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Report (Un-Audited)  
FIRST QUARTER 2013



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**GENERAL**

E F U GENERAL INSURANCE LTD.

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# Company Information

## Chairman

Saifuddin N. Zoomkawala

## Managing Director & Chief Executive

Hasanali Abdullah

## Directors

Rafique R. Bhimjee  
Abdul Rehman Haji Habib  
Jahangir Siddiqui  
Muneer R. Bhimjee  
Taher G. Sachak  
Ali Raza Siddiqui

## Chief Financial Officer & Corporate Secretary

Altaf Qamruddin Gokal, F.C.A.

## Legal Advisor

Mohammad Ali Sayeed

## Advisors

Akhtar K. Alavi, A.C.I.I.  
Nasreen Rashid, A.C.I.I.  
Salim Rafik Sidiki, B.A. (Hons), M.A.  
S.C. (Hamid) Subjally  
Syed Mehdi Imam, M.A.

## Audit Committee

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

## Investment Committee

Saifuddin N. Zoomkawala  
Hasanali Abdullah  
Rafique R. Bhimjee  
Jahangir Siddiqui

## 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.  
Dagia House 241-C  
Block-2, P.E.C.H.S.  
Off Shahra-e-Quaideen  
Karachi

## Website

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

## Registered Office

Dodhy Building, 2nd Floor  
52-E, 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 three months period ended 31 March 2013.

The written premium for the three months period was Rs. 3 507 million as against Rs. 3 139 million in the corresponding period last year showing a growth of 12%. The overall ratio of Claims to Net Premium Revenue improved to 50% compared to 62% for the corresponding period last year. The total underwriting profit for the three months period was Rs. 252 million as compared to Rs. 122 million in corresponding period last year.

The after tax profit for the three months period was Rs. 228 million compared to Rs. 599 million in the corresponding period last year.

The total Market value of Investment Properties, Equity, Fixed Income Securities and Bank Balance as at 31 March 2013 was Rs.13.4 billion compared to Rs.12.4 billion as on 31 December 2012.

The Break up value of Company's share as at 31 March 2013 was Rs. 90.88.

Your Directors would like to place on record their highest appreciation to the field force, officers and staff of the Company for the dedicated efforts in a difficult operating environment.

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

MUNEER R. BHIMJEE  
Director

RAFIQUE R. BHIMJEE  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 29 April 2013

# Condensed Interim Balance Sheet

as at 31 March 2013 (Unaudited)

	Note	31 March 2013 ( Unaudited )	31 December 2012 ( Audited )
<b>Share capital and reserves</b>			
Authorised share capital			
150 000 000 (31 December 2012: 150 000 000) ordinary shares of Rs.10 each		1 500 000	1 500 000
Issued, subscribed and paid-up share capital		1 250 000	1 250 000
Reserves and retained earnings	6	10 109 478	9 881 164
		11 359 478	11 131 164
<b>Underwriting provisions</b>			
Provision for outstanding claims (including IBNR)		8 501 904	8 865 759
Provision for unearned premium		5 806 276	5 506 694
Commission income unearned		251 797	226 242
Total underwriting provisions		14 559 977	14 598 695
<b>Deferred liabilities</b>			
Deferred taxation		54 634	67 000
<b>Creditors and accruals</b>			
Premiums received in advance		15 515	12 346
Amounts due to other insurers / reinsurers		2 646 394	1 748 262
Accrued expenses		156 399	175 220
Agent balances		567 437	528 065
Unearned rentals		49 418	48 318
Other creditors and accruals		172 275	196 441
		3 607 438	2 708 652
<b>Other liabilities</b>			
Other deposits		480 459	462 833
Unclaimed dividends		68 238	67 762
		548 697	530 595
<b>Total liabilities</b>		18 770 746	17 904 942
<b>Total equity and liabilities</b>		30 130 224	29 036 106
<b>Contingencies</b>	7		

		Rupees '000	
	Note	31 March 2013 ( Unaudited )	31 December 2012 ( Audited )
<b>Cash and bank deposits</b>			
Cash and other equivalents		3 874	6 173
Current and other accounts		1 510 858	1 009 728
Deposits maturing within 12 months		491 342	653 985
		2 006 074	1 669 886
<b>Loans - secured considered good</b>			
To employees		2 256	2 612
<b>Investments</b>	8	14 059 936	13 404 717
<b>Investment properties</b>		234 816	206 657
<b>Current assets - others</b>			
Premiums due but unpaid - net	9	3 004 941	2 755 247
Amounts due from other insurers / reinsurers		65 100	69 099
Salvage recoveries accrued		17 978	12 745
Accrued investment income		208 929	32 623
Reinsurance recoveries against outstanding claims		6 112 056	6 560 947
Taxation - payments less provision		3 323	88 667
Deferred commission expense		599 697	567 510
Prepayments		2 857 999	2 711 440
Security deposits		8 589	8 104
Sundry receivables		85 107	75 209
		12 963 719	12 881 591
<b>Fixed assets - tangible and intangibles</b>			
Land and buildings	10	289 114	281 771
Furniture, fixtures and office equipments		394 184	383 822
Vehicles		169 543	167 719
Computer softwares		1 359	1 743
Capital work-in-progress		9 223	35 588
		863 423	870 643
<b>Total assets</b>		<b>30 130 224</b>	<b>29 036 106</b>

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

MUNEER R. BHIMJEE  
Director

RAFIQUE R. BHIMJEE  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 29 April 2013

# Condensed Interim Profit and Loss Account for the three months period ended 31 March 2013 (Unaudited)

Rupees '000

	Note	Fire & property damage	Marine, aviation & transport	Motor	Others	Treaty	Aggregate 2013	Aggregate 2012
<b>Revenue account</b>								
Net premium revenue		388 983	377 938	648 083	84 487	–	1 499 491	1 475 238
Net claims		( 183 173 )	( 173 519 )	( 355 676 )	( 42 027 )	73	( 754 322 )	( 913 698 )
Management expenses		( 77 148 )	( 74 957 )	( 151 803 )	( 16 810 )	–	( 320 718 )	( 293 088 )
Net commission		( 79 527 )	( 62 226 )	( 55 419 )	25 087	–	( 172 085 )	( 146 350 )
<b>Underwriting result</b>		<u>49 135</u>	<u>67 236</u>	<u>85 185</u>	<u>50 737</u>	<u>73</u>	<u>252 366</u>	<u>122 102</u>
Investment income							50 820	437 689
Rental income							25 201	24 944
Profit on deposits							25 528	25 063
Other income	11						5 496	1 414
Share of profit of an associate							78 411	138 580
General and administration expenses							( 130 631 )	( 127 009 )
							<u>54 825</u>	<u>500 681</u>
<b>Profit before tax</b>							<u>307 191</u>	<u>622 783</u>
Provision for taxation	12						( 78 877 )	( 23 931 )
<b>Profit after tax</b>							<u>228 314</u>	<u>598 852</u>
<b>Profit and loss appropriation account</b>								
Balance at commencement of the period							1 518 262	582 967
Profit after tax for the period							228 314	598 852
<b>Balance unappropriated profit at end of the period</b>							<u>1 746 576</u>	<u>1 181 819</u>
<b>Earnings per share - basic and diluted</b>						(Rupees)	<u>1.83</u>	<u>4.79</u>

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

MUNEER R. BHIMJEE  
Director

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Director

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Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 29 April 2013

## Condensed Interim Statement of Comprehensive Income for the three months period ended 31 March 2013 (Unaudited)

	2013	2012
		Rupees '000
Profit for the period	228 314	598 852
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>228 314</b>	<b>598 852</b>

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

MUNEER R. BHIMJEE  
Director

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Director

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Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 29 April 2013



## Condensed Interim Statement of Changes in Equity for the three months period ended 31 March 2013 (Unaudited)

Rupees '000

	Share capital	General reserve	Reserve for exceptional losses	Unappropri- ated profit / (loss)	Total
Balance as at 1 January 2012	1 250 000	8 150 000	12 902	582 967	9 995 869
Total comprehensive income for the period	–	–	–	598 852	598 852
Balance as at 31 March 2012	<u>1 250 000</u>	<u>8 150 000</u>	<u>12 902</u>	<u>1 181 819</u>	<u>10 594 721</u>
Balance as at 1 January 2013	1 250 000	8 350 000	12 902	1 518 262	11 131 164
Total comprehensive income for the period	–	–	–	228 314	228 314
Balance as at 31 March 2013	<u>1 250 000</u>	<u>8 350 000</u>	<u>12 902</u>	<u>1 746 576</u>	<u>11 359 478</u>

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

MUNEER R. BHIMJEE  
Director

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Director

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Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 29 April 2013

## Condensed Interim Statement of Cash Flows for the three months period ended 31 March 2013 (Unaudited)

Rupees '000

	2013	2012
<b>Operating Cash Flows</b>		
a) Underwriting activities		
Premiums received	3 257 305	2 164 282
Reinsurance premiums paid	( 914 095 )	( 1 298 171 )
Claims paid	( 895 162 )	( 1 272 488 )
Reinsurance and other recoveries received	224 644	377 862
Commissions paid	( 333 340 )	( 268 837 )
Commissions received	193 994	167 664
Management expenses paid	( 248 308 )	( 225 732 )
Net cash inflow / (outflow) from underwriting activities	1 285 038	( 355 420 )
b) Other operating activities		
Income tax paid	( 5 899 )	( 11 866 )
General and administration expenses	( 167 719 )	( 193 323 )
Other operating payments	( 52 640 )	( 111 242 )
Other operating receipts	( 2 781 )	174 094
Loans advanced	( 98 )	( 760 )
Loan repayments received	453	326
Net cash inflow / (outflow) from other operating activities	( 228 684 )	( 142 771 )
<b>Total cash inflow / (outflow) from all operating activities</b>	<b>1 056 354</b>	<b>( 498 191 )</b>
<b>Investment activities</b>		
Profit / return received	49 788	63 544
Dividends received	23 853	27 967
Rentals received	13 352	30 977
Payments for investments	( 1 501 784 )	( 531 106 )
Proceeds from disposal of investments	751 408	418 154
Fixed capital expenditures	( 63 517 )	( 52 697 )
Proceeds from disposal of fixed assets	6 257	1 199
<b>Total cash outflow from investing activities</b>	<b>( 720 643 )</b>	<b>( 41 962 )</b>
<b>Financing activities</b>		
Dividends paid	477	( 5 )
<b>Net cash inflow / (outflow) from all activities</b>	<b>336 188</b>	<b>( 540 158 )</b>
Cash at the beginning of the period	1 669 886	1 758 119
<b>Cash at the end of the period</b>	<b>2 006 074</b>	<b>1 217 961</b>
<b>Reconciliation to profit and loss account</b>		
Operating cash flows	1 056 354	( 498 191 )
Depreciation / amortisation expense	( 41 194 )	( 42 409 )
Rental and investment income	63 071	462 633
Profit on deposits	25 528	25 063
Other income	4 907	956
Share of profit of an associate	78 411	138 580
(Decrease) / increase in assets other than cash	( 94 535 )	1 506 847
Increase in liabilities other than running finance	( 864 228 )	( 994 627 )
<b>Profit after taxation</b>	<b>228 314</b>	<b>598 852</b>
<b>Definition of cash</b>		
Cash for the purposes of the statement of cash flows consists of:		
Cash and other equivalents	3 874	5 342
Current and other accounts	1 510 858	752 273
Deposits maturing within 12 months	491 342	460 346
	<b>2 006 074</b>	<b>1 217 961</b>

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

MUNEER R. BHIMJEE  
Director

RAFIQUE R. BHIMJEE  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 29 April 2013

## Condensed Interim Statement of Premiums for the three months period ended 31 March 2013 (Unaudited)

Rupees '000

Class	Premiums				Reinsurance				Net premium revenue	Net premium revenue
	Written	Unearned premium reserve		Earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense	2013	2012
		Opening	Closing			Opening	Closing			
<b>Direct and facultative</b>										
Fire and property damage	1 941 277	3 293 564	3 526 352	1 708 489	1 465 386	2 146 857	2 292 737	1 319 506	388 983	467 393
Marine, aviation and transport	473 523	573 944	462 624	584 843	89 407	256 690	139 192	206 905	377 938	304 155
Motor	718 802	1 214 781	1 281 724	651 859	3 738	150	112	3 776	648 083	633 532
Miscellaneous	373 397	424 405	535 576	262 226	253 697	282 554	358 512	177 739	84 487	70 149
<b>Total</b>	<b>3 506 999</b>	<b>5 506 694</b>	<b>5 806 276</b>	<b>3 207 417</b>	<b>1 812 228</b>	<b>2 686 251</b>	<b>2 790 553</b>	<b>1 707 926</b>	<b>1 499 491</b>	<b>1 475 229</b>
<b>Treaty - proportional</b>	-	-	-	-	-	-	-	-	-	9
<b>Grand total</b>	<b>3 506 999</b>	<b>5 506 694</b>	<b>5 806 276</b>	<b>3 207 417</b>	<b>1 812 228</b>	<b>2 686 251</b>	<b>2 790 553</b>	<b>1 707 926</b>	<b>1 499 491</b>	<b>1 475 238</b>

**Note:** Premium written includes administrative surcharge of Rs. 69.40 million (2012: Rs. 74.14 million).

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

MUNEER R. BHIMJEE  
Director

RAFIQUE R. BHIMJEE  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 29 April 2013

## Condensed Interim Statement of Claims for the three months period ended 31 March 2013 (Unaudited)

Rupees '000

Class	Claims				Reinsurance				Net claims expense	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		
		Opening	Closing			Opening	Closing		2013	2012
<b>Direct and facultative</b>										
Fire and property damage	252 174	6 321 786	5 977 506	(92 106)	121 127	5 481 973	5 085 567	(275 279)	183 173	265 801
Marine, aviation and transport	194 853	1 124 428	1 080 827	151 252	62 522	647 961	563 172	(22 267)	173 519	163 240
Motor	379 684	892 832	868 778	355 630	(46)	3 800	3 800	(46)	355 676	450 243
Miscellaneous	63 218	523 146	571 299	111 371	37 041	427 214	459 517	69 344	42 027	33 381
<b>Total</b>	<b>889 929</b>	<b>8 862 192</b>	<b>8 498 410</b>	<b>526 147</b>	<b>220 644</b>	<b>6 560 948</b>	<b>6 112 056</b>	<b>(228 248)</b>	<b>754 395</b>	<b>912 665</b>
<b>Treaty - proportional</b>	-	3 567	3 494	(73)	-	-	-	-	(73)	1 033
<b>Grand total</b>	<b>889 929</b>	<b>8 865 759</b>	<b>8 501 904</b>	<b>526 074</b>	<b>220 644</b>	<b>6 560 948</b>	<b>6 112 056</b>	<b>(228 248)</b>	<b>754 322</b>	<b>913 698</b>

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

MUNEER R. BHIMJEE  
Director

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Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 29 April 2013

## Condensed Interim Statement of Expenses for the three months period ended 31 March 2013 (Unaudited)

Rupees '000

Class	Paid or payable	Commission		Net expense	Other management expenses	Underwriting expense	Commission from reinsurers	Net	Net
		Deferred						underwriting expenses	underwriting expenses
		Opening	Closing					2013	2012
<b>Direct and facultative</b>									
Fire and property damage	211 550	374 863	391 327	195 086	77 148	272 234	115 559	156 675	170 621
Marine, aviation and transport	66 594	55 472	52 325	69 741	74 957	144 698	7 515	137 183	104 464
Motor	60 143	102 772	107 477	55 438	151 803	207 241	19	207 222	189 688
Miscellaneous	34 424	34 403	48 567	20 260	16 810	37 070	45 347	( 8 277 )	( 25 341 )
<b>Total</b>	<b>372 711</b>	<b>567 510</b>	<b>599 696</b>	<b>340 525</b>	<b>320 718</b>	<b>661 243</b>	<b>168 440</b>	<b>492 803</b>	<b>439 432</b>
<b>Treaty - proportional</b>	-	-	-	-	-	-	-	-	6
<b>Grand total</b>	<b>372 711</b>	<b>567 510</b>	<b>599 696</b>	<b>340 525</b>	<b>320 718</b>	<b>661 243</b>	<b>168 440</b>	<b>492 803</b>	<b>439 438</b>

**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 financial statements.

MUNEER R. BHIMJEE  
Director

RAFIQUE R. BHIMJEE  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 29 April 2013

## Condensed Interim Statement of Investment Income for the three months period ended 31 March 2013 (Unaudited)

	Rupees '000	
	2013	2012
<b>Income from non - trading investments</b>		
Return on government securities	13 541	18 379
Return on other fixed income securities and deposits	5 926	8 818
Amortisation of premium relative to par	( 229 )	( 576 )
Dividend income	65 357	61 590
Gain on sale of non-trading investments	7 394	1 438
	91 989	89 649
<b>(Provision) / reversal for impairment - available for sale investments - net</b>	( 41 069 )	348 140
<b>Investment related expenses</b>	( 100 )	( 100 )
<b>Net investment income</b>	<u>50 820</u>	<u>437 689</u>

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

MUNEER R. BHIMJEE  
Director

RAFIQUE R. BHIMJEE  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 29 April 2013

# Notes to the Condensed Interim Financial Statements for the three months period ended 31 March 2013 (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, 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.

## 2. Basis of preparation

These condensed interim financial statements are unaudited and are being circulated to the shareholders in accordance with the listing regulations of Karachi and Lahore Stock Exchanges and section 245 of the Companies Ordinance, 1984 and being prepared in condensed form in accordance with the requirements of approved accounting standards as applicable to insurance companies in Pakistan for interim financial reporting and in the format prescribed under SEC (Insurance) Rules, 2002. They do not include all of the information required for the full financial statements, and should be read in conjunction with the annual financial statements for the year ended 31 December 2012.

## 3. Significant accounting policies

The accounting policies applied in these condensed interim financial statements are same as those applied by the company in its financial statements for the year ended 31 December 2012.

## 4. Accounting estimates and judgements

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

In preparing these condensed interim financial statement, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2012.

## 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 2012.

## 6. Reserves and retained earnings

	31 March 2013 (Unaudited)	31 December 2012 (Audited)
General reserve	8 350 000	8 350 000
Reserve for exceptional losses	12 902	12 902
Retained earnings	1 746 576	1 518 262
	<u>10 109 478</u>	<u>9 881 164</u>

Rupees '000

- 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 2012 (Financial year ending 31 December 2011).

The Company has filed appeal for the Tax year 2010 with Commissioner of Income Tax (appeals) in respect of disallowances for management expenses, provision for IBNR and proration of expenses. There could arise a contingent tax liability of Rs. 89 million if the matter is decided against the Company.

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. If the appeals are decided against the Company, a tax liability of Rs. 13 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 management expenses and if the appeals are decided against the Company, a tax liability of Rs. 37 million would be payable.

No provision has been made in these 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.

## 8. Investments

Rupees '000

	Note	31 March 2013 (Unaudited)	31 December 2012 (Audited)
Investment in associate - EFU Life Assurance Ltd.			
Cost		10 901 773	10 968 526
Impairment		(1 987 000)	(1 987 000)
		8 914 773	8 981 526
Available for sale	8.1		
In related parties			
Equity securities			
Ordinary shares		2 121 922	2 121 922
Mutual funds		228 958	83 316
Fixed income securities			
Term finance certificates	8.2	15 219	30 439
		2 366 099	2 235 677
Provision for impairment – net of reversals		(1 845 094)	(1 773 648)
		521 005	462 029
Others			
Equity securities			
Ordinary shares		2 989 579	2 986 439
Mutual funds		1 480 256	529 999
Preference shares		20 000	20 000
Fixed income securities			
Government securities		292 545	609 380
Term finance certificates		183 883	191 151
		4 966 263	4 336 969
Provision for impairment – net of reversals		(342 105)	(375 807)
		4 624 158	3 961 162
		14 059 936	13 404 717



- 8.1 The market value of investments in associates and available for sale investments as on 31 March 2013 was Rs. 9 124 million (31 December 2012: Rs. 8 366 million). The recoverable amount of investments in associate is higher than its carrying amount.
- 8.2 The fixed income securities includes Pakistan Investment Bonds and Treasury Bills amounting to Rs. 130 million (31 December 2012: Rs. 132 million) deposited with the State Bank of Pakistan as required by section 29 of the Insurance Ordinance, 2000.

#### 9. Premiums due but unpaid – net – unsecured

Rupees '000

	31 March 2013 ( Unaudited )	31 December 2012 ( Audited )
Considered good	3 004 941	2 755 247
Considered doubtful	26 000	26 000
	<u>3 030 941</u>	<u>2 781 247</u>
Provision for doubtful balances	( 26 000 )	( 26 000 )
	<u>3 004 941</u>	<u>2 755 247</u>

#### 10. Fixed assets – tangibles and intangibles

The details of additions and disposals during the three months period ended 31 March 2013 are as follows:

Rupees '000

	Additions (at cost)		Disposals (at net book value)	
	31 March 2013 ( Unaudited )	31 March 2012 ( Unaudited )	31 March 2013 ( Unaudited )	31 March 2012 ( Unaudited )
Tangibles				
Buildings	12 229	8 509	–	–
Furniture and fixtures	12 480	10 311	1 170	212
Vehicles	16 595	9 522	214	65
Office equipments	5 714	12 976	–	–
Computers	9 635	2 913	–	–
Intangibles				
Computer softwares	–	370	–	–
	<u>56 653</u>	<u>44 601</u>	<u>1 384</u>	<u>277</u>

#### 11. Other income

Rupees '000

	31 March 2013 ( Unaudited )	31 March 2012 ( Unaudited )
Gain on sale of fixed assets	4 873	920
Interest on loan to employees	34	31
Exchange gain	589	458
Others	–	5
	<u>5 496</u>	<u>1 414</u>

## 12. Provision for taxation

Rupees '000

	31 March 2013 ( Unaudited )	31 March 2012 ( Unaudited )
For the year		
Current	91 244	29 181
Prior year - minimum tax adjustment	-	( 23 022 )
Deferred	( 12 367 )	17 772
	<u>78 877</u>	<u>23 931</u>

## 13. Operating segment

Rupees '000

	Fire and property damage		Marine, aviation and transport		Motor		Others		Treaty		Total	
	2013 ( Unaudited )	2012 ( Audited )	2013 ( Unaudited )	2012 ( Audited )	2013 ( Unaudited )	2012 ( Audited )	2013 ( Unaudited )	2012 ( Audited )	2013 ( Unaudited )	2012 ( Audited )	2013 ( Unaudited )	2012 ( Audited )
Corporate segment assets	9 042 973	9 212 345	1 290 428	1 425 107	549 391	431 936	1 707 532	1 582 412	-	-	12 590 324	12 651 800
Corporate unallocated assets											17 539 900	16 384 306
Total assets											<u>30 130 224</u>	<u>29 036 106</u>
Corporate segment liabilities	12 029 052	11 359 443	1 800 601	2 007 951	2 214 251	2 166 967	2 196 829	1 812 272	3 494	3 567	18 244 227	17 350 200
Corporate unallocated liabilities											526 519	554 742
Total liabilities											<u>18 770 746</u>	<u>17 904 942</u>
Capital expenditures											63 517	52 697
Segment depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated depreciation											41 194	42 409
Total depreciation											<u>41 194</u>	<u>42 409</u>

Location	External premium less reinsurance by geographical segments		Carrying amount of assets by geographical segments		Carrying amount of liabilities excluding branch account by geographical segments		Capital expenditures	
	2013 ( Unaudited )	2012 ( Unaudited )	2013 ( Unaudited )	2012 ( Audited )	2013 ( Unaudited )	2012 ( Audited )	2013 ( Unaudited )	2012 ( Unaudited )
Pakistan	1 494 513	1 471 455	30 028 595	28 946 044	18 718 893	17 859 535	63 517	52 697
EPZ *	4 978	3 783	101 033	89 474	51 853	45 407	-	-
Saudi Arabia **	-	-	596	588	-	-	-	-
Total	<u>1 499 491</u>	<u>1 475 238</u>	<u>30 130 224</u>	<u>29 036 106</u>	<u>18 770 746</u>	<u>17 904 942</u>	<u>63 517</u>	<u>52 697</u>

\* This represents US Dollar equivalent in Pak Rupees

\*\* This represents US Dollar and Saudi Riyal equivalent in Pak Rupees

#### 14. Related party transactions

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

	Rupees '000	
	31 March 2013 ( Unaudited )	31 March 2012 ( Unaudited )
<b>Transactions</b>		
<b>Associated company</b>		
Premiums written	12 728	10 228
Premiums paid	10 999	6 661
Claims paid	558	777
Claims lodged	2 722	259
Investments made	–	131
Dividends received	145 163	–
Expenses recovered	600	400
<b>Key management personnel</b>		
Premiums written	689	272
Claims paid	–	95
Compensation	24 165	22 235
<b>Others</b>		
Premiums written	49 260	23 188
Premiums paid	8 075	6 537
Claims paid	7 060	4 164
Claims lodged	2 204	341
Commissions paid	–	8
Investments made	230 000	20 000
Investments sold	84 356	20 000
Bank deposits made	( 75 000 )	75 000
Brokerage paid	31	567
Profit on TFC	533	1 034
<b>Employees' funds</b>		
Contribution to provident fund	4 739	4 357
Contribution to gratuity fund	6 046	5 567
Contribution to pension fund	67	72

	31 March 2013 ( Unaudited )	31 December 2012 ( Audited )
		Rupees '000
<b>Others</b>		
Balances receivable	25 617	595
Balances payable	( 48 )	( 91 )
Deposits maturing within 12 months	70 500	145 500
Bank balances	481 671	49 470
<b>Employees' funds receivable / (payable)</b>		
EFU gratuity fund	28 085	34 147
EFU pension fund	( 7 666 )	( 7 666 )

#### 15. Date of authorisation for issue

These condensed interim financial statements were authorised for issue by the Board of Directors in the meeting held on 29 April 2013.

MUNEER R. BHIMJEE  
Director

RAFIQUE R. BHIMJEE  
Director

HASANALI ABDULLAH  
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA  
Chairman

Karachi 29 April 2013