



GENERAL

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Report (Un-Audited)
Third Quarter 2017



Company Information

Chairman

Saifuddin N. Zoomkawala

Managing Director & Chief Executive

Hasanali Abdullah

Directors

Abdul Rehman Haji Habib
Muneer R. Bhimjee
Taher G. Sachak
Ali Raza Siddiqui
Mohammed Iqbal Mankani
Mahmood Lotia
Saad Ali Bhimjee

Chief Financial Officer & Corporate Secretary

Altaf Qamruddin Gokal, F.C.A.

Legal Advisor

Mohammad Ali Sayeed

Advisors

Salim Rafik Sidiki, B.A. (Hons), M.A.
S.C. (Hamid) Subjally
Syed Mehdi Imam, M.A.

Shari'ah Advisor

Mufti Muhammad Ibrahim Essa

Audit Committee

Muneer R. Bhimjee
Taher G. Sachak
Ali Raza Siddiqui
Mohammed Iqbal Mankani

Investment Committee

Saifuddin N. Zoomkawala
Hasanali Abdullah
Muneer R. Bhimjee
Altaf Qamruddin Gokal
Atif Anwar

Ethics, Human Resource & Remuneration Committee

Saifuddin N. Zoomkawala
Muneer R. Bhimjee
Hasanali Abdullah

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
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

Window Takaful Operations

5th Floor, EFU House
M. A. Jinnah Road
Karachi

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Directors' Review

We are pleased to present the unaudited financial statements for the nine months period ended 30 September 2017.

The Written Premium for the nine months period grew by 26 % to Rs. 16,459 million (including Takaful Contribution of Rs. 1,183 million) as against Rs. 13,069 million (including Takaful Contribution of Rs. 845 million) for corresponding period of last year. The Net Premium Revenue for the nine months period (including Takaful Net Contribution Revenue) was Rs. 6,745 million as against Rs. 6,011 million for the corresponding period of last year. The overall Claims ratio to Net Premium Revenue remained constant as compared to the corresponding period of last year at 38%. The underwriting profit for the nine months period was Rs. 1,504 million as compared to Rs. 1,492 million in corresponding period of last year.

The after tax profit for the nine months period was Rs. 1,863 million compared to Rs. 1,724 million in the corresponding period last year.

The earnings per share for the period were Rs. 9.31 against Rs. 8.62 in the corresponding period of last year.

Your Directors have pleasure in declaring third interim cash dividend of Rs. 1.25 (12.5%) per share for the period ended 30 September 2017.

The total Market value of Properties, Equity (including investment in associate), Fixed Income securities and Cash and Bank Balances as at 30 September 2017 stood at Rs. 31,275 million as compared to Rs. 29,041 million as on 31 December 2016.

We are hopeful to deliver sustainable, profitable growth in a challenging and competitive business environment in order to maintain leading position in the industry.

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

MUNEER R. BHIMJEE
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2017

ڈائریکٹرز ریویو

(یہ انگریزی ڈائریکٹرز ریویو کا ترجمہ ہے)

ہم بمسرت آپ کی خدمت میں ۳۰ ستمبر ۲۰۱۷ء کو ختم ہونے والے نو ماہ کی مدت کے لئے غیر آڈٹ شدہ مالیاتی حسابات پیش کرتے ہیں۔

اس نو ماہ کی مدت کے دوران تحریری پریمیم ۲۶ فیصد اضافہ کے ساتھ ۱۶،۴۵۹ ملین روپے رہا (بشمول تکافل کنٹر پیوشن ۱،۱۸۳ ملین روپے)، جبکہ گزشتہ سال اسی مدت میں ۱۳،۰۶۹ ملین روپے (بشمول تکافل کنٹر پیوشن ۸۴۵ ملین روپے) تھا۔ اس نو ماہ کی مدت کے دوران خالص پریمیم آمدن (بشمول خالص تکافل کنٹر پیوشن) ۶،۷۴۵ ملین روپے رہے، جبکہ گزشتہ سال اسی مدت میں ۶،۰۱۱ ملین روپے تھا۔ مجموعی کلیمز اور خالص پریمیم آمدن گزشتہ سال کی اسی مدت کے مقابلے میں ۳۸ فیصد پر برقرار رہا۔ اسی نو ماہ کی مدت کے دوران انڈر رائٹنگ سے کل منافع ۵۰۴،۵۰۴ ملین روپے رہا۔ جبکہ گزشتہ سال اسی مدت میں یہ رقم ۴۹۲،۴۹۲ ملین روپے تھی۔ اس نو ماہ کی مدت کے لئے بعد از ٹیکس منافع ۸۶۳،۸۶۳ ملین روپے رہا، جبکہ گزشتہ سال اسی مدت میں ۷۲۲،۷۲۲ ملین روپے تھا۔

اس مدت کے لئے آمدنی فی شیئر ۳۱ روپے رہی جبکہ گزشتہ سال اسی مدت کے دوران ۲۲ روپے تھی۔

آپ کے ڈائریکٹرز ۳۰ ستمبر ۲۰۱۷ء کو ختم ہونے والی مدت کے لئے بمسرت ۱۷،۲۵۵ روپے (۱۲۶۵ فیصد) فی شیئر کے حساب سے تیسرا عبوری نقد منافع منقسمہ کا اعلان کرتے ہیں۔

۳۰ ستمبر ۲۰۱۷ء کو کمپنی کی ملکیتی جائیداد، ایکویٹی، (بشمول ایسوسی ایٹ میں سرمایہ کاری)، فکسڈ انکم سیکیورٹیز، نقد رقم اور بینک بیلنسز کی کل مارکیٹ ویلیو ۳۱،۲۷۵،۲۷۵ ملین روپے رہے، جبکہ گزشتہ سال ۳۱ دسمبر ۲۰۱۶ء اسی مدت میں ۲۹،۰۴۱،۰۴۱ ملین روپے تھا۔

ہمیں امید ہے کہ ہم کاروبار کے اس چیلنج اور مسابقتی ماحول میں مستقل اور منافع بخش ترقی کی راہ پر گامزن رہیں گے تاکہ صنعت میں اپنی مرکزی حیثیت برقرار رکھ سکیں۔

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

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

سیف الدین این۔ زومکا والا
چیرمین

حسن علی عبداللہ
چیئنگ ڈائریکٹر و چیف ایگزیکٹو

منیر آر۔ بھیم جی
ڈائریکٹر

طاہر جی۔ ساچک
ڈائریکٹر

کراچی ۲۸ اکتوبر ۲۰۱۷ء

Condensed Interim Balance Sheet As at 30 September 2017 (Unaudited)

	Note	30 September 2017 (Unaudited)	31 December 2016 (Audited)
Share capital and reserves			
Authorised share capital			
200 000 000 (2016: 200 000 000) ordinary shares of Rs. 10 each		2 000 000	2 000 000
Issued, subscribed and paid-up share capital		2 000 000	2 000 000
Reserves and retained earnings	5	14 863 970	14 901 071
		16 863 970	16 901 071
Underwriting provisions			
Provision for outstanding claims (including IBNR)		6 299 152	5 415 030
Provision for unearned premium		9 672 303	7 388 680
Commission income unearned		497 414	343 977
Total underwriting provisions		16 468 869	13 147 687
Deferred liabilities			
Deferred taxation		330 198	380 062
Creditors and accruals			
Premiums received in advance		21 577	4 597
Amounts due to other insurers / reinsurers		4 816 290	3 584 545
Accrued expenses		193 226	235 112
Agent balances		733 876	573 490
Unearned rentals		31 082	55 642
Taxation - provision less payments		187 476	208 186
Other creditors and accruals		159 179	237 785
		6 142 706	4 899 357
Other liabilities			
Other deposits		585 093	583 291
Unclaimed dividends		179 398	159 020
		764 491	742 311
Total liabilities		23 706 264	19 169 417
Total equity and liabilities		40 570 234	36 070 488
Total liabilities of takaful operations - OPF		241 872	133 715
Total equity and liabilities		40 812 106	36 204 203
Contingencies	6		

Rupees '000

	Note	30 September 2017 (Unaudited)	31 December 2016 (Audited)
Cash and bank deposits			
Cash and other equivalents		7 156	7 730
Current and other accounts		1 302 351	1 187 856
Deposits maturing within 12 months		512 452	671 880
		1 821 959	1 867 466
Loans - secured considered good			
To employees		3 588	2 258
Investments	7	22 383 091	20 336 529
Investment properties		155 437	174 081
Current assets - others			
Premiums due but unpaid - net	8	3 599 268	3 980 010
Amounts due from other insurers / reinsurers		19 500	17 862
Salvage recoveries accrued		71 359	36 627
Accrued investment income		53 669	173 970
Reinsurance recoveries against outstanding claims		4 186 575	3 424 617
Deferred commission expense		883 224	564 645
Prepayments		5 970 432	4 207 314
Security deposits		7 480	8 758
Sundry receivables		76 728	57 802
		14 868 235	12 471 605
Fixed assets - tangible and intangible	9		
Buildings		446 935	416 045
Furniture, fixtures and office equipments		276 794	299 653
Vehicles		264 223	231 276
Motor tracking devices		177 280	135 187
Capital work-in-progress		-	2 750
		1 165 232	1 084 911
Total assets		40 397 542	35 936 850
Total assets of takaful operations - OPF		414 564	267 353
Total assets		40 812 106	36 204 203

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

TAHER G. SACHAK
Director

MUNEER R. BHIMJEE
Director

ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2017

Condensed Interim Profit and Loss Account For the nine months period ended 30 September 2017 (Unaudited)

Rupees '000

Note	Three months period ended 30 September					Aggregate 2017	Aggregate 2016
	Fire & property damage	Marine, aviation & transport	Motor	Others	Treaty		
Revenue account							
	847 428	364 052	861 285	154 756	–	2 227 521	1 886 706
	(178 841)	(187 240)	(405 257)	(64 380)	–	(835 718)	(569 580)
	(224 278)	(86 562)	(230 950)	(40 725)	–	(582 515)	(516 270)
	(41 637)	(58 976)	(71 746)	19 733	–	(152 626)	(92 644)
	<u>402 672</u>	<u>31 274</u>	<u>153 332</u>	<u>69 384</u>	<u>–</u>	<u>656 662</u>	<u>708 212</u>
Underwriting result							
						123 527	225 446
						37 167	35 393
						24 206	16 187
						7 520	1 732
						179 225	172 314
						(23 188)	(84 815)
						<u>348 457</u>	<u>366 257</u>
Profit / (loss) before tax from takaful operations - OPF	10					8 450	9 697
Profit before tax						<u>1 013 569</u>	<u>1 084 166</u>
Provision for taxation	11					<u>(269 238)</u>	<u>(331 706)</u>
Profit after tax						<u>744 331</u>	<u>752 460</u>
Earnings per share - basic and diluted					(Rupees)	<u>3.72</u>	<u>3.76</u>
Nine months period ended 30 September							
Revenue account							
	1 836 533	1 103 476	2 564 628	479 592	–	5 984 229	5 647 654
	(470 529)	(402 074)	(1 271 703)	(152 391)	–	(2 296 697)	(2 146 717)
	(546 234)	(301 863)	(762 780)	(141 785)	–	(1 752 662)	(1 614 325)
	(110 065)	(169 976)	(213 959)	63 367	–	(430 633)	(394 377)
	<u>709 705</u>	<u>229 563</u>	<u>316 186</u>	<u>248 783</u>	<u>–</u>	<u>1 504 237</u>	<u>1 492 235</u>
Underwriting result							
						591 872	815 826
						106 380	104 125
						63 480	47 755
						29 857	12 730
						512 673	465 882
						(88 874)	(176 839)
						<u>1 215 388</u>	<u>1 269 479</u>
Profit / (loss) before tax from takaful operations - OPF	10					27 061	197
Profit before tax						<u>2 746 686</u>	<u>2 761 911</u>
Provision for taxation	11					<u>(883 787)</u>	<u>(1 037 411)</u>
Profit after tax						<u>1 862 899</u>	<u>1 724 500</u>
Profit and loss appropriation account							
Balance at commencement of the period						2 388 169	3 734 110
Profit after tax						1 862 899	1 724 500
Issuance of bonus shares						–	(400 000)
Final dividend for the year 2016 Rs. 7.00 (70%) per share (2015: Rs. 7.50 (75%) per share)						(1 400 000)	(720 000)
1st Interim dividend for the year 2017 Rs. 1.25 (12.5%) per share (2016: Re. 1.00 (10%) per share)						(250 000)	(200 000)
2nd Interim dividend for the year 2017 Rs. 1.25 (12.5%) per share (2016: Re. 1.00 (10%) per share)						(250 000)	(200 000)
Transfers to general reserve						(500 000)	(2 000 000)
						<u>1 851 068</u>	<u>1 938 610</u>
Balance unappropriated profit at end of the period						<u>1 851 068</u>	<u>1 938 610</u>
Earnings per share - basic and diluted					(Rupees)	<u>9.31</u>	<u>8.62</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

TAHER G. SACHAK	MUNEER R. BHIMJEE	ALTAZ GOKAL	HASANALI ABDULLAH	SAIFUDDIN N. ZOOMKAWALA
Director	Director	Chief Financial Officer & Corporate Secretary	Managing Director & Chief Executive	Chairman

Condensed Interim Statement of Comprehensive Income
For the nine months period ended 30 September 2017 (Unaudited)

Rupees '000

	Three months period ended 30 September		Nine months period ended 30 September	
	2017	2016	2017	2016
Profit after tax	744 331	752 460	1 862 899	1 724 500
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>744 331</u>	<u>752 460</u>	<u>1 862 899</u>	<u>1 724 500</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

TAHER G. SACHAK
Director

MUNEER R. BHIMJEE
Director

ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2017

Condensed Interim Statement of Changes in Equity For the nine months period ended 30 September 2017 (Unaudited)

Rupees '000

	Share capital	General reserve	Reserve for exceptional losses	Unappropriated profit	Total
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 30 September 2016					
Profit after tax	–	–	–	1 724 500	1 724 500
Transactions with owners, recorded directly in equity					
Issuance of bonus share for the year 2015 at the rate of Rs. 2.50 (25%) per share	400 000	–	–	(400 000)	–
Final dividend for the year 2015 at the rate of Rs. 7.50 (75%) per share	–	–	–	(720 000)	(720 000)
1st Interim dividend paid for the year 2016 at the rate of Re. 1.00 (10%) per share	–	–	–	(200 000)	(200 000)
2nd Interim dividend paid for the year 2016 at the rate of Re. 1.00 (10%) per share	–	–	–	(200 000)	(200 000)
Other transfer within equity					
Transfer to general reserve	–	2 000 000	–	(2 000 000)	–
Balance as at 30 September 2016	<u>2 000 000</u>	<u>12 500 000</u>	<u>12 902</u>	<u>1 938 610</u>	<u>16 451 512</u>
Balance as at 1 January 2017	2 000 000	12 500 000	12 902	2 388 169	16 901 071
Total comprehensive income for the period ended 30 September 2017					
Profit after tax	–	–	–	1 862 899	1 862 899
Transactions with owners, recorded directly in equity					
Final dividend for the year 2016 at the rate of Rs. 7.00 (70%) per share	–	–	–	(1 400 000)	(1 400 000)
1st Interim dividend paid for the year 2017 at the rate of Rs. 1.25 (12.5%) per share	–	–	–	(250 000)	(250 000)
2nd Interim dividend paid for the year 2017 at the rate of Rs. 1.25 (12.5%) per share	–	–	–	(250 000)	(250 000)
Other transfer within equity					
Transfer to general reserve	–	500 000	–	(500 000)	–
Balance as at 30 September 2017	<u>2 000 000</u>	<u>13 000 000</u>	<u>12 902</u>	<u>1 851 068</u>	<u>16 863 970</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

TAHER G. SACHAK
Director

MUNEER R. BHIMJEE
Director

ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2017

Condensed Interim Statement of Cash Flows For the nine months period ended 30 September 2017 (Unaudited)

Rupees '000

	2017	2016
Operating activities		
a) Underwriting activities		
Premiums received	15 674 342	10 979 101
Reinsurance premiums paid	(7 479 317)	(5 821 519)
Claims paid	(3 740 903)	(3 146 260)
Reinsurance and other recoveries received	1 530 000	1 015 162
Commissions paid	(1 277 904)	(968 058)
Commissions received	842 514	631 565
Management expenses paid	(1 615 553)	(1 460 729)
Net cash inflow from underwriting activities	3 933 179	1 229 262
b) Other operating activities		
Income tax paid	(954 361)	(696 063)
General and administration expenses	(34 906)	(129 387)
Other operating payments	(91 053)	(112 853)
Other operating receipts	(76 737)	119 999
Loans advanced	(4 635)	(1 807)
Loans repayments received	3 305	1 539
Net cash outflow from other operating activities	(1 158 387)	(818 572)
Total cash inflow from all operating activities	2 774 792	410 690
Investment activities		
Profit / return received	540 411	296 589
Dividends received	781 694	614 439
Rentals received	47 083	64 767
Payments for investments	(9 925 403)	(9 693 905)
Proceeds from disposal of investments	7 846 264	9 427 790
Fixed capital expenditures	(263 255)	(149 570)
Proceeds from disposal of fixed assets	32 530	14 284
Total cash (outflow) / inflow from investing activities	(940 676)	574 394
Financing activities		
Dividend paid	(1 879 622)	(1 098 509)
Net cash outflow from all activities	(45 506)	(113 425)
Cash and cash equivalents at beginning of the period	1 867 465	1 748 996
Cash and cash equivalents at end of the period	1 821 959	1 635 571
Reconciliation to profit and loss account		
Operating cash flows	2 774 792	410 690
Depreciation / amortisation expense	(179 160)	(181 966)
Rentals and investment Income	644 448	891 328
Profit on deposits	63 480	47 755
Other Income	30 381	12 794
Share of profit of associate	512 673	465 882
Increase in assets other than cash	2 530 842	2 529 839
(Increase) in liabilities other than running finance	(4 541 618)	(2 452 019)
Profit after tax from conventional insurance operations	1 835 838	1 724 303
Profit from takaful operations - OPF	27 061	197
Profit after tax at the end of the period	1 862 899	1 724 500
Definition of cash		
Cash for the purposes of the statement of cash flows consists of:		
Cash and other equivalents	7 156	6 360
Current and other accounts	1 302 351	1 167 762
Deposits maturing within 12 months	512 452	461 449
	1 821 959	1 635 571

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

TAHER G. SACHAK Director	MUNEER R. BHIMJEE Director	ALTAF GOKAL Chief Financial Officer & Corporate Secretary	HASANALI ABDULLAH Managing Director & Chief Executive	SAIFUDDIN N. ZOOMKAWALA Chairman
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Karachi 28 October 2017

Condensed Interim Statement of Premiums For the nine months period ended 30 September 2017 (Unaudited)

Rupees '000

Class	Three months period ended 30 September								Net premium revenue 2017	Net premium revenue 2016
	Premiums				Reinsurance					
	Written	Unearned premium reserve		Earned	Reinsurance ceded	Prepaid reinsurance premium ceded		Reinsurance expense		
		Opening	Closing			Opening	Closing			
Direct and facultative										
Fire and property damage	4 108 446	5 173 561	6 406 677	2 875 330	2 781 230	4 246 762	5 000 090	2 027 902	847 428	507 261
Marine, aviation and transport	569 790	758 380	775 749	552 421	202 201	439 518	453 350	188 369	364 052	406 304
Motor	1 052 663	1 599 110	1 785 511	866 262	4 977	-	-	4 977	861 285	830 243
Miscellaneous	361 058	689 892	704 366	346 584	201 528	390 827	400 527	191 828	154 756	142 898
Total	6 091 957	8 220 943	9 672 303	4 640 597	3 189 936	5 077 107	5 853 967	2 413 076	2 227 521	1 886 706
Treaty - proportional	-	-	-	-	-	-	-	-	-	-
Grand total	6 091 957	8 220 943	9 672 303	4 640 597	3 189 936	5 077 107	5 853 967	2 413 076	2 227 521	1 886 706

Nine months period ended 30 September										
Direct and facultative										
Fire and property damage	9 467 598	4 679 957	6 406 677	7 740 878	7 301 512	3 602 923	5 000 090	5 904 345	1 836 533	1 493 084
Marine, aviation and transport	1 872 184	529 897	775 749	1 626 332	755 756	220 450	453 350	522 856	1 103 476	1 248 443
Motor	2 782 227	1 581 063	1 785 511	2 577 779	13 151	-	-	13 151	2 564 628	2 476 917
Miscellaneous	1 154 612	597 763	704 366	1 048 009	640 643	328 301	400 527	568 417	479 592	429 210
Total	15 276 621	7 388 680	9 672 303	12 992 998	8 711 062	4 151 674	5 853 967	7 008 769	5 984 229	5 647 654
Treaty - proportional	-	-	-	-	-	-	-	-	-	-
Grand total	15 276 621	7 388 680	9 672 303	12 992 998	8 711 062	4 151 674	5 853 967	7 008 769	5 984 229	5 647 654

Note: Premiums written includes administrative surcharge of Rs. 373 million (30 Septmeber 2016: Rs. 335 million).

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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MUNEER R. BHIMJEE
Director

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Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2017

Condensed Interim Statement of Claims For the nine months period ended 30 September 2017 (Unaudited)

Rupees '000

Class	Three months period ended 30 September										
	Claims				Reinsurance					Net claims expense 2017	Net claims expense 2016
	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	502 528	3 905 069	4 043 755	641 214	359 586	3 256 846	3 359 633	462 373	178 841	119 684	
Marine, aviation and transport	165 903	737 193	797 653	226 363	7 064	305 639	337 698	39 123	187 240	83 498	
Motor	401 588	825 618	829 298	405 268	11	3 800	3 800	11	405 257	307 642	
Miscellaneous	84 672	588 635	628 446	124 483	38 326	463 667	485 444	60 103	64 380	58 756	
Total	1 154 691	6 056 515	6 299 152	1 397 328	404 987	4 029 952	4 186 575	561 610	835 718	569 580	
Treaty - proportional	-	-	-	-	-	-	-	-	-	-	
Grand total	1 154 691	6 056 515	6 299 152	1 397 328	404 987	4 029 952	4 186 575	561 610	835 718	569 580	
	Nine months period ended 30 September										
Direct and facultative											
Fire and property damage	1 667 911	3 179 851	4 043 755	2 531 815	1 282 465	2 580 812	3 359 633	2 061 286	470 529	276 039	
Marine, aviation and transport	508 858	852 211	797 653	454 300	118 666	404 138	337 698	52 226	402 074	388 210	
Motor	1 267 432	825 109	829 298	1 271 621	(82)	3 800	3 800	(82)	1 271 703	1 316 124	
Miscellaneous	261 971	557 859	628 446	332 558	130 590	435 867	485 444	180 167	152 391	166 344	
Total	3 706 172	5 415 030	6 299 152	4 590 294	1 531 639	3 424 617	4 186 575	2 293 597	2 296 697	2 146 717	
Treaty - proportional	-	-	-	-	-	-	-	-	-	-	
Grand total	3 706 172	5 415 030	6 299 152	4 590 294	1 531 639	3 424 617	4 186 575	2 293 597	2 296 697	2 146 717	

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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Karachi 28 October 2017

Condensed Interim Statement of Expenses For the nine months period ended 30 September 2017 (Unaudited)

Rupees '000

Class	Three months period ended 30 September							Net	Net	
	Paid or payable	Commission		Net expense	Other management expenses	Underwriting expenses	Commission from reinsurers	underwriting expenses	underwriting expenses	
		Opening	Closing					2017	2016	
Direct and facultative										
Fire and property damage	401 917	444 192	603 365	242 744	224 278	467 022	201 107	265 915	137 991	
Marine, aviation and transport	75 683	60 851	71 947	64 587	86 562	151 149	5 611	145 538	158 836	
Motor	97 533	126 152	151 939	71 746	230 950	302 696	-	302 696	292 915	
Miscellaneous	29 476	53 727	55 973	27 230	40 725	67 955	46 963	20 992	19 172	
Total	604 609	684 922	883 224	406 307	582 515	988 822	253 681	735 141	608 914	
Treaty - proportional	-	-	-	-	-	-	-	-	-	
Grand total	604 609	684 922	883 224	406 307	582 515	988 822	253 681	735 141	608 914	
	Nine months period ended 30 September									
Direct and facultative										
Fire and property damage	900 118	333 386	603 365	630 139	546 234	1 176 373	520 074	656 299	536 024	
Marine, aviation and transport	213 257	51 549	71 947	192 859	301 863	494 722	22 883	471 839	518 114	
Motor	231 744	134 154	151 939	213 959	762 780	976 739	-	976 739	900 609	
Miscellaneous	93 171	45 556	55 973	82 754	141 785	224 539	146 121	78 418	53 955	
Total	1 438 290	564 645	883 224	1 119 711	1 752 662	2 872 373	689 078	2 183 295	2 008 702	
Treaty - proportional	-	-	-	-	-	-	-	-	-	
Grand total	1 438 290	564 645	883 224	1 119 711	1 752 662	2 872 373	689 078	2 183 295	2 008 702	

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

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Karachi 28 October 2017

Condensed Interim Statement of Investment Income For the nine months period ended 30 September 2017 (Unaudited)

Rupees '000

	Three months period ended 30 September		Nine months period ended 30 September	
	2017	2016	2017	2016
Income from non - trading investments				
Return on government securities	122 997	113 114	372 975	275 645
Return on other fixed income securities and deposits	-	-	-	500
Amortisation of (premium) / discount relative to par	(13 750)	(5 427)	(28 725)	2 096
Dividend income	21 814	55 219	169 073	172 833
(Loss) / gain on sale of non - trading investments - net	(15 779)	47 931	100 354	353 272
	115 282	210 837	613 677	804 346
Reversal / (provision) for impairment - available for sale investments - net	8 465	15 052	(20 770)	12 756
Investment related expenses	(220)	(443)	(1 035)	(1 276)
Net investment income	<u>123 527</u>	<u>225 446</u>	<u>591 872</u>	<u>815 826</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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Karachi 28 October 2017

Notes to the Condensed Interim Financial Statements

For the nine months period ended 30 September 2017 (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 (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan.

2. Statement of compliance

- 2.1 These condensed interim financial statements of the Company for the nine months period ended 30 September 2017 have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and 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 issued under the Companies Ordinance, 1984, Insurance Ordinance, 2000, SEC (Insurance) Rules, 2002 and SECP Takaful Rules, 2012 have been followed.

During the period, Securities and Exchange Commission of Pakistan (SECP) has issued Insurance Accounting Regulations, 2017, which were applicable with effect from 9 February 2017. However, the Company applied for the extension relating to the applicability of the said regulations for preparation of the condensed interim financial statements for the period ended 30 September 2017 and financial statements for the year ended 31 December 2017 which was allowed by SECP vide letter ID/OSM/EFU/2017/12093, dated 27 September 2017. Hence, the condensed interim financial statements for the period ended 30 September 2017 are prepared in accordance with the requirements of SEC (Insurance) Rules, 2002.

Major impact in accordance with the format prescribed by SEC Insurance Rules, 2017 is on presentation and disclosure of financial statements as per Annexure II of SEC Insurance Rules, 2017 and on valuation of available-for-sale investments the impact of which has been disclosed in note 7.3.

- 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 2016.
- 2.3 Separate set of condensed interim financial statements of the General Takaful Operations has been annexed to these condensed interim financial statements as per the requirements of the Takaful Rules, 2012.
- 2.4 Total assets, total liabilities and profit / (loss) of the Window Takaful Operations of the Company referred to as the Operator's Fund has been presented in these condensed interim financial information as per the requirement of the SECP Takaful Rules, 2012.
- 2.5 The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the SECP vide circular no 23 dated 04 October 2017, these condensed interim financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

3. Significant accounting policies

- 3.1 The accounting policies and the methods of computation adopted by the Company in the preparation of this condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended 31 December 2016.
- 3.2 During the period certain standards became effective; however, they do not have material effect on these condensed interim financial statements of the Company.

4. Financial risk management / judgements and estimates

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended 31 December 2016.

The preparation of these condensed interim financial statements are in conformity with approved accounting standards which requires the management to make judgements, 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 judgements 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 2016.

5. Reserves and retained earnings

Rupees '000

	Note	30 September 2017 (Unaudited)	31 December 2016 (Audited)
General reserve		13 000 000	12 500 000
Reserve for exceptional losses	5.1	12 902	12 902
Retained earnings		1 851 068	2 388 169
		<u>14 863 970</u>	<u>14 901 071</u>

- 5.1 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.

6. Contingencies

- 6.1 The income tax assessment of the Company has been finalised up to tax year 2016.

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

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

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

The Department has filed appeal for tax year 2008 before Honourable High Court against order of Income Tax Appellate Tribunal (ITAT) in respect of tax on reinsurance premium. If the appeal is decided against the Company a tax liability of Rs. 5 million would be payable.

The Department has filed appeal for tax year 2014 before Income Tax Appellate Tribunal (ITAT) against order of Commissioner (Appeal) in respect of Dividend Income taxed at reduced rate. If the appeal is decided against the Company a tax liability of Rs. 15 million would be payable.

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

6.2 In 2014, 2015, 2016 and 2017, the Searle Company Limited issued bonus shares (453,612, 317,528, 484,839 and 234,877 shares respectively) after withholding 5 percent of bonus shares (22,680, 20,185, 35,864 and 19,223 shares respectively). In this regard, a constitutional petition had been filed by the Company in Sindh High Court challenging the applicability of withholding tax provision on bonus shares received by the Company. The Honourable High Court decided the case against the Company. Subsequently, the Company filed an appeal with a larger bench of the honourable Sindh High Court and in response; the Sindh High Court has suspended the earlier judgement until the next date of hearing, which has not yet been decided. Consequently, the Company has not paid / provided an amount of Rs. 29.28 million being withholding tax on bonus shares.

7. Investments

Rupees '000

	Note	30 September 2017 (Unaudited)	31 December 2016 (Audited)
Investment in associate - EFU Life Assurance Limited	7.1		
Opening balance		11 949 485	11 570 646
Purchases during the period		–	7 070
Share in profit		512 673	802 361
Dividend received		(624 835)	(430 592)
		11 837 323	11 949 485
Available for sale	7.1 & 7.3		
In related parties			
Mutual funds		150 000	175 000
Ordinary shares - net of provision		396 298	396 298
		546 298	571 298
Others			
Mutual funds		–	333 513
Ordinary shares - net of provision - quoted		2 096 588	2 290 723
Ordinary shares - net of provision - unquoted		10 500	–
Fixed income securities	7.2 & 7.3		
Government securities		7 892 382	5 191 510
Term finance certificates		44 118	44 118
		10 043 588	7 859 864
Net provision for impairment		(44 118)	(44 118)
		10 545 768	8 387 044
		22 383 091	20 336 529

7.1 The market value of investment in associate and available for sale investments as on 30 September 2017 was Rs. 11,075 million (31 December 2016: Rs. 9,285 million) and Rs. 15,248 million (31 December 2016: Rs. 14,758 million) respectively.

7.2 The fixed income securities includes Government Securities amounting to Rs. 221 million (31 December 2016: Rs. 221 million) deposited with the State Bank of Pakistan as required by section 29 of the Insurance Ordinance, 2000.

7.3 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 30 September 2017 would have been higher by Rs. 4,702 million (31 December 2016: higher by Rs. 6,371 million).

8. Premiums due but unpaid – net – unsecured

Rupees '000

	30 September 2017 (Unaudited)	31 December 2016 (Audited)
Considered good	3 599 268	3 980 010
Considered doubtful	27 336	27 100
	<u>3 626 604</u>	<u>4 007 110</u>
Provision for doubtful balances	(27 336)	(27 100)
	<u><u>3 599 268</u></u>	<u><u>3 980 010</u></u>

9. Fixed assets – tangible and intangible

The details of additions and disposals during the nine months period ended 30 September 2017 are as follows:

Rupees '000

	Additions (at cost)		Disposals (at net book value)	
	30 September 2017 (Unaudited)	30 September 2016 (Unaudited)	30 September 2017 (Unaudited)	30 September 2016 (Unaudited)
Tangible				
Buildings	55 207	29 564	–	–
Furniture and fixtures	15 036	10 540	–	34
Office equipments	5 467	11 764	–	931
Tracker equipments	74 921	36 340	–	–
Computers	7 006	7 984	–	–
Vehicles	108 052	49 419	3 353	762
	<u>265 689</u>	<u>145 611</u>	<u>3 353</u>	<u>1 727</u>

10. General takaful operations - OPF

	Three months period ended 30 September		Nine months period ended 30 September	
	2017	2016	2017	2016
Wakala fee	78 971	50 698	207 491	111 641
Management expenses	(46 746)	(6 793)	(122 017)	(67 196)
Commission expenses	(25 244)	(13 893)	(67 241)	(28 259)
Investment income	(249)	436	5 029	3 192
Profit on deposit	867	477	2 123	1 722
Mudarib's share of PTF profit on deposits	964	535	2 209	1 160
General and administration expenses	(113)	(21 763)	(533)	(22 063)
Profit for the period	<u>8 450</u>	<u>9 697</u>	<u>27 061</u>	<u>197</u>

11. Provision for taxation

Rupees '000

	Three months period ended 30 September		Nine months period ended 30 September	
	2017	2016	2017	2016
For the period				
Current	264 863	284 826	868 705	793 984
Prior year	(33 820)	4 621	64 946	73 563
Deferred	38 195	42 259	(49 864)	169 864
	<u>269 238</u>	<u>331 706</u>	<u>883 787</u>	<u>1 037 411</u>

12. Operating segments

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Treaty		Total	
	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)
Corporate segment assets-conventional	11 232 279	9 177 937	1 464 706	1 322 684	907 938	640 298	1 129 140	1 034 515	-	-	14 734 063	12 175 434
Corporate segment assets-Takaful OPF	32 086	15 751	4 942	3 148	146 750	73 668	20 782	4 632	-	-	204 560	97 199
Corporate unallocated assets-conventional											25 663 479	23 761 416
Corporate unallocated assets-Takaful OPF											210 004	170 154
Consolidated total assets											<u>40 812 106</u>	<u>36 204 203</u>
Corporate segment liabilities - conventional	15 323 025	11 382 450	2 153 296	1 794 889	2 713 507	2 490 835	2 435 877	2 225 437	-	-	22 625 705	17 893 611
Corporate segment liabilities-Takaful OPF	29 153	16 411	4 222	2 781	186 343	99 027	20 611	14 003	-	-	240 329	132 222
Corporate unallocated liabilities - conventional											1 080 559	1 275 806
Corporate unallocated liabilities-Takaful OPF											1 543	1 493
Consolidated total liabilities											<u>23 948 136</u>	<u>19 303 132</u>
Capital expenditures - conventional											263 255	149 570
Capital expenditures - Takaful OPF											21	1 366
Corporate segment depreciation - conventional	-	-	-	-	32 828	-	-	-	-	-	32 828	13 423
Unallocated depreciation - conventional											146 332	168 543
Unallocated depreciation - Takaful OPF											770	611
Total depreciation											<u>179 930</u>	<u>182 577</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	
	2017 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Unaudited)
Pakistan - Conventional	5 971 684	5 634 438	40 578 836	35 987 101	23 855 625	19 220 639	263 255	149 570
*EPZ - Conventional	12 545	13 216	233 270	217 102	92 511	82 493	-	-
Total	<u>5 984 229</u>	<u>5 647 654</u>	<u>40 812 106</u>	<u>36 204 203</u>	<u>23 948 136</u>	<u>19 303 132</u>	<u>263 255</u>	<u>149 570</u>

* This represents US Dollar equivalent in Pak Rupees

13. Related party transactions

Related parties comprise of directors, major shareholders, key management personnel, associated companies, entities with common directors and employee retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions except for compensation to key management personnel which are on employment terms. The transactions and balances with related parties other than those which have been specifically disclosed elsewhere in these condensed interim financial statements are as follows:

Rupees '000

	Three months period ended 30 September		Nine months period ended 30 September	
	2017	2016	2017	2016
13.1 Transactions				
Associated company				
Premiums written	53 712	4 582	192 416	23 758
Premiums paid	3 566	2 085	16 753	16 811
Claims paid	25 472	3 797	66 099	7 307
Dividends received	53 865	43 060	624 835	387 533
Dividends paid	34 112	13 626	213 310	76 306
Bonus shares issued - face value	-	-	-	27 252
Key management personnel				
Premiums written	456	204	1 011	581
Claims paid / (received)	-	(11)	202	86
Dividends paid	1 048	825	127 197	4 700
Bonus shares issued - face value	-	-	-	1 667
Compensation	51 454	50 863	136 578	127 932
Others				
Premiums written	1 282	48 372	12 871	108 783
Premiums paid / (refund)	295	(13)	17 557	14 411
Claims paid	-	21 124	2 479	37 386
Investments made	-	75 000	200 000	295 000
Investments sold	-	110 000	225 000	425 000
Dividends paid	127 197	108 641	967 168	613 567
Expenses paid	121	-	1 178	-
Bonus shares issued - face value	-	-	-	219 402
Bank deposits made	-	(25 000)	-	-
Brokerage paid	13	67	112	396
Employees' funds				
Contributions to provident fund	6 417	6 595	18 051	16 911
Contributions to gratuity fund	3 849	3 144	11 546	9 445
Contributions (released) / made - pension fund	301	(91)	904	(274)
Dividends paid	1 289	1 031	9 793	5 773
Bonus shares issued - face value	-	-	-	2 062

Rupees '000

	30 September 2017 (Unaudited)	31 December 2016 (Audited)
13.2 Balances		
Others		
Balances receivable	17 816	7 846
Balances payable	(422)	(316)
Deposits maturing within 12 months	179 000	229 000
Bank balances	150 586	259 753
Employees' funds receivable		
EFU gratuity fund	(13 324)	(1 849)
EFU pension fund	425	1 187

14. Fair value

14.1 IFRS 13 defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

14.2 All assets and liabilities for which fair value is measured or disclosed in the condensed interim financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Following are the assets where fair value is only disclosed and is different from their carrying value:

Rupees '000

	Nine months period ended 30 September 2017 (Unaudited)								
	Available for sale	Loan & Receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using			Total
						Level 1	Level 2	Level 3	
Financial assets not measured at fair value									
Cash and bank balances*	-	-	1 821 959	-	1 821 959	-	-	-	-
Loans to employees	-	3 588	-	-	3 588	-	-	-	-
Investments									
Investment in associate	11 837 323	-	-	-	11 837 323	11 074 654	-	-	11 074 654
Government Securities	7 892 382	-	-	-	7 892 382	-	7 892 595	-	7 892 595
Quoted equity securities / mutual funds	2 653 386	-	-	-	2 653 386	7 344 808	-	-	7 344 808
Unquoted equity shares*	10 500	-	-	-	10 500	-	-	-	-
Premiums due but unpaid*	-	3 599 268	-	-	3 599 268	-	-	-	-
Amount due from other insurers / reinsurers*	-	19 500	-	-	19 500	-	-	-	-
Accrued investment income*	-	53 669	-	-	53 669	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	4 186 575	-	-	4 186 575	-	-	-	-
Security deposits	-	7 480	-	-	7 480	-	-	-	-
Sundry receivables*	-	76 728	-	-	76 728	-	-	-	-
Total assets of Window Takaful Operations - Operator's Fund*	30 599	148 247	85 542	-	264 388	-	30 497	-	30 497
	22 424 190	8 095 055	1 907 501	-	32 426 746	18 419 462	7 923 092	-	26 342 554

Rupees '000

	Nine months period ended 30 September 2017 (Unaudited)								
	Available for sale	Loan & Receivable	Other financial assets	Other financial liabilities	Total	Fair value measurement using			Total
						Level 1	Level 2	Level 3	
Financial liabilities not measured at fair value									
Premiums received in advance	-	-	-	(21 577)	(21 577)	-	-	-	-
Provision for outstanding claims including (IBNR)*	-	-	-	(6 299 152)	(6 299 152)	-	-	-	-
Amount due to other insurers / reinsurers*	-	-	-	(4 816 290)	(4 816 290)	-	-	-	-
Accrued expenses*	-	-	-	(193 226)	(193 226)	-	-	-	-
Agent balances	-	-	-	(733 876)	(733 876)	-	-	-	-
Other creditors and accruals*	-	-	-	(159 179)	(159 179)	-	-	-	-
Other deposits *	-	-	-	(585 093)	(585 093)	-	-	-	-
unclaimed dividend*	-	-	-	(179 398)	(179 398)	-	-	-	-
Total liabilities of Window Takaful Operations - Operator's Fund*	-	-	-	(38 385)	(38 385)	-	-	-	-
	22 424 190	8 095 055	1 907 501	(13 026 176)	19 400 570	18 419 462	7 923 092	-	26 342 554

Rupees '000

	For the year ended 31 December 2016 (Audited)								
	Available for sale	Loan & Receivable	Other financial assets	Other financial liabilities	Total	Fair value measurement using			Total
						Level 1	Level 2	Level 3	
Financial assets not measured at fair value									
Cash and bank balances*	-	-	1 867 466	-	1 867 466	-	-	-	-
Loans to employees*	-	2 258	-	-	2 258	-	-	-	-
Investments									
Investment in associates	11 949 485	-	-	-	11 949 485	9 285 042	-	-	9 285 042
Government securities	5 191 510	-	-	-	5 191 510	-	5 264 392	-	5 264 392
Quoted equity securities / mutual funds	3 195 534	-	-	-	3 195 534	9 493 420	-	-	9 493 420
Premium due but unpaid*	-	3 980 010	-	-	3 980 010	-	-	-	-
Amount due from other insurers / reinsurers*	-	17 862	-	-	17 862	-	-	-	-
Accrued investment income*	-	173 970	-	-	173 970	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	3 424 617	-	-	3 424 617	-	-	-	-
Security deposits*	-	8 758	-	-	8 758	-	-	-	-
Sundry receivables*	-	57 802	-	-	57 802	-	-	-	-
Total assets of Window Takaful Operations - Operator's Fund*	20 590	61 213	56 350	-	138 153	20 447	-	-	20 447
	20 357 119	7 726 490	1 923 816	-	30 007 425	18 798 909	5 264 392	-	24 063 301

Rupees '000

For the year ended 31 December 2016 (Audited)

	Available for sale	Loan & Receivable	Other financial assets	Other financial liabilities	Total	Fair value measurement using			
						Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value									
Premium received in advance	-	-	-	(4 597)	(4 597)	-	-	-	-
Provision for outstanding claims including (IBNR)*	-	-	-	(5 415 030)	(5 415 030)	-	-	-	-
Amount due to other insurers / reinsurers*	-	-	-	(3 584 545)	(3 584 545)	-	-	-	-
Accrued expenses*	-	-	-	(235 112)	(235 112)	-	-	-	-
Agent balances*	-	-	-	(573 490)	(573 490)	-	-	-	-
Other creditors and accruals*	-	-	-	(237 785)	(237 785)	-	-	-	-
Other deposits *	-	-	-	(583 291)	(583 291)	-	-	-	-
unclaimed dividend*	-	-	-	(159 020)	(159 020)	-	-	-	-
Total liabilities of Window Takaful Operations - Operator's Fund*	-	-	-	(21 038)	(21 038)	-	-	-	-
	<u>20 357 119</u>	<u>7 726 490</u>	<u>1 923 816</u>	<u>(10 813 908)</u>	<u>19 193 517</u>	<u>18 798 909</u>	<u>5 264 392</u>	<u>-</u>	<u>24 063 301</u>

*The company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

15. General

15.1 Corresponding figures have been re-arranged and reclassified, wherever necessary, to facilitate comparisons. No significant reclassifications were made during the current period except for following:

Reclassified from	Reclassified to	Rupees in '000
General & Administrative Expenses	Management Expenses	810 871

15.2 Figures have been rounded off to the nearest thousand rupees.

16. Date of authorisation for issue of condensed interim financial statements

These condensed interim financial statements were authorised for issue by the Board of Directors in its meeting held on 28 October 2017.

TAHER G. SACHAK
Director

MUNEER R. BHIMJEE
Director

ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2017

Condensed Interim Financial Statements
Window Takaful Operations
For the nine months period ended 30 September 2017 (Unaudited)

EFU General Insurance Limited – Window Takaful Operations
Condensed Interim Balance Sheet
As at 30 September 2017 (Unaudited)

Note	30 September 2017 (Unaudited)			31 December 2016 (Audited) Aggregate
	Operator's Fund	Participants' Takaful Fund	Aggregate	
Operator's Fund				
Statutory Fund	100 000	–	100 000	100 000
Accumulated Profit	29 851	–	29 851	2 790
	129 851	–	129 851	102 790
Waqf / Participants' Takaful Fund				
Cede money	–	500	500	500
Accumulated surplus	–	123 547	123 547	28 309
	–	124 047	124 047	28 809
Qard-e-hasna	–	85 000	85 000	85 000
Underwriting provisions				
Provision for outstanding claims (including IBNR)	–	318 657	318 657	210 412
Provision for unearned contribution	–	816 742	816 742	537 429
Unearned retakaful rebate	–	22 925	22 925	12 360
Total underwriting provisions	–	1 158 324	1 158 324	760 201
Creditors and accruals				
Contributions received in advance	–	1 743	1 743	596
Amounts due to other takaful / retakaful operator	–	142 274	142 274	42 311
Unearned wakala fees	203 487	–	203 487	112 677
Wakala fees payable	–	143 095	143 095	58 047
Modarib fees payable	–	1 018	1 018	1 117
Accrued expenses	1 364	–	1 364	1 325
Agent balances	36 841	–	36 841	19 547
Other creditors and accruals	180	28 188	28 368	18 742
Payable to EFU General Insurance Limited 5	42 841	–	42 841	30 848
	284 713	316 318	601 031	285 210
Total liabilities	284 713	1 559 642	1 844 355	1 130 411
Total equity and liabilities	414 564	1 683 689	2 098 253	1 262 010

Rupees '000

30 September 2017 (Unaudited)				
Note	Operator's Fund	Participants' Takaful Fund	Aggregate	31 December 2016 (Audited) Aggregate
Cash and bank deposits				
	33	976	1 009	468
	45 509	262 842	308 351	151 153
	40 000	97 500	137 500	109 000
	85 542	361 318	446 860	260 621
Investments	30 599	548 003	578 602	400 620
Qard-e-hasna	85 000	–	85 000	85 000
Current assets - others				
	–	258 097	258 097	167 944
	3 186	156	3 342	764
	–	20 740	20 740	5 195
	328	3 738	4 066	2 874
	–	105 098	105 098	38 780
	58 280	–	58 280	38 477
	143 095	–	143 095	58 047
	1 018	–	1 018	1 117
	–	203 487	203 487	112 677
	2 613	4 398	7 011	2 088
	422	175 253	175 675	81 856
	301	–	301	301
	319	3 401	3 720	1 040
	209 562	774 368	983 930	511 160
Fixed assets - tangible				
	1 692	–	1 692	1 934
	2 169	–	2 169	2 675
	3 861	–	3 861	4 609
Total assets	414 564	1 683 689	2 098 253	1 262 010

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

TAHER G. SACHAK
Director

MUNEER R. BHIMJEE
Director

ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2017

EFU General Insurance Limited – Window Takaful Operations
Condensed Interim Profit and Loss Account
For the nine months period ended 30 September 2017 (Unaudited)

Rupees '000

	Three months period ended 30 September					(Restated)	
	Fire & property damage	Marine, aviation & transport	Motor	Others	Treaty	Aggregate 2017	Aggregate 2016
PTF Revenue Account							
Net contribution revenue	3 632	950	271 228	167	–	275 977	173 255
Wakala expense	(7 457)	(2 261)	(65 267)	(3 986)	–	(78 971)	(50 698)
Net claims	(5 273)	(55)	(135 262)	(4 249)	–	(144 839)	(100 715)
Direct expenses	(7)	(2)	(43 423)	(13)	–	(43 445)	(24 672)
Retakaful rebate	4 772	1 239	–	1 949	–	7 960	6 675
Underwriting results	(4 333)	(129)	27 276	(6 132)	–	16 682	3 845
Investment income						499	1 292
Profit on deposits						3 854	2 139
Modarib's share on profit on deposits						(964)	(535)
Exchange loss						(7)	–
						3 382	2 896
Surplus for the period						20 064	6 741
OPF Revenue Account							
Wakala fee	7 457	2 261	65 267	3 986	–	78 971	50 698
Management expenses	(6 372)	(1 960)	(35 675)	(2 739)	–	(46 746)	(28 546)
Commission expense	(3 957)	(1 161)	(19 471)	(655)	–	(25 244)	(13 893)
	(2 872)	(860)	10 121	592	–	6 981	8 259
Investment (loss) / income						(249)	436
Profit on deposits						867	477
Modarib's share of PTF profit on deposits						964	535
General and administration expenses						(113)	(10)
						1 469	1 438
Profit for the period						8 450	9 697
Nine months period ended 30 September							
PTF Revenue Account							
Net contribution revenue	9 172	2 641	727 463	21 395	–	760 671	363 120
Wakala expense	(19 888)	(6 225)	(165 372)	(16 006)	–	(207 491)	(111 641)
Net claims	(8 046)	(44)	(352 581)	(6 309)	–	(366 980)	(178 873)
Direct expenses	(10)	(3)	(131 921)	(24)	–	(131 958)	(102 340)
Retakaful rebate	12 918	3 407	–	4 951	–	21 276	13 247
Underwriting results	(5 854)	(224)	77 589	4 007	–	75 518	(16 487)
Investment income						13 105	2 471
Profit on deposits						8 836	4 640
Modarib's share on profit on deposits						(2 209)	(1 160)
Exchange loss						(12)	–
						19 720	5 951
Surplus / (deficit) for the period						95 238	(10 536)
Accumulated Surplus							
Balance at the beginning of the period						28 309	8 039
Surplus / (deficit) for the period						95 238	(10 536)
Balance at the end of the period						123 547	(2 497)
OPF Revenue Account							
Wakala fee	19 888	6 225	165 372	16 006	–	207 491	111 641
Management expenses	(16 797)	(5 315)	(89 880)	(10 025)	–	(122 017)	(88 949)
Commission expense	(10 567)	(3 027)	(50 666)	(2 981)	–	(67 241)	(28 259)
	(7 476)	(2 117)	24 826	3 000	–	18 233	(5 567)
Investment income						5 029	3 192
Profit on deposits						2 123	1 722
Modarib's share of PTF profit on deposits						2 209	1 160
General and administration expenses						(533)	(310)
						8 828	5 764
Profit for the period						27 061	197

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

TAHER G. SACHAK Director	MUNEER R. BHIMJEE Director	ALTAF GOKAL Chief Financial Officer & Corporate Secretary	HASANALI ABDULLAH Managing Director & Chief Executive	SAIFUDDIN N. ZOOMKAWALA Chairman
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Karachi 28 October 2017

EFU General Insurance Limited – Window Takaful Operations
 Condensed Interim Statement of Comprehensive Income
 For the nine months period ended 30 September 2017 (Unaudited)

2017
 THIRD QUARTER

Rupees '000

	Three months period ended 30 September		Nine months period ended 30 September	
	2017	2016	2017	2016
Operator's Fund				
Profit for the period	8 450	9 697	27 061	197
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income for the period	<u>8 450</u>	<u>9 697</u>	<u>27 061</u>	<u>197</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

TAHER G. SACHAK
 Director

MUNEER R. BHIMJEE
 Director

ALTAF GOKAL
 Chief Financial Officer &
 Corporate Secretary

HASANALI ABDULLAH
 Managing Director &
 Chief Executive

SAIFUDDIN N. ZOOMKAWALA
 Chairman

Karachi 28 October 2017

EFU General Insurance Limited – Window Takaful Operations
Condensed Interim Statement of Changes in Funds
For the nine months period ended 30 September 2017 (Unaudited)

Rupees '000

	Operator's Fund		
	Statutory fund	Accumulated profit / (loss)	Total
Balance as at 1 January 2016	50 000	(3 127)	46 873
Contribution made during the period	50 000	–	50 000
Total comprehensive income / (loss) for the period ended 30 September 2016			
Profit for the period	–	197	197
Balance as at 30 September 2016	<u>100 000</u>	<u>(2 930)</u>	<u>97 070</u>
Balance as at 1 January 2017	100 000	2 790	102 790
Total comprehensive income / (loss) for the period ended 30 September 2017			
Profit for the period	–	27 061	27 061
Balance as at 30 September 2017	<u>100 000</u>	<u>29 851</u>	<u>129 851</u>

	Participants' Takaful Fund		
	Cede money	Accumulated surplus / (deficit)	Total
Balance as at 1 January 2016 (Restated)	500	8 039	8 539
Deficit for the period	–	(10 536)	(10 536)
Balance as at 30 September 2016	<u>500</u>	<u>(2 497)</u>	<u>(1 997)</u>
Balance as at 1 January 2017	500	28 309	28 809
Surplus for the period	–	95 238	95 238
Balance as at 30 September 2017	<u>500</u>	<u>123 547</u>	<u>124 047</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

TAHER G. SACHAK
Director

MUNEER R. BHIMJEE
Director

ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2017

EFU General Insurance Limited – Window Takaful Operations
Condensed Interim Statement of Cash Flows
For the nine months period ended 30 September 2017 (Unaudited)

2017
THIRD QUARTER

Rupees '000
(Restated)

	Operator's Fund	Participants' Takaful Fund	Aggregate 2017	Aggregate 2016
Operating activities				
a) Takaful activities				
Contributions received	–	1 093 632	1 093 632	715 918
Retakaful contributions paid	–	(88 648)	(88 648)	(90 842)
Claims paid	–	(371 490)	(371 490)	(85 168)
Retakaful and other recoveries received	–	30 825	30 825	18 671
Commissions paid	(69 749)	–	(69 749)	(36 945)
Retakaful rebate received	–	31 841	31 841	19 669
Wakala fees received / (paid)	213 253	(213 253)	–	–
Management expenses	(121 247)	(131 958)	(253 205)	(190 262)
Net cash inflow from takaful activities	22 257	350 949	373 206	351 041
b) Other operating activities				
Income tax paid	(1 500)	(3 424)	(4 924)	(1 592)
General and administration expenses	(496)	–	(496)	(160)
Other operating payments	(2 212)	(50 840)	(53 052)	(11 702)
Other operating receipts	12 006	9 600	21 606	23 204
Net cash inflow / (outflow) from other operating activities	7 798	(44 664)	(36 866)	9 750
Total cash inflow from all operating activities	30 055	306 285	336 340	360 791
Investment activities				
Profit / return received	1 969	14 446	16 415	7 053
Dividends received	1 076	12 079	13 155	2 282
Modarib fee received / (paid)	6 677	(6 677)	–	–
Payments for investments	(31 408)	(577 622)	(609 030)	(686 857)
Proceeds from disposal of investments	20 844	408 536	429 380	362 889
Fixed capital expenditures	(21)	–	(21)	(1 366)
Total cash outflow from investing activities	(863)	(149 238)	(150 101)	(315 999)
Financing activities				
Contribution to the operator's fund	–	–	–	50 000
Net cash inflow from all activities	29 192	157 047	186 239	94 792
Cash at the beginning of the period	56 350	204 271	260 621	138 351
Cash at the end of the period	85 542	361 318	446 860	233 143
Reconciliation to profit and loss account				
Operating cash flows	30 055	306 285	336 340	360 791
Depreciation expense	(770)	–	(770)	(611)
Investment income	5 029	13 105	18 134	5 663
Profit on deposits	4 332	6 627	10 959	6 362
Increase in assets other than cash	108 564	363 115	471 679	356 581
Increase in liabilities other than running finance	(120 149)	(593 894)	(714 043)	(739 125)
Profit / (loss) for the period	27 061	95 238	122 299	(10 339)
Attributed to				
Operator's Fund	27 061	–	27 061	197
Participants' Takaful Fund	–	95 238	95 238	(10 536)
	27 061	95 238	122 299	(10 339)
Definition of cash				
Cash for the purposes of the statement of cash flows consists of:				
Cash and other equivalents	33	976	1 009	775
Current and other accounts	45 509	262 842	308 351	182 368
Deposits maturing within 12 months	40 000	97 500	137 500	50 000
	85 542	361 318	446 860	233 143

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

TAHER G. SACHAK Director	MUNEER R. BHIMJEE Director	ALTAF GOKAL Chief Financial Officer & Corporate Secretary	HASANALI ABDULLAH Managing Director & Chief Executive	SAIFUDDIN N. ZOOMKAWALA Chairman
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Karachi 28 October 2017

EFU General Insurance Limited – Window Takaful Operations
Condensed Interim Statement of Contributions
For the nine months period ended 30 September 2017 (Unaudited)

Rupees '000

Class	Three months period ended 30 September									Net contribution revenue 2017	Net contribution revenue 2016
	Contribution				Retakaful				Retakaful expense		
	Written	Unearned contribution reserve		Earned	Retakaful ceded	Prepaid retakaful contribution ceded					
	Opening	Closing		Opening	Closing						
Direct and facultative											
Fire and property damage	63 986	45 457	79 614	29 829	56 918	40 213	70 934	26 197	3 632	2 430	
Marine, aviation and transport	9 093	3 866	6 501	6 458	7 836	3 337	5 665	5 508	950	492	
Motor	364 136	572 170	659 424	276 882	5 654	-	-	5 654	271 228	166 958	
Miscellaneous	57 024	30 125	71 203	15 946	38 703	19 232	42 156	15 779	167	3 375	
Total	494 239	651 618	816 742	329 115	109 111	62 782	118 755	53 138	275 977	173 255	
Treaty - proportional	-	-	-	-	-	-	-	-	-	-	
Grand total	494 239	651 618	816 742	329 115	109 111	62 782	118 755	53 138	275 977	173 255	

Class	Nine months period ended 30 September									Net contribution revenue 2017	Net contribution revenue 2016
	Contribution				Retakaful				Retakaful expense		
	Written	Unearned contribution reserve		Earned	Retakaful ceded	Prepaid retakaful contribution ceded					
	Opening	Closing		Opening	Closing						
Direct and facultative											
Fire and property damage	112 103	47 065	79 614	79 554	99 841	41 475	70 934	70 382	9 172	5 307	
Marine, aviation and transport	20 183	4 102	6 501	17 784	17 248	3 560	5 665	15 143	2 641	1 152	
Motor	963 850	437 536	659 424	741 962	14 499	-	-	14 499	727 463	339 338	
Miscellaneous	86 501	48 726	71 203	64 024	57 023	27 762	42 156	42 629	21 395	17 323	
Total	1 182 637	537 429	816 742	903 324	188 611	72 797	118 755	142 653	760 671	363 120	
Treaty - proportional	-	-	-	-	-	-	-	-	-	-	
Grand total	1 182 637	537 429	816 742	903 324	188 611	72 797	118 755	142 653	760 671	363 120	

Note: Contributions written includes administrative surcharge of Rs. 204 million (30 September 2016 : Rs. 166 million)

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

TAHER G. SACHAK
Director

MUNEER R. BHIMJEE
Director

ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2017

EFU General Insurance Limited – Window Takaful Operations
Condensed Interim Statement of Claims
For the nine months period ended 30 September 2017 (Unaudited)

2017
THIRD QUARTER

Rupees '000

Class	Three months period ended 30 September								Net Claims expense 2017	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	1 979	25 412	75 945	52 512	1 778	22 793	68 254	47 239	5 273	612
Marine, aviation and transport	1 932	5 357	3 974	549	1 739	4 822	3 577	494	55	442
Motor	98 959	165 414	201 717	135 262	-	-	-	-	135 262	98 971
Miscellaneous	6 197	19 541	37 021	23 677	3 746	17 585	33 267	19 428	4 249	690
Total	109 067	215 724	318 657	212 000	7 263	45 200	105 098	67 161	144 839	100 715
Treaty - proportional	-	-	-	-	-	-	-	-	-	-
Grand total	109 067	215 724	318 657	212 000	7 263	45 200	105 098	67 161	144 839	100 715
	Nine months period ended 30 September									
Direct and facultative										
Fire and property damage	24 287	20 447	75 945	79 785	21 841	18 356	68 254	71 739	8 046	2 121
Marine, aviation and transport	3 657	7 187	3 974	444	3 291	6 468	3 577	400	44	507
Motor	318 318	167 454	201 717	352 581	-	-	-	-	352 581	174 997
Miscellaneous	9 684	15 324	37 021	31 381	5 761	13 956	33 267	25 072	6 309	1 248
Total	355 946	210 412	318 657	464 191	30 893	38 780	105 098	97 211	366 980	178 873
Treaty - proportional	-	-	-	-	-	-	-	-	-	-
Grand total	355 946	210 412	318 657	464 191	30 893	38 780	105 098	97 211	366 980	178 873

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

TAHER G. SACHAK
Director

MUNEER R. BHIMJEE
Director

ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2017

EFU General Insurance Limited – Window Takaful Operations
Condensed Interim Statement of Expenses - OPF
For the nine months period ended 30 September 2017 (Unaudited)

Rupees '000

Class	Three months period ended 30 September					Net OPF expenses 2017	Net OPF expenses 2016
	Paid or payable	Commission		Net expense	Other management expenses		
		Opening	Closing				
Direct and facultative							
Fire and property damage	8 934	5 890	10 867	3 957	6 372	10 329	4 703
Marine, aviation and transport	1 677	628	1 144	1 161	1 960	3 121	1 869
Motor	23 916	40 366	44 811	19 471	35 675	55 146	30 982
Miscellaneous	749	1 364	1 458	655	2 739	3 394	4 885
Total	35 276	48 248	58 280	25 244	46 746	71 990	42 439
Treaty - proportional	–	–	–	–	–	–	–
Grand total	35 276	48 248	58 280	25 244	46 746	71 990	42 439

Class	Nine months period ended 30 September					Net OPF expenses 2017	Net OPF expenses 2016
	Paid or payable	Commission		Net expense	Other management expenses		
		Opening	Closing				
Direct and facultative							
Fire and property damage	15 128	6 306	10 867	10 567	16 797	27 364	19 870
Marine, aviation and transport	3 486	685	1 144	3 027	5 315	8 342	4 942
Motor	66 498	28 979	44 811	50 666	89 880	140 546	79 778
Miscellaneous	1 932	2 507	1 458	2 981	10 025	13 006	12 618
Total	87 044	38 477	58 280	67 241	122 017	189 258	117 208
Treaty - proportional	–	–	–	–	–	–	–
Grand total	87 044	38 477	58 280	67 241	122 017	189 258	117 208

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

TAHER G. SACHAK
Director

MUNEER R. BHIMJEE
Director

ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary

HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2017

EFU General Insurance Limited – Window Takaful Operations
Condensed Interim Statement of Expenses - PTF
For the nine months period ended 30 September 2017 (Unaudited)

2017
THIRD QUARTER

Rupees '000
(Restated)

Class	Three months period ended 30 September						Net PTF expenses	Net PTF expenses
	Gross wakala fee	Deferred wakala fee		Net expense	PTF Direct expenses	Rebate from retakaful operators	2017	2016
		Opening	Closing					
Direct and facultative								
Fire and property damage	15 997	11 364	19 904	7 457	7	4 772	2 692	1 822
Marine, aviation and transport	3 183	1 353	2 275	2 261	2	1 239	1 024	537
Motor	91 081	137 693	163 507	65 267	43 423	–	108 690	62 989
Miscellaneous	14 256	7 531	17 801	3 986	13	1 949	2 050	3 347
Total	124 517	157 941	203 487	78 971	43 445	7 960	114 456	68 695
Treaty - proportional	–	–	–	–	–	–	–	–
Grand total	124 517	157 941	203 487	78 971	43 445	7 960	114 456	68 695

Nine months period ended 30 September								
Direct and facultative								
Fire and property damage	28 026	11 766	19 904	19 888	10	12 918	6 980	3 904
Marine, aviation and transport	7 064	1 436	2 275	6 225	3	3 407	2 821	1 216
Motor	241 586	87 293	163 507	165 372	131 921	–	297 293	186 447
Miscellaneous	21 625	12 182	17 801	16 006	24	4 951	11 079	9 167
Total	298 301	112 677	203 487	207 491	131 958	21 276	318 173	200 734
Treaty - proportional	–	–	–	–	–	–	–	–
Grand total	298 301	112 677	203 487	207 491	131 958	21 276	318 173	200 734

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

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

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Chairman

Karachi 28 October 2017

EFU General Insurance Limited – Window Takaful Operations
Condensed Interim Statement of Investment Income
For the nine months period ended 30 September 2017 (Unaudited)

Rupees '000

	Three months period ended 30 September		Nine months period ended 30 September	
	2017	2016	2017	2016
Participants' Takaful Fund				
Return on government securities - Ijara sukuk	4 113	1 449	7 196	1 485
Amortisation of premium relative to par	(305)	(82)	(689)	(86)
Dividend income	–	–	12 079	469
(Loss) / gain on sale of non - trading investments	(3 142)	356	(1 112)	1 427
	666	1 723	17 474	3 295
Modarib's share on investment income	(167)	(431)	(4 369)	(824)
Net investment income	499	1 292	13 105	2 471
Operator's Fund				
Return on government securities - Ijara sukuk	143	–	143	–
Amortisation of premium relative to par	(3)	–	(3)	–
Dividend income	–	–	1 076	1 812
(Loss) / gain on sale of non - trading investments	(556)	5	(556)	556
Modarib's share of PTF investment income	167	431	4 369	824
Net investment (loss) / income	(249)	436	5 029	3 192

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

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Chairman

Karachi 28 October 2017

EFU General Insurance Limited – Window Takaful Operations

Notes to the Condensed Interim Financial Statements

For the nine months period ended 30 September 2017 (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 Insurance Rules, 2017, 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 nine months period ended 30 September 2017 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 Insurance Rules, 2017 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 have been followed.

During the period, Securities and Exchange Commission of Pakistan ("SECP") has issued Insurance Accounting Regulations, 2017 which were applicable with effect from 9 February 2017. However, the Operator applied for the extension relating to the applicability of the said regulations for preparation of the condensed interim financial statements for the period ended 30 September 2017 and financial statements for the year ended 31 December 2017 which was allowed by SECP vide letter ID/OSM/EFU/2017/12093, dated 27 September 2017. Hence, the condensed interim financial statements for the period ended 30 September 2017 are prepared in accordance with the requirements of SEC (Insurance) Rules, 2002.

Major impact in accordance with the format prescribed by SEC Insurance Rules, 2017 is on presentation and disclosure of financial statements as per Annexure II of SEC Insurance Rules, 2017 and on valuation of available-for-sale investments the impact of which has been disclosed in note 6.1.2 and 6.2.2.

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 2016.

2.3. The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the SECP vide circular no 23 dated 04 October 2017, these condensed interim financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

3. Significant accounting policies

3.1. The accounting policies and the methods of computation adopted by the Operator in the preparation of this condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Operator for the year ended 31 December 2016.

3.2. During the period certain standards became effective; however, they do not have material effect on these condensed interim financial statements of the Operator.

4. Financial risk management / judgements and estimates

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Operator for the year ended 31 December 2016.

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 2016.

5. Payable to EFU General Insurance Limited

This represents payable in respect of expenses incurred by EFU General Insurance Limited on behalf of Operator.

6. Investments

6.1 Investments - OPF

Rupees '000

	Note	30 September 2017 (Unaudited)	31 December 2016 (Audited)
Available for sale	6.1.1 & 6.1.2		
Mutual funds		–	20 590
Fixed income securities			
Government securities - Ijara sukuk XVII		30 599	–
		<u>30 599</u>	<u>20 590</u>

6.1.1 The market value of available for sale investments as on 30 September 2017 was Rs. 30.50 million (31 December 2016: Rs. 20.45 million).

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 30 September 2017 would have been lower by Rs. 0.10 million (31 December 2016: lower by Rs. 0.14 million).

6.2 Participants' Takaful Funds

Rupees '000

	Note	30 September 2017 (Unaudited)	31 December 2016 (Audited)
Available for sale	6.2.1 & 6.2.2		
Mutual funds		–	279 085
Fixed income securities			
Government securities - Ijara sukuk XVII		548 003	100 945
		<u>548 003</u>	<u>380 030</u>

6.2.1 The market value of available for sale investments as on 30 September 2017 was Rs. 546.79 million (31 December 2016: Rs. 385.67 million).

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 30 September 2017 would have been lower by Rs. 1.21 million (31 December 2016: higher by Rs. 5.64 million).

7. Fixed assets - tangible - OPF

The details of additions and disposals during the nine months period ended 30 September 2017 are as follows:

Rupees '000

	Additions (at cost)		Disposals (at net book value)	
	30 September 2017 (Unaudited)	30 September 2016 (Unaudited)	30 September 2017 (Unaudited)	30 September 2016 (Unaudited)
Tangible				
Furniture and fixtures	21	60	–	–
Computers	–	195	–	–
Vehicles	–	1 111	–	–
	<u>21</u>	<u>1 366</u>	<u>–</u>	<u>–</u>

8. Operating segment

8.1 Operator's Fund

Rupees '000

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Treaty		Total	
	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)
Corporate segment assets	32 086	15 751	4 942	3 148	146 750	73 668	20 782	4 632	–	–	204 560	97 199
Corporate unallocated assets											210 004	170 154
Total assets											<u>414 564</u>	<u>267 353</u>
Corporate segment liabilities	29 153	16 411	4 222	2 781	186 343	99 027	20 611	14 003	–	–	240 329	132 222
Corporate unallocated liabilities											44 384	32 341
Total liabilities											<u>284 713</u>	<u>164 563</u>
Capital expenditures											<u>21</u>	<u>1 366</u>
Unallocated depreciation											<u>770</u>	<u>611</u>
Total depreciation											<u>770</u>	<u>611</u>

8.2 Participants' Takaful Fund

Rupees '000

	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Treaty		Total	
	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)
Corporate segment assets	204 943	91 393	16 989	16 346	372 748	321 205	111 653	60 640	–	–	706 333	489 584
Corporate unallocated assets											977 356	505 073
Total assets											<u>1 683 689</u>	<u>994 657</u>
Corporate segment liabilities	242 990	92 371	25 772	18 670	989 996	659 000	186 678	78 755	–	–	1 445 436	848 796
Corporate unallocated liabilities											114 206	117 052
Total liabilities											<u>1 559 642</u>	<u>965 848</u>

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

		Three months period ended 30 September		Nine months period ended 30 September	
		2017	2016	2017	2016
9.1	Operator's Fund				
	Transactions				
	Others				
	Expenses paid	–	–	2	–
9.2	Participants' Takaful Funds				
	Transactions				
	Key management personnel				
	Contributions written	–	–	70	43
	Claim paid	–	54	3	108
	Others				
	Investments made	–	–	29 944	–
	Investments sold	29 944	–	59 944	–

10. Fair value

10.1 IFRS 13 defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

10.2 All assets and liabilities for which fair value is measured or disclosed in the condensed interim financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Following are the assets where fair value is only disclosed and is different from their carrying value:

10.2.1 Operator's Fund

Rupees '000

	Nine months period ended 30 September 2017 (Unaudited)								
	Available for sale	Loan & Receivable	Other financial assets	Other financial liabilities	Total	Fair value measurement using			Total
						Level 1	Level 2	Level 3	
Financial assets not measured at fair value									
Cash and bank balances*	–	–	85 542	–	85 542	–	–	–	–
Investments									
Ijara Sukuk	30 599	–	–	–	30 599	–	30 497	–	30 497
Amount due from other takaful / retakaful operator*	–	3 186	–	–	3 186	–	–	–	–
Accrued investment income*	–	328	–	–	328	–	–	–	–
Wakala fees receivable*	–	143 095	–	–	143 095	–	–	–	–
Modarib fees receivable*	–	1 018	–	–	1 018	–	–	–	–
Security deposits*	–	301	–	–	301	–	–	–	–
Sundry receivables*	–	319	–	–	319	–	–	–	–
	30 599	148 247	85 542	–	264 388	–	30 497	–	30 497
Financial liabilities not measured at fair value									
Accrued expenses*	–	–	–	(1 364)	(1 364)	–	–	–	–
Agent balances*	–	–	–	(36 841)	(36 841)	–	–	–	–
Other creditors and accruals*	–	–	–	(180)	(180)	–	–	–	–
	30 599	148 247	85 542	(38 385)	226 003	–	30 497	–	30 497

Rupees '000

For the year ended 31 December 2016 (Audited)

	Available for sale	Loan & Receivable	Other financial assets	Other financial liabilities	Total	Fair value measurement using			
						Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value									
Cash and bank balances*	-	-	56 350	-	56 350	-	-	-	-
Investments									
Mutual funds	20 590	-	-	-	20 590	20 447	-	-	20 447
Amount due from other takaful / retakaful operator*	-	675	-	-	675	-	-	-	-
Accrued investment income*	-	33	-	-	33	-	-	-	-
Wakala fees receivable*	-	58 047	-	-	58 047	-	-	-	-
Modarib fees receivable*	-	1 117	-	-	1 117	-	-	-	-
Security deposits*	-	301	-	-	301	-	-	-	-
Sundry receivables*	-	1 040	-	-	1 040	-	-	-	-
	20 590	61 213	56 350	-	138 153	20 447	-	-	20 447
Financial liabilities not measured at fair value									
Accrued expenses*	-	-	-	(1 325)	(1 325)	-	-	-	-
Agent balances*	-	-	-	(19 547)	(19 547)	-	-	-	-
Other creditors and accruals*	-	-	-	(166)	(166)	-	-	-	-
	20 590	61 213	56 350	(21 038)	117 115	20 447	-	-	20 447

* The Operator has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

10.2.2 Participants' Takaful Fund

Rupees '000

Nine months period ended 30 September 2017 (Unaudited)

	Available for sale	Loan & Receivable	Other financial assets	Other financial liabilities	Total	Fair value measurement using			
						Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value									
Cash and bank balances*	-	-	361 318	-	361 318	-	-	-	-
Investments									
Ijara Sukuk	548 003	-	-	-	548 003	-	546 789	-	546 789
Contribution due but unpaid – net*	-	258 097	-	-	258 097	-	-	-	-
Amount due from other takaful / retakaful operator*	-	156	-	-	156	-	-	-	-
Accrued investment income*	-	3 738	-	-	3 738	-	-	-	-
Retakaful recoveries against outstanding claims*	-	105 098	-	-	105 098	-	-	-	-
Sundry receivables*	-	3 401	-	-	3 401	-	-	-	-
	548 003	370 490	361 318	-	1 279 811	-	546 789	-	546 789
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*	-	-	-	(318 657)	(318 657)	-	-	-	-
Contributions received in advance*	-	-	-	(1 743)	(1 743)	-	-	-	-
Amount due to other takaful / retakaful operator*	-	-	-	(142 274)	(142 274)	-	-	-	-
Wakala fees payable*	-	-	-	(143 095)	(143 095)	-	-	-	-
Modarib fees payable*	-	-	-	(1 018)	(1 018)	-	-	-	-
Other creditors and accruals*	-	-	-	(28 188)	(28 188)	-	-	-	-
	548 003	370 490	361 318	(634 975)	644 836	-	546 789	-	546 789

Rupees '000

For the year ended 31 December 2016 (Audited)

	Available for sale	Loan & Receivable	Other financial assets	Other financial liabilities	Total	Fair value measurement using			
						Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value									
Cash and bank balances*	-	-	204 271	-	204 271	-	-	-	-
Investments									
Mutual funds	279 085	-	-	-	279 085	283 954	-	-	283 954
Ijara Sukuk	100 945	-	-	-	100 945	-	101 719	-	101 719
Contributions due but unpaid - net*	-	167 944	-	-	167 944	-	-	-	-
Amount due from other takaful / retakaful operator*	-	89	-	-	89	-	-	-	-
Accrued investment income*	-	2 841	-	-	2 841	-	-	-	-
Retakaful recoveries against outstanding claims*	-	38 780	-	-	38 780	-	-	-	-
	<u>380 030</u>	<u>209 654</u>	<u>204 271</u>	<u>-</u>	<u>793 955</u>	<u>283 954</u>	<u>101 719</u>	<u>-</u>	<u>385 673</u>
Financial liabilities not measured at fair value									
Outstanding claims including IBNR*	-	-	-	(210 412)	(210 412)	-	-	-	-
Contributions received in advance*	-	-	-	(596)	(596)	-	-	-	-
Amounts due to other takaful / retakaful operator*	-	-	-	(42 311)	(42 311)	-	-	-	-
Wakala fees payable*	-	-	-	(58 047)	(58 047)	-	-	-	-
Modarib fees payable*	-	-	-	(1 117)	(1 117)	-	-	-	-
Other creditors and accruals*	-	-	-	(18 576)	(18 576)	-	-	-	-
	<u>380 030</u>	<u>209 654</u>	<u>204 271</u>	<u>(331 059)</u>	<u>462 896</u>	<u>283 954</u>	<u>101 719</u>	<u>-</u>	<u>385 673</u>

* The Operator has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

11. General

11.1 Corresponding figures have been rearranged and reclassified, wherever necessary, to facilitate comparisons. No significant reclassifications were made during the current period except for following:

Reclassified from	Reclassified to	Rupees in '000
General & Administrative Expenses	Management Expenses	21 753

11.2 Figures have been rounded off to the nearest thousand rupees.

12. Date of authorisation for issue of condensed interim financial statements

These condensed interim financial statements were authorised for issue by the Board of Directors in its meeting held on 28 October 2017.

TAHER G. SACHAK
Director

MUNEER R. BHIMJEE
Director

ALTAF GOKAL
Chief Financial Officer &
Corporate Secretary


HASANALI ABDULLAH
Managing Director &
Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 28 October 2017



EFU GENERAL INSURANCE LTD.
INSURER FINANCIAL STRENGTH AA+

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