for unearned premium		7 622 044	6 363 732
Commission income unearned		359 479	296 383
Total underwriting provisions		12 902 558	12 312 519
Deferred liabilities			
Deferred taxation		106 560	117 081
Creditors and accruals			
Premiums received in advance		7 896	5 154
Amounts due to other insurers / reinsurers		3,363,336	2 069 905
Accrued expenses		163 914	183 975
Agent balances		674 517	551 661
Unearned rentals		48 621	54 684
Taxation - provision less payments		-	48 366
Other creditors and accruals		160 994	164 599
		4 419 278	3 078 344
Other liabilities			
Other deposits		550 276	509 979
Unclaimed dividends		119 846	98 223
		670 122	608 202
Total liabilities		18 098 518	16 116 146
Total equity and liabilities		31 585 070	29 227 245
Total liabilities from general takaful operations - OPF		25 429	-
Total equity and liabilities		31 610 499	29 227 245
Contingencies	7		



Rupees '000

	Note	30 September 2015 (Unaudited)	31 December 2014 (Audited)
Cash and bank deposits			
Cash and other equivalents		6 068	5 741
Current and other accounts		1 145 183	916 069
Deposits maturing within 12 months		357 702	598 985
		1 508 953	1 520 795
Loans - secured considered good			
To employees		2 119	2 578
Investments	8	16 598 750	15 647 043
Investment properties		195 973	213 313
Current assets - others			
Premiums due but unpaid - net	9	4 705 302	3 159 203
Amounts due from other insurers / reinsurers		14 065	27 137
Salvage recoveries accrued		36 369	26 189
Accrued investment income		117 705	137 444
Reinsurance recoveries against outstanding claims		2 426 687	3 389 989
Taxation - payments less provision		116 803	-
Deferred commission expense		665 785	561 850
Prepayments		4 076 143	3 506 731
Security deposits		7 390	6 505
Sundry receivables		109 336	108 902
		12 275 585	10 923 950
Fixed assets - tangible and intangible	10		
Land and buildings		386 452	327 942
Furniture, fixtures and office equipments		341 312	374 487
Vehicles		224 674	217 016
Computer softwares		51	121
Capital work-in-progress		8 277	-
		960 766	919 566
Total assets		31 542 146	29 227 245
Total assets from general takaful operations - OPF		68 353	-
Total assets		31 610 499	29 227 245

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

MUNEER R. BHIMJEE
Director

RAFIQUE R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 31 October 2015



Condensed Interim Profit and Loss Account

For the nine months period ended 30 September 2015 (Unaudited)

Rupees '000

Note	Three months period ended 30 September					Aggregate 2015	Aggregate 2014
	Fire & property damage	Marine, aviation & transport	Motor	Others	Treaty		
Revenue account							
	383 371	349 217	772 059	130 512	–	1 635 159	1 468 147
	(197 454)	(113 854)	(432 761)	(56 275)	–	(800 344)	(710 773)
	(85 628)	(77 748)	(229 845)	(28 881)	–	(422 102)	(375 496)
	50 817	(51 956)	(66 201)	19 125	–	(48 215)	(77 620)
	<u>151 106</u>	<u>105 659</u>	<u>43 252</u>	<u>64 481</u>	<u>–</u>	<u>364 498</u>	<u>304 258</u>
Underwriting result							
						12 543	98 385
						29 708	30 412
						17 628	29 235
						6 751	17 093
						121 048	57 985
						(196 570)	(136 931)
						(7 111)	(7 852)
						<u>(16 003)</u>	<u>88 327</u>
						348 495	392 585
Profit before tax from general insurance operations							
						(62)	–
						<u>348 433</u>	<u>392 585</u>
Profit before tax for the period							
						(108 222)	(108 027)
						6 979	–
						(8 310)	(7 877)
						<u>(109 553)</u>	<u>(115 904)</u>
Profit after tax for the period							
						<u>238 880</u>	<u>276 681</u>
Earnings per share - basic and diluted							
					(Rupees)	<u>1.49</u>	<u>1.73</u>

Note	Nine months period ended 30 September					Aggregate 2015	Aggregate 2014
	Fire & property damage	Marine, aviation & transport	Motor	Others	Treaty		
Revenue account							
	1 368 189	1 102 278	2 232 634	311 670	–	5 014 771	4 822 590
	(484 928)	(458 171)	(1 292 450)	(148 941)	–	(2 384 490)	(2 294 095)
	(299 454)	(241 254)	(621 689)	(68 215)	–	(1 230 612)	(1 093 409)
	(95 470)	(167 079)	(193 518)	61 625	–	(394 442)	(446 618)
	<u>488 337</u>	<u>235 774</u>	<u>124 977</u>	<u>156 139</u>	<u>–</u>	<u>1 005 227</u>	<u>988 468</u>
Underwriting result							
						859 859	501 116
						91 790	87 366
						54 519	86 901
						20 003	22 645
						424 952	247 129
						(508 379)	(425 047)
						(38 818)	(29 580)
						<u>903 926</u>	<u>490 530</u>
						1 909 153	1 478 998
Profit before tax from general insurance operations							
						(7 076)	–
						<u>1 902 077</u>	<u>1 478 998</u>
Profit before tax for the period							
						(364 604)	(320 878)
						(52 541)	–
						10 521	(2 656)
						<u>(406 624)</u>	<u>(323 534)</u>
Profit after tax for the period							
						<u>1 495 453</u>	<u>1 155 464</u>
Profit and loss appropriation account							
						1 998 197	1 645 027
						1 495 453	1 155 464
						–	(350 000)
						(800 000)	(500 000)
						(160 000)	–
						(160 000)	(160 000)
						(1 000 000)	(500 000)
						<u>1 373 650</u>	<u>1 290 491</u>
Earnings per share - basic and diluted							
					(Rupees)	<u>9.35</u>	<u>7.22</u>

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

MUNEER R. BHIMJEE
Director

RAFIQUE R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman



Condensed Interim Statement of Comprehensive Income For the Nine months period ended 30 September 2015 (Unaudited)

Rupees '000

	Three months period ended 30 September		Nine months period ended 30 September	
	2015	2014	2015	2014
Profit for the period	238 880	276 681	1 495 453	1 155 464
Other comprehensive income for the period	–	–	–	–
Total comprehensive income for the period	<u>238 880</u>	<u>276 681</u>	<u>1 495 453</u>	<u>1 155 464</u>

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

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Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 31 October 2015

Condensed Interim Statement of Changes in Equity

For the nine months period ended 30 September 2015 (Unaudited)



Rupees '000

	Share capital	General reserve	Reserve for exceptional losses	Unappropriated profit	Total
Balance as at 1 January 2014	1 250 000	9 000 000	12 902	1 645 027	11 907 929
Total comprehensive income for the period ended 30 September 2014					
Profit for the period	–	–	–	1 155 464	1 155 464
Transactions with owners, recorded directly in equity					
Final dividend paid for the year 2013 at the rate of Rs. 4.00 (40 %) per share	–	–	–	(500 000)	(500 000)
Interim dividend paid for the year 2014 at the rate of Re. 1.00 (10 %) per share	–	–	–	(160 000)	(160 000)
Issuance of bonus shares for the year 2013 Rs. 2.80 (28 %) per share	350 000	–	–	(350 000)	–
Other transfer within equity					
Transfer to general reserve	–	500 000	–	(500 000)	–
Balance as at 30 September 2014	<u>1 600 000</u>	<u>9 500 000</u>	<u>12 902</u>	<u>1 290 491</u>	<u>12 403 393</u>
Balance as at 1 January 2015	1 600 000	9 500 000	12 902	1 998 197	13 111 099
Total comprehensive income for the period ended 30 September 2015					
Profit for the period	–	–	–	1 495 453	1 495 453
Transactions with owners, recorded directly in equity					
Final dividend paid for the year 2014 at the rate of Rs. 5.00 (50 %) per share	–	–	–	(800 000)	(800 000)
First interim dividend paid for the year 2015 at the rate of Re. 1.00 (10 %) per share	–	–	–	(160 000)	(160 000)
Second interim dividend paid for the year 2015 at the rate of Re. 1.00 (10 %) per share	–	–	–	(160 000)	(160 000)
Other transfer within equity					
Transfer to general reserve	–	1 000 000	–	(1 000 000)	–
Balance as at 30 September 2015	<u>1 600 000</u>	<u>10 500 000</u>	<u>12 902</u>	<u>1 373 650</u>	<u>13 486 552</u>

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

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Director

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Director

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Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 31 October 2015



Condensed Interim Statement of Cash Flows

For the nine months period ended 30 September 2015 (Unaudited)

Rupees '000

	2015	2014
Operating activities		
a) Underwriting activities		
Premiums received	10 571 973	10 325 999
Reinsurance premiums paid	(5 094 544)	(6 185 767)
Claims paid	(4 022 330)	(5 088 993)
Reinsurance and other recoveries received	1 872 663	2 747 875
Commissions paid	(972 440)	(1 086 755)
Commissions received	660 016	643 676
Management expenses paid	(1 150 961)	(1 043 174)
Net cash inflow from underwriting activities	1 864 377	312 861
b) Other operating activities		
Income tax paid	(582 170)	(168 592)
General and administration expenses	(472 647)	(375 725)
Other operating payments	(75 003)	(26 136)
Other operating receipts	31 584	18 556
Loans advanced	(1 304)	(547)
Loans repayments received	1 762	708
Net cash outflow from other operating activities	(1 097 778)	(551 736)
Total cash inflow / (outflow) from all operating activities	766 599	(238 875)
Investment activities		
Profit / return received	378 925	90 240
Dividends received	457 766	418 934
Rentals received	60 475	60 766
Payments for investments	(6 121 592)	(11 738 156)
Proceeds from disposal of investments	5 702 931	11 730 298
Fixed capital expenditures	(178 196)	(147 329)
Proceeds from disposal of fixed assets	19 626	29 501
Total cash inflow from investing activities	319 935	444 254
Financing activities		
Dividends paid	(1 098 376)	(645 412)
Net cash outflow from all activities	(11 842)	(440 033)
Cash at the beginning of the period	1 520 795	2 083 142
Cash at the end of the period	1 508 953	1 643 109
Reconciliation to profit and loss account		
Operating cash flows	766 599	(238 875)
Depreciation / amortisation expense	(149 009)	(130 530)
Rentals and investment income	926 397	559 609
Profit on deposits	54 519	86 901
Other income	25 054	19 433
Share of profit of an associate	424 952	247 129
Decrease in assets other than cash	1 469 194	1 879 172
Decrease in liabilities other than running finance	(2 015 177)	(1 267 373)
Profit after tax for the period	1 502 529	1 155 466
Loss from general takaful operations - OPF	(7 076)	-
Profit after tax for the period	1 495 453	1 155 466
Definition of cash		
Cash for the purposes of the statement of cash flows consists of:		
Cash and other equivalents	6 068	6 247
Current and other accounts	1 145 183	1 280 873
Deposits maturing within 12 months	357 702	355 989
	1 508 953	1 643 109

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

MUNEER R. BHIMJEE
Director

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Director

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Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 31 October 2015

Condensed Interim Statement of Premiums For the nine months period ended 30 September 2015 (Unaudited)



Rupees '000

Class	Three months period ended 30 September									Net premium revenue 2015	Net premium revenue 2014
	Premiums				Reinsurance						
	Written	Unearned premium reserve		Earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense			
		Opening	Closing			Opening	Closing				
Direct and facultative											
Fire and property damage	3 391 740	3 123 841	4 450 864	2 064 717	2 616 218	2 320 103	3 254 975	1 681 346	383 371	336 589	
Marine, aviation and transport	609 371	603 539	674 711	538 199	163 051	320 794	294 863	188 982	349 217	336 961	
Motor	1 041 034	1 459 853	1 723 515	777 372	5 138	308	133	5 313	772 059	702 621	
Miscellaneous	508 665	584 197	772 954	319 908	302 088	372 234	484 926	189 396	130 512	91 976	
Total	5 550 810	5 771 430	7 622 044	3 700 196	3 086 495	3 013 439	4 034 897	2 065 037	1 635 159	1 468 147	
Treaty - proportional	-	-	-	-	-	-	-	-	-	-	
Grand total	5 550 810	5 771 430	7 622 044	3 700 196	3 086 495	3 013 439	4 034 897	2 065 037	1 635 159	1 468 147	

Nine months period ended 30 September

Direct and facultative											
Fire and property damage	6 514 812	4 056 159	4 450 864	6 120 107	5 016 525	2 990 368	3 254 975	4 751 918	1 368 189	1 352 302	
Marine, aviation and transport	1 742 782	555 303	674 711	1 623 374	576 931	239 028	294 863	521 096	1 102 278	1 079 414	
Motor	2 641 012	1 329 780	1 723 515	2 247 277	14 034	742	133	14 643	2 232 634	2 101 531	
Miscellaneous	1 216 724	422 490	772 954	866 260	780 485	259 031	484 926	554 590	311 670	289 343	
Total	12 115 330	6 363 732	7 622 044	10 857 018	6 387 975	3 489 169	4 034 897	5 842 247	5 014 771	4 822 590	
Treaty - proportional	-	-	-	-	-	-	-	-	-	-	
Grand total	12 115 330	6 363 732	7 622 044	10 857 018	6 387 975	3 489 169	4 034 897	5 842 247	5 014 771	4 822 590	

Note: Premiums written includes administrative surcharge of Rs. 315.87 million (2014: Rs. 242.93 million).

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

MUNEER R. BHIMJEE
Director

RAFIQUE R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 31 October 2015



Condensed Interim Statement of Claims

For the nine months period ended 30 September 2015 (Unaudited)

Rupees '000

Class	Three months period ended 30 September										
	Claims				Reinsurance					Net claims expense 2015	Net claims expense 2014
	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					
Direct and facultative											
Fire and property damage	420 652	2 438 657	2 083 175	65 170	324 946	1 797 771	1 340 541	(132 284)	197 454	141 497	
Marine, aviation and transport	119 976	1 153 882	1 139 085	105 179	12 512	655 713	634 526	(8 675)	113 854	101 866	
Motor	364 179	1 051 337	1 119 937	432 779	13	3 835	3 840	18	432 761	391 268	
Miscellaneous	86 416	499 883	578 838	165 371	46 808	385 492	447 780	109 096	56 275	76 072	
Total	991 223	5 143 759	4 921 035	768 499	384 279	2 842 811	2 426 687	(31 845)	800 344	710 703	
Treaty - proportional	-	-	-	-	-	-	-	-	-	70	
Grand total	991 223	5 143 759	4 921 035	768 499	384 279	2 842 811	2 426 687	(31 845)	800 344	710 773	

Nine months period ended 30 September

Direct and facultative										
Fire and property damage	2 138 444	3 143 108	2 083 175	1 078 511	1 647 973	2 394 931	1 340 541	593 583	484 928	403 743
Marine, aviation and transport	456 897	1 098 528	1 139 085	497 454	55 494	650 737	634 526	39 283	458 171	462 462
Motor	1 116 272	943 727	1 119 937	1 292 482	451	4 259	3 840	32	1 292 450	1 220 642
Miscellaneous	300 536	467 041	578 838	412 333	155 674	340 062	447 780	263 392	148 941	210 672
Total	4 012 149	5 652 404	4 921 035	3 280 780	1 859 592	3 389 989	2 426 687	896 290	2 384 490	2 297 519
Treaty - proportional	-	-	-	-	-	-	-	-	-	(3 424)
Grand total	4 012 149	5 652 404	4 921 035	3 280 780	1 859 592	3 389 989	2 426 687	896 290	2 384 490	2 294 095

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

MUNEER R. BHIMJEE
Director

RAFIQUE R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 31 October 2015

Condensed Interim Statement of Expenses

For the nine months period ended 30 September 2015 (Unaudited)



Rupees '000

Class	Three months period ended 30 September							Net	Net
	Paid or payable	Commission		Net expense	Other management expenses	Underwriting expenses	Commission from reinsurers	underwriting expenses	underwriting expenses
		Opening	Closing					2015	2014
Direct and facultative									
Fire and property damage	317 654	244 553	391 500	170 707	85 628	256 335	221 524	34 811	67 893
Marine, aviation and transport	74 867	49 887	62 957	61 797	77 748	139 545	9 841	129 704	133 167
Motor	94 232	120 116	148 106	66 242	229 845	296 087	41	296 046	252 055
Miscellaneous	30 903	60 233	63 222	27 914	28 881	56 795	47 039	9 756	(1)
Total	517 656	474 789	665 785	326 660	422 102	748 762	278 445	470 317	453 114
Treaty - proportional	-	-	-	-	-	-	-	-	-
Grand total	517 656	474 789	665 785	326 660	422 102	748 762	278 445	470 317	453 114
	Nine months period ended 30 September								
Direct and facultative									
Fire and property damage	561 775	359 610	391 500	529 885	299 454	829 339	434 415	394 924	437 220
Marine, aviation and transport	202 851	52 539	62 957	192 433	241 254	433 687	25 354	408 333	400 529
Motor	224 768	117 001	148 106	193 663	621 689	815 352	145	815 207	710 195
Miscellaneous	105 903	32 700	63 222	75 381	68 215	143 596	137 006	6 590	(7 917)
Total	1 095 297	561 850	665 785	991 362	1 230 612	2 221 974	596 920	1 625 054	1 540 027
Treaty - proportional	-	-	-	-	-	-	-	-	-
Grand total	1 095 297	561 850	665 785	991 362	1 230 612	2 221 974	596 920	1 625 054	1 540 027

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

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

MUNEER R. BHIMJEE
Director

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Chairman

Karachi 31 October 2015



Condensed Interim Statement of Investment Income For the nine months period ended 30 September 2015 (Unaudited)

Rupees '000

	Three months period ended 30 September		Nine months period ended 30 September	
	2015	2014	2015	2014
Income from non - trading investments				
Return on government securities	76 228	42 927	231 430	49 965
Return on other fixed income securities and deposits	–	1 493	1 953	5 152
Amortisation of discount relative to par	5 113	3 370	15 841	3 574
Dividend income	49 678	43 978	159 306	154 375
Gain on sale of non - trading investments	12 118	22 162	402 011	204 340
	143 137	113 930	810 541	417 406
(Provision) / reversal for impairment - available for sale investments - net	(130 178)	(15 345)	50 364	84 324
Investment related expenses	(416)	(200)	(1 046)	(614)
Net investment income	<u>12 543</u>	<u>98 385</u>	<u>859 859</u>	<u>501 116</u>

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

MUNEER R. BHIMJEE
Director

RAFIQUE R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 31 October 2015

Notes to the Condensed Interim Financial Statements

For the nine months period ended 30 September 2015 (Unaudited)



1. Status and nature of business

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

The registered office of the Company is situated in Islamabad while the principal place of business is located at EFU House, M.A. Jinnah Road, Karachi. The Company has been allowed to work as Window Takaful Operator on 16 April 2015 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan.

2. Statement of compliance

- 2.1 These condensed interim financial statements of the Company for the period ended 30 September 2015 have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000 and SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012. In case where requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000, SEC (Insurance) Rules, 2002 and SECP Takaful Rules 2012 shall prevail.
- 2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2014.
- 2.3 During the period, the Company was granted permission by SECP to transact Window Takaful Operations. 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.
- 2.4 Further, 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

3. Significant accounting policies

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as disclosed in note 2.3 and 2.4 and as follows:

3.1 New / Revised Standards, Interpretations and Amendments

The Company has adopted the following amendment to IFRSs which became effective for the current period:

- IFRS 10 - Consolidated Financial Statements, IFRS 12 - Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements - Investment Entities (Amendment)
- IFRS 11 - Joint Arrangements
- IFRS 12 - Disclosure of Interests in Other Entities
- IFRS 13 - Fair Value Measurement
- IAS 19 - Employee Benefits - (Amendment) - Defined Benefit Plans: Employee Contributions

The adoption of the above amendments to accounting standards did not have any effect on the condensed interim financial statements.

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Company expects that such improvements to the standards do not have any impact on the Company's financial statements for the period.

4. Accounting estimates and judgements

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



In preparing these condensed interim financial statement, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at 30 September 2015 and for the year ended 31 December 2014.

5. Management of insurance and financial risk

Insurance and financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2014.

6. Reserves and retained earnings

Rupees '000

	Note	30 September 2015 (Unaudited)	31 December 2014 (Audited)
General reserve		10 500 000	9 500 000
Reserve for exceptional losses	6.1	12 902	12 902
Retained earnings		1 373 650	1 998 197
		<u>11 886 552</u>	<u>11 511 099</u>

- 6.1 The reserve for exceptional losses was created prior to 1979 and was charged to income in accordance with the provisions of the repealed Income Tax Act, 1922 and has been so retained to date.

7. Contingencies

The income tax assessments of the Company have been finalised upto Tax Year 2014 (Financial year ending 31 December 2013).

The Company has filed appeals with Income Tax Appellate Tribunal (ITAT) in respect of assessment years 1999-2000 and 2000-2001 in respect of disallowance of management expenses, provision for gratuity and bonus. The Company paid the taxes at the time of the assessment and if the appeals are decided against the Company there will be no tax payable, however if Company succeeds refund of 13 million would be receivable.

The Company has filed appeal for the Tax year 2008 with Income Tax Appellate Tribunal (ITAT) in respect of additions made by Commissioner Inland Revenue (Appeals) on Reinsurance Premium. If the appeal is decided against the Company, a tax liability of Rs. 5.3 million would be payable.

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 department has filed appeal for the assessment year 2002-2003 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. 71 million would be payable.

The department has filed appeal for the Tax year 2008 before Income Tax Appellate Tribunal (ITAT) against the order of Commissioner of Income Tax (Appeals) in respect of Capital gain. If the appeal is decided against the Company, a tax liability of Rs. 5,094 million would be payable. The department has been over ruled by the Appellate Tribunal (ITAT) on the identical case of capital gain tax liability.

The department has filed appeal for the Tax years 2009, 2010 & 2013 before Income Tax Appellate Tribunal (ITAT) against the order of Commissioner Inland Revenue (Appeals) in respect of provision for IBNR and proration of expenses. If the appeal is decided against the Company, a tax liability of Rs. 148 million would be payable.

During the period, the tax department has amended the tax assessments of the Company for the year 2009-2013 by taxing the dividend income on full corporate tax rate as against the reduced tax rates applied by the Company. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) against the order of Commissioner Inland



Revenue (Audit) and expects favorable outcome. Further Company has filed Civil Suits before Honourable High Court for the above years. The additional tax impact of the said adjustment is estimated to be Rs.785 million which include tax years 2014 to 2016.

The Company has filed appeal for the Tax year 2014 before Income Tax Appellate Tribunal (ITAT) against the order of Additional Commissioner of Income Tax (Audit) in respect of proration of expenses. If the appeal is decided against the Company, a tax liability of Rs. 7 million would be payable.

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

In 2014, the Searle Company Limited issued bonus shares (430,932 shares) after withholding 5 percent of bonus shares (22,680 shares). In this regard, a constitutional petition has been filed by the Company in Sindh High Court challenging the applicability of withholding tax provision on bonus shares received by the Company. The Company has not paid / provided an amount of Rs. 4.3 million being withholding tax on bonus shares based on the stay order granted by the Sindh High Court.

8. Investments

Rupees '000

	Note	30 September 2015 (Unaudited)	31 December 2014 (Audited)
Investment in associate - EFU Life Assurance Limited	8.1 & 8.2		
Opening balance		11 311 920	11 178 362
Purchases		5 334	8 456
Share in profit of associate		424 952	404 436
Dividend received		(344 281)	(279 334)
		11 397 925	11 311 920
Provision for impairment		(1 987 000)	(1 987 000)
		9 410 925	9 324 920
Available for sale	8.2 & 8.4		
In related parties			
Mutual funds		200 415	171 052
Ordinary shares		2 121 922	2 121 922
		2 322 337	2 292 974
Provision for impairment – net of reversals		(1 738 592)	(1 798 181)
		583 745	494 793
Others			
Mutual funds		1 581 579	988 380
Ordinary shares		2 346 531	2 304 637
Preference shares		20 000	20 000
Fixed income securities	8.3		
Government securities		2 705 805	2 521 889
Term finance certificates		44 618	77 651
		6 698 533	5 912 557
Provision for impairment – net of reversals		(94 453)	(85 227)
		6 604 080	5 827 330
		16 598 750	15 647 043



- 8.1 The carrying amount of the investment in EFU Life Assurance Limited was tested for impairment based on value in use, in accordance with IAS 36 - Impairment of Assets. The value in use calculations were carried out by an independent actuary and are based on cash flow projections based on the budget and the forecasts approved by the management up to five years.
- 8.2 The market value of investments in associate and available for sale investments as on 30 September 2015 was Rs. 10,420 million (31 December 2014: Rs. 7,308 million) and Rs. 11,368 million (31 December 2014: Rs. 10,559 million) respectively.
- 8.3 The fixed income securities includes Government Securities amounting to Rs. 166 million (31 December 2014: Rs. 162 million) deposited with the State Bank of Pakistan as required by section 29 of the Insurance Ordinance, 2000.
- 8.4 As per the Company's accounting policy, available for sale investments are stated at lower of cost or market value. However, IAS 39 - Financial Instruments: Recognition and Measurement, requires that these instruments should be measured at their fair value. Accordingly, had these investments been measured at fair value, their carrying value as on 30 September 2015 would have been higher by Rs. 4,180 million (31 December 2014: higher by Rs. 4,237 million).

9. Premiums due but unpaid – net – unsecured

	30 September 2015 (Unaudited)	31 December 2014 (Audited)
Considered good	4 705 302	3 159 203
Considered doubtful	32 700	29 400
	<u>4 738 002</u>	<u>3 188 603</u>
Provision for doubtful balances	(32 700)	(29 400)
	<u>4 705 302</u>	<u>3 159 203</u>

Rupees '000

10. Fixed assets – tangible and intangible

The details of additions and disposals during the nine months period ended 30 September 2015 are as follows:

	Additions (at cost)		Disposals (at net book value)	
	30 September 2015 (Unaudited)	30 September 2014 (Unaudited)	30 September 2015 (Unaudited)	30 September 2014 (Unaudited)
Tangible				
Buildings	77 171	29 561	–	–
Furniture and fixtures	8 048	29 473	830	–
Office equipments	9 007	6 688	427	–
Computers	4 230	3 097	28	117
Vehicles	70 536	75 821	3 552	4 440
Fixed assets - General takaful operations (OPF)	3 119	–	–	–
Intangible				
Computer softwares	–	94	–	–
	<u>172 111</u>	<u>144 734</u>	<u>4 837</u>	<u>4 557</u>

Rupees '000



11. General takaful operations - OPF

Rupees '000

	Three months period ended 30 September 2015 (Unaudited)	For the period from 6 May 2015 to 30 September 2015 (Unaudited)
Wakala fee	3 152	3 210
Management expenses	(956)	(1 986)
Commission expenses	(687)	(701)
Other income	565	1 396
General and administration expenses	(2 136)	(8 995)
Loss before tax	(62)	(7 076)

12. It includes onetime super tax at the rate of 3 % on income for the year ended 31 December 2014 (Tax Year 2015) imposed by the Federal Government vide Finance Act 2015. This tax has been levied for financing the rehabilitation of internally displaced persons affected by the ongoing war on terror. Accordingly, provisions of Rs. 52 million for Super tax have been made for the prior year.

13. Operating segments

Rupees '000

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Treaty		Total	
	2015 (Unaudited)	2014 (Audited)	2015 (Unaudited)	2014 (Audited)	2015 (Unaudited)	2014 (Audited)	2015 (Unaudited)	2014 (Audited)	2015 (Unaudited)	2014 (Audited)	2015 (Unaudited)	2014 (Audited)
Corporate segment assets – conventional	7 522 132	7 258 696	1 786 474	1 621 153	835 324	593 300	1 739 176	1 180 388	–	–	11 883 106	10 653 537
Corporate segment assets – Takaful OPF	7 188	–	474	–	5 752	–	4 561	–	–	–	17 975	–
Corporate unallocated assets – conventional											19 659 040	18 573 708
Corporate unallocated assets – Takaful OPF											50 378	–
Consolidated total assets											31 610 499	29 227 245
Corporate segment liabilities	9 722 080	9 355 618	2 266 427	1 989 424	2 947 525	2 350 083	2 562 551	1 754 093	–	–	17 498 583	15 449 218
Corporate segment liabilities – Takaful OPF	9 429	–	667	–	8 071	–	7 094	–	–	–	25 261	–
Corporate unallocated liabilities											599 935	666 928
Corporate unallocated liabilities – Takaful OPF											168	–
Consolidated total liabilities											18 123 947	16 116 146
Capital expenditures											178 196	147 329
Capital expenditures – OPF											3 669	–
Unallocated depreciation – conventional											149 009	177 457
Unallocated depreciation – Takaful OPF											289	–
Total depreciation											149 298	177 457

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	
	2015 (Unaudited)	2014 (Unaudited)	2015 (Unaudited)	2014 (Audited)	2015 (Unaudited)	2014 (Audited)	2015 (Unaudited)	2014 (Unaudited)
Pakistan – Conventional	4 994 510	4 799 086	31 335 598	29 057 969	18 000 108	16 034 695	178 196	147 329
Pakistan – Takaful OPF	3 210	–	68 353	–	25 429	–	3 669	–
* EPZ – Conventional	20 261	23 504	206 548	169 276	98 410	81 451	–	–
Total	5 017 981	4 822 590	31 610 499	29 227 245	18 123 947	16 116 146	181 865	147 329

* This represents US Dollar equivalent in Pak Rupees



14. Related party transactions

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

Rupees '000

	Three months period ended 30 September		Nine months period ended 30 September	
	2015	2014	2015	2014
Transactions				
Associated company				
Premiums written	249	25	19 408	17 869
Premiums paid	236	1 735	9 896	6 897
Claims paid	1 637	1 589	5 319	6 818
Claims lodged	–	–	912	2 232
Dividends received	43 056	64 462	344 280	279 334
Dividends paid	10 901	10 901	76 306	44 966
Expenses recovered	–	–	2 592	4 979
Bonus shares issued	–	–	–	23 846
Key management personnel				
Premiums written	395	290	839	465
Claims paid	63	390	244	390
Dividends paid	641	354	4 482	1 461
Bonus shares issued	–	–	–	775
Compensation	47 469	38 161	112 634	95 608
Others				
Premiums written	38 130	28 773	120 076	95 583
Premiums paid	209	126	13 193	9 147
Claims paid	7 685	19 023	36 967	47 095
Claims lodged	2 197	1 632	4 725	7 273
Investments made	100 415	–	305 415	703 500
Investments sold	50 000	252 353	276 052	867 853
Dividends paid	87 579	89 389	607 228	338 707
Bonus shares issued	–	–	–	176 623
Bank deposits - made	–	70 500	70 500	70 500
Brokerage paid	53	–	999	133
Employees' funds				
Contributions to provident fund	5 167	5 251	15 634	16 182
Contributions to gratuity fund	2 365	4 884	7 094	7 269
Contributions to pension fund	60	53	169	217
Dividends paid	825	825	5 773	3 402



Rupees '000

	30 September 2015 (Unaudited)	31 December 2014 (Audited)
Balances		
Others		
Balances receivable	915	663
Balances payable	(883)	(473)
Deposits maturing within 12 months	70 500	140 500
Bank balances	222 592	39 516
Employees' funds receivable		
EFU gratuity fund	31 219	38 313
EFU pension fund	34 130	34 130

15. 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 31 October 2015.

MUNEER R. BHIMJEE
Director

RAFIQUE R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 31 October 2015

Financial Statements Window Takaful Operations

For the period from 6 May 2015 to 30 September 2015 (Unaudited)

EFU General Insurance Ltd. – Window Takaful Operations
Condensed Interim Balance Sheet
As at 30 September 2015 (Unaudited)



30 September 2015 (Unaudited)

Note	Operator's Fund	Participants' Takaful Fund	Aggregate
Operator's Fund			
Statutory Fund	50 000	–	50 000
Accumulated loss	(7 076)	–	(7 076)
	42 924	–	42 924
Waqf / Participants' Takaful Fund			
Cede money	–	500	500
Accumulated surplus	–	2 164	2 164
	–	2 664	2 664
Underwriting provisions			
Provision for outstanding claims (including IBNR)	–	2 073	2 073
Provision for unearned contribution	–	73 741	73 741
Unearned retakaful rebate	–	7 297	7 297
Total underwriting provisions	–	83 111	83 111
Creditors and accruals			
Contributions received in advance	–	117	117
Amounts due to other takaful / retakaful operator	–	39 684	39 684
Unearned wakala fees	20 567	–	20 567
Wakala fees payable	–	12 793	12 793
Accrued expenses	99	–	99
Agent balances	4 695	–	4 695
Other creditors and accruals	68	3 796	3 864
	25 429	56 390	81 819
Total liabilities	25 429	139 501	164 930
Total equity and liabilities	68 353	142 165	210 518

Rupees '000

30 September 2015 (Unaudited)			
Note	Operator's Fund	Participants' Takaful Fund	Aggregate
Cash and bank deposits			
	7	72	79
	10 332	36 315	46 647
	35 000	10 000	45 000
	45 339	46 387	91 726
Current assets - others			
	–	30 480	30 480
	531	74	605
	–	1 193	1 193
	5 183	–	5 183
	12 793	–	12 793
	–	20 567	20 567
	90	19	109
	651	43 445	44 096
	300	–	300
	87	–	87
	19 635	95 778	115 413
Fixed assets - tangible			
4	1 345	–	1 345
	1 484	–	1 484
	550	–	550
	3 379	–	3 379
Total assets	68 353	142 165	210 518

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

MUNEER R. BHIMJEE
Director

RAFIQUE R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 31 October 2015

EFU General Insurance Ltd. – Window Takaful Operations
Condensed Interim Profit and Loss Account
For the period from 6 May 2015 to 30 September 2015 (Unaudited)



Rupees '000

Three months period ended 30 September 2015

	Fire & property damage	Marine, aviation & transport	Motor	Others	Treaty	Aggregate 2015
PTF Revenue Account						
Net contribution revenue	412	66	1 153	1 628	–	3 259
Wakala expense	(973)	(105)	(756)	(1 318)	–	(3 152)
Net claims	(132)	–	(644)	(63)	–	(839)
Retakaful rebate	770	101	–	328	–	1 199
Underwriting results	<u>77</u>	<u>62</u>	<u>(247)</u>	<u>575</u>	<u>–</u>	<u>467</u>
Profit on deposits						251
Other income						–
						251
Surplus for the period						<u>718</u>
OPF Revenue Account						
Wakala fee	973	105	756	1 318	–	3 152
Management expenses	(195)	(61)	77	(777)	–	(956)
Commission expense	(372)	(28)	(20)	(267)	–	(687)
	<u>406</u>	<u>16</u>	<u>813</u>	<u>274</u>	<u>–</u>	<u>1 509</u>
Profit on deposits						565
General and administration expenses						(2 136)
						(1 571)
Loss for the period						<u>(62)</u>

For the period ended 30 September 2015

	Fire & property damage	Marine, aviation & transport	Motor	Others	Treaty	Aggregate 2015
PTF Revenue Account						
Net contribution revenue	424	66	1 153	1 629	–	3 272
Wakala expense	(997)	(106)	(787)	(1 320)	–	(3 210)
Net claims	(132)	–	(684)	(63)	–	(879)
Retakaful rebate	789	101	–	329	–	1 219
Underwriting results	<u>84</u>	<u>61</u>	<u>(318)</u>	<u>575</u>	<u>–</u>	<u>402</u>
Profit on deposits						262
Other income						1 500
						1 762
Surplus for the period						<u>2 164</u>
OPF Revenue Account						
Wakala fee	997	106	787	1 320	–	3 210
Management expenses	(617)	(65)	(487)	(817)	–	(1 986)
Commission expense	(380)	(28)	(26)	(267)	–	(701)
	<u>–</u>	<u>13</u>	<u>274</u>	<u>236</u>	<u>–</u>	<u>523</u>
Profit on deposits						1 396
General and administration expenses						(8 995)
						(7 599)
Loss for the period						<u>(7 076)</u>

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

MUNEER R. BHIMJEE
Director

RAFIQUE R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 31 October 2015



EFU General Insurance Ltd. – Window Takaful Operations
Condensed Interim Statement of Comprehensive Income
For the period from 6 May 2015 to 30 September 2015 (Unaudited)

Rupees '000

	Three months period ended 30 September 2015	For the period ended 30 September 2015
Operator's Fund		
Loss for the period	(62)	(7 076)
Other comprehensive income	-	-
Total comprehensive income for the period	(62)	(7 076)

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

MUNEER R. BHIMJEE
Director

RAFIQUE R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 31 October 2015

EFU General Insurance Ltd. – Window Takaful Operations
 Condensed Interim Statement of Changes in Fund
 For the period from 6 May 2015 to 30 September 2015 (Unaudited)



Rupees '000

	Operator's Fund		
	Statutory fund	Accumulated loss	Total
Contribution made during the period	50 000	–	50 000
Total comprehensive income for the period ended 30 September 2015			
Loss for the period	–	(7 076)	(7 076)
Balance as at 30 September 2015	<u>50 000</u>	<u>(7 076)</u>	<u>42 924</u>

	Participants' Takaful Fund		
	Cede money	Accumulated surplus	Total
Cede money	500	–	500
Surplus for the period	–	2 164	2 164
Balance as at 30 September 2015	<u>500</u>	<u>2 164</u>	<u>2 664</u>

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

MUNEER R. BHIMJEE
 Director

RAFIQUE R. BHIMJEE
 Director

HASANALI ABDULLAH
 Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
 Chairman

Karachi 31 October 2015

EFU General Insurance Ltd. – Window Takaful Operations

Condensed Interim Statement of Cash Flows

For the period from 6 May 2015 to 30 September 2015 (Unaudited)

Rupees '000

	2015
Operating activities	
a) Takaful / underwriting activities	
Contributions received	55 415
Reinsurance premiums paid	(12 224)
Commissions paid	(1 190)
Commissions received	8 214
Management expenses	(1 817)
Net cash inflow from underwriting activities	48 398
b) Other operating activities	
Income tax paid	(108)
General and administration expenses	(8 775)
Other operating payments	(1 037)
Other operating receipts	5 365
Net cash outflow from other operating activities	(4 555)
Total cash inflow from all operating activities	43 843
Investment activities	
Profit / return received	1 052
Fixed capital expenditures	(3 669)
Total cash outflow from investing activities	(2 617)
Financing activities	
Contribution to the Operator's Fund	50 000
Cede money	500
Total cash inflow from financing activities	50 500
Net cash inflow from all activities	91 726
Cash at the beginning of the period	–
Cash at the end of the period	91 726
Reconciliation to profit and loss account	
Operating cash flows	43 843
Depreciation / amortisation expense	(289)
Profit on deposits	1 658
Decrease in assets other than cash	114 806
Decrease in liabilities other than running finance	(164 930)
Loss for the period	(4 912)
Attributed to	
Operator's Fund	(7 076)
Participants' Takaful Fund	2 164
	(4 912)
Definition of cash	
Cash for the purposes of the statement of cash flows consists of:	
Cash and other equivalents	79
Current and other accounts	46 647
Deposits maturing within 12 months	45 000
	91 726

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

MUNEER R. BHIMJEE
Director

RAFIQUE R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 31 October 2015

EFU General Insurance Ltd. – Window Takaful Operations
Condensed Interim Statement of Contributions
For the period from 6 May 2015 to 30 September 2015 (Unaudited)



Rupees '000

Class	Three months period ended 30 September								Net contribution revenue 2015
	Contribution				Retakaful			Retakaful expense	
	Written	Unearned contribution reserve		Earned	Retakaful ceded	Prepaid retakaful contribution ceded			
	Opening	Closing			Opening	Closing			
Direct and facultative									
Fire and property damage	30 130	1 248	27 485	3 893	27 014	1 105	24 638	3 481	412
Marine, aviation and transport	1 734	15	1 233	516	1 515	13	1 078	450	66
Motor	20 041	1 502	19 384	2 159	1 006	–	–	1 006	1 153
Miscellaneous	30 720	192	25 639	5 273	21 219	155	17 729	3 645	1 628
Total	82 625	2 957	73 741	11 841	50 754	1 273	43 445	8 582	3 259
Treaty - proportional	–	–	–	–	–	–	–	–	–
Grand total	82 625	2 957	73 741	11 841	50 754	1 273	43 445	8 582	3 259

For the period ended 30 September 2015

Direct and facultative									
Fire and property damage	31 473	–	27 485	3 988	28 202	–	24 638	3 564	424
Marine, aviation and transport	1 750	–	1 233	517	1 529	–	1 078	451	66
Motor	21 634	–	19 384	2 250	1 097	–	–	1 097	1 153
Miscellaneous	30 921	–	25 639	5 282	21 382	–	17 729	3 653	1 629
Total	85 778	–	73 741	12 037	52 210	–	43 445	8 765	3 272
Treaty - proportional	–	–	–	–	–	–	–	–	–
Grand total	85 778	–	73 741	12 037	52 210	–	43 445	8 765	3 272

Note: Contributions written includes administrative surcharge of Rs. 3,492.

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

MUNEER R. BHIMJEE
Director

RAFIQUE R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 31 October 2015

EFU General Insurance Ltd. – Window Takaful Operations
Condensed Interim Statement of Claims
For the period from 6 May 2015 to 30 September 2015 (Unaudited)

Rupees '000

Class	Three months period ended 30 September								Net claims expense 2015
	Paid	Claims		Claims expense	Retakaful			Retakaful and other recoveries revenue	
		Opening	Closing		Retakaful and other recoveries received	Retakaful and other recoveries in respect of outstanding claims			
					Opening	Closing			
Direct and facultative									
Fire and property damage	-	-	1 325	1 325	-	-	1 193	1 193	132
Marine, aviation and transport	-	-	-	-	-	-	-	-	-
Motor	-	40	684	644	-	-	-	-	644
Miscellaneous	-	-	63	63	-	-	-	-	63
Total	-	40	2 072	2 032	-	-	1 193	1 193	839
Treaty - proportional	-	-	-	-	-	-	-	-	-
Grand total	-	40	2 072	2 032	-	-	1 193	1 193	839

For the period ended 30 September 2015

Direct and facultative									
Fire and property damage	-	-	1 325	1 325	-	-	1 193	1 193	132
Marine, aviation and transport	-	-	-	-	-	-	-	-	-
Motor	-	-	684	684	-	-	-	-	684
Miscellaneous	-	-	63	63	-	-	-	-	63
Total	-	-	2 072	2 072	-	-	1 193	1 193	879
Treaty - proportional	-	-	-	-	-	-	-	-	-
Grand total	-	-	2 072	2 072	-	-	1 193	1 193	879

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

MUNEER R. BHIMJEE
Director

RAFIQUE R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 31 October 2015

EFU General Insurance Ltd. – Window Takaful Operations
 Condensed Interim Statement of Expenses - OPF
 For the period from 6 May 2015 to 30 September 2015 (Unaudited)



Rupees '000

Class	Three months period ended 30 September					Net OPF expenses 2015
	Paid or payable	Commission		Net expense	Other management expenses	
		Opening	Closing			
Direct and facultative						
Fire and property damage	2 659	127	2 414	372	195	567
Marine, aviation and transport	158	2	132	28	61	89
Motor	1 264	103	1 347	20	(77)	(57)
Miscellaneous	1 539	18	1 290	267	777	1 044
Total	5 620	250	5 183	687	956	1 643
Treaty - proportional	-	-	-	-	-	-
Grand total	5 620	250	5 183	687	956	1 643

For the period ended 30 September 2015						
Direct and facultative						
Fire and property damage	2 794	-	2 414	380	617	997
Marine, aviation and transport	160	-	132	28	65	93
Motor	1 373	-	1 347	26	487	513
Miscellaneous	1 557	-	1 290	267	817	1 084
Total	5 884	-	5 183	701	1 986	2 687
Treaty - proportional	-	-	-	-	-	-
Grand total	5 884	-	5 183	701	1 986	2 687

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

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

MUNEER R. BHIMJEE
Director

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Director

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Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 31 October 2015

EFU General Insurance Ltd. – Window Takaful Operations
Condensed Interim Statement of Expenses - PTF
For the period from 6 May 2015 to 30 September 2015 (Unaudited)

Rupees '000

Class	Three months period ended 30 September						
	Gross wakala fee	Deferred wakala fee		Net expense	PTF Direct expense	Rebate from retakaful operators	Net PTF expenses 2015
		Opening	Closing				
Direct and facultative							
Fire and property damage	7 532	312	6 871	973	–	770	203
Marine, aviation and transport	607	5	507	105	–	101	4
Motor	7 009	526	6 779	756	–	–	756
Miscellaneous	7 680	48	6 410	1 318	–	328	990
Total	22 828	891	20 567	3 152	–	1 199	1 953
Treaty - proportional	–	–	–	–	–	–	–
Grand total	22 828	891	20 567	3 152	–	1 199	1 953

For the period ended 30 September 2015

Direct and facultative							
Fire and property damage	7 868	–	6 871	997	–	789	208
Marine, aviation and transport	613	–	507	106	–	101	5
Motor	7 566	–	6 779	787	–	–	787
Miscellaneous	7 730	–	6 410	1 320	–	329	991
Total	23 777	–	20 567	3 210	–	1 219	1 991
Treaty - proportional	–	–	–	–	–	–	–
Grand total	23 777	–	20 567	3 210	–	1 219	1 991

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

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.

MUNEER R. BHIMJEE
Director

RAFIQUE R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 31 October 2015

EFU General Insurance Ltd. – Window Takaful Operations

Notes to the Condensed Interim Financial Statements

For the period from 6 May 2015 to 30 September 2015 (Unaudited)



1. Status and nature of business

EFU General Insurance Limited (the Operator) has been allowed to undertake Window Takaful Operations (WTO) on 16 April 2015 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan.

For the purpose of carrying on the takaful business, the Operator has formed a Waqf / Participants' Takaful Fund (PTF) on 6 May 2015 under the Waqf deed. The Waqf deed governs the relationship of Operator and participants for management of takaful operations.

2. Basis of preparation

These condensed interim financial statements have been prepared in line with the format issued by the SECP through SEC (Insurance) Rules, 2002 and SECP circular no 25 of 2015 dated 9 July 2015.

These condensed interim financial statements reflect the financial position and results of operations of both the Operator's Fund (OPF) and Participants' Takaful Fund (PTF) in a manner that the assets, liabilities, income and expenses of the Operator and PTF remain separately identifiable. These are the first set of financial statements of the EFU General Insurance Ltd - Window Takaful Operations.

2.1 Statement of compliance

These condensed interim financial statements of the WTO for the period from 6 May 2015 to 30 September 2015 have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', 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.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements.

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 recognised 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	3.2
– Contribution deficiency reserve (liability adequacy test)	3.3
– Provision for outstanding claims (including IBNR)	3.5
– Receivables and payables related to takaful contracts	3.11
– Useful lives of fixed assets	3.12 & 4



3. Summary of significant accounting policies

3.1 Contribution

For all the takaful contracts, Contributions including administrative surcharge received / receivable under a takaful policy are recognised 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 recognised as written at the inception of the policy and related assets set up for Contributions receivable at a later date. Contributions are stated gross of commission payable to intermediaries and exclusive of taxes and duties levied on Contributions.

3.2 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 Contributions have been calculated by applying 1/24th method as specified in the SEC (Insurance) Rules, 2002.

3.3 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, 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 contribution liability. Any deficiency is recognised by establishing a provision (contribution deficiency reserve) to meet the deficit.

No provision has been made as the unearned contribution reserve for each class of business as at the balance sheet date is adequate to meet the expected future liability, after retakaful, from claims and other expenses, including retakaful expense, commissions and other underwriting expenses, expected to be incurred after balance sheet date in respect of takaful contracts in force at balance sheet date.

3.4 Claims

Claims are charged to PTF income 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.

3.5 Provision for outstanding claims (including IBNR)

A liability for outstanding claims is recognised 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 Retakaful contracts

Retakaful Contribution is recognised as an expense at the time the retakaful is ceded. Rebate from retakaful is recognised in accordance with the policy of recognising contribution revenue.

Retakaful assets represent balances due from retakaful operators and retakaful recoveries against outstanding claims. Retakaful liabilities represent balances due to retakaful operators and are primarily retakaful contributions payable for retakaful contracts and are recognised at the same time when retakaful contributions are recognised as an expense.

3.7 Commission

3.7.1 Commission expense

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

3.7.2 Rebate from retakaful operators

Rebate from retakaful operators is deferred and recognised as revenue in accordance with the pattern of recognition of the retakaful Contribution to which it relates.



3.8 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, 35 % for Motor, 25 % for Miscellaneous, of gross contribution written including administrative surcharge as wakala fee against the services.

Wakala fee is recognised on the same basis on which the related revenue is recognised. Unexpired portion of wakala fee is recognized as a liability of OPF and an asset of PTF.

3.9 Revenue recognition

3.9.1 PTF

3.9.1.1 Contribution

The revenue recognition policy for Contributions is given under note 3.1.

3.9.1.2 Rebate from retakaful operators

The revenue recognition policy for rebate from retakaful operator is given under note 3.7.2.

3.9.2 OPF

The revenue recognition policy for wakala fee is given under note 3.8.

3.9.3 PTF / OPF

3.9.3.1 Investment Income

Return on investments, profit on profit and loss sharing accounts and bank deposits are recognised on accrual basis.

3.10 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 Company.

Provisions are recognised 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.

3.11 Receivables and payables related to takaful contracts

Receivables and payables related to insurance contracts are recognised when due at cost which is the fair value of the consideration given less provision for impairment, if any.

3.12 Fixed assets

3.12.1 Tangible

Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is calculated on the straight line basis using the following rates:

– Furniture, fixtures and office equipments	10 %
– Vehicles	20 %
– Computers	30 %

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 recognised 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 currently.



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

3.13 Expenses of management

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

3.14 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.

4. Fixed assets - tangible

The details of additions and disposals during the period from 6 May 2015 to 30 September 2015 are as follows:

Rupees '000

	2015	
	Additions (at cost) (Unaudited)	Disposals (at net book value) (Unaudited)
Tangibles		
Furniture and fixtures	829	–
Office equipments	333	–
Computers	277	–
Vehicles	1 680	–
	<u>3 119</u>	<u>–</u>

5. Operating segment

5.1 Operator's Fund

	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
	2015 (Unaudited)	2015 (Unaudited)	2015 (Unaudited)	2015 (Unaudited)	2015 (Unaudited)	2015 (Unaudited)
Corporate segment assets	7 188	474	5 752	4 561	–	17 975
Corporate unallocated assets						50 378
Total assets						<u>68 353</u>
Corporate segment liabilities	9 429	667	8 071	7 094	–	25 261
Corporate unallocated liabilities						168
Total liabilities						<u>25 429</u>
Capital expenditures						3 669
Segment depreciation	–	–	–	–	–	–
Unallocated depreciation						289
Total depreciation						<u>289</u>



5.2 Participants' Takaful Fund

Rupees '000

	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
	2015 (Unaudited)	2015 (Unaudited)	2015 (Unaudited)	2015 (Unaudited)	2015 (Unaudited)	2015 (Unaudited)
Corporate segment assets	47 204	2 682	18 791	27 008	–	95 685
Corporate unallocated assets						46 480
Total assets						142 165
Corporate segment liabilities	60 997	3 121	21 561	50 026	–	135 705
Corporate unallocated liabilities						3 796
Total liabilities						139 501

6. Related party transactions

Related parties comprise of directors, major share holders, key management personnel, associated companies, entities with common directors and employee retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions except for compensation to key management personnel which are on employment terms. The transactions and balances with related parties for the period from 6 May 2015 to 30 September 2015 are as follows:

Rupees '000

	Three months period ended 30 September 2015	For the period ended 30 September 2015
Transactions		
Key management personnel		
Contributions written	–	7

7. General

Being the first year of financial statements of Window Takaful Operations there were no comparative figures to report.

Statement of Investment Income is not included in these condensed interim financial statements as there were no investments and related income earned by Window Takaful Operations.

8. 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 31 October 2015.

MUNEER R. BHIMJEE
Director

RAFIQUE R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 31 October 2015



EFU GENERAL INSURANCE LTD.
INSURER FINANCIAL STRENGTH AA+

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