



Report (Un-Audited)
FIRST QUARTER
2016



GENERAL

Company Information

Chairman

Saifuddin N. Zoomkawala

Managing Director & Chief Executive

Hasanali Abdullah

Directors

Rafique R. Bhimjee

Abdul Rehman Haji Habib

Muneer R. Bhimjee

Taher G. Sachak

Ali Raza Siddiqui

Mohammed Iqbal Mankani

Mahmood Lotia

Chief Financial Officer & Corporate Secretary

Altaf Qamruddin Gokal, F.C.A.

Legal Advisor

Mohammad Ali Sayeed

Advisors

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

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

S.C. (Hamid) Subjally

Syed Mehdi Imam, M.A.

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.

Dagia 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

Contents

02	Directors' Review
03	Directors' Review Urdu
04	Condensed Interim Balance Sheet
06	Condensed Interim Profit and Loss Account
07	Condensed Interim Statement of Comprehensive Income
08	Condensed Interim Statement of Changes in Equity
09	Condensed Interim Statement of Cash Flows
10	Condensed Interim Statement of Premiums
11	Condensed Interim Statement of Claims
12	Condensed Interim Statement of Expenses
13	Condensed Interim Statement of Investment Income
14	Notes to the Condensed Interim Financial Statements

Window Takaful Operations

21	Financial Statements General Window Takaful Operations
22	Condensed Interim Balance Sheet
24	Condensed Interim Profit and Loss Account
25	Condensed Interim Statement of Comprehensive Income
26	Condensed Interim Statement of Changes in Fund
27	Condensed Interim Statement of Cash Flows
28	Condensed Interim Statement of Contributions
29	Condensed Interim Statement of Claims
30	Condensed Interim Statement of Expenses - OPF
31	Condensed Interim Statement of Expenses - PTF
32	Notes to the Condensed Interim Financial Statements

Directors' Review

We are pleased to present the unaudited financial statements for the three months period ended 31 March 2016.

The Written Premium for the period was Rs. 4,698 million (including Takaful Contribution of Rs. 275 million) as against Rs. 3,753 million for corresponding period of last year (i.e. increase by 25 %). The Net Premium Revenue for the period (including Takaful Net Contribution Revenue) was Rs. 1,873 million as against Rs. 1,693 million for the corresponding period of last year. The overall Claims ratio to Net Premium Revenue was 44 % as compared to 53 % for the corresponding period of last year. The total underwriting profit for the period was Rs. 443 million as compared to Rs. 223 million in corresponding period of last year.

The after tax profit for the three months period was Rs. 557 million compared to Rs. 400 million in the corresponding period last year.

The earning per share for the period was Rs. 3.48 against Rs. 2.50 in the corresponding period of last year.

Your Directors have pleasure in declaring first interim cash dividend of Rupee 1.00 per share for the period ended 31 March 2016.

The total Market value of Properties, Equity (other than investment in associate), Fixed Income securities and Cash and Bank Balances as at 31 March 2016 stood at Rs. 17,318 million as compared to Rs. 17,077 million as on 31 December 2015.

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.

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.

TAHER G. SACHAK
Director

MAHMOOD LOTIA
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

RAFIQUE R. BHIMJEE
Director
Chairman of the Meeting

Karachi 23 April 2016

ہم بمسرت آپ کی خدمت میں ۳۱ مارچ ۲۰۱۶ء کو ختم ہونے والی سہ ماہی کے لیے غیر آڈٹ شدہ مالیاتی حسابات پیش کرتے ہیں۔

اس مدت کے دوران تحریری پریمیم ۶۹۸ ملین روپے رہا (بشمول تکافل کنٹریبیوشن ۲۷۵ ملین روپے)، جبکہ گزشتہ سال اسی مدت میں ۵۳۷ ملین روپے تھا، (یعنی ۲۵ فیصد کا اضافہ)۔ اس مدت کے دوران خالص پریمیم آمدن (بشمول خالص تکافل کنٹریبیوشن) ۸۷۳،۸۷ روپے رہے، جبکہ گزشتہ سال اسی مدت میں ۶۹۳،۱۶ ملین روپے تھا۔ مجموعی کلیز اور خالص پریمیم آمدن کے درمیان عمومی تناسب ۴۴ فیصد رہا، جبکہ گزشتہ سال اسی مدت کے دوران ۵۳ فیصد تھا۔ اس مدت کے دوران مجموعی انڈر رائٹنگ سے کل منافع ۴۴۳ ملین روپے رہا۔ جبکہ گزشتہ سال اسی مدت میں یہ رقم ۲۲۳ ملین روپے تھی۔

اس سہ ماہی کی مدت کے لیے بعد از ٹیکس منافع ۵۹۴ ملین روپے رہا، جبکہ گزشتہ سال اسی مدت میں ۴۰۰ ملین روپے تھا۔

اس مدت کے دوران آمدنی فی شیئر ۳۶،۲۸ روپے رہی، جبکہ گزشتہ سال اسی مدت میں ۲۶،۵۰ روپے تھی۔

آپ کے ڈائریکٹرز بمسرت اعلان کرتے ہیں کہ ۳۱ مارچ ۲۰۱۶ء میں ختم ہونے والی سہ ماہی کے لیے پہلا نقد منافع منقسمہ بحساب ایک روپیہ فی شیئر (۱۰ فیصد) ہے۔

۳۱ مارچ ۲۰۱۶ء کو کمپنی کی ملکیتی جائیداد، ایکویٹیز، (علاوہ ایسوسی ایٹ میں سرمایہ کاری)، فکسڈ انکم سیکیورٹیز، نقد رقوم اور بینک بیلنسز کی کل مارکیٹ ویلیو ۳۱۸،۱۷ ملین روپے رہے، جبکہ گزشتہ سال ۳۱ دسمبر ۲۰۱۵ء اسی مدت میں ۱۷۰،۰۷ ملین روپے تھا۔

آپ کے ڈائریکٹرز کمپنی کے فیلڈ فورس، آفیسرز اور اسٹاف کی لگن کے لیے از حد قدر دانی ریکارڈ پر لانا چاہتے ہیں۔

آپ کے ڈائریکٹرز سیکیورٹیز اینڈ ایچجی کمیشن آف پاکستان، پاکستان ری انشورنس کمپنی لمیٹڈ اور اپنے تمام ری انشوررز کا ان کی مسلسل رہنمائی اور تعاون کے لیے شکر یہ بھی ادا کرنا چاہتے ہیں۔

رفیق آر۔ بصیم جی
ڈائریکٹر
مینجنگ کے چیئرمین

حسن علی عبداللہ
ٹیچنگ ڈائریکٹر چیف ایگزیکٹو

محمود لوٹیا
ڈائریکٹر

طاہر جی۔ ساچک
ڈائریکٹر

کراچی ۲۳ اپریل ۲۰۱۶ء

Condensed Interim Balance Sheet As at 31 March 2016 (Unaudited)

	Note	31 March 2016 (Unaudited)	31 December 2015 (Audited)
Share capital and reserves			
Authorised share capital			
200 000 000 (2015: 200 000 000)			
ordinary shares of Rs.10 each		2 000 000	2 000 000
Issued, subscribed and paid-up share capital		1 600 000	1 600 000
Reserves and retained earnings	6	14 803 613	14 247 012
		16 403 613	15 847 012
Underwriting provisions			
Provision for outstanding claims (including IBNR)		4 645 187	4 462 934
Provision for unearned premium		7 284 194	6 723 968
Commission income unearned		399 867	341 652
Total underwriting provisions		12 329 248	11 528 554
Deferred liabilities			
Deferred taxation		116 476	126 908
Creditors and accruals			
Premiums received in advance		6 674	5 350
Amounts due to other insurers / reinsurers		3 169 573	2 947 386
Accrued expenses		174 892	201 074
Agent balances		586 667	527 572
Unearned rentals		41 974	56 036
Taxation - provision less payments		156 485	107 183
Other creditors and accruals		269 592	189 443
		4 405 857	4 034 044
Other liabilities			
Other deposits		536 905	540 028
Unclaimed dividends		128 409	128 432
		665 314	668 460
Total liabilities		17 516 895	16 357 966
Total equity and liabilities		33 920 508	32 204 978
Total liabilities of takaful operations - OPF		100 103	59 057
Total equity and liabilities		34 020 611	32 264 035
Contingencies	7		

Rupees '000

	Note	31 March 2016 (Unaudited)	31 December 2015 (Audited)
Cash and bank deposits			
Cash and other equivalents		5 873	4 175
Current and other accounts		1 495 401	1 187 686
Deposits maturing within 12 months		326 919	557 135
		1 828 193	1 748 996
Loans - secured considered good			
To employees		2 427	2 114
Investments	8	19 550 883	19 166 228
Investment properties		184 536	190 646
Current assets - others			
Premiums due but unpaid - net	9	3 741 866	3 285 856
Amounts due from other insurers / reinsurers		54 502	15 839
Salvage recoveries accrued		45 643	41 999
Accrued investment income		391 823	141 689
Reinsurance recoveries against outstanding claims		2 393 738	2 232 473
Deferred commission expense		559 088	541 676
Prepayments		3 913 127	3 604 325
Security deposits		9 535	17 390
Sundry receivables		72 305	67 556
		11 181 627	9 948 803
Fixed assets - tangible and intangible	10		
Land and buildings		407 395	405 164
Furniture, fixtures and office equipments		440 782	442 857
Vehicles		256 821	248 959
Capital work-in-progress		5 988	4 338
		1 110 986	1 101 318
Total assets		33 858 652	32 158 105
Total assets from general takaful operations - OPF		161 959	105 930
Total assets		34 020 611	32 264 035

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

TAHER G. SACHAK
Director

MAHMOOD LOTIA
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

RAFIQUE R. BHIMJEE
Director
Chairman of the Meeting
Karachi 23 April 2016

Condensed Interim Profit and Loss Account For the three months period ended 31 March 2016 (Unaudited)

Rupees '000

	Note	Fire & property damage	Marine, aviation & transport	Motor	Others	Treaty	Aggregate 2016	Aggregate 2015
Revenue account								
Net premium revenue		451 450	394 524	815 727	150 232	–	1 811 933	1 693 345
Net claims		(97 577)	(136 362)	(494 393)	(62 466)	–	(790 798)	(890 758)
Management expenses		(96 802)	(84 595)	(195 855)	(32 213)	–	(409 465)	(393 105)
Net commission		(64 262)	(62 788)	(68 826)	26 711	–	(169 165)	(186 892)
Underwriting result		<u>192 809</u>	<u>110 779</u>	<u>56 653</u>	<u>82 264</u>	<u>–</u>	<u>442 505</u>	<u>222 590</u>
Investment income								
Rental income							237 265	239 717
Profit on deposits							34 305	31 919
Other income							16 995	19 549
Share of profit of an associate							8 106	4 878
General and administration expenses							172 372	131 073
Workers' welfare fund							(181 687)	(153 621)
							(14 897)	(9 922)
							272 459	263 593
Profit before tax from takaful operations - OPF	11						14 983	–
Profit before tax							<u>729 947</u>	<u>486 183</u>
Provision for taxation	12						<u>(173 346)</u>	<u>(86 602)</u>
Profit after tax							<u>556 601</u>	<u>399 581</u>
Profit and loss appropriation account								
Balance at commencement of the period							3 734 110	1 998 197
Profit after tax							556 601	399 581
Balance unappropriated profit at end of the period							<u>4 290 711</u>	<u>2 397 778</u>
Earnings per share - basic and diluted						(Rupees)	<u>3.48</u>	<u>2.50</u>

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

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Karachi 23 April 2016

Condensed Interim Statement of Comprehensive Income For the three months period ended 31 March 2016 (Unaudited)

Rupees '000

	2016	2015
Profit after tax for the period	556 601	399 581
Other comprehensive (loss) / income	–	–
Total comprehensive income for the period	<u>556 601</u>	<u>399 581</u>

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

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Karachi 23 April 2016

Condensed Interim Statement of Changes in Equity For the three months period ended 31 March 2016 (Unaudited)

Rupees '000

	Share capital	General reserve	Reserve for exceptional losses	Unappropriated profit	Total
Balance as at 1 January 2015	1 600 000	9 500 000	12 902	1 998 197	13 111 099
Total comprehensive income for the period ended 31 March 2015					
Profit after tax for the period	–	–	–	399 581	399 581
Balance as at 31 March 2015	<u>1 600 000</u>	<u>9 500 000</u>	<u>12 902</u>	<u>2 397 778</u>	<u>13 510 680</u>
Balance as at 1 January 2016	1 600 000	10 500 000	12 902	3 734 110	15 847 012
Total comprehensive income for the period ended 31 March 2016					
Profit after tax for the period	–	–	–	556 601	556 601
Balance as at 31 March 2016	<u>1 600 000</u>	<u>10 500 000</u>	<u>12 902</u>	<u>4 290 711</u>	<u>16 403 613</u>

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

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Karachi 23 April 2016

Condensed Interim Statement of Cash Flows

For the three months period ended 31 March 2016 (Unaudited)

Rupees '000

	2016	2015
Operating activities		
a) Underwriting activities		
Premiums received	3 967 591	3 467 732
Reinsurance premiums paid	(2 102 554)	(1 883 786)
Claims paid	(1 183 167)	(1 546 228)
Reinsurance and other recoveries received	371 051	697 702
Commissions paid	(294 826)	(288 742)
Commissions received	225 560	183 557
Management expenses paid	(320 048)	(312 896)
Net cash inflow from underwriting activities	663 607	317 339
b) Other operating activities		
Income tax paid	(134 476)	(60 849)
General and administration expenses	(241 610)	(211 220)
Other operating payments	(31 075)	(65 191)
Other operating receipts	76 850	47 025
Loans advanced	(1 382)	(95)
Loans repayments received	1 069	419
Net cash outflow from other operating activities	(330 624)	(289 911)
Total cash inflow from all operating activities	332 983	27 428
Investment activities		
Profit / return received	174 580	166 783
Dividends received	39 493	26 612
Rentals received	9 852	27 372
Payments for investments	(3 056 024)	(714 710)
Proceeds from disposal of investments	2 634 181	805 740
Fixed capital expenditures	(63 742)	(47 000)
Proceeds from disposal of fixed assets	7 897	6 117
Total cash (outflow) / inflow from investing activities	(253 763)	270 914
Financing activities		
Dividends adjustment / paid	(23)	1 975
Net cash inflow from all activities	79 197	300 317
Cash at the beginning of the period	1 748 996	1 520 795
Cash at the end of the period	1 828 193	1 821 112
Reconciliation to profit and loss account		
Operating cash flows	332 983	27 428
Depreciation / amortisation expense	(60 181)	(49 189)
Rentals and investment income	261 180	265 229
Profit on deposits	16 995	19 549
Other income	8 284	1 666
Share of profit of an associate	172 372	131 073
Increase in assets other than cash	933 701	386 386
(Increase) in liabilities other than running finance	(1 123 716)	(382 561)
Profit after tax from conventional insurance operations	541 618	399 581
Profit from takaful operations - OPF	14 983	-
Profit after tax at the end of the period	556 601	399 581
Definition of cash		
Cash for the purposes of the statement of cash flows consists of:		
Cash and other equivalents	5 873	6 716
Current and other accounts	1 495 401	1 485 993
Deposits maturing within 12 months	326 919	328 403
	1 828 193	1 821 112

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

TAHER G. SACHAK
Director

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Managing Director & Chief Executive

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Director
Chairman of the Meeting
Karachi 23 April 2016

Condensed Interim Statement of Premiums For the three months period ended 31 March 2016 (Unaudited)

Rupees '000

Class	Premiums				Reinsurance				Net premium revenue 2016	Net premium revenue 2015
	Written	Unearned premium reserve		Earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense		
		Opening	Closing			Opening	Closing			
Direct and facultative										
Fire and property damage	2 360 413	3 997 006	4 259 319	2 098 100	1 893 895	2 965 844	3 213 089	1 646 650	451 450	508 042
Marine, aviation and transport	566 185	645 817	626 656	585 346	142 715	238 494	190 387	190 822	394 524	391 099
Motor	941 565	1 535 166	1 656 277	820 454	4 727	-	-	4 727	815 727	717 615
Miscellaneous	554 115	545 979	741 942	358 152	283 404	357 704	433 188	207 920	150 232	76 589
Total	4 422 278	6 723 968	7 284 194	3 862 052	2 324 741	3 562 042	3 836 664	2 050 119	1 811 933	1 693 345
Treaty - proportional	-	-	-	-	-	-	-	-	-	-
Grand total	<u>4 422 278</u>	<u>6 723 968</u>	<u>7 284 194</u>	<u>3 862 052</u>	<u>2 324 741</u>	<u>3 562 042</u>	<u>3 836 664</u>	<u>2 050 119</u>	<u>1 811 933</u>	<u>1 693 345</u>

Note: Premiums written includes administrative surcharge of Rs. 106 million (31 December 2015: Rs. 95 million).

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

TAHER G. SACHAK
Director

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Condensed Interim Statement of Claims For the three months period ended 31 March 2016 (Unaudited)

Rupees '000

Class	Claims				Reinsurance				Net claims expense 2016	Net claims expense 2015
	Paid	Outstanding		Claims expense	Reinsurance and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue		
		Opening	Closing			Opening	Closing			
Direct and facultative										
Fire and property damage	513 135	2 025 050	2 089 625	577 710	339 037	1 338 882	1 479 978	480 133	97 577	181 636
Marine, aviation and transport	123 388	868 766	887 044	141 666	13 147	447 286	439 443	5 304	136 362	195 098
Motor	442 208	981 475	1 033 664	494 397	16	3 840	3 828	4	494 393	436 692
Miscellaneous	100 793	587 643	634 854	148 004	57 515	442 465	470 488	85 538	62 466	77 332
Total	1 179 524	4 462 934	4 645 187	1 361 777	409 715	2 232 473	2 393 737	570 979	790 798	890 758
Treaty - proportional	-	-	-	-	-	-	-	-	-	-
Grand total	1 179 524	4 462 934	4 645 187	1 361 777	409 715	2 232 473	2 393 737	570 979	790 798	890 758

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

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Karachi 23 April 2016

Condensed Interim Statement of Expenses For the three months period ended 31 March 2016 (Unaudited)

Rupees '000

Class	Paid or payable	Commission		Net expense	Other management expenses	Underwriting expenses	Commission from reinsurers	Net underwriting expenses	Net underwriting expenses
		Opening	Closing					2016	2015
Direct and facultative									
Fire and property damage	161 978	315 351	309 829	167 500	96 802	264 302	103 238	161 064	185 229
Marine, aviation and transport	73 493	55 272	57 030	71 735	84 595	156 330	8 947	147 383	141 006
Motor	76 002	130 452	137 628	68 826	195 855	264 681	-	264 681	246 130
Miscellaneous	42 447	40 601	54 601	28 447	32 213	60 660	55 158	5 502	7 632
Total	353 920	541 676	559 088	336 508	409 465	745 973	167 343	578 630	579 997
Treaty - proportional	-	-	-	-	-	-	-	-	-
Grand total	353 920	541 676	559 088	336 508	409 465	745 973	167 343	578 630	579 997

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.

TAHER G. SACHAK
Director

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Karachi 23 April 2016

Condensed Interim Statement of Investment Income For the three months period ended 31 March 2016 (Unaudited)

Rupees '000

	2016	2015
Income from non - trading investments		
Return on government securities	77 167	82 793
Return on other fixed income securities and deposits	–	967
Amortisation of discount relative to par	5 146	5 683
Dividend income	63 519	54 459
Gain on sale of non - trading investments	93 338	93 055
	<u>239 170</u>	<u>236 957</u>
Reversal of provision for impairment - available for sale investments - net	(1 481)	2 990
Investment related expenses	(424)	(230)
Net investment income	<u><u>237 265</u></u>	<u><u>239 717</u></u>

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TAHER G. SACHAK
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Chairman of the Meeting
Karachi 23 April 2016

Notes to the Condensed Interim Financial Statements

For the three months period ended 31 March 2016 (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 Pakistan Stock Exchange and is engaged in non-life insurance business comprising of fire and property, marine, motor, miscellaneous etc.

The registered office of the Company is situated in Islamabad while the principal place of business is located at EFU House, M.A. Jinnah Road, Karachi. The Company has been allowed to work as Window Takaful Operator on 16 April 2015 by Securities and Exchange Commission of Pakistan 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 31 March 2016 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 2015.

2.3 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 financial statements are consistent with those of the previous financial year except as describe below:

3.1 New / Revised Standards, Interpretations and Amendments

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

- IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates - Investment Entities: Applying the Consolidation Exception (Amendment)
- IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)
- IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)
- IAS 16 – Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
- IAS 16 – Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)
- IAS 27 – Separate Financial Statements - Equity Method in Separate Financial Statements (Amendment)

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any effect on the financial statements.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in September 2014 which are effective for current period. Such improvements to the standards did not have any impact on the Company's financial statements.

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 2015.

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 2015.

6. Reserves and retained earnings

Rupees '000

	Note	31 March 2016 (Unaudited)	31 December 2015 (Audited)
General reserve		10 500 000	10 500 000
Reserve for exceptional losses	6.1	12 902	12 902
Retained earnings		4 290 711	3 734 110
		<u>14 803 613</u>	<u>14 247 012</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 return for the tax year 2015 and it is deemed to be assessed under the provision of section 120 of the Income tax ordinance, 2001.

The Company has filed appeals with Income Tax Appellate Tribunal (ITAT) in respect of assessment years 1999-2000 and 2000-2001 for 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 arise.

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. 76 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 cases.

The department has filed appeal for the Tax years 2010 and 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. 94 million would be payable.

During the period, Commissioner Inland Revenue (Audit) 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) who maintained the order passed by the Commissioner Inland Revenue (Audit). The Company has now filed an appeal with Income Tax Appellate Tribunal (ITAT) against the judgement of Commissioner Inland Revenue (Appeals) and expects favourable outcome.

Company has also filed Civil Suits before Honourable High Court for the above years. The additional tax impact of the said adjustment is estimated to be Rs. 711 million which include tax years 2014 to 2016. The Income Tax Appellate Tribunal (ITAT) has issued orders in favour of the assesseees on the identical case of taxing dividend income.

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.

8. Investments

Rupees '000

	Note	31 March 2016 (Unaudited)	31 December 2015 (Audited)
Investment in associate - EFU Life Assurance Limited	8.1		
Opening balance		11 570 646	9 324 919
Purchases during the period		–	5 998
Share in profit of associate		172 372	640 068
Dividend		(301 414)	(387 339)
		11 441 604	9 583 646
Provision for impairment		–	1 987 000
		11 441 604	11 570 646
Available for sale	8.1 & 8.3		
In related parties			
Mutual funds		110 000	205 000
Ordinary shares - net of provision		396 298	396 298
		506 298	601 298
Others			
Mutual funds		2 270 024	1 994 500
Ordinary shares - net of provision		2 244 541	2 288 907
Fixed income securities	8.3		
Government securities		3 088 416	2 710 877
Term finance certificates		44 618	44 618
		7 647 599	7 038 902
Provision for impairment – net of reversals		(44 618)	(44 618)
		8 109 279	7 595 582
		19 550 883	19 166 228

8.1 The market value of investment in associate and available for sale investments as on 31 March 2016 was Rs. 9,042 million (31 December 2015: Rs. 8,569 million) and Rs. 9,153 million (31 December 2015: Rs. 9,351 million) respectively.

8.2 The fixed income securities includes Government Securities amounting to Rs. 165 million (31 December 2015: Rs. 165 million) deposited with the State Bank of Pakistan as required by section 29 of the Insurance Ordinance, 2000.

8.3 As per the Company's accounting policy, available for sale investments are stated at lower of cost or market value. However, IAS 39 - Financial Instruments: Recognition and Measurement, requires that these instruments should be measured at their fair value. Accordingly, had these investments been measured at fair value, their carrying value as on 31 March 2016 would have been higher by Rs. 4,306 million (31 December 2015: higher by Rs. 4,659 million).

9. Premiums due but unpaid – net – unsecured

Rupees '000

	31 March 2016 (Unaudited)	31 December 2015 (Audited)
Considered good	3 741 866	3 285 856
Considered doubtful	39 314	30 580
	<u>3 781 180</u>	<u>3 316 436</u>
Provision for doubtful balances	(39 314)	(30 580)
	<u><u>3 741 866</u></u>	<u><u>3 285 856</u></u>

10. Fixed assets – tangible and intangible

The details of additions and disposals during the three months period ended 31 March 2016 are as follows:

Rupees '000

	Additions (at cost)		Disposals (at net book value)	
	31 March 2016 (Unaudited)	31 March 2015 (Unaudited)	31 March 2016 (Unaudited)	31 March 2015 (Unaudited)
Tangible				
Buildings	9 565	8 202	–	–
Furniture and fixtures	4 963	5 032	–	798
Office equipments	13 200	901	–	–
Computers	4 579	1 453	–	28
Vehicles	29 784	27 815	–	606
Fixed assets - General takaful operation (OPF)	1 221	–	–	–
	<u>63 312</u>	<u>43 403</u>	<u>–</u>	<u>1 432</u>

11. General takaful operations - OPF

Rupees '000

	31 March 2016 (Unaudited)	31 March 2015 (Unaudited)
Wakala fee	23 544	–
Management expenses	(2 272)	–
Commission expenses	(5 113)	–
Profit on deposits	726	–
Modarib's share of profit on deposits	218	–
General and administration expenses	(2 120)	–
Profit before tax	<u>14 983</u>	<u>–</u>

12. Provision for taxation

Rupees '000

	31 March 2016 (Unaudited)	31 March 2015 (Unaudited)
For the period		
Current	183 778	82 635
Deferred	(10 432)	3 967
	<u>173 346</u>	<u>86 602</u>

13. Operating segments

Rupees '000

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Treaty		Total	
	2016 (Unaudited)	2015 (Audited)	2016 (Unaudited)	2015 (Audited)	2016 (Unaudited)	2015 (Audited)	2016 (Unaudited)	2015 (Audited)	2016 (Unaudited)	2015 (Audited)	2016 (Unaudited)	2015 (Audited)
Corporate segment assets – conventional	6 936 102	6 145 157	1 415 079	1 524 182	747 054	628 904	1 533 266	1 381 642	–	–	10 631 501	9 679 885
Corporate segment assets – Takaful OPF	8 137	8 801	786	823	41 573	32 674	9 454	2 269	–	–	59 950	44 567
Corporate unallocated assets – conventional											23 227 151	22 478 220
Corporate unallocated assets – Takaful OPF											102 009	61 363
Consolidated total assets											<u>34 020 611</u>	<u>32 264 035</u>
Corporate segment liabilities	9 505 712	8 814 324	1 847 075	1 928 162	2 775 174	2 597 296	2 501 108	2 209 108	–	–	16 629 069	15 548 890
Corporate segment liabilities – Takaful OPF	10 921	10 147	1 042	561	76 770	42 597	10 516	5 320	–	–	99 249	58 625
Corporate unallocated liabilities											887 826	809 076
Corporate unallocated liabilities – Takaful OPF											854	432
Consolidated total liabilities											<u>17 616 998</u>	<u>16 417 023</u>
Capital expenditures											63 742	376 175
Capital expenditures – Takaful OPF											1 221	–
Unallocated depreciation – conventional											60 181	212 055
Unallocated depreciation – Takaful OPF											174	–
Total depreciation											<u>60 355</u>	<u>212 055</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	
	2016 (Unaudited)	2015 (Unaudited)	2016 (Unaudited)	2015 (Audited)	2016 (Unaudited)	2015 (Audited)	2016 (Unaudited)	2015 (Unaudited)
Pakistan – Conventional	1 781 134	1 685 430	33 636 766	31 961 960	17 415 722	16 275 574	63 742	376 175
Pakistan – Takaful OPF	23 544	–	161 959	105 930	100 103	59 057	1 221	–
*EPZ – Conventional	7 255	7 915	221 886	196 145	101 173	82 392	–	–
Total	<u>1 811 933</u>	<u>1 693 345</u>	<u>34 020 611</u>	<u>32 264 035</u>	<u>17 616 998</u>	<u>16 417 023</u>	<u>64 963</u>	<u>376 175</u>

* 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 for the period with related parties are as follows:

	Rupees '000	
	31 March 2016 (Unaudited)	31 March 2015 (Unaudited)
Transactions		
Associated company		
Premiums written	18 872	17 181
Premiums paid	–	9 642
Claims paid	1 228	2 991
Dividends accrued	301 415	–
Key management personnel		
Premiums written	168	11
Claims paid	–	130
Compensation	35 081	30 249
Others		
Premiums written	41 962	62 557
Premiums paid	14 438	12 984
Claims paid	9 112	21 934
Claims Lodged	1 300	–
Claims received	534	1 930
Investments made	110 000	–
Investments sold	205 000	47 454
Bank deposits (withdrawn) / made	(75 000)	70 500
Brokerage paid	86	139
Employees' funds		
Contributions to provident fund	5 096	4 851
Contributions to gratuity fund	3 142	2 365
Contributions released pension fund	(91)	51
Balances		
Others		
Balances receivable	827	1 170
Balances payable	(458)	(1 512)
Deposits maturing within 12 months	70 500	145 500
Bank balances	293 946	282 269

Rupees '000

	31 March 2016 (Unaudited)	31 March 2015 (Unaudited)
Employees' funds receivable		
EFU gratuity fund	19 186	22 315
EFU pension fund	16 367	16 187

15. Date of authorisation for issue of financial statements

These condensed interim financial statements were authorised for issue by the Board of Directors in the meeting held on 23 April 2016.

TAHER G. SACHAK
Director

MAHMOOD LOTIA
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

RAFIQUE R. BHIMJEE
Director
Chairman of the Meeting
Karachi 23 April 2016

Financial Statements
Window Takaful Operations
For the three months period ended 31 March 2016 (Unaudited)

EFU General Insurance Ltd. – Window Takaful Operations
Condensed Interim Balance Sheet
As at 31 March 2016 (Unaudited)

Note	31 March 2016 (Unaudited)			31 December 2015 (Audited) Aggregate
	Operator's Fund	Participants' Takaful Fund	Aggregate	
Operator's Fund				
Statutory Fund	50 000	–	50 000	50 000
Accumulated Profit / (loss)	11 856	–	11 856	(3 127)
	61 856	–	61 856	46 873
Waqf / Participants' Takaful Fund				
Cede money	–	500	500	500
Accumulated surplus	–	32 850	32 850	11 124
	–	33 350	33 350	11 624
Qard-e-hasna	–	25 000	25 000	–
Underwriting provisions				
Provision for outstanding claims (including IBNR)	–	41 019	41 019	19 367
Provision for unearned contribution	–	338 840	338 840	148 902
Unearned retakaful rebate	–	7 840	7 840	7 206
Total underwriting provisions	–	387 699	387 699	175 475
Creditors and accruals				
Contributions received in advance	–	244	244	203
Amounts due to other takaful / retakaful operator	–	33 210	33 210	42 875
Unearned wakala fees	84 648	–	84 648	50 980
Wakala fees payable	–	40 605	40 605	34 411
Modarib fees payable	–	28	28	–
Accrued expenses	743	–	743	413
Agent balances	14 601	–	14 601	7 645
Other creditors and accruals	111	12 855	12 966	10 065
	100 103	86 942	187 045	146 592
Total liabilities	100 103	474 641	574 744	322 067
Total equity and liabilities	161 959	532 991	694 950	380 564

Rupees '000

31 March 2016 (Unaudited)				
Note	Operator's Fund	Participants' Takaful Fund	Aggregate	31 December 2015 (Audited) Aggregate
Cash and bank deposits				
	25	621	646	262
	19 722	161 612	181 334	48 089
	20 000	15 000	35 000	90 000
	39 747	177 233	216 980	138 351
Investments	30 000	22 500	52 500	–
Qard-e-hasna	25 000	–	25 000	–
Current assets - others				
	–	119 108	119 108	87 452
	–	3 200	3 200	–
	93	114	207	334
	–	21 676	21 676	10 895
	19 344	–	19 344	10 156
	40 605	–	40 605	34 411
	28	–	28	–
	–	84 648	84 648	50 980
	319	150	469	265
	–	51 490	51 490	40 904
	301	–	301	300
	2 159	–	2 159	116
	62 849	280 386	343 235	235 813
Fixed assets - tangible				
	1 954	52 872	54 826	5 000
	2 409	–	2 409	1 400
	4 363	52 872	57 235	6 400
Total assets	161 959	532 991	694 950	380 564

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

TAHER G. SACHAK
Director

MAHMOOD LOTIA
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

RAFIQUE R. BHIMJEE
Director
Chairman of the Meeting
Karachi 23 April 2016

EFU General Insurance Ltd. – Window Takaful Operations Condensed Interim Profit and Loss Account For the three months period ended 31 March 2016 (Unaudited)

Rupees '000

	Fire & property damage	Marine, aviation & transport	Motor	Others	Treaty	Aggregate 2016
PTF Revenue Account						
Net contribution revenue	1 178	225	53 215	5 948	–	60 566
Wakala expense	(3 074)	(458)	(17 316)	(2 696)	–	(23 544)
Net claims	(380)	(58)	(15 961)	(510)	–	(16 909)
Direct expenses	–	–	(1 823)	–	–	(1 823)
Retakaful rebate	2 449	244	–	89	–	2 782
Underwriting results	<u>173</u>	<u>(47)</u>	<u>18 115</u>	<u>2 831</u>	<u>–</u>	<u>21 072</u>
Profit on deposits						872
Modarib's share						(218)
						654
Surplus for the period						<u>21 726</u>
Accumulated Surplus						
Balance at the beginning of the period						11 124
Surplus for the period						21 726
Balance at the end of the period						<u>32 850</u>
OPF Revenue Account						
Wakala fee	3 074	458	17 316	2 696	–	23 544
Management expenses	(116)	(18)	(1 920)	(218)	–	(2 272)
Commission expense	(1 469)	(298)	(2 796)	(550)	–	(5 113)
	<u>1 489</u>	<u>142</u>	<u>12 600</u>	<u>1 928</u>	<u>–</u>	<u>16 159</u>
Profit on deposits						726
Modarib's share of PTF profit on deposits						218
General and administration expenses						(2 120)
						(1 176)
Profit for the period						<u>14 983</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

TAHER G. SACHAK
Director

MAHMOOD LOTIA
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

RAFIQUE R. BHIMJEE
Director
Chairman of the Meeting
Karachi 23 April 2016

EFU General Insurance Ltd. – Window Takaful Operations
 Condensed Interim Statement of Comprehensive Income
 For the three months period ended 31 March 2016 (Unaudited)

Rupees '000

	2016
Operator's Fund	
Profit for the period	14 983
Other comprehensive income / (loss)	–
Total comprehensive income for the period	14 983

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

TAHER G. SACHAK
 Director

MAHMOOD LOTIA
 Director

HASANALI ABDULLAH
 Managing Director & Chief Executive

RAFIQUE R. BHIMJEE
 Director
 Chairman of the Meeting
 Karachi 23 April 2016

EFU General Insurance Ltd. – Window Takaful Operations Condensed Interim Statement of Changes in Fund For the three months period ended 31 March 2016 (Unaudited)

Rupees '000

	Operator's Fund		
	Statutory fund	Accumulated profit / (loss)	Total
Balance as at 1 January 2016	50 000	(3 127)	46 873
Total comprehensive income / (loss) for the period ended 31 March 2016			
Profit for the period	–	14 983	14 983
Balance as at 31 March 2016	<u>50 000</u>	<u>11 856</u>	<u>61 856</u>

	Participants' Takaful Fund		
	Cede money	Accumulated surplus	Total
Balance as at 1 January 2016	500	11 124	11 624
Surplus for the period	–	21 726	21 726
Balance as at 31 March 2016	<u>500</u>	<u>32 850</u>	<u>33 350</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

TAHER G. SACHAK
Director

MAHMOOD LOTIA
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

RAFIQUE R. BHIMJEE
Director
Chairman of the Meeting
Karachi 23 April 2016

EFU General Insurance Ltd. – Window Takaful Operations

Condensed Interim Statement of Cash Flows

For the three months period ended 31 March 2016 (Unaudited)

Rupees '000

	Operator's Fund	Participants' Takaful Fund	2016 Aggregate
Operating activities			
a) Takaful activities			
Contributions received	–	243 697	243 697
Retakaful contributions paid	–	(43 578)	(43 578)
Claims paid	–	(13 573)	(13 573)
Retakaful and other recoveries received	–	4 335	4 335
Commissions paid	(7 345)	–	(7 345)
Retakaful rebate received	–	3 414	3 414
Wakala fees received / (paid)	51 019	(51 019)	–
Management expenses	(1 851)	(294)	(2 145)
Net cash inflow from takaful activities	41 823	142 982	184 805
b) Other operating activities			
Income tax paid	(124)	(79)	(203)
General and administration expenses	(2 036)	–	(2 036)
Other operating payments	(2 046)	(1 480)	(3 526)
Other operating receipts	91	2 810	2 901
Net cash (outflow) / inflow from other operating activities	(4 115)	1 251	(2 864)
Total cash inflow from all operating activities	37 708	144 233	181 941
Investment activities			
Profit / return received	782	943	1 725
Modarib fee received / (paid)	190	(190)	–
Payments for investments	(30 000)	(22 500)	(52 500)
Fixed capital expenditures	(1 221)	(51 316)	(52 537)
Total cash outflow from investing activities	(30 249)	(73 063)	(103 312)
Net cash inflow from all activities	7 459	71 170	78 629
Qard-e-hasna (paid) / received	(25 000)	25 000	–
Cash at the beginning of the period	57 288	81 063	138 351
Cash at the end of the period	39 747	177 233	216 980
Reconciliation to profit and loss account			
Operating cash flows	37 708	144 233	181 941
Depreciation / amortisation expense	(174)	(1 529)	(1 703)
Profit on deposits	944	654	1 598
Increase in assets other than cash	17 550	89 970	107 520
(Increase) in liabilities other than running finance	(41 045)	(211 602)	(252 647)
Surplus for the period	14 983	21 726	36 709
Attributed to			
Operator's Fund	14 983	–	14 983
Participants' Takaful Fund	–	21 726	21 726
	14 983	21 726	36 709
Definition of cash			
Cash for the purposes of the statement of cash flows consists of:			
Cash and other equivalents	25	621	646
Current and other accounts	19 722	161 612	181 334
Deposits maturing within 12 months	20 000	15 000	35 000
	39 747	177 233	216 980

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

TAHER G. SACHAK
Director

MAHMOOD LOTIA
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

RAFIQUE R. BHIMJEE
Director
Chairman of the Meeting
Karachi 23 April 2016

EFU General Insurance Ltd. – Window Takaful Operations
Condensed Interim Statement of Contributions
For the three months period ended 31 March 2016 (Unaudited)

Rupees '000

Class	2016								
	Contribution				Retakaful				Net contribution revenue
	Written	Unearned contribution reserve		Earned	Retakaful ceded	Prepaid retakaful contribution ceded		Retakaful expense	
	Opening	Closing			Opening	Closing		2016	
Direct and facultative									
Fire and property damage	14 027	29 414	31 254	12 187	12 480	26 530	28 001	11 009	1 178
Marine, aviation and transport	2 137	853	1 681	1 309	1 815	712	1 443	1 084	225
Motor	232 749	98 541	270 173	61 117	7 902	–	–	7 902	53 215
Miscellaneous	26 398	20 094	35 732	10 760	11 715	13 146	20 049	4 812	5 948
Total	275 311	148 902	338 840	85 373	33 912	40 388	49 493	24 807	60 566
Treaty - proportional	–	–	–	–	–	–	–	–	–
Grand total	275 311	148 902	338 840	85 373	33 912	40 388	49 493	24 807	60 566

Note: Contributions written includes administrative surcharge of Rs. 74 million.

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

TAHER G. SACHAK
Director

MAHMOOD LOTIA
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

RAFIQUE R. BHIMJEE
Director
Chairman of the Meeting
Karachi 23 April 2016

EFU General Insurance Ltd. – Window Takaful Operations
Condensed Interim Statement of Claims
For the three months period ended 31 March 2016 (Unaudited)

Rupees '000

Class	2016								Net claims expense 2016
	Claims				Retakaful				
	Paid	Outstanding		Claims expense	Retakaful and other recoveries received	Retakaful and other recoveries in respect of outstanding claims		Retakaful and other recoveries revenue	
	Opening	Closing			Opening	Closing			
Direct and facultative									
Fire and property damage	4 060	11 363	11 118	3 815	3 654	10 226	10 007	3 435	380
Marine, aviation and transport	25	25	574	574	22	23	517	516	58
Motor	6 223	7 755	18 475	16 943	649	646	979	982	15 961
Miscellaneous	65	224	10 852	10 693	10	–	10 173	10 183	510
Total	10 373	19 367	41 019	32 025	4 335	10 895	21 676	15 116	16 909
Treaty - proportional	–	–	–	–	–	–	–	–	–
Grand total	10 373	19 367	41 019	32 025	4 335	10 895	21 676	15 116	16 909

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

TAHER G. SACHAK
Director

MAHMOOD LOTIA
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

RAFIQUE R. BHIMJEE
Director
Chairman of the Meeting
Karachi 23 April 2016

EFU General Insurance Ltd. – Window Takaful Operations
 Condensed Interim Statement of Expenses - OPF
 For the three months period ended 31 March 2016 (Unaudited)

Rupees '000

Class	2016					Net OPF expenses 2016
	Paid or payable	Commission		Net expense	Other management expenses	
		Opening	Closing			
Direct and facultative						
Fire and property damage	1 898	3 680	4 109	1 469	116	1 585
Marine, aviation and transport	311	234	247	298	18	316
Motor	10 762	5 205	13 171	2 796	1 920	4 716
Miscellaneous	1 330	1 037	1 817	550	218	768
Total	14 301	10 156	19 344	5 113	2 272	7 385
Treaty - proportional	-	-	-	-	-	-
Grand total	14 301	10 156	19 344	5 113	2 272	7 385

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

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 Chairman of the Meeting
 Karachi 23 April 2016

EFU General Insurance Ltd. – Window Takaful Operations
 Condensed Interim Statement of Expenses - PTF
 For the three months period ended 31 March 2016 (Unaudited)

Rupees '000

Class	2016						Net PTF expenses 2016
	Gross wakala fee	Deferred wakala fee		Net expense	PTF Direct expense	Rebate from retakaful operators	
		Opening	Closing				
Direct and facultative							
Fire and property damage	3 507	7 381	7 814	3 074	–	2 449	625
Marine, aviation and transport	748	298	588	458	–	244	214
Motor	46 358	38 271	67 313	17 316	1 823	–	19 139
Miscellaneous	6 599	5 030	8 933	2 696	–	89	2 607
Total	57 212	50 980	84 648	23 544	1 823	2 782	22 585
Treaty - proportional	–	–	–	–	–	–	–
Grand total	57 212	50 980	84 648	23 544	1 823	2 782	22 585

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

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

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 Chairman of the Meeting
 Karachi 23 April 2016

EFU General Insurance Ltd. – Window Takaful Operations

Notes to the Condensed Interim Financial Statements

For the three months period ended 31 March 2016 (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.

2.1 Statement of compliance

These condensed interim financial statements of the WTO for the three months period ended 31 March 2016 have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012. In case where requirements differ, the provisions or directives of the Companies Ordinance, 1984, Insurance Ordinance, 2000, the SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012 shall prevail.

2.2. 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 Operator's annual financial statements for the year ended 31 December 2015.

3. Significant accounting policies

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as describe below:

3.1 New / Revised Standards, Interpretations and Amendments

The Operator has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current period:

IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates - Investment Entities: Applying the Consolidation Exception (Amendment)

IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)

IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)

IAS 16 – Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

IAS 16 – Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)

IAS 27 – Separate Financial Statements - Equity Method in Separate Financial Statements (Amendment)

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any effect on the financial statements.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in September 2014 which are effective for current period. Such improvements to the standards did not have any impact on the Operator's financial statements.

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 Operator'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 2015.

5. Management of takaful and financial risk

Takaful and financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2015.

6. Investments

6.1 Investments - OPF

Rupees '000

	Note	31 March 2016 (Unaudited)	31 December 2015 (Audited)
Available for sale	6.1.1 & 6.1.2		
Mutual funds		30 000	–
		<u>30 000</u>	<u>–</u>

6.1.1 The market value of available for sale investments as on 31 March 2016 was Rs. 30.213 million (31 December 2015: NIL).

6.1.2 As per the Operator's accounting policy, available for sale investments are stated at lower of cost or market value. However, IAS 39 - Financial Instruments: Recognition and Measurement, requires that these instruments should be measured at their fair value. Accordingly, had these investments been measured at fair value, their carrying value as on 31 March 2016 would have been higher by Rs. 0.213 million (31 December 2015: NIL).

6.2 Investments - PTF

Rupees '000

	Note	31 March 2016 (Unaudited)	31 December 2015 (Audited)
Available for sale	6.2.1 & 6.2.2		
Mutual funds		22 500	–
		<u>22 500</u>	<u>–</u>

6.2.1 The market value of available for sale investments as on 31 March 2016 was Rs. 22.607 million (31 December 2015: NIL).

6.2.2 As per the Operator's accounting policy, available for sale investments are stated at lower of cost or market value. However, IAS 39 - Financial Instruments: Recognition and Measurement, requires that these instruments should be measured at their fair value. Accordingly, had these investments been measured at fair value, their carrying value as on 31 March 2016 would have been higher by Rs. 0.107 million (31 December 2015: NIL).

7. Fixed assets - tangible

The details of additions and disposals during the three months period ended 31 March 2016 are as follows:

7.1 Fixed assets - OPF

Rupees '000

	31 March 2016	
	Additions (at cost) (Unaudited)	Disposals (at net book value) (Unaudited)
Tangibles		
Computers	110	-
Vehicles	1 111	-
	<u>1 221</u>	<u>-</u>

7.2 Fixed assets - PTF

Rupees '000

	31 March 2016	
	Additions (at cost) (Unaudited)	Disposals (at net book value) (Unaudited)
Tangibles		
Office equipments	51 316	-
	<u>51 316</u>	<u>-</u>

8. Operating segment

8.1 Operator's Fund

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Treaty		Total	
	2016 (Unaudited)	2015 (Audited)	2016 (Unaudited)	2015 (Audited)	2016 (Unaudited)	2015 (Audited)	2016 (Unaudited)	2015 (Audited)	2016 (Unaudited)	2015 (Audited)	2016 (Unaudited)	2015 (Audited)
Corporate segment assets	8 137	8 801	786	823	41 573	32 674	9 454	2 269	-	-	59 950	44 567
Corporate unallocated assets											102 009	61 363
Total assets											<u>161 959</u>	<u>105 930</u>
Corporate segment liabilities	10 921	10 147	1 042	561	76 770	42 597	10 516	5 320	-	-	99 249	58 625
Corporate unallocated liabilities											854	432
Total liabilities											<u>100 103</u>	<u>59 057</u>
Capital expenditures											1 221	-
Segment depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated depreciation											174	-
Total depreciation											<u>174</u>	<u>-</u>

8.2 Participants' Takaful Fund

Rupees '000

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Treaty		Total	
	2016 (Unaudited)	2015 (Audited)	2016 (Unaudited)	2015 (Audited)	2016 (Unaudited)	2015 (Audited)	2016 (Unaudited)	2015 (Audited)	2016 (Unaudited)	2015 (Audited)	2016 (Unaudited)	2015 (Audited)
Corporate segment assets	65 096	62 611	4 907	2 814	142 666	104 031	65 456	23 345	-	-	278 125	192 801
Corporate unallocated assets											254 866	81 833
Total assets											532 991	274 634
Corporate segment liabilities	66 529	81 006	5 710	3 951	327 388	137 311	62 132	30 696	-	-	461 759	252 964
Corporate unallocated liabilities											12 882	10 046
Total liabilities											474 641	263 010
Capital expenditures											51 316	-
Segment depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated depreciation											1 529	-
Total depreciation											1 529	-

9. 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

	31 March 2016 (Unaudited)
Transactions	
Key management personnel	
Contributions written	40
Claim paid	54

10. General

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

11. Date of authorisation for issue of financial statements

These condensed interim financial statements were authorised for issue by the Board of Directors in the meeting held on 23 April 2016.

TAHER G. SACHAK
Director


MAHMOOD LOTIA
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

RAFIQUE R. BHIMJEE
Director
Chairman of the Meeting
Karachi 23 April 2016



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