



Report (Un-audited)
Third Quarter 2007



GENERAL

E F U GENERAL INSURANCE LTD.

Company Information



Chairman

Rafique R. Bhimjee

Managing Director & Chief Executive

Saifuddin N. Zoomkawala

Directors

Sultan Ahmad

Abdul Rehman Haji Habib

Jahangir Siddiqui

Wolfram W. Karnowski

Muneer R. Bhimjee

Hasanali Abdullah

Taher G. Sachak

Chief Financial Officer & Corporate Secretary

Altaf Qamruddin Gokal, F.C.A.

Legal Advisor

Mohammad Ali Sayeed, M.A.B.L.

Senior Advisor

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

Advisors

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

Naqi Zamin Ali

Audit Committee

Muneer R. Bhimjee

Taher G. Sachak

Abdul Rehman Haji Habib

Rating Agency: JCR-VIS

Insurer Financial Strength Rating: AA
Outlook: STABLE

Auditors

Hyder Bhimji & Co.

Chartered Accountants

Karachi

KPMG Taseer Hadi & Co.

Chartered Accountants

Karachi

Website

www.efuinsurance.com

Registered Office

11/4, Shahrah-e-Pehlavi, Peshawar

Main Offices

EFU House

M.A. Jinnah Road, Karachi

Co-operative Insurance Building

23-Shahrah-e-Quaid-e-Azam, Lahore.

Directors' Review	1
Condensed Interim Balance Sheet	2
Condensed Interim Profit & Loss Account	3
Condensed Interim Statement of Changes in Equity	5
Condensed Interim Statement of Cash Flows	6
Condensed Interim Statement of Premiums	7
Condensed Interim Statement of Claims	8
Condensed Interim Statement of Expenses	9
Condensed Interim Statement of Investment Income	10
Notes to the Condensed Interim Financial Statements	11

We are pleased to present the un-audited condensed financial statements for the nine months period ended September 30, 2007.

The Written Premium for the nine months period was Rs. 7,227 million compared to Rs. 6,653 in the same period of previous year. The total Underwriting Profit for the three quarters was Rs. 110 million compared to Rs. 135 million in the corresponding period of 2006.

The Investment Income increased by 59 % to Rs. 1,008 million compared to Rs. 635 million in corresponding period of last year.

The pre-tax profit for the nine months was Rs. 1,073 million compared to Rs. 751 million in the corresponding period of 2006.

The investments in Shares and Securities increased by Rs. 1,102 million during the nine months period to September 30, 2007 to Rs. 4,778 million. .

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 Co. Limited and all our re-insurers for their continued guidance and support.

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

MUNEER R. BHIMJEE
Director

SAIFUDDIN N. ZOOMKAWALA
*Managing Director & Chief Executive
Chairman of the meeting*

Karachi 29 October, 2007

**Condensed Interim Balance Sheet
as at 30 September 2007 (Unaudited)**



	Note	AS AT	
		30-09-2007	31-12-2006
Share Capital and Reserves			
Authorised capital			
150 000 000 (2006: 150 000 000) Ordinary shares of Rs. 10 each		1,500,000	1,500,000
Issued, subscribed and paid-up share capital	11	1,000,000	500,000
Retained earnings		1,038,230	777,958
Reserves		600,000	500,000
Reserve for exceptional losses		12,902	12,902
		1,651,132	1,290,860
		2,651,132	1,790,860
Underwriting Provisions			
Provision for outstanding claims (including IBNR)		3,473,897	3,662,663
Provision for unearned premium		4,887,287	4,091,401
Commission income unearned		341,677	216,042
Total underwriting provisions		8,702,861	7,970,106
Deferred Liabilities			
Deferred taxation		19,792	14,831
Creditors and Accruals			
Premiums received in advance		4,938	8,426
Amounts due to other insurers/reinsurers		684,203	255,469
Accrued expenses		106,802	75,390
Agent balances		392,421	242,555
Unearned rentals		47,193	59,043
Other creditors and Accruals		106,132	48,574
		1,341,689	689,457
Other Liabilities			
Staff retirement benefits		13,812	12,457
Other deposits		132,218	134,654
Unclaimed dividend		18,569	15,631
		164,599	162,742
Total Liabilities		10,228,941	8,837,136
Total Equity and Liabilities		12,880,073	10,627,996
Contingencies and Commitments	8,10		

	Note	AS AT	
		30-09-2007	31-12-2006
Cash and Bank Deposits			
Cash and other equivalent		7,477	5,865
Current and other accounts		601,965	610,035
Deposits maturing within 12 months		214,858	520,016
		824,300	1,135,916
Loans - secured considered good			
To employees		4,107	4,972
Investments	6	4,777,524	3,675,085
Investment properties		276,350	289,437
Other Assets			
Premiums due but unpaid - net		2,131,509	1,293,089
Amounts due from other insurers / reinsurers		232,819	225,680
Salvage recoveries accrued		28,415	46,217
Premium and claim reserves retained by cedants		-	1,610
Accrued investment income		47,160	29,723
Reinsurance recoveries against outstanding claims		1,668,391	1,938,300
Taxation-payments less provision		90,565	59,226
Deferred commission expense		495,661	358,439
Prepayments		1,835,286	1,170,113
Security deposits		13,527	19,125
Other receivables		41,280	37,044
		6,584,613	5,178,566
Fixed Assets-Tangible & Intangible			
Land and buildings		113,022	114,429
Furniture, fixtures and office equipment		143,071	108,429
Motor vehicles		151,536	118,847
Computer software		5,550	2,315
		413,179	344,020
Total Assets		<u>12,880,073</u>	<u>10,627,996</u>

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

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

MUNEER R. BHIMJEE
Director

SAIFUDDIN N. ZOONKAWALA
Managing Director & Chief Executive
Chairman of the meeting

**Condensed Interim Profit And Loss Account
for the nine months period ended 30 September 2007 (Unaudited)**



Rupees '000

	Three months period ended 30 September							
	Fire & Property Damage	Marine, Aviation & Transport	Motor	Others	Treaty	Aggregate		
						2007	2006	
Revenue Account								
Net Premium Revenue	64,070	184,964	1,085,284	14,418	58,395	1,407,131	1,368,706	
Less: Net Claims	60,904	90,848	913,169	6,757	30,970	1,102,648	1,053,814	
Less: Expenses	73,544	47,082	168,703	18,502	-	307,831	219,149	
Less: Net Commission	(37,595)	31,781	67,206	(12,787)	13,436	62,041	58,296	
Underwriting result	(32,783)	15,253	(63,794)	1,946	13,989	(65,389)	37,447	
Investment Income						356,806	129,164	
Rental Income						19,265	18,561	
Other Income						12,996	15,197	
Difference in Exchange						(242)	173	
General and administration expenses						(61,505)	(37,080)	
						327,320	126,015	
Profit before tax						261,931	163,462	
Provision for taxation - current						62,000	(23,000)	
- deferred						(1,459)	(3,771)	
						60,541	(26,771)	
Profit after tax						322,472	136,691	
Earnings per share - basic				(Rupees)		3.22	1.37	

	Nine months period ended 30 September							
	Fire & Property Damage	Marine, Aviation & Transport	Motor	Others	Treaty	Aggregate		
						2007	2006	
Revenue Account								
Net Premium Revenue	337,695	565,744	3,310,106	39,792	157,149	4,410,486	3,968,000	
Less: Net Claims	149,220	223,560	2,823,208	17,632	90,393	3,304,013	3,015,787	
Less: Expenses	227,730	116,522	370,460	46,053	-	760,765	626,372	
Less: Net Commission	(60,539)	94,482	197,878	(31,367)	35,204	235,658	190,761	
Underwriting result	21,284	131,180	(81,440)	7,474	31,552	110,050	135,080	
Investment Income						1,008,079	634,621	
Rental Income						56,127	52,732	
Other Income						40,888	30,319	
Difference in Exchange						(241)	473	
General and administration expenses						(141,670)	(102,184)	
						963,183	615,961	
Profit before tax						1,073,233	751,041	
Provision for taxation - current						(58,000)	(98,000)	
- deferred						(4,961)	(6,539)	
						(62,961)	(104,539)	
Profit after tax						1,010,272	646,502	
Profit and Loss Appropriation Account								
Balance at commencement of period						777,958	305,980	
Profit after tax						1,010,272	646,502	
Dividend 2006 @ 30% (2005 @ 30%)						(150,000)	(90,000)	
Issue of bonus shares						(500,000)	(200,000)	
Transfer to General Reserve						(100,000)	-	
Balance unappropriated profit at end of the period						1,038,230	662,482	
Earnings per share - basic				(Rupees)		10.10	6.47	

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

HASANALI ABDULLAH
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**Condensed Interim Statement of Changes in Equity
for the nine months period ended 30 September 2007 (Unaudited)**



Rupees '000

	<u>Share Capital</u>	<u>General Reserve</u>	<u>Unappropriated Profit</u>	<u>Reserve for exceptional Losses</u>	<u>Total</u>
Balance as at 1 January 2006	300,000	500,000	305,980	12,902	1,118,882
Profit for the Period			646,502		646,502
Issue of bonus shares for the year 2005 @ 66.67%	200,000		(200,000)		-
Dividend paid for the year 2005 @ 30%			(90,000)		(90,000)
Balance as at 30 September 2006	<u>500,000</u>	<u>500,000</u>	<u>662,482</u>	<u>12,902</u>	<u>1,675,384</u>
Balance as at 1 January 2007	500,000	500,000	777,958	12,902	1,790,860
Profit for the Period			1,010,272		1,010,272
Issue of bonus shares for the year 2006 @ 100%	500,000		(500,000)		-
Dividend paid for the year 2006 @ 30%			(150,000)		(150,000)
Transfer to General Reserve		100,000	(100,000)		-
Balance as at 30 September 2007	<u>1,000,000</u>	<u>600,000</u>	<u>1,038,230</u>	<u>12,902</u>	<u>2,651,132</u>

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

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**Condensed Interim Statement of Cash Flows
for the nine months period ended 30 September 2007 (Unaudited)**



Rupees '000

Operating Cash Flows

	2007	2006
a) Underwriting activities		
Premiums received	6,181,329	5,836,260
Reinsurance premiums paid	(2,231,280)	(1,959,076)
Claims paid	(4,365,673)	(3,259,968)
Reinsurance and other recoveries received	1,362,513	657,706
Commissions paid	(579,428)	(518,182)
Commissions received	482,048	392,529
Management expenses paid	(670,671)	(568,139)
Net cash inflow from underwriting activities	178,838	581,130
b) Other operating activities		
Income tax paid	(89,339)	(172,983)
Other operating payments	(155,424)	(20,738)
Other operating receipts	51,391	58,570
Loans advanced	(380)	(116)
Loan repayments received	1,236	503
Net cash (outflow) from other operating activities	(192,516)	(134,764)
Total cash (outflow)/inflow from all operating activities	(13,678)	446,366

Investment activities

Profit/ Return received	100,324	86,744
Dividends received	141,911	147,512
Rentals received	44,277	79,715
Payments for investments	(5,666,648)	(3,275,353)
Proceeds from disposal of investments	5,347,380	2,530,826
Fixed capital expenditure	(129,562)	(110,845)
Proceeds from disposal of fixed assets	11,443	8,104
Total cash (outflow) from investing activities	(150,875)	(533,297)

Financing activities

Dividends paid	(147,063)	(88,396)
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Net cash (outflow) from all activities

	(311,616)	(175,327)
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Cash at the beginning of the year

	1,135,916	1,192,906
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Cash at the end of the period

	824,300	1,017,579
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Reconciliation to Profit and Loss Account

Operating cash flows	(13,678)	446,366
Depreciation/amortisation expense	(68,183)	(49,210)
Investment and Rental income	1,064,206	687,353
Other Income	40,888	30,319
Increase in assets other than cash	1,387,757	1,579,839
(Increase) in liabilities other than running finance	(1,400,718)	(2,048,165)
	1,010,272	646,502

Profit after taxation

Definition of cash

Cash for the purposes of the statement of cash flows consists of:		
Cash and other equivalent	7,477	9,772
Current and other accounts	601,965	580,350
Deposits maturing within 12 months	214,858	427,457
	824,300	1,017,579

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

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**Condensed Interim Statement of Premiums
for the nine months period ended 30 September 2007 (Unaudited)**



Rupees '000

Three months period ended 30 September

Class	Premiums				Reinsurance				Net Premium Revenue	
	Written	Unearned Premium Reserve		Earned	Reinsurance ceded	Prepaid Reinsurance Premium ceded		Reinsurance expense	2007	2006
		Opening	Closing			Opening	Closing			
Direct and Facultative										
Fire and Property Damage	1,174,204	1,108,263	1,629,236	653,231	1,020,288	894,750	1,325,877	589,161	64,070	85,624
Marine, Aviation and Transport	352,534	598,789	657,522	293,801	125,742	208,603	225,508	108,837	184,964	180,761
Motor	1,199,740	2,093,628	2,206,686	1,086,682	2,047	4,161	4,810	1,398	1,085,284	1,050,442
Miscellaneous	178,270	186,528	267,772	97,026	151,729	161,288	230,409	82,608	14,418	12,737
Total	2,904,748	3,987,208	4,761,216	2,130,740	1,299,806	1,268,802	1,786,604	782,004	1,348,736	1,329,564
Treaty	112,007	72,459	126,071	58,395	-	-	-	-	58,395	39,142
Grand Total	<u>3,016,755</u>	<u>4,059,667</u>	<u>4,887,287</u>	<u>2,189,135</u>	<u>1,299,806</u>	<u>1,268,802</u>	<u>1,786,604</u>	<u>782,004</u>	<u>1,407,131</u>	<u>1,368,706</u>

Nine months period ended 30 September

Direct and Facultative										
Fire and Property Damage	2,400,459	1,056,837	1,629,236	1,828,060	1,987,550	828,692	1,325,877	1,490,365	337,695	377,389
Marine, Aviation and Transport	963,816	579,234	657,522	885,528	334,826	210,466	225,508	319,784	565,744	499,126
Motor	3,268,633	2,252,950	2,206,686	3,314,897	6,174	3,427	4,810	4,791	3,310,106	2,954,188
Miscellaneous	386,841	126,599	267,772	245,668	331,466	104,819	230,409	205,876	39,792	39,638
Total	7,019,749	4,015,620	4,761,216	6,274,153	2,660,016	1,147,404	1,786,604	2,020,816	4,253,337	3,870,341
Treaty	207,439	75,781	126,071	157,149	-	-	-	-	157,149	97,659
Grand Total	<u>7,227,188</u>	<u>4,091,401</u>	<u>4,887,287</u>	<u>6,431,302</u>	<u>2,660,016</u>	<u>1,147,404</u>	<u>1,786,604</u>	<u>2,020,816</u>	<u>4,410,486</u>	<u>3,968,000</u>

Note: Premium written includes administrative surcharge of Rs. 181.30 million (2006: Rs. 180.40 million)

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

HASANALI ABDULLAH
Director

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**Condensed Interim Statement of Claims
for the nine months period ended 30 September 2007 (Unaudited)**



Rupees '000

Three months period ended 30 September

Class	Claims			Reinsurance					Net Claims Expense	
	Paid	Outstanding		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	Net Claims Expense	
		Opening	Closing			Opening	Closing		2007	2006
Direct and Facultative										
Fire and Property Damage	380,004	1,327,660	1,345,050	397,394	305,788	1,166,687	1,197,389	336,490	60,904	58,231
Marine, Aviation and Transport	89,951	580,300	587,166	96,817	1,787	330,856	335,038	5,969	90,848	84,868
Motor	918,141	1,350,206	1,344,623	912,558	(240)	6,608	6,237	(611)	913,169	882,737
Miscellaneous	31,079	127,028	149,692	53,743	26,234	108,975	129,727	46,986	6,757	1,122
Total	1,419,175	3,385,194	3,426,531	1,460,512	333,569	1,613,126	1,668,391	388,834	1,071,678	1,026,958
Treaty	35,908	52,304	47,366	30,970	-	-	-	-	30,970	26,856
Grand Total	1,455,083	3,437,498	3,473,897	1,491,482	333,569	1,613,126	1,668,391	388,834	1,102,648	1,053,814

Nine months period ended 30 September

Direct and Facultative										
Fire and Property Damage	1,391,117	1,687,763	1,345,050	1,048,404	1,178,722	1,476,927	1,197,389	899,184	149,220	165,307
Marine, Aviation and Transport	210,850	567,215	587,166	230,801	3,728	331,525	335,038	7,241	223,560	247,457
Motor	2,687,854	1,210,414	1,344,623	2,822,063	(79)	7,303	6,237	(1,145)	2,823,208	2,518,276
Miscellaneous	93,654	139,187	149,692	104,159	79,345	122,545	129,727	86,527	17,632	13,060
Total	4,383,475	3,604,579	3,426,531	4,205,427	1,261,716	1,938,300	1,668,391	991,807	3,213,620	2,944,100
Treaty	101,111	58,084	47,366	90,393	-	-	-	-	90,393	71,687
Grand Total	4,484,586	3,662,663	3,473,897	4,295,820	1,261,716	1,938,300	1,668,391	991,807	3,304,013	3,015,787

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

HASANALI ABDULLAH
Director

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Managing Director & Chief Executive
Chairman of the meeting

**Condensed Interim Statement of Expenses
for the nine months period ended 30 September 2007 (Unaudited)**



Rupees '000

Three months period ended 30 September

Class	Commission						Net Underwriting Expenses		
	Paid or Payable	Deferred		Net expense	Other management expenses	Underwriting expenses	Commissions from reinsurers	2007 2006	
		Opening	Closing					2007	2006
a	b	c	d=a+b-c	e	f=d+e	g	h=f-g		
Direct and Facultative									
Fire and Property Damage	162,706	128,779	214,042	77,443	73,544	150,987	115,038	35,949	36,027
Marine, Aviation and Transport	52,778	76,745	88,756	40,767	47,082	87,849	8,986	78,863	53,300
Motor	82,157	127,842	142,797	67,202	168,703	235,905	(4)	235,909	178,099
Miscellaneous	14,138	16,926	22,330	8,734	18,502	27,236	21,521	5,715	(2,909)
Total	311,779	350,292	467,925	194,146	307,831	501,977	145,541	356,436	264,517
Treaty	25,226	15,946	27,736	13,436	-	13,436	-	13,436	12,928
Grand Total	337,005	366,238	495,661	207,582	307,831	515,413	145,541	369,872	277,445

Nine months period ended 30 September

Direct and Facultative									
Fire and Property Damage	305,825	127,665	214,042	219,448	227,730	447,178	279,987	167,191	117,985
Marine, Aviation and Transport	129,382	77,390	88,756	118,016	116,522	234,538	23,534	211,004	173,811
Motor	214,119	126,488	142,797	197,810	370,460	568,270	(68)	568,338	501,728
Miscellaneous	33,739	10,184	22,330	21,593	46,053	67,646	52,960	14,686	(4,872)
Total	683,065	341,727	467,925	556,867	760,765	1,317,632	356,413	961,219	788,652
Treaty	46,229	16,711	27,736	35,204	-	35,204	-	35,204	28,481
Grand Total	729,294	358,438	495,661	592,071	760,765	1,352,836	356,413	996,423	817,133

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

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**Condensed Interim Statement of Investment Income
for the nine months period ended 30 September 2007 (Unaudited)**



Rupees '000

	Nine months period ended 30 September		Three months period ended 30 September	
	2007	2006	2007	2006
Income from Trading Investments				
Gain on Sale of Trading Investments	300,508	96,591	90,762	42,783
Dividend Income	32,355	44,183	4,322	12,655
	332,863	140,774	95,084	55,438
Income from Non-Trading Investments				
Held to maturity				
Return on Government Securities	27,204	43,750	7,475	13,310
Return on Other Fixed Income Securities	48,595	34,733	13,006	13,842
Amortisation of premium relative to par	(8,935)	(13,705)	(2,286)	(4,519)
	66,864	64,778	18,195	22,633
Available for sale				
Dividend Income	137,696	132,248	46,386	30,385
Gain on Sale of Non-Trading Investments	474,439	206,810	309,484	10
	678,999	403,836	374,065	53,028
Gain/(Loss) on Revaluation of Trading Investments	8,228	94,300	(108,164)	21,202
Less: Investment Related Expenses	12,011	4,289	4,179	504
Net Investment Income	<u>1,008,079</u>	<u>634,621</u>	<u>356,806</u>	<u>129,164</u>

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SAIFUDDIN N. ZOOMKAWALA
Managing Director & Chief Executive
Chairman of the meeting

1. Status and Nature of Business

EFU General Insurance Ltd. (the Company) was incorporated as a Public Limited Company on 2 September 1932 and is engaged in general insurance business comprising of fire, marine, motor, engineering etc. The shares of the Company are quoted on Karachi and Lahore Stock Exchanges.

The Principal place of business is located at EFU House, M.A. Jinnah Road, Karachi.

2 Basis for Presentation

These condensed interim financial statements are un-audited and are being presented in a condensed form in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan in the format prescribed under Insurance Rules, 2002 and Securities and Exchange Commission of Pakistan (SECP) circular No. 7 of 2003. They do not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2006.

These condensed interim financial statements are being circulated to the shareholders as required by section 245 of the Companies Ordinance, 1984.

3 Significant accounting policies

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in preparation of the annual audited financial statements of the Company for the year ended 31 December 2006.

4 Estimates

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from the estimates. The significant assumptions 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 for the year ended 31 December 2006.

5 Deficiency Reserve

The Insurance Rules, 2002 requires the Company to establish premium deficiency reserve to meet expected future liability, after reinsurance, from claims and other expenses, including reinsurance expense, commission and other underwriting expenses, expected to be incurred after balance sheet date in respect of policies in that class of business in force at balance sheet date. During the period, management has reviewed the results of each class of business and considers that no additional reserve is required to be created other than already accounted for unearned premiums.

6 Investments

All investments are initially recognised at fair value being the cost of the consideration given and include transaction costs excluding held for trading investments. 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.

The above investments are classified into the following categories:

Held-for-trading

Available-for-sale

Held-to-maturity

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. Subsequent to initial recognition, these are stated at fair value with any resulting gains or losses recognised directly in the profit and loss account.

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. The Company continues to follow its policy of valuing investments classified as available for sale at lower of cost or market value determined on an aggregate portfolio basis at the balance sheet.

Investments with fixed or determinable payments and fixed maturity, where management has both the positive intent and the ability to hold to maturity are classified as held to maturity. These are valued at amortised cost. Amortised cost is calculated by taking into account any discount or premium on acquisitions by using effective interest rate method.

Available for sale Investments include investment in EFU Life Assurance Limited an associated company where EFU General Insurance Ltd. has significant influence. The Investment in EFU Life Assurance Limited is carried at a value of Rs. 181 million (31 December 2006: Rs. 87 million) at cost. International Accounting Standard 28 (IAS 28) "Investment in Associate" requires that an investment in associate in which the investor has significant influence shall be accounted for under the equity method. The Company considers that accounting for these investments at a value above cost would result in complications similar to those related to the adoption of International Accounting Standard 39 (IAS 39) "Financial Instrument-Recognition and Measurement". Had this investment been valued using equity method, the carrying amount of investment would have been higher by Rs. 318 million and profit for the period would have been higher by Rs. 135 million.

	As on 30 September 2007	Rupees '000 As on 31 December 2006
Held for Trading – at Market Value		
Mutual Funds – open-end	271 385	36 267
Mutual Funds – closed-end	4 497	74 632
Ordinary shares of Companies - Listed	438 465	740 899
	<u>714 347</u>	<u>851 798</u>
Available for Sale		
Mutual Funds – open-end	10 000	10 000
Mutual Funds – closed-end	129 199	201 322
Preference shares of Companies - Listed	20 000	60 000
Equity Investment in Associated undertaking - Listed	180 915	142 673
Ordinary shares of other Companies - Listed	3 079 807	1 368 177
	<u>3 419 921</u>	<u>1 782 172</u>
Held to Maturity		
Certificate of Investments	32 500	32 500
Pakistan Investment Bonds	142 762	420 673
WAPDA - First Sukuk Certificates	-	42 500
Term Finance Certificates	467 994	545 442
	<u>643 256</u>	<u>1 041 115</u>
	<u>4 777 524</u>	<u>3 675 085</u>

Equity investment in EFU Life Assurance Limited, associated undertaking, carried at cost amounting to Rs. 181 million (31 December 2006: Rs. 87 million) represents 40.32 % (31 December 2006: 39.5%) of the issued capital of the company.

The market value of investments in Shares and Securities including investment in associate as on 30 September 2007 was Rs. 14 608 million (31 December 2006: Rs. 7 079 million).

7 Lease rental for Vehicles, Computers and Equipments under operating leases are charged to income currently.

8 Taxation

The income tax assessments of the Company have been finalized upto and including Tax Year 2007 (Financial year ending 31 December 2006). The appeals relating to assessment years 1962-63 to 1975-76 have been decided in Company's favour. However, the department has filed references with the Supreme Court of Pakistan and with the High Court of Sindh for assessment years 1962-63 to 1971-72. Consequently there is a contingent tax liability of Rs. 5.33 million which may arise if the reference petitions are decided against the Company.

The Tax Department has filed appeals with Income Tax Appellate Tribunal in respect of accounting years 1998 to 2001 and 2003. In case appeals are decided against the Company additional tax liability of Rs. 121 million may arise.

No provision has been made in these financial statements for the above contingencies, as the management, based on tax advisor's opinion, considers that it has good arguable cases and there is remote possibility of reversal of the appellate decision.

9 Fixed Assets – Tangible and Intangible

The details of additions and disposals during the nine months period ended 30 September 2007 were as follows:

	Additions	Disposals
		Rupees '000
Buildings	4 052	-
Furniture, fixtures and fittings	22 345	2 612
Office equipments	17 540	202
Computers	14 411	33
Motor vehicles	66 923	5 458
Softwares	4 291	-
	<u>129 562</u>	<u>8 305</u>

10 Commitments

Commitments under operating leases for Equipments, Vehicles and Computers as at 30 September 2007 were Rs. 24 million (31 December 2006: Rs. 58 million).

11 Share Capital

Number of Shares			Rupees '000	
2007	2006		30 September 2007	31 December 2006
250 000	250 000	Ordinary shares of Rs. 10 each, fully paid in cash.	2 500	2 500
<u>99 750 000</u>	<u>49 750 000</u>	Ordinary shares of Rs. 10 each, issued as fully paid bonus shares.	<u>997 500</u>	<u>497 500</u>
<u>100 000 000</u>	<u>50 000 000</u>		<u>1 000 000</u>	<u>500 000</u>

12 Related Party Transactions

The related parties comprise of directors, key management personnel, associated undertakings, entities with common directors and employees' funds

	30 September 2007	30 September 2006
		Rupees '000
Associated Companies		
Transactions		
Premium written	233 242	146 540
Premium paid	9 213	6 502
Commission paid	46 428	29 303
Claims incurred	107 914	74 864
Claims lodged	5 412	2 386
Investment made	94 122	20 914
Sale of Investments	55 879	-
Bonus shares issued	198 334	73 792
Bonus shares received	79 502	35 115
Dividend paid	59 500	33 206
Dividend received	23 851	16 387
Rent received	-	58
Traveling expenses paid	54	62
Donation paid	1 050	50
Medical expenses paid	61	14
Publicity expenses paid	5 793	-

Balance

Balance receivable	63 333	33 047
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Employees' funds

Transactions

Contribution to provident fund	11 287	9 823
Contribution to gratuity fund	13 812	11 615
Contribution to pension fund	302	267

Balance

Balance payable

EFU gratuity fund	13 812	11 615
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13 Transaction with Key Management Personnel

Key management personnel receive compensation in the form of short term employee benefits, use of Company maintained cars and post employment benefits. Key management personnel received total compensation of Rs. 60.66 million for the nine months period ended 30 September 2007 (30 September 2006: Rs. 43.97 million).

14 Date of Authorisation

These condensed Interim financial statements were authorized for issue by the Board of Directors in their meeting held on 29 October 2007.

15 General

Figures have been rounded off to the nearest thousands.

HASANALI ABDULLAH
Director

TAHER G. SACHAK
Director

MUNEER R. BHIMJEE
Director

SAIFUDDIN N. ZOOMKAWALA
*Managing Director & Chief Executive
Chairman of the meeting*